

Leg. Finance - Finance Comte Files (1971-72) 8879

HB 14 cont., HCR 19am, HB 22 31

1 (1) the goals and objectives of the agency programs,
2 together with proposed supplements, deletions and revision;

3 (2) its proposed plans to implement the goals and objectives,
4 including estimates of future service needs, planned methods of admini-
5 stration, proposed modification of existing program services and
6 establishment of new program services, and the estimated resources
7 needed to carry out the proposed plan;

8 (3) the budget requested to carry out its proposed plans in
9 the succeeding fiscal year, including information reflecting the
10 expenditures during the last fiscal year, those authorized for the
11 current fiscal year, those proposed for the succeeding fiscal year,
12 an explanation of the services to be provided, the need for the
13 services, the cost of the services, and any other information requested
14 by the division;

15 (4) a report of the receipts during the last fiscal year,
16 an estimate of the receipts during the current fiscal year, and an
17 estimate for the succeeding fiscal year;

18 (5) a statement of legislation required to implement the
19 proposed programs and financial plans;

20 (6) an evaluation of the advantages and disadvantages of
21 specific alternatives to existing or proposed program policies or
22 administrative methods.

23 * Sec. 5. AS 37.07.090(a) is amended to read:

24 (a) Each state agency shall submit a performance report to the
25 division no later than September 1 for the preceding fiscal year.
26 These reports shall be in the form prescribed by the division after
27 consultation with the legislative finance division [LEGISLATIVE AFFAIRS
28 AGENCY], and shall include statements concerning

29 (1) the work accomplished and the services provided in the

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preceding fiscal year or other meaningful work period, relating actual accomplishments to those planned under sec. 80(b) of this chapter;

(2) the relationship of accomplishments and services to the policy decisions and budget determinations of the governor and the legislature;

(3) the costs of accomplishing the work and providing the services, and, to the extent feasible, citing meaningful measures of program effectiveness and cost;

(4) the administrative improvements made in the preceding year, potential improvements in future years, and suggested changes in legislation or administrative procedures to make further improvements.

* Sec. 6. AS 24.20.060(4)(D) is repealed.

* Sec. 7. (a) AS 24.20.151 - 24.20.191 in sec. 2 of this act, take effect on the day after passage and approval of this act or on the day it becomes law without approval.

(b) Secs. 1, 3 - 6, and AS 24.20.201 - 24.20.311, in sec. 2 of this act, take effect July 1, 1971.

Original sponsor: Bradner

Offered: 3/10/71

1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 14

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating a legislative budget and audit com-
7 mittee and providing for the reorganization and
8 establishment of legislative fiscal support services;
9 and providing for an effective date."

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

11 * Section 1. AS 24.20.150 - 24.20.370 are repealed.

12 * Sec. 2. AS 24.20 is amended by adding new sections to read:

13 Sec. 24.20.151. LEGISLATIVE BUDGET AND AUDIT COMMITTEE. The
14 Legislative Budget and Audit Committee is established as a permanent
15 interim committee of the legislature. The establishment of the
16 committee recognizes the need of the legislature for full-time technical
17 assistance in accomplishing the fiscal analysis, budget review and
18 post-audit functions.

19 Sec. 24.20.161. MEMBERSHIP. The Legislative Budget and Audit
20 Committee is composed of the chairmen of the senate and house finance
21 committees and four members from each body appointed by the president
22 of the senate and the speaker of the house, respectively. The member-
23 ship from each house shall include at least one member from each of
24 the two major political parties. The chairmen of the finance committees
25 may choose not to serve on the committee. If this occurs, the presid-
26 ing officer of the proper body shall appoint a replacement. The
27 committee shall select its own chairman.

28 Sec. 24.20.171. TERM OF MEMBERSHIP. The committee shall be
29 organized within 15 days after the organization of each legislature.

1 Members serve for the duration of the legislature during which they
2 are appointed. If they are reelected or their term of office extends
3 into the next succeeding legislature, they continue to serve until
4 reappointed or the appointment of their successor.

5 Sec. 24.20.181. VACANCIES. When a vacancy occurs in the member-
6 ship of the committee, the presiding officer of the house incurring
7 the vacancy shall choose a successor. If the office of the president
8 of the senate or speaker of the house of representatives becomes
9 vacant and a vacancy from the affected house occurs among the member-
10 ship of the committee, the remaining committee members from the house
11 incurring the vacancy shall appoint a new member.

12 Sec. 24.20.191. MEETINGS. The budget and audit committee may
13 meet during sessions of the legislature and during the interim between
14 sessions at such times and places inside the state as the chairman
15 may determine. Members may receive, for the minimum time required to
16 get to and from meetings and for the period while attending meetings,
17 the same travel and per diem allowances provided by law for members of
18 the legislature when attending sessions, except that members of the
19 committee receive no per diem during legislative sessions other than
20 the per diem allowance paid to other members of the legislature.

21 Sec. 24.20.201. POWERS. (a) The Legislative Budget and Audit
22 Committee has the power to:

23 (1) organize, adopt rules for the conduct of its business
24 and prescribe procedures for the comprehensive fiscal analysis,
25 budget review and post-audit functions;

26 (2) hold public hearings, administer oaths, issue subpoenas,
27 compel the attendance of witnesses and production of papers, books,
28 accounts, documents and testimony, and to have the deposition of
29 witnesses taken in a manner prescribed by court rule or law for taking

1 depositions in civil actions;

2 (3) require all state officials and agencies of state
3 government to give full cooperation to the committee or its staff in
4 assembling and furnishing requested information;

5 (4) review revenue projections, state agency appropriation
6 requests, the expenditure of state funds, including the relationship
7 between state agency program accomplishments and legislative intent,
8 and the fiscal policies and procedures of state government;

9 (5) review all proposed changes to agency authorized
10 operating budgets;

11 (6) make recommendations concerning appropriations, their
12 expenditure and the fiscal policies and procedures of state government
13 to the governor where appropriate, and the legislature;

14 (7) prepare and distribute reports, memoranda or other
15 necessary materials.

16 (b) Nothing in this chapter shall be so construed as to authorize
17 the referral by the presiding officer of legislation to the committee
18 at regular or special sessions of the legislature.

19 Sec. 24.20.211. LEGISLATIVE FINANCE DIVISION. The legislative
20 finance division is established as a permanent staff agency responsible
21 to the Legislative Budget and Audit Committee for performance of
22 fiscal analysis and budget review functions.

23 Sec. 24.20.221. STAFF. (a) The committee shall hire and
24 determine the salary of the legislative fiscal analyst who shall serve
25 both at the direction and pleasure of the committee. The fiscal
26 analyst shall serve as head of the finance division and, within the
27 limits of the budget approved by the committee, shall employ and
28 determine the compensation of the professional and clerical staff of
29 the division.

1 (b) The fiscal analyst and members of the professional and
2 clerical staff shall not join or support a partisan political organi-
3 zation. This prohibition does not prevent the fiscal analyst or
4 members of the staff from joining social organizations, expressing
5 private opinion, registering as to party or voting.

6 Sec. 24.20.231. DUTIES. The legislative finance division shall

7 (1) analyze the budget and appropriation requests of each
8 department, institution, bureau, board, commission or other agency of
9 state government;

10 (2) analyze the revenue requirements of the state;

11 (3) provide the finance committees of the legislature with
12 comprehensive budget review and fiscal analysis services;

13 (4) cooperate with the division of budget and management
14 in establishing a comprehensive system for state program budgeting
15 and financial management as set out in the Executive Budget Act
16 (AS 37-07);

17 (5) complete studies and prepare reports, memoranda or other
18 materials as directed by the Legislative Budget and Audit Committee;

19 (6) with the governor's permission, designate the legislative
20 fiscal analyst to serve ex officio on the governor's budget review
21 committee.

22 Sec. 24.20.241. LEGISLATIVE AUDIT DIVISION. The legislative
23 audit division is established as a permanent staff agency responsible
24 to the Legislative Budget and Audit Committee for completion of the
25 post-audit function.

26 Sec. 24.20.251. QUALIFICATIONS AND APPOINTMENT OF LEGISLATIVE
27 AUDITOR. (a) The legislative auditor shall be a certified public
28 accountant of this state, or of another state having requirements
29 equivalent to those of this state, with at least five years of practice

1 in the profession, or the equivalent, before his appointment.

2 (b) The Legislative Budget and Audit Committee shall examine
3 persons to serve as legislative auditor and, upon completion of the
4 examination, place the name of the person selected in nomination before
5 the legislature. If the legislature is not in session, the person
6 nominated shall carry out the duties of the office until the next
7 session of the legislature at which time the name of the person
8 nominated shall be presented to the legislature for appointment.

9 (c) The legislative auditor serves at the pleasure of the legis-
10 lature. However, when the legislature is not in session, the auditor
11 may be removed for cause by a majority vote of the Legislative Budget
12 and Audit Committee after notice by, and a hearing before, the commit-
13 tee.

14 Sec. 24.20.261. STAFF. (a) The Legislative Budget and Audit
15 Committee shall hire a supervisor of audit who shall serve both at the
16 direction and pleasure of the committee. The supervisor of audit shall
17 serve as head of the audit division and, within the limits of the
18 budget approved by the committee, shall employ and determine the compen-
19 sation of the other professional and clerical staff of the division
20 until such time as the position of legislative auditor becomes a full-
21 time position at which time the legislative auditor shall become the
22 head of the audit division.

23 (b) The auditor, the supervisor of audit and members of the
24 professional and clerical staff may not join or support a partisan
25 political organization. This prohibition does not prevent the auditor
26 or members of the staff from joining social organizations, expressing
27 private opinion, registering as to party or voting.

28 Sec. 24.20.271. POWERS AND DUTIES. The legislative audit divi-
29 sion shall

1 (1) perform an audit, complete with a written report, at
2 least once every three years on the books and accounts of every depart-
3 ment, institution, bureau, board, commission or other agency of state
4 government;

5 (2) audit at least once every three years the books and
6 accounts of all custodians of public funds and all disbursing officers
7 of the state;

8 (3) at the direction of the Legislative Budget and Audit
9 Committee, conduct performance post-audits on any agency of state
10 government;

11 (4) cooperate with state agencies by offering advice and
12 assistance as requested in establishing or improving the accounting
13 systems used by state agencies;

14 (5) require the assistance and cooperation of all state
15 officials and other state employees in the inspection, examination
16 and audit of state agency books and accounts;

17 (6) have access at all times to the books, accounts, reports
18 or other records, whether confidential or not, of every state agency;

19 (7) ascertain, as necessary for audit verification, the
20 amount of agency funds on deposit in any bank as shown on the books of
21 the bank; no bank may be held liable for making information required
22 under this paragraph available to the legislative audit division;

23 (8) complete studies and prepare reports, memoranda or other
24 materials as directed by the Legislative Budget and Audit Committee.

25 Sec. 24.20.281. SPECIAL AUDIT. A member of the legislature may,
26 in writing and with at least six days notice, request that the budget
27 and audit committee direct a special audit of any state agency or
28 determine the propriety of any expenditure of state funds received by
29 any political subdivision or other entity obtaining state funds.

1 Should a majority of the committee vote to approve the request, the
2 legislative audit division shall make the audit.

3 Sec. 24.20.291. CONFLICT OF INTEREST. The legislative auditor,
4 the supervisor of audit, the legislative fiscal analyst and members of
5 the staff of the legislative finance and audit divisions shall not
6 serve in ex officio or other capacity on any board (except as authorized
7 in sec. 231(6) of this chapter), commission or other administrative
8 agency of state government; nor shall they have a financial interest
9 in transactions involving any agency of state government.

10 Sec. 24.20.301. RECORDS. (a) The legislative audit division
11 shall keep a complete file of all audit reports and other reports or
12 releases issued by the division, and a complete file of audit work
13 papers and other related supportive material. The division shall also
14 keep a complete and accurate record of all fiscal transactions involving
15 the division.

16 (b) The legislative finance division shall keep a complete file
17 of all budget reports and other reports or releases issued by the
18 division and a complete and accurate record of all fiscal transactions
19 involving the division.

20 Sec. 24.20.311. REPORTS. The committee shall file copies of its
21 approved audit reports including any committee recommendations with the
22 governor, the agency concerned and the legislature. An annual report
23 summarizing the audit reports and committee recommendations made during
24 the year shall be filed with the governor and with the legislature
25 within the first five days of each regular session of the legislature.
26 Reports shall be approved by a majority of the committee before their
27 release and shall be open to public inspection after their release to
28 the legislature.

29 * Sec. 3. AS 37.07.040(5) is amended to read:

1 (5) provide the legislative finance division [LEGISLATIVE
2 AFFAIRS AGENCY] with the budget information it may request.

3 * Sec. 4. AS 37.07.050(a) is amended to read:

4 (a) Each state agency, on the date and in the form and content
5 prescribed by the division, shall prepare and forward to the division
6 and the legislative finance division [LEGISLATIVE AFFAIRS AGENCY]

7 (1) the goals and objectives of the agency programs, together
8 with proposed supplements, deletions and revisions;

9 (2) its proposed plans to implement the goals and objectives,
10 including estimates of future service needs, planned methods of adminis-
11 tration, proposed modification of existing program services and
12 establishment of new program services, and the estimated resources
13 needed to carry out the proposed plan;

14 (3) the budget requested to carry out its proposed plans in
15 the succeeding fiscal year, including information reflecting the
16 expenditures during the last fiscal year, those authorized for the
17 current fiscal year, those proposed for the succeeding fiscal year, an
18 explanation of the services to be provided, the need for the services,
19 the cost of the services, and any other information requested by the
20 division;

21 (4) a report of the receipts during the last fiscal year,
22 an estimate of the receipts during the current fiscal year, and an
23 estimate for the succeeding fiscal year;

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3 These reports shall be in the form prescribed by the division after
4 consultation with the legislative finance division [LEGISLATIVE AFFAIRS
5 AGENCY], and shall include statements concerning

6 (1) the work accomplished and the services provided in the
7 preceding fiscal year or other meaningful work period, relating actual
8 accomplishments to those planned under sec. 80(b) of this chapter;

9 (2) the relationship of accomplishments and services to the
10 policy decisions and budget determinations of the governor and the
11 legislature;

12 (3) the costs of accomplishing the work and providing the
13 services, and, to the extent feasible, citing meaningful measures of
14 program effectiveness and cost;

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16 year, potential improvements in future years, and suggested changes in
17 legislation or administrative procedures to make further improvements.

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18 post-audit functions.

19 Sec. 24.20.161. MEMBERSHIP. The Legislative Budget and Audit
20 Committee is composed of ten members: the chairmen of the senate and
21 house finance committees; one member selected from each of the senate
22 and house finance committees and appointed by the president of the
23 senate and the speaker of the house, respectively; and three members
24 appointed from each house by the respective presiding officer. The
25 chairman of the finance committee may choose not to serve on the
26 committee. If this occurs, the presiding officer of the appropriate
27 house shall appoint a replacement from the finance committee. The
28 membership from each house shall include at least one member from each
29 of the two major political parties. The committee shall select its

1 own chairman.

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3 organized within 15 days after the organization of each legislature.
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13 ship of the committee, the remaining committee members from the house
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23 the per diem allowance paid to other members of the legislature.

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25 Committee has the power to:

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27 and prescribe procedures for the comprehensive fiscal analysis,
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1 compel the attendance of witnesses and production of papers, books,
2 accounts, documents and testimony, and to have the deposition of
3 witnesses taken in a manner prescribed by court rule or law for taking
4 depositions in civil actions;

5 (3) require all state officials and agencies of state
6 government to give full cooperation to the committee or its staff in
7 assembling and furnishing requested information;

8 (4) review revenue projections, state agency appropriation
9 requests, the expenditure of state funds, including the relationship
10 between state agency program accomplishments and legislative intent,
11 and the fiscal policies and procedures of state government;

12 (5) review all proposed changes to agency authorized
13 operating budgets;

14 (6) make recommendations concerning appropriations, their
15 expenditure and the fiscal policies and procedures of state government
16 to the governor where appropriate, and the legislature;

17 (7) prepare and distribute reports, memoranda or other
18 necessary materials.

19 (b) Nothing in this chapter shall be so construed as to authorize
20 the referral by the presiding officer of legislation to the committee
21 at regular or special sessions of the legislature.

22 Sec. 24.20.211. LEGISLATIVE FINANCE DIVISION. The legislative
23 finance division is established as a permanent staff agency responsible
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25 fiscal analysis and budget review functions.

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27 determine the salary of the legislative fiscal analyst who shall serve
28 both at the direction and pleasure of the committee. The fiscal
29 analyst shall serve as head of the finance division and, within the

1 limits of the budget approved by the committee, shall employ and
2 determine the compensation of the professional and clerical staff of
3 the division.

4 (b) The fiscal analyst and members of the professional and
5 clerical staff shall not join or support a partisan political organi-
6 zation. This prohibition does not prevent the fiscal analyst or
7 members of the staff from joining social organizations, expressing
8 private opinion, registering as to party or voting.

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12 state government;

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14 (3) provide the finance committees of the legislature with
15 comprehensive budget review and fiscal analysis services;

16 (4) cooperate with the division of budget and management
17 in establishing a comprehensive system for state program budgeting
18 and financial management as set out in the Executive Budget Act
19 (AS 37.07);

20 (5) complete studies and prepare reports, memoranda or other
21 materials as directed by the Legislative Budget and Audit Committee;

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23 fiscal analyst to serve ex officio on the governor's budget review
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4 in the profession, or the equivalent, before his appointment.

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6 persons to serve as legislative auditor and, upon completion of the
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8 the legislature. If the legislature is not in session, the person
9 nominated shall carry out the duties of the office until the next
10 session of the legislature at which time the name of the person
11 nominated shall be presented to the legislature for appointment.

12 (c) The legislative auditor serves at the pleasure of the legis-
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14 may be removed for cause by a majority vote of the Legislative Budget
15 and Audit Committee after notice by, and a hearing before, the committee

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17 as head of the audit division and, within the limits of the budget
18 approved by the committee, shall employ and determine the compensation
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1 government;

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3 accounts of all custodians of public funds and all disbursing officers
4 of the state;

5 (3) at the direction of the Legislative Budget and Audit
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7 government;

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9 assistance as requested in establishing or improving the accounting
10 systems used by state agencies;

11 (5) require the assistance and cooperation of all state
12 officials and other state employees in the inspection, examination
13 and audit of state agency books and accounts;

14 (6) have access at all times to the books, accounts, reports
15 or other records, whether confidential or not, of every state agency;

16 (7) ascertain, as necessary for audit verification, the
17 amount of agency funds on deposit in any bank as shown on the books of
18 the bank; no bank may be held liable for making information required
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28 legislative audit division shall make the audit.

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consultation with the legislative finance division [LEGISLATIVE AFFAIRS AGENCY], and shall include statements concerning

(1) the work accomplished and the services provided in the preceding fiscal year or other meaningful work period, relating actual accomplishments to those planned under sec. 80(b) of this chapter;

(2) the relationship of accomplishments and services to the policy decisions and budget determinations of the governor and the legislature;

(3) the costs of accomplishing the work and providing the services, and, to the extent feasible, citing meaningful measures of program effectiveness and cost;

(4) the administrative improvements made in the preceding year, potential improvements in future years, and suggested changes in legislation or administrative procedures to make further improvements.

* Sec. 6. AS 24.20.060(4)(D) is repealed.

* Sec. 7. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

Original sponsor: Bradner

Offered: 3/10/71

1 IN THE HOUSE BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 14

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating a legislative budget and audit com-
7 mittee and providing for the reorganization and
8 establishment of legislative fiscal support services;
9 and providing for an effective date."

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

11 * Section 1. AS 24.20.150 - 24.20.370 are repealed.

12 * Sec. 2. AS 24.20 is amended by adding new sections to read:

13 Sec. 24.20.151. LEGISLATIVE BUDGET AND AUDIT COMMITTEE. The
14 Legislative Budget and Audit Committee is established as a permanent
15 interim committee of the legislature. The establishment of the
16 committee recognizes the need of the legislature for full-time technical
17 assistance in accomplishing the fiscal analysis, budget review and
18 post-audit functions.

19 Sec. 24.20.161. MEMBERSHIP. The Legislative Budget and Audit
20 Committee is composed of the chairmen of the senate and house finance
21 committees and four members from each body appointed by the president
22 of the senate and the speaker of the house, respectively. The member-
23 ship from each house shall include at least one member from each of
24 the two major political parties. The chairmen of the finance committees
25 may choose not to serve on the committee. If this occurs, the presid-
26 ing officer of the proper body shall appoint a replacement. The
27 committee shall select its own chairman.

28 Sec. 24.20.171. TERM OF MEMBERSHIP. The committee shall be
29 organized within 15 days after the organization of each legislature.

1 Members serve for the duration of the legislature during which they
2 are appointed. If they are reelected or their term of office extends
3 into the next succeeding legislature, they continue to serve until
4 reappointed or the appointment of their successor.

5 Sec. 24.20.181. VACANCIES. When a vacancy occurs in the member-
6 ship of the committee, the presiding officer of the house incurring
7 the vacancy shall choose a successor. If the office of the president
8 of the senate or speaker of the house of representatives becomes
9 vacant and a vacancy from the affected house occurs among the member-
10 ship of the committee, the remaining committee members from the house
11 incurring the vacancy shall appoint a new member.

12 Sec. 24.20.191. MEETINGS. The budget and audit committee may
13 meet during sessions of the legislature and during the interim between
14 sessions at such times and places inside the state as the chairman
15 may determine. Members may receive, for the minimum time required to
16 get to and from meetings and for the period while attending meetings,
17 the same travel and per diem allowances provided by law for members of
18 the legislature when attending sessions, except that members of the
19 committee receive no per diem during legislative sessions other than
20 the per diem allowance paid to other members of the legislature.

21 Sec. 24.20.201. POWERS. (a) The Legislative Budget and Audit
22 Committee has the power to:

23 (1) organize, adopt rules for the conduct of its business
24 and prescribe procedures for the comprehensive fiscal analysis,
25 budget review and post-audit functions;

26 (2) hold public hearings, administer oaths, issue subpoenas,
27 compel the attendance of witnesses and production of papers, books,
28 accounts, documents and testimony, and to have the deposition of
29 witnesses taken in a manner prescribed by court rule or law for taking

1 depositions in civil actions;

2 (3) require all state officials and agencies of state
3 government to give full cooperation to the committee or its staff in
4 assembling and furnishing requested information;

5 (4) review revenue projections, state agency appropriation
6 requests, the expenditure of state funds, including the relationship
7 between state agency program accomplishments and legislative intent,
8 and the fiscal policies and procedures of state government;

9 (5) review all proposed changes to agency authorized
10 operating budgets;

11 (6) make recommendations concerning appropriations, their
12 expenditure and the fiscal policies and procedures of state government
13 to the governor where appropriate, and the legislature;

14 (7) prepare and distribute reports, memoranda or other
15 necessary materials.

16 (b) Nothing in this chapter shall be so construed as to authorize
17 the referral by the presiding officer of legislation to the committee
18 at regular or special sessions of the legislature.

19 Sec. 24.20.211. LEGISLATIVE FINANCE DIVISION. The legislative
20 finance division is established as a permanent staff agency responsible
21 to the Legislative Budget and Audit Committee for performance of
22 fiscal analysis and budget review functions.

23 Sec. 24.20.221. STAFF. (a) The committee shall hire and
24 determine the salary of the legislative fiscal analyst who shall serve
25 both at the direction and pleasure of the committee. The fiscal
26 analyst shall serve as head of the finance division and, within the
27 limits of the budget approved by the committee, shall employ and
28 determine the compensation of the professional and clerical staff of
29 the division.

1 (b) The fiscal analyst and members of the professional and
2 clerical staff shall not join or support a partisan political organi-
3 zation. This prohibition does not prevent the fiscal analyst or
4 members of the staff from joining social organizations, expressing
5 private opinion, registering as to party or voting.

6 Sec. 24.20.231. DUTIES. The legislative finance division shall

7 (1) analyze the budget and appropriation requests of each
8 department, institution, bureau, board, commission or other agency of
9 state government;

10 (2) analyze the revenue requirements of the state;

11 (3) provide the finance committees of the legislature with
12 comprehensive budget review and fiscal analysis services;

13 (4) cooperate with the division of budget and management
14 in establishing a comprehensive system for state program budgeting
15 and financial management as set out in the Executive Budget Act
16 (AS 37.07);

17 (5) complete studies and prepare reports, memoranda or other
18 materials as directed by the Legislative Budget and Audit Committee:

19 (6) with the governor's permission, designate the legislative
20 fiscal analyst to serve ex officio on the governor's budget review
21 committee.

22 Sec. 24.20.241. LEGISLATIVE AUDIT DIVISION. The legislative
23 audit division is established as a permanent staff agency responsible
24 to the Legislative Budget and Audit Committee for completion of the
25 post-audit function.

26 Sec. 24.20.251. QUALIFICATIONS AND APPOINTMENT OF LEGISLATIVE
27 AUDITOR. (a) The legislative auditor shall be a certified public
28 accountant of this state, or of another state having requirements
29 equivalent to those of this state, with at least five years of practice

1 in the profession, or the equivalent, before his appointment.

2 (b) The Legislative Budget and Audit Committee shall examine
3 persons to serve as legislative auditor and, upon completion of the
4 examination, place the name of the person selected in nomination before
5 the legislature. If the legislature is not in session, the person
6 nominated shall carry out the duties of the office until the next
7 session of the legislature at which time the name of the person
8 nominated shall be presented to the legislature for appointment.

9 (c) The legislative auditor serves at the pleasure of the legis-
10 lature. However, when the legislature is not in session, the auditor
11 may be removed for cause by a majority vote of the Legislative Budget
12 and Audit Committee after notice by, and a hearing before, the commit-
13 tee.

14 Sec. 24.20.261. STAFF. (a) The Legislative Budget and Audit
15 Committee shall hire a supervisor of audit who shall serve both at the
16 direction and pleasure of the committee. The supervisor of audit shall
17 serve as head of the audit division and, within the limits of the
18 budget approved by the committee, shall employ and determine the compen-
19 sation of the other professional and clerical staff of the division
20 until such time as the position of legislative auditor becomes a full-
21 time position at which time the legislative auditor shall become the
22 head of the audit division.

23 (b) The auditor, the supervisor of audit and members of the
24 professional and clerical staff may not join or support a partisan
25 political organization. This prohibition does not prevent the auditor
26 or members of the staff from joining social organizations, expressing
27 private opinion, registering as to party or voting.

28 Sec. 24.20.271. POWERS AND DUTIES. The legislative audit divi-
29 sion shall

1 (1) perform an audit, complete with a written report, at
2 least once every three years on the books and accounts of every depart-
3 ment, institution, bureau, board, commission or other agency of state
4 government;

5 (2) audit at least once every three years the books and
6 accounts of all custodians of public funds and all disbursing officers
7 of the state;

8 (3) at the direction of the Legislative Budget and Audit
9 Committee, conduct performance post-audits on any agency of state
10 government;

11 (4) cooperate with state agencies by offering advice and
12 assistance as requested in establishing or improving the accounting
13 systems used by state agencies;

14 (5) require the assistance and cooperation of all state
15 officials and other state employees in the inspection, examination
16 and audit of state agency books and accounts;

17 (6) have access at all times to the books, accounts, reports
18 or other records, whether confidential or not, of every state agency;

19 (7) ascertain, as necessary for audit verification, the
20 amount of agency funds on deposit in any bank as shown on the books of
21 the bank; no bank may be held liable for making information required
22 under this paragraph available to the legislative audit division;

23 (8) complete studies and prepare reports, memoranda or other
24 materials as directed by the Legislative Budget and Audit Committee.

25 Sec. 24.20.281. SPECIAL AUDIT. A member of the legislature may,
26 in writing and with at least six days notice, request that the budget
27 and audit committee direct a special audit of any state agency or
28 determine the propriety of any expenditure of state funds received by
29 any political subdivision or other entity obtaining state funds.

1 Should a majority of the committee vote to approve the request, the
2 legislative audit division shall make the audit.

3 Sec. 24.20.291. CONFLICT OF INTEREST. The legislative auditor,
4 the supervisor of audit, the legislative fiscal analyst and members of
5 the staff of the legislative finance and audit divisions shall not
6 serve in ex officio or other capacity on any board (except as authorized
7 in sec. 231(6) of this chapter), commission or other administrative
8 agency of state government; nor shall they have a financial interest
9 in transactions involving any agency of state government.

10 Sec. 24.20.301. RECORDS. (a) The legislative audit division
11 shall keep a complete file of all audit reports and other reports or
12 releases issued by the division, and a complete file of audit work
13 papers and other related supportive material. The division shall also
14 keep a complete and accurate record of all fiscal transactions involving
15 the division.

16 (b) The legislative finance division shall keep a complete file
17 of all budget reports and other reports or releases issued by the
18 division and a complete and accurate record of all fiscal transactions
19 involving the division.

20 Sec. 24.20.311. REPORTS. The committee shall file copies of its
21 approved audit reports including any committee recommendations with the
22 governor, the agency concerned and the legislature. An annual report
23 summarizing the audit reports and committee recommendations made during
24 the year shall be filed with the governor and with the legislature
25 within the first five days of each regular session of the legislature.
26 Reports shall be approved by a majority of the committee before their
27 release and shall be open to public inspection after their release to
28 the legislature.

29 * Sec. 3. AS 37.07.040(5) is amended to read:

1 (5) provide the legislative finance division [LEGISLATIVE
2 AFFAIRS AGENCY] with the budget information it may request.

3 * Sec. 4. AS 37.07.050(a) is amended to read:

4 (a) Each state agency, on the date and in the form and content
5 prescribed by the division, shall prepare and forward to the division
6 and the legislative finance division [LEGISLATIVE AFFAIRS AGENCY]

7 (1) the goals and objectives of the agency programs, together
8 with proposed supplements, deletions and revisions;

9 (2) its proposed plans to implement the goals and objectives,
10 including estimates of future service needs, planned methods of adminis-
11 tration, proposed modification of existing program services and
12 establishment of new program services, and the estimated resources
13 needed to carry out the proposed plan;

14 (3) the budget requested to carry out its proposed plans in
15 the succeeding fiscal year, including information reflecting the
16 expenditures during the last fiscal year, those authorized for the
17 current fiscal year, those proposed for the succeeding fiscal year, an
18 explanation of the services to be provided, the need for the services,
19 the cost of the services, and any other information requested by the
20 division;

21 (4) a report of the receipts during the last fiscal year,
22 an estimate of the receipts during the current fiscal year, and an
23 estimate for the succeeding fiscal year;

24 (5) a statement of legislation required to implement the
25 proposed programs and financial plans;

26 (6) an evaluation of the advantages and disadvantages of
27 specific alternatives to existing or proposed program policies or
28 administrative methods.

29 * Sec. 5. AS 37.07.090(a) is amended to read:

1 (a) Each state agency shall submit a performance report to the
2 division no later than September 1 for the preceding fiscal year.
3 These reports shall be in the form prescribed by the division after
4 consultation with the legislative finance division [LEGISLATIVE AFFAIRS
5 AGENCY], and shall include statements concerning

6 (1) the work accomplished and the services provided in the
7 preceding fiscal year or other meaningful work period, relating actual
8 accomplishments to those planned under sec. 80(b) of this chapter;

9 (2) the relationship of accomplishments and services to the
10 policy decisions and budget determinations of the governor and the
11 legislature;

12 (3) the costs of accomplishing the work and providing the
13 services, and, to the extent feasible, citing meaningful measures of
14 program effectiveness and cost;

15 (4) the administrative improvements made in the preceding
16 year, potential improvements in future years, and suggested changes in
17 legislation or administrative procedures to make further improvements.

18 * Sec. 6. AS 24.20.060(4)(D) is repealed.

19 * Sec. 7. This Act takes effect on the day after its passage and approv-
20 al or on the day it becomes law without approval.
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Original sponsor: Bradner

Offered: 2/12/71
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 14

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating a legislative budget and audit com-
7 mittee and providing for the reorganization and
8 es ablishment of legislative fiscal support services;
9 and providing for an effective date."

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

11 * Section 1. AS 24.20.150 - 24.20.370 are repealed.

12 * Sec. 2. AS 24.20 is amended by adding new sections to read:

13 Sec. 24.20.151. LEGISLATIVE BUDGET AND AUDIT COMMITTEE. The
14 Alaska Legislative Budget and Audit Committee is established as a
15 permanent interim committee of the legislature. The establishment of
16 the committee recognizes the need of the legislature for full-time
17 technical assistance in accomplishing the fiscal analysis, budget
18 review and post-audit functions.

19 Sec. 24.20.161. MEMBERSHIP. The legislative budget and audit
20 committee is composed of five members each from the senate and the
21 house appointed by the president of the senate and the speaker of the
22 house, respectively. The membership from each house shall include
23 at least two members from each of the two major political parties.

24 Sec. 24.20.171. TERM OF MEMBERSHIP. Members serve for the duration
25 of the legislature during which they are appointed. If they are re-elect-
26 ed or their term of office extends into the next succeeding legislature,
27 they continue to serve until reappointed or the appointment of their
28 successor.

29 Sec. 24.20.181. VACANCIES. When a vacancy occurs in the member-

1 ship of the committee, the presiding officer of the house incurring
2 the vacancy shall choose a successor. If the office of the president
3 of the senate or speaker of the house of representatives becomes
4 vacant and a vacancy from the affected house occurs among the member-
5 ship of the committee, the remaining committee members from the house
6 incurring the vacancy shall appoint a new member.

7 Sec. 24.20.191. MEETINGS. The budget and audit committee may
8 meet during sessions of the legislature and during the interim between
9 sessions at such times and places inside the state as the chairman
10 may determine. Members may receive, for the minimum time required to
11 get to and from meetings and for the period while attending meetings,
12 the same travel and per diem allowances provided by law for members of
13 the legislature when attending sessions, except that members of the
14 committee receive no per diem during legislative sessions other than
15 the per diem allowance paid to other members of the legislature.

16 Sec. 24.20.201. POWERS. (a) The legislative budget and audit
17 committee has the power to:

18 (1) organize, adopt rules for the conduct of its business
19 and prescribe procedures for the comprehensive fiscal analysis,
20 budget review and post-audit functions;

21 (2) hold public hearings, administer oaths, issue subpoenas,
22 compel the attendance of witnesses and production of papers, books,
23 accounts, documents and testimony, and to have the deposition of
24 witnesses taken in a manner prescribed by court rule or law for
25 taking depositions in civil actions;

26 (3) require all state officials and agencies of state
27 government to give full cooperation to the committee or its staff in
28 assembling and furnishing requested information;

29 (4) review revenue projections, state agency appropriation

1 requests, the expenditure of state funds, including the relationship
2 between state agency program accomplishments and legislative intent,
3 and the fiscal policies and procedures of state government;

4 (5) make recommendations concerning appropriations, their
5 expenditure and the fiscal policies and procedures of state government
6 to the governor where appropriate, and the legislature;

7 (6) prepare and distribute reports, memoranda or other
8 necessary materials.

9 (b) Nothing in this chapter shall be so construed as to
10 authorize the referral by the presiding officer of legislation to
11 the committee at regular or special sessions of the legislature.

12 Sec. 24.20.211. LEGISLATIVE FINANCE DIVISION. The legislative
13 finance division is established as a permanent staff agency responsible
14 to the legislative budget and audit committee for performance of
15 fiscal analysis and budget review functions.

16 Sec. 24.20.211. STAFF. (a) The committee shall hire and
17 determine the salary of the legislative fiscal analyst who shall serve
18 both at the direction and pleasure of the committee. The fiscal
19 analyst shall serve as head of the finance division and, within the
20 limits of the budget approved by the committee, shall employ and
21 determine the compensation of the professional and clerical staff of
22 the division.

23 (b) The fiscal analyst and members of the professional and
24 clerical staff shall not join or support a partisan political organi-
25 zation. This prohibition does not prevent the fiscal analyst or
26 members of the staff from joining social organizations, expressing
27 private opinion, registering as to party or voting.

28 Sec. 24.20.231. DUTIES. The legislative finance division
29 shall

1 (1) analyze the budget and appropriation requests of each
2 department, institution, bureau, board, commission or other agency of
3 state government;

4 (2) analyze the revenue requirements of the state;

5 (3) provide the finance committees of the legislature with
6 comprehensive budget review and fiscal analysis services;

7 (4) cooperate with the division of budget and management
8 in establishing a comprehensive system for state program budgeting
9 and financial management as set out in the Executive Budget Act
10 (AS 37.07);

11 (5) complete studies and prepare reports, memoranda or other
12 materials as directed by the legislative budget and audit committee.

13 (6) with the governor's permission, designate the legislative
14 fiscal analyst to serve ex officio on the governor's budget review
15 committee.

16 Sec. 24.20.241. LEGISLATIVE AUDIT DIVISION. The legislative
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19 post-audit function.

20 Sec. 24.20.251. QUALIFICATIONS AND APPOINTMENT OF LEGISLATIVE
21 AUDITOR. (a) The legislative auditor shall be a certified public
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23 equivalent to those of this state, with at least five years of practice
24 in the profession, or the equivalent, before his appointment.

25 (b) The legislative budget and audit committee shall examine
26 persons to serve as legislative auditor and, upon completion of the
27 examination, place the name of the person selected in nomination before
28 the legislature. If the legislature is not in session, the person
29 nominated shall carry out the duties of the office until the next

1 session of the legislature at which time the name of the person
2 nominated shall be presented to the legislature for appointment.

3 (c) The legislative auditor serves at the pleasure of the legisla-
4 ture. However, when the legislature is not in session, the auditor may
5 be removed for cause by a majority vote of the legislative budget and
6 audit committee after notice by, and a hearing before, the committee.

7 Sec. 24.20.261. STAFF (a) The legislative budget and audit com-
8 mittee shall hire a supervisor of audit who shall serve both at the
9 direction and pleasure of the committee. The supervisor of audit shall
10 serve as head of the audit division and, within the limits of the budget
11 approved by the committee, shall employ and determine the compensation
12 of the other professional and clerical staff of the division until such
13 time as the position of legislative auditor becomes a full-time position
14 at which time the legislative auditor shall become the head of the
15 audit division.

16 (b) The auditor, the supervisor of audit and members of the
17 professional and clerical staff may not join or support a partisan
18 political organization. This prohibition does not prevent the auditor
19 or members of the staff from joining social organizations, expressing
20 private opinion, registering as to party or voting.

21 Sec. 24.20.271. POWERS AND DUTIES. The legislative audit divi-
22 sion shall

23 (1) perform an audit, complete with a written report, at least
24 once every three years on the books and accounts of every department,
25 institution, bureau, board, commission or other agency of state govern-
26 ment;

27 (2) audit at least once every three years the books and
28 accounts of all custodians of public funds and all disbursing officers
29 of the state;

1 (3) at the direction of the legislative budget and audit com-
2 mittee, conduct performance post-audits on any agency of state govern-
3 ment;

4 (4) cooperate with state agencies by offering advice and
5 assistance as requested in establishing or improving the accounting
6 systems used by state agencies;

7 (5) require the assistance and cooperation of all state
8 officials and other state employees in the inspection, examination
9 and audit of state agency books and accounts;

10 (6) have access at all time to the books, accounts, reports
11 or other records, whether confidential or not, of every state agency;

12 (7) ascertain, as necessary for audit verification, the
13 amount of agency funds on deposit in any bank as shown on the books of
14 the bank; no bank may be held liable for making information required
15 under this paragraph available to the legislative audit division;

16 (8) complete studies and prepare reports, memoranda or other
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21 determine the propriety of any expenditure of state funds received by
22 any political subdivision or other entity obtaining state funds. Should
23 a majority of the committee vote to approve the request, the legislative
24 audit division shall make the audit.

25 Sec. 24.20.291. CONFLICT OF INTEREST. The legislative auditor,
26 the supervisor of audit, the legislative fiscal analyst and members of
27 the staff of the legislative finance and audit divisions shall not
28 serve in ex officio or other capacity on any board (except as
29 authorized in sec 231(6) of this chapter), commission or other

1 administrative agency of state government; nor shall they have a
2 financial interest in transactions involving any agency of state
3 government.

4 Sec. 24.20.301. RECORDS. (a) The legislative audit division
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7 papers and other related supportive material. The division shall also
8 keep a complete and accurate record of all fiscal transactions
9 involving the division.

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11 of all budget reports and other reports or releases issued by the
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16 governor, the agency concerned and the legislature. An annual report
17 summarizing the audit reports and committee recommendations made during
18 the year shall be filed with the governor and with the legislature
19 within the first five days of each regular session of the legislature.
20 Reports shall be approved by a majority of the committee before their
21 release and shall be open to public inspection after their release to
22 the legislature.

23 * Sec. 3. AS 37.07.040(5) is amended to read:

24 (5) provide the legislative finance division [LEGISLATIVE
25 AFFAIRS AGENCY] with the budget information it may request.

26 * Sec. 4. AS 37.07.050(a) is amended to read:

27 (a) Each state agency, on the date and in the form and content
28 prescribed by the division, shall prepare and forward to the division
29 and the legislative finance division [LEGISLATIVE AFFAIRS AGENCY]

1 (1) the goals and objectives of the agency programs,
2 together with proposed supplements, deletions and revision;

3 (2) its proposed plans to implement the goals and objectives,
4 including estimates of future service needs, planned methods of admini-
5 stration, proposed modification of existing program services and
6 establishment of new program services, and the estimated resources
7 needed to carry out the proposed plan;

8 (3) the budget requested to carry out its proposed plans in
9 the succeeding fiscal year, including information reflecting the
10 expenditures during the last fiscal year, those authorized for the
11 current fiscal year, those proposed for the succeeding fiscal year,
12 an explanation of the services to be provided, the need for the
13 services, the cost of the services, and any other information requested
14 by the division;

15 (4) a report of the receipts during the last fiscal year,
16 an estimate of the receipts during the current fiscal year, and an
17 estimate for the succeeding fiscal year;

18 (5) a statement of legislation required to implement the
19 proposed programs and financial plans;

20 (6) an evaluation of the advantages and disadvantages of
21 specific alternatives to existing or proposed program policies or
22 administrative methods.

23 * Sec. 5. AS 37.07.090(a) is amended to read:

24 (a) Each state agency shall submit a performance report to the
25 division no later than September 1 for the preceding fiscal year.
26 These reports shall be in the form prescribed by the division after
27 consultation with the legislative finance division [LEGISLATIVE AFFAIRS
28 AGENCY], and shall include statements concerning

29 (1) the work accomplished and the services provided in the

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preceding fiscal year or other meaningful work period, relating actual accomplishments to those planned under sec. 80(b) of this chapter;

(2) the relationship of accomplishments and services to the policy decisions and budget determinations of the governor and the legislature;

(3) the costs of accomplishing the work and providing the services, and, to the extent feasible, citing meaningful measures of program effectiveness and cost;

(4) the administrative improvements made in the preceding year, potential improvements in future years, and suggested changes in legislation or administrative procedures to make further improvements.

* Sec. 6. AS 24.20.060(4)(D) is repealed.

* Sec. 7. (a) AS 24.20.151 - 24.20.191 in sec. 2 of this act, take effect on the day after passage and approval of this act or on the day it becomes law without approval.

(b) Secs. 1, 3 - 6, and AS 24.20.201 - 24.20.311, in sec. 2 of this act, take effect July 1, 1971.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

Ref. 2/9/71

Committee Report

S E N A T E

2/12/71

Date

Mr. President:

The Committee on FINANCE has had SB 14
(Legislative budget amendment comm.)
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

CHAIRMAN

Original sponsor: Bradner

Offered: 1/29/71
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 14

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act creating a legislative budget and audit committee and providing for the reorganization and establishment of legislative fiscal support services; and providing for an effective date."

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

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* Section 1. AS 24.20.150 - 24.20.370 are repealed.

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* Sec. 2. AS 24.20 is amended by adding new sections to read:

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Sec. 24.20.151. LEGISLATIVE BUDGET AND AUDIT COMMITTEE. The Alaska Legislative Budget and Audit Committee is established as a permanent interim committee of the legislature. The establishment of the committee recognizes the need of the legislature for full-time technical assistance in accomplishing the fiscal analysis, budget review and post-audit functions.

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Sec. 24.20.161. MEMBERSHIP. The legislative budget and audit committee is composed of the chairmen of the senate and house finance committees, two members selected from the senate and house finance committees appointed by the president of the senate and the speaker of the house respectively, and two members appointed from each house by the respective presiding officer. The membership from each house shall include at least one member from each of the two major political parties. The committee shall select its own chairman.

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Sec. 24.20.171. TERM OF MEMBERSHIP. The legislative budget and audit committee shall be organized within five days after the organization of each legislature. Members serve for the duration of the

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1 legislature during which they are appointed.

2 Sec. 24.20.181. VACANCIES. When a vacancy occurs in the
3 membership of the committee, the presiding officer of the house
4 incurring the vacancy shall choose a successor. If the office of the
5 president of the senate or speaker of the house of representatives
6 becomes vacant and a vacancy from the affected house occurs among
7 the membership of the committee, the remaining committee members from
8 the house incurring the vacancy shall appoint a new member.

9 Sec. 24.20.191. MEETINGS. The budget and audit committee may
10 meet during sessions of the legislature and during the interim between
11 sessions at such times and places inside the state as the chairman
12 may determine. Members may receive, for the minimum time required to
13 get to and from meetings and for the period while attending meetings,
14 the same travel and per diem allowances provided by law for members of
15 the legislature when attending sessions.

16 Sec. 24.20.201. POWERS. The legislative budget and audit
17 committee has the power to:

18 (1) organize, adopt rules for the conduct of its business
19 and prescribe procedures for the comprehensive fiscal analysis,
20 budget review and post-audit functions;

21 (2) hold public hearings, administer oaths, issue subpoenas,
22 compel the attendance of witnesses and production of papers, books,
23 accounts, documents and testimony, and to have the deposition of
24 witnesses taken in a manner prescribed by court rule or law for
25 taking depositions in civil actions;

26 (3) require all state officials and agencies of state
27 government to give full cooperation to the committee or its staff in
28 assembling and furnishing requested information;

29 (4) review revenue projections, state agency appropriation

1 requests, the expenditure of state funds, including the relationship
2 between state agency program accomplishments and legislative intent,
3 and the fiscal policies and procedures of state government;

4 (5) review all proposed changes to agency authorized
5 operating budgets;

6 (6) make recommendations concerning appropriations, their
7 expenditure and the fiscal policies and procedures of state government
8 to the governor where appropriate, and the legislature;

9 (7) prepare and distribute reports, memoranda or other
10 necessary materials.

11 Sec. 24.20.211. LEGISLATIVE FINANCE DIVISION. The legislative
12 finance division is established as a permanent staff agency responsible
13 to the legislative budget and audit committee for performance of
14 fiscal analysis and budget review functions.

15 Sec. 24.20.221. STAFF. (a) The committee shall hire and
16 determine the salary of the legislative fiscal analyst who shall serve
17 both at the direction and pleasure of the committee. The fiscal
18 analyst shall serve as head of the finance division and, within the
19 limits of the budget approved by the committee, shall employ and
20 determine the compensation of the professional and clerical staff of
21 the division.

22 (b) The fiscal analyst and members of the professional and
23 clerical staff shall not join or support any partisan political
24 organization. This prohibition does not prevent the fiscal analyst
25 or members of the staff from joining social organizations, expressing
26 private opinion, registering as to party or voting.

27 Sec. 24.20.231. DUTIES. The legislative finance division shall
28 (1) analyze the budget and appropriation requests of each
29 department, institution, bureau, board, commission or other agency of

1 state government;

2 (2) analyze the revenue requirements of the state;

3 (3) provide the finance committees of the legislature with
4 comprehensive budget review and fiscal analysis services;

5 (4) cooperate with the division of budget and management
6 in establishing a comprehensive system for state program budgeting
7 and financial management as set out in the Executive Budget Act
8 (AS 37.07);

9 (5) complete studies and prepare reports, memoranda or
10 other materials as directed by the legislative budget and audit com-
11 mittee.

12 Sec. 24.20.241. LEGISLATIVE AUDIT DIVISION. The legislative
13 audit division is established as a permanent staff agency responsible
14 to the legislative budget and audit committee for completion of the
15 post-audit function.

16 Sec. 24.20.251. QUALIFICATIONS AND APPOINTMENT OF LEGISLATIVE
17 AUDITOR. (a) The legislative auditor shall be a certified public
18 accountant of this state, or of another state having requirements
19 equivalent to those of this state, with at least five years of prac-
20 tice in the profession, or the equivalent, before his appointment.

21 (b) The legislative budget and audit committee shall examine
22 persons to serve as legislative auditor and, upon completion of the
23 examination, place the name of the person selected in nomination before
24 the legislature. If the legislature is not in session, the person
25 nominated shall carry out the duties of the office until the next
26 session of the legislature at which time the name of the person
27 nominated shall be presented to the legislature for appointment.

28 (c) The legislative auditor serves at the pleasure of the legis-
29 lature. However, when the legislature is not in session, the auditor

1 may be removed for cause by a majority vote of the legislative budget
2 and audit committee after notice by, and a hearing before, the
3 committee.

4 Sec. 24.20.261. STAFF. (a) The legislative auditor shall serve
5 as head of the audit division and, within the limits of the budget
6 approved by the committee, shall employ and determine the compensation
7 of the professional and clerical staff of the division. The legisla-
8 tive budget and audit committee shall determine the salary of the
9 legislative auditor.

10 (b) The auditor and members of the professional and clerical
11 staff may not join or support any partisan political organization.
12 This prohibition does not prevent the auditor or members of the staff
13 from joining social organizations, expressing private opinion, regis-
14 tering as to party or voting.

15 Sec. 24.20.271 POWERS AND DUTIES. The legislative audit divi-
16 sion shall

17 (1) perform an audit, complete with a written report, at
18 least once every three years on the books and accounts of every depart-
19 ment, institution, bureau, board, commission or other agency of state
20 government;

21 (2) audit at least once every three years the books and ac-
22 counts of all custodians of public funds and all disbursing officers of
23 the state;

24 (3) at the direction of the legislative budget and audit
25 committee, conduct performance post-audits on any agency of state
26 government;

27 (4) require the assistance and cooperation of all state
28 officials and other state employees in the inspection, examination
29 and audit of state agency books and accounts;

1 (5) have access at all times to the books, accounts, reports
2 or other records, whether confidential or not, of every state agency;

3 (6) ascertain, as necessary for audit verification, the
4 amount of agency funds on deposit in any bank as shown on the books of
5 the bank; no bank may be held liable for making information required
6 under this subparagraph available to the legislative audit division;

7 (7) complete studies and prepare reports, memoranda or other
8 materials as directed by the legislative budget and audit committee.

9 Sec. 24.20.281. SPECIAL AUDIT. A member of the legislature may,
10 in writing and with at least six days notice, request that the budget
11 and audit committee direct a special audit of any state agency. Should
12 a majority of the committee vote to approve the request, the legisla-
13 tive audit division shall make the audit.

14 Sec. 24.20.291. CONFLICT OF INTEREST. The legislative auditor,
15 the legislative fiscal analyst and members of the staff of the legis-
16 lative finance and audit divisions shall not serve in ex officio or
17 other capacity on any board, commission or other administrative agency
18 of state government; nor shall they have a financial interest in trans-
19 actions involving any agency of state government.

20 Sec. 24.20.301. RECORDS. (a) The legislative audit division
21 shall keep a complete file of all audit reports and other reports or
22 releases issued by the division, and a complete file of audit work
23 papers and other related supportive material. The division shall also
24 keep a complete and accurate record of all fiscal transactions
25 involving the division.

26 (b) The legislative finance division shall keep a complete file
27 of all budget reports and other reports or releases issued by the
28 division and a complete and accurate record of all fiscal transactions
29 involving the division.

1 Sec. 24.20.311. REPORTS. The committee shall file copies of its
2 approved audit reports including any committee recommendations with
3 the governor, the agency concerned and the legislature. An annual
4 report summarizing the audit reports and committee recommendations
5 made during the year shall be filed with the governor and with the
6 legislature within the first five days of each regular session of the
7 legislature. Reports shall be approved by a majority of the committee
8 prior to their release and shall be open to public inspection after
9 their release to the legislature.

10 * Sec. 3. AS 37.07.040(5) is amended to read:

11 (5) provide the legislative finance division [LEGISLATIVE
12 AFFAIRS AGENCY] with the budget information it may request.

13 * Sec. 4. AS 37.07.050(a) is amended to read:

14 (a) Each state agency on the date and in the form and content
15 prescribed by the division, shall prepare and forward to the division
16 and the legislative finance division [LEGISLATIVE AFFAIRS AGENCY]

17 (1) the goals and objectives of the agency programs, to-
18 gether with proposed supplements, deletions and revision;

19 (2) its proposed plans to implement the goals and objectives,
20 including estimates of future service needs, planned methods of admini-
21 stration, proposed modification of existing program services and estab-
22 lishment of new program services, and the estimated resources needed
23 to carry out the proposed plan;

24 (3) the budget requested to carry out its proposed plans in
25 the succeeding fiscal year, including information reflecting the
26 expenditures during the last fiscal year, those authorized for the
27 current fiscal year, those proposed for the succeeding fiscal year, an
28 explanation of the services to be provided, the need for the services,
29 the cost of the services, and any other information requested by the

1 division;

2 (4) a report of the receipts during the last fiscal year,
3 an estimate of the receipts during the current fiscal year, and an
4 estimate for the succeeding fiscal year;

5 (5) a statement of legislation required to implement the
6 proposed programs and financial plans;

7 (6) an evaluation of the advantages and disadvantages of
8 specific alternatives to existing or proposed program policies or
9 administrative methods.

10 * Sec. 5. AS 37.07.090(a) is amended to read:

11 (a) Each state agency shall submit a performance report to the
12 division no later than September 1 for the preceding fiscal year.
13 These reports shall be in the form prescribed by the division after
14 consultation with the legislative finance division [LEGISLATIVE AFFAIRS
15 AGENCY], and shall include statements concerning

16 (1) the work accomplished and the services provided in the
17 preceding fiscal year or other meaningful work period, relating actual
18 accomplishments to those planned under sec. 80(b) of this chapter;

19 (2) the relationship of accomplishments and services to the
20 policy decisions and budget determinations of the governor and the
21 legislature;

22 (3) the costs of accomplishing the work and providing the
23 services, and, to the extent feasible, citing meaningful measures of
24 program effectiveness and cost;

25 (4) the administrative improvements made in the preceding
26 year, potential improvements in future years, and suggested changes in
27 legislation or administrative procedures to make further improvements.

28 * Sec. 6. AS 24.20.060(4)(D) is repealed.

29 * Sec. 7. This Act takes effect on the day after its passage and approval

1 or on the day it becomes law without approval.

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RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

INTER-AGENCY ROUTING SLIP

TO: Senate Finance Committee

ATTN: Chairman Butrovich

January 11, 1972

REMARKS:

FROM: Emylou Secretary of Senate DATE: 1/11/72

Please return to the Secretary all SENATE RESOLUTIONS; SENATE CONCURRENT RESOLUTIONS; HOUSE CONCURRENT RESOLUTIONS; SENATE JOINT RESOLUTIONS; and HOUSE JOINT RESOLUTIONS except those listed below which amend the Constitutions:

SJR 1 - Indictment by grand jury	In Judiciary
SJR 2 - Limiting legislators holding other office	In Rules
SJR 32 - Continuing revenue fund	In State Affairs
HJR 2 - Increasing membership legislature	In Judiciary

MEMORANDUM

State of Alaska

TO:

The Honorable John Butrovich, Chairman
 Senate Finance Committee
 State Capitol Building
 Juneau, Alaska 99801

DATE : April 19, 1971

FROM:

Eric E. Wohlforth
 Commissioner of Revenue

Eric E. Wohlforth
 SUBJECT: CS for House Concurrent Resolution
 No. 19 Relating to the Investment of
 State Funds.

The resolution contains a direction to the Department of Revenue to invest "under Chapter 206 SLA, 1970, a substantial amount of our surplus state funds in Alaska mortgages at a mortgage interest rate not to exceed 6% a year".

I have the following comments:

1. Under Chapter 206 or AS 37.10.070(A)(10) the Commissioner of Revenue is authorized to purchase conventional residential mortgages if the originating financial institution retains at least 24% of the mortgage. Subdivision (11) provides for similar purchase of other "secured loans" if the originating financial institution retains at least 33-1/3% of the mortgage. Mortgage is defined in subdivision (j)(2) "as any pledge of security of a particular property for the payment of a debt". Additionally under subdivision (a)(7)(8) and (9) the Commissioner is authorized to invest in federal housing administration mortgages, federal Veterans Administration mortgages and Agricultural mortgages.

FHA mortgages in Alaska now are limited to an interest rate of 7% with 3.5 points discount producing an interest cost to the borrower of 7.5% per annum. Conventional mortgage loans to our knowledge are being made at rates between 8 and 8-3/4%.

Initially it may be noted that neither Chapter 206 nor House Concurrent Resolution No. 19 limits the State to purchasing new mortgages. Thus it may reasonably be assumed that existing home owners and other mortgagors will seek re-financing of so much of their debt as the State stands ready to purchase at 6%. In the calendar year 1970 approximately \$145,720,236 mortgages were made in the Anchorage Recording District alone. During 1971 based on figures available to date we could expect a like amount of mortgage loans submitted to the State with passage of this legislation. Since the State would be the chief source of mortgage money for the foreseeable future, we could reasonably anticipate over a 3 to 6 months period, unless interest rates took an unforeseeably dramatic dip below 6%, a loan portfolio of \$100,000,000.

In addition it may be noted that the State is entitled to purchase FHA mortgages in their entirety under Chapter 206 (AS 37.10.070(A)(7)). It could reasonably expect submission of FHA's held by outside sources which the State is directed at purchase a price to yield 6%.

The Honorable John Butrovich
Page 2
April 19, 1971

Finally since "secured loans" which are not limited to real property mortgages are included within the definition of "mortgages" in Chapter 206, the State also could expect submission of request for participation from financial institutions in chattel mortgages. The volume of such secured loans is impossible to quantify based upon existing figures but it should be substantial with any kind of economic activity in the State.

2. In addition we must take rather urgent exception to the final recital of the bill which states that: "mortgages can be sold when needed in much the same manner as bonds, stocks or other commercial paper". It is true that there is a secondary market for FHA mortgages but they are sold in a very different basis than government securities or other short term money market instruments. Sales of up to 5 million dollars a day in government bonds or stocks are not uncommon by the State to take advantage of swings of the market. Bond dealers as well as dealers in other short term paper are linked together by an instantaneous national tele-communication system which with the use of quote boards in major dealer banks and other places provide an active and ready market for the sale of these kinds of instruments. The sale of even FHA mortgages accomplished in a much different manner. Mortgage brokers and insurance companies are the principal purchasers of FHA mortgages and they do not trade on a market basis as government bonds and short term instruments. We have had no outside mortgage broker submit his bids for FHA mortgages held by any of the funds prior to very careful analysis of the term of the mortgage, its location and other factors. The market moves much more slowly and is more specialized with considerable transactionable paper work involved in the sale of the instruments.

Conventional mortgages and "other secured loans" have until recently had little if any market outside the State of Alaska. Until the Federal National Mortgage Association began to purchase conventional mortgages their resale possibilities within or without the State were minimal. Given sharp breaks in the money markets, it may be that purchasers on a "workout" basis might be available for conventional mortgages but certainly large blocks would not be currently saleable today.

3. The social benefit to the State of investing in Alaska mortgages at 6% a year would be of course to reduce the rate of interest on existing loans and those loans refinanced by the State. It cannot be denied that the reduction of interest rate levels in Alaska would have a very substantially favorable impact on our cost of living and otherwise. If the State's funds were substantially unlimited arguments could well be made for embarking on such a program.

However, as indicated to this committee, general fund revenue expense projections are such that we do not see a substantial amount of monies remaining from the oil lease proceeds unspent by fiscal year 1976. If budgetary levels are such that these projections hold true, and if the State had committed several hundred million dollars to Alaska mortgages to yield 6%, we would find ourselves in a position in fiscal year 1974 or fiscal year 1975 of having to liquidate these mortgages in order to produce funds for general operating expenditures. Under these circumstances

The Honorable John Butrovich

Page 3

April 19, 1971

with knowledge in the financial community that the mortgages held by the general fund would have to be liquidated in order to raise funds for operating expenses, clearly we would find ourselves in a distress sale position. Mortgage brokers, banks and insurance companies throughout the country would well know that we had no choice but to sell and we could expect sales possible at only deep discounts from initial purchases unless we had the extreme good fortune at that time to be in a market of 4 to 5 per cent mortgages.

4. I will be glad to testify at your committee at your convenience.

Original sponsor: Fink, Kerttula,
Colletta and Randolph

Offered: 4/1/71
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

CS FOR HOUSE CONCURRENT RESOLUTION NO. 19

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

Relating to the investment of state

6

funds.

7

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

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WHEREAS the high cost of money is a major factor contributing to all

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high costs; and

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WHEREAS the extremely high price of homes in Alaska constitutes a

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principal cause of the housing shortage; and

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WHEREAS the existing excessively high mortgage interest rates are a

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principal consumer deterrent in home construction and financing; and

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WHEREAS, according to the most recent revenue projections released by

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the administration, the state currently has on hand surplus funds and should

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continue to have surplus funds for at least the next five fiscal years; and

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WHEREAS, as a general practice and as sound economic practice, surplus

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funds of the state are invested until such time as additional money is

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needed for necessary funding of state programs; and

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WHEREAS the investment of state surplus funds in Alaska home mortgages

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will benefit the economy of the state and its citizens by promoting more

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home building, providing more jobs for Alaskans, and alleviating the serious

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shortage of decent housing in many areas of the state; and

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WHEREAS mortgages can be sold when needed in much the same manner as

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bonds, stocks, or other commercial paper;

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BE IT RESOLVED by the Alaska Legislature that the Department of Revenue

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is directed to invest, under ch. 206 SLA 1970, a substantial amount of our

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surplus state funds in Alaska mortgages at a mortgage interest rate

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not to exceed six per cent a year.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

HOUSE OF REPRESENTATIVES

1/23/71

Feb. 23, 1971

Date

Mr. Speaker:

The Committee on ARMED SERVICES has had HR 22

under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for _____ and that
CS for _____ do pass

(and) recommends it be referred to the _____
committee

reports it back without recommendation

(other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

<u>James M. [unclear]</u>	<u>George M. [unclear]</u>	_____
<u>Adam S. [unclear]</u>	<u>[unclear]</u>	_____
<u>[unclear]</u>	_____	_____
<u>[unclear]</u>	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

George M. [unclear]
CHAIRMAN

HOUSE JOURNAL

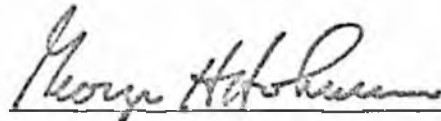
HOUSE FINANCE COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE HOUSE BILL NO. 22

The committee on finance has had House Bill 22 under consideration. A majority of the members of the committee have recommended that it be replaced with CS for House Bill 22 and that the CS for HB 22 do pass. However, the committee wishes to make a brief analysis of the bill part of the record.

1. The maximum interest rate chargeable on state V.A. loans is reduced from 8% to 7%.
2. The maximum loan is increased from \$25,000 to \$37,500 on farm and home loans, from \$25,000 to \$50,000 on business loans - business loans are restricted to those businesses with three or more years operating history, a new provision allows loans to a maximum of \$55,000 for multiple dwellings, and the total value of loans authorized in combination is raised from \$25,000 to \$55,000.
3. A self-financing provision is added that requires the Department of Revenue to purchase all V.A. loans offered, allowing a 1/2 of 1% service fee for administration.
4. In addition to veterans of the first and second world wars, veterans of the Korean conflict, the cold war, and the Indochina war are made eligible under the veterans' loan program.
5. Residency requirements are changed to the extent that residents of ten or more years duration are eligible for program benefits; under existing law veterans had to be ten year residents with the period of residency beginning immediately following their release from military service.



George Hohman, Chairman
House Finance Committee

STATE OF ALASKA
THE LEGISLATURE

SEARCHED _____ INDEXED _____
SERIALIZED _____ FILED _____

LEGISLATIVE AFFAIRS AGENCY

TO: Jack Winsley, Director, Veterans Affairs
FROM: George Hohman, Chairman, House Finance Committee
SUBJECT: HOUSE BILL NO. 22
DATE: February 12, 1971

As a result of the finance committee meeting today on HOUSE BILL NO. 22, would you please furnish this committee with the following:

1. The delinquency rate for loans for the last four years.
2. A breakout of business and home loans for the last four years.

STATE OF ALASKA
DEPARTMENT OF COMMERCE--DIVISION OF VETERANS' AFFAIRS

SUMMARY OF OUTSTANDING BALANCES
JUNE 30, 1970

SCHEDULE H

REGION	OUTSTANDING LOAN BALANCES	PERCENT OF TOTAL BALANCES	DELINQUENT LOAN STATUS				CHARGES	TOTAL	DELIN. PERCENT OF OUT- STANDING BALANCES	DELIN. BAL. % OF OUT- STANDING BALANCES
			30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS				
Juneau	\$2,967,125.98	32.84%	\$ 3,130.70	\$ 1,652.92	\$ 2,702.87	\$12,592.48	\$ 33.56	\$ 20,112.53	.677%	14.27%
Anchorage	4,113,669.45	45.53%	4,120.10	1,241.15	300.87	8,246.82	28.22	13,937.16	.338%	12.51%
Fairbanks	1,954,788.60	21.63%	2,783.51	733.44	236.18	6,573.47	262.50	10,589.20	.541%	5.41%
	<u>\$9,035,584.03</u>	<u>100.00%</u>	<u>\$10,034.41</u>	<u>\$ 3,627.51</u>	<u>\$ 3,239.92</u>	<u>\$27,412.77</u>	<u>\$ 324.28</u>	<u>\$ 44,638.89</u>	<u>.494%</u>	<u>13.25%</u>

	NUMBER OF LOANS OUTSTANDING	PERCENT OF TOTAL	DELINQUENT LOAN STATUS				TOTAL	PERCENT OF LOANS OUTSTANDING
			30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS		
Juneau	311	36.67%	29	9	6	8	52	16.72%
Anchorage	342	40.33%	25	5	1	8	39	11.40%
Fairbanks	195	23.00%	18	3	1	5	27	13.84%
	<u>848</u>	<u>100.00%</u>	<u>72</u>	<u>17</u>	<u>8</u>	<u>21</u>	<u>118</u>	<u>13.91%</u>
Active Loans	848	97.47%					118	84.29%
Loans in Litigation	22	2.53%					22	15.71%
Schedule A-1	<u>870</u>	<u>100.00%</u>					<u>140</u>	<u>100.00%</u>

STATE OF ALASKA
DEPARTMENT OF COMMERCE--DIVISION OF VETERANS' AFFAIRS

SUMMARY OF OUTSTANDING BALANCES

JUNE 30, 1969

SCHEDULE II

REGION	OUTSTANDING LOAN BALANCES	PERCENT OF TOTAL BALANCE	<u>DELINQUENT LOAN STATUS</u>					CHARGES	TOTAL	DELIN.	DELIN.
			30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS	PERCENT OF OUT- STANDING BALANCES			BAL. % OF OUT- STANDING BALANCES	
Juneau	\$2,919,114.26	34.86%	\$ 5,013.84	\$ 2,562.92	\$ 4,967.78	\$30,979.90	\$ 170.51	\$ 43,694.95	1.496%	24.21%	
Anchorage	3,801,449.59	45.40%	6,280.01	3,712.85	1,391.12	37,850.72	1,202.79	50,437.49	1.326%	23.99%	
Fairbanks	1,653,326.72	19.74%	3,761.66	4,950.00	1,297.23	30,174.25	560.49	40,743.63	2.464%	30.72%	
	<u>\$8,373,890.57</u>	<u>100.00%</u>	<u>\$15,055.51</u>	<u>\$11,225.77</u>	<u>\$ 7,656.13</u>	<u>\$99,004.87</u>	<u>\$1,933.79</u>	<u>\$134,876.07</u>	<u>1.619%</u>	<u>25.40%</u>	

	NUMBER OF LOANS OUTSTANDING	PERCENT OF TOTAL	<u>DELINQUENT LOAN STATUS</u>					TOTAL	PERCENT OF LOANS OUTSTANDING
			30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS			
Juneau	313	36.95%	42	10	15	22	89	28.43%	
Anchorage	353	41.68%	43	14	4	30	91	25.78%	
Fairbanks	181	21.37%	25	3	3	19	50	27.62%	
	<u>847</u>	<u>100.00%</u>	<u>110</u>	<u>27</u>	<u>22</u>	<u>71</u>	<u>230</u>	<u>27.15%</u>	
Active Loans	847	97.70%					230	92.00%	
Loans in Litigation									
Schedule A-1	20	2.30%					20	8.00%	
	<u>867</u>	<u>100.00%</u>					<u>250</u>	<u>100.00%</u>	

Note:

The above statistical information is as of June 12, 1969 the date of the monthly Delinquency Report for the month of June, 1969.

STATE OF ALASKA - DEPARTMENT OF COMMERCE
 DIVISION OF VETERANS' AFFAIRS
 SUMMARY OF OUTSTANDING LOANS
 as of JUNE 30, 1968

SCHEDULE H

REGION	OUTSTANDING LOAN BALANCE	PERCENT OF TOTAL BALANCE	DELINQUENT LOANS STATUS					CHARGES	TOTAL	DELINQUENCY PERCENT OF OUTSTANDING BALANCE
			30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS				
Home	\$2,029,182.53	36.37%	\$11,696.43	\$ 8,393.58	\$ 5,077.43	\$ 26,016.23	\$1,066.39	\$ 52,255.11	1.72%	
Storage	3,565,206.20	42.80%	16,976.46	9,900.46	7,651.85	30,070.92	1,356.67	65,956.36	1.85%	
Subsides	1,734,751.58	20.83%	6,902.28	3,643.53	2,941.58	43,533.24		57,020.63	3.29%	
	<u>\$4,529,140.31</u>	<u>100.00%</u>	<u>\$21,575.17</u>	<u>\$21,937.57</u>	<u>\$15,670.86</u>	<u>\$ 99,620.39</u>	<u>\$2,423.06</u>	<u>\$175,242.10</u>	<u>3.90%</u>	

REGION	NUMBER OF LOANS OUTSTANDING	PERCENT OF TOTAL	DELINQUENT LOANS STATUS					TOTAL	PERCENT OF LOANS OUTSTANDING
			30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS			
Home	325	38.10%	33	22	12	34	101	31.07%	
Storage	337	39.51%	45	14	12	45	116	34.42%	
Subsides	391	46.39%	19	2	3	35	59	15.09%	
	<u>853</u>	<u>100.00%</u>	<u>97</u>	<u>38</u>	<u>27</u>	<u>114</u>	<u>276</u>	<u>32.35%</u>	
Active Loans	853	97.37%					276	32.31%	
Loans in Sui- Generis	23	2.63%					23	7.04%	
Total	<u>876</u>	<u>100.00%</u>					<u>299</u>	<u>34.36%</u>	

STATE OF ALASKA - DEPARTMENT OF COMMERCE
 DIVISION OF VETERANS' AFFAIRS
 SUMMARY OF OUTSTANDING LOANS
 as of JUNE 30, 1967

SCHEDULE K

REGION	OUTSTANDING LOAN BALANCE	PERCENT OF TOTAL BALANCE	DELINQUENT LOANS STATUS				CHARGES	TOTAL	DELINQUENCY PERCENT OF OUTSTANDING BALANCES
			30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS			
Juneau	\$2,987,666.65	20.41%	\$10,239.67	\$ 6,791.41	\$ 5,122.80	\$ 54,607.08	\$1,099.83	\$ 77,860.79	2.60%
Anchorage	3,547,737.24	43.24%	14,907.89	11,810.21	7,575.41	45,491.00	1,401.19	81,185.61	2.28%
Fairbanks	1,669,758.55	20.35%	7,388.50	5,800.74	4,135.00	50,265.57	1,457.00	69,046.81	4.13%
<u>Total</u>	<u>\$8,205,162.44</u>	<u>100.00%</u>	<u>\$32,535.97</u>	<u>\$24,402.36</u>	<u>\$16,833.21</u>	<u>\$160,363.65</u>	<u>\$3,958.02</u>	<u>\$228,093.21</u>	<u>2.77%</u>

REGION	NUMBER OF LOANS OUTSTANDING	PERCENT OF TOTAL	DELINQUENT LOANS STATUS				TOTAL	PERCENT OF LOANS OUTSTAND.
			30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS		
Juneau	333	38.41%	29	9	10	47	95	28.528%
Anchorage	359	40.37%	36	17	9	52	114	32.571%
Fairbanks	164	21.22%	10	11	5	38	64	34.782%
<u>Total</u>	<u>857</u>	<u>100.00%</u>	<u>75</u>	<u>37</u>	<u>24</u>	<u>137</u>	<u>273</u>	<u>31.487%</u>

STATE OF ALASKA
DEPARTMENT OF COMMERCE--DIVISION OF VETERANS' AFFAIRS
LOAN CLASSIFICATION AND DOLLAR INVESTMENT
June 30, 1970

	<u>TOTALS</u>		<u>JUNEAU</u>		<u>SCHEDULE G</u> <u>ANCHORAGE</u>		<u>FAIRBANKS</u>	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
<u>LOANS SECURED BY:</u>								
Real	724	\$8,328,625.36	263	\$2,704,342.49	311	\$3,920,587.46	150	\$1,703,695.41
Real & Chattel	29	165,758.74	7	26,025.62	12	45,676.98	10	94,056.14
Chattel	16	136,363.98	5	50,897.16	2	17,364.39	9	68,102.43
Marine	4	62,615.95	1	892.18	3	61,723.77		
Contract of Sale	40	267,996.50	26	169,158.98	8	38,439.63	6	60,397.89
2nd Mortgage	4	25,727.60	2	4,281.00	1	14,830.17	1	6,616.43
Life Insurance Assignment	3	6,898.07	2	1,081.41	1	5,816.66		
Unsecured	27	40,597.83	4	9,447.14	4	9,230.39	19	21,920.30
Assigned Contract	1	1,000.00	1	1,000.00				
<u>Totals</u>	<u>848</u>	<u>\$9,035,584.03</u>	<u>311</u>	<u>\$2,967,125.98</u>	<u>342</u>	<u>\$4,113,669.45</u>	<u>195</u>	<u>\$1,954,788.60</u>

LOANS BY PERCENTAGES:

4%	6	\$ 7,829.46	6	\$ 7,829.46		\$		\$
5%	503	3,992,861.96	197	1,445,159.46	202	1,783,295.08	104	764,407.42
6%	208	3,119,570.09	69	920,201.00	95	1,514,390.96	44	684,978.13
7%	7	75,205.55	3	35,998.50	2	18,394.39	2	20,812.66
7.5%	102	1,813,451.62	35	557,437.56	40	793,130.72	27	462,883.34
0%	22	26,665.35	1	500.00	3	4,458.30	18	21,707.05
<u>Totals</u>	<u>848</u>	<u>\$9,035,584.03</u>	<u>311</u>	<u>\$2,967,125.98</u>	<u>342</u>	<u>\$4,113,669.45</u>	<u>195</u>	<u>\$1,954,788.60</u>

STATE OF ALASKA
DEPARTMENT OF COMMERCE--DIVISION OF VETERANS' AFFAIRS
LOAN CLASSIFICATION AND DOLLAR INVESTMENT
JUNE 30, 1969

SCHEDULE C

	<u>TOTALS</u>		<u>JUNEAU</u>		<u>ANCHORAGE</u>		<u>FAIRBANKS</u>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
<u>LOANS SECURED BY:</u>								
Real	713	\$7,701,204.34	262	\$2,650,771.80	314	\$3,611,424.09	137	\$1,439,098.45
Real & Chattel	39	204,718.97	11	40,134.08	19	78,236.01	9	86,348.88
Chattel	8	59,325.95	1	9,000.00	2	21,403.75	5	28,922.20
Marine	5	51,356.48	2	6,317.16	2	40,350.02	1	4,689.30
Contract of Sale	47	318,733.25	29	189,570.95	9	53,906.29	9	75,256.01
2nd Mortgage	4	32,740.76	2	6,658.20	1	17,919.12	1	8,163.44
Life Insurance Assignment	5	11,046.51	3	1,736.18	2	9,310.33		
Unsecured	30	37,398.97	3	4,311.17	6	7,403.03	21	25,684.77
Assigned Contract								
<u>Totals</u>	<u>851</u>	<u>\$8,416,525.23</u>	<u>313</u>	<u>\$2,908,499.54</u>	<u>355</u>	<u>\$3,839,952.64</u>	<u>183</u>	<u>\$1,668,073.05</u>

LOANS BY PERCENTAGES

4%	25	\$ 23,446.57	11	\$ 14,298.23	14	\$ 9,148.34	\$	
5%	584	5,002,528.37	225	1,797,331.61	239	2,200,902.06	120	1,004,294.70
6%	211	3,291,250.44	73	1,057,997.87	96	1,605,779.19	42	627,473.38
7%	6	68,674.63	3	37,871.83	2	19,634.85	1	11,167.95
8%	25	30,625.22	1	1,000.00	4	4,488.20	20	25,137.02
<u>Totals</u>	<u>851</u>	<u>\$8,416,525.23</u>	<u>313</u>	<u>\$2,908,499.54</u>	<u>355</u>	<u>\$3,839,952.64</u>	<u>183</u>	<u>\$1,668,073.05</u>

STATE OF ALASKA - DEPARTMENT OF COMMERCE
 DIVISION OF VETERANS' AFFAIRS
LOAN CLASSIFICATION AND COLLAR INVESTMENT
 JUNE 30, 1968

SCHEDULE C

	<u>TOTALS</u>		<u>JUNEAU</u>		<u>ANCHORAGE</u>		<u>FAIRBANKS</u>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
<u>LOANS SECURED BY:</u>								
Real	702	\$7,583,806.80	273	\$2,795,042.27	288	\$3,293,602.32	141	\$1,495,162.21
Real & Chattel	52	306,638.66	16	54,547.55	25	136,152.99	11	115,938.12
Chattel	10	63,929.98			3	26,341.70	7	37,588.28
Marine	3	15,255.48	2	10,416.07			1	4,832.41
Contract of Sale	43	260,799.68	26	153,355.98	9	62,786.71	8	44,653.99
2nd Mortgage	4	39,471.56	2	9,003.64	1	20,828.60	1	9,638.12
Life Ins. Assign.	4	15,067.91	2	1,225.35	2	13,862.56		
Unsecured	33	42,292.84	4	5,536.67	7	9,790.72	22	26,955.45
Assigned Contract	2	1,840.69			2	1,840.69		
<u>Totals</u>	<u>853</u>	<u>\$8,329,123.31</u>	<u>325</u>	<u>\$3,029,132.53</u>	<u>337</u>	<u>\$3,565,206.20</u>	<u>191</u>	<u>\$1,734,783.58</u>
<u>LOANS BY PERCENTAGES:</u>								
4%	38	\$ 71,333.06	17	\$ 28,257.39	19	\$ 40,687.91	2	\$ 2,237.76
5%	655	6,167,353.59	255	2,248,074.30	263	2,687,716.42	137	1,231,562.97
6%	132	2,044,998.47	51	751,027.14	51	831,016.97	30	462,944.25
7%	1	11,799.00					1	11,799.00
6%	27	33,659.19	2	1,773.70	4	5,784.93	21	26,099.58
<u>Totals</u>	<u>853</u>	<u>\$8,329,123.31</u>	<u>325</u>	<u>\$3,029,132.53</u>	<u>337</u>	<u>\$3,565,206.20</u>	<u>191</u>	<u>\$1,734,783.58</u>

STATE OF ALASKA - DEPARTMENT OF COMMERCE
 DIVISION OF VETERANS' AFFAIRS
 LOAN CLASSIFICATION AND DOLLAR INVESTMENT

SCHEDULE 1

	TOTALS		JUNEAU		ANCHORAGE		FAIRBANKS	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
<u>Loans Secured by:</u>								
Real	733	\$7,538,324.19	283	\$2,831,279.02	299	\$3,288,238.86	151	\$1,418,806.31
Real & Chattel	72	425,929.49	24	84,286.85	32	174,878.22	16	166,764.42
Chattel	19	89,626.69	8	12,296.94	3	30,227.06	8	47,102.69
Marine	3	23,734.37	2	18,829.95			1	4,904.42
Contract of Sale	13	68,383.86	5	30,036.57	4	20,594.46	4	17,752.83
2nd Mortgage	2	10,872.25	1	657.95			1	10,214.30
Life Ins. Assign.	4	20,359.57	2	2,762.87	2	17,596.70		
Unsecured	18	22,347.94	8	7,516.50	8	11,498.40	2	3,333.04
Assigned Contract	3	5,584.08			2	4,703.54	1	880.54
Totals	867	\$8,205,162.44	333	\$2,987,666.65	350	\$3,547,737.24	184	\$1,669,758.55

Loans by Percentage:

4%	67	\$ 152,251.88	31	\$ 59,207.11	25	\$ 80,622.53	11	\$ 12,422.24
5%	759	7,629,405.56	286	2,751,686.67	308	3,311,354.05	165	1,566,364.84
6%	34	413,029.48	14	173,299.17	12	148,758.84	8	90,971.47
0%	7	10,475.52	2	3,473.70	5	7,001.82		
Totals	867	\$8,205,162.44	333	\$2,987,666.65	350	\$3,547,737.24	184	\$1,669,758.55

1 IN THE HOUSE

BY GUESS AND BRADNER

2 HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veteran affairs; and providing for
7 an effective date."

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

9 * Section 1. AS 26.15.040(a)(2) is amended to read:

10 (2) Farm and home loans may be made to purchase, remodel,
11 repair, build, furnish, refinance or equip homes or farms in the state,
12 including the clearing and drainage for farms, not exceeding \$37,500
13 [\$25,000]. The loans may not exceed 90 per cent of the appraised
14 value when the loan is for the purchase or construction of a home un-
15 less additional amounts are secured by acceptable collateral as
16 determined by the commissioner of commerce in conformity with estab-
17 lished minimum requirements. The rate of interest may not exceed
18 seven [EIGHT] per cent a year on the unpaid balance.

19 * Sec. 2. AS 26.15.040(a)(3) is amended to read:

20 (3) Business loans may be made to acquire, finance or re-
21 finance or equip businesses, including mining and fishing but not
22 including farming, not exceeding \$50,000 [\$25,000]. The loans shall
23 be secured by acceptable collateral and may not exceed 75 per cent of
24 the appraised value of the collateral offered as security. The rate
25 of interest may not exceed seven [EIGHT] per cent a year on the unpaid
26 balance.

27 * Sec. 3. AS 26.15.040(a) is amended by adding a new paragraph to read:

28 (4) Multiple dwelling loans may be made to purchase, re-
29 model, repair, build, furnish, refinance or equip multiple dwellings,

1 not exceeding \$55,000. The loans shall be secured by acceptable col-
2 lateral and may not exceed 75 per cent of the appraised value of the
3 collateral offered as security. The rate of interest may not exceed
4 seven per cent a year on the unpaid balance.

5 * Sec. 4. AS 26.15.040(c) is amended to read:

6 (c) No loans authorized by (a)(2) and (3) of this section may be
7 made unless the commissioner of commerce is satisfied that no money is
8 available to the applicant at a comparable rate of interest from private
9 lending institutions on a guaranteed basis as set out in (b) of this
10 section. An applicant is eligible for more than one type of loan,
11 but the total may not exceed \$55,000 [\$25,000] at any one time.

12 * Sec. 5. AS 26.15.130(a)(1) is amended to read:

13 (1) persons who served in the armed forces of the United
14 States for 90 days or more, or whose service was for less than 90 days
15 because of injury or disability incurred in the line of duty, between
16 April 6, 1917, and November 11, 1918, and between September 16, 1940,
17 and August 4, 1964 [JULY 25, 1947], or in a combat zone during any
18 period of armed conflict, who were separated from the armed forces with
19 a discharge other than dishonorable, and

20 (A) who, at the time of induction into the service, were
21 residents of the territory, who had been residents for not less
22 than one year immediately before their induction, and who returned
23 to the territory or state after discharge as residents with the
24 intention of remaining in the territory or state; or

25 (B) who, not being bona fide residents of the territory
26 before their entry into the service, have lived in the territory or
27 state for at least 10 years following their release from active
28 military service;

29 * Sec. 6. Interest rates on loans in effect on the effective date of

1 this Act which are above the limits provided in this Act are not reduced or
2 affected by this Act.

3 * Sec. 7. This Act takes effect on July 1, 1971.
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1 IN THE HOUSE

BY GUESS AND BRADNER

2 HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veteran affairs; and providing for
7 an effective date."

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

9 * Section 1. AS 26.15.040(a)(2) is amended to read:
not exceeding \$37,500

10 (2) Farm and home loans may be made to purchase, remodel,
11 repair, build, furnish, refinance or equip homes or farms in the state,
12 including the clearing and drainage for farms [not exceeding
13 [\$25,000]. The loans may not exceed 90 per cent of the appraised
14 value when ^{made} the loan is] for the purchase or construction of a home un-
15 less additional amounts are secured by acceptable collateral as
16 determined by the commissioner of commerce in conformity with estab-
17 lished minimum requirements. The rate of interest may not exceed
18 seven [EIGHT] per cent a year on the unpaid balance.

19 * Sec. 2. AS 26.15.040(a)(3) is amended to read:
not exceeding \$50,000

20 (3) Business loans may be made to acquire, finance or re-
21 finance or equip businesses, including mining and fishing but not
22 including farming [not exceeding [\$25,000]. The loans shall
23 be secured by acceptable collateral and may not exceed 75 per cent of
24 the appraised value of the collateral offered as security. The rate
25 of interest may not exceed seven [EIGHT] per cent a year on the unpaid
26 balance.

27 * Sec. 3. AS 26.15.040(a) is amended by adding a new paragraph to read:
not exceeding \$55,000

28 (4) Multiple dwelling loans may be made to purchase, re-
29 model, repair, build, furnish, refinance or equip multiple dwellings,

The loans shall be restricted to businesses with three or more years operating history.