

HB573

SENATE FINANCE COMMITTEE REPORT

DATE: 5/5/92

FURTHER:

DATE TURNED INTO OFFICE: 5-12-92

The Finance Committee considered CS FOR HOUSE BILL NO. 573 (FINANCE)

"An Act relating to state and municipal programs that provide a financial benefit to entities and individuals, including an exemption from municipal property taxation for certain primary residences; and providing for an effective date."

and recommends:

- replace with 5CS 05 HB 573 (FINANCE)
or adopt previous CS ()
 attaches amendment(s)

- same title
 new title
 technical title change (HB only)

adopts Letter of Intent

further referral to the

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes

fiscal notes

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes DOA 4-6-92

DHSS - Aid to Families 4-6-92

DHSS - Adult Public Asst. 4-6-92

fiscal notes

DO PASS:

OTHER RECOMMENDATIONS:

Alman - No Rec
Alf Adams - No Rec
Tom Hays - No Rec

1.
Co-Chair: Signature/Recommendation

2.
Co-Chair: Signature/Recommendation

STATE OF ALASKA
1992 LEGISLATIVE SESSION

FISCAL NOTE
REPORTED OUT OF
SFC 5-12-92

No. 3
Bill Version: CSHB 573 (FIN)
(H) Publish Date: 4/14/92

Revision Date: _____ Department Affected: HEALTH & SOCIAL SERVICES
Title: AN ACT MAKING CHANGES IN STATE BENEFIT PROGRAMS BRU: ASSISTANCE PAYMENTS
Component: ADULT PUBLIC ASSISTANCE
Sponsor: HOUSE FINANCE COMMITTEE
Requestor: House Finance Committee COMPONENT SERIAL NO.

0	2	2	2
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: No FY92 Impact

<p>ANALYSIS: (Att: Changes in <u>SCS CSHB 573 (FIN)</u>) SEE ATT! have no fiscal impact. This fiscal note is appropriate. <u>5-12-92</u> <u>J. Hansen</u> date Comte Aide (initial)</p>	<p>Changes in <u>SCS CSHB 573 (FIN)</u> have no fiscal impact. This fiscal note is appropriate. <u>05/14/92</u> <u>M. F. ...</u> date Comte Aide (initial)</p>
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Prepared By: Jan L. Hansen, Director Phone: 465-3347
Division: Division of Public Assistance Date: 4/3/92
Approved by Commissioner: Theodore A. Mala, MD, MPH
Agency: Department of Health and Social Services Date: 4-6-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

House Bill 573 retains the existing statutory basis for Adult Public Assistance payment levels and the automatic annual COLA adjustments to the payment levels, and adds language that allows the Department of Health and Social Services to forgo or reduce the COLA adjustments and/or pay reduced benefit payments if sufficient funds are not appropriated to pay the full amounts set forth in regulation. It further requires that the Department review the adequacy of remaining appropriated funds during the fiscal year and report any need for supplemental funding to the Legislature and the Governor by January 15 each year.

This legislation has no fiscal impact on Adult Public Assistance program appropriations. Its effect is to allow DHSS administrative flexibility to maintain Adult Public Assistance expenditures within appropriated levels.

COMMITTEE COPY

STATE OF ALASKA
1992 LEGISLATIVE SESSION

FISCAL NOTE
REPORTED OUT OF
SFC 5-12-92

No. 2
Bill Version: CSHB 573 (FIN)
(H) Publish Date: 4/14/92

Revision Date: _____ Department Affected: HEALTH & SOCIAL SERVICES
Title: AN ACT MAKING CHANGES IN STATE BRU: ASSISTANCE PAYMENTS
BENEFIT PROGRAMS Component: AID TO FAMILIES WITH DEPENDENT
Sponsor: HOUSE FINANCE COMMITTEE CHILDREN
Requestor: House Finance Committee COMPONENT SERIAL NO.

0	2	2	0
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE						
FUND SOURCE:	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER						
FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: No FY92 impact

ANALYSIS: (SEE ATTACHE	Changes in <u>SSS CASH/ASST (FIN)</u> have no fiscal impact. This fiscal note is appropriate. <u>5-12-92</u> <u>Z. Hansen</u> date Comte Aide (initial)	Changes in <u>SSS ASST/ASST (HE)</u> have no fiscal impact! This fiscal note is appropriate. <u>OB Hansen</u> date Comte Aide (initial)
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Prepared By: Jan L. Hansen, Director Phone: 465-3347
Division: Division of Public Assistance Date: 4/3/92
Approved by Commissioner: Theodore A. Mala, MD, MPH
Agency: Department of Health and Social Services Date: 4-6-92

House Bill 573 retains the existing statutory maximum AFDC payment levels and the automatic annual COLA adjustments to the maximum payment levels, and adds language that allows the Department of Health and Social Services to forgo or reduce the COLA adjustments and/or pay reduced benefit payments if sufficient funds are not appropriated to pay the full amounts set forth in statute and regulation. It further requires that the Department review the adequacy of remaining appropriated funds during the fiscal year and report any need for supplemental funding to the Legislature and the Governor by January 15 each year.

This legislation has no fiscal impact on AFDC program appropriations. Its effect is to allow DHSS administrative flexibility to maintain AFDC expenditures within appropriated levels.

COMMITTEE COPY

FISCAL NOTE

No. 1

Version: CSHB 573 (FIN)

(H) Publish Date: 4/14/92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

REPORTED OUT OF
SFC 5-12-92

Revision Date: _____

Department Affected: Administration

Title: An Act making changes in state benefit programs

BRU: Division of Pioneers' Benefits

Component: Longevity Bonus Program

Sponsor: Finance Committee

Requestor: _____

COMPONENT

0	0	2	7
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	5.0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	5.0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	5.0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	5.0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) See Attached Page

Prepared by: Dennis L. DeWitt
Division: Pioneers' Benefits

Phone: 465-4400
Date: April 3, 1992

Approved by Commissioner: Nancy Bear Usera
Agency: Administration

Date: 4/14/92

Distribution (by preparer): Leg. Fin., Legis.

changes in SCS CSHB 573 (FIN) legis. Ofc., & Impacted Agency(ies).
have no fiscal impact. This
fiscal note is appropriate.

Rev 10/07/91
leg/HB573.FN/1

Page 1 of 2

COMMITTEE C

5-12-92
date J. Lucas
Comte Aide (initial)

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 573

April 3, 1992

Administration

The computer software for the Longevity Bonus program would be modified to provide the correct payment amounts to the recipients.

Contractual Expenses (in \$1,000s)

Software	\$5.0
Total	\$5.0

SENATE CS FOR CS FOR HOUSE BILL NO. 573 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/12/92
Referred: Rules

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state and municipal programs that provide a financial benefit to
2 entities and individuals, including an exemption from municipal property taxation for
3 certain primary residences; and providing for an effective date."

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

5 * Section 1. AS 14.17.140 is amended by adding a new subsection to read:

6 (c) The Department of Community and Regional Affairs may not include the portion of
7 the assessed value of property exempted under AS 29.45.050(i) when making the full value
8 determination under (a) of this section.

9 * Sec. 2. AS 26.10.080(a) is amended to read:

10 (a) The Department of Military and Veterans' Affairs shall pay, upon application, a death
11 gratuity in the amount of \$350 [\$750] to the surviving spouse of a qualified veteran who was a
12 resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity
13 shall be paid to the personal representative of the veteran. A veteran is qualified under this
14 subsection if the veteran's

1 (1) burial occurred in the state on or after May 13, 1984; or

2 (2) death occurred on or after September 19, 1990.

3 * Sec. 3. AS 26.10.080(c) is amended to read:

4 (c) The Department of Military and Veterans' Affairs may not pay a death gratuity unless
5 the veteran for whom payment is made

6 (1) received an honorable discharge or a general discharge under honorable
7 conditions; and

8 (2) is ineligible for a federal funeral or burial benefit under 38 U.S.C. 901 -
9 907.

10 * Sec. 4. AS 29.45.050(i) is amended to read:

11 (i) A municipality may by ordinance approved by the voters exempt from taxation the
12 assessed value that exceeds \$150,000 of real property owned and occupied as a permanent place
13 of abode by a resident who is (1) 65 years of age or older; (2) a disabled veteran, including a
14 person who was disabled in the line of duty while serving in the Alaska Territorial Guard; or (3)
15 at least 60 years old and a widow or widower of a person who qualified for an exemption under
16 (1) or (2) of this subsection. An exemption adopted under this subsection may be limited to
17 certain eligible residents based upon hardship to those residents as defined in the ordinance.

18 * Sec. 5. AS 43.20.014(a) is amended to read:

19 (a) For cash contributions accepted for direct instruction, research, and educational
20 support purposes, including library and museum acquisitions, and contributions to endowment,
21 by a nonprofit, public or private, Alaska two-year or four-year college or by an Alaska university
22 foundation accredited by a regional accreditation association, and for cash contributions to the
23 Alaska heritage endowment fund established by AS 37.14.400 - 37.14.440, a taxpayer is
24 allowed as a credit against the tax due under this chapter

25 (1) 50 percent of contributions of not more than \$100,000; and

26 (2) 100 percent of the next \$100,000 of contributions.

27 * Sec. 6. AS 43.20.014(a) is repealed and reenacted to read:

28 (a) For cash contributions accepted for direct instruction, research, and educational
29 support purposes, including library and museum acquisitions, and contributions to endowment,
30 by a nonprofit, public or private, Alaska two-year or four-year college or by an Alaska university
31 foundation accredited by a regional accreditation association, a taxpayer is allowed as a credit

SENATE CS FOR CS FOR HOUSE BILL NO. 573 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/12/92

Referred: Rules

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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 2 entities and individuals, including an exemption from municipal property taxation for
 3 certain primary residences; and providing for an effective date."

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5 * Section 1. AS 14.17.140 is amended by adding a new subsection to read:

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 7 the assessed value of property exempted under AS 29.45.050(i) when making the full value
 8 determination under (a) of this section.

9 * Sec. 2. AS 26.10.080(a) is amended to read:

10 (a) The Department of Military and Veterans' Affairs shall pay, upon application, a death
 11 gratuity in the amount of \$350 [\$750] to the surviving spouse of a qualified veteran who was a
 12 resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity
 13 shall be paid to the personal representative of the veteran. A veteran is qualified under this
 14 subsection if the veteran's

1 kilowatt-hours per month per resident of the community, and to reduce the cost of the first 750
2 kilowatt-hours per customer per month for all other classes served by the electric utility except
3 state or federal offices and state or federal facilities.

4 * Sec. 10. AS 47.25.455 is amended by adding new subsections to read:

5 (c) As a condition of applying for assistance under this section, an applicant must agree
6 to repay the state for assistance granted under this section upon receiving a benefit under 42
7 U.S.C. 1381 - 1383d for a month in which assistance was granted under this section. However,
8 a repayment required for a month under this subsection may not exceed the amount of assistance
9 received under 42 U.S.C. 1381 - 1383d for that month.

10 (d) Beginning the month following the month in which a person is determined to be
11 eligible for benefits under 42 U.S.C. 1381 - 1383d, the department shall terminate benefits to that
12 person under this section and begin payments to the person under AS 47.25.430.

13 * Sec. 11. ONE-YEAR LIMITATION ON GRANTING COLA FOR AFDC AND ADULT PUBLIC
14 ASSISTANCE. (a) Notwithstanding AS 47.25.320(d), the Department of Health and Social Services
15 is not required to increase the monetary maximums in AS 47.25.320(a) on January 1, 1993, because of
16 a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the department
17 may increase the monetary maximums in AS 47.25.320(a) by a percentage that does not exceed the
18 percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993, but only if the
19 department determines by November 15, 1992, that sufficient money has been appropriated to fund the
20 increase in monetary maximums for the first six months of 1993.

21 (b) Notwithstanding AS 47.25.430(b), the Department of Health and Social Services is not
22 required to increase the state's contribution to recipients under AS 47.25.430 on January 1, 1993, because
23 of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the
24 department may increase the state's contribution to recipients under AS 47.25.430 by a percentage that
25 does not exceed the percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993,
26 but only if the department determines by November 15, 1992, that sufficient money has been
27 appropriated to fund the increase in the state's contribution for the first six months of 1993.

28 * Sec. 12. Sections 1 and 4 of this Act take effect January 1, 1993.

29 * Sec. 13. Section 6 of this Act takes effect January 1, 1996.

30 * Sec. 14. Except as provided in secs. 12 - 13 of this Act, this Act takes effect July 1, 1992.

1 against the tax due under this chapter

2 (1) 50 percent of contributions of not more than \$100,000; and

3 (2) 100 percent of the next \$100,000 of contributions.

4 * Sec. 7. AS 44.83.162(c) is amended to read:

5 (c) An eligible electric utility is entitled to receive power cost equalization for

6 (1) sales of power to local community facilities, calculated in the aggregate for
7 each community served by the electric utility, for actual consumption of not more than 70
8 kilowatt-hours per month for each resident of the community; and

9 (2) actual consumption of not more than 750 kilowatt-hours per month sold to
10 each customer in all classes served by the electric utility except to customers of the utility under
11 (1) of this subsection and customers that are state or federal offices or state or federal
12 facilities.

13 * Sec. 8. AS 44.83.162(d) is amended to read:

14 (d) The amount of power cost equalization provided per kilowatt-hour under (c) of this
15 section may not exceed 95 percent of the power costs, or the average rate per eligible
16 kilowatt-hour sold, whichever is less, as determined by the commission. However,

17 (1) during the state fiscal year that begins July 1, 1992, [1984] the power costs
18 for which power cost equalization may be paid to an electric utility are limited to minimum
19 power costs of more than 9.5 [8.5] cents per kilowatt-hour and less than 52.5 cents per
20 kilowatt-hour;

21 (2) during each following state fiscal year, the power costs for which power cost
22 equalization may be paid to an electric utility shall be adjusted by the commission, considering
23 the rate of change in fuel cost and power demand; and

24 (3) the power cost equalization per kilowatt-hour may be determined for a utility
25 without historical kilowatt-hour sales data by using kilowatt hours generated.

26 * Sec. 9. AS 44.83.162(e) is amended to read:

27 (e) An electric utility whose customers receive power cost equalization under this section
28 shall set out in its tariff the rates without the power cost equalization and the amount of power
29 cost equalization per kilowatt-hour sold. The rate charged to the customer shall be the difference
30 between the two amounts. Power cost equalization paid under this section shall be used to reduce
31 the cost of all power sold to local community facilities, in the aggregate, to the extent of 70

SFC-92
5-10-92

7-LS2253S
Lauterbach
5/10/92

SENATE CS FOR CS FOR HOUSE BILL NO. 573 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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6 (c) The Department of Community and Regional Affairs may not include the portion of
7 the assessed value of property exempted under AS 29.45.050(i) when making the full value
8 determination under (a) of this section.

9 * Sec. 2. AS 26.10.080(a) is amended to read:

10 (a) The Department of Military and Veterans' Affairs shall pay, upon application, a death
11 gratuity in the amount of \$350 [\$750] to the surviving spouse of a qualified veteran who was a
12 resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity
13 shall be paid to the personal representative of the veteran. A veteran is qualified under this
14 subsection if the veteran's



From The

5-10-92 PM
**SENATE
FINANCE COMMITTEE**

MB 573

- A - will Hold Amend #5 to see what House does
- A - Motion to Adopt 5/10/92 CS w/ previous Amendments
- P - SCS CSMB 573 (FIN) dated 5/10/92 adopted - NO objection.
- D - Motion to Move Sec. 2 of SCS CSMB 573 (HES) and make new Sec. 3 in SCS CSMB 573 (FIN). (AS 26.10.030(c))
Adopted
- D - offered Amend #6
A.S. 43.20.014(a)
- Adopted

A- Motion to Move
Shultz Amend #1 (4dam)
from 5/9/92 incorporate
into SES CSMB 573 (FIN)

P- Adjourned Meeting

SCS-92
5-10-92

WORK DRAFT

WORK DRAFT

WORK DRAFT

7-LS2253S
Lauterbach
5/10/92

SENATE CS FOR CS FOR HOUSE BILL NO. 573 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

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12 resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity
13 shall be paid to the personal representative of the veteran. A veteran is qualified under this
14 subsection if the veteran's

- 1 (1) burial occurred in the state on or after May 13, 1984; or
- 2 (2) death occurred on or after September 19, 1990.

Inset 2
#2
3

* Sec. 3. AS 29.45.050(i) is amended to read:

4 (i) A municipality may by ordinance approved by the voters exempt from taxation the
 5 assessed value that exceeds \$150,000 of real property owned and occupied as a permanent place
 6 of abode by a resident who is (1) 65 years of age or older; (2) a disabled veteran, including a
 7 person who was disabled in the line of duty while serving in the Alaska Territorial Guard; or (3)
 8 at least 60 years old and a widow or widower of a person who qualified for an exemption under
 9 (1) or (2) of this subsection. An exemption adopted under this subsection may be limited to
 10 certain eligible residents based upon hardship to those residents as defined in the ordinance.

11 * Sec. 4. AS 44.83.162(c) is amended to read:

12 (c) An eligible electric utility is entitled to receive power cost equalization for

13 (1) sales of power to local community facilities, calculated in the aggregate for
 14 each community served by the electric utility, for actual consumption of not more than 70
 15 kilowatt-hours per month for each resident of the community; and

16 (2) actual consumption of not more than 750 kilowatt-hours per month sold to
 17 each customer in all classes served by the electric utility except to customers of the utility under
 18 (1) of this subsection and customers that are state or federal offices or state or federal
 19 facilities.

20 * Sec. 5. AS 44.83.162(d) is amended to read:

21 (d) The amount of power cost equalization provided per kilowatt-hour under (c) of this
 22 section may not exceed 95 percent of the power costs, or the average rate per eligible
 23 kilowatt-hour sold, whichever is less, as determined by the commission. However,

24 (1) during the state fiscal year that begins July 1, 1992, [1984] the power costs
 25 for which power cost equalization may be paid to an electric utility are limited to minimum
 26 power costs of more than 9.5 [8.5] cents per kilowatt-hour and less than 52.5 cents per
 27 kilowatt-hour;

28 (2) during each following state fiscal year, the power costs for which power cost
 29 equalization may be paid to an electric utility shall be adjusted by the commission, considering
 30 the rate of change in fuel cost and power demand; and

31 (3) the power cost equalization per kilowatt-hour may be determined for a utility

1 without historical kilowatt-hour sales data by using kilowatt hours generated.

2 * Sec. 6. AS 44.83.162(e) is amended to read:

3 (e) An electric utility whose customers receive power cost equalization under this section
4 shall set out in its tariff the rates without the power cost equalization and the amount of power
5 cost equalization per kilowatt-hour sold. The rate charged to the customer shall be the difference
6 between the two amounts. Power cost equalization paid under this section shall be used to reduce
7 the cost of all power sold to local community facilities, in the aggregate, to the extent of 70
8 kilowatt-hours per month per resident of the community, and to reduce the cost of the first 750
9 kilowatt-hours per customer per month for all other classes served by the electric utility except
10 state or federal offices and state or federal facilities.

11 * Sec. 7. AS 47.25.455 is amended by adding new subsections to read:

12 (c) As a condition of applying for assistance under this section, an applicant must agree
13 to repay the state for assistance granted under this section upon receiving a benefit under 42
14 U.S.C. 1381 - 1383d for a month in which assistance was granted under this section. However,
15 a repayment required for a month under this subsection may not exceed the amount of assistance
16 received under 42 U.S.C. 1381 - 1383d for that month.

17 (d) Beginning the month following the month in which a person is determined to be
18 eligible for benefits under 42 U.S.C. 1381 - 1383d, the department shall terminate benefits to that
19 person under this section and begin payments to the person under AS 47.25.430.

20 * Sec. 8. ONE-YEAR LIMITATION ON GRANTING COLA FOR AFDC AND ADULT PUBLIC

21 ASSISTANCE. (a) Notwithstanding AS 47.25.320(d), the Department of Health and Social Services
22 is not required to increase the monetary maximums in AS 47.25.320(a) on January 1, 1993, because of
23 a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the department
24 may increase the monetary maximums in AS 47.25.320(a) by a percentage that does not exceed the
25 percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993, but only if the
26 department determines by November 15, 1992, that sufficient money has been appropriated to fund the
27 increase in monetary maximums for the first six months of 1993.

28 (b) Notwithstanding AS 47.25.430(b), the Department of Health and Social Services is not
29 required to increase the state's contribution to recipients under AS 47.25.430 on January 1, 1993, because
30 of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the
31 department may increase the state's contribution to recipients under AS 47.25.430 by a percentage that

1 does not exceed the percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993,
2 but only if the department determines by November 15, 1992, that sufficient money has been
3 appropriated to fund the increase in the state's contribution for the first six months of 1993.

4 * Sec. 9. Sections 1 and 3 of this Act take effect January 1, 1993.

5 * Sec. 10. Except as provided in sec. 9 of this Act, this Act takes effect July 1, 1992.

SEC-92
5-10-92

Duncan

Adopted

#6

Amendment to Senate CS for CS for House Bill No. 573 (Finance)

Page___, line___, Insert the following:

* Sec. . AS 43.20.014(a) is amended to read:

(a) For cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by a nonprofit, public or private, Alaska two-year or four-year college or by an Alaska university foundation accredited by a regional accreditation association, and for cash contributions to the Alaska heritage endowment fund established by AS 37.14.400 - 37.14.440. a taxpayer is allowed as a credit against the tax due under this chapter

(1) 50 percent of contributions of not more than \$100,000; and

(2) ~~40~~ 100 percent of the next \$100,000 of contributions.

* Sec. . AS 43.20.014(a) is repealed and reenacted to read:

(a) For cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by a nonprofit, public or private, Alaska two-year or four-year college or by an Alaska university foundation accredited by a regional accreditation association, a taxpayer is allowed as a credit against the tax due under this chapter

(1) 50 percent of contributions of not more than \$100,000; and

(2) 100 percent of the next \$100,000 of contributions.

* Sec. . Section of this Act takes effect January 1, 1996.

Explanation: The first section of this amendment would provide a tax credit for the Alaska heritage endowment fund that would be created by the passage of CS for House Bill No. 189 (Finance)- now in Senate Rules. This is the same provision contained in the Senate HESS version of HB 189. The next two sections provide for the sunset of this tax credit by reinstating on January 1, 1996 the same language presently contained in AS 43.20.014(a).

Section 2 incorporated
into SCS CSHB 573 (FN)
5/10/92

7-LS2253P

SENATE CS FOR CS FOR HOUSE BILL NO. 573 (HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 5/5/92
Referred: Finance

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state and municipal programs that provide a financial benefit to
2 entities and individuals, including an exemption from municipal property taxation for
3 certain primary residences; and providing for an effective date."

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

5 * Section 1. AS 14.17.140 is amended by adding a new subsection to read:

6 (c) The Department of Community and Regional Affairs may not include property
7 exempted under AS 29.45.052 when making the full value determination under (a) of this section.

8 * Sec. 2. AS 26.10.080(c) is amended to read:

9 (c) The Department of Military and Veterans' Affairs may not pay a death gratuity unless
10 the veteran for whom payment is made

11 (1) received an honorable discharge or a general discharge under honorable
12 conditions; and

13 (2) is ineligible for a federal funeral or burial benefit under 38 U.S.C. 901 -

14 907.

1 * Sec. 3. AS 29.45.030(k) is amended to read:

2 (k) The department shall adopt regulations to implement the provisions of [(g) AND] (j)
3 of this section.

4 * Sec. 4. AS 29.45.040(f) is amended to read:

5 (f) In this section "disabled veteran" has the meaning given in AS 29.45.052(b)
6 [AS 29.45.030(i)].

7 * Sec. 5. AS 29.45 is amended by adding a new section to read:

8 Sec. 29.45.052. OPTIONAL EXEMPTION FOR CERTAIN PRIMARY RESIDENCES.

9 (a) The real property owned and occupied as the primary residence and permanent place of
10 abode by a resident of the state who is (1) 65 years of age or older; (2) disabled veteran; or (3)
11 at least 60 years old who is the widow or widower of a person who qualified for an exemption
12 under (1) or (2) of this subsection, may by ordinance be exempted from taxation on all or part
13 of the assessed value of the real property. The ordinance may base the exemption on hardship.
14 Only one exemption may be granted for the same property and, if two or more persons are
15 eligible for an exemption for the same property, the exemption may not be granted unless the
16 parties decide between or among themselves who is to receive the benefit of the exemption. Real
17 property may not be exempted under this subsection if the local assessor determines, after notice
18 and hearing to the parties, that the property was conveyed to the applicant primarily for the
19 purpose of obtaining the exemption. The determination of the assessor may be appealed to the
20 superior court under procedures set out in AS 44.62.560 - 44.62.570.

21 (b) In this section,

22 (1) "disabled veteran" means a disabled person separated from the military service
23 of the United States under a condition that is not dishonorable, whose disability was incurred or
24 aggravated in the line of duty in the military service of the United States, and whose disability
25 has been rated as 50 percent or more by the branch of service in which that person served or by
26 the Veterans' Administration;

27 (2) "real property" includes mobile homes, whether classified as real or personal
28 property for municipal tax purposes.

29 * Sec. 6. AS 44.83.162(c) is amended to read:

30 (c) An eligible electric utility is entitled to receive power cost equalization for

31 (1) sales of power to local community facilities, calculated in the aggregate for

1 each community served by the electric utility, for actual consumption of not more than 70
2 kilowatt-hours per month for each resident of the community; and

3 (2) actual consumption of not more than 750 kilowatt-hours per month sold to
4 each customer in all classes served by the electric utility except to customers of the utility under
5 (1) of this subsection and customers that are state or federal offices or state or federal
6 facilities.

7 * Sec. 7. AS 44.83.162(e) is amended to read:

8 (e) An electric utility whose customers receive power cost equalization under this section
9 shall set out in its tariff the rates without the power cost equalization and the amount of power
10 cost equalization per kilowatt-hour sold. The rate charged to the customer shall be the difference
11 between the two amounts. Power cost equalization paid under this section shall be used to reduce
12 the cost of all power sold to local community facilities, in the aggregate, to the extent of 70
13 kilowatt-hours per month per resident of the community, and to reduce the cost of the first 750
14 kilowatt-hours per customer per month for all other classes served by the electric utility except
15 state or federal offices and state or federal facilities.

16 * Sec. 8. AS 47.25.455 is amended by adding new subsections to read:

17 (c) As a condition of applying for assistance under this section, an applicant must agree
18 to repay the state for assistance granted under this section upon receiving a benefit under 42
19 U.S.C. 1381 - 1383d for a month in which assistance was granted under this section. However,
20 a repayment required for a month under this subsection may not exceed the amount of assistance
21 received under 42 U.S.C. 1381 - 1383d for that month.

22 (d) Beginning the month following the month in which a person is determined to be
23 eligible for benefits under 42 U.S.C. 1381 - 1383d, the department shall terminate benefits to that
24 person under this section and begin payments to the person under AS 47.25.430.

25 * Sec. 9. ONE-YEAR LIMITATION ON GRANTING COLA FOR AFDC AND ADULT PUBLIC
26 ASSISTANCE. (a) Notwithstanding AS 47.25.320(d), the Department of Health and Social Services
27 is not required to increase the monetary maximums in AS 47.25.320(a) on January 1, 1993, because of
28 a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the department
29 may increase the monetary maximums in AS 47.25.320(a) by a percentage that does not exceed the
30 percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993, but only if the
31 department determines by November 15, 1992, that sufficient money has been appropriated to fund the

1 increase in monetary maximums for the first six months of 1993.

2 (b) Notwithstanding AS 47.25.430(b), the Department of Health and Social Services is not
3 required to increase the state's contribution to recipients under AS 47.25.430 on January 1, 1993, because
4 of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the
5 department may increase the state's contribution to recipients under AS 47.25.430 by a percentage that
6 does not exceed the percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993,
7 but only if the department determines by November 15, 1992, that sufficient money has been
8 appropriated to fund the increase in the state's contribution for the first six months of 1993.

9 * Sec. 10. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(h), and
10 29.45.030(i), are repealed.

11 * Sec. 11. Sections 1, 3 - 5, and 10 of this Act take effect January 1, 1993.

12 * Sec. 12. Except as provided in sec. 11 of this Act, this Act takes effect July 1, 1992.

school debt potential- calender year 1992 issue

\$140 million issue		70% state share is \$98 million 5.25% interest	
	Existing School Debt	New Debt	Total Debt
FY 93	114,308		
FY 94	98,869		
FY 95	89,690		
FY 96	76,119	10,500	86,619
FY 97	54,852	10,500	65,352
FY 98	51,684	10,500	62,184
FY 99	49,074	10,500	59,574
FY 00	39,270	10,500	49,770
FY 01	27,293	10,500	37,793
FY 02	14,897	10,500	25,397
FY 03	10,955	10,500	21,455
FY 04	10,776	10,500	21,276
FY 05	10,712	10,500	21,212
FY 06	7,673	0	7,673

#5

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 573 (HES)

Page 1, after line 4:

Insert new bill sections to read:

"* Section 1. AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district, the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977 to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are submitted to the Department of Education for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of average daily membership of the municipality is more than 7 percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this paragraph on total project costs that exceed the amounts set out in (i) and (ii) of this paragraph are subject to (5)(A) of this subsection;

(5) subject to (h), (i), and (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on

(i) outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11);

(ii) outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved

under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h), (i), and (j) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after January 1, 1992, but before December 31, 1992, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a).

* Sec. 2. AS 14.11.100(h) is amended to read:

(h) An allocation under (a)(4), [OR] (5), or (6) of this section for school construction begun after July 1, 1982, shall be reduced by the amount of money used for the construction of residential space, hockey rinks, planetariums, saunas, and other facilities for single purpose sporting or recreational uses that are not suitable for other activities and by the money used for construction that exceeds the amount needed for construction of a facility of efficient design as determined by the department. An allocation under (a)(4), [or] (5), OR (6) of this section may not be reduced by the amount of money used for construction of a small swimming pool, tank, or water storage facility used for water sports. However, an allocation shall be reduced by the difference between the amount of money used to construct a swimming pool that exceeds the standards adopted by the department and the amount of money that would have been used to construct a small swimming pool, tank, or water storage facility, as determined by the commissioner.

* Sec. 3. AS 14.11.100(i) is amended to read:

(i) For the purposes of (a)(4), [AND] (5), and (6) of this section

(1) an indebtedness for bonds is incurred after the bonds are sold;

(2) reimbursement for a cash payment may only be made after the payment is made to a vendor; and

(3) payments may not be made for costs that are incurred under a contract after the contract has been released.

* Sec. 4. AS 14.11.100(j) is amended to read:

(j) Except as provided in (l) of this section, the state may not allocate money to a

municipality for a school construction project under (a)(5) and (6) of this section unless the municipality complies with the requirements of (1) - (4) of this subsection, the project is approved by the commissioner before the local vote on the bond issue for the project, and the local vote occurs before July 1, 1987, or after June 30, 1988. In approving a project under this subsection, the commissioner shall require

(1) the municipality to include on the ballot for the bond issue the estimated total cost of each project including estimated total interest, estimated annual operation and maintenance costs, the estimated amounts that will be paid by the state and by the municipality, and the approximate amount that would be due in annual taxes on \$100,000 in assessed value to retire the debt;

(2) that the bonds may not be refunded unless the annual debt service on the refunding issue is not greater than the annual debt service on the original issue;

(3) that the bonds must be repaid in approximately equal annual principal payments or approximate equal debt service payments over a period of at least 10 years;

(4) the municipality to demonstrate need for the project by establishing that the school district has

(A) projected long-term student enrollment that indicates the district has inadequate facilities to meet present or projected enrollment; or

(B) facilities that require repair or replacement in order to meet health and safety laws or regulations or building codes."

Page 1, line 5:

Delete "Section 1."

Insert "Sec. 5."

Renumber the following bill sections accordingly.

Page 4, line 11:

Delete "Sections 1, 3 - 5, and 10"

Insert "Sections 5, 7 - 9, and 14"

Page 4, line 12:

Delete "sec. 11"

Insert "sec. 15"

5/9/92

HB 573, "An Act relating to state and municipal programs that provide a financial benefit to entities and individuals, including an exemption from municipal property taxation for certain primary residences; and providing for an effective date."

PROPOSED AMENDMENTS:

ADOPT
5/9

#1.

SHULTZ—New section to amend AS 44.83.398(g)...4 dam pool project. This amendment forgives a utility that as "a part of the initial project and uses diesel for at least 25%..." from their proportionate share of the debt service until they have alternate sources or are intertied.

ADOPT
5/9

#2.

ADAMS—Starting with FY 93, the PCE floor rate is raised to 9.5 cents per KWH. Combined with a deletion of federal and state bldg.s, will provide full funding at House/Senate PCE \$18 million level with no pro-ration **No change to current statutes, raises floor 1 penny gains \$1million.**

ADOPT
5/9

#3.

HOFFMAN—Veterans death benefit. Senate version didn't save as much as thought. This amendment returns to the House version of HB 573—\$350 for all vets.

ADOPT
5/9

#4.

ALASKA MUNICIPAL LEAGUE—Property tax exemption "base" set at \$75,000 (lowered from current \$150.) "Base" is the amount of assessed value that is exempted for those who qualify. Added to the current statute—in the case of "hardship" (as defined by the municipality's ordinance) all or part of the assessed value over the \$75.0 base may be exempted. The deletions are of the repeal in HB 573(HES)—with the above changes, returns statutes to the status quo. **May be limited to "hardship" but not necessary to limit. Municipality may choose greater exemption and need not subject to the "hardship" provision.**

#5. BOYER

For this year only, upon approval of municipal school district voters, a 70/30 bonding package. Locals pass a bond measure, their share is 30% the state's is 70%. Estimate is \$140 million total package, based on priority 1 and 2 projects and recent actions by local boards and voters. \$140 million X .70 = \$98 million (state's share).

HB 573, "An Act relating to state and municipal programs that provide a financial benefit to entities and individuals, including an exemption from municipal property taxation for certain primary residences; and providing for an effective date."

Section 1: Department of Community and Regional Affairs cannot include property exempted under AS 29.45.052 ("senior property tax exemption") when making full value determinations.

Section 2: Veterans burial gratuity for those ineligible for federal benefit only.

Section 3: Language consistency.

Section 4: Disabled veteran definition reference.

Section 5: Optional property tax exemption.

Section 6: Federal and state buildings out of Power Cost Equalization.

Section 7: Takes federal and state buildings out of power cost computation statute for PCE.

Section 8: Recipient of interim assistance agrees to repay the state after qualifying and receiving federal assistance.

Section 9: COLA for AFDC and APA determined annually and not required if insufficient money appropriated.

Section 10: Repealers for current property tax exemption statutes--AS 29.45.030.

Section 11: Effective date for Sec. 1, 3-5 and 10.

Section 12: Effective date.

AMENDMENT # /Offered by:
Senator Shultz

TO: CSIB 573 (FIN)

PAGE 3 - NEW SECTION EIGHT. - RENUMBER OLD
SECTION EIGHT AND FOLLOWING SECTIONS.

* Sec. . AS 44.83.398(g) is amended to read:

(g) For the purposes of (b)(1)(B) of this section, a power project's proportionate share of debt service on state loans and bonds for all power projects in the energy program for Alaska is equal to the state's investment in the power project divided by the state's investment in all power projects in the energy program for Alaska and multiplied by the debt service on state loans and bonds for all power projects in the energy program for Alaska. However, for an electric utility that is part of the initial project and that uses diesel powered generation to provide at least 25 percent of the total kilowatt hours generated in a year, the authority shall forgive collection of the utility's share of debt service until alternate sources of electricity have been developed in the area served by the utility or until there is an intertie connecting the utility with the interconnected Railbelt electric utilities. In this subsection

(1) "state's investment in the power project" includes all state money invested in a power project, including loans, grants, and proceeds from bonds, less the principal repayments on the project's proportionate share of debt service on state loans and bonds;

(2) "state's investment in all power projects in the energy program for Alaska" includes all state money invested in the power projects, other than interties, in the energy program for Alaska, including loans, grants, and proceeds from bonds, less the principal repayments on bonds and state loans issued for the power projects.

#2

Amendment to HB 573

By Adams and Hoffman

AS 44.83.162 (d) (1) is amended to read:
during the state fiscal year that begins July 1, 1992 [1984] the power
costs for which power cost equalization may be paid to an electric
utility are limited to minimum power costs of more than 9.5 [8.5]
cents per kilowatt-hour and less than 52.5 cents per kilowatt-hour;

Dan —
call me if you
have questions —
Marta

AMENDMENT

OFFERED IN THE SENATE
TO: SCS CSHB 573 (HES)

BY SENATOR HOFFMAN

Page 1, line 8:

Insert a new section to read:

* Sec. 2. AS 26.10.080(a) is amended to read:

(a) The Department of Military and Veterans' Affairs shall pay, upon application, a death gratuity in the amount of \$350 [\$750] to the surviving spouse of a qualified veteran who was a resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity shall be paid to the personal representative of the veteran. A veteran is qualified under this subsection if the veteran's

(1) burial occurred in the state on or after May 13, 1984; or

(2) death occurred on or after September 19, 1999.

Renumber sections accordingly.

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 573(HES)

Page 1, line 7:

Delete "under AS 29.45.052"

Insert "at the option of the municipality under AS 29.45.030(e) or 29.45.050(i)"

Page 2, lines 1 - 28:

Delete all material and insert:

** Sec. 3. AS 29.45.030(e) is amended to read:

(e) The real property owned and occupied as the primary residence and permanent place of abode by a (1) resident 65 years of age or older; (2) disabled veteran; or (3) resident at least 60 years old, who is the widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection, is exempt from taxation on the first \$75,000 [\$150,000] of the assessed value of the real property. A municipality may, in case of hardship, provide for exemption beyond the first \$75,000 [\$150,000] of assessed value in accordance with regulations of the department. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

* Sec. 4. AS 29.45.050(i) is amended to read:

(i) A municipality may by ordinance approved by the voters exempt from taxation all or part of the assessed value that exceeds \$75,000 [\$150,000] of real property owned and occupied as a permanent place of abode by a resident who is (1) 65 years of age or older; (2) a disabled veteran, including a person who was disabled in the line of duty while serving in the

Alaska Territorial Guard; or (3) at least 60 years old and a widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection. An exemption adopted under this subsection may be limited to certain eligible residents based upon hardship to those residents as defined in the ordinance."

Renumber the following bill sections accordingly.

Page 4, lines 9 and 10:

Delete all material.

Renumber the following bill sections accordingly.

Page 4, line 11:

Delete "3 - 5, and 10"

Insert "3, and 4"

Page 4, line 12:

Delete "11"

Insert "9"

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 573 (HES)

Page 1, after line 4:

Insert a new bill section to read:

"* Section 1. AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district, the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977 to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are submitted to the Department of Education for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, nor to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of average daily membership of the municipality is more than 7 percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this paragraph on total project costs that exceed the amounts set out in (i) and (ii) of this paragraph are subject to (5)(A) of this subsection;

(5) subject to (h), (i), and (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on

(i) outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11);

(ii) outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved

under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h), (i), and (j) of this section, 70 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after January 1, 1992, but before December 31, 1992, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)."

Renumber the following bill sections accordingly.

Page 4, line 11:

Delete "Sections 1, 3 - 5, and 10"

Insert "Sections 2, 4 - 6, and 11"

Page 4, line 12:

Delete "sec. 11"

Insert "sec. 12"

*F - Capital
93 Capital
Budget/DOE*

Capital Improvement Program Budget Request
for Fiscal Year 93

<u>PRIORITY TYPE 1</u> <u>Priority</u>	<u>District Name</u>	<u>Priority 1</u> <u>Ranking</u>	<u>Amount</u>	<u>Project Name</u>
1	Lower Kuskokwim Schools	1	6,913.0	Kasigluk - Akiuk School Replacement Ph.II
2	Ketchikan Gateway Borough Schools	2	14,623.7	Ketchikan High: Phase III *
3	Nome City Schools	3	885.0	Nome-Beltz Life Safety Upgrade/Asbestos x
4	Lower Kuskokwim Schools	4	2,500.0	Nunapitchuk Elementary School Addition x
5	Kodiak Island Borough Schools	5	525.0	Old Harbor K-12 Structural Repair
6	Hoonah City Schools	6	1,738.2	Schl-wide Sprinklr System/Life/Safe Ph II x
7	Fairbanks North Star Borough Schools	7	12,110.9	North Pole Elementary Addition
8	Alaska Gateway Schools	8	13,232.0	Tok School *
9	Kake City Schools	9	1,402.0	Elementary & High School Life/Safety
10	Southwest Region Schools	10	726.5	New Stuyahok Roof and Wall Replacement
11	Pribilof Schools	11	1,164.4	St. Paul/Roofing and Siding Replacement x
12	Yakutat City Schools	12	558.9	Elementary School Repair
13	Bering Strait Schools	13	11,020.0	Gambell Elementary
14	Annette Island Schools	14	693.0	Elementary/Middle School Repair
15	North Slope Borough Schools	15	250.0	Point Hope Entryways and Roof Renovation x
16	Lake & Peninsula Borough Schools	16	1,660.0	Chignik Bay School *
17	Kuspuk Schools	17	380.0	Sleetmute: Foundation & roof repair *
18	Kashunamiut Schools	18	14,400.0	Replacement School Facility
Total for Priority Type 1 =			84,862.6	

Nov-1-91 FRI 11:48

AN DEE COMM. SERVICES

*34C 92
5-10-92*

For Fiscal Year 93

<u>PRIORITY TYPE *</u>	<u>District Name</u>	<u>Priority *</u>	<u>Amount</u>	<u>Project Name</u>
<u>Priority</u>		<u>Ranking</u>		
19	Copper River Schools	*	2,988.5	Glennallen Secondary School Final Phase
20	Lower Yukon Schools	*	3,080.0	Mt. Village/Phase II/Elementary Replace
	Total for Priority Type *	=	6,068.5	
PRIORITY TYPE 2				
		Priority 2		
		Ranking		
21	Northwest Arctic Schools	1	2,091.0	Selawik Elementary Addition
22	Copper River Schools	2	1,536.9	Slana Elementary School
23	Bering Strait Schools	3	4,928.0	Koyuk School addition/renovation
24	Kenai Peninsula Borough Schools	4	426.9	Portable Classrooms Districtwide
25	Southeast Island Schools	5	1,537.0	Edna Bay School Construction
26	Lower Yukon Schools	6	582.0	Hooper Bay Classroom Addition
27	Southeast Island Schools	7	1,830.4	Kasaan/Hollis Schools project
28	Southeast Island Schools	8	819.2	Port Protection School
29	Craig City Schools	9	2,039.4	Craig Classroom Addition
30	Kuspuk Schools	10	1,946.4	Upper Kalskag: O/J Gregory Elementary
31	Kuspuk Schools	11	5,803.4	Aniak Middle/Elementary School Phase I
32	Lower Kuskokwim Schools	12	17,679.0	New Bethel Middle School
33	Yupit Schools	13	5,200.0	Akiachak Elementary Replacement/Renovate
34	Ketchikan Gateway Borough Schools	14	8,477.6	Shoenbar Junior High
35	Fairbanks North Star Borough Schools	15	6,000.0	New Fairbanks High School Phase I

* Pursuant to Chapter 5, SLA 1990, Section 16

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AK DOE COMMISSIONERS OFF

FAX NO. 9074654156

P.02

Budget Request
for Fiscal Year 93

PRIORITY TYPE 2 (con't)

Priority	District Name	Priority 2 Ranking	Amount	Project Name
36	Lake & Peninsula Borough Schools	16	1,000.0	Ivanof Bay School Replacement
37	Fairbanks North Star Borough Schools	17	12,943.9	New North Fairbanks Elementary
38	Yukon Flats Schools	18	1,500.0	Circle: Multipurpose/Classroom Addition
39	Kodiak Island Borough Schools	19	7,500.0	Kodiak New Elementary School Phase I
40	Yukon/Koyukuk Schools	20	1,300.0	Allakaket School Addition
41	Matanuska-Susitna Borough Schools	21	5,000.0	Glacier View School
42	Southwest Region Schools	22	2,112.0	Togiak School Addition
43	Lake & Peninsula Borough Schools	23	450.0	Kokhanok School Addition
44	Kenai Peninsula Borough Schools	24	1,449.8	Kenai Elementary School Renovation
45	Chatham Schools	25	687.0	Angoon Elementary Classroom Addition
46	Anchorage Schools	26	1,200.0	Turnagain Classroom Addition
47	Southeast Island Schools	27	3,390.4	Coffman Cove: Building Replacement
48	Bering Strait Schools	28	3,927.4	Golovin Elementary Addition to H.S.
49	Juneau Borough Schools	29	200.0	Auke Bay Classroom Addition
50	Lower Kuskokwim Schools	30	4,369.0	Atmautluak Elementary School Addition
51	Anchorage Schools	31	1,000.0	Eagle River Elementary Additon
52	Kenai Peninsula Borough Schools	32	10,300.5	New West Homer Elementary
53	Chatham Schools	33	612.5	Gustavus: Classroom Addition
54	Copper River Schools	34	1,809.0	Copper Center Elementary Addition Ph II
55	Anchorage Schools	35	3,499.6	Willow Crest Elementary Addition
56	Kodiak Island Borough Schools	36	1,500.0	Ouzinkie Upgrade/Remodel

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P.03

SUPPLEMENTAL IMPROVEMENT PROGRAM BUDGET REQUEST
for Fiscal Year 93

PRIORITY TYPE 2 (con't)		Priority 2		
Priority	District Name	Ranking	Amount	Project Name
57	Anchorage Schools	37	4,037.0	Susitna Elementary/Additon
58	Matanuska-Susitna Borough Schools	38	25,000.0	Atlasta New Middle School
59	Kuspuk Schools	39	650.0	Crooked Creek: Johnnie John School Add.
60	Anchorage Schools	40	4,456.7	Chinook Elementary/Addition
61	Kenai Peninsula Borough Schools	41	9,971.2	New Soldotna Elementary
62	Klawock City Schools	42	120.0	School Site Planning and Design
63	Kuspuk Schools	43	750.0	Lower Kalskag Elementary School Addition
64	Kenai Peninsula Borough Schools	44	25,040.7	New Skyview Middle/Jr High
65	North Slope Borough Schools	45	3,000.0	Nuqsut School Addition
66	Anchorage Schools	46	27,500.0	South Anchorage New Jr. High
67	Anchorage Schools	47	12,500.0	South Anchorage New Elementary
68	Juneau Borough Schools	48	200.0	Modular Purchase
69	Kenai Peninsula Borough Schools	49	42.0	Relocation of Portable Classrooms
Total for Priority Type 2 =			239,915.9	

PRIORITY TYPE 3		Priority 3		
		Ranking		
70	Lower Kuskokwim Schools	1	526.0	Bethel High Major Main./Roof Replacement
71	North Slope Borough Schools	2	3,410.0	Barrow Schools H.S. Sprinkler Replace
72	North Slope Borough Schools	3	2,150.0	District wide swimming pool renovations
73	Railbelt Schools	4	99.5	Tri-Valley Gym Insulation/Fire Protect
74	Lower Kuskokwim Schools	5	515.0	Napakiak School Relocation

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P.04

Budget Request
for Fiscal Year 93

PRIORITY TYPE 3 (con't)		Priority 3		
Priority	District Name	Ranking	Amount	Project Name
75	Wrangell City Schools	6	60.0	Drainage-Intermediate School
76	Pribilof Schools	7	340.5	St. George Roof & Exterior Repair
77	Railbelt Schools	8	101.0	Anderson Fire Separation & Egress
78	Craig City Schools	9	524.7	Craig High School Roof Replacement
79	Haines Borough Schools	10	312.0	Elem/Middle/Exterior Wall Protection
80	Yakutat City Schools	11	213.8	High School Roof Repair
81	Kodiak Island Borough Schools	12	1,000.0	Main Elementary Roof Repair
82	Lake & Peninsula Borough Schools	13	300.0	Districtwide Life Safety/Code Upgrades
83	Yukon/Koyukuk Schools	14	254.8	Nulato Voc Ed
84	Iditarod Area Schools	15	65.5	Lime Village Oil Storage
85	Yukon/Koyukuk Schools	16	228.8	Kaltag Vocational Education Facility
86	Kenai Peninsula Borough Schools	17	73.9	Chapman Reroof
87	Aleutian Region Schools	18	20.0	Nikolski School Window Replacement
88	Juneau Borough Schools	19	490.0	Auke Bay Re-Roof
89	Iditarod Area Schools	20	51.0	Anvik Oil Storage
90	Kenai Peninsula Borough Schools	21	129.9	Nikiski Elementary Reroof
91	Saint Marys Schools	22	475.0	Well & Water System Replacement
92	Juneau Borough Schools	23	100.0	J/D High School Exterior Wall Repair
93	Juneau Borough Schools	24	800.0	Glacier Valley Re-Roof
94	Iditarod Area Schools	25	26.0	Grayling Oil Storage

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Capital Improvement Program Budget Request
for Fiscal Year 93

PRIORITY TYPE 3 (cont)		Priority 3		
<u>Priority</u>	<u>District Name</u>	<u>Ranking</u>	<u>Amount</u>	<u>Project Name</u>
95	Wrangell City Schools	26	489.0	Voc Ed/Middle School Roof and Gutter
96	Wrangell City Schools	27	456.0	Elementary Roof and Gutter Replacement
97	Anchorage Schools	28	3,477.4	Diamond High School Re-roof
98	Chugach Schools	29	48.0	Whittier School Reroofing
99	Matanuska-Susitna Borough Schools	30	770.0	School Partial Reroofing
100	Matanuska-Susitna Borough Schools	31	1,494.0	Wasilla High Walls and Fenestration
Total for Priority Type 3 =			19,001.8	

PRIORITY TYPE 4		Priority 4		
		<u>Ranking</u>		
101	Lower Kuskokwim Schools	1	5,626.0	Newtok Elementary School Addition
102	Fairbanks North Star Borough Schools	2	550.0	Hunter Elementary Renovation
103	Petersburg City Schools	3	139.3	Elementary School Code Upgrades
104	Lower Kuskokwim Schools	4	2,560.0	District Wide Water Treatment
105	Fairbanks North Star Borough Schools	5	950.0	Lathrop High School Renovations
106	Lower Kuskokwim Schools	6	4,875.0	District-wide Subsurface Water Treatment
107	Saint Marys Schools	7	228.2	Health/Life Safety Code Upgrade
108	Lower Kuskokwim Schools	8	3,800.0	Districtwide Asbestos Abatement
109	Kenai Peninsula Borough Schools	9	2,332.3	Kenai Jr. High Asbestos Abatement
110	Yukon Flats Schools	10	9,000.0	Fort Yukon: New School
111	Kenai Peninsula Borough Schools	11	124.5	Homer Intermediate Asbestos Abatement
112	Fairbanks North Star Borough Schools	12	133.4	District wide fire protection

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P.06

Capital Improvement Program Budget Request
for Fiscal Year 93

<u>PRIORITY TYPE 4 (con't)</u>		<u>Priority 4</u>		
<u>Priority</u>	<u>District Name</u>	<u>Ranking</u>	<u>Amount</u>	<u>Project Name</u>
113	Kenai Peninsula Borough Schools	13	46.8	Paul Banks Elementary Asbestos Abatement
114	Iditarod Area Schools	14	115.8	Anvik School Kitchen & 2nd Floor Storage
115	Aleutians East Borough Schools	15	6,766.0	King Cove Elementary Replacment
116	Kenai Peninsula Borough Schools	16	79.6	Susan B. English Asbestos Abatement
117	Anchorage Schools	17	2,000.0	Fire Code Violations Projects
118	Kenai Peninsula Borough Schools	18	221.0	Seward Elementary Asbestos Abatement
119	Annette Island Schools	19	171.7	Districtwide Asbestos Removal
120	Northwest Arctic Borough Schools	20	2,056.5	Districtwide Deferred Major Maintenance
121	North Slope Borough Schools	21	50.0	Anaktuvuk Pass Welding Room Renovation
122	Fairbanks North Star Borough Schools	22	12,576.5	Denali Elementary Replacement
123	North Slope Borough Schools	23	100.0	Welding room renovation/Barrow HS
124	Copper River Schools	24	1,427.3	Glennallen Elementary Remodel
125	Fairbanks North Star Borough Schools	25	13,182.7	Nordale Elementary Replacement
126	Aleutians East Borough Schools	26	649.0	Sand Point Pool Retrofit
127	North Slope Borough Schools	27	50.0	Welding room renovation/Nuiqsut
128	Northwest Arctic Borough Schools	28	3,378.0	Districtwide Fuel Tank Farm Upgrade
129	Anchorage Schools	29	1,669.7	MLK Career Center/ Heating Renovations
130	Skagway City Schools	30	105.3	K-12 Building Protection
131	Fairbanks North Star Borough Schools	31	12,138.7	Eielson Air Force Base Elementary School
132	Anchorage Schools	32	992.6	Complete elevator installation

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P.07

Capital Improvement Program Budget Request
for Fiscal Year 93

PRIORITY TYPE 4 (con't)

Priority	District Name	Priority 4 Ranking	Amount	Project Name
133	Hydaburg City Schools	33	33.7	Replacement of fuel Storage Tanks
134	Anchorage Schools	34	1,312.9	Underground Storage Tanks
135	Kodiak Island Borough Schools	35	1,700.0	Kodiak High School Code Upgrade
136	Juneau Borough Schools	36	200.0	Districtwide Asbestos Abatement
137	Anchorage Schools	37	1,224.4	Bartlett HS/Heating system Phase II
138	Juneau Borough Schools	38	150.0	Harborview Elem. Plumbing Replacement
139	Anchorage Schools	39	4,000.0	Districtwide Mechanical Renovation
140	Anchorage Schools	40	193.9	Mears Junior High/Vent System
141	Anchorage Schools	42	2,346.9	Diamond Heating/Ventilation Phase II
142	Anchorage Schools	43	2,200.0	Districtwide Kitchen Upgrades
143	Kenai Peninsula Borough Schools	44	40.3	Homer Jr. High Handicap Access
144	Anchorage Schools	45	585.6	Service High School/Phase II Asbestos
145	Anchorage Schools	46	313.5	Eagle River/Heating & Ventilation
146	Kenai Peninsula Borough Schools	47	40.3	Kenai Jr. High Handicapped Access
147	Anchorage Schools	48	4,300.0	Districtwide Asbestos Abatement
148	Anchorage Schools	49	535.2	Chugiak High/Replace Univents
149	Anchorage Schools	50	448.0	O'Malley Elementary Heat Vent Upgrades
150	Anchorage Schools	51	307.4	Replace Classroom Univents/Campbell
151	Juneau Borough Schools	52	80.0	Districtwide Ceramic Kiln Ventilation
Total for Priority Type 4			=	108,108.0

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P.08

Capital Improvement Program Budget Request
for Fiscal Year 93

PRIORITY TYPE 5

<u>Priority</u>	<u>District Name</u>	<u>Priority 5 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
152	Kenai Peninsula Borough Schools	1	28.7	Ninilchik Boiler Replacement
153	Anchorage Schools	2	9,948.9	Districtwide Roof Replacements
154	Fairbanks North Star Borough Schools	3	863.1	Districtwide Major Repair/Renov/Alter
Total for Priority Type 5 =			10,840.7	

PRIORITY TYPE 6

Priority 6
Ranking

155	Sitka Borough Schools	1	1,033.0	Baranof Elementary School
156	Kenai Peninsula Borough Schools	2	8,564.9	Tustumena Elementary Addition
157	Unalaska City Schools	3	842.1	High School Wood Shop/Music Room Add.
158	Nome City Schools	4	5,155.0	Nome-Beltz Middle School Remodel
159	Pribilof Schools	5	604.0	St. George/Media Center & Kitchen Add
160	Kodiak Island Borough Schools	6	1,700.0	Kodiak High School Alteration Project
161	North Slope Borough Schools	7	2,100.0	Point Lay: Gym/Classroom Addition
162	Matanuska-Susitna Borough Schools	8	6,000.0	Swanson Elementary School Renovation/Add
163	Lower Kuskokwim Schools	9	1,000.0	Chefornak Elementary
164	Chugach Schools	10	157.5	Whittier Voc-Ed
165	Lake & Peninsula Borough Schools	11	1,100.0	Pilot Point School Replacement
166	Cordova City Schools	12	1,730.0	Cordova High School Science & Computer
167	Yupit Schools	13	13,717.5	Consolidated High School & Boarding Home
168	Haines Borough Schools	14	3,840.0	Middle School Addition
169	Bristol Bay Borough Schools	15	3,449.5	Gymnasium Addition/Naknek K-12

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P.09

Capital Improvement Program Budget Request
for Fiscal Year 93

PRIORITY TYPE 6 (con't)		Priority 6		
Priority	District Name	Type	Amount	Project Name
170	Kodiak Island Borough Schools	16	5,600.0	High School Voc-Ed Building Upgrade
171	Kenai Peninsula Borough Schools	17	644.0	Homer Junior High Pool Conversion
172	Anchorage Schools	18	4,199.3	Wonder Park Elementary Addition
173	Tanana City Schools	19	3,732.0	Elementary/Middle School Project
174	Petersburg City Schools	20	700.0	Middle/High School Shop Addition
175	Kenai Peninsula Borough Schools	21	1,263.6	Nikolaevsk Gym Expansion
176	Southeast Island Schools	22	1,496.0	Thorne Bay School Addition
177	Anchorage Schools	23	2,212.2	Clark Jr. High/media center & remodel
178	Lake & Peninsula Borough Schools	24	1,600.0	Port Heiden Addition
179	Anchorage Schools	25	3,182.7	Williwaw Addition
180	Pribilof Schools	26	360.5	St. Paul/Kitchen Construction
181	Anchorage Schools	27	330.0	Mt. Spurr Elementary Kindergarten Center
182	Anchorage Schools	28	2,700.0	N. Star Elementary Additon
183	Hydaburg City Schools	29	104.0	District: Maintenance/Storage Building
184	Hydaburg City Schools	30	191.0	District: Covered playground
185	Delta/Greely Schools	31	12,500.0	K-12 Educational Complex
186	Juneau Borough Schools	32	50.0	Floyd Dryden Wood Shop
187	Cordova City Schools	33	21,704.2	Elementary Addition and Remodel
188	Bering Strait Schools	34	2,473.1	White Mountain Elementary Addition
189	Kuspuk Schools	35	510.0	Kalskag: George Morgan Jr/Sr High Add.
190	Fairbanks North Star Borough Schools	36	2,196.4	District Physical Plant

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AK DOE COMMISSIONERS OFF FAX NO. 9074654156

P. 10



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907)586-1325, Fax (907)463-5480

May 6, 1992

TO: Senator Pat Pourchot, Co-Chair
Senator Jay Kerttula, Co-Chair
Members, Senate Finance Committee

FROM: Scott A. Burgess, Executive Director

RE: SCS CSHB 573 (HESS)

AML supports SCS CSHB 573 (HESS) to the extent it incorporates a solution to the Senior Citizens/Disabled Veterans Homeowners Property Tax Exemption Program, an under-funded state mandate on local government. Finding a solution to this issue has been an AML priority for several years.

Created in 1973, this is state-mandated program reduces the local tax base without a local vote.

While the seniors and disabled veterans get their exemptions regardless of state or local action, the state has failed to return the amount of local revenue lost locally under this state program for the last EIGHT years!

For FY 93:

- The Governor's budget includes \$2.8 million for the homeowners' program, which is estimated to return only 22.5 cents for every local dollar lost, and \$820,000 for the renters' rebate program, or 80 percent of the cost. Since the renters' program is state administered, this proposed shortfall to seniors/disabled veterans who rent does not directly affect the municipalities.
- The House budget "zeroes out" funding for the homeowners' and renters' programs.
- Senate budget reduces homeowners' by 5 percent (to \$2.69 million) and zeroes out the renters' program.

We need a reality check:

- AML is not against seniors or disabled veterans or the program; this is a local control and funding issue. Either the state should make this state-granted benefit relate to the amount of state funding support, or, if it is to be a local cost, it should be a local decision.

- In the past, AML has supported full funding or repeal and, most recently, amending the homeowners' program to make it a rebate program similar to the renters' program. There has been no support for this position from the legislature, the administration, or the seniors.
- The beneficiary population is growing, the funding is shrinking, the cost to local governments and local taxpayers is increasing, and there is no legislative or administrative support for fully funding the program. Governor Hickel vetoed \$2.2 million from the program as recently as last year.
- State aid to municipalities overall has decreased significantly and disproportionately since FY 86. At the same time, the costs of services and taxes have increased locally.
- While seniors and disabled veterans make valuable contributions to our state and our communities, they also receive other special benefits at the state and local level and they use and benefit from many municipal services financed by property tax.
- Under the bill, local officials will be able to evaluate the program in light of local fiscal conditions, value and need as expressed locally by the beneficiaries, and other important municipal services and continue the exemption, wholly or partially, if warranted.

In summary:

- AML supports Sections 1, 3, 4, 5, 10, and 11 of SCS CSHB 573 (HESS) and urges the passage of the bill to at least incorporate these sections to repeal the senior citizens/disabled veterans property tax exemption program and make it a local option, as a legislative priority.
- Because the fiscal impact of repealing the bill under HB 573 will not be effective until FY 94, the program must be funded in the FY 93 budget or the FY 92 supplemental to reimburse municipalities for the mandated exemptions granted locally in FY 92

And, finally, I want to clarify that the legislative intent is that the lack of funding proposed in the House and Senate budget for the renters' program will not be compensated for, administratively, from funds made available for the homeowners' program.

Thank you.

Alaska State Legislature

SENATOR ARLISS STURGULEWSKI, Chairman
SENATOR PAUL FISCHER, Vice Chairman
SENATOR SAM COTTEN
SENATOR LYMAN HOFFMAN
SENATOR CURT MENARD



P.O. BOX V
ROOM 427
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3762

Senate Committee on Health, Education and Social Services

RECEIVED MAY - 5 1992

MEMORANDUM

05 May 1992

TO: Senator Kerttula
Senator Pourchot
Co-Chairs, Senate Finance Committee

FROM: Senator Sturgulewski
Chair, Senate HESS Committee

The Senate HESS Committee today considered and passed out SCS CSHB 573(HES). Among the changes made to the legislation was replacing Section 2.

It is the hope of the Senate HESS Committee that the change to section 2, which rather than reducing the amount of the death gratuity makes ineligible those veterans who can receive federal funeral or death benefits.

In the attached letter from Commissioner Cox of the Department of Military & Veterans Affairs to Senator Hoffman, the commissioner discusses the possibility of using 50% of the funds saved through this amendment for the service officer grant program. The Senate HESS Committee recommends that intent language be included in the budget by the conference committee.

STATE OF ALASKA

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

WALTER J. HICKEL, GOVERNOR

P.O. BOX 1
JUNEAU, ALASKA 99811-0900

April 28, 1992

Senator Lyman Hoffman
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Hoffman,

As part of the effort to reduce state government expenses, while providing improved service to Alaska's veterans, I would appreciate your consideration of a suggestion concerning the veterans death gratuity program and the veterans service officer program. Briefly stated, the idea is to increase the funding for the veterans service officer program, and pay for it with a reduction in persons eligible for the death gratuity program. There would also be a net savings to reduce the overall state budget as well.

The veterans service officer program is one of the highest payback programs in state government. For every dollar of state expenses, we recover at least \$35 of medical benefits which directly help Alaska's veterans. Most of these dollars are paid to Alaska health care professionals. State veterans organizations have long been lobbying for increased funds for this program. With the aging of Alaska's veterans population, and the addition of many new veterans due to the downsizing of the military, the need for these services will increase significantly.

I believe the present House Bill 573 that is currently in Senate HESS is unattractive to most veterans and veterans organizations. It reduces all veterans death gratuity payments from \$750 to \$350. Granted, this reduces the budget temporarily, but the effect of it is that no one is happy. I believe the bill could be changed and everyone would be mostly happy, and we would trim dollars from the budget as well.

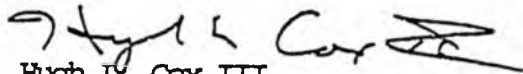
I am suggesting that the presently authorized death gratuity of \$750 be paid in full to Alaska veterans (veterans of the Territorial Guard and National Guard), that the federally entitled veterans eligibility for a death gratuity be eliminated completely, but that more money be provided to hire veterans service officers. The federally entitled veteran is provided burial fees, burial plot, and headstone by the federal government, along with other federal benefits. Alaska Territorial Guard and National Guard veterans do not get anything from the federal government.

Attached to this letter is a suggested amendment to HB573. The amendment would accomplish the elimination of federal veterans from the state death gratuity program. Also attached is supporting documentation from my legal staff which validates the language suggested, and lists the other federal benefits that "state" veterans are not entitled to receive.

An additional attachment to this letter is a suggested amendment to the budget for veterans affairs as it currently stands in Senate Finance. The amendment reduces the death gratuity program from \$270,000 to \$37,500. The amendment puts \$115,000 of the savings back into the service officer grant program, and eliminates the balance, \$117,500, from the state budget. JD'/o

Thank you for your consideration of this suggestion. Please feel free to contact me for any additional information or discussion on this issue.

Sincerely,



Hugh D. Cox III
Commissioner

cc: Senator Jay Kerttula
Senator Curt Menard

[JM/HOFFLER1]

Federal Veterans Benefits

To be eligible for most federal veteran's benefits, one must have served at least 181 consecutive days of active military service. For veterans who joined after 1980, the service requirement is at least two years. State veterans are those who have served only in the Alaska National Guard, or Alaska Territorial Guard, but have not served the minimum number of consecutive days federal service. The following are entitlements that federal veterans are eligible to receive, but which state veterans are not eligible for. Federal veterans with service-connected disabilities are eligible for additional benefits above those listed below:

1. Federal burial in a National cemetery, a headstone (regardless of burial location), a burial flag, and a burial allowance of \$300.
2. Medical and VA hospitalization benefits, depending on income level
3. Job counseling and employment assistance
4. VA home loan guarantees.
5. Educational assistance for up to 10 years after discharge.
6. Pension program for disabled veterans with limited income, whose disability was not service related.