

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

HB 296 cont., 297, 303, 513, 312

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION  
POUCH W -- ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF -- STATE CAPITOL

JUNEAU 99801

RECEIVED  
MAR 24 1972

COMMISSIONER'S OFFICE

### MEMORANDUM

TO: Warren Wiley, Admin. Asst.      DATE: 3/24/72  
Office of Governor

ATTN: Local Affairs Agency (State Assessor)

FROM: LEGISLATIVE FINANCE      SUBJ: FISCAL NOTE REQUEST  
ROOM 407  
CAPITOL BUILDING

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR CSHB 296, SCS, CSHB 296  
AND RETURN IT TO OUR OFFICE BY 3/31/72.

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL  
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/71),  
PLEASE OBSERVE THE FOLLOWING:

1. Review the attached cost estimates and agency memorandums.
2. Contact the Department of Revenue (Bob Stevenson, Dep. Comm.) and assist them in estimating statewide municipal property tax revenue losses, and the state reimbursement that would be required.
3. Contact the Department of Revenue and assist them in estimating the additional state fund requirements for the \$400 grant provision of AS 29.10.336(g) of SCS CSHB 296.

CONTINUED ON NEXT PAGE---

TIMELY RETURN OF THIS INFORMATION IS REQUESTED. HOWEVER,  
IF ADDITIONAL PREPARATION TIME IS REQUIRED, NOTIFY OUR OFFICE  
AS SOON AS POSSIBLE IN ORDER THAT DISCUSSION OF THE PROPOSED LEG-  
ISLATION MAY BE RESCHEDULED TO A LATER DATE.

ATTACHMENTS: (1) FISCAL NOTE  
(2) COPY OF BILL VERSION

CC: BUDGET & MANAGEMENT

FISCAL NOTE REQUEST

OBSERVATIONS (Cont'd)

4. Provide cost estimates and proposed procedures that will be required by your agency to properly administer this program.
5. Provide other comments or recommendations that you feel should be included during consideration of these bills.

Attachment

The Legislature of the State of Alaska  
 FISCAL NOTE  
 Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: CSHB 296, SCS CSHB 296  
 Title: City & Borough Property Tax Exemptions for Limited Income Residents  
 Requested by: Legislative Finance Date: 3/24/72  
 Return Date Requested: 3/31/72  
 Agency: Department of Revenue Program: \_\_\_\_\_

ASSUMES REVENUE AUDITOR II

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Individual and Business Taxes

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES (1)	--	25.0	26.3	27.6	29.0	30.4
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		1.5	1.6	1.7	1.8	1.9
500 EQUIPMENT		1.3				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	--	27.8	27.9	29.3	30.8	32.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND	--	27.8	27.9	29.3	30.8	32.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	2 /	2 /	2 /	2 /	2 /
MAN MONTHS (P./T.)	/	24 /	24 /	24 /	24 /	24 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See memo attached dated March 30, 1972 from Fred Boetsch,  
 Director, Audit Division, Department of Revenue.

(1) Revenue Auditor II ; Clerk Typist II

IV. ATTACHMENTS

V. DATE: March 31, 1972

PREPARED BY: \_\_\_\_\_

*R. D. Stevenson*

R. D. Stevenson  
 Deputy Commissioner  
 Department of Revenue

Original: Legislative Finance

cc: Budget and Management  
Prime Sponsor (First Legislator Named)

## MEMORANDUM

State of Alaska

TO:  R. D. Stevenson  
Deputy Commissioner

DATE : March 30, 1972

FROM: Fred Boetsch, Director  
Audit Division

SUBJECT: Fiscal Note Request for  
CSHB 296 and SCS CSHB 296

I have reviewed the previous agency memorandums and cost estimates which you included in your memo of April 13, 1971. I have also contacted Bob Dozier, the State Assessor. Mr. Dozier is writing a separate memo and will explain his thoughts and ideas on the subject bills. Basically, his idea is to allow a straight \$400 grant to every taxpayer which he can then use to apply against his property tax bill. This would equalize cases where there are differences in the value of different residences as well as equalize those cases where property taxes are applied at different rates or not at all. I concurred with his suggestion.

In order to meet the tax estimates required under item 2 of the Fiscal Note and the costs of the \$400 grant provision noted in item 3, we would need to know several things which we do not now know and for which the information simply is not readily available. We need to know how many people are over 65 and have less than \$10,000 in annual income. It would take an army of clerks several months to determine that from an examination of our income tax returns since every one of the some 120,000 returns that are to be filed this year would have to be examined. In addition, it would be necessary to then check this list against every one of the property tax rolls in the State in order to determine how much these individuals were paying in taxes on their personal residences. It would also be necessary to know how many of these individuals lived in areas that did not impose a property tax or did not own their home and, therefore, were qualified for the \$400 grant. We have, therefore, used very gross statistical techniques to come up with what we might term a "ballpark" estimate of the total cost to the State for both the property tax reimbursement and the \$400 grant.

According to the 1970 census there were approximately 7,000 people over age 65 living in the State. Since some of these people are married we have estimated that about 4,500 family groups are involved. Of these, I think we can safely assume that close to 90 per cent are within the \$10,000 of taxable income criteria. Statistics for this age group in 1960 indicated that no one was above the \$6,000 income level. Therefore, I feel safe with a 90 per cent figure. That means that about 4,050 family groups would qualify for this exemption or for the grant. If we can assume that the grant amount of \$400 represents an average for tax exemption purposes as well, then the total cost to the State would be \$1,620,000 for both grants and reimbursements to local governments for property tax exemptions. As I said before, I think this is a "ballpark" figure. Since we are dealing with estimates I prefer to state a

R. D. Stevenson  
Re: Fiscal Note Request for  
CSHB 296 and SCS CSHB 296

-2-

March 30, 1972

range rather than a particular amount. Most likely the range would be between \$1,500,000 and \$1,750,000.

In your memo of April 13, 1971, you correctly analyzed problems and cost of administration with respect to the provision for reference to income tax returns as a means of determining taxable income and, therefore, eligibility. I have updated the amounts in accordance with the current pay scale and projected it through 1977.

I see another problem in the Senate Committee Substitute which covers the \$400 grant in lieu of tax exemption for those people who either do not own their own residence or reside in a jurisdiction which does not levy a property tax. This section states that a person who feels he is eligible for a grant should make application for that grant to the Department of Revenue on forms prescribed by the Commissioner (page 3, lines 5 through 7 of the bill). I do not think that it is the proper function of the Department of Revenue to administer grants. This more appropriately belongs in the Health and Social Services Department. We could, however, cooperate in administering this program in the same way that we would cooperate with the various city assessors by providing taxpayers with certified copies of their income tax returns for purposes of ascertaining eligibility. I would, therefore, recommend that the references to "Department of Revenue" and "commissioner of revenue" in Section 2 (g) be changed to "Department of Health and Social Services" and "Commissioner of Health and Social Services." The Department is already more conglomerated than it should be for efficient administration and to get us into the welfare business would create another overlapping authority. I have, however, made a second projection which would include a Revenue Auditor II who would be assigned to administer the grant programs in case our recommended change is not made.

FPB:mhc

cc: Mr. R. S. Dozier, State Assessor

The Legislature of the State of Alaska  
FISCAL NOTE  
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: CSHB 296, SCS CSHB 296  
 Title: City & Borough Property Tax Exemptions for Limited Income Residents  
 Requested by: Legislative Finance Date: 3/24/72  
 Return Date Requested: 3/31/72  
 Agency: Department of Revenue Program: \_\_\_\_\_

ASSUMES CLERK TYPIST II ONLY

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Budget Request Unit(s) Affected: Individual and Business Taxes

A. EXPENDITURES: (Thousands of dollars)

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200 TRAVEL						
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400 COMMODITIES		.7	.8	.8	.9	.9
500 EQUIPMENT		.8				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>--</b>	<b>10.0</b>	<b>9.7</b>	<b>10.2</b>	<b>10.7</b>	<b>11.2</b>

B. FUNDING: (Thousands of dollars)

GENERAL FUND	--	10.0	9.7	10.2	10.7	11.2
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	1 /	1 /	1 /	1 /	1 /
MAN MONTHS (P./T.)	/	12 /	12 /	12 /	12 /	12 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See memo attached dated March 30, 1972 from Fred Boetsch,  
Director, Audit Division, Department of Revenue.

IV. ATTACHMENTS

V. DATE: March 31, 1972

PREPARED BY: *R. D. Stevenson*

R. D. Stevenson  
Deputy Commissioner  
Department of Revenue

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

*file*  
AUDIT DIVISION  
POUCH W -- ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF -- STATE CAPITOL

JUNEAU 99801

### M E M O R A N D U M

TO: Warren Wiley, Admin. Asst.      DATE: 3/24/72  
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FISCAL NOTE REQUEST

OBSERVATIONS (Cont'd)

4. Provide cost estimates and proposed procedures that will be required by your agency to properly administer this program.
5. Provide other comments or recommendations that you feel should be included during consideration of these bills.

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**MEMORANDUM****State of Alaska**TO: 

Honorable George H. Hohman  
 Chairman, House Finance Committee  
 Alaska State Legislature  
 Juneau, Alaska

DATE: April 13, 1971

FROM:

*R. D. Stevenson*  
 R. D. Stevenson  
 Deputy Commissioner  
 Department of Revenue  
 Alaska Office Building  
 Juneau, Alaska

SUBJECT: Committee Substitute for House  
 Bill No. 296  
 Senior Citizens Property Tax Relief

Committee Substitute for House Bill No. 296 provides for property tax relief in general for residents who are 65 years of age or older whose gross annual income totals less than \$10,000.

Section 2 (g) of the proposed legislation provides that the state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) of this section. The Department of Revenue cannot offer estimates on the state's cost of lost real property tax revenues as this information would have to be amassed after a year's experience as to the number of potential persons claiming exemption was gained at the local government level, after verifying those persons whose gross annual income was under \$10,000.

By the terms of the proposed legislation the assessor may at any time require proof in the form he considers necessary of the right and amount of the exemption claimed under this section, and in that respect may as one form or proof require authorization from the taxpayer to verify gross income level by reference to gross income shown in the latest state income tax return available for all or part of the assessment year for which the exemption is sought.

The above language does not conflict or pose any problem with the Alaska Statutes 43.20.190 (c) which provides that:

"The department, upon written request, shall furnish to the taxpayer a copy of his return upon payment of \$1."

Problems and cost of administration

In every instance wherein the taxpayer authorizes the Department of Revenue to furnish to the assessor a verification of gross income level, it is normally necessary that a Xerox copy be made of the taxpayer's complete state income tax return and that further an attestation of official record, copy of which is attached, be prepared, notarized and the official seal of the State of Alaska be placed thereon to accompany the copy of the taxpayer's state income tax return. All charges for such service at \$1 a copy will be deposited in the state's general fund.

If the verification process contemplated in the proposed legislation were to be fully implemented and forecasting 3,000 to 4,000 persons involved, the Department of Revenue would require one additional employee of the Clerk Typist II level; additional stationery, Xerox supplies, desk, chair

and typewriter to prepare and mail the necessary verification documents.

Additional costs to the Department of Revenue are then as follows

Personal Services

Wage of 1 Clerk Typist II	\$6,432.00	
Employee benefits @ 17%	<u>1,093.00</u>	\$7,525.00

Equipment

Desk	\$ 200.00	
Electric Typewriter	500.00	
Typist Chair	<u>40.00</u>	740.00

Stationery, Xerox supplies and mailing		<u>700.00</u>
--	--	---------------

Total cost to Department of Revenue - unbudgeted		<u>\$8,965.00</u>
--	--	-------------------

It is to be noted that taxpayers have until April 15 of each year following the end of the calendar year to file state income tax returns. Therefore, copies of tax returns as authorized by taxpayers to be delivered to assessors would not be available at the earliest date until after April 15 of each year.

RDS:eh

cc: Honorable Helen M. Fischer  
Vice-Chairman  
House State Affairs Committee  
Sponsor, House Bill No. 296



OFFICE OF THE ATTORNEY GENERAL

The Honorable Bill Miller  
Chairman, Joint Governmental Committee  
Alaska State House of Representatives

From: Mr. Aaron L. Hoffelt  
Director, Local Affairs Agency

DATE: March 29, 1971

RE: House Bill 135 and House Bill 296

Sigvald A. Strandberg  
Government Specialist

The agency has reviewed House Bills 135 and 296 both of which relate to partial or complete exemption from city and borough taxation of the homesteads of senior citizens of limited incomes. It is our conclusion, after careful and thorough consideration that both bills, while addressing themselves to the growing problems of our senior citizens, do not represent measures which would be in the best interests of the state or local governments.

We fully recognize that the sponsors of the bills are seeking to remedy the situation that a growing number of state citizens at age 65 and over are facing, i.e., increasing property taxes due to appreciating values on real property coupled with the effect of the inflationary spiral of living costs in the face of rather static personal incomes. But to compel our municipalities to shoulder the additional local revenue needs which would result from exemption of senior citizens from property taxation will only act to further erode the financial base of local governments.

While senior citizen tax exemptions are not presently mandatory, a number of Alaska cities and boroughs are providing for such exemptions at their own option.

It has been suggested that both House Bills 135 and 296 might be amended to provide for the State to reimburse local governments to the extent that senior citizen property tax exemptions are granted. Prior to enactment of such a bill, it will be necessary to determine the cost to the State. A study of this nature for all municipal property taxing jurisdictions could not be immediately done because neither the local governments nor the office of the State Assessor have available age statistics to go along with property tax assessment rolls. As a consequence, a fiscal note on either H. B. 135 or H. B. 296 would be quite difficult to prepare.

As a further note, it is the agency's judgment that legislative approval to broaden tax exemptions to property taxation will likely encourage further exemptions during subsequent legislative sessions.

In conclusion, it is the feeling of the agency that House Bills 135 and 296 should not be acted upon until such time that the actual costs of these measures, both to the local governments and to the State, can be ascertained.

OFFICE OF THE ATTORNEY GENERAL

John L. Hillott  
Attorney  
1000 Alameda Ave.

DATE March 31, 1971

RE: House Bills 13 and 296

5/10  
S. Robert Denier  
State Assessor

I concur with the comments of Sigvald Strandberg as stated in his memorandum through you to Representative Mike Hiller dated March 25, 1971.

In prior years, numerous bills have been introduced concerning assistance to senior citizens. Enactment has failed due to the cumbersome and costly formulae.

There is little justification for saddling the various sophisticated levels of Alaska Local Government with the administration of any formulae which requires access to state income tax records. This is not a compatible management under the borough form of government.

Consider for a moment that it is difficult for senior citizens with limited incomes to retire in Alaska. Not only those who own property but those who do not a place to live as well.

A formulae based on residency, age, and income could be administered properly and economically on the state level. Payments thus received by qualifying senior citizens could be used as desired.

SRD:rv

MEMORANDUM

March 23, 1972

TO: Senator Butrovich  
FROM: Ray Gillespie at request of Sen. John Rader  
SUBJECT: Financial impact of SCSCSHB 296

I am forwarding to you copies of the following as per request of Sen. Rader:

1. A letter to Senator Rader from Glenn McKee, Director of Property Assessment and Management for the Greater Anchorage Area Borough dated Feb. 29, 1972.
2. A letter to Don Berry from City Manager James R. Filip of Seward dated Feb 29, 1972.
3. A letter to Marilyn Miller of the Alaska Municipal League from Mrs. Holt the Borough Secretary of Kodiak Island Borough dated April 9, 1971.
4. A letter to Don Berry from City Manager of Ketchikan dated Feb. 23, 1972.
5. A letter to Don Berry from City Manager John P. Bowers of Petersburg dated Feb. 24, 1972.
6. A memorandum from the Alaska Municipal League dated March 1, 1972. Wrangell, Kenai Pen. Bor., Sitka Bor.
- ~~7. A memorandum to Sen. George Hoffman of the House Finance Committee from R. D. Stevenson of the Department of Revenue dated April 13, 1971.~~

3/24/72

NOTE: Add the following:

8. Telegram from Cordova
9. Telegram from Mat-Su Borough
10. Fairbanks North Star Borough
11. Ketchikan Gateway Borough (+City) *RL*

5/12/83 29/6.

GREATER ANCHORAGE AREA BOROUGH

3500 TUDOR ROAD  
POUCH 6-650  
ANCHORAGE, ALASKA 99502



February 28, 1972

PROPERTY ASSESSMENT AND MANAGEMENT

Senator John Rader  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99801

Dear Senator Rader:

This letter is written concerning the Committee Substitute for House Bill 296.

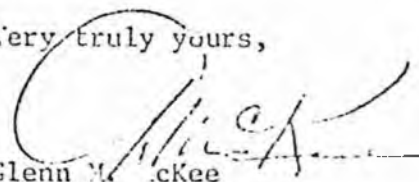
Last year we corresponded concerning this bill, and you sent me a copy of your preliminary analysis. At that time, I indicated that I agreed with your analysis, and that the bill should, very definitely, be studied further before it comes out of committee. One important aspect, in my opinion, is that the bill relates itself only to real property; and as I said last year, there are many persons over 65 that gross less than \$10,000 who live in trailer houses either on their own property, or in trailer courts. I feel that these persons would be discriminated against if such a bill were to pass in its present state.

In checking with the Planning Department, I found that the census indicated that the Greater Anchorage Area Borough has some 1732 people over 65, or approximately 1.4% of our total population. It is not known at this time how many of those people gross less than \$10,000 so it would be difficult, if not impossible at this time, to measure the impact of such a bill if it were to become law.

I feel that your last year's analysis of this bill is still quite valid, and I would like to go on record as opposing this bill, until further changes have been made.

I would be pleased if you would read this into the record at the hearing on March 1.

Very truly yours,

  
Glenn M. McKee  
Director

GME:ma

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CITY OF SEWARD

1001 D STREET SEWARD, ALASKA 99664 • PHONE CA 4-5212

TO Mr. Don M. Berry,  
Executive Director,  
Alaska Municipal League,  
204 N. Franklin Street,  
Juneau, Alaska 99801

SUBJECT HB 296 & CSHB 258

DATE February 28, 1972

Dear Don:

From a study that the City conducted about one year ago it was determined that Seward would lose approximately \$10,000.00 per year if an exemption of this type were enacted. At the present time it would be safe to assume an increase of from 5 to 10% so our liability would be approximately \$11,000.00 - a big chunk out of an already overburdened revenue picture.

The City would like to support this type of legislation but in our position we cannot until this revenue is replaced - a situation which may take years unless the State is willing - and able - to share in the expense to the maximum extent possible - that is 100%!

The City is opposed to the direct election of Borough representatives from inside Corporate Limits on the grounds that it will tend to "splinter" the continuity, when it exists, of local government. No doubt it is a strain on a Councilman/Borough Assemblyman but it is necessary in our case. We also object to the State dictating when a Special Election is to be held unless and until the State is willing to assume the costs for the Special Elections.

James R. Filip,  
City Manager

DATE

ISSUED

# KODIAK ISLAND BOROUGH



Telephones 486-5736 - 486-5737 - Box 124

KODIAK, ALASKA 99614

April 9, 1971

Miss Marilyn Miller  
Administrative Assistant  
Alaska Municipal League  
210 Admiral Way  
Juneau, Alaska 99801

Dear Miss Miller:

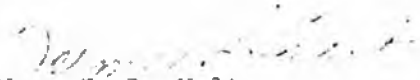
As requested in our telephone conversation this week the following information is transmitted. The Kodiak Island Borough presently has an ordinance on the books, Ordinance No. 70-4-0, copy of which is enclosed, allowing for tax exemption up to \$300 on property owned and occupied by a Senior Citizen. This exemption is not automatic and must be applied for each year by the Senior Citizen.

At present there are approximately ten (10) such exemption being allowed for the tax year 1971, which would amount to a revenue loss of \$3,000.

According to the figures from the State Employment Office we have a total civilian population age 45 and over of 1723; however we have no way of determining the number of persons age 65 and over who might qualify under the proposed House Bill 296.

Hope that the above information will be of assistance to you.

Sincerely,

  
Mrs. J. L. Holt  
Borough Secretary



## CITY OF KETCHIKAN

334 FRONT STREET

P. O. BOX 1110 - KETCHIKAN, ALASKA 99801

TELEPHONE 607-226-3111

February 23, 1972

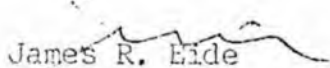
Mr. Don Berry  
Alaska Municipal League  
204 North Franklin  
Juneau, Alaska 99801

Dear Don:

It is very difficult to estimate the financial impact that HB 296 would have on the City of Ketchikan as income figures are not available. However, using the 1970 census there is a total of 381 residents of the City over 65 years of age. Of these, 185 are indicated as heads of household. If we assume that 50 percent of the heads of households own their own home and have an income of less than \$10,000, and also have an average size home, the impact could be approximately \$30,000. This would mean up to a 5 percent increase of property tax on all other properties.

These figures are only a guesstimate and would be difficult to verify.

Very truly yours,

  
James R. Eide  
City Manager

## CITY OF PETERSBURG

P. O. Box 329 • PETERSBURG, ALASKA 99833

February 24, 1972

Don M. Berry, Executive Director  
Alaska Municipal League  
204 N. Franklin Street  
Juneau, Alaska 99801

Dear Don:

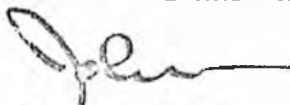
In the League's Bulletin No. 72-12, you asked for some thoughts on HB 296 and its affect on a financial condition.

The problem in making a realistic determination is that the City has no accurate figures reflecting income of individual home owners. The figure I could give would have to be an estimate and would be subject to many corrections because of the variables involved.

I appreciate the Senator's concern, and I wish I could furnish some input to the hearings on this piece of legislation, but I cannot.

Sincerely,

CITY OF PETERSBURG

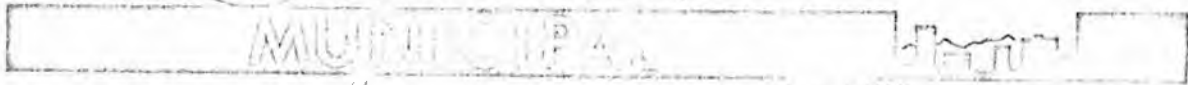


John P. Bowers  
City Manager

JPB/sme



*Alaska*



TELEPHONE  
586-1325

*League*

210-ADAMALWAY  
JUNEAU, ALASKA 99801

March 1, 1972

Revenue loss due to exemptions in HB 296:

Wrangell	\$15,000 - \$20,000
Kenai Peninsula	very little
Sitka Borough	\$5411.57
Ketchikan	figures not available

# TELEGRAM

NCA ALASKA COMMUNICATIONS, INC.

PHONE 556-7177

JUNEAU, ALASKA 999071 APR 6 AM 7 12

CORDOVA ALASKA - 4135 547

DON BERRY, ALASKA MUNICIPAL LEAGUE

0612

TO DON BERRY, JUNEAU ALASKA

CORDOVA WOULD LOSE BETWEEN TWO AND THREE THOUSAND

ANNUALLY ON SENIOR CITIZEN EXEMPTION HB 296.

PALMER McCARTER, CITY MANAGER

# TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE 586-7477

UNNEAU, ALASKA 99801

PALMER ALASKA

1971 APR 5 PM 5 57

DON BERRY EXECUTIVE DIRECTOR ALASKAN MUNICIPAL LEAGUE

REVENUE LOSS SENIOR CITIZEN EXEMPTION HB296 ESTIMATED  
AT \$150,000 AT PRESENT MILL LEVY OF 14 OUR BOROUGH  
IS STATISTICALLY ONE OF OLDEST POPULATION IN STATE  
MOST OWNED PROPERTY

R H UROMAN BOROUGH CHAIRMAN MATSU BOROUGH

MESSAGE NO.

6-1335

SENT TO

D.H.

8400

TO BE

Delv  
840

3130, 27 87860 14

(45).

# FAIRBANKS NORTH STAR BOROUGH

Box 1267 Fairbanks, Alaska 99701

March 22, 1971

Mr. Dan Casey  
c/o The Honorable Richard L. McVeigh  
Chairman  
House State Affairs Committee  
Pouch V  
Juneau, Alaska 99801

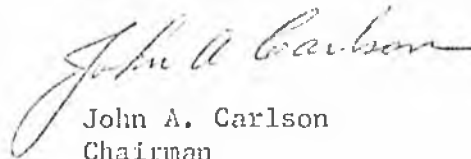
Dear Mr. Casey:

Reference your telephone conversation this morning with Mr. Dinkins.

During tax and calendar year 1970 our records show that our Senior Citizens Tax Exemption Program cost the borough \$29,421, the City of North Pole \$133, and the City of Fairbanks \$16,719 in sacrificed real property taxes. Total real property tax billings prior to the exemptions for the same period for all three local governments were \$3,568,067.

As you can see, the revenues sacrificed under this program were negligible in comparison with total real property tax revenues. The borough is enthusiastic about continuing the program and we hope that it may contribute to the ability of those senior citizens who wish to do so to remain in Alaska during the years when their incomes are normally reduced.

Sincerely,



John A. Carlson  
Chairman

JAC/tj



# Alaska State Legislature



## House of Representatives

April 16, 1971

George - Enclosed is a communication from Fairbanks indicating the actual expense of their allowance to oldtimers in the area of property taxes. As you can see from the attached clipping, the conditions of their allowance are not identical to those in House Bill 296 but they are sufficiently similar to give some guidance.

Also enclosed are some additional computations from some other communities which indicate a wide field of estimates. It is precisely because an allowance such as this might vary greatly from community to community that a majority of the committee favors the state picking up the tab.

If you use Fairbanks as an average and extrapolate the Fairbanks experience through a population of 300,000 persons, you can probably come up with a workable ballpark figure for the first year.

Mike

### Enclosures:

Clipping - Fairbanks News Miner  
March 22, 1971 ltr. to Dan Casey  
March 25, 1971 Memo to M. Miller  
March 31, 1971 Memo to E. Mallott  
April 6, 1971 estimates  
April 6, 1971 Cordova telegram  
April 5, 1971 Palmer telegram

REPRESENTATIVE MIKE MILLER

#### COMMITTEES

CHAIRMAN, LOCAL GOVERNMENT COMMITTEE  
MEMBER, RULES AND STATE AFFAIRS COMMITTEE



## CITY OF KETCHIKAN

334 FRONT STREET

P. O. BOX 1110 - KETCHIKAN, ALASKA 99901

TELEPHONE 907-225-3111

March 3, 1972

Senator Robert H. Ziegler  
Pouch V - State Capitol  
Juneau, Alaska 99801

Re: HB 296 "An Act exempting from city and borough taxation the real property of certain residents having limited incomes; and providing for an effective date."

Dear Bob:

Enclosed you will find a copy of the minutes of the Senior Citizens Committee, of which I am Chairman, relative to a tax aid for the elderly living in the City of Ketchikan and the Ketchikan Gateway Borough. As you will note, we have attempted to insure that the senior citizens receive some tax break without discrimination. I would like to point out that HB 296 will in fact discriminate because all senior citizens pay property tax in one form or another. The home owner pays on the home he owns once a year, while the lessee pays his fair proportionate real property tax each month which is included in the monthly rents. Therefore, how do you attempt to be fair unless you use another or more adequate type of machinery such as we are attempting to accomplish here.

One burden which we must overcome is who picks up the lost revenue in the City of Ketchikan and the Ketchikan Gateway Borough, which could amount to upwards of \$50,000. If HB 296 is mandatory, I assume the State will reimburse the City and Borough but what if this is permissive legislation - who will be obligated to pick up the loss of revenue?

Personally, I would suggest that HB 296 be amended to include all of the elderly whereby they may elect to file either for a property tax exemption or a sales tax exemption up to a maximum, and each City or Borough would receive the loss in revenue from the State upon application.

I would be most happy to know your views on this bill, and would also like some feed back from Senator C. R. Lewis.

Sincerely,  
*M. W. Guymon*  
M. W. Guymon  
City Councilman  
Borough Assemblyman

Committee meeting to consider tax relief for those 65 years of age and older in the City of Ketchikan.

Meeting - February 21, 1972  
Time - 2:00 P.M.  
Place - Council Chambers

Monte Guyman, Chairman, present - Jim Eide, Dale Kamm, Carl Schenk, Pastor Dahle, Ray Turek and Carroll Fader.

We reviewed a number of programs in the State and some in the lower "48". The consensus of the group was to exempt property owners over the age of 65, a real estate tax of \$250.00 or the ~~property owner~~ may elect to file for \$250.00 sales tax exemption, the burden of proof to be upon the applicant. Relief could be either in sales tax or real estate taxes but not both.

We considered putting a tax moratorium on a piece of property so long as a person over 65 was the occupier of that piece of property and the tax would be encumbered against the estate. We later decided against this.

The committee decided that a person with a gross income in excess of \$8,000.00 would not be eligible for tax relief. The City Council would be responsible to review each year, the \$8,000.00 ceiling figure and adjust it up or down in accord with inflation if any.

It was suggested that the tax forgiveness be Borough-wide and the following exemption was suggested: (1) that the City property tax be exempted up to \$150.00; (2) the Borough property tax be exempted up to \$100.00, or that \$250.00 sales tax may be requested in lieu of a real estate exemption. Any refunds would be made only up to that which the person had contributed, and that only the head of the household would be recognized, that is, two persons in one household could not each file for an exemption of \$250.00.

We discussed residency requirements. It was suggested that a person shall have lived in greater Ketchikan area (city or Borough) for 12 months in order to establish a residency or occupancy as partially establishing evidence of actually having paid the tax for which they seek relief or refund.

Also, we concurred that the tax exemption be allowed to those disabled and defined as disabled within the meaning of the purview of the U. S. Social Security Act. This means that those of less than 65 years of age, who are drawing disability benefits, would also be allowed tax exemptions as extend to those over 65.



HB 296

March 6, 1972

Honorable John Rader  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99801

Dear John:

Attached are minutes of the February 21 meeting in Ketchikan and a letter written me by my good friend Monte Guymon of that city.

His comments appear to be well taken and I'd appreciate it if you would drop him a line copying me, advising him what the prospects of the bill are, how you feel about it, and what amendments, if any, you intend to propose.

Regards,

Senator Robert H. Ziegler, Sr.

Attachments

cc: Mr. M.W. Guymon

Original sponsor: Fischer

Offered: 4/9/71  
Referred: Finance

1 IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE

2 CS FOR HOUSE BILL NO. 296

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting from city and borough taxation the  
7 real property of certain residents having limited  
8 incomes; and providing for an effective date."

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

10 \* Section 1. AS 29.10.336(a) is amended to read:

11 (a) Property owned by the city or the state; the real property  
12 of certain residents of the state to the extent and subject to the  
13 conditions provided in (e) of this section; the household furniture of  
14 the head of a family or a householder not exceeding \$500 in value;  
15 all property used exclusively for nonprofit religious, charitable,  
16 cemetery, hospital, or educational purposes; the property of an organi-  
17 zation, not organized for business purposes, whose membership is  
18 composed entirely of individuals with 90 days or more of active service  
19 in the armed forces of the United States whose conditions of service  
20 and separation were other than dishonorable, or the property of the  
21 auxiliary of any such organization; and all money on deposit are exempt  
22 from taxation.

23 \* Sec. 2. AS 29.10.336 is amended by adding new subsections to read:

24 (e) The real property owned and occupied as a permanent place  
25 of abode by a resident 65 years of age or over whose gross annual  
26 income totals less than \$10,000 is exempt from taxation of the assessed  
27 value of the real property. Only one exemption may be granted with  
28 respect to the same property and, if two or more persons are eligible  
29 for an exemption with respect to the same property, the parties shall

1 decide between or among themselves which shall receive the benefit of  
2 the exemption; however, in the case of more than one party eligible  
3 for an exemption with respect to the same property, the total combined  
4 gross annual income of the parties may not exceed \$10,000. No real  
5 property may be exempted under this subsection which the assessor  
6 determines, after notice and hearing to the parties concerned, has  
7 been conveyed to the applicant primarily for the purpose of obtaining  
8 the exemption. The determination of the assessor is appealable under  
9 AS 44.62.560 - 44.62.570.

10 (f) No exemption may be granted except upon written application  
11 for the exemption upon a form prescribed by the state assessor for  
12 use by local assessors. The claimant must file the application no  
13 later than January 15 of the assessment year for which the exemption  
14 is sought and must file a separate application for each assessment  
15 year in which the exemption is sought. If an application is filed  
16 within the required time and is approved by the assessor, he shall  
17 allow an exemption in accordance with the provisions of this section.  
18 The assessor may at any time require proof in the form he considers  
19 necessary of the right and amount of an exemption claimed under this  
20 section, and in that respect may as one form of proof require authori-  
21 zation from the taxpayer to verify gross income level by reference  
22 to gross income shown in the latest state income tax return available  
23 for all or part of the assessment year for which an exemption is  
24 sought.

25 (g) The state shall reimburse a borough or city, as appropriate,  
26 for the real property tax revenues lost to it by the operation of (c)  
27 of this section.

28 \* Sec. 3. AS 07.12.200 is amended to read:

29 Sec. 07.12.200. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.30.200

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relating to the collection of penalties on property taxes and interest on property and sales taxes, applies to home rule boroughs.

(b) AS 29.10.336(e) - (f), which limit home rule taxing power, apply to home rule boroughs.

\* Sec. 4. This Act takes effect January 1, 1972.

Introduced: 3/10/71  
Referred: Local Government

1 IN THE HOUSE

BY FISCHER

2 HOUSE BILL NO. 296

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting from city and borough taxation the  
7 real property of certain residents having limited  
8 incomes; and providing for an effective date."

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

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11 (a) Property owned by the city or the state; the real property  
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13 conditions provided in (e) of this section; the household furniture of  
14 the head of a family or a householder not exceeding \$500 in value;  
15 all property used exclusively for nonprofit religious, charitable,  
16 cemetery, hospital, or educational purposes; the property of an organi-  
17 zation, not organized for business purposes, whose membership is  
18 composed entirely of individuals with 90 days or more of active service  
19 in the armed forces of the United States whose conditions of service  
20 and separation were other than dishonorable, or the property of the  
21 auxiliary of any such organization; and all money on deposit are exempt  
22 from taxation.

23 \* Sec. 2. AS 29.10.336 is amended by adding new subsections to read:

24 (e) The real property of a resident 65 years of age or over whose  
25 gross annual income totals less than \$10,000 is exempt from taxation  
26 of the assessed value of the real property. Only one exemption may be  
27 granted with respect to the same property and, if two or more persons  
28 are eligible for an exemption with respect to the same property, the  
29 parties shall decide between or among themselves which shall receive

1 the benefit of the exemption.

2 (f) No exemption may be granted except upon written application  
3 for the exemption upon a form prescribed by the state assessor for  
4 use by local assessors. The claimant must file the application no  
5 later than January 15 of the assessment year for which the exemption  
6 is sought and must file a separate application for each assessment  
7 year in which the exemption is sought. If an application is filed  
8 within the required time and is approved by the assessor, he shall  
9 allow an exemption in accordance with the provisions of this section.  
10 The assessor may at any time require proof in the form he considers  
11 necessary of the right and amount of an exemption claimed under this  
12 section, and in that respect may as one form of proof require authori-  
13 zation from the taxpayer to verify gross income level by reference  
14 to gross income shown in the latest state income tax return available  
15 for all or part of the assessment year for which an exemption is  
16 sought.

17 \* Sec. 3. AS 07.12.200 is amended to read:

18 Sec. 07.12.200. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.30.-  
19 200, relating to the collection of penalties on property taxes and  
20 interest on property and sales taxes, applies to home rule boroughs.

21 (b) AS 29.10.336(e) - (f), which limit home rule taxing power,  
22 apply to home rule boroughs.

23 \* Sec. 4. This Act takes effect July 1, 1971.  
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Original sponsor: Fischer

Offered: 3/22/72  
Referred: Rules

1 IN THE HOUSE

BY THE LOCAL GOVERNMENT COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 296

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting from city and borough taxation the  
7 real and personal property of certain residents  
8 having limited incomes; and providing for an effective  
9 date."

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

11 \* Section 1. AS 29.10.336(a) is amended to read:

12 (a) Property owned by the city or the state; the real and  
13 personal property of certain residents of the state to the extent and  
14 subject to the conditions provided in (e) of this section; the house-  
15 hold furniture of the head of a family or a householder not exceeding  
16 \$500 in value; all property used exclusively for nonprofit religious,  
17 charitable, cemetery, hospital, or educational purposes; the property  
18 of an organization, not organized for business purposes, whose  
19 membership is composed entirely of individuals with 90 days or more  
20 of active service in the armed forces of the United States whose  
21 conditions of service and separation were other than dishonorable, or  
22 the property of the auxiliary of any such organization; and all money  
23 on deposit are exempt from taxation.

24 \* Sec. 2. AS 29.10.336 is amended by adding new subsections to read:

25 (e) The personal property of, and the real property owned and  
26 occupied as a permanent place of abode by, a resident 65 years of  
27 age or over whose annual net taxable income totals less than \$10,000  
28 is exempt from taxation of the assessed value of the real and personal  
29 property. Only one exemption may be granted with respect to the same property

1 and, if two or more persons are eligible for an exemption with respect  
2 to the same property, the parties shall decide between or among them-  
3 selves which shall receive the benefit of the exemption; however, in  
4 the case of more than one party eligible for an exemption with respect  
5 to the same property, the total combined annual net taxable income of  
6 the parties may not exceed \$10,000. No real or personal property may  
7 be exempted under this subsection which the assessor determines, after  
8 notice and hearing to the parties concerned, has been conveyed to the  
9 applicant primarily for the purpose of obtaining the exemption. The  
10 determination of the assessor is appealable under AS 44.62.560 - 44.62.-  
11 570.

12 (f) No exemption may be granted except upon written application  
13 for the exemption upon a form prescribed by the state assessor for use  
14 by local assessors. The claimant must file the application no later  
15 than January 15 of the assessment year for which the exemption is  
16 sought and must file a separate application for each assessment year  
17 in which the exemption is sought. If an application is filed within the  
18 required time and is approved by the assessor, he shall allow an exemp-  
19 tion in accordance with the provisions of this section. The assessor  
20 may at any time require proof in the form he considers necessary of  
21 the right and amount of an exemption claimed under this section, and  
22 in that respect may as one form of proof require authorization from  
23 the taxpayer to verify income level by reference to income shown in  
24 the latest state income tax return available for all or part of the  
25 assessment year for which an exemption is sought.

26 (g) A person who does not own his own place of abode, or who  
27 resides in a jurisdiction that does not levy a property tax on a  
28 person's place of abode, but who meets the eligibility requirements as  
29 to age and income for the tax exemption granted by (e) of this section,

1 shall receive a grant from the state of \$400 in lieu of the tax  
2 exemption in (e) of this section. A person who owns his place of abode  
3 and qualifies for the exemption in (e) of this section may elect to  
4 receive the grant provided in this subsection instead of the tax  
5 exemption under (e) of this section. Written application for the  
6 grant under this subsection shall be made to the Department of Revenue  
7 on forms prescribed by the commissioner. The commissioner of revenue  
8 shall promulgate regulations necessary to carry out the provisions of  
9 this subsection.

10 (h) The state shall reimburse a borough or city, as appropriate,  
11 for the property tax revenues lost to it by the operation of (e) of  
12 this section.

13 \* Sec. 3. AS 07.12.200 is amended to read:

14 Sec. 07.12.200. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.30.-  
15 200, relating to the collection of penalties on property taxes and  
16 interest on property and sales taxes, applies to home rule boroughs.

17 (b) AS 29.10.336(e) - (f), which limit home rule taxing power,  
18 apply to home rule boroughs,

19 \* Sec. 4. This Act takes effect January 1, 1973.  
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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

# Committee Report

HOUSE OF REPRESENTATIVES

\_\_\_\_\_ Date

Mr. Speaker:

The Committee on \_\_\_\_\_ has had \_\_\_\_\_  
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

## MEMORANDUM

State of Alaska

TO: [ The Honorable George Hohman  
House Finance Committee  
Alaska House of Representatives  
Capitol Building  
Juneau, Alaska

DATE : April 22, 1971

FROM: Warren W. Wiley *W.W.W.*  
Administrative Assistant  
to the Governor

SUBJECT: Committee Substitute for  
H.B. 297

The following are estimated costs for establishing and operating a Public Communications Commission.

Assuming five meetings per year of two days each, the cost would be:

Personal Services-Per Diem	\$3,150
Travel	4,500
Miscellaneous Expenses	500

I notice the bill states under GENERAL POWERS AND DUTIES the Commission may "lease, purchase, construct, etc." I would have, obviously, no way to project what costs might be incurred under this provision.

Relative to Section 44.19.521, again, we would have to estimate the costs involved to employ a director which would probably amount to about \$25,000 and supportive clerical help at approximately \$9,000 and possibly \$1,500 for commodities and office equipment.

If more detailed information is required, I would be happy to provide it.

Original sponsors: Guess and Kerttula

Offered: 4/22/71  
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 297

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 the Public Communications Commission."

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

8 \* Section 1. AS 44.19 is amended by adding new sections in art. 7 to  
9 read:

10 ARTICLE 7. PUBLIC COMMUNICATIONS COMMISSION [EMPLOYMENT

11 ADVISORY COMMISSION]. *REPORTER ASSEMBLY ON BOOKS*

12 Sec. 44.19.461. PUBLIC COMMUNICATIONS COMMISSION. There is  
13 created in the Office of the Governor the Public Communications  
14 Commission.

15 Sec. 44.19.471. MEMBERSHIP AND TERM OF OFFICE. (a) The commis-  
16 sion consists of nine members appointed by the governor, without  
17 regard to political affiliation, subject to confirmation by a majority  
18 of the members of the legislature in joint session. In making appoint-  
19 ments to the commission, the governor shall give due consideration to  
20 representation from such fields as higher education, elementary and  
21 secondary education, commercial broadcasting, public health, public  
22 works, labor, commerce and the professions. Members serve at the  
23 pleasure of the governor.

24 (b) The members of the commission shall serve staggered terms of  
25 five years, with the initial terms determined by lot.

26 Sec. 44.19.481. COMPENSATION AND EXPENSES. Members of the com-  
27 mission receive no salary, but are entitled to per diem and travel  
28 expenses authorized by law for other commissions.

29 Sec. 44.19.491. CHAIRMAN. At the first meeting, the commission

1 shall elect a chairman from among its members to serve for one year.  
2 A chairman may be elected and serve for more than one consecutive term.

3 Sec. 44.19.501. GENERAL POWERS AND DUTIES OF COMMISSION. (a)

4 The commission may

5 (1) establish a telecommunications system for the state;

6 (2) lease, purchase, construct, own, operate, manage and  
7 be the licensee of broadcasting stations, production centers, and all  
8 other facilities and equipment needed for the development of an inte-  
9 grated statewide telecommunications system, including long-line,  
10 satellite, microwave, television, radio, telegraph and facsimile  
11 communications;

12 (3) apply for and receive from the federal government or  
13 its agencies the status of "authorized user" and whatever other  
14 approval is needed to construct and operate a telecommunication  
15 system in the state;

16 (4) apply for and receive from the federal government, its  
17 agencies, or from other public or private sources, gifts, grants, or  
18 other aids available in order to carry out the provisions of secs.  
19 461 - 551 of this chapter. The <sup>(DEPT.)</sup> commission may use a gift, grant and  
20 other aid subject to reasonable limitations imposed by the grantor.

21 (b) The commission shall

22 (1) formulate a continuing program for the development of  
23 an integrated statewide telecommunications system, including long-line,  
24 satellite, microwave, television, radio, telegraph and facsimile  
25 communications;

26 *NEW* (2) keep currently informed of all local, national and  
27 international developments affecting telecommunications in Alaska,  
28 and be responsible for briefing the governor on their potential  
29 impact;

1 (3) conceive, review and recommend state policies to the  
2 governor for the regulation and development of all phases of communi-  
3 cations in the state; *U.S. DEPT. COMMERCE STUDY*

4 (4) institute a program of standardization of state communi-  
5 cation equipment to provide for an efficient integration of communi-  
6 cations throughout the state;

7 *NOW* (5) coordinate among state agencies telecommunication  
8 program creation and broadcasting; *IDAHO CONCEPT*

9 (6) provide and institute immediately a statewide emergency  
10 communications network system, including medical support, civil defense  
11 and other emergency communications;

12 *NOW* (7) assist the attorney general in preparing for proceedings  
13 on telecommunications before the Alaska Public Utilities Commission  
14 and the Federal Communications Commission; *U.S. DEPT. COMMERCE STUDY*

15 (8) to the extent allowed by the Federal Communications  
16 Commission, provide for the assignment of telecommunications fre-  
17 quencies to intrastate users of telecommunications equipment; *U.S. CODE ARTICLE 47*

18 Sec. 44.19.511. DUTIES AND POWERS OF COMMISSION WITH RESPECT TO  
19 EDUCATIONAL BROADCASTING. (a) The Public Communications Commission  
20 shall

21 *NOW* (1) develop educational broadcast service to the public  
22 schools of the state, institutions of higher education, children of  
23 preschool age, and supply programs of educational value to the general  
24 public; *LOUISIANA CONCEPT*

25 (2) initiate all applications for educational broadcasting  
26 licenses submitted to the Federal Communications Commission on behalf  
27 of the state;

28 (3) control and supervise the use of broadcasting channels  
29 reserved for the state by the Federal Communications Commission for

ED. BROADCAST COMM.

1 (2) employ a director, who shall be directly responsible  
2 to the commission in financial and administrative matters;

3 (3) appoint unpaid advisory committees to assist in  
4 development of programs for instructional and public television  
5 broadcasts; ED BROADCAST COMM + HB 297

6 (4) adopt regulations necessary to carry out the powers and  
7 duties of the commission. ORIGINAL BILL

8 Sec. 44.19.531. COMMERCIAL BROADCASTING. Nothing in secs. 461 -  
9 551 of this chapter may be construed to restrict or control commercial  
10 broadcast stations or companies operating or licensed in the state.

NEW

11 Sec. 44.19.541. UTILITIES REGULATION. Nothing in secs. 461 -  
12 551 of this chapter may be construed to exempt or supersede regulatory  
13 jurisdiction as established in AS 42.05. APUC CHAPTER

14 Sec. 44.19.551. DEFINITIONS. In secs. 461 - 551 of this chapter

15 (1) "commission" means the Public Communications Commission;

16 (2) "educational broadcasting" means noncommercial trans-  
17 mission, programming (AND) or distribution intended to serve an educational,  
18 public or instructional purpose and includes, but is not limited to,  
19 television and radio transmission by 2,500 to 2,690 megahertz, closed  
20 circuit or microwave video and audio programming, slow-scan television  
21 programming, and satellite, teletype or facsimile transmission and  
22 distribution methods;

STRENGTHENED WORDING

23 (3) "telecommunications" means the transmission and recep-  
24 tion of messages, impressions, pictures and signals by means of  
25 electricity, electromagnetic waves and any other kind of energy,  
26 force variations or impulses whether conveyed by cable, wire, radiated  
27 through space, or transmitted through other media within a specified  
28 area or between designated points. APUC WORDING

NEW!

29 \* Sec. 2. AS 14.58 is repealed.

Introduced: 3/10/71  
Referred: Commerce and  
Finance

1 IN THE HOUSE

BY GUESS AND KERTTULA

2 HOUSE BILL NO. 297

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

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18 of the members of the legislature in joint session. In making appoint-  
19 ments to the commission, the governor shall give due consideration to  
20 representation from such fields as higher education, elementary and  
21 secondary education, commercial broadcasting, public health, public  
22 works, labor, commerce and the professions. Members serve at the  
23 pleasure of the governor.

24 (b) The members of the commission shall serve staggered terms of  
25 five years, with the initial terms determined by lot.

26 Sec. 44.19.481. COMPENSATION AND EXPENSES. Members of the com-  
27 mission receive no salary, but are entitled to per diem and travel  
28 expenses authorized by law for other commissions.

29 Sec. 44.19.491. CHAIRMAN. At the first meeting, the commission

1 shall elect a chairman from among its members to serve for one year.  
2 A chairman may be elected and serve for more than one consecutive term.

3 Sec. 44.19.501. GENERAL POWERS AND DUTIES OF COMMISSION. (a)

4 The commission may

5 (1) establish a telecommunications system for the state,  
6 (2) lease, purchase, construct, own, operate, manage and  
7 be the licensee of broadcasting stations, production centers, and all  
8 other facilities and equipment needed for the development of an inte-  
9 grated statewide telecommunications system, including long-line,  
10 satellite, microwave, television, radio, telegraph and facsimile  
11 communications;

12 (3) apply for and receive from the federal government or  
13 its agencies the status of "authorized user" and whatever other  
14 approval is needed to construct and operate a telecommunication  
15 system in the state;

16 (4) apply for and receive from the federal government, its  
17 agencies, or from other public or private sources, gifts, grants, or  
18 other aids available in order to carry out the provisions of secs.  
19 461 - 531 of this chapter. The department may use a gift, grant and  
20 other aid subject to reasonable limitations imposed by the grantor.

21 (b) The commission shall

22 (1) institute a program of standardization of state communi-  
23 cation equipment to provide for an efficient integration of communi-  
24 cations throughout the state;

25 (2) advise and recommend state policies to the governor for  
26 the development of all phases of communications in the state;

27 (3) formulate a continuing program for the development of  
28 an integrated statewide telecommunications system, including long-line,  
29 satellite, microwave, television, radio, telegraph and facsimile

1 communications;

2 (4) provide and institute immediately a statewide emergency  
3 communications network system, including medical support, civil defense  
4 and other emergency communications;

5 (5) provide for the assignment of telecommunications fre-  
6 quencies to intrastate users of telecommunications equipment;

7 (6) adopt regulations necessary to carry out the powers and  
8 duties of the commission.

9 Sec. 44.19.511. DUTIES AND POWERS OF COMMISSION WITH RESPECT TO  
10 EDUCATIONAL BROADCASTING. (a) The Public Communications Commission  
11 shall

12 (1) control and supervise the use of broadcasting channels  
13 reserved by the Federal Communications Commission for educational  
14 broadcasting purposes;

15 (2) initiate or receive for review and approval all appli-  
16 cations for educational broadcasting licenses submitted to the Federal  
17 Communications Commission for or on behalf of an elementary school  
18 system, community college, institution of higher learning, private  
19 educational institution, nonprofit community or municipal organization  
20 in the state;

21 (3) initiate or receive for review and approval all appli-  
22 cations for federal, state or private funds if the applications involve  
23 any form of educational broadcasting;

24 (4) receive all federal, state or private funds, property  
25 or assistance that may be appropriated, granted or otherwise made  
26 available to the department for educational broadcasting purposes at  
27 all levels of education, and use and disburse funds and property for  
28 purposes consistent with the terms of this chapter, subject to reason-  
29 able limitations imposed by the grantor;

1 (5) provide consultative services in all aspects of  
2 educational broadcasting to all public or private agencies in the  
3 state which request them;

4 (6) serve as a library and clearinghouse for information  
5 on broadcasting for educational and public purposes;

6 (7) have the final authority over the broadcasting policy  
7 programming; and

8 (8) perform all other functions necessary to insure the  
9 orderly and coordinated development of educational broadcasting in  
10 the state.

11 (b) The commission may

12 (1) lease, purchase, construct, own, operate, manage and  
13 be the licensee of educational broadcasting stations, production  
14 centers, and all other related equipment and facilities for the pro-  
15 duction and transmission of open circuit, closed circuit, 2,500  
16 Megahertz, and other transmission means necessary to provide fully  
17 effective educational broadcasting in the state;

18 (2) appoint unpaid advisory committees to assist in devel-  
19 opment of programs for instructional and public television broadcasts.

20 Sec. 44.19.521. COMMERCIAL BROADCASTING. Nothing in secs. 461 -  
21 531 of this chapter may be construed to restrict or control commercial  
22 broadcast stations or companies operating or licensed in the state.

23 Sec. 44.19.531. DEFINITIONS. In secs. 461 - 531 of this chapter

24 (1) "commission" means the Public Communications Commission;

25 (2) "educational broadcasting" includes, but is not limited  
26 to, television and radio transmission by 2,500 Megahertz, closed circuit  
27 or microwave video and audio programming, slow-scan television program-  
28 ming, programming via satellite, teletype or facsimile transmission,  
29 and distribution methods, when the transmission, programming and

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distribution are intended to serve a noncommercial educational, public or instructional purpose.

\* Sec. 2. AS 14.58 is repealed.



# RECORDS CERTIFICATION



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James D. Smith  
Signature of Camera Operator

4/4/89  
Date

Patrick L. Hunt, Director  
Division of Personnel  
Department of Administration

March 23, 1971

H. R. Charney, Director  
Division of Budget & Management  
Department of Administration

House Bill 303,  
Accumulation of Annual  
Leave Over 60 days

A fiscal note for House Bill 303 is attached.

Please note the wide variation in the departmental estimates of the hours in excess of 450 hours that would have accumulated to employees accounts. For example, the Department of Fish and Game estimated that all 2,040.8 hours which were lost would have been added to the employee's annual leave accounts. However, the Department of Highways stated that none of the excess 1,286.2 hours would have been allowed to accrue to the employees' accounts. This fact points out the necessity for clarification of the intent, qualifications, limitations, etc. of this bill if it is to be fairly administered and applied to all state employees, regardless of the department in which they work.

Review of departmental policies in regard to providing all employees with the opportunity to use their annual leave should also be undertaken. Apparently there are some departments that are not complying with the intent of applicable personnel rules as is evidenced by the excessive amounts of annual leave lost.

The following variables should be considered when studying the attached fiscal note. Each of these will affect the validity of the cost estimates.

1. The number of hours in excess of 450 hours that would have accumulated to employees' leave accounts can only be estimated. Several departmental supervisors, from whom this information was obtained, stated that there is no way to determine this information accurately.
2. This analysis has not attempted to project the effect of House Bill 106, if adopted, upon annual leave useage by employees. It is possible that some employees might take even less annual leave if there is a chance the unused leave might be allowed to accumulate to their leave account.
3. The effect of House Bill 106, if adopted, upon departmental policies regarding use of all the annual leave to which an employee is entitled has not been projected.
4. The probable increase in the number of employees reaching the maximum 450 hour annual leave accrual level has not been considered, since this type of information is not available.

Attachment



A M E N D M E N T

Offered in the HOUSE

By Finance Committee

To: HOUSE BILL No. 303 am

SENATE BILL No. \_\_\_\_\_

AMENDMENT: Page 1 Line \_\_\_\_\_

Line 11: delete: [TO EXCEED] and insert in lieu thereof: more than

Line     Delete: "The Department of Administration will promulgate regulations and forms to insure proper annual leave control.

and insert in lieu thereof:

The Department of Administration shall promulgate regulations to insure proper annual leave control provided that exempt or partially exempt positions are limited to 60 days accumulated annual leave.



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James D. Smith  
Signature of Camera Operator

4/4/89  
Date

# Committee Report

SENATE  
HOUSE OF REPRESENTATIVES

\_\_\_\_\_ Date

Mr. President:

Mr. Speaker:

The Committee on \_\_\_\_\_ has had \_\_\_\_\_

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

-Introduced: 1/14/72  
-Referred: Health, Welfare &  
-Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 *CS* HOUSE BILL NO. 513

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of ~~\$11,500,000~~ <sup>\$15,000,000</sup> for the  
8 purpose of paying the cost of capital improvements for  
9 the University of Alaska; and providing for an  
10 effective date."

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

12 \* Section 1. For the purpose of paying the cost of capital improvements  
13 for the University of Alaska, general obligation bonds of the state in the  
14 principal amount of not more than \$11,500,000 shall be issued and sold. The  
15 full faith, credit and resources of the state are pledged to the payment of  
16 the principal of and interest and redemption premium, if any, on these bonds.  
17 These bonds shall be issued under the provisions of AS 37.15 as those  
18 provisions read at the time of issuance.

19 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
20 voters of the state, a special fund of the state to be known as the "1972  
21 University of Alaska Construction Fund" shall be established, to which shall  
22 be credited the proceeds of the sale of the bonds described in sec. 1 of  
23 this Act except for the accrued interest and premiums. There is  
24 appropriated from the "1972 University of Alaska Construction Fund" to the  
25 University of Alaska the sum of ~~\$11,500,000~~ <sup>\$15,000,000</sup>. The specific uses of the  
26 proceeds of these bonds shall be determined by the governor.

27 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
28 voters of the state, the amount of ~~\$40,200~~ <sup>\$52,500</sup> or as much of that amount as is  
29 found necessary is appropriated from the general fund of the state to the

~~Introduced: 1/14/72~~  
~~Referred: Health, Welfare &~~  
~~Education and Finance~~

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

*Finance Comm.*

2 *CS* HOUSE BILL NO. 513

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of ~~\$11,500,000~~ <sup>\$15,000,000</sup> for the  
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17 These bonds shall be issued under the provisions of AS 37.15 as those  
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21 University of Alaska Construction Fund" shall be established, to which shall  
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23 this Act except for the accrued interest and premiums. There is  
24 appropriated from the "1972 University of Alaska Construction Fund" to the  
25 University of Alaska the sum of ~~\$11,500,000~~ <sup>\$15,000,000</sup>. The specific uses of the  
26 proceeds of these bonds shall be determined by the governor.

27 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
28 voters of the state, the amount of ~~\$40,200~~ <sup>\$52,500</sup> or as much of that amount as is  
29 found necessary is appropriated from the general fund of the state to the

1 state bond committee to carry out the provisions of this Act and to pay  
2 expenses incident to the sale and issuance of the bonds authorized in this  
3 Act. The amounts expended from the appropriation authorized by this section  
4 shall be reimbursed to the general fund from the proceeds of the sale of  
5 the bonds authorized by this Act.

6 \* Sec. 4. The question whether the bonds authorized in this Act are to  
7 be issued shall be submitted to the qualified voters of the state at the  
8 next state general election and shall read substantially as follows:

9 Proposition

10 University of Alaska Construction Bonds <sup>\$15,000,000</sup> ~~\$11,500,000~~

11 Shall the State of Alaska issue its general obligation bonds  
12 in the principal amount of not more than <sup>\$15,000,000</sup> ~~\$11,500,000~~ for the  
13 purpose of paying the cost of capital improvements for the  
14 University of Alaska?

15 Bonds Yes [ ]

16 Bonds No [ ]

17 \* Sec. 5. This Act takes effect on the day after its passage and  
18 approval or on the day it becomes law without approval.  
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A M E N D M E N T

Offered in the HOUSE

By \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

\_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

AMENDMENT: Page \_\_\_\_\_ Line \_\_\_\_\_



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James D. Smith  
Signature of Camera Operator

4/4/89  
Date

Committee Report

HOUSE OF REPRESENTATIVES

Date

Mr. Speaker:

The Committee on \_\_\_\_\_ has had \_\_\_\_\_

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

HB 103 The Finance Committee has had HOUSE BILL NO. 103 (appropriating to the Department of Administration for the purpose of making commercial fishing loans; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 103 (appropriating to the Department of Commerce for the purpose of making commercial fishing loans; and providing for an effective date) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 103 do pass. The report was signed by Mr. Hohman, Chairman, and concurred in by Hohman, Warwick, Haugen, Fink, Ditman, Wright and Degnan.

HOUSE BILL NO. 103 was referred to the Rules Committee for placement on the calendar.

HB 312 The Finance Committee has had HOUSE BILL NO. 312 (establishing a tourism revolving fund in the Department of Economic Development; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 312 (establishing a tourism revolving fund in the Department of Commerce; and providing for an effective date) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 312 do pass. The report was signed by Mr. Hohman, Chairman, and concurred in by Hohman, Warwick, Fink, Ditman, Wright and Degnan.

HOUSE BILL NO. 312 was referred to the Rules Committee for placement on the calendar.

"FINANCE COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL 312

AND

COMMITTEE SUBSTITUTE FOR HOUSE BILL 385

HB  
385

The Committee Substitute for House Bill No. 312 would establish a tourism revolving fund in the Department of Commerce. The Committee Substitute differs from the original bill in that:

- (1) The fund would be administered by the Department of Commerce as opposed to the Department of Economic Development.
- (2) Provision for a separate Tourism Fund Board is deleted.
- (3) Amortization plans for the repayment of loans will not exceed 20 years.
- (4) Loans are limited to \$1 million as opposed to \$2 million with no minimum loan limitation.
- (5) The Department of Revenue is required to purchase all tourism loans offered for sale by the Commissioner of Commerce.

The Committee Substitute for House Bill NO. 385 provides initial funding for the tourism revolving fund. It would authorize \$1 million as opposed to \$5 million in initial authorization and make the appropriation take effect on the effective date of Committee Substitute for House Bill No. 312.

The Speaker stated that without objection, the reading of the Finance Committee Chairman's report on HOUSE BILL NO. 102 and HOUSE BILL NO. 103 and any subsequent reports would be waived and that they would be printed in the Journal. There being no objection, it was so ordered. The reports appear following the bill or resolution to which each pertains.

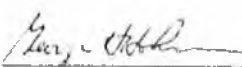
HB  
102  
HB  
103

"FINANCE COMMITTEE REPORT  
ON  
COMMITTEE SUBSTITUTE FOR HOUSE BILL 102  
AND  
COMMITTEE SUBSTITUTE FOR HOUSE BILL 103

The Committee Substitute for House Bill No. 102 would establish a loan program for commercial fishing purposes. The Committee Substitute differs from the original bill in that it:

- (1) places the commercial fishing loan function in the Department of Commerce as opposed to the Department of Fish and Game;
- (2) adds a loan limitation to commercial fishermen who have had commercial gear licenses for three or more years;
- (3) deletes loan provisions for new vessels and gear;
- (4) provides loan extensions to accommodate poor fishing seasons;
- (5) limits loans to a maximum of \$100,000 as opposed to \$300,000, 15 as opposed to 30 years term and sets maximum interest at 7% as opposed to 6%.
- (6) total indebtedness on the vessel or gear may not exceed \$200,000 as opposed to \$300,000 and the new loan shall not exceed 75% of value; and
- (7) the Department of Revenue is required to purchase all mortgages and notes offered under the program by the Commissioner of Commerce.

Committee Substitute for House Bill No. 103 makes an initial appropriation to the commercial fishing revolving loan fund. \$1 million as opposed to \$35 million is appropriated to the Department of Commerce as opposed to the Department of Administration. The Act is to take effect on the effective date of CSHB 102.

  
George Hohman  
Chairman"

The Legislature of the State of Alaska  
FISCAL NOTE

COPIES: 1 THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST  
1 THE HOUSE FINANCE COMMITTEE STAFF  
1 THE SENATE FINANCE COMMITTEE STAFF  
1 THE DIVISION OF BUDGET & MANAGEMENT  
1 RETAIN A COPY FOR YOUR FILES

Subject HB 312 SB  
requested by House Finance  
referred to \_\_\_\_\_ date of request 3/30/71  
completion date requested \_\_\_\_\_ date received \_\_\_\_\_

EXPENDITURE DETAIL	FY 1971-72	FY 1972-73	FY 1973-74
100 PERSONAL SERVICES	\$	\$	\$
200 TRAVEL			
300 CONTRACTUAL SERVICES			
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE			

TOTAL	\$ 5,000,000	\$5,000,000	\$ 5,000,000
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FUNDING DETAIL			
FEDERAL RECEIPTS	\$ 5,000,000	\$5,000,000	\$ 5,000,000
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS			

Man Months  
Permanent Positions  
Temporary Positions

FISCAL ANALYSIS

The above figures are estimates only. Based on information supplied by the tourist industry, projects requiring injection of long term capital are in planning stages only. The availability of such a finance source as provided in H.B. 312 might contribute to project completion.

More valid estimates are not available at this time.

DATE 4/2/71

SIGNATURE

NAME & TITLE

*Paul M. Schaefer*  
*Administrative Officer*

**MEMORANDUM****State of Alaska**

TO:  Honorable George Hohman, Chairman  
House Finance Committee  
State House of Representatives

DATE : March 31, 1971

FROM: Irene E. Ryan, Commissioner  
Department of Economic Development

SUBJECT: H. B. 312

As proposed in the attached memorandum to the Department of Revenue, the suggested injection of funding is very conservative. A program prepared in 1968 by the U. S. Department of Commerce for the Travel Division of the Department of Economic Development sets forth several prototype projects to stimulate tourism in Alaska. Beginning with a proposed new hotel complex at Mt. McKinley at an estimated cost of \$18,000,000, the Department of Commerce report developed several projects which relate directly to the production of tangible economic benefits to the State.

In analyzing these projects, the tour industry generally agrees that any hotel, motel, recreation vehicle park or tent cabin complex should have total facilities available and, further, that there should be at least 40 rental units in the motel, vehicle park, or tent cabin complex. The hotel complex at Mt. McKinley projected an initial 300 rooms with future expansion of another 100 rooms. Occupancy of any facility was set at 120 days per year per unit.

With these facts as basis for any profitable venture plans, the 1971-72 costs of any single one of these facilities would be upwards of \$500,000. The Small Business Administration, through its "502" Program, has established the upper limit of single loan approval at \$350,000 which precludes the possibility of any total tourist facility being built with these funds.

As presented in H.B. 312, local funding is made available to venture capital at a reasonable rate of interest. The impact of tourist revenues would become immediately apparent and contribute to economic growth.

Realistic projections of loan demand created by H.B. 312 would be a \$3,000,000 to \$5,000,000 injection of funds the first 12 months with an increase of \$5,000,000 in the next 12 months.

## MEMORANDUM

State of Alaska

TO: F. John H. Sawin, Director  
Treasury Division  
Department of Revenue

DATE: March 16, 1971

FROM: Frank E. Lynn, Commissioner  
Department of Economic Development

SUBJECT: House Bill 312  
Tourism Revolving Fund

FROM: Eric McBowell, Deputy Director  
Alaska Travel Division

For your telephonic request, here are my comments on a proposed tourism revolving fund legislation:

1) Predict loan demand

After talking with industry people, it is predicted that \$3,835,000 - \$5,000,000 will be requested in the first twelve months.

The demand should increase in the second year due to familiarity with the program and the requirement to apply and receive the funds. Estimated demand for the first two years may total \$8,000,000 - \$10,000,000.

2) The cost of administration is set out provided for in the bill itself. Since the Department of Revenue will be handling the financial mechanics, the bill provides for the Department to receive one-half of the service fee. For example: Were \$10,000,000 of loans to be processed, the Department of Revenue would receive \$5,000,000 in service fees.

From a candid viewpoint as a person familiar with Alaska tourism, I certainly contend that this concept would be vital to the development of Alaska's travel industry.

It is possible to cite example after example of proposed tourist facilities and attractions which would be beneficial but cannot obtain necessary financing.

Other elements of the travel industry such as carriers and tour operators are as sophisticated in serving Alaska as anywhere in the world. The major stumbling block is the relative unsophistication of facilities and man-made attractions in Alaska's communities.

When a revolving loan fund is established it is often thought that the funds would be financially exhausted and would cease to be revolving in concept. In the case of this particular legislation, this would not occur for the reasons:

a) Those in the travel industry do not feel that, given the limits

John H. Daugherty  
March 16, 1971  
Page 2

proposed in the legislation, enough projects will arise to exhaust the funds. When repayment of loans does commence, the interest factor will quickly rebuild the fund.

b) The tourism fund board has the obvious option of simply not issuing loans to the point where the fund is exhausted.

I hope this information will be of some value to you in anticipating the impact of House Bill 313 on the State treasury.

JDH/CS

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE

OFFICE OF THE COMMISSIONER

POUCH D — JUNEAU 99801

WILLIAM A. EGAN, GOVERNOR

January 28, 1972

The Honorable Andrew S. Warwick  
Subchairman  
House Commerce Committee  
Alaska State Legislature  
Juneau, Alaska 99801

Dear Mr. Warwick:

The following are my recommendations for amendments pursuant to your request in our recent House Finance Committee hearing on House Bills 312, 103, 49, 102, 50 and 385.

Section 41.35.030. CAPITAL LOANS. In addition to the other powers herein granted, the Board is hereby authorized and empowered to make loans to any domestic business directly involved in the tourism industry.

Section 41.35.040. GENERAL POWERS OF THE BOARD. The Board shall have and may exercise the following general powers:

(1) to prescribe, adopt, amend and repeal rules and regulations governing the manner in which its general business may be conducted and the powers and duties granted to and empowered upon it by law may be exercised and performed;

(2) to appoint such officers, agents and employees and fix them with such powers and duties and to fix, change and pay such compensation for their services as the Board may determine;

(3) to make contracts and to execute all instruments necessary or convenient in the exercise of any of its powers;

(4) to acquire in any lawful manner and to hold, maintain, use and operate any property deemed by it to be necessary or desirable for carrying out the purposes of the Board;

(5) to lease, alienate and dispose of as it may prescribe any of its property.

In addition I believe the Board should be allowed to make loans in participation with other financial institutions.

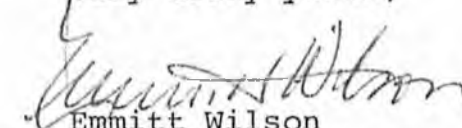
January 28, 1972

Section 41.35.050 limits the Board to selling or transferring mortgages, etc., to the Department of Revenue. I feel this should be broadened and allow the Board to sell collateral to any interested purchaser. Further, if the Department of Revenue purchases these instruments and the Board is responsible for servicing them the Tourism Revolving Fund should charge the Department of Revenue a service fee instead of vise versa.

In reviewing House Bill 312 somewhat further, it has come to my attention the section numbers indicated in this Bill relate to the Alaska Historic Preservation Act and do not pertain to the Alaska Statutes that govern Economic Development. This is somewhat confusing to me as Alaska Statute Title 41 pertains to Public Resources. Assuming your Bill was to become law this could be confusing, especially since the section numbers are already assigned to an existing law.

I hope the above has assisted you in your endeavors, and if we can be of any further assistance do not hesitate to contact me.

Very truly yours,

  
Emmitt Wilson  
Deputy Commissioner

*George Hohman*  
 George Hohman  
 Chairman"

HB  
 312  
 HB  
 385

The Finance Committee has had HOUSE BILL NO. 385 (appropriating to the Department of Economic Development; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 385 (appropriating to the Department of Commerce; and providing for an effective date) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 385 do pass. The report was signed by Mr. Hohman, Chairman, and concurred in by Hohman, Warwick, Haugen, Fink, Ditman, Wright and Degnan. HB  
385

HOUSE BILL NO. 385 was referred to the Rules Committee for placement on the calendar.

The Health, Welfare and Education Committee has had HOUSE CONCURRENT RESOLUTION NO. 20 (relating to personnel retirement policies of the University of Alaska) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mrs. Chance, Chairman, and concurred in by Chance, Colletta, Moore, Moses, Whittaker and Naughton. HCR  
20

HOUSE CONCURRENT RESOLUTION NO. 20 was referred to the Rules Committee for placement on the calendar.

The Health, Welfare and Education Committee has had HOUSE CONCURRENT RESOLUTION NO. 21 (relating to the establishment of a graduate school at the University of Alaska) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mrs. Chance, Chairman, and concurred in by Chance, Colletta, Moses, Moore, Specking, Whittaker and Naughton. HCR  
21

HOUSE CONCURRENT RESOLUTION NO. 21 was referred to the Finance Committee.

The Resources Committee has had HOUSE CONCURRENT RESOLUTION NO. 6 (relating to a study of the recycling of solid wastes) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Farrell, Chairman, and concurred in by Farrell, McGill, Naughton, Moore, Colletta, Specking and Reed. HCR  
6

HOUSE CONCURRENT RESOLUTION NO. 6 was referred to the Rules Committee for placement on the calendar.

The State Affairs Committee has had SENATE BILL NO. 278 amended (providing for the issuance of general obligation bonds in the amount of \$20,000,000 for the purpose of paying the cost of capital improvements for flood control and small boat harbor projects; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by SB  
278

SB Mr. McVeigh, Chairman, and concurred in by McVeigh, Fischer, Barber, Rose, M. Miller, Holm, Huber and Ferguson.  
278 am Not concurring was Harris who recommends do not pass.

SENATE BILL NO. 278 amended was referred to the Finance Committee.

CS The State Affairs Committee has had COMMITTEE SUBSTITUTE  
SJR FOR SENATE JOINT RESOLUTION NO. 57 (opposing S. 2815) under  
57 consideration and a majority of the members of the Committee recommends it do pass with the following amendment:

amendment No. 1 by the State Affairs Committee:

Page 1, line 8: After the numbers "S. 2815", delete the phrase "by Senator Hart of Michigan and Senator Harris of Oklahoma,"

The report was signed by Mr. McVeigh, Chairman, and concurred in by McVeigh, Fischer, Barber and Ferguson. Not concurring were Rose and M. Miller who have no recommendations and Holm, Harris and Huber who recommend do pass without amendment.

COMMITTEE SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 57 was referred to the Rules Committee for placement on the calendar.

HCR The State Affairs Committee has had HOUSE CONCURRENT RESOLUTION NO. 45 (relating to the leasing of space from the Alaska State Housing Authority, under consideration and a majority of the members of the Committee recommends it do pass with the following amendment:

amendment No. 1 by the State Affairs Committee:

Page 1, lines 20, 21 and 22:

Line 20: After the word "constructed", delete the phrase: "on the site formerly occupied by the Juneau-Douglas Community College," and insert the word "at".

Line 22: After the word "\$4,000,000;", insert the phrase: "including land cost;".

Lines 20, 21 and 22 should read: Court Building, to be constructed at Juneau, Alaska at a building cost not to exceed \$4,000,000 including land cost; and be it

The report was signed by Mr. McVeigh, Chairman, and concurred in by McVeigh, Fischer, Barber, Holm, Rose and Harris. Not concurring were M. Miller who recommends do not pass, Huber who has no recommendation and Ferguson who recommends do not pass unless amended.

HOUSE CONCURRENT RESOLUTION NO. 45 was referred to the Rules Committee for placement on the calendar.



Alaska State Legislature  
Senate

JUNEAU ALASKA

TO: Mr. George Hohman, Chairman  
House Finance Committee

FROM: Rich Guthrie  
Senate Fiscal Analyst

SUBJECT: Fiscal Note Request

DATE: 4/21/72

The following House bills are now in the Senate Finance Committee for consideration:

<u>Bill No.</u>	<u>Title</u>
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~~HB 305~~

CSHB 312

The Senate Finance Committee would appreciate receiving eight copies of the fiscal note and other pertinent materials that will assist them as they consider these bills.

A M E N D M E N T #1

Offered in the HOUSE

BY HOUSE STATE AFFAIRS COMMITTEE

To:   X   HOUSE Bill No.   312  

                   SENATE Bill No.           

AMENDMENT:      Page   2   Line   1  

Delete "\$50,000" and insert \$25,000

A M E N D M E N T #2

Offered in the HOUSE

BY HOUSE STATE AFFAIRS COMMITTEE

To: \_\_\_\_\_ HOUSE Bill No. 312

\_\_\_\_\_ SENATE Bill No. \_\_\_\_\_

AMENDMENT: Page 2 Line 4

After "balance" add the following:

No loans may be made for the purpose of refinancing existing facilities except those loans granted by this board may be refinanced by the board at the discretion of the board.

A M E N D M E

Offered in the HOUSE

To:   y   HOUSE Bill No. 312

                   SENATE Bill No.           

AMENDMENT:      Page   2   Line   8  

Delete "shall" and insert may

N T #3

BY HOUSE STATE AFFAIRS COMMITTEE

Original sponsors: Warwick, Meland  
and M. Miller

Offered: 3/22/72  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 312

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing a tourism revolving fund in the  
7 Department of Commerce; and providing for an effective  
8 date."

9

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

10

\* Section 1. AS 45 is amended by adding a new chapter to read:

11

CHAPTER 90. TOURISM REVOLVING FUND.

12

Sec. 45.90.010. CREATION OF A TOURISM REVOLVING FUND. There

13

is created in the Department of Commerce a tourism revolving fund.

14

Sec. 45.90.020. POWERS OF THE DEPARTMENT. (a) The department

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may

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(1) make loans to a business directly involved in the

17

tourist industry;

18

(2) designate agents and delegate powers to them as neces-

19

sary;

20

(3) promulgate rules and regulations necessary to carry

21

out its functions;

22

(4) establish amortization plans for the repayment of

23

loans not to exceed 20 years.

24

(b) The Department of Commerce shall consult with the state

25

division or department having jurisdiction over tourism on regulations  
26 and procedures established under this chapter.

27

Sec. 45.90.030. LIMITATIONS ON LOANS. No loan to a business may  
28 be more than \$1,000,000. The loan shall be secured by acceptable  
29 collateral and may not exceed 75 per cent of the appraised value of

1 the collateral offered as security. The rate of interest may not  
2 exceed eight per cent a year on the unpaid balance.

3 Sec. 45.90.040. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)  
4 The commissioner of commerce may sell or transfer at par value or  
5 at a premium or discount to any bank or other private purchaser for  
6 cash or other consideration the mortgages and notes held by the  
7 Department of Commerce as security for loans made under this chapter.

8 (b) The commissioner of commerce may sell or transfer at par  
9 value to the Department of Revenue the mortgages and notes held by  
10 the Department of Commerce as security for loans made under this  
11 chapter. The Department of Revenue shall purchase all such mortgages  
12 and notes offered.

13 \* Sec. 2. This Act takes effect on the day after its passage and approval  
14 or on the day it becomes law without approval.  
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29

# alaska visitors association

P. O. Box 2208, Anchorage, Alaska 99510 (907) 279-4116

February 8, 1972

Mr. George Hohman, Chairman  
House Finance Committee  
Pouch V  
State Capitol Building  
Juneau, Alaska 99801

Dear George:

I am in the process of preparing the data that was requested by your committee concerning HB 312. I found it necessary to return to my office in Anchorage where my files are more complete, to do the job properly. Unfortunately, in the process I have been ill.

I will complete the work and return to Juneau on Sunday, February 13. I will present the materials requested to you on the 14th or 15th. I would appreciate an opportunity to testify again on this bill. The AVA Board of Directors discussed it thoroughly, and there are several additional points that I feel would be of interest to your committee as a result of the discussions.

I plan to depart Juneau on the evening of the 16th for 2 or 3 days.

Sincerely yours,

ALASKA VISITORS ASSOCIATION



F. A. Seymour  
Executive Director

FAS/es

cc: Andrew S. Warwick

Introduced: 3/12/71  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY WARWICK, MELAND  
AND M. MILLER

2 HOUSE BILL NO. 312

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a tourism revolving fund in the  
7 Department of Economic Development; and providing  
8 for an effective date."

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

10 \* Section 1. AS 41 is amended by adding a new chapter to read:

11 CHAPTER 35. TOURISM REVOLVING FUND.

12 Sec. 41.35.010. CREATION OF A TOURISM REVOLVING FUND. There  
13 is created in the Department of Economic Development a tourism  
14 revolving fund.

15 Sec. 41.35.020. TOURISM FUND BOARD. The Tourism Fund Board is  
16 created within the Department of Economic Development. The board  
17 consists of the commissioner of economic development, who is the  
18 chairman of the board, the commissioner of revenue, and the commis-  
19 sioner of commerce.

20 Sec. 41.35.030. POWERS OF THE BOARD. The board may

- 21 (1) make loans to a business directly involved in the  
22 tourist industry;  
23 (2) designate agents and delegate powers to them as neces-  
24 sary;  
25 (3) promulgate rules and regulations necessary to carry  
26 out its functions;  
27 (4) establish amortization plans for the repayment of  
28 loans.

29 Sec. 41.35.040. LIMITATIONS ON LOANS. No loan to a business

1 may be less than \$50,000 nor more than \$2,000,000. The loan shall  
2 be secured by acceptable collateral and may not exceed 75 per cent of  
3 the appraised value of the collateral offered as security. The rate  
4 of interest may not exceed eight per cent a year on the unpaid balance.

5 Sec. 41.35.050. SALE AND TRANSFER OF MORTGAGES AND NOTES. The  
6 board may sell or transfer to the Department of Revenue at par value  
7 the mortgages, notes and collateral held by the board as security  
8 for loans made under this chapter. The Department of Revenue shall  
9 purchase the mortgages, notes and collateral offered, charging the  
10 board a one-half of one per cent service fee.

11 Sec. 41.35.060. DEFINITIONS. In secs. 10 - 60 of this chapter  
12 "board" means the Tourism Fund Board.

13 \* Sec. 2. This Act takes effect on the day after its passage and approv-  
14 al or on the day it becomes law without approval.