

SCOMM

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Resources Permanent Fund



Alaska State Legislature

1976

Source:

SCS CSSS HJR 39(Resources) am S

HOUSE JOINT RESOLUTION NO. 39

Proposing an amendment to the Alaska Constitution, establishing an Alaska Permanent Fund for certain proceeds derived from non-renewable resources.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. Article IX, sec. 7, Constitution of the State of Alaska, is amended to read:

SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

* Sec. 2. Article IX, Constitution of the State of Alaska, is amended by adding a new section to read:

SECTION 15. ALASKA PERMANENT FUND. At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law.

* Sec. 3. The amendments proposed by this resolution shall be placed before the voters at the next general election in conformity with art. XIII, sec. 1, Constitution of the State of Alaska,

and the election laws of the state.

* Sec. 4. The amendments proposed by this resolution if adopted by the voters at the next general election shall become effective 90 days after the certification of the election returns by the lieutenant governor.

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/21/76
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR SS FOR HOUSE JOINT RESOLUTION NO. 39 (Res) am S

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Alaska Con-
6 stitution, establishing an Alaska Permanent
7 Fund for certain proceeds derived from non-
8 renewable resources.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. Article IX, Section 7, Constitution of the State of Alaska,
11 is amended to read:

12 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
13 license shall not be dedicated to any special purpose, except as pro-
14 vided in section 15 of this article or when required by the federal
15 government for state participation in federal programs. This provision
16 shall not prohibit the continuance of any dedication for special pur-
17 poses existing upon the date of ratification of this section [CONSTITUTION]
18 by the people of Alaska.

19 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended by
20 adding a new section to read:

21 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five per cent
22 of all mineral lease rentals, royalties, royalty sale proceeds, federal
23 mineral revenue sharing payments and bonuses received by the state shall
24 be placed in a permanent fund, the principal of which shall be used only
25 for those income producing investments specifically designated by law as
26 eligible for permanent fund investments. [THE LEGISLATURE MAY APPROPRIATE
27 ADDITIONAL AMOUNTS TO THE PERMANENT FUND WHICH SHALL BECOME A PART
28 OF THE PRINCIPAL OF THE FUND.] All income from the permanent fund shall
29 be deposited in the general fund unless otherwise provided by law.

1 * Sec. 3. The amendments proposed by this resolution shall be placed
2 before the voters at the next general election in conformity with art. XIII,
3 sec. 1, Constitution of the State of Alaska, and the election laws of the
4 state.

5 * Sec. 4. The amendments proposed by this resolution if adopted by the
6 voters at the next general election shall become effective 90 days after the
7 certification of the election returns by the lieutenant governor.

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/21/76
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39(Res)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Alaska Con-
6 stitution, establishing an Alaska Permanent
7 Fund for certain proceeds derived from non-
8 renewable resources.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. Article IX, Section 7, Constitution of the State of Alaska,
11 is amended to read:

12 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
13 license shall not be dedicated to any special purpose, except as pro-
14 vided in section 15 of this article or when required by the federal
15 government for state participation in federal programs. This provision
16 shall not prohibit the continuance of any dedication for special pur-
17 poses existing upon the date of ratification of this constitution by the
18 people of Alaska.

19 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended by
20 adding a new section to read:

21 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five per cent
22 of all mineral lease rentals, royalties, royalty sale proceeds, federal
23 mineral revenue sharing payments and bonuses received by the state shall
24 be placed in a permanent fund, the principal of which shall be used only
25 for those income producing investments specifically designated by law as
26 eligible for permanent fund investments. The legislature may appropriate
27 additional amounts to the permanent fund which shall become a part of
28 the principal of the fund. All income from the permanent fund shall be
29 deposited in the general fund unless otherwise provided by law.

1 * Sec. 3. The amendments proposed by this resolution shall be placed
2 before the voters at the next general election in conformity with art. XIII,
3 sec. 1, Constitution of the State of Alaska, and the election laws of the
4 state.

5 * Sec. 4. The amendments proposed by this resolution if adopted by the
6 voters at the next general election shall become effective 90 days after the
7 certification of the election returns by the lieutenant governor.

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Original sponsor: Rules Committee by Offered: 4/7/76
request of the Governor Referred: Resources

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Alaska Con-
6 stitution, establishing an Alaska Perma-
7 nent Fund for certain proceeds derived
8 from nonrenewable resources.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. Article IX, Section 7, Constitution of the State of Alaska,
11 is amended to read:

12 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
13 license shall not be dedicated to any special purpose, except as pro-
14 vided in section 15 of this article or when required by the federal
15 government for state participation in federal programs. This provision
16 shall not prohibit the continuance of any dedication for special pur-
17 poses existing upon the date of ratification of this constitution by the
18 people of Alaska.

19 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended by
20 adding a new section to read:

21 SECTION 15. ALASKA PERMANENT FUND. Fifty per cent of all the pro-
22 ceeds from mineral lease rentals, royalties, royalty sales, revenue
23 sharing payments and bonuses received by the state and ten per cent of
24 the income from the permanent fund shall be placed in a permanent fund,
25 the principal of which shall be used only for those income producing
26 investments specifically designated by law as eligible for permanent
27 fund investments. The legislature may dedicate additional proceeds both
28 as to source and percentage which shall become a part of the principal
29 of the fund. Any additional dedication may be revoked by the legisla-

1 ture, but revocation may not make the principal amount in the permanent
2 fund subject to appropriation. Other income from the permanent fund
3 shall be deposited in the general fund.

4 * Sec. 3. The amendments proposed by this resolution shall be placed
5 before the voters at the next general election in conformity with art. XIII,
6 sec. 1, Constitution of the State of Alaska, and the election laws of the
7 state.

8 * Sec. 4. The amendments proposed by this resolution if adopted by the
9 voters at the next general election shall become effective 90 days after the
10 certification of the election returns by the lieutenant governor.

Original sponsor: Rules Committee by
request of the Governor

Offered: 3/24/76
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Alaska Con-
6 stitution, establishing an Alaska Permanent
7 Fund for certain proceeds derived from non-
8 renewable resources.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. Article IX, Section 7, Constitution of the State of Alaska,
11 is amended to read:

12 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
13 license shall not be dedicated to any special purpose, except as pro-
14 vided in section 15 of this article or when required by the federal
15 government for state participation in federal programs. This provision
16 shall not prohibit the continuance of any dedication for special pur-
17 poses existing upon the date of ratification of this constitution by the
18 people of Alaska.

19 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended by
20 adding a new section to read:

21 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five per cent
22 of all mineral lease rentals, royalties, royalty sale proceeds, federal
23 mineral revenue sharing payments, bonuses, and all mineral production
24 taxes received by the state shall be placed in a permanent fund, the
25 principal of which shall be used only for those income producing invest-
26 ments specifically designated by law as eligible for permanent fund
27 investments. The legislature may appropriate additional amounts to the
28 permanent fund which shall become a part of the principal of the fund.
29 All income from the permanent fund shall be deposited in the general

1 fund unless otherwise provided by law.

2 * Sec. 3. The amendments proposed by this resolution shall be placed
3 before the voters at the next general election in conformity with art. XIII,
4 sec. 1, Constitution of the State of Alaska, and the election laws of the
5 state.

6 * Sec. 4. The amendments proposed by this resolution if adopted by the
7 voters at the next general election shall become effective 90 days after the
8 certification of the election returns by the lieutenant governor.

Original sponsor: Rules Committee by
request of the Governor

Offered: 3/24/76
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Alaska Con-
6 stitution, establishing an Alaska Permanent
7 Fund for certain proceeds derived from non-
8 renewable resources.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. Article IV, Section 7, Constitution of the State of Alaska,
11 is amended to read:

12 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
13 license shall not be dedicated to any special purpose, except as pro-
14 vided in section 15 of this article or [WHEN REQUIRED] by the federal
15 government for state participation in federal programs. This provision
16 shall not prohibit the continuance of any dedication for special pur-
17 poses existing upon the date of ratification of this constitution by the
18 people of Alaska.

19 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended by
20 adding a new section to read:

21 SECTION 15. ALASKA PERMANENT FUND. Twenty-five per cent of all
22 mineral lease rentals, royalties, royalty sale proceeds, federal mineral,
23 revenue sharing payments, bonuses, and all mineral production taxes
24 received by the state shall be placed in a permanent fund, the principal
25 of which shall be used only for those income producing investments
26 specifically designated by law as eligible for permanent fund invest-
27 ments. The legislature may appropriate additional amounts to the perma-
28 nent fund which shall become a part of the principal of the fund. All
29 income from the permanent fund shall be deposited in the general fund

1 unless otherwise provided by law.

2 * Sec. 3. The amendments proposed by this resolution shall be placed
3 before the voters at the next general election in conformity with art. XIII,
4 sec. 1, Constitution of the State of Alaska, and the election laws of the
5 state.

6 * Sec. 4. The amendments proposed by this resolution if adopted by the
7 voters at the next general election shall become effective 90 days after the
8 certification of the election returns by the lieutenant governor.
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Introduced: 1/15/76
Referred: Finance and
Judiciary

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the
6 Alaska Constitution, establishing
7 a permanent fund for certain pro-
8 ceeds derived from non-renewable
9 resources.

10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. Article IX, Section 7, Constitution of the State of Alaska,
12 is amended to read:

13 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
14 license shall not be dedicated to any special purpose, except as pro-
15 vided in section 15 and except when required by the federal government
16 for state participation in federal programs. This provision shall not
17 prohibit the continuance of any dedication for special purposes exist-
18 ing upon the date of ratification of this constitution by the people
19 of Alaska.

20 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended
21 by adding a new section to read:

22 SECTION 15. PERMANENT FUND. Ten per cent of all mineral lease
23 rentals, royalties, royalty sale proceeds, revenue sharing payments,
24 bonuses, and mineral production taxes received by the state shall be
25 placed in a permanent fund, the principal of which shall be used only
26 for income investments. The legislature may appropriate additional
27 amounts to the permanent fund which shall become a part of the principal
28 of the fund. All income from the permanent fund shall be deposited in
29 the general fund.

1 * Sec. 3. The amendments proposed by this resolution shall be placed
2 before the voters at the next general election in conformity with art.
3 XIII, sec. 1, Constitution of the State of Alaska, and the election laws of
4 the state.

Introduced: 6/6/75
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE JOINT RESOLUTION NO. 39

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Constitution
6 of the State of Alaska to authorize an
7 additional exception for a dedication of
8 revenues.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. Article IX, sec. 7, Constitution of the State of Alaska,
11 is amended to read:

12 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
13 license shall not be dedicated to any special purpose, except when required
14 by the federal government for state participation in federal programs. This
15 provision shall not prohibit the continuance of any dedication for special
16 purposes existing upon the date of ratification of this constitution by the
17 people of Alaska or the dedication of the proceeds of mineral lease bonuses.

18 * Sec. 2. The amendment proposed by this resolution shall be placed
19 before the voters of the state at the next general election in conformity
20 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election
21 laws of the state.

07/16/76

HISTORY OF LEGISLATION

R01-33F-3040

PAGE 0216

HJR_38 RELATING TO THE PROPOSED MOVE OF THE VETERANS ADMINISTRATION TO ANCHORAGE

PRIME SPONSORS: MILLER, M.

CO-SPONSORS: DUNCAN HAUGEN ELIASON FREEMAN GARDINER

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION
05/30/75	01	1497	FIRST READING -- COMMITTEE REPORTS

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
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** 01/12/76 02 0001 EXPIRED AT END OF FIRST SESSION

HJR_39 PROPOSING AN AMENDMENT TO THE ALASKA CONSTITUTION: ESTABLISHING AN ALASKA PERMANENT FUND FOR CERTAIN PROCEEDS DERIVED FROM NON-RENEWABLE RESOURCES

AMENDED TITLE: SCS C555 * (RES) AM 5

PRIME SPONSORS: RULES

BY REQUEST OF: GOVERNOR

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION
06/06/75	01	1652	FIRST READING -- COMMITTEE REPORTS
01/15/76	03	0038	JUD COMM REFERRAL ADDED BY UNAN CONSENT
03/10/76	04	0541	FIN -- DP(AM)06, NR01
03/24/76	05	0683	JUD -- C507
03/25/76	07	0698	SECOND READING
03/25/76	08	0698	JUD CS ADOPTED BY UNAN CONSENT
03/25/76	09	0698	AM01 ADOPTED BY UNAN CONSENT
03/25/76	10	0698	AM02 ADOPTED BY UNAN CONSENT
03/25/76	11	0699	AM03 NOT ADOPTED BY VOICE VOTE
03/25/76	12	0699	AM04 NOT ADOPTED BY VOICE VOTE
03/25/76	13	0699	AM05 NOT ADOPTED BY VOICE VOTE
03/25/76	14	0699	AM06 NOT ADOPTED BY VOICE VOTE
03/25/76	15	0700	ADVANCED TO 3RD READING BY UNAN CONSENT
03/25/76	16	0700	THIRD READING
03/25/76	17	0700	PASSED BY DIV 36-01-03
01/15/76	02	0038	SPONSOR SUBS INTRODUCED
03/24/76	06	0684	JUDICIARY JOINT CHRMN RPT
06/01/76	31	1835	CONCURRED IN SENATE AMS BY VOICE VOTE
06/02/76	32	1863	TRANSMITTED TO GOVERNOR
** 07/02/76	33	1917	READ BY GOVERNOR -- SENT TO LT GOVERNOR

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
03/26/76	18	0644	FIRST READING -- COMMITTEE REPORTS
04/07/76	19	0735	S.A. -- DNP01, CS01, NR01, OTHER02
05/21/76	20	1287	RES -- CS02, NR04
05/26/76	21	1387	REFERRAL RECOMMENDED TO FINANCE
05/26/76	21	1387	FIN -- RES CS02, NR04
05/31/76	22	1590	SECOND READING
05/31/76	23	1590	RES CS ADOPTED BY DIV 18-01-01
05/31/76	24	1590	AM01 ADOPTED BY UNAN CONSENT
05/31/76	25	1591	AM02 ADOPTED BY DIV 13-06-01
05/31/76	26	1591	ADVANCED TO 3RD READING BY UNAN CONSENT
05/31/76	27	1591	THIRD READING
05/31/76	28	1591	PASSED BY DIV 18-01-01
05/31/76	29	1591	NOTICE OF RECONSIDERATION GIVEN
05/31/76	30	1591	PASSED ON RECONSIDERATION BY DIV 18-01-01

HJR HOUSE JOINT RESOLUTION NO. 39 by the Rules Committee by
39 request of the Governor

Proposing an amendment to the Constitution of the State of Alaska to authorize an additional exception for a dedication of revenues

was introduced, read the first time and referred to the Committee on Finance.

The Governor's transmittal letter on HOUSE JOINT RESOLUTION NO. 39 appears as follows:

"June 5, 1975

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

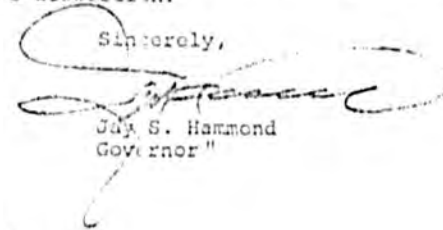
Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a joint resolution for an amendment to the State Constitution.

The proposed amendment would change Article IX, Section 7, of the Constitution to provide an additional exception from the prohibition against dedicated funds to allow the dedication of proceeds from mineral lease bonuses or so-called royalty bonuses.

The effect of the proposed amendment would be to allow the legislature to provide for the dedication of a single source of revenue. It will give the legislature a free hand to establish special funds and provide for their administration. Subsequent legislatures will, of course, be able to alter the funds' administration or purposes as new needs arise or old needs disappear. The per cent of the proceeds to be dedicated is left to the legislature's discretion.

Sincerely,


Jay S. Hammond
Governor

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE RESOLUTIONS

HOUSE CONCURRENT RESOLUTION NO. 61 (paving of a certain portion of the Denali Highway) was read the second time with the State Affairs Committee report (page 1178 of the Journal) and the Finance Committee report (page 1638 of the Journal).

HJR
61

The question being: "Shall HOUSE CONCURRENT RESOLUTION NO. 61 pass the House?" On voice vote, it passed the House and was referred to the Chief Clerk for engrossment.

HOUSE JOINT RESOLUTION NO. 34 (state and federal fishery management arrangements) was read the second time with the Resources Committee report (page 1318 of the Journal).

HJR
34

Mr. Miller moved and asked unanimous consent that HOUSE JOINT RESOLUTION NO. 34 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered and the resolution was read the third time.

The question being: "Shall HOUSE JOINT RESOLUTION NO. 34 pass the House?" The roll was taken with the following result:

Yeas: 23 Anderson, H. Beirne, M. Beirne, Bowman, Bradner, Brown, Buchholdt, Cotten, Cowper, Davis, Duncan, Eliason, Gardiner, Gruening, Guy, Hackney, Hershberger, Itta, McKinnon, Malone, Miller, Naughton, Osterback, Ostrosky, Parker, Parr, Rhode, Smith, Speckling, Sullivan, Swanson, Urion, Wallis.

Nays: 0

Excused: 7 Bradley, Fischer, Freeman, Haugen, Huntington, Kelley, Jaz.

And so, it passed the House and was referred to the Chief Clerk for engrossment.

HOUSE JOINT RESOLUTION NO. 35 (child support programs under P.L. 93-647) was read the second time with the Finance Committee report (page 1283 of the Journal) and the Judiciary Committee report (page 1626 of the Journal).

HJR
35

Mr. Miller moved and asked unanimous consent that HOUSE JOINT RESOLUTION NO. 35 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered and the resolution was read the third time.

FIRST READING AND REFERENCE OF SENATE RESOLUTIONS

SJR SENATE JOINT RESOLUTION NO. 41 amended, by Ray, Ziegler
41 and Meland
am

Requesting amendment of the Organic Act of 1897 to permit management of the national forests in Alaska according to modern silvicultural techniques

was read the first time and referred to the Resources Committee.

COMMUNICATIONS

A letter dated January 13, 1976 to Speaker Bradner from Commissioner Brooks, Department of Fish and Game, was read, enclosing the 1975 Annual Report of activities of the Alaska King Crab Marketing and Quality Control Board. Copies of this report were distributed to each member of the House.

REPORTS OF STANDING COMMITTEES

47 The State Affairs Committee has had HOUSE JOINT RESOLUTION NO. 47 (commending the United States Forest Service for its Alaska Marine Highway Visitor Information Service program) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. McKinnon, Chairman, and concurred in by McKinnon, Wallis, Fischer, H. Reirne, M. Reirne, Miller and Parker.

HOUSE JOINT RESOLUTION NO. 47 appears on today's calendar.

INTRODUCTION, FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

The Governor's transmittal letters appear following the resolution or bill to which each pertains.

29H SENATOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 by the Rules Committee by Request of the Governor

Proposing an amendment to the Alaska Constitution, establishing a permanent fund for certain proceeds derived from non-renewable resources

as introduced, read the first time and referred to the Committee on Finance and Judiciary.

January 15, 1976

SBJR
39

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a sponsor substitute for House Joint Resolution 39, proposing an amendment to the Constitution of the State of Alaska establishing a permanent fund for mineral leasing revenues.

The resolution proposes a constitutional amendment establishing a constitutional permanent fund into which 10 percent of all mineral lease rentals, royalties, royalty sale proceeds, revenue sharing payments, bonuses, and mineral production taxes would automatically be dedicated. The resolution also provides that the legislature may appropriate additional amounts to the permanent fund.

With respect to mineral leasing, the dedication of revenues would be 10 percent of the amount of money initially received by the State. For example, 10 percent of the amount equivalent to the rentals, royalties, and bonuses which must be paid into the Alaska Native Fund would be dedicated to the permanent fund even though it must be paid into the Alaska Native Fund. Also an amount equivalent to the value of royalties taken in kind would not be dedicated, but 10 percent of the proceeds from the sale of royalty taken in kind would be dedicated to the fund. Also, revenue sharing payments which the State receives from federal mineral leasing would be dedicated.

With respect to taxes, 10 percent of all mineral production taxes would be dedicated to the permanent fund. This would include the State's oil and gas properties production tax under AS 43.55 (severance tax), the State's mining license tax under AS 43.65, and the State's oil and gas regulation and conservation tax under AS 43.67 (conservation tax). These taxes would be dedicated to the fund regardless of how they are amended or changed in the future. The fund would not include the oil and gas exploration, production and pipeline transportation property tax under AS 43.56 (20 mil property tax) or the oil and gas reserves ad valorem tax under AS 43.58 (reserve tax).

The amount to be dedicated would be based upon the gross amount of tax to be received by the State. For example, 10 percent of an amount equivalent to the tax revenue required to be paid into the Alaska Native Fund would be dedicated even though it must be paid into the fund. Also 10 percent of the amount of production taxes not received in cash by the State because of the application of reserve tax credit would be dedicated to the fund.

The principal of the fund would be used only for investment in income-producing investments which the legislature would establish and change to meet current investment needs of the State. The fund could not be used to fund the general operating expenditures or capital improvements of the

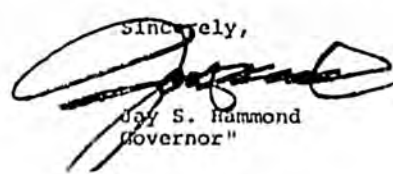
SS

HJR

39 State. The principal of the fund could not finance capital expenditures either directly or be purchasing State obligations, but the fund could purchase obligations of separate State authorities. The income of the fund would be deposited into the general fund without any permanent fund restrictions.

I have introduced this resolution proposing a constitutional amendment because I believe strongly that the revenues from our non-renewable resources belong to future generations of Alaskans as well as ourselves. A permanent fund as I have proposed will set aside a modest portion of the proceeds from the exploitation of our non-renewable resources for investment in our future while leaving sufficient revenues for our present needs. I urge your immediate and favorable consideration of this proposed constitutional amendment so that it may be placed before the voters at the next general election.

Sincerely,


 Jay S. Hammond
 Governor

HJR HOUSE JOINT RESOLUTION NO. 48 by the Rules Committee by
 48 request of the Governor

Proposing an amendment to the Alaska
 Constitution relating to the right to
 trial by jury

was introduced, read the first time and referred to the
 Judiciary Committee.

HJR The following Governor's letter pertains to the above
 48 resolution as well as HOUSE BILL NOS. 574 and 575.

HB
 574
 HB
 575

"January 15, 1976

The Honorable Mike Bradner
 Speaker of the House
 Alaska State Legislature
 Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a package of legislation recommended by the Medical Malpractice Insurance Commission. This package consists of two bills and one joint resolution which proposes a constitutional amendment. The longer of the two bills would take effect immediately, while the shorter (creating the Medical Injury Adjudication Board) would take effect upon the effective date of the constitutional amendment removing the jury trial requirement for medical malpractice cases.

The commission's report was submitted to me October 1, 1975, HJR and was supplemented on October 31st. The supplement 42 contains the legislation which I am now submitting as well as commentary on the various provisions of the bills involved. That material has been made public and was furnished to the Legislative Council for study in advance of this legislative session. HB 574 HB 575

That report defines various problems involved in this general area, describes the commission's approach to those problems, and explains the various solutions and recommendations offered by the commission. I commend both the report and the supplement to your attention for a better understanding of the legislation I am submitting today.

Here is a brief outline of the basic concepts in this legislation:

I. PROFESSIONAL REGULATION AND DISCIPLINE.

A. Give the Department of Commerce and Economic Development (in its Division of Occupational Licensing) authority to provide investigative services to the health-care professions.

B. Give health-care licensing boards more disciplinary options than they presently have, so that professional discipline can be more appropriately tailored to the particular individual's problem.

C. Provide procedure for gathering confidential information relating to the practice of the health-care professions.

II. CLAIMS PROCEDURE.

A. Establish a system for using expert advisory panels for evidentiary and standard-of-care matters in medical malpractice proceedings.

B. Establish a Medical Injury Adjudication Board to replace the jury and trial court in handling medical malpractice claims, after adoption of the Alaska Constitutional amendment eliminating the jury requirement in this type of case.

C. Establish a flat three-year limit on a health-care provider's liability but not on an injured party's right to collect.

D. Establish a Late Claims Fund, financed by fees paid by health-care providers and by the State, to pay awards to injured parties in cases in which the injury was not discovered in time for the claim to be filed within three years after the performance of the health services.

E. Eliminate causes of action based on oral contracts to provide a cure or achieve a specific medical result.

F. Clarify the "good Samaritan" statute.

G. Clarify the standard of care required of health-care providers.

MESSAGES FROM THE GOVERNOR

A message dated March 10, 1976 to Speaker Bradner was read, stating the Governor had read the following resolutions and has transmitted the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

SCR 86 SENATE CONCURRENT RESOLUTION NO. 86
 SCR 87 SENATE CONCURRENT RESOLUTION NO. 87
 HCR 87 HOUSE CONCURRENT RESOLUTION NO. 87

MESSAGES FROM THE SENATE

A message dated March 9, 1976 was read, stating the Senate has passed the following and the same are transmitted herewith for consideration:

FIRST READING AND REFERENCE OF SENATE RESOLUTIONS

CSSCR COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 62 as amended, by the State Affairs Committee

Delaying the implementation of a periodic motor vehicle inspection program in the state by annulling certain administrative regulations adopted by the Department of Public Safety.

was read the first time and referred to the Committee on State Affairs and Judiciary.

SCR 89 SENATE CONCURRENT RESOLUTION NO. 89 by all members of the Senate

Congratulating the Dimond High School Lynx.

was read the first time and referred to the Rules Committee for placement on the calendar.

FIRST READING AND REFERENCE OF SENATE BILLS

SB 685 SENATE BILL NO. 685 amended, by the Rules Committee by request of the Joint Gas Pipeline Impact Committee, entitled:

"An Act making a special appropriation to the Department of Natural Resources for the purpose of conducting negotiations with prospective purchasers of North Slope natural gas; and providing for an effective date."

was read the first time and referred to the Finance Committee.

REPORTS OF STANDING COMMITTEES

The Commerce Committee has had COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 66 (North Slope natural gas) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Bradley, Chairman, and concurred in by Bradley, Kelley, Urion, Rudd, McKinnon, Freeman and Fischer. CSSCR 66

The Speaker gave a further referral to the Finance Committee on COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 66.

The Commerce Committee has had COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 85 (Impact on Alaska of a trans-Canada gas transportation system) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Bradley, Chairman, and concurred in by Bradley, Kelley, Urion, Rudd, McKinnon, Freeman and Fischer. CSSCR 85

COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 85 was referred to the Rules Committee for placement on the calendar.

The Finance Committee has had SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (proposing an amendment to the Alaska Constitution, establishing a permanent fund for certain proceeds derived from non-renewable resources) under consideration and a majority of the members of the Committee recommends it do pass with the following amendment:

Amendment No. 1 by the Finance Committee:

Page 1, line 6: After "establishing" insert "an ALASKA PERMANENT FUND"

line 22: Before "PERMANENT FUND" insert "ALASKA"

Before "per cent" delete "Ten" and insert "Twenty-five"

line 23: Before "revenue" insert "federal mineral"

line 26: After "investments" insert "which shall be established by law"

line 29: After "fund" add "unless otherwise provided by law"

Page 2, line 5: Add another section:

* Sec. 4. The amendments proposed by this resolution if adopted by the voters at the next general election shall become effective 90 days after the certification of the election returns by the lieutenant governor.

CSHB
159
(Jud.)

(2) the horns or antlers were acquired by gift from another person after the associated meat was salvaged;

(3) the meat was lost due to circumstances beyond the possessor's control, including loss in the field to another animal, weather or other acts of God, or theft.

(b) If a person who possesses raw horns or antlers without its being accompanied by most of its edible meat raises a justification specified in (a) (1) - (3) of this section, additional corroborating evidence of that justification may be required by the department. In this section, "

Page 2, line 18: Delete "department" and insert "board"

and so, COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 159 (Judiciary) amended Senate is transmitted herewith for consideration.

The above bill will be considered at a later time.

A message dated March 23, 1976 was read, stating the Senate has passed the following bill and is transmitting it herewith for consideration:

FIRST READING AND REFERENCE OF SENATE BILLS

CSSB COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 157 (Labor and Management) by the Labor and Management Committee, entitled:

"An Act relating to the Public Employment Relations Act; and providing for an effective date."

was read the first time and referred to the Judiciary Committee.

REPORTS OF STANDING COMMITTEES

SCR 77 The Commerce Committee has had SENATE CONCURRENT RESOLUTION NO. 77 (establishment of a comprehensive and meaningful agricultural policy for the State of Alaska) under consideration and four of the members of the Committee recommend it do pass. The report was signed by Mr. Bradley, Chairman, and concurred in by Bradley, Wallis, Fischer and McKinnon. Not concurring were Urion and Freeman who have no recommendation.

SENATE CONCURRENT RESOLUTION NO. 77 was referred to the Rules Committee for placement on the calendar.

The State Affairs Committee has had SENATE CONCURRENT RESOLUTION NO. 90 (timely completion of the highway link between the Yukon Territory and Skagway, Alaska) under consideration and a majority of the members of the Committee recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 90:

Urging the federal government of Canada to authorize and direct that Canada's portion of the Skagway-Carveross Highway be completed at the same time the United States portion is completed.

and that it do pass. The report was signed by Mr. McKinnon, Chairman, and concurred in by McKinnon, Miller, Parker and M. Beirne.

SENATE CONCURRENT RESOLUTION NO. 90 was referred to the Rules Committee for placement on the calendar.

The Commerce Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 526 amended (relating to safety provisions in elevators; effective date) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Bradley, Chairman, and concurred in by Bradley, Wallis, Freeman, Fischer and McKinnon. Not concurring was Urion who recommends "up or down".

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 526 amended was referred to the Rules Committee for placement on the calendar.

The Labor and Management Committee has had SENATE BILL NO. 641 (wage rates) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Smith, Chairman, and concurred in by Smith, Urion, Huntington and M. Beirne.

SENATE BILL NO. 641 was referred to the Judiciary Committee.

The Judiciary Committee has had SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (Proposing an amendment to the Alaska Constitution, establishing a permanent fund for certain proceeds derived from non-renewable resources) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (same title) and that it do pass. The report was signed by Mr. Gardiner, Chairman, and concurred in by Gardiner, Eliason, Bradley, Cotten, Parr, Brown and Specking.

SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 was referred to the Rules Committee for placement on the calendar.

The Chairmen of the Judiciary Committee and the Finance Committee offer the following joint report on the above resolution:

SSHJR
39"JOINT CHAIRMANS' REPORT ON
CS SSHJR 39

The Finance and Judiciary Committees of the House have each considered individually SS HJR 39, transmitted to the House by the Governor on January 15, 1976. The House Judiciary Committee, in unanimously adopting and reporting out a Judiciary Committee Substitute, incorporated amendments adopted by both the Finance and Judiciary Committees. CS SSHJR 39 is addressed in this joint report so that the intent of the constitutional amendment proposed by the resolution is clear.

The proposed constitutional amendment, which both committees view as of vital importance to the state, would establish an Alaska Permanent Fund into which 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, bonuses and all mineral production taxes would automatically be placed.

The committee substitute raises from 15 to 25 the percentage of nonrenewable resource revenue to be dedicated. This change was made after the committees' concurrence with the Governor that the 25 percent level of funding would allow flexibility in future budgeting of state expenditures even if the most conservative case for future state revenue projections proves true. On the other hand, sufficient income would be accumulated in the Alaska Permanent Fund to allow diversification of Alaska's economy and to insure that future generations receive benefits from development of the State's nonrenewable resources.

The word "all" has been added before the words "mineral production taxes" in sec. 15 of the proposed constitutional amendment so that it is clear that all future taxes measured by mineral production or severance are included in this provision of the Constitution. The addition of the word "all" does not include property taxes. Examples of taxes included under sec. 15 include Oil and Gas Property Production Tax, AS 43.55 and the Oil and Gas Regulation and Conservation Tax, AS 43.57. Taxes which are not included are Oil and Gas Exploration, Production and Pipeline Transportation Property Taxes, AS 43.56 and Oil and Gas Reserves Ad Valorem Tax, AS 43.58.

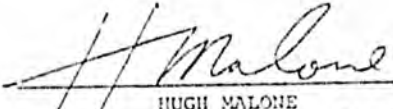
In regard to both mineral leasing and mineral production taxes, the amount to be placed in the Fund would be based upon the gross amount to be received by the state. Accordingly, twenty-five percent of the gross amount of these revenues would be paid into the fund even though a portion of these revenues will be paid into the Alaska Native Fund as required by law.

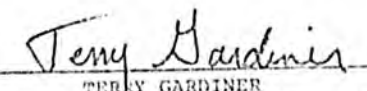
In the event royalties are taken in kind, 25 percent of the proceeds from their sale would be placed in the fund. Also, revenue sharing payments which the state receives from federal mineral leasing would be dedicated.

The principal of the Fund would be used only for investment in income-producing investments which the legislative would establish and change from time to time to meet the needs of the state. The Fund would come into existence and accumulate 25 percent of all nonrenewable source revenues received by the state 90 days after the certification of the 1976 election returns by the lieutenant governor. It is the purpose of the delayed effective date to allow the legislature to provide by law for an investment structure for the Alaska Permanent Fund.

The purpose of the language in the last sentence of the resolution is to give future legislatures the maximum flexibility in using the Fund's earnings -- ranging from adding to Fund principal to paying out a dividend to resident Alaskans.

The fiscal note provides for an interim study and development of alternative investment goals and structures for the Fund to be performed jointly by executive and legislative staff under the direction of the State Investment Advisory Committee.


HUGH MALONE
Chairman House Finance Committee


TERRY GARDINER
Chairman House Judiciary Committee"

The State Affairs Committee has had HOUSE JOINT RESOLUTION NO. 41 (Requesting the Secretary of the United States Department of Transportation to transfer Southeast Alaska from the Pacific Standard Time Zone to the Yukon Standard Time Zone) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 41 (Requesting the Secretary of the United States Department of Transportation to revise the standard time zones in which Alaska is located) and that it do pass. The report was signed by Mr. McKinnon, Chairman, and concurred in by Parker, Wallis, Fischer and Miller. Not concurring was McKinnon who has no recommendation.

Mr. Malone moved and asked unanimous consent that the Finance Committee referral on HOUSE JOINT RESOLUTION NO. 41 be waived. There being no objection, it was so ordered and the resolution was referred to the Rules Committee for placement on the calendar.

JAY S. HAMMOND
GOVERNOR



LETTER OF TRANSMITTAL MAR 09 1976
PF history

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 8, 1976

The Honorable Hugh Malone
Chairman
House Finance Committee
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Chairman:

I recently evaluated information which enables me to make a recommendation on a percentage amount I consider appropriate to devote to the Permanent Fund. The figure I suggest is 25 per cent of nonrenewable resource revenues as described in Section 15 of the Sponsor Substitute for House Joint Resolution Number 39. At this juncture it should be noted that this figure is based on the most conservative case for revenue projections. This excludes future development of new oil, gas, and mineral discoveries.

I recommend this figure for the following reasons:

1. It allows flexibility in terms of State expenditure levels for the years ahead. The budget can be varied to adequately take care of the needs of Alaska.
2. It provides sufficient funding for major projects the State might wish to undertake.
3. It promotes the goal of economic diversification. The diversification of the economy would foster a broader tax base. The State's financial viability would be much improved.
4. It insures that future generations would benefit from the expected revenue situation.

My analysis is enclosed for your review.

Sincerely,

Jay S. Hammond
Governor

Enclosure

cc: The Honorable Chancy Croft
President of the Senate

The Honorable Mike Bradner
Speaker of the House

CONSIDERATION OF THE DAILY CALENDARSECOND READING OF HOUSE RESOLUTIONS

SSNR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (pro-
39 posing an amendment to the Alaska Constitution, establish-
ing a permanent fund for certain proceeds derived from non-
renewable resources) was read the second time with the
Finance Committee report (pages 541 - 542 of the journal)
and the Judiciary Committee report (pages 683 - 685 of
the journal).

Mr. Miller moved and asked unanimous consent that COMMITTEE
SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLU-
TION NO. 39 (same title) be adopted in lieu of SPONSOR
SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39. There being
no objection, it was so ordered.

CS3S
HJR
39

Amendment No. 1 by Smith and Gardiner:

Page 1, line 14: After "or" insert old material
"when required"

Mr. Smith moved and asked unanimous consent that amendment
No. 1 be adopted.

Mr. Swanson objected and withdrew his objection.

CS3S There being no further objection, amendment No. 1 was
HJR adopted.
39
am

Amendment No. 2 by Specking:

Page 1, line 21: After "FUND." insert the words
"At least" and change "T" to "t".

Mr. Specking moved and asked unanimous consent that amend-
ment No. 2 be adopted.

Mr. Malone objected and withdrew his objection.

There being no further objection, amendment No. 2 was
adopted.

Amendment No. 3 by Urion:

Page 1, line 25: After "income producing investments"
insert "which have a guaranteed rate
of return and are"

Mr. Urion moved and asked unanimous consent that amendment
No. 3 be adopted.

Mr. Malone objected.

CS3S
HJR
39
am

The question being: "Shall amendment No. 3 be adopted?"
On voice vote, amendment No. 3 was not adopted.

Amendment No. 4 by Urion:

Page 1, line 29: After "general fund" insert a period;
delete "unless otherwise provided
by law." (page 2, line 1)

Mr. Urion moved and asked unanimous consent that amendment
No. 4 be adopted.

Mr. Gruening objected.

The question being: "Shall amendment No. 4 be adopted?"
On voice vote, amendment No. 4 was not adopted.

Amendment No. 5 by Smith:

Page 1, line 21: Delete "twenty-five"; substitute
"seventy-five"

line 23: Insert "and" before "bonuses" and
delete all after "bonuses".

Mr. Smith moved and asked unanimous consent that amendment
No. 5 be adopted.

Mr. Specking objected.

The question being: "Shall amendment No. 5 be adopted?"
On voice vote, amendment No. 5 was not adopted.

Amendment No. 6 by Anderson:

Page 2, line 7: Delete all after "effective" and add
"June 30, 1979"

Mr. Anderson moved and asked unanimous consent that amend-
ment No. 6 be adopted.

Mr. Miller objected.

The question being: "Shall amendment No. 6 be adopted?"
On voice vote, amendment No. 6 was not adopted.

March 25, 1976

CSSS Mr. Miller moved and asked unanimous consent that COMMITTEE
HJR SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLU-
39 TION NO. 39 amended be considered engrossed, advanced to
am third reading and placed on final passage. There being
no objection, it was so ordered and the resolution was
read the third time.

The question being: "Shall COMMITTEE SUBSTITUTE FOR SPON-
SOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 amended
pass the House?" The roll was taken with the following
result:

Yeas: 36 H. Beirne, M. Beirne, Bradley, Bradner,
Brown, Buchholdt, Cotten, Cowper, Davis,
Duncan, Fischer, Freeman, Gardiner,
Greening, Guy, Hackney, Haugen,
Hershberger, Itta, McKinnon, Malone,
Miller, Naughton, Ose, Osterback,
Ostrosky, Parker, Parr, Rhode, Rudd,
Smith, Specking, Sullivan, Swanson,
Union, Wallis.

Nays: 1 Anderson.

Excused: 3 Eliason, Huntington, Kelley.

And so, COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR
HOUSE JOINT RESOLUTION NO. 39 amended passed the House and
was referred to the Chief Clerk for engrossment.

HJR HOUSE JOINT RESOLUTION NO. 41 (requesting the Secretary of
41 the United States Department of Transportation to transfer
Southeast Alaska from the Pacific Standard Time Zone to
the Yukon Standard Time Zone) was read the second time with
the State Affairs Committee report (page 685 of the
Journal).

Mr. Miller moved and asked unanimous consent that COMMITTEE
SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 41 (requesting
the Secretary of the United States Department of Transpor-
tation to revise the standard time zones in which Alaska
is located) be adopted in lieu of HOUSE JOINT RESOLUTION
NO. 41.

Mr. Brown objected.

The question being: "Shall COMMITTEE SUBSTITUTE FOR HOUSE
JOINT RESOLUTION NO. 41 be adopted in lieu of HOUSE JOINT
RESOLUTION NO. 41?" On voice vote, the motion passed.
41

Amendment No. 1 by Union:

Page 2, line 12: After "Pacific Standard Time Zone"
insert: ", and by shifting those por-
tions of it located in the Bering
Sea Standard Time Zone into the
Alaska Standard Time Zone"

March 25, 1976

701

Mr. Union moved and asked unanimous consent that amendment
No. 1 be adopted. 41

Mr. Brown objected and withdrew his objection.

There being no further objection, amendment No. 1 was
adopted. 41 am

Amendment No. 2 by Parr:

Page 2, line 7: Insert:

"BE IT RESOLVED that the Alaska Legislature
requests the governor to place on the next
general election ballot the question of time
zone revision. If the time zone revision is
approved by a majority of those voting in the
affected area, the remainder of this resolu-
tion becomes effective."

Mr. Parr moved and asked unanimous consent that amendment
No. 2 be adopted.

Mr. Miller objected.

The question being: "Shall amendment No. 2 be adopted?"
On voice vote, amendment No. 2 was not adopted.

Amendment No. 3 by McKinnon and Cooper:

Page 1, line 9: Delete all material through end of
resolution. Insert new material
to read:

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS, alone among the 50 states, Alaska spans four time zones; there
is a three-hour time differential between Ketchikan and Nome; and

WHEREAS, historically, the location of Southeast Alaska in the Pacific
Standard Time Zone stems from territorial days when Southeastern's orienta-
tion--commerce and finance, transportation, government and other social and
economic contacts--was primarily with Seattle; and

WHEREAS from the standpoint of geography most of Southeast Alaska
actually is located between or adjacent to those meridians of longitude west
of Greenwich designated as the Yukon Standard Time Zone rather than in those
designated as the Pacific Standard Time Zone; and

CSHB COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 763 (Finance)
763 (Instructional unit allotments under the
(Fin) public school foundation program)

The above bill was referred to the Chief Clerk for enrollment.

FCCS A message dated May 31, 1976 was read stating the Senate
CSHB has adopted the Free Conference Committee report on
877 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 877 amended and
COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 877 amended Senate,
thus adopting:

FREE CONFERENCE COMMITTEE SUBSTITUTE FOR
COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 877
(new salary schedule and cost-of-living increase
for certain employees of state; effective date)

The above bill was referred to the Chief Clerk for engrossment and enrollment.

CCSS A message dated June 1, 1976 was read stating the Senate
HJR has passed COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR
39 HOUSE JOINT RESOLUTION NO. 39 amended (proposing amendment
am to Alaska Constitution, establishing an Alaska Permanent
Fund) with the following amendment:

SENATE COMMITTEE SUBSTITUTE FOR
COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR
HOUSE JOINT RESOLUTION NO. 39 (Resources) amended
Senate (same title)

and transmitting same for consideration.

CSHB A message dated May 31, 1976 was read stating the Senate
665 has receded from all of its amendments to COMMITTEE SUBSTIT-
am S TUTE FOR HOUSE BILL NO. 665 amended (re-engrossed) except
Sections 4 and 5, thus adopting COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 665 amended Senate (statewide coordination
of health planning; effective date).

The above bill was signed by the Speaker and the Chief Clerk
and referred to the Chief Clerk for enrollment.

CSHB A message dated May 31, 1976 was read stating the Senate
763 receded from its amendment to COMMITTEE SUBSTITUTE FOR
(Fin)HOUSE BILL NO. 763 (Finance), namely, COMMITTEE SUBSTITUTE
FOR HOUSE BILL NO. 763 (Finance) amended Senate, thus
adopting:

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 763 (Finance)
(Instructional unit allotments under the public
school foundation program)

The above bill was referred to the Chief Clerk for enrollment.

A message dated May 31, 1976 was read stating
the Senate has concurred in the effective date clause
amendment to SPONSOR SUBSTITUTE FOR SENATE BILL NO. 267
amended (Department of Environmental Conservation), thus
adopting:

CSGB
267
am H
(e.d.
add)

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 267
amended House (effective date added)

and the bill is returned herewith for re-engrossment.

A message dated June 1, 1976 was read stating the Senate
has passed COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 873
(summary dissolution of marriage) with the following
amendment:

CSHB
873

SENATE COMMITTEE SUBSTITUTE FOR
COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 873 (same
title)

and transmitting same for consideration.

A message dated June 1, 1976 was read stating the Senate
has failed to concur in the House amendment to SENATE BILL
NO. 613 amended (regional Native Housing authorities),
namely:

HCE
SE
613
am H

HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 613 amended House
(housing and regional electrical authorities)

and respectfully requests the House to recede from its amendment.

UNFINISHED BUSINESS

COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE
JOINT RESOLUTION NO. 39 amended and the Senate amendment,
namely, SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTIT-
TUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO.
39 (Resources) amended Senate (page 1834 of the Journal)
were before the House at this time.

CCSS
HJR
39
am

Mr. Miller moved that the House concur in the Senate
amendment to COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE
FOR HOUSE JOINT RESOLUTION NO. 39 amended.

The question being: "Shall the House concur in the Senate
amendment to COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE
FOR HOUSE JOINT RESOLUTION NO. 39 amended?" On unanimous
voice vote, the House concurred, thus adopting:

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE
FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION
NO. 39 (Resources) amended Senate

SCS
CCSS
HJR
39
(Rec)

The Chief Clerk was instructed to so notify the Senate.

The above resolution was signed by the Speaker and the
Chief Clerk and referred to the Chief Clerk for enrollment.

am H

The Chief Clerk notes the following corrections to the journal for the 141st day:

Pages 1789 & 1801: the reference to SENATE BILL NO. 654 amended FCC should be changed to the following in the text and margin reference:

SB 654
am (FCC) SENATE BILL NO. 654 amended (FCC)

HCS Page 1811, add Parker to the Yea votes on the effective
SB 529 date clauses roll call on HOUSE COMMITTEE
(Rls) SUBSTITUTE FOR SENATE BILL NO. 529 (Rls)
am H amended House

HCS Page 1820, add Haugen to the Nay votes on passage of
SB 453 HOUSE COMMITTEE SUBSTITUTE FOR SENATE
BILL NO. 453.

HCS Page 1821, add M. Beirne and Haugen to the Nay votes on
SB 453 the question to rescind previous action
in failing to adopt HOUSE COMMITTEE
SUBSTITUTE FOR SENATE BILL NO. 453

ADJOURNMENT

Mr. Miller moved and asked unanimous consent that the Second Session of the Ninth Legislature adjourn sine die. There being no objection, the House adjourned at 8:14 a.m.

Irene Cashen
Chief Clerk

June 1976

HOUSE JOURNAL

ALASKA STATE LEGISLATURE

NINTH LEGISLATURE - SECOND SESSION

JUNEAU, ALASKA

July 2, 1976

FINAL SUPPLEMENT

As Chief Clerk I certify as to the correctness of the journals for the 141st day, May 31, 1976 (as corrected on page 1862 of the journal) and the 142nd day, June 1, 1976, in accordance with the rules. I would also like to note corrections to the journals for the 139th and 140th days as follows:

Page 1731, after the vote on the passage of HOUSE
CS FOR SPONSOR SUBSTITUTE FOR SENATE
BILL NO. 267 (Rules) amended House,
add:

HCS

SSSB

267

(Rls)

am H

"Mr. Miller moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. There being no objection, it was so ordered."

Page 1777, Change title in the conference committee report and the question to read:

"COMMITTEE SUBSTITUTE FOR HOUSE BILL
NO. 588 amended FREE CONFERENCE COMMITTEE"

CSHB

588

am FCC

ENGROSSMENT AND ENROLLMENT

The following were enrolled, signed by the Speaker, Chief Clerk, President and Secretary of the Senate and the engrossed and enrolled copies were transmitted to the Office of the Governor at 2:37 p.m., June 2, 1976:

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (Resources) amended Senate (Proposing an amendment to the Alaska Constitution, establishing an Alaska Permanent Fund for certain proceeds derived from nonrenewable resources)

SCS

CSRS

HJR

39

(Res)

am S

HOUSE BILL NO. 700 (making a special appropriation to the water resources revolving loan fund and providing for an effective date)

HB

700

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 749 (making a special appropriation to the Department of Education for community schools; eff. date)

CSHB

749

July 2, 1976

June 28, 1976

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

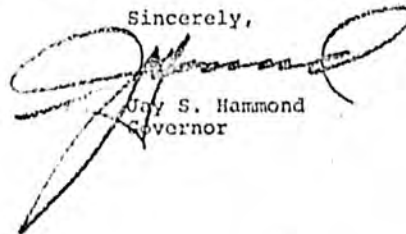
I have allowed the following bill to become law without my signature and am transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

SB 654
am
(FCC)

SENATE BILL NO. 654
amended (Free Conference Committee)
(Statewide social services planning)
(Chapter 273, SLA 1976)

I do so not because I quarrel with the intent of the bill but rather because I feel it is important to indicate my concern over the absence of any funds to accomplish the intended results. No money was added to the budget to fund this planning and assessment program. Hence, it will be impossible to comply with the requirements of this bill. However, to the extent we are able to do so with appropriated funds, we will.

Sincerely,



Jay S. Hammond
Governor

Messages dated June 28, 1976 were received stating that the Governor had signed the following bills and was transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

SB 732
am FCC

SENATE BILL NO. 32
amended Free Conference Committee
(general obligation bonds for water supply
and sewage construction)
(Chapter 271, SLA 1976)

July 2, 1976

HOUSE COMMITTEE SUBSTITUTE FOR
COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 744
(Rules)
amended House

HCS
CSSB
744
(Rls)
am H

(general obligation bonds for constructing and
remodeling justice facilities)
(Chapter 270, SLA 1976)

Messages dated June 29, 1976 were received stating that the Governor had signed the following bills and was transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 588
amended Free Conference Committee
(clarifications and additions to Alaska
OSHA statutes)
(Chapter 276, SLA 1976)

CSSB
588
am FCC

COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 665
amended Senate
(statewide health planning)
(Chapter 275, SLA 1976)

CSSB
665
am S

HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 613
(regional Native housing and
electrical authorities)
(Chapter 274, SLA 1976)

HCSB
613

A message dated June 29, 1976 was received stating the Governor had signed the following resolutions and was transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

SENATE JOINT RESOLUTION NO. 45
amended House
(amendment to the resources article
to the Constitution)

SJR 45
am H

SENATE COMMITTEE SUBSTITUTE FOR
COMMITTEE SUBSTITUTE FOR
SPONSOR SUBSTITUTE FOR
HOUSE JOINT RESOLUTION NO. 39
(Resources)
amended Senate
(amending the Alaska Constitution to
provide for a permanent fund)

SCSCS
SSJR
39
(Res)
am S

March 26, 1976

FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

CS COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE
SS JOINT RESOLUTION NO. 39 amended, by the Judiciary Com-
HJR mittee,
39
am

Proposing an amendment to the Alaska Constitution, establishing an Alaska Permanent Fund for certain proceeds derived from non-renewable resources,

was read the first time and referred to the Resources Committee and the Finance Committee.

STANDING COMMITTEE REPORTS

SB The State Affairs Committee has had SENATE BILL NO. 282
282 (authorizing construction of the Devil's Canyon dam) under consideration and a majority of the committee recommends it do pass. The report was signed by Senator Huber, Chairman, and concurred in by Senators Miller, Colletta and Meland. Senator Ferguson signed "no recommendation."

SENATE BILL NO. 282 was referred to the Finance Committee.

SB The Commerce Committee has had SENATE BILL NO. 556
556 (creating a renewable resources development bank) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 556, entitled:

"An Act creating the Renewable Resources Development Bank; and providing for an effective date."

and that the committee substitute do pass. The report was signed by Senator Kerttula, Chairman, and concurred in by Senators Willis, Colletta and Bradley. Senator Ziegler signed "no recommendation."

SENATE BILL NO. 556 was referred to the Finance Committee.

SB The Finance Committee has had SENATE BILL NO. 587 (issu-
587 ance of bonds for capital improvements to community colleges) under consideration and the committee recommends it be replaced with the Health, Education and Social Services Committee substitute offered on page 635 and that the committee substitute do pass. The report was signed

March 26, 1976

by Senator Ray, Chairman, and concurred in by Senators Butrovich, Sackett and Poland.

SB
587

SENATE BILL NO. 587 was referred to the Rules Committee.

The State Affairs Committee has had SENATE BILL NO. 666 (motorcycle and motor scooter safety) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 666, entitled:

SB
666

"An Act relating to motorcycle safety; and providing for an effective date."

and that the committee substitute do pass. The report was signed by Senator Huber, Chairman, and concurred in by Senators Miller and Ferguson. Senators Colletta and Meland signed "no recommendation."

SENATE BILL NO. 666 was referred to the Rules Committee.

The State Affairs Committee has had SENATE BILL NO. 693 (personal possession of weapons) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 693 and that the committee substitute do pass. The report was signed by Senator Huber, Chairman, and concurred in by Senators Ferguson and Colletta. Senator Meland signed "no recommendation."

SB
693

SENATE BILL NO. 693 was referred to the Judiciary Committee.

The Commerce Committee has had COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 63 (Finance) amended (creating the Department of Transportation) under consideration and a majority of the committee recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 63, entitled:

CS
HB
63
(Fin)
am

"An Act relating to the organization of transportation related functions; creating the Department of Transportation; and providing for an effective date."

and that the Senate committee substitute do pass with the following amendment:

HCS Senator Kerttula moved and asked unanimous consent that
 SCR the Senate concur in the House amendment to SENATE CON-
 90 CURRENT RESOLUTION NO. 90. Senator Miller objected, then
 withdrew his objection. There being no further objection,
 the Senate concurred in the House amendment.

HOUSE COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLU-
 TION NO. 90 was referred to the Secretary for enrollment.

HCS Message of April 6 was read stating the House has failed
 SB to recede from its amendment to SENATE BILL NO. 272
 272 amended (operation of food service and concession
 (Fin) stands by blind and handicapped persons) namely, HOUSE
 am COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 272 (Finance)
 H amended by the House, and the Speaker has appointed the
 following members to a conference committee (with powers
 of free conference) to meet with a like committee from
 the Senate to consider the above bills:

Representative Itta, Chairman
 Representative Sullivan
 Representative H. Beirne

The President appointed the following Senate members to
 the above free conference committee:

Senator Chance, Chairman
 Senator Ferguson
 Senator Colletta

The Secretary was requested to so notify the House.

Message of April 6 was read stating the House has passed
 the following and transmitting same for consideration:

FIRST READING AND REFERENCE OF HOUSE BILLS

CS COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 442 (Judiciary)
 HB by the Judiciary Committee, entitled:
 442 "An Act relating to game refuges and
 (Jud) sanctuaries."

was read the first time and referred to the Resources
 Committee.

CS COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 725 by the Com-
 HB munity and Regional Affairs Committee, entitled:
 725

"An Act relating to exemptions from municipal
 property tax; and providing for an effective
 date."

was read the first time and referred to the Community and
 Regional Affairs Committee.

CS
 HB
 725

STANDING COMMITTEE REPORTS

The State Affairs Committee has had COMMITTEE SUBSTITUTE
 FOR HOUSE JOINT RESOLUTION NO. 1 amended (proposing
 amendments to the Constitution of the State of Alaska
 providing for a unicameral legislature) under considera-
 tion and a majority of the committee recommends it do
 not pass. The report was signed as follows: Senator
 Huber, Chairman, signed "do pass", Senators Ferguson,
 Miller, Meland and Colletta signed "do not pass."

CS
 HJR
 1
 am

COMMITTEE SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 1
 amended was referred to the Judiciary Committee.

The State Affairs Committee has had COMMITTEE SUBSTITUTE FOR
 SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39
 amended (amending Alaska Constitution, establishing Alaska
 Permanent Fund) under consideration and the committee
 recommends it be replaced with SENATE COMMITTEE SUBSTITUTE
 FOR COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR
 HOUSE JOINT RESOLUTION NO. 39. The report was signed as
 follows: Senator Huber, Chairman, signed "do pass";
 Senator Colletta signed "do pass if amended"; Senator
 Ferguson signed "do not pass unless amended"; Senator
 Miller signed "do not pass" and Senator Meland signed
 "no recommendation."

CS
 SS
 HJR
 39
 am

COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE
 JOINT RESOLUTION NO. 39 amended was referred to the
 Resources Committee.

The Community and Regional Affairs Committee has had
 COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE BILL
 NO. 65 amended (assessment of real property for local
 taxation) under consideration and a majority of the com-
 mittee recommends it be replaced with SENATE COMMITTEE
 SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE
 FOR HOUSE BILL NO. 65 and that the Senate committee sub-
 stitute do pass. The committee further recommends the
 bill be referred to the Finance Committee. The report
 was signed by Senator Rodey, Chairman, and concurred in
 by Senator Tillion. Senator Orsini signed "do not pass
 unless amended."

CS
 SS
 HB
 65
 am

The Chair stated that COMMITTEE SUBSTITUTE FOR SPONSOR
 SUBSTITUTE FOR HOUSE BILL NO. 65 would be referred to
 the Finance Committee.

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 487 (Finance) (Chapter 76, SLA 1976)

HOUSE BILL NO. 483 amended Senate (Chapter 77, SLA 1976)

MESSAGES FROM THE HOUSE

FCCS Message of May 20 was read stating the House has adopted
HCS the report of the free conference committee which had
SB been considering SENATE BILL NO. 302 (possession of
302 weapons by convicts) and HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 302 amended House, thus adopting FREE
CONFERENCE COMMITTEE SUBSTITUTE FOR HOUSE COMMITTEE SUB-
STITUTE FOR SENATE BILL NO. 302.

The Senate adopted the above free conference committee report on May 13.

FREE CONFERENCE COMMITTEE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 302 was referred to the Secretary for engrossment and enrollment.

FCCS Message of May 20 was read stating the House has adopted
HCS the report of the free conference committee which has
SB been considering SENATE BILL NO. 731 (bonds for parks
731 and recreation) and HOUSE COMMITTEE SUBSTITUTE FOR SENATE
BILL NO. 731 (Rules), thus adopting FREE CONFERENCE COM-
MITTEE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 731 (bonds in the amount of \$6,610,000
for the purpose of paying the cost of capital improvements
to parks and recreation areas, and outdoor recreational,
open space and historic properties projects).

The Senate adopted the above free conference committee report on May 18.

FREE CONFERENCE COMMITTEE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 731 was referred to the Secretary for engrossment and enrollment.

Message of May 20 was read stating the House has passed the following and returning same:

SCR SENATE CONCURRENT RESOLUTION NO. 106 (taking of
196 state-owned royalty oil or gas in-kind)

SENATE CONCURRENT RESOLUTION NO. 106 was referred to the Secretary for enrollment.

Message of May 20 was read stating the House has passed
COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 804 (Rules)
amended and transmitting same for consideration.

CSHB
804
(Rls)
am

FIRST READING AND REFERENCE OF HOUSE BILLS

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 804 (Rules) amended, by the Rules Committee, entitled:

"An Act relating to subsistence hunting areas."

was read the first time and referred to the Resources Committee.

STANDING COMMITTEE REPORTS

The Resources Committee has had COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 amended (amending the Alaska Constitution, establishing Alaska Permanent Fund) under consideration and the committee recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (Resources). The report was signed as follows: Senator Poland, Chairman, and Senators Meland, Rader and Butrovich signed "no recommendation" and Senators Rodey and Croft signed "de pass" and the committee further recommends the resolution be referred to the Finance Committee.

CSRS
HJR
39
am

Senator Ray moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 amended be referred to the Finance Committee. Without objection, the resolution was referred to the Finance Committee.

The Resources Committee has had HOUSE BILL NO. 139 (periodic rental adjustment on land leases) under consideration and the committee recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 139, entitled:

HB
139

"An Act relating to the rental and leasing of state land; and providing for an effective date."

The report was signed as follows: Senator Poland, Chairman, and Senators Rader, Meland and Butrovich signed "no recommendation" and Senator Croft signed "de pass."

HOUSE BILL NO. 139 was referred to the Rules Committee.

SCS
CS
HB
583

Yeas: 11 Croft, Ferguson, Huber, Kerttula,
Meland, Miller, Ray, Sackett,
Tillion, Willis, Ziegler

Nays: 7 Bradley, Butrovich, Chance,
Colletta, Orsini, Poland, Rodey

Excused: 2 Hohman, Rader

And so, the Senate rescinded its previous action.

Senator Kerttula moved and asked unanimous consent to withdraw his motion to recede from the Senate amendment to COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 583 amended. Senators Orsini and Ray objected, then withdrew their objections. There being no further objection, the motion was withdrawn.

Senator Kerttula moved and asked unanimous consent that the Senate recess until 1:30 p.m. today. Without objection, the Senate recessed at 11:58 a.m.

AFTER RECESS

The Senate reconvened at 1:47 p.m.

HCS Message of May 25 was read, stating the House has failed
SB to recede from its amendment to SENATE BILL NO. 474
474 amended (municipal revenue sharing), namely:

om
H

HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL
NO. 474 amended by the House (municipalities,
municipal revenue sharing, and the Alaska
Business License Act)

and the Speaker has appointed the following members to a conference committee (with powers of free conference) to meet with a like committee from the Senate on the above bills:

Representative Cotten, Chairman
Representative Miller
Representative Specking

HCR Message of May 25 was read, stating the House has passed
144 HOUSE CONCURRENT RESOLUTION NO. 144 and transmitting same for consideration.

FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

HOUSE CONCURRENT RESOLUTION NO. 144 by the Rules Committee, HCR
144
Relating to the reconstruction of the road
between Sand Point and Sand Point Airport,

was read the first time and referred to the Finance Committee.

Senator Ray moved and asked unanimous consent that the Finance Committee referral be waived. Without objection, it was so ordered and HOUSE CONCURRENT RESOLUTION NO. 144 was referred to the Rules Committee.

STANDING COMMITTEE REPORTS

The Finance Committee has had COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 amended (amending the Alaska Constitution, establishing the Alaska Permanent Fund) under consideration and a majority of the committee reports it back without recommendation. The report was signed by Senator Ray, Chairman, and concurred in by Senators Sackett, Ferguson and Poland. Senators Butrovich and Chance signed "do pass Resources Senate committee substitute."

CS
SS
HJR
39
am

COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 amended was referred to the Rules Committee.

The Finance Committee has had COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 144 (Finance) (revising the Community College Act) under consideration and reports it back as follows: Senator Ray, Chairman, and Senator Poland signed "no recommendation"; Senators Sackett, Ferguson and Chance signed "do pass" and Senator Butrovich signed "do not pass."

CS
HB
144
(Fin)

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 144 (Finance) was referred to the Rules Committee.

The Finance Committee has had HOUSE BILL NO. 170 (payments for judicial services by political subdivisions) under consideration and a majority of the committee recommends it do pass. The report was signed by Senator Ray, Chairman, and concurred in by Senators Butrovich, Chance and Poland. Senators Sackett and Ferguson signed "no recommendation."

HB
170

HOUSE BILL NO. 170 was referred to the Rules Committee.

SECOND READING OF HOUSE RESOLUTIONS

CS COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT
 SS RESOLUTION NO. 39 (Judiciary) (Alaska permanent fund) was
 HJR read the second time.
 39
 (Jud)

Senator Ray moved and asked unanimous consent for adoption of the Resources Committee substitute offered on page 1287. Senator Huber objected.

The question being: "Shall the Resources Committee substitute be adopted?" A roll call was requested and appears as follows:

Yeas: 18 Bradley, Butrovich, Chance,
 Colletta, Croft, Ferguson, Hohman,
 Kerttula, Meland, Miller, Orsini,
 Poland, Ray, Rodey, Sackett,
 Tillion, Willis, Ziegler

Nays: 1 Huber

Excused: 1 Rader

And so, SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (Resources) was adopted.

SCS SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR
 CS SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39
 SS (Resources) was read the second time.
 HJR
 39

(Res) The following amendment No. 1 by the Rules Committee was offered:

Page 1, line 17: After "this" delete "constitution" and insert "section"

Senator Ray moved and asked unanimous consent for adoption of amendment No. 1. Senator Chance objected, then withdrew her objection. There being no further objection, amendment No. 1 was adopted.

SCS Senator Miller offered the following amendment No. 2:
 CSSS

HJR
 39
 (Res) Page 1, line 26: Delete sentence beginning "The legislature may ..."
 am

S Senator Miller moved for adoption of amendment No. 2.

The question being: "Shall amendment No. 2 be adopted?"
 A roll call was requested and appears as follows:

SCS

CSSS

HJR

39

(Res)

am

S

Yeas: 13 Butrovich, Chance, Croft,
 Ferguson, Kerttula, Meland, Miller,
 Poland, Ray, Rodey, Sackett,
 Willis, Ziegler

Nays: 6 Bradley, Colletta, Hohman, Huber,
 Orsini, Tillion

Excused: 1 Rader

And so, amendment No. 2 was adopted.

Senator Kerttula moved and asked unanimous consent that SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (Resources) amended Senate be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (Resources) amended Senate was read the third time.

The question being: "Shall SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (Resources) amended Senate (Alaska permanent fund) pass the Senate?" The roll was taken with the following result:

Yeas: 18 Bradley, Butrovich, Chance,
 Colletta, Croft, Ferguson, Hohman,
 Huber, Kerttula, Meland, Orsini,
 Poland, Ray, Rodey, Sackett,
 Tillion, Willis, Ziegler

Nays: 1 Miller

Excused: 1 Rader

And so, SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (Resources) amended Senate passed the Senate.

SCS Senator Miller gave notice of reconsideration of his vote
 CSSS on the passage of SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE
 HJR SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLU-
 39 TION NO. 39 (Resources) amended Senate and moved and asked
 (Res) unanimous consent that the reconsideration be taken up at
 am this time. Without objection, it was so ordered.
 S

HOUSE RESOLUTIONS IN THIRD READING

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR
 SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39
 (Resources) amended Senate was before the Senate in third
 reading for reconsideration.

The question to be reconsidered is: "Shall SENATE COM-
 MITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SPONSOR
 SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 39 (Resources)
 amended Senate (Alaska permanent fund) pass the Senate?"
 The roll was taken with the following result:

Yeas:	18	Bradley, Butrovich, Chance, Colletta, Croft, Ferguson, Hohman, Huber, Kerttula, Meland, Orsini, Poland, Ray, Rodey, Sackett, Tillion, Willis, Ziegler
Nays:	1	Miller
Excused:	1	Rader

And so, SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUB-
 STITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION
 NO. 39 (Resources) amended Senate passed the Senate on
 reconsideration and was referred to the Secretary for
 engrossment.

SECOND READING OF HOUSE BILLS

CS COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 873 (summary dis-
 HB solution of marriage) was read the second time.
 873

Senator Ziegler moved and asked unanimous consent for
 adoption of the Judiciary Committee substitute offered
 on page 1520. Without objection, SENATE COMMITTEE SUB-
 STITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 873
 was adopted.

SCS SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR
 CS HB HOUSE BILL NO. 873 (relating to dissolution of marriage)
 873 was read the second time.

Senator Kerttula moved and asked unanimous consent that
 SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR
 HOUSE BILL NO. 873 be considered engrossed, advanced to
 third reading and placed on final passage. Without ob-
 jection, it was so ordered.

SCS
 CS
 HB
 873

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR
 HOUSE BILL NO. 873 was read the third time.

The question being: "Shall SENATE COMMITTEE SUBSTITUTE FOR
 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 873 (relating to
 dissolution of marriage) pass the Senate?" The roll was
 taken with the following result:

Yeas:	15	Butrovich, Chance, Croft, Ferguson, Hohman, Huber, Kerttula, Meland, Miller, Poland, Ray, Sackett, Tillion, Willis, Ziegler
Nays:	4	Bradley, Colletta, Orsini, Rodey
Excused:	1	Rader

And so, SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUB-
 STITUTE FOR HOUSE BILL NO. 873 passed the Senate.

Senator Kerttula moved and asked unanimous consent that
 the vote on the passage of SENATE COMMITTEE SUBSTITUTE FOR
 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 873 be considered
 the roll call on section 2. Without objection, it was so
 ordered.

Senator Kerttula gave notice of reconsideration of his vote
 on the passage of SENATE COMMITTEE SUBSTITUTE FOR COM-
 MITTEE SUBSTITUTE FOR HOUSE BILL NO. 873 and moved and
 asked unanimous consent that the reconsideration be taken
 up at this time. Without objection, it was so ordered.

HOUSE BILLS IN THIRD READING

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR
 HOUSE BILL NO. 873 was before the Senate in third reading
 for consideration.

The question to be reconsidered is: "Shall SENATE COM-
 MITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL
 NO. 873 (relating to dissolution of marriage) pass the
 Senate?" The roll was taken with the following result:

Introduced: 2/11/77
Referred: Special Committee on
the Alaska Permanent Fund and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 210

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for interim management of the
7 Alaska Permanent Fund; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 37.10 is amended by adding a new section in art. 3 to
11 read:

12 Sec. 37.10.065. INVESTMENT OF THE ALASKA PERMANENT FUND. (a)

13 The Alaska Permanent Fund consists of 25 per cent of all mineral lease
14 rentals, royalties, royalty sale proceeds, federal mineral revenue
15 sharing payments and bonuses received by the state. The commissioner
16 of revenue shall deposit in the Alaska Permanent Fund 25 per cent of
17 the receipts from these sources at least once each month. The commis-
18 sioner of revenue shall invest the money in the Alaska Permanent Fund
19 in income-producing investments of the following types:

20 (1) obligations of, or obligations insured or guaranteed
21 by, the United States or agencies or instrumentalities of the United
22 States;

23 (2) obligations secured by reserves paid in by the United
24 States or agencies or instrumentalities of the United States or obli-
25 gations of corporations in which the United States is a shareholder or
26 member;

27 (3) certificates of deposits issued by United States domestic
28 banks which are members of the Federal Deposit Insurance Corporation
29 and secured as to the payment of principal and interest in accordance

1 with Alaska law;

2 (4) corporate investment-grade securities;

3 (5) bankers acceptances drawn on and accepted by United
4 States banks which each have a combined capital and surplus aggregating
5 at least \$100,000,000;

6 (6) repurchase agreements, the securities underlying the
7 agreements being any of the items in (1) - (5) of this subsection;

8 (7) deposits of federally insured savings and loan associa-
9 tions not to exceed 10 per cent of each savings and loan association's
10 deposits exclusive of federal, state, and municipal deposits;

11 (8) fixed-term certificates of debentures of federally
12 insured credit unions not to exceed 10 per cent of each credit union's
13 shares.

14 (b) The commissioner of revenue may enter into contracts provid-
15 ing for custody of securities and execution of transactions.

16 (c) The commissioner of revenue shall transfer to whatever
17 agency is established for the express purpose of managing and investing
18 the Alaska Permanent Fund all or part of the securities and money in
19 the Alaska Permanent Fund in accordance with Alaska law no later than
20 two weeks after receipt of written notice from that agency.

21 * Sec. 2. This act takes effect immediately in accordance with AS 01.-
22 10.070(c).
23
24
25
26
27
28
29

Article 4. Recovery of Money or Property Illegally Paid or Diverted.

Section

90. Action by attorney general
100. Costs of action and disposition of amount recovered

Sec. 37.10.090. Action by attorney general. Whenever money, funds, or property of a city, school district, municipal government, or the state are illegally paid or are diverted for an illegal purpose, or paid to a person not authorized by law to receive them, they may be recovered by an action instituted by the attorney general. When it appears to the attorney general that it is more advantageous to begin or conduct the action with additional counsel, he may choose and authorize additional counsel to bring the suit in the name of the proper party. (§ 12-5-1 ACLA 1949)

Am. Jur. reference. — 42 Am. Jur., Public Funds, § 83 et seq.

Sec. 37.10.100. Costs of action and disposition of amount recovered. (a) The necessary and reasonable costs of the suit and of the additional counsel shall be advanced by the state, and a sum recovered in the suit shall be deposited in the state treasury.

(b) However if the sum recovered belongs to a city, school district, or municipal government, the sum shall be transferred to it, less sums advanced by the state in the suit, and not already repaid to it. The Department of Administration may pay to the city, school district or municipal corporation the sums belonging to it, upon warrants drawn as provided by law. The warrants shall be based upon vouchers approved by the attorney general. (§ 12-5-2 ACLA 1949)

Chapter 11. Renewable Resources Funds.

Article

1. Alaska Renewable Resources Development Fund (§§ 37.11.010 — 37.11.040)
2. Alaska Renewable Resources Permanent Fund (§§ 37.11.050 — 37.11.080)
3. Alaska Economic Disaster Impact Fund (§ 37.11.100)

Article 1. Alaska Renewable Resources Development Fund.

Section

10. Alaska renewable resources development fund
20. Fund authorization level

Section

30. Fund utilization
40. Fund balances

Effective
130, SLA 1
effect July

Sec. 3

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Effective date of article. — Section 3, ch. 130, SLA 1974, provides: "This Act takes effect July 1, 1978 with respect to rentals

and royalties, and July 1, 1975 with respect to lease bonuses."

Sec. 37.11.010. Alaska renewable resources development fund. There is established as a separate fund the Alaska renewable resources development fund. Funds apportioned by § 20 of this chapter for deposit in the Alaska renewable resources development fund are to guarantee the enhancement and development of the state's renewable resources. (§ 1 ch 130 SLA 1974)

Editor's note. — Section 2, ch. 130, SLA 1974, provides: "On June 30 of the fiscal year in which the balance in the Alaska renewable resources permanent fund (AS 37.11.050) reaches the sum of \$250,000,000,

AS 37.11.010 — 37.11.040 are repealed and the unexpended and unobligated balance in the Alaska renewable resources development fund (AS 37.11.010) lapses into the general fund."

Sec. 37.11.020. Fund authorization level. Not less than five per cent of the receipts paid the state from mineral lease bonuses and rentals for state land and royalties derived from minerals produced on state land shall be deposited in the Alaska renewable resources development fund. These deposits shall be invested in accordance with AS 37.10.070 (investment of surplus state funds) and the resulting interest shall accrue to the fund. (§ 1 ch 130 SLA 1974)

Editor's note. — Section 2, ch. 130, SLA 1974, provides: "On June 30 of the fiscal year in which the balance in the Alaska renewable resources permanent fund (AS 37.11.050) reaches the sum of \$250,000,000,

AS 37.11.010 — 37.11.040 are repealed and the unexpended and unobligated balance in the Alaska renewable resources development fund (AS 37.11.010) lapses into the general fund."

Sec. 37.11.030. Fund utilization. Appropriations from this fund shall provide funding for capital and operating expenditures for the rehabilitation, enhancement and development of renewable resources programs. Plans for expenditures from this fund shall be submitted by the governor in accordance with the Executive Budget Act (AS 37.07) as part of his annual budget presentation to the legislature. (§ 1 ch 130 SLA 1974)

Editor's note. — Section 2, ch. 130, SLA 1974, provides: "On June 30 of the fiscal year in which the balance in the Alaska renewable resources permanent fund (AS 37.11.050) reaches the sum of \$250,000,000,

AS 37.11.010 — 37.11.040 are repealed and the unexpended and unobligated balance in the Alaska renewable resources development fund (AS 37.11.010) lapses into the general fund."

Sec. 37.11.040. Fund balances. Unappropriated or otherwise unencumbered balances remaining in the Alaska renewable resources development fund at the close of each fiscal year shall be transferred to the Alaska renewable resources permanent fund. (§ 1 ch 130 SLA 1974)

Editor's note. — Section 2, ch. 130, SLA 1974, provides: "On June 30 of the fiscal year in which the balance in the Alaska renewable resources permanent fund (AS 37.11.050) reaches the sum of \$250,000,000, AS 37.11.010 — 37.11.040 are repealed and the unexpended and unobligated balance in the Alaska renewable resources development fund (AS 37.11.010) lapses into the general fund."

Article 2. Alaska Renewable Resources Permanent Fund.

Section	Section
50. Alaska renewable resources permanent fund	70. Utilization of fund income
60. Fund principal	80. Protection of principal

Effective date of article. — Section 3, ch. 130, SLA 1974, provides: "This Act takes effect July 1, 1978 with respect to rentals and royalties, and July 1, 1975 with respect to lease bonuses."

Sec. 37.11.050. Alaska renewable resource permanent fund. There is established as a separate fund the Alaska renewable resources permanent fund. Funds apportioned by § 60 of this chapter for deposit in the permanent fund are to be held perpetually in trust for the benefit of both present and future generations of Alaskans. (§ 1 ch 130 SLA 1974)

Sec. 37.11.060. Fund principal. Unappropriated or otherwise unencumbered balances remaining in the Alaska renewable resources development fund at the close of each fiscal year shall be deposited in the permanent fund. These deposits shall be considered fund principal and shall be invested in perpetuity in accordance with AS 37.10.070 (investment of surplus state funds). (§ 1 ch 130 SLA 1974)

Sec. 37.11.070. Utilization of fund income. Income received from investment of permanent fund principal shall not be held in trust, but shall be used to provide funding for capital and operating appropriations for the rehabilitation, enhancement and development of renewable resources programs. Plans for expenditures from fund income shall be prepared in detail by the appropriate state department or agency and shall be submitted by the governor in accordance with the Executive Budget Act (AS 37.07) as part of his annual budget presentation to the legislature. (§ 1 ch 130 SLA 1974)

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Sec. 37.11.080. Protection of principal. A transaction involving permanent fund principal which results in an actual dollar loss of principal shall be reimbursed in full from fund income before any additional income is expended. (§ 1 ch 130 SLA 1974)

Article 3. Alaska Economic Disaster Impact Fund.

Section

100. Alaska economic disaster impact fund

Sec. 37.11.100. Alaska economic disaster impact fund. (a) There is established a separate fund known as the Alaska economic disaster impact fund which shall be administered by the Department of Commerce and Economic Development. Funds designated in this section and apportioned by statute for deposit in the Alaska economic disaster impact fund are for grants or loans to assist economically impacted communities within areas designated by a proclamation under AS 44.33.285. The Department of Community and Regional Affairs, in consultation with the Department of Fish and Game, shall determine which communities are economically impacted fishing communities.

(b) If the economic disaster is due to a fisheries failure based on consideration of need, the legislature may appropriate to the Alaska economic disaster impact fund from the renewable resource fund (ch. 130, SLA 1974). If there is an insufficient balance in the renewable resource fund to meet emergency needs that may be determined under the provisions of AS 44.33.285, the legislature may appropriate from the general fund. The Alaska economic disaster impact fund balance may not exceed \$5,000,000. The commissioner of revenue, after determining that there is in the Alaska economic disaster impact fund a surplus above an amount sufficient to meet anticipated demands, may invest the surplus as provided in ch. 10 of this title. Interest derived from investment of these surplus funds shall be deposited to the renewable resource fund. If the economic disaster is due to other than a fisheries failure, the legislature may appropriate from the general fund to the Alaska economic disaster fund to meet emergency needs.

(c) Unappropriated or otherwise unencumbered balances remaining in the Alaska economic disaster impact fund at the close of each fiscal year shall not lapse as provided in AS 37.25.010 but shall be available in perpetuity for fund purposes.

(d) Within the first 10 days of each legislative session the commissioner of commerce and economic development shall submit to the legislature a detailed report of all expenditures from the fund and all actions taken under AS 44.33.285. (§ 9 ch 277 SLA 1976)