

HB

176

STATE COMMITTEE REPO. 1

DATE: 4/8/92

FURTHER: Finance

DATE TURNED INTO OFFICE: _____

Resources Committee considered CS HB 176 (RESOURCES) am

Special appropriation to the Department of Natural Resources for refunds to certain veterans who purchased state land and for reimbursement to the University of Alaska for the veterans' land discount applied to land transferred to the University of Alaska; efd.

may do

and recommends:

replace with _____ CS _____ ()

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

APP NO FA

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

DO PASS:

Rich Haggard

John...

...

...

...

OTHER RECOMMENDATIONS:

Chair: Signature and Recommendation

...

Alaska State Legislature

House of Representatives



Rep. Ivan, Chair
Rep. Davidson
Rep. Foster
Rep. Gonzales
Rep. Gruenberg
Rep. M.W. Miller
Rep. Parnell

State Capitol
Juneau, Alaska 99801-1182
(907) 465-4527

Special Committee on Military & Veterans Affairs

SUMMARY - CSHB 176 (RES)

House Bill 176 is the companion appropriation bill to legislation passed last session (House Bill 134) which allowed veterans, who purchased state land between March 31, 1983, and July 6, 1984, to claim a land discount. The bill was signed by the Governor and enacted as Chapter 82, SLA 91. (Accompanying this summary is an analysis of House Bill 134.)

The Department of Natural Resources has provided an up to date accounting of discounts applied for and approved. Some of the approved discounts were for more than the amount owed, thus the reason and the need for this appropriation bill.

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

240 Main Street, Suite 500
Juneau, Alaska 99801-2101

MEMORANDUM

April 3, 1992

SUBJECT: Reimbursement for veterans' land discount applied to land transferred to the University of Alaska (CSHB 176 (Resources))

TO: Representative Ivan Ivan
ATTN: Tom Wright

FROM: George Utermohle *GU*
Legislative Counsel

You have asked whether the state is obligated to reimburse the University of Alaska for the value of veterans' land discounts applied to land transferred to the university.

The answer is yes.

Under sec. 3(d), ch. 82, SLA 1991, the University of Alaska is required to grant a veterans' land discount credit to qualified veterans for the purchase of land transferred to the university. The commissioner of natural resources is then obligated under this same provision to reimburse the university for all credits granted by the university. Thus the state is obligated under ch. 82, SLA 1991 to reimburse the University of Alaska for the value of veterans' land discount credits applied to land transferred to the university.

The obligation to reimburse the University of Alaska under the terms of ch. 82, SLA 1991 is in addition to any obligation to reimburse the university for the losses incurred as the result of the veterans' land discount program that may arise under the terms of the agreement that transferred the land from the Department of Natural Resources to the University of Alaska.

If I may be of further assistance, please advise.

GU:pl
92-241.plm

Alaska State Legislature

House of Representatives



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Special Committee on Military & Veterans Affairs

M E M O R A N D U M

TO: Senator Lloyd Jones, Chair
Senate Resources Committee

FROM: Representative Ivan M. Ivan, Chair *IM*
House Special Committee on Military and
Veterans Affairs

DATE: April 9, 1992

RE: House Bill 176

Please consider this request to hear CSHB 176 (Res) AM at your earliest convenience. House Bill 176 is the companion appropriation bill for legislation enacted last session (HB 134, Chapter 82, SLA 91).

Attached to this memorandum is a letter from Harold Heinz, commissioner of the Department of Natural Resources, which provides further information on House Bill 176 and why the appropriation for the veterans land discount is required.

If you have any questions or need further information on this legislation, please do not hesitate to contact me or Tom Wright of my staff.

IMI:tw

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FACSIMILE: (907) 586-2754

April 2, 1992

OFFICE OF THE COMMISSIONER

The Honorable Ivan Ivan, Chair
House Military and Veterans Affairs Committee
State Capitol
Juneau, AK 99811-1182

Dear Representative Ivan:

As you know, HB 134, enacted in 1991 (Chapter 82, SLA 1991) allowed eligible veterans who were not permitted to claim a veteran's land discount between April 1, 1983 and July 6, 1984 to retroactively claim that discount. Veterans purchasing state land had been denied the discount during the period between the court's invalidation of the old discount law and the enactment of a new discount law.

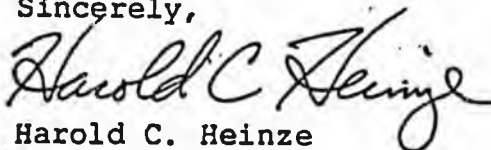
Since the enactment of HB 134, the department has followed the provisions of the new law and credited veteran's discounts against the remaining amounts owed on state land contracts. However, in cases where the land contract is paid off we are required to issue a refund to the veteran for the discount amount. We are also required to reimburse the University of Alaska for discounts credited to land contracts that were transferred to the University as part of a settlement agreement. Reimbursing the University for land discounts given to veterans ensures that it receives the full payoff value of contracts it received from the state.

HB 176 is the appropriation bill that would reimburse the University of Alaska for veteran's discounts and would allow refund checks to be issued to veterans who have paid off their state land contracts. The enclosed chart lists all those who applied for a discount under the new law, whether they met the requirements of the law and were approved for a discount, the amount of the approved discount, and the amount of any refund they are entitled to receive. It also shows which discounts were applied to University owned land contracts for which the University must be reimbursed.

As of March 3, 1992, a total of \$73,204.82 is needed for refunds to veterans and reimbursement to the University of Alaska. Of this amount, \$23,279.82 is owed to veterans (7 are due refunds); and \$49,925.00 is owed to the University.

I hope this information is helpful.

Sincerely,



Harold C. Heinze
Commissioner

cc: Paul Fuhs, Legislative Liaison, Office of the Governor

MEMORANDUM

State of Alaska

DNR - Division of Land

TO: Ron Swanson
Director

DATE: April 1, 1992

FILE NO:

THRU:

TELEPHONE NO: ²⁶²2244 (overcharge)

SUBJECT: Status Report
Retroactive Veteran's
Discount Pursuant to
Chapter 82, SLA 1991

FROM: Robert A. Baker ^{RA3}
Natural Resource Manager

The following is a status report on the retroactive veteran's land discounts received to date and how monies have been applied to those accounts approved.

Approved	31
Denied	6
Pending	1
Total Apln. Received	38

Financial Status:

Total amount approved (non-University)	\$ 71,217.51
Total amount approved (University)	\$ 49,925.00
Total amount approved	\$121,142.51
Total excess credit (refund due)	\$ 23,279.82
Total University reimbursement	\$ 49,925.00
Total funds needed as of 3/3/92	\$ 73,204.82

If additional data is required to support legislative appropriation to fund University reimbursement and excess credit to title holders, please let us know.

A spreadsheet is attached which details how monies were applied to individual accounts.

cc: Sharon Barton, DNR, Division of Management
Marty Epstein, University of AK, Office of Statewide Land Mgmt

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House of Representatives

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Rep. M.W. Miller



P.O. Box V
State Capitol
Juneau, Alaska 99811
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Special Committee on Military & Veterans Affairs

CS for HB 134 (Res) MAIN POINTS

- * Allows veterans who have purchased state land between March 31, 1983, and July 6, 1984, to claim a veteran's land discount.
- * A discount may only be used once, so if a veteran purchased land between those dates and purchased land at a later time and used the veteran's discount on the later purchased, the discount for the first purchase may not be used.
- * Veteran's discounts were discontinued on April 1, 1983, due to a directive by the Commissioner of Natural Resources (based on a Supreme Court decision which struck down discounts based on residency). The Legislature established a new veteran's land discount on July 6, 1984. Veterans who purchased land before or after those dates were entitled to a discount while those who purchased land between those dates were not.
- * Approximately 850 parcels were sold during the window period between April 1, 1983, and July 6, 1984. It is estimated that 35% of those parcels were sold to veterans.
- * For those eligible for a discount, credits equal to the amount of the discount will be applied to each account. For those veterans who have a zero balance or if the balance would be less than zero after applying the discount, a cash payment would be made. This cash payment would equal the amount of the discount or the amount owed the veteran on the existing account after the balance is zeroed out.
- * The discount under this bill is applicable for one year after enactment of this bill. Veterans must contact DNR to determine eligibility. DNR will publish in their own newsletters and in veterans publications, the availability of the discount.