

S B

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# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

MAY 03 1985  
BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

May 2, 1985

The Honorable Arliss Sturgulewski  
Chair, Senate Resources Committee  
Pouch V  
Juneau, AK 99811

Dear Senator Sturgulewski:

Your staff has requested fiscal information regarding SB 60, which would make retroactive the 25% discount on purchases of state land by veterans.

Obviously any measure which reduces state revenues or creates a need for new government administration requires close scrutiny in this time of declining oil revenue. The bill on veterans' discounts would do both.

First, the bill would reduce revenue from land sales between April 1983 and July 1984, when an existing discount took effect (AS 38.05.940(a)-(e)). During this time the Department issued 2,343 land sale contracts valued at \$22,770,540.05. If 20% of the buyers were qualified veterans (as we estimate) and each of these buyers received a 25% discount, the total discount value would be \$1,138,527.

Because the purchase is in many cases being financed by the State over 20 years, the immediate revenue loss would not be so high, but the aggregate loss would be greater than the total discount value.

The second concern is the cost of administering the proposal.

The department would be obliged to notify each land purchaser of the retroactive discount, would have to evaluate the applications to assure compliance with the statutory conditions, would have to amend the contracts to reflect the changed amortization schedule, and (depending on the intent of the bill) might actually be forced to refund 25% of any down-payments or installments received before the effective date of the bill. We have estimated that the cost of administering the retroactive discount would be between \$40-\$60,000.

May 2, 1985

Another concern - not fiscal in nature - is that the retroactive discount excludes persons who did not buy state land between April 1983 and July 1984, and may not have bought land because they thought it too expensive. It may be inequitable now to provide price discounts to those veterans who purchased land.

Thank you for your interest. Please contact me if you have any questions.

Sincerely,



Esther C. Wunnicke  
Commissioner

cc: Tom Hawkins, Director  
Division of Land and Water  
Management  
Senator R. Ziegler, Sponsor of SB 60  
Rep. M. Pignalberi, Sponsor of HB 388  
Rep. R. Shultz, Chair, House Resources

SB60

May 16, 1985

Bruce Stafford  
5059 Vance Drive  
Anchorage, AK 99508

Dear Bruce:

With the last minute rush of legislative business, it was impossible to get back to you regarding SB 60. On May 2, we received additional information from the Commissioner of Natural Resources regarding the 25% discount on purchases of state land by veterans.

Senator Ziegler, prime sponsor of the bill, wanted to see this information prior to making a request for scheduling of the bill. He did not request that the legislation be heard. As you know, this legislation will still be in the Senate Resources Committee and could possibly receive consideration next year. Because of equity questions and the fiscal impact, I can give you little assurance that this legislation will receive favorable action.

It was good to communicate with you and I'll look forward to talking with you over the interim.

Sincerely yours,

Senator Arliss Sturgulewski  
Chairman, Senate Resources Committee

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

MAY 03 1985  
BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-485-2400

May 2, 1985

VETS DISCOUNT  
SB60

The Honorable Arliss Sturgulewski  
Chair, Senate Resources Committee  
Pouch V  
Juneau, AK 99811

Dear Senator Sturgulewski:

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Esther C. Wunnicke  
Commissioner

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Division of Land and Water  
Management  
Senator R. Ziegler, Sponsor of SB 60  
Rep. M. Pignalberi, Sponsor of HB 388  
Rep. R. Shultz, Chair, House Resources

File  
SB60

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* DELIVER TO: JPOM
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* ORIGINAL
* SENT: 04/18/85 TIME: 16:09
* FROM: BARBARA NORRELL
* SUBJECT: POM
* PRINT DATE: 04/18/85 TIME: 16:09
*
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TO: SENATOR ~~STURBUCEWSKI~~

FROM: BRUCE STAFFORD, 5059 VANCE, ANCHORAGE, AK 99508,  
333-2151

SUBJECT: SB 60, VETERANS' STATE LAND PURCHASE DISCOUNT

SEN. KELLY'S OFFICE ADVISED ME BY LETTER YESTERDAY THAT SB 60 IS PRESENTLY IN THE (S) RESOURCES COMMITTEE AND HEARINGS ARE PLANNED THIS SESSION ON THIS LEGISLATION. SINCE YOU CHAIR THIS COMMITTEE, WOULD YOU PLEASE ADVISE ME OF THE DATE THE HEARINGS ARE SCHEDULED ON THE LEGISLATIVE CALENDAR OR IF NOT SCHEDULED AS TO WHEN I CAN EXPECT THE HEARING DATES WILL BE SCHEDULED. I WOULD ALSO APPRECIATE BEING APPRISED OF YOUR POSITION ON THIS PARTICULAR BILL.

IMARY DISTRIBUTION	DATE/TIME SENT
JPOM	04/18/85 16:09
LIOA	04/18/85 16:09

Resources

223 Fawn Ct.  
Anchorage, AK 99515  
August 22, 1985

Senator Arliss Sturgulewski,  
2957 Sheldon Jackson Street,  
Anchorage, AK 99508

Dear Senator Sturgulewski:

I've just learned that SB60, which Senator Robert H. Ziegler, Sr. introduced last January, has been referred to the Natural Resources and the Finance Committees and that, to date, no hearings have been held, as the Natural Resources Committee is researching the cost of the legislation to the state.

This news comes as something of a surprise; first of all because, the blatant injustice of withholding veteran's discount rates from a deserving but unlucky few would seem to indicate a speedy rectification to be in order, questions of cost notwithstanding. And secondly, the lapse of time strikes one as a bit unwarranted, inasmuch as matters of much less merit have long since "had their day in court."

In closing, let me urge you to schedule a hearing as early as possible next session. Thank you very much.

Yours sincerely,

*Richard E. Jonsson*

Richard E. Jonsson

# Alaska State Legislature

SENATOR:  
ROBERT H. ZIEGLER, SR.  
307 BAWDEN STREET  
KETCHIKAN, ALASKA 99901

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811



Senate

MEMBER  
SENATE JUDICIARY COMMITTEE  
SELECT COMMITTEE ON LEGISLATIVE ETHICS  
WESTERN STATES LEGISLATIVE FORESTRY TASK FORCE  
EXECUTIVE COMMITTEE  
WESTERN LEGISLATIVE CONFERENCE  
COUNCIL OF STATE GOVERNMENTS  
ALTERNATE MEMBER  
NATIONAL CONFERENCE OF STATE LEGISLATURES  
STATE AND FEDERAL ASSEMBLY  
COMMITTEE ON  
FEDERAL TAXATION TRADE AND ECONOMIC DEVELOPMENT

April 10, 1985

Senator Arliss Sturgulewski,  
Chairman - Senate Resources Committee  
Alaska State Legislature  
Juneau, Alaska

Dear Arliss:

Tucked in your committee is SB 60, relating to veterans' state land purchase discount, which I introduced at the beginning of the session.

As you may be aware, all discounts (residency and veteran) were discontinued around April of 1983. The veterans' discount was reinstated during the 1984 session. In the meantime, between those two dates, there were lotteries held throughout the state. Those veterans who purchased land through the lottery system during that period were not entitled to the benefits of the veterans' discount program.

SB 60 merely entitles those veterans who purchased state land during that 12 month period to the veterans discount on a one-time only basis.

I would very much appreciate your scheduling the bill for a hearing in the near future.

Regards,

132

Robert H. Ziegler, Sr.

RHZ:1kh

Frank -  
 This is OK letter from  
 DNR  
 re: Vets Discounts  
 A wanted for you.  
 (I think?)  
 MAF

April 23, 1984

The Honorable Arliss Sturgulewski  
 Alaska State Senate  
 Pouch V  
 Juneau, AK 99811

Dear Senator Sturgulewski:

Thank you for your inquiry of Commissioner Wunnicke about veterans' discounts for purchases of state land. The commissioner is away and asked me to respond to your letter.

You asked what impacts we could expect from making retroactive the 25% veterans' discount in SB 324 (now included in SB 375) and HB 529. Although our figures are preliminary, I am able to offer some information.

We estimate that since the veterans' discount was discontinued in April of 1983 about 880 land contracts have been entered into. About 80 of these were in special veterans' auctions at Ketchikan and Fairbanks, and of the 800 remaining contracts we believe that 40% of the purchasers were veterans. Additionally, about 700 remote parcel leases have been issued.

Disposal Program	No. of parcels	Parcels' est. price	% of Veterans	Vet Discount	Lost Revenue
Lottery	300	\$12,000	40%	25%	\$360,000
Auction	80	\$10,000	100%	100%	\$200,000
Remote Parcel	700	\$10,000	40%	25%	\$700,000
Over the Counter	500	\$8,000	40%	25%	\$400,000
<b>TOTAL</b>	<b>1580</b>			<b>DIRECT REVENUE LOSS</b>	<b>\$1,660,000</b>

The interest costs over 20 years, at approximately 150% of the actual displaced revenue from principal, would bring the total loss to the State to \$4,150,000.

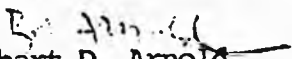
April 23, 1984

Additionally, the Department would have to amend the existing contracts that have been entered into, at about \$150 per contract. This would amount to about \$132,000. Each contract with a discount would also require manual handling, rather than automated. We anticipate that this would require two additional staff in the Division of Management, at the cost of about \$55-60,000 per year.

In sum, the decision to make the veterans' discount retroactive would be a major one with direct impact on revenues and Departmental operations.

Please contact me if more information would be useful.

Sincerely,

  
Robert D. Arnold  
Deputy Commissioner

cc: Tom Hawkins, Director,  
Division of Land and Water Management  
Mary Halloran, Director,  
Division of Management

FEB 20 1985

Senate Resource Committee  
Arliiss Sturgulewski (chair.)

Feb 18, 1985

Dear Senator Sturgulewski,

This letter is in regard to SB 60, submitted by Senator Robert Ziegler.

On reference to changes made in the State Land Lottery program in July '84, I think it is great that Veterans are once again given a 25% (once in a lifetime) discount.

Taking this one step further, I'd like to see the discount retro-active for Veterans who won lottery parcels during the "no-discount" period. My husband, Harvey, is one of these Vets. He won a lottery parcel in June of '83, but since no discounts were allowed from April '83 to July '84 he could not get 25% off the purchase price of his lot. We feel this is unfair. The sale price of the property was not cheap and chances of us being able to afford to use that discount on another purchase is slim; 1) He has to wait seven years between purchases, 2) The last lottery for several years here in the Whangell area was held in Sept. '84.

We ask that you support the passage

of Senate Bill 60 for these deserving Veterans.  
Thank you very much for your time.

Sincerely,

Gayle A. Gross  
Harvey B. Gross  
P.O. Box 11  
Wrangell Alaska  
99929  
(907) 874-3950

F  
R  
O  
M

DICK STOKES  
P. O. Box 732  
WRANGELL, ALASKA 99929

Message  
Reply

2/26/85

PRIORITY

- URGENT <sup>10:05</sup>
- SOON AS POSSIBLE
- NO REPLY NEEDED

FILE NO.

ATTENTION:

Senator A. Sturgulewski

SUBJECT:

Senate Bill # 60

SENATOR AALISS STURGULEWSKI  
Head Senate Resources Committee  
Pouch V  
Juneau, AK. 99811

I STRONGLY endorse The passage of Senate Bill # 60.

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AN ACT MAKING VETERANS STATE LAND purchase RETROACTIVE, AND PROVIDING FOR AN EFFECTIVE DATE TO APRIL 1, 1983.

Sincerely,

SIGNED:

*Rich Stokes*

DATE OF REPLY:

REPLY TO:

R  
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P  
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Y

SIGNED:

SENDER: MAIL RECIPIENT WHITE AND PINK SHEETS.

Wrangell T & H Community Council  
P.O. Box 2029  
Wrangell, Alaska 99929

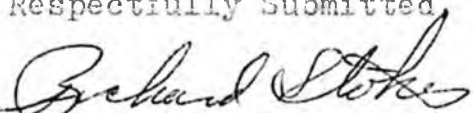
March 11, 1985

Senator Arliss Sturgulewski  
Head of the Senate Resources Committee  
Pouch V  
Juneau, Alaska 99811

Dear Senator Sturgulewski:

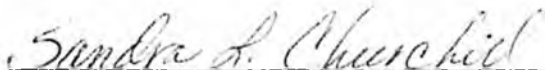
The Tlingit & Haida Community Council of Wrangell AK, by unanimous consent, does hereby support the Senat Bill No. 60. For a 25% discount to Veterans on State lands purchased after March 31,1983.

Respectfully Submitted,



Richard Stokes, President

Your efforts concerning this Bill are greatly appreciated.



Sandra Churchill, Secretary-Treasurer

# Alaska State Legislature

SB 60

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF



POUCH V  
JUNEAU, ALASKA. 99711  
(907) 485-907

## Senate Committee on Resources

February 25, 1985

Gayle A. Gross  
P.O. Box 11  
Wrangell, AK 99929

Dear Gayle:

Thank you for your letter regarding SB 60 which would make the veterans discount program retroactive to April, 1953.

This bill is now in the Senate Resources Committee and will be evaluated for future consideration and possible scheduling of hearings. I have included your letter in our file for this bill and it will be made available to all committee members when a hearing date is established.

As you know, the state's revenues are declining and the legislature is extremely cautious this year. Additional revenue forecasts are being developed now but will not be available until late March. At that time the legislature will have a clearer picture on state spending.

I will keep you informed on the progress of this bill.

Sincerely yours,

A handwritten signature in cursive script that reads "Arliss Sturgulewski".

Senator Arliss Sturgulewski  
Chairman, Senate Resources Committee

fh:bh