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151

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

MEMORANDUM

TO: COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS
FROM: STAFF
DATE: MAY 25, 1983
RE: CSSB 151 (C&RA)

During the last hearing on CSSB 151 the committee reviewed and approved a proposed committee substitute that contained two (2) amendments to CSSB 151.

The committee approved a third amendment as follows: page 7, line 29: after "and" add: able to produce revenue adequate to repay the bonds with which it is financed.

Following the above described actions, the committee failed to move the bill out of committee. A HCS CSSB 151 (C&RA) has been prepared and is ready for committee action.

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HCS for CSSB 151 (C&RA) #2

Proposed Amendment:

page 7, line 29

after "and," add: able to produce revenue adequate to repay the bonds with which it is financed.

STATE OF ALASKA
FISCAL NOTE

Revision Date 5/25, 1983

I. REQUEST

Bill/Resolution No.: CS SB 151 (Resources)
 Title: Regional Resource Development
 Sponsor: Senator Fahrenkamp
 Requestor: House C & RA Committee

II. FISCAL DETAIL

Agency Affected: Community & Regional Affs.
 Program Category Affected: Development
 BRU, Program of Subprogram(s) Affected: Local Government Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		29.0	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		29.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

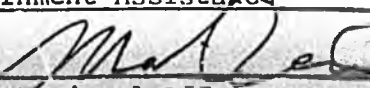
POSITIONS:

FULL-TIME		-0-				
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Sponsor has not identified where funding will be obtained.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Doug Griffin Phone: 465-4707
 Division: Local Government Assistance Date: 5/25/83
 Approved by Commissioner:  Date: 5/25/83
 Department: Community & Regional Affairs

Distribution:

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I. REQUEST

Bill/Resolution No.: HCSCSSB 151
 Title: "An Act relating to RRDA's"
 Sponsor: Fahrenkamp, Kerttula, Ferguson,
 Requestor: Fischer House C. & R.A.

II. FISCAL DETAIL

Agency Affected: Office of the Governor
 Program Category Affected: Exec. Operations
 BRU, Program of Subprogram(s) Affected: Division of Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		.4				
300 CONTRACTUAL		19.6	10.4	11.0		
400 COMMODITIES		.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	-0-	20.6	10.4	11.0		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	20.6	10.4	11.0		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Linda Dupere, Administrative Assistant
 Division: Division of Elections

Phone: 586-6181
 Date: 5/25/83

Approved by Commissioner: *[Signature]*
 Department: Office of the Lieutenant Governor

Date: 5/25/83

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Official Business

Alaska State Legislature

House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Committee on Community and Regional Affairs
FROM: Representative Lacher, Chairperson
DATE: May 9th, 1983
RE: House Bill 377

You will recall that CS SB 151 and HB 377 are companion bills relating to the establishment of Regional Resource Development Authorities.

It is my intention to pass a version of CS SB 151 and a CS HB 377 from committee.

Proposed changes to CS SB 151 are shown on attached memorandum. Following committee decision on the proposed changes, a Community and Regional Affairs substitute may be prepared.

The administration is preparing a final version of a proposed Committee Substitute for HB 377. The proposed change will be ready for committee review on Tuesday, May 10th, 1983.



Alaska Environmental Lobby, Inc.

419 6th Street, Suite 328 Juneau, Alaska 99801

907-586-2345

HB 377 -- Regional Resource Development Authorities

AMENDMENT #1

Page 6, line 27

After "person", delete ";" and add ", provided that state grants, appropriations, or other transfers from the state may ~~only be used for organization purposes and may~~ not be used to satisfy bond obligations or otherwise establish collateral or security for bonds issued by the authority."

Rational: ---

Bill proponents insist that authority revenue bonds will not obligate the state in any way even if the authority got into financial trouble. In addition, the letter of intent passed by the Senate (attached) states that to the "maximum extent possible" liability for the bonds rests with the regional authority. However, the current bill leaves open the possibility of state contributions towards bond payments. This amendment changes that, although the change is not absolute. A later Session could always remove the clause after an authority got into trouble. Still, the amendment makes the bill consistent with the legislative intent not to be obligated by regional authority revenue bonds.

LETTER OF INTENT

SENATE

CSSB 151 (Finance)

It is the intent of the Committee to authorize the establishment of regional authorities which will have the ability to issue tax-exempt revenue bonds for the purpose of enhancing the development of resource enterprises which would contribute to the economic growth of the State. It is the intent of the Committee that the authorities established pursuant to this legislation would not create any financial liability or obligation by the state for bonds issued for resource enterprises. Nor is it the intent that the issuance of any such bonds by authorities adversely affect the ability of the state or any of its political subdivisions to market their own bonds. Rather, to the maximum extent possible, liability for bonds issued rest exclusively with the regional authority and the specific resource enterprise involved, not the state, successor boroughs or other municipalities or other projects or citizens in the region or state.

Adopted by the Senate May 3, 1983



MATANUSKA-SUSITNA BOROUGH
Date Rcv'd: 5-3-83 Initial *SM*

Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-4801

DEPARTMENT OF ADMINISTRATION

May 2, 1983

MEMORANDUM

To: Gary Thurlow, Borough Manager
From: Steven H. Morrissett, Borough Attorney
Subject: SB 151: RESOURCE AUTHORITY BILL

I talked with Ken Vassar of Wohlforth & Flint today, who was involved drafting SB 151. This bill would create regional resource development authorities. He had read my memorandum dated April 26, 1983, expressing concern about SB 151. Of the three questions I raised, I agree with him that the last two are based on my mis-reading of the bill.

The present bill assures that a regional development authority will not operate within organized boroughs, even if the borough is created after the authority is in existence. Proposed AS 30.13.150, which I overlooked, provides for integrating the authority into the borough within one year of incorporation of the borough. There would be no direct competition with borough responsibilities, since development authorities would exist only in the unorganized borough.

There would likely still be direct competition for the sale of bonds with cities in the unorganized boroughs and indirect competition with boroughs in other areas. There would also be an impact on cities within the jurisdiction of a development authority from the tax exempt status of any property of the authority within such a city.

I still believe a constitutional question exists by constituting the authorities as political subdivisions. Within the unorganized borough, the State Legislature remains the responsible body for performance of services. I believe the problem can be avoided only by either a state-established authority or by creating a borough government pursuant to Title 29.

Steven Morrissett
Steven H. Morrissett
Borough Attorney

er *This is a correction
of previous memo.
Please send to anyone
who got a copy of previous one.*

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
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Senate Committee on Resources

April 6, 1983

Memo

To: Senator Bennett, Co-Chairman Finance Committee
Senator Sackett, Co-Chairman Finance Committee

From: Senator Bettye Fahrenkamp

Subject: CSSB 151, Regional Resource Development Authorities

As you know, the Finance Committee has recently received the above bill for consideration from the Resources Committee. This bill would authorize the establishment of authorities in the unorganized borough for the purpose of developing infrastructures for resource development projects. Funding for the developments would primarily come from the issuance of tax-exempt revenue bonds by the authority to be repaid with user fees from the developments.

In testimony and discussion before the Resources Committee several criticisms of the bill as originally drafted surfaced: 1) lack of guarantees of equal access to facilities which may be developed; 2) the possibility of proliferation of authorities throughout the unorganized borough; 3) the encouragement of less-than-sound economic projects by authorities; 4) the possibility that bonds issued by authorities may in some way create a liability to the state or add to the state's overall bond indebtedness; and 5) the possibility that the issuance of bonds by authorities might in some way affect the ability of the state or its political subdivisions to market their revenue bonds.

In response to these criticisms the Resources Committee adopted several major changes and additions to the bill including:

- 1) Page 2, lines 19-29, the Governor must make a positive finding that an authority's goals and projects would be economically advantageous to the region and state and that the authority is an appropriate and desirable method of accomplishing the goals and projects prior to establishment of an authority.
- 2) Page 2, lines 8-11, the ability to petition for establishment of an authority expires on July 1, 1986.
- 3) Page 2, lines 13-14, a petition to call for an election to establish an authority must be signed by 100 persons of a district.

- 4) Page 4, lines 26-29, the Board of Governors of an authority shall consist of eight members, five elected locally and three Department heads appointed by the Governor.
- 5) Page 8, subsection (f); Prior to issuance of bonds an authority must submit an independent economic analysis of a project and its revenues to the state bond committee. The committee must find that project revenues are adequate for payment of the bonds and that the issuance of bonds would not adversely affect the ability of the state or localities to market their bonds.
- 6) Page 11, subsection (b), bonds issued by an authority do not constitute any liability or indebtedness to the state or political subdivision, nor can an authority pledge the faith or credit of the state or local government.
- 7) Page 13, subsection (a), ensures fair and equal access and fee assessments for users of facilities.
- 8) Page 13-14, subsection (b), an authority must find that prior to issuance of bonds that a project would be economically advantageous to the state and general public welfare and that the project is economically viable.
- 9) Page 14, section 30.13.150 provides that an authority would be integrated into a local government should it be established, but that an indebtedness of an authority does not constitute an obligation of the new government.

I think that these provisions adequately address the concerns that were raised. However, several other possible amendments were suggested that might further clarify the intent of this legislation which were suggested too late to be properly integrated into the committee substitute. I would urge the Finance Committee to consider the following possible changes:

- * 1) Changing the number of petitioners calling for an election to establish an authority from an absolute number of 100 to a percentage formula similar to other regional elections. (Attached is a possible formula suggested by the Division of Elections).
- 2) Any monies received by the state may not be used to satisfy bond obligations or collateral by an authority (attached are draft suggestions from the Department of Law).
- 3) Change a quorum of the Board from a majority to a majority plus one. (Suggested by the Alaska Environmental Lobby; see attached comments).
- * 4) Ensure that proposed projects get fair and equal consideration within a district by an authority. (See attached language submitted by the Alaska Miners Association).

In addition, several technical changes should be made in the bill. The following should be made to correct changes which were made by the Legal Division in the CS:

- * 1) On page 5, lines 12-13, delete the phrase "at a meeting at which a quorum is present". This simply clarifies that a quorum constitutes a majority of the members of the board of governors,
- * 2) On page 6, lines 16-17, delete the phrase "in accordance with the Administrative Procedure Act (AS 44.62)". This phrase was not contained in the CS which passed out of the Resources Committee and could be construed as evidence that authorities are somehow to be viewed as quasi-agencies of the state,
- * 3) On page 8, line 25 delete "AS 30.13.060(f)(1)" and insert in lieu thereof "this subsection". There is no subsection (f)(1),
- * 4) On page 15, line 18, add a comma after the words "rolling stock",

Finally, I would call your attention to the Letter of Intent which was passed out with the bill. This further clarifies that it is the intent that the bonds issued by the authorities not constitute any liability to the state or local governments or taxpayers in a successor government.

I would be happy to appear before your Committee to further explain this legislation and the actions of the Resource Committee. In addition, I have asked my staff to provide whatever assistance you may need on the bill. I remain convinced that this legislation could be of tremendous value in facilitating the development of resource projects in our state which would have tremendous economic and social benefits to regions as well as the state. I would hope the Finance Committee could expedite its consideration of this important legislation.

** Changes made in Finance Committee
plus added "cultural, environmental" to funding #4 on
page 2*

BETTYE FAHRENKAMP, CHAIRMAN
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Senate
Committee on Resources

March 25, 1983

Memo

To: Senate Resources Committee Members

From: Senate Resources Committee Staff

Subject: Amendments to CS of SB 151, Regional Resource Authorities

The following amendments have been proposed by various interests since the CS was distributed. These four amendments would make only clarifying or technical changes to the CS:

- 1) On Page 2, add the following new subparagraph to the Legislative Findings and Policy:

"(4) A locally elected majority membership of an authority created under this chapter provides a method of assuring that the manner of development and the permanent features of a project will be consistent with the economic, sociological and political aspirations of the residents of the particular region. "

- 2) On Page 7, make the following changes in subsection (9):

(9) accept gifts, loans, grants, including without limitation organizational grants, from, and enter into contracts or other transactions regarding them, with any federal, state, municipal or other agency or instrumentality, private organization, or other person;

- 3) On page 9, change subsection (f)(2) to read:

(2) The state bond committee shall find, based on the information submitted by the authority in AS 30.13.060(f)(1) and such other information that is reasonably available to it, that the project revenues can be reasonably expected to [ensure repayment] be adequate for payment of the principal and

interest on [of] the bonds to be issued, and that the issuance of the bonds by the authority would not be expected to adversely affect the ability of the state or its political subdivisions to market bonds.

4) On page 15, in AS 30.13.130(a) change where it appears the word "section" to "subsection".

Alaska State Legislature

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Senate

Committee on Resources

March 24, 1983

Memo

To: Senate Resources Committee Members

From: Senate Resources Committee Staff

Subject: Amendments to CS for SB 151

Attached is the CS for SB 151 which was adopted at the meeting of the Committee on March 18, 1983. Contained in this CS are underlined changes intended to meet the concerns of several Members which were raised at the meeting on the 18th. The proposed amendments to the CS address the following:

- 1) In section 1 the word "nonrenewable" was deleted to permit authorities to be formed for both nonrenewable and renewable resource enterprises;
- 2) In section 2 a statement was required to be submitted to the Governor in addition to the petition to the DC&RA to establish an authority. The Governor is required to issue a finding prior to the holding of an election to establish an authority that the authority would contribute to the economic growth of the region and the state, and that the authority is a desirable method of accomplishing the goals and projects.
- 3) The number of petitioners for an authority was raised from 50 to 100.
- 4) Elections are to be held coincidental to other regional elections when possible.
- 5) Section 30.13.020 (h) was added to sunset the ability to petition and hold elections for establishment of an authority on June 30, 1986.
- 6) Section 30.13.060 (f) was added to require an authority to submit economic information on a project to the State Bond Committee prior to the issuance of bonds. The committee must find that the project revenues can be expected to repay the bonds, and that the authority's bond issue will not adversely affect state and local bond issues.
- 7) Changes were made in Sec. 30.13.150 which clarify that when a borough or a home-rule municipality is created for a resource authority area or includes an authority's area, the authority shall be integrated

into the borough or home-rule municipality, that any indebtedness of an authority does not constitute an indebtedness to the municipality and that the municipality may not levy any taxes to pay for any such indebtedness.

- 8) References to an authority's "jurisdiction" have been replaced throughout the bill with references to the area within which an authority may exercise its powers. This change was to clarify the language to closely reflect the character of the authorities.
- 9) The words "ex officio" at the end of section 30.13.010(e) have been deleted as unnecessary and possible confusing.
- 10) Section 30.13.030 has been changed by adding "in connection with natural resource enterprises" after "transportation purposes" to clarify the purpose to be served by the authorities.
- 11) Section 30.13.040 has been changes by adding "set forth in AS 30.13.030" after "corporate purposes" to clarify the purposes for which an authority may exercise its powers.
- 12) The reference in section 30.13.130(b)(2) to the project sponsor has been changed to a reference to the project itself believed to be the more important consideration.

The Committee will again consider this legislation at its meeting on Friday, March 25, at 3:00pm in the Beltz Room.

Senator Vic Fischer

Alaska State Legislature
Pouch V • Juneau, Alaska 99811 • (907) 465-4954



March 22, 1983

TO: Senator Bettye Fahrenkamp
Chair, Senate Resources Committee

FROM: Senator Vic Fischer

Thank you for the opportunity to consider possible amendments to SB 151.

Amendment 1 does not entirely reflect my concerns about the possibility of a proliferation of authorities. The intent of my suggestion was that the Governor be required to find that the creation of a particular authority is necessary and desirable. This would seem to require a new subsection in Sec. 2 to require submittal of a statement to the Governor to include (1) purpose of the proposed authority, (2) the goals it would seek to meet, (3) analysis of the options other than an authority for obtaining the desired goals, and (4) justification for the choice of an authority over other options for meeting the stated goals. This step would logically come at the same time as petition to C&RA. The Governor would then be required to find that (1) meeting the proposed authority's goals would be advantageous to the state and the region's economic growth, and (2) the authority's creation would be necessary to obtain those goals.

In light of the attached article, which describes the problem of independent authorities and corporations incurring debt for which the state may become at least morally liable, I would like to suggest a further amendment. This would be a new section requiring the Commissioner of Revenue to approve the sale of revenue bonds by an authority. The authority would submit a statement detailing (1) the prospectus of the bond issue and (2) an economic feasibility analysis of the proposed development project and its expected revenues. The Commissioner of Revenue would then be required to find that (1) the project appeared to be capable of producing adequate revenues to repay the bonds and (2) bonds of the authority would not be expected to negatively affect the ability of the state or its subdivisions to market their own bonds and meet their financial obligations.

I'm sure that the legal people can put these suggested amendments into their proper form. Feel free to contact either me or my staff if you need further clarification.



MAR 24 1983

Senate

MEMORANDUM

March 23, 1983

TO: Senator Bettye Fahrenkamp, Chairman
Senate Resources Committee

FROM: Senator Arliss Sturgulewski *AS*
Senate District F, Seat A

RE: Senate Bill 151 Regional Resource Development Authorities

I will not be able to attend the Friday Resources Committee meeting at which you will be considering SB 151. I raised a number of questions in earlier meetings and wanted to share a few additional thoughts with you. I feel the Red Dog development in the Nana Region is an exciting project that I would like to see go forward. The basic issue is, of course, the consideration of a financial structure that would be a positive benefit to the economic viability of the development.

Because of my interest in local government and delivery systems I wanted further clarification of the status of the proposed development authorities, so I have requested an opinion from the Attorney General as to the relationship of the authorities to Article X of the Alaska State Constitution. Case law dealing with limited purpose political subdivisions is sparse and yet it seems to me necessary to try to think ahead to determine what the impacts of the creation of limited political subdivisions might cause. I'm sending you a copy of a memorandum Tamara Cook issued to the Senate Advisory Council dealing with the state and regional educational attendance areas as an example of some of the concerns I see in establishing the new authorities.

I feel that we will see proposals in other areas of the unorganized borough that need assistance in development along the lines of those proposed for the nana region--that is the ability to sell bonds to finance infrastructure. It would seem to me that several approaches other than the regional resource development authorities merit consideration.

1. I think further consideration should be given to possible utilization of the Alaska Industrial Development Authority. Certain amendments would have to be made to the Authority to allow them to finance roads and possibly raise limits on single projects and total limits per year.

2. I think more work needs to be done to look at the possibility of a single statewide authority that might be able to operate in all the unorganized areas of the state. This might well prevent the proliferation of numerous authorities throughout the unorganized borough and might prevent some of the structural problems that could arise as areas where the authorities exist move to borough status.
3. The Department of Transportation and Public Facilities now has the authority to issue revenue bonds for airport construction. It seems to me that consideration should be given to looking at their ability to fast track projects such as proposed in NANA Region through the use of revenue bonds.
4. Alaska Industrial Development Authority assisted tax exempt financing for the private venture should be considered.

In the event the current legislation moves forward, I think that there should be a real strengthening of the legislation in the area of approval by the State Bond Committee of the sale of bonds, and the ability of the legislature and administration to audit the financial records of the authority. I'm sending copies to you of the Institute of Public Administration's (IPA) work regarding public corporations in Alaska. Although I feel the Attorney General may well consider these limited purpose political subdivisions, many of the questions raised by IPA seem very valid. As I have indicated to you, I want to be positive toward this development but have some major concerns in the area of financial and oversight relationships and proliferation of yet another kind of limited service district in the unorganized borough. I will be more than happy to work with you as this legislation progresses.

Enclosures

CHAPTER 52

AN ACT

Relating to the incorporation of organized boroughs and providing for certain grants to boroughs.

(C.S.H.B. 90)

Be it enacted by the Legislature of the State of Alaska:

Section 1. Declaration of Intent. It is the intention of the legislature to provide for maximum local self-government with a minimum number of local government units and tax-levying jurisdictions, and to provide for the orderly transition of special service districts into constitutional forms of government. The incorporation of organized boroughs by this Act does not necessarily relieve the state of present service burdens. No area incorporated as an organized borough shall be deprived of state services, revenues, or assistance or be otherwise penalized because of incorporation. With the exception of planning and zoning, education, and tax collection and assessment, all powers granted the first-class boroughs are exercised at the option of the borough assemblies.

Sec. 2. First- and Second-Class Borough Incorporation. In addition to the incorporation of organized boroughs by local option, first- and second-class organized boroughs are incorporated as provided by this Act.

Sec. 3. Areas Incorporated. (a) If an organized borough is not incorporated by local option as provided by AS 07.10.010 within areas designated in this section, each area designated becomes, on January 1, 1964, a first- or second-class organized borough as determined by local election and a municipal corporation, and possesses all the powers and privileges prescribed by AS 07. Areas designated are:

- (1) Sitka Election District #3
- (2) Juneau Election District #4
- (3) Palmer-Wasilla-Talkeetna Election District #7
- (4) Anchorage Election District #8
- (5) Combined Seward Election District #9 and Kenai-Cook Inlet Election District #10
- (6) Kodiak Election District #11

(7) Ketchikan Election District #2 as designated in Sec. 3, Art. XIV, of the State Constitution, except the Annette Island Indian Reservation created by Act of Congress dated March 3, 1961, 26 Stat. 1101.

(8) Fairbanks Election District #19 as designated in Sec. 3, Art. XIV, of the State Constitution.

(b) If a portion of any district designated above is incorporated by local option before October 1, 1963, and the remaining portion of the district meets the standards for incorporation as provided in AS 07.10.030, the Local Affairs Agency shall make a finding to that effect and notify the secretary of state to hold elections in the area. The area is incorporated as an organized borough on January 1, 1964.

(c) The borough assembly may select the borough seat and borough name in the boroughs designated by this section.

(d) So long as the following areas remain military reservations, they shall be excluded from any borough incorporated in accordance with this section; provided, however, that when an area shall no longer be subject to a military reservation, it shall become a part of the borough surrounding it. Areas excluded at this time are:

- (1) Kodiak Naval Station (base proper)
- (2) Ft. Richardson Army Base (base proper)
- (3) Elmendorf Air Force Base (base proper)
- (4) Ft. Wainwright Army Base (base proper)
- (5) Eielson Air Force Base (base proper)
- (6) Ft. Greely Army Base (base proper)
- (7) Wildwood Station (base proper)

Sec. 4. Election. (a) On October 1,

1963, the Local Affairs Agency shall direct the secretary of state to hold elections for all borough officers and for determination of whether the borough shall be first-class or second-class in the boroughs incorporated by sec. 3 of this Act.

(b) Upon receipt of the notification, the secretary of state shall hold elections before December 15, 1963, for all borough officers as prescribed by AS 07.10.120.

Sec. 5. AS 07.05.030 is repealed and re-enacted to read:

Sec. 07.05.030. **Transition of Special Service Districts.** Special service districts located in existing election districts Nos. 3, 4, 7, 8, 9, 10, and 11, and in districts Nos. 2 and 18 as designated in the State Constitution continue to exercise their powers and functions in accordance with AS 07.10.130 and 140. Other special districts continue to exercise their powers and functions under existing law until July 1, 1964.

Sec. 6. AS 07.10.010 is amended to read:

Sec. 07.10.010. **Incorporation Proposed by Petition.** The incorporation of a first- or second-class organized borough by local option is proposed by filing a petition with the Local Affairs Agency.

Sec. 7. AS 07.10 is amended by adding a new section to read:

Sec. 07.10.125. **Boundary Adjustments.** (a) The Local Boundary Commission may hold public hearings in each area incorporated as an organized borough to determine the necessity for boundary adjustments.

(b) Boundary adjustments may include expanding the boundaries, contracting the boundaries, dividing the areas into two or more areas, or combining two or more areas.

(c) Boundary adjustments made by the Local Boundary Commission shall be submitted to the legislature during the first 10 days of a regular session. The boundary adjustments shall become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

Sec. 8. AS 07.10 is amended by adding

new sections to read:

Article 2

Transitional Assistance

Sec. 07.10.150. **State Lands.** An organized borough may select 10 per cent of the vacant, unappropriated, unreserved state lands located within its boundaries within five years after the date of availability of state lands in the borough. Nothing in this section affects any valid existing claim, location, or entry under the laws of the state or the United States, whether for homestead, mineral, right-of-way, or other purpose, or affects the rights of any owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

Sec. 07.10.160. **Selection Procedure.** (a) All selections shall be made in reasonably compact tracts, taking into account the situation and potential uses of the lands involved. The authority to make selections may not be alienated or bargained away, in whole or in part, by the borough.

(b) If lands desired by the borough are unsurveyed at the time of their selection, the Department of Natural Resources shall survey the exterior boundaries of the area requested without any interior subdivision, and shall issue a patent for the selected area in terms of the exterior boundary survey. The cost of survey is borne by the borough. If lands desired by the borough have been surveyed at the time of their selection, the boundaries of the area requested shall conform to the public land subdivisions established by the approval of the survey. Lands selected by the borough in accordance with this chapter shall be patented to the borough by the Department of Natural Resources.

(c) After the selection of the lands by the borough but before the issuance of final patent, the borough may execute conditional leases and make conditional sales of selected lands.

Sec. 07.10.170. **Organizational Grants.** (a) For the purpose of defraying the cost of transition to borough government and in order to provide for development and interim governmental operations, each organized borough is entitled to an organizational grant equal to \$10 for every qualified voter within the borough

who voted in the last election. However, each borough shall have at least \$25,000.

(b) The Local Affairs Agency shall determine, within 60 days after the date of incorporation of an organized borough, the number of qualified voters in the borough.

Relating to the election of borough officers.

Be it enacted by the State of Alaska:

Section 1. AS 07.10.100 is amended to read:

(b) Qualification of a voter shall be a person who is a qualified elector and is a resident of the borough. A person who is a resident of the borough and is a resident of the borough proposed organized by local option to vote in the election shall be a qualified elector if he has been established for by AS 07.30.100, and the assemblymen is governed by that section.

Sec. 2. AS 07.30.100 is amended to read:

Sec. 07.30.100. **Qualified Voters.** The members of the borough assembly representing the area shall establish sections for the election of borough officers in order to provide for separate and distinct borough government. If the assemblymen, members representing the area outside the first-class city shall be established from the sections. Qualified voters in first-class cities may

Relating to the pay of borough officers.

who voted in the last general election. However, each borough is entitled to at least \$25,000.

(b) The Local Affairs Agency shall determine, within 60 days after the date of incorporation of an organized borough, the number of qualified voters in the

borough who voted in the last election.

(c) Within 30 days after the completion of its findings, the Local Affairs Agency shall transmit to each organized borough from money appropriated to it the total amount of money to which the borough is entitled.

Approved April 12, 1963

CHAPTER 53

AN ACT

Relating to the election of members of the borough assembly.

(H.B. 214)

AN ACT

Be it enacted by the Legislature of the State of Alaska:

Section 1. AS 07.10.120(b) is amended to read:

(b) Qualification of voters. Any person who is a qualified voter in Alaska and is a resident of the area within the proposed organized borough is qualified to vote in the election. However, if sections have been established as provided for by AS 07.30.100, the election of assemblymen is governed by the provisions of that section.

Sec. 2. AS 07.30.100 is amended to read:

Sec. 07.30.100. Borough Sections. (a) The members of the borough assembly representing the area outside the first-class cities may establish, alter, or abolish sections for the election of assemblymen in order to provide representation to separate and distinct areas within the borough. If the assembly establishes sections, members representing the area outside the first-class cities shall be elected from the sections in which they reside. Qualified voters resident outside first-class cities may vote upon the can-

didacy of all the candidates, but candidates from each section run only against other candidates from the same section. The number of sections shall equal the number of assemblymen representing area outside the first-class cities.

Section boundaries shall be established in such a way as to provide, insofar as possible, clarity of boundaries, compactness of area, equal voter representation among different sections, and homogeneity of interest within the section. No section may have a number of voters which is less than one-half that of any other section, as determined from the records of the last general election.

(b) If more than 40,000 people, as determined by the Local Affairs Agency on the basis of the best available information, reside in the area to be included in the proposed organized borough, the Local Affairs Agency shall, as soon as possible, and in no event later than 60 days before the initial election of borough officers, establish sections for the election of assemblymen, as provided in (a) of this section. The first election of assemblymen shall be from the sections established by this subsection.

Approved April 12, 1963

CHAPTER 54

AN ACT

Relating to the pay of teachers and school administrators; and providing for an effective



Alaska State Legislature

Senate

Official Business

Senator Bettye Fahrenkamp
Chairman

Pouch V
State Capitol
Juneau, Alaska 99811

March 25, 1983
3:10 p.m.

211 Beltz Room

MEMBERS PRESENT

Senator Fahrenkamp
Senator Ziegler
Senator Eliason

Senator Paul Fischer
Senator Mulcahy

SB 73 - An Act relating to commercial fishing
SB 136 - An Act relating to the operation of stationery fishing gear.
SB 151 - An Act relating to Regional Resource Development Authorities.
SB 156 - An Act relating to the sale or lease of state hatchery facilities.
SR 2 - Relating to the Cross Island Well.

SB 73 - Senator Mulcahy, chairman of the Fisheries Subcommittee, reported that the subcommittee had adopted a committee substitute. He then moved and asked unanimous consent that SB 73 be moved from committee with individual recommendations. There were no objections.

SB 136 - Senator Mulcahy asked that SB 136 be held until the next Resource Committee Meeting.

SB 156 - Senator Mulcahy stated the Fisheries Subcommittee had adopted a committee substitute. He then moved the committee substitute for Senate Bill 156 from committee with individual recommendations. There were no objections.

SB 151 - Pat Pourchot, Administrative Assistant to the Senate Resources Committee testified regarding changes in the committee substitute. He listed four provisions to provide safeguards to the State to protect against possible problems in creation of authorities and issuance of revenue bonds:

- (1) the number of petitioners to initiate calling an election was raised from 50 to 100;
- (2) a sunset provision barring establishment of authorities after June 30, 1986;
- (3) A Governor's finding of an authority;
- (4) A state bond committee finding prior to issuing revenue bonds.

A letter of intent was also presented which addressed liability by the state vis a vis regional authorities and tax-exempt revenue bonds.

Jay Nelson - representing the Alaskan Environmental Lobby testified that he does not support the bill as presently written. He feels it would lead to potentially unsound developments. In particular, he stated that it could result in the State obligation to bail out any project in order to keep the State's credit rating. He suggested alternatives and a list of amendments.

Marv Lou Meiners, Division of Elections presented a formula for consideration in the bill which would govern the number of signatures required for calling for an election to establish an authority.

Dan Casey, Department of Transportation testified that the Administration supports the concept, but needs more time to study the bill. He recommended that the bill not be held in the Committee.

Terry Elder, Department of Commerce and Economic Development voiced the same concerns as Dan Casey.

Senator Mulcahy moved and asked unanimous consent that committee substitute for SB 151, including proposed amendments, be passed from committee with individual recommendations. There were no objections. He then moved that the letter of intent be moved from committee. There were no objections.

Meeting adjourned 3:45 p.m.



Alaska State Legislature

Senate

Resources Committee

Official Business

Senator Bettye Fahrenkamp
Chairman

Pouch V
State Capitol
Juneau, Alaska 99811

March 18, 1983
3:10 p.m.

211 Beltz Room

MEMBERS PRESENT

Senator Fahrenkamp
Senator Ziegler
Senator Eliason

Senator Vic Fischer
Senator Mulcahy
Senator Sturgulewski

SB 151 - An Act relating to Regional Resource Development Authorities

SB 151 sets up a procedure for establishing a regional resource authority which could finance infrastructure such as roads, pipelines and ports for resource development projects. These resource development authorities would be created with approval of voters in the regional education attendance area, and be run by an 8-member board of elected and appointed members.

A draft committee substitute containing amendments worked out by the mineral companies involved in development in northwest Alaska who may be affected by this legislation was also discussed.

Terry Elder, State of Alaska, Department of Commerce testified that the Administration has not yet taken a position on the bill. He emphasized that all Departments should have input into this decision.

Don Argetsinger, NANA corporation, testified regarding the need for transportation in the area where the Red Dog Mine project is located. Other topics discussed were the development of local government, creating a much needed tax base, and the relationship between NANA and the Authority. He stated that NANA preferred the draft committee substitute.

Senator Fischer moved that CS 151 be placed before the committee. There were no objections.

Hank Giergerich, Manager of COMINCO discussed the Red Dog Mine project including financing, mining investment costs in contrast to oil investment cost, similarities to projects in Canada and the key role of transportation to project success.

Eric Wohlforth, attorney for COMINCO discussed the changes in draft committee substitute from the original bill including terms and number of members on the board, and access to facilities. He stressed that a government entity is not being formed. Discussion followed regarding indebtedness, bonding, powers of the authority, constitutionality, the legislature's ability to repeal, the effect on state obligations and bond rating and creation of different entities vis a vis local governments.

Harris Saxon, Ely, Guess and Rudd Law firm representing GCO Minerals testified that he was particularly interested in the guaranteed equal access to facilities. He further discussed support for the committee substitute to development of minerals in Northwest Alaska.

Russ Babcock, Bear Creek Mining Company, testified in general support of SB 151.

Marv Lou Meiners, State of Alaska, Division of Elections testified that two special elections would be necessary. The fiscal note submitted to the Resource Committee details cost of one special election in an REAA District. Should this legislation pass, she suggested that elections be consolidated if possible.

Senator Mulcahy voiced an interest in whether or not 50 signatures on a petition is overly lenient to call for a special election.

Senator Sturgulewski expressed her general opposition to the creation of new authorities that may duplicate or conflict with other state and local government functions.

Senator Vic Fischer expressed concern over the possible proliferation of regional authorities and inquired as to the impacts on established authorities should the authorizing legislation be sunsetted.

Meeting adjourned at 5:35 p.m.



Alaska Environmental Lobby, Inc.

419 6th Street, Suite 328 Juneau, Alaska 99801

907-586-2345

24 March 1983

REGIONAL RESOURCE DEVELOPMENT AUTHORITIES: ISSUES AND PROBLEMS

INTRODUCTION

Senate Bill 151 allows the creation of 21 Regional Resource Development Authorities in Alaska, with full powers to issue revenue bonds for mining roads and ports. This bill would immediately benefit the development of the proposed Red Dog mine in northwest Alaska. But the larger issue is whether the state needs to create a new form of government in the unorganized borough which can issue unlimited amounts of tax exempt revenue bonds.

TAX EXEMPT BONDS

Bonds are usually tax exempt when they are issued by a state or local government (or an agent of a state or local government) and are used for a public purpose. Because the interest on these bonds is exempt from federal taxes, they are popular with investors, and hence have lower interest rates. General Obligation Bonds require approval by the voters and are usually paid off by taxes or any other state revenues. Revenue bonds should pay for themselves, out of the revenues from the project that was financed by the bonds, in this case a "toll" on mining developments and roads. Since these bonds are supposed to be paid off through user fees, they do not require voter approval. 85% of Alaska's \$8.5 billion debt was incurred by revenue bonds--in other words, without voter approval.

After RRDA's are established by local elections, they can issue tax exempt revenue bonds for roads and harbor development. The issuing of these bonds does not require either state approval or voter approval, according to the current committee bill. Because the interest rates on these bonds would be lower than the rates for bonds issued by private corporations, they could encourage mining development that might not otherwise be possible. The effect is marginal, as the current difference in interest rates is about 3%, but the mining companies insist that this advantage is essential for profitability.

PAYING OFF REVENUE BONDS

The tolls from the roads and port facilities normally would pay the interest and principle due on the bonds. If the mining company fails to pay the tolls and charges required to pay for the road, the authority will be able to take legal action against the mining company. If, however, there is a deep slump in mineral prices, the mining company may go bankrupt, and the authority will have no way to pay off the bonds--except by going back to the state of Alaska and asking for more money.

Under SB 151, the state of Alaska has no legal obligation to help authorities in trouble. As a practical matter, however, the state must come to the rescue, or suffer the consequences of having the reputation of Alaska's bonds all being suspect. This is a problem common to all state authorities. An article in the Sunday, March 20, edition of the Anchorage Times, "'Separate' Agencies Rely on State Backup" investigated this problem. Harold Kuplesky, of the Bankers Trust Company, authorized a \$50 million line of credit to the Alaska Power Authority. The Times reported:

Harold Kuplesky isn't worried. Why? "As a backup, we have the state of Alaska standing behind the project." And if Tyee isn't finished and the state refuses to pay off the loan? "The market looks very dimly on people who do not honor their obligations," Kuplesky replied.

Kuplesky then illustrated his point. "A good example is the New York Urban Development Authority," he said. "They defaulted, and we shut off the credit to the state of New York."

"What happened? "The Legislature came up with the money, and fairly quickly, too."

THE BABY ELEPHANT PHENOMENON

A report to the Legislative Budget and Audit Committee, "Alaska's Public Corporations," by the Institute of Public Administration (Jan. 1982) described this situation in more vivid terms on page 48:

History has shown very clearly that unless state governments become involved in any bail out arrangements for their corporate subsidiaries, state credit will be damaged if not cut off by bond market participants. Market analysts call this the 'baby elephant phenomenon'. The elephant (the indebted corporation in trouble) stumbles up on the state's front porch and says, "feed me or I'll fall down dead on your doorstep."

OTHER STATE SUBSIDIES

In Senate Bill 151, elections for Regional Resource Development Authorities will be paid for by the state. The operating expenses for the authorities are not specifically provided for. The door is left open for gifts, grants, loans, and payments for contracts from the state, as well as from individuals, private organizations, municipal governments and the federal government.

LOCAL CONTROL

One of the attractive points of SB 151 is that it provides for a measure of local control of road and port development. The RRDA's will be governed by a board of eight members. Five are elected by voters in the region (a region has the same boundaries as one of the regional educational attendance areas) and three are appointed by the governor. The authority has been likened to a single purpose local government. It is established to build roads and ports, but it does not have powers of land use planning, zoning, permitting, or taxation. The bond issues are approved by the Board, but are not voted on by the members of the region.

A development authority may be succeeded by a first or second class borough. If an authority fails and goes bankrupt, the subsequent formation of a borough may be complicated or prevented by the legal and financial wreckage of the authority.

ALTERNATIVES TO REGIONAL RESOURCE DEVELOPMENT AUTHORITIES

There are several alternatives to RRDA's which provide tax exempt bonding and local control, without risking the state's credit rating.

1. One alternative is to form a new borough in the area(s) that wants to develop roads and ports. The revenue bonds would be issued by the borough or an intramentality of the borough, as was done in Valdez. Because the borough has powers of planning, zoning, and permitting, greater local control is possible than with RRDA's.
2. Another alternative is to modify the Alaska Industrial Development Authority statutes so that they can fund larger projects, and fund roads projects. (Ports are already included.) Local control language is already in place for local governments; it could be extended to include rural areas.
3. Finally, tax free revenue bonds could be issued by the Department of Transportation. This technique is already used for airport construction. With this approach, areawide transportation planning is encouraged, and the chaos of 21 separate transportation authorities is avoided. Additional statutory provisions for local review of state projects would be needed.

The Anchorage Times

Editorials

Roads to resources

THE STATE could get itself into another hornet's nest if the legislature approves a measure to create regional resource-development authorities.

These authorities, which would issue revenue bonds for new roads, ports and other transportation facilities needed for resource development, smack too much of the rural education attendance areas.

A few of those education units are notorious for not spending their money within established guidelines.

Fortunately, the Senate Finance Committee has held off approving the bill to create the authorities.

THOSE RURAL education areas have enough autonomy that they can get away with all sorts of foolishness. Some of them have tended to spend massive amounts for travel that cannot be justified. A number of them have failed to carry out orders to spend at least 55 percent of their budgets for classroom instruction. Still others have had

more dollars left over at the end of the year than the law allows.

The proposed regional resource development authorities would have the power to issue revenue bonds and to use bond income to construct roads. The engineering and building of roads is no small matter. Large amounts of money would be handled to effect the purchase of rights of way, the engineering and the actual construction.

Under the bill, as many as 21 additional quasi-government units could be formed. Citizens of those rural education attendance areas would be able to vote whether or not to create one of the authorities.

THERE ARE a number of questions that need answers before the legislature gives this measure further serious consideration.

Controls are needed because the state likely would be left holding the bag if the authorities defaulted on paybacks. And there must be a firm plan for accountability, which has not been the case with the rural education districts.

There are areas of the state which do need roads and transportation facilities in order to facilitate the extraction the resources. These resources are the key to Alaska's future.

But the state already has established channels to build transportation facilities.

Alaska has learned the hard way that local autonomy is not always the best way to go.

Drivals

April 23 - Times

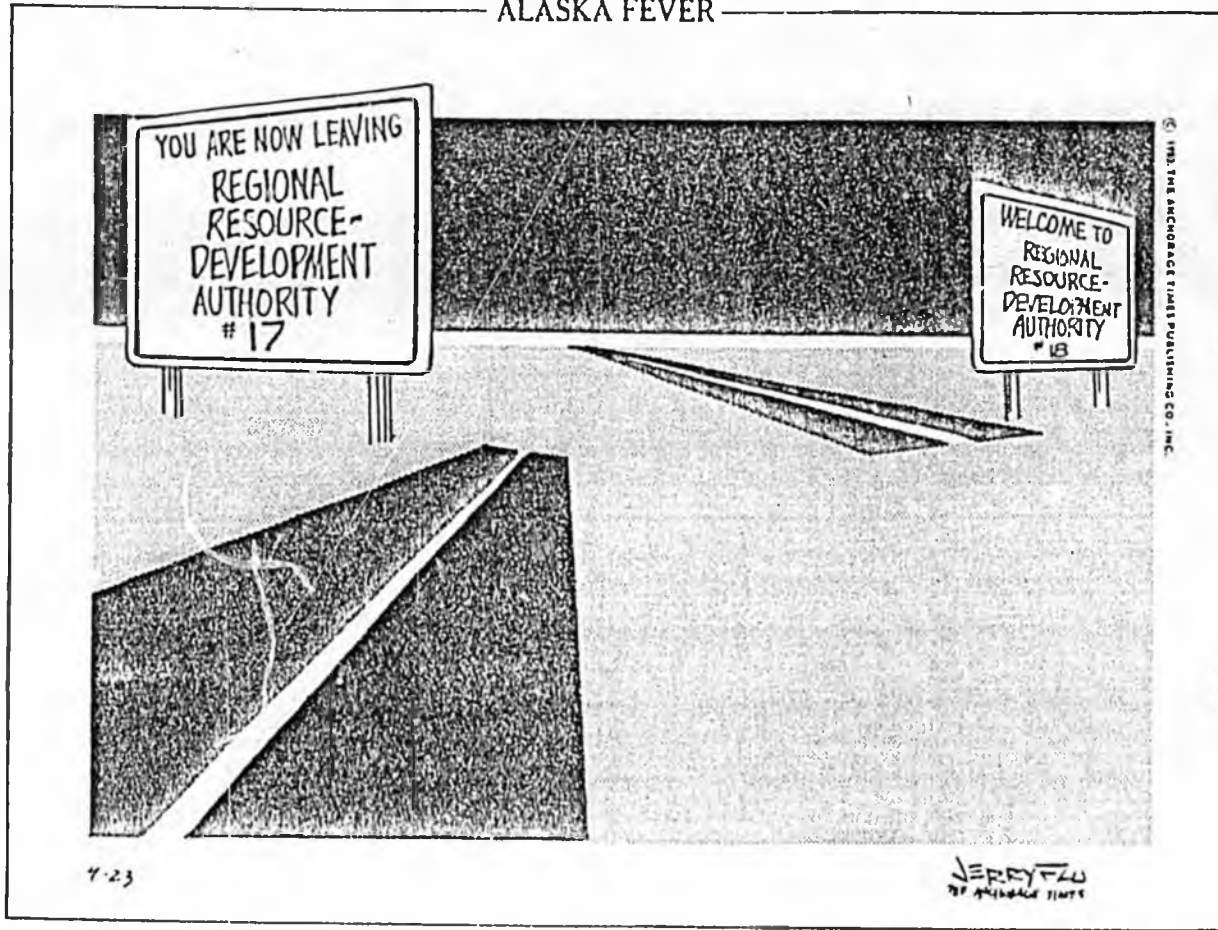
Robert B. Atwood
Editor-in-Chief
and Publisher

William J. Tobin
Associate Editor
and General Manager

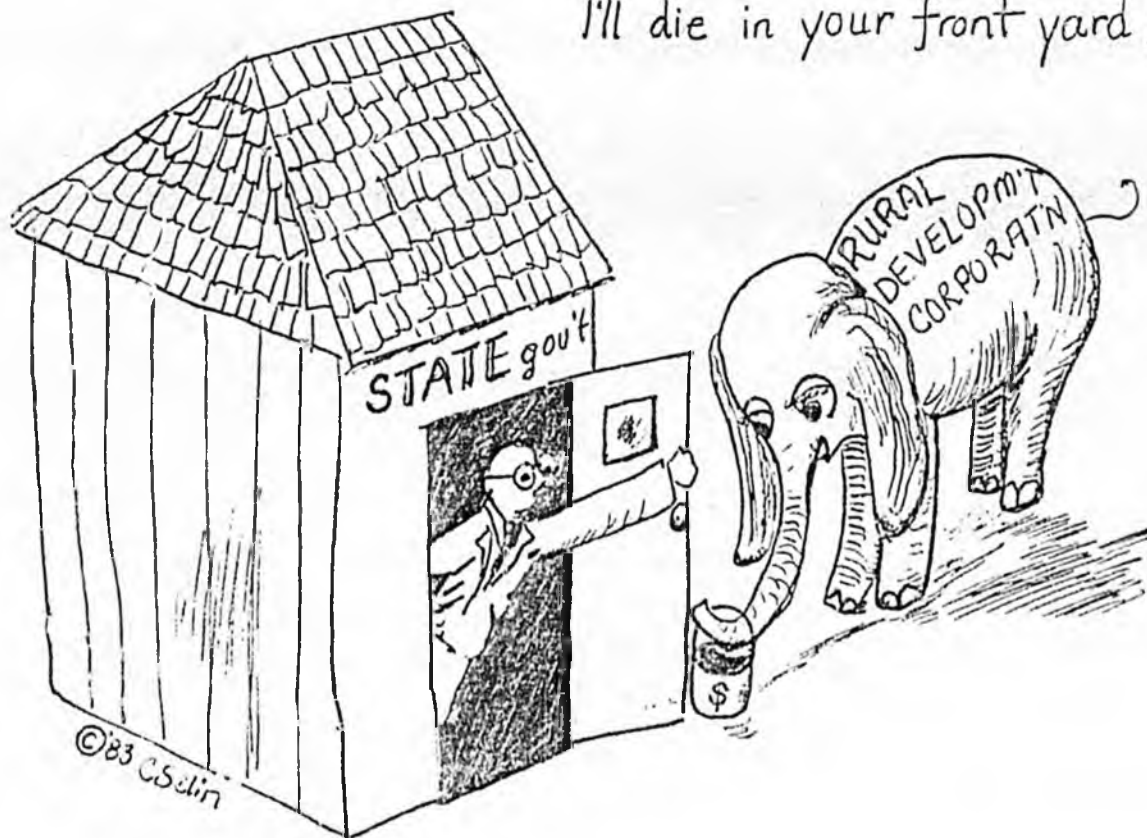
Lana Johnson
Managing Editor

Clinton T. Andrew Jr.
Editorial Page Editor

ALASKA FEVER



If you don't feed me,
I'll die in your front yard!



THE BABY ELEPHANT PHENOMENON

ALASKA ENVIRONMENTAL LOBBY

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
POSITION PAPER

The economic development goal of SB 151 and of the Administration's alternative is the same. Both vehicles would create a financing structure for transportation facilities which would shift the bonded indebtedness from a private balance sheet to a public balance sheet. The reduced capital investment by the developer would increase its return on investment and enhance the economic feasibility of the project. It is clearly in any developer's interest to do this, and may be in the State's interest if that is what it takes to promote a specific project.

The implications of such a debt shift from a private to a public balance sheet require careful consideration. If a project can support the debt service, there is no problem. If the revenue stream is reduced or eliminated for some reason, then the location of the debt is important. There is no legal liability of the State to prevent default of bonds issued by the SB 151 authorities or by the AIDA alternative. If a capital reserve fund in AIDA is funded with State funds, then there is a moral obligation of the State. However, it is legitimate to ask whether the State could allow the default of either an authority or of AIDA. In that respect, there is little difference between the proposals. It is not a reason to oppose either proposal, but it is a reason to be certain that bonding decisions are made carefully.

While the development goals of the two proposals are similar, there are certain strengths in the AIDA approach. First, the need for transportation facilities is a statewide need and AIDA is a statewide authority. Second, AIDA is a recognized name in the investment community; it already exists, and has a professional staff, investment advisor, and bond counsel. Utilizing AIDA simply requires granting it the power to finance and own transportation facilities. Third, use of the six economic regions rather than regional education attendance areas reduces the potential coordination problems that could result when a project spans more than one REAA. Finally, there would be only one bonding authority to finance any project.

The AIDA alternative differs from SB 151 in the method of local involvement. The alternatives allow for local participation via six Regional Development Advisory Councils, appointed by the Governor. The six regions are recognized by the U.S. Department of Labor, and economic data have been collected according to these regions for several years. Local involvement is accomplished in several ways. First, AIDA must obtain the approval of an affected council prior to development of a project, and the council must hold public hearings at three locations in the region. Second, if the council approves the project, two members of the council may serve on the board of AIDA in connection with subsequent action by the authority concerning the transportation facility. Finally, the authority must solicit the advice and approval of the council prior to adopting or executing contracts, agreements, resolutions, or other matters concerning the operation and management of the facilities. These provisions provide substantial local participation in the projects.

Who is behind this legislation?

Cominco-Alaska, Inc. and NANA Corporation are partners in developing the Red Dog Mine near Kotzebue and requested this legislation. The Red Dog deposit is generally considered the richest lead and zinc find in the free world.

Cominco-Alaska's parent company, Cominco Limited of Vancouver B.C. is one of the world's largest lead and zinc producers. Cominco has vast experience in mining in the Arctic regions of Canada as well as in Greenland.

The Red Dog mine when operating will employ some 400 people directly. The mine will operate 24 hours a day, seven days a week for 50+ years. Current schedules call for completion of construction of both the mine facility and transportation systems by late 1986.

Other mining companies such as General Crude Oil Minerals and Kennecott have supported the legislation.

Why was the legislation proposed?

Given current law affecting the unorganized borough the proposed regional authority legislation was seen as the best way to achieve:

- tax exempt revenue bond financing (through lower interest rates and longer terms)
- Public ownership of a transportation system and port with equal access to any users (such as other mining projects which might come on line).
- Local input to decision making by the developer.

Why doesn't the NANA region simply form a borough?

The NANA corporation board of directors has set forming a borough government in their area as a priority. During the summer and fall of 1983 the process of beginning the process by formal discussions throughout the region will begin.

To keep the Red Dog project on schedule, the people in the region feel they cannot have the borough government in place soon enough.

HB 377 is seen as an interim measure to keep the project on schedule until a borough is formed.

The Red Dog mine once operating will bring the regions valuation to a point where a sufficient tax base will exist for borough formation.

What State controls and oversight are contained in HB 377?

1. Authority Formation has to be approved by the Governor.
2. Three of the eight members of the Authority Board of Governors will be selected by the Governor from his cabinet.
3. Any bond sale must have advance approval of the State Bond Committee (the Commissioners of Commerce, Revenue, and Administration).
4. Financial records of the Authority are subject to audit by the Legislative Auditor; records must be established and maintained in a manner approved by the Legislative Auditor.

STATE OF ALASKA
FISCAL NOTE

Revision Date 1983

I. REQUEST

Bill/Resolution No.: HB 377
 Title: Relating to RRDA's
 Sponsor: House C&RA
 Requestor: House C&RA

II. FISCAL DETAIL

Agency Affected: Office of the Governor
 Program Category Affected: Exec Operatic
 BRU, Program of Subprogram(s), Affected:
 Division of Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		.4				
300 CONTRACTUAL		19.6	10.4	11.0		
400 COMMODITIES		.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	-0-	20.6	10.4	11.0	-0-	
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	20.6	10.4	11.0	-0-	
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Dana C. Coffman, Deputy Director
 Division: Division of Elections

Phone: 586-6181
 Date: May 3, 1983

Approved by Commissioner: 
 Department:

Date: 5/4/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

3/8/83

HOUSE BILL 377

ASSUMPTIONS:

1. An election will be held in one REAA area creating one Regional Resource Development Authority. If the election does not take place at the same time as a regularly scheduled REAA election, there will be a fiscal impact.
2. The above question passes and an election of the initial five member board take place not less than 60 nor more than 90 days after the order of election. There will be a fiscal impact.
3. Subsequent election of members, after the initial members' terms have expired, takes place at the same date as a regularly scheduled REAA election. Only the Contractual Services category will be affected and is figured at 6% inflation.
4. This analysis is computed for an election of an RRDA and board members for one REAA area. If there should be elections in all 21 REAA areas, multiply \$20.6 x 21 to compute the fiscal impact. (432.6)

SB 151 - Regional Resource Development Authorities
PROPOSED AMENDMENT #1

Page 6, line 27

After "person", delete ";" and add ", provided that state grants, appropriations, or other transfers from the state may not be used to satisfy bond obligations or otherwise establish collateral or security for bonds issued by the authority."

Rational:

This would not alter the stated purpose of amendment #1 by the Alaska Environmental Lobby i.e. to preclude state contribution towards bond payments. The original amendment, however, proposed by the environmental group seeks to prevent the state from ever assisting directly in any way with the project.

LJH6

TELECONFERENCE PARTICIPATION

DATA SITES:

	Testify	Observe	Expected
Anchorage			
Barrow			
Bethel			
Delta Jct.			/
Dillingham			
Fairbanks			
Juneau			
Kenai Peninsula (Soldotna)			
Ketchikan			
Kodiak <i>MARY JO</i>			
Kotzebue			2
Mat-Su (Wasilla)			
Nome			/
Petersburg			
Sitka			
Valdez			
Wash., D.C.			
Fort Yukon <i>CORRINE</i>			
Unalakleet			
Unalaska <i>MARILYN</i>			

NON-DATA SITES:

- Ambler
Observe
- Anaktuvuk Pass
Observe
- Cordova *HEATHER*
Observe
- Galena *MARGARET*
Observe *& EXPECTED*
- Garbell
Observe
- Hafnes
Observe
- Homer
Observe
- Hoonah *JERRY*
Observe *1 OBSERV.*
- Hooper Bay
Observe
- Kaktovik
Observe
- Noorvik
Observe
- Point Hope *MAE 1 OBSERV.*
Observe

- Saint Paul *HARRY*
Observe
- Sand Point
Observe
- Savoonga
Observe
- Selawik *HEERMAN*
Observe
- Seward
Observe
- Shishmaref *HELEN*
Observe
- Wainwright
Observe
- Wrangell *MARIELE*
Observe
- Yakutat
Observe
- CRAIG BOB*
Observe *ALAN VEONON CITY ADMIN*
DAVE SMITH CITY BOAR
- HYDABURG SHASHA*
Observe
- THORNE GARY KATHY*
Observe *FRANK KOND (MAYOR)*
BILL McKAMEL
- Observe
- Observe