

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

HB 297am, 312, 313, 314, 329



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

Senate

When HB297 is
scheduled, Ed Parsons,
Communication Consultant,
Public Safety, wishes
to testify. Contact
him through
Betty

6-2495

The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - ~~SIXTH~~ State Legislature
 SEVENTH

I. REQUEST

Bill Identification: CSHB 297
 Title: Public Communications Commission
 Requested by: Legislative Finance Date: 1/13/72
 Return Date Requested: 1/24/72
 Agency: Office of the Governor Program: VII Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Public Communications Commission

A. EXPENDITURES: (Thousands of dollars)

| OBJECT | FY 72 | FY 73 | FY 74 | FY 75 | FY 76 | FY 77 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | -0- | 30.8 | 32.5 | 34.3 | 36.2 | 38.2 |
| 200 TRAVEL | -0- | 13.9 | 14.7 | 15.5 | 16.4 | 17.3 |
| 300 CONTRACTUAL | -0- | 4.2 | 4.4 | 4.6 | 4.9 | 5.2 |
| 400 COMMODITIES | -0- | .4 | .4 | .4 | .5 | .5 |
| 500 EQUIPMENT | -0- | 1.4 | -0- | -0- | -0- | -0- |
| 600 LAND & STRUCTURES | -0- | -0- | -0- | -0- | -0- | -0- |
| 700 GRANTS, CLAIMS, ETC. | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL | -0- | 50.7 | 52.0 | 54.8 | 58.0 | 61.2 |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|-----|------|------|------|------|------|
| GENERAL FUND | -0- | 50.7 | 52.0 | 54.8 | 58.0 | 61.2 |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

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

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

Assumption used 5.5% increase for projection.
 Communications Consultant - Range 21; Annual salary \$22,200, includ. benefits.
 Clerk typist III, Range 8; Annual salary \$8,500, including benefits.
 Nine (9) member board; Four meetings per year in Alaska, Two meetings outside Alaska.

IV. ATTACHMENTS

Budget documents

V. DATE: 1/13/72

PREPARED BY: James W. Hickey

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

19

FY 73

PERSONAL SERVICES
NEW POSITIONS SUMMARY

| | | |
|---------------------|-------------|-----------------|
| AGENCY | CATEGORY | code |
| Ofc of the Governor | Development | VII |
| DIVISION | PROGRAM | Pub Commun Comm |
| | SUB-PROGRAM | |
| | ELEMENT | |
| | SUB-ELEMENT | |

| CLASSIFICATION TITLE (1) | P r i o r i t y (2) | PCN (3) | PAY RGE (4) | MTHLY. SALARY (5) | BUDGETARY USE (6) | TOTAL POSITION COST (7) | FISCAL YEAR 73 | | | |
|-----------------------------------|---------------------------------------------|------------|-------------------|-------------------------|-------------------------|----------------------------------|-------------------|-------------------|---------------------|----------------|
| | | | | | | | NO. POS (8) | NO. MO. (9) | ANNUAL AMOUNT | |
| | | | | | | | | | MAINTENANCE (10) | CHANGE (11) |
| 1 Juneau | | | | | | | | | | |
| 2 Communications Consul. | 1 | | 21 | 1579 | - | - | 1 | 12 | 18,948 | |
| 3 Clerk Typist III | 2 | | 08 | 606 | - | - | 1 | 12 | 7,272 | |
| 4 Employee Benefits | | | | | | | | | 4,580 | |
| 5 | | | | | | | | | | |
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| 21 | | | | | | | | | | |
| 22 | | | | | | | | | | |
| SALARIES | | | | | | | | | 26,220 | |
| OVERTIME | | | | | | | | | -0- | |
| BENEFITS | | | | | | | | | 4,580 | |
| SUB-TOTAL | | | | | | | | | 30,800 | |
| LESS: VACANCY AND TURNGVER | | | | | | | | | -0- | |
| TOTAL | | | | | | | | | 30,800 | |
| PERMANENT FULL-TIME POSITIONS | | | | | | | | | 2 | |
| PERMANENT PART-TIME POSITIONS | | | | | | | | | | |
| TEMPORARY (FULL-TIME EQUIVALENTS) | | | | | | | | | | |
| NUMBER OF MAN-MONTHS | | | | | | | | | 24 | |

20

FY 73

PERSONAL SERVICES
REQUEST FOR NEW POSITION

| | | | |
|---------------------|-------------|-----------|-----------------|
| AGENCY | CATEGORY | code: VII | Development |
| Ofc of the Governor | PROGRAM | | Pub Commun Comm |
| DIVISION | SUB-PROGRAM | | |
| | ELEMENT | | |
| | SUB-ELEMENT | | |

| | | | | | | | |
|------------------------------|-------------------------------------|-------------------------------|-------|----------------------------------------------------------------------|-------------------------|------------|-------------------------|
| POSITION TITLE | | Communications Consultant | RANGE | 21 | LOCATION | Juneau | APPROVED CLASSIFICATION |
| TYPE OF POSITION | | | M/C: | | REF: FORM | LINE | |
| TYPE OF EXPENDITURE | AMOUNT | FY 73 | | DETAIL OF RELATED EXPENSES | APPROVED CLASSIFICATION | CLASS CODE | RANGE |
| | | FUNDING SOURCE | | | | | |
| PERSONAL SERVICES | 22,200 | | | 18,948 Salary; 3252 Benefits | | | |
| EQUIPMENT | 570 | | | Desk 200, Chair 60, File cabinet 110, Map file 200 | | | |
| OTHER | 4,040 | | | Contractual 1,850; Commodities 200; Interagency 250; Travel 1,740 | | | |
| TOTAL | 26,810 | | | | | | |
| PROJECTIONS | | | | FY 74 | FY 75 | FY 76 | FY 77 |
| TOTAL EXPENSES | | | | | | | |
| FUNDING SOURCE | | | | | | | |
| EXPLANATION: | | | | | | | |
| Other: | Contractual: | Inter-Agency \$250 Cent. Dup. | | Travel: | | | |
| | \$210 phone service | | | \$1200 | 2 trips outside AK | | |
| | 210 long distance | | | | 2 trips in AK. 4 days | | |
| | 480 office space 100 sq ft @ \$.40 | | | 240 | per diem | | |
| | 300 postage | | | 300 | transportation | | |
| | 300 rent of equipment | | | 1740 | | | |
| | 300 printing & advertising | | | | | | |
| | 50 bonding & insurance | | | | | | |
| | 1850 | | | | | | |
| | Commodities: \$200 office supplies | | | | | | |
| CERTIFICATION BY AGENCY HEAD | | | | | DATE | | |
| PCN | | | | | LOCATION | | |

20

FY 73

PERSONAL SERVICES
REQUEST FOR NEW POSITION

| | | | |
|---------------------|-------------|----------|----------------|
| AGENCY | CATEGORY | code VII | Development |
| Ofc of the Governor | PROGRAM | | Pub Commn Comm |
| DIVISION | SUB-PROGRAM | | |
| | ELEMENT | | |
| | SUB-ELEMENT | | |

| | | | | |
|---------------------------------|--------|----------------|---------------------------------------------------------|-------------------------|
| POSITION TITLE Clerk Typist III | | RANGE 8 | LOCATION Juneau | APPROVED CLASSIFICATION |
| TYPE OF POSITION | | M/C: | REF: FORM _____ LINE _____ | |
| TYPE OF EXPENDITURE | FY 73 | | DETAIL OF RELATED EXPENSES | CLASS CODE |
| | AMOUNT | FUNDING SOURCE | | |
| PERSONAL SERVICES | 8,500 | | Salary 7,272; 17% Employee Benefits 1,228 | |
| EQUIPMENT | 830 | | Desk 200, Chair 50, Typewriter 550 Costumer 30 | |
| OTHER | 2,300 | | Contractual 1,850; Commodities 200; Inter-agency 250 | |
| TOTAL | 11,600 | | | |

| | | | | | | |
|----------------|--|-------|-------|-------|-------|--------------|
| PROJECTIONS | | FY 74 | FY 75 | FY 76 | FY 77 | RANGE |
| TOTAL EXPENSES | | | | | | |
| FUNDING SOURCE | | | | | | APPROVED BY: |
| | | | | | | |
| | | | | | | |

EXPLANATION: Contractual: 210 phone service
 210 long distance
 480 office space
 300 postage
 300 rent of equipment
 300 printing & advertising
 50 bonding & ins.
 1,850

Commodities: \$200 Office supplies

Inter-Agency: \$250 Central Duplicating

CERTIFICATION BY AGENCY HEAD _____ DATE _____

APPROVED CLASSIFICATION

CLASS CODE

RANGE

APPROVED BY:

EFFECTIVE DATE

LOCATION

PCN

22

EQUIPMENT

FY 73

| | | | |
|---------------------|-------------|------|-----------------|
| AGENCY | CATEGORY | code | VII Development |
| Ofc of the Governor | PROGRAM | | Pub Commun Comm |
| DIVISION | SUB-PROGRAM | | |
| | ELEMENT | | |
| | SUB-ELEMENT | | |

| CODE | EQUIPMENT CLASSIFICATION | FY 71 ACTUAL | FY 72 AUTHORIZED | FY 73 | | | GOVERNOR'S BUDGET |
|------|-----------------------------------|-----------------|---------------------|-------------|--------|---------|----------------------|
| | | | | Maintenance | Change | Request | |
| 500 | TOTAL | | | | | 1.4 | |
| 510 | VEHICLES, BOATS, AIRPLANES | | | | | | |
| 520 | OFFICE FURNITURE AND EQUIPMENT | | | | | 1.4 | |
| 530 | EQUIPMENT PECULIAR TO THE PROGRAM | | | | | | |
| 560 | SHOP AND MAINTENANCE EQUIPMENT | | | | | | |
| 590 | OTHER EQUIPMENT | | | | | | |
| 950 | INTER-AGENCY CHARGES | | | | | | |

EXPLANATION:

| ITEM NO. | DESCRIPTION OF ITEMS REQUESTED | EQUIP. CODE | NO. OF UNITS | UNIT COST | TOTAL COST | REPLACEMENT | NEW |
|----------|--------------------------------|-------------|--------------|-----------|------------|-------------|-----|
| 1 | Desk, Executive | 520 | 1 | 200 | 200 | | 200 |
| 2 | Desk, Typist | 520 | 1 | 200 | 200 | | 200 |
| 3 | Chair, Executive | 520 | 1 | 60 | 60 | | 60 |
| 4 | Chair, Typist | 520 | 1 | 50 | 50 | | 50 |
| 5 | Typewriter, Electric | 520 | 1 | 550 | 550 | | 550 |
| 6 | File Cabinet | 520 | 1 | 110 | 110 | | 110 |
| 7 | Map file | 520 | 1 | 200 | 200 | | 200 |
| 8 | Costumer | 520 | 1 | 30 | 30 | | 30 |

23

FY 73

OTHER OPERATING EXPENSES
TRAVEL

| AGENCY | CATEGORY | code | |
|---------------------|-------------|------|-----------------|
| Ofc of the Governor | PROGRAM | VII | Development |
| | SUB-PROGRAM | | Pub Commun Comm |
| | ELEMENT | | |
| | SUB-ELEMENT | | |

| CODE | TRAVEL CLASSIFICATION | FY 71 ACTUAL | FY 72 AUTHORIZED | FY 73 | | | GOVERNOR'S BUDGET |
|------|--------------------------|-----------------|---------------------|-------------|--------|---------|----------------------|
| | | | | Maintenance | Change | Request | |
| 200 | TOTAL | | | | | 13.9 | |
| | FIELD TRAVEL | | | | | | |
| | IN-STATE | | | | | 1.2 | |
| | OUT-OF-STATE | | | | | | |
| | ADMINISTRATIVE TRAVEL | | | | | | |
| | IN-STATE | | | | | 9.7 | |
| | OUT-OF-STATE | | | | | | |
| | CONVENTIONS AND MEETINGS | | | | | | |
| | IN-STATE | | | | | | |
| | OUT-OF-STATE | | | | | 3.0 | |
| | | | | | | | |
| | | | | | | | |
| 920 | INTER-AGENCY CHARGES | | | | | | |

EXPLANATION:

200 Travel: 9 member board; 4 trips in AK: 2 Juneau, 1 Anchorage, 1 Fairbanks; 4 days @ (Inside AK per diem) 4 days, 9 men = $36 \times 35 = 1260$ x 4 trips = \$5040
 Outside AK: 2 members @ 2 Nat'l meetings; 400 trans & 200 per diem = 600 per trip per person
 $600 \times 4 = 2400$

9 members: 3 Anchorage area; 3 Fairbanks area; 3 Southeastern

Juneau meeting: Anch. fares 100 @; Fbks 150 @; S.E. 90 @; 930×2 meetings = 1860

Anch. meeting: Fbks fares 75 @ S.E.; Anch 50; Juneau 100 = 625×2 meetings = 1250

Fbx. meeting: Anch 75 (3); Juneau 150 (3); Fbks 50 (2) = 775×2 meetings = 1550

Total:

Inside Alaska 4,660 Trans
 5,040 Per Diem
 Outside " 2,400

12,100 Board members travel

25

FY 73

OTHER OPERATING EXPENSES
COMMODITIES

| | | |
|---------------------|-------------|-----------------|
| AGENCY | CATEGORY | code |
| Ofc of the Governor | PROGRAM | VII Development |
| DIVISION | SUB PROGRAM | Pub Commun Comm |
| | ELEMENT | |
| | SUB-ELEMENT | |

| CODE | COMMODITY CLASSIFICATION | FY 71 ACTUAL | FY 72 AUTHORIZED | FY 73 | | | GOVERNOR'S BUDGET |
|------|--------------------------|-----------------|---------------------|-------------|--------|---------|----------------------|
| | | | | AGENCY | | | |
| | | | | Maintenance | Change | Request | |
| 400 | TOTAL | | | | | .4 | |
| 490 | Office Supplies | -0- | -0- | | | 400 | |
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| 940 | INTER-AGENCY CHARGES | | | | | | |

EXPLANATION:

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].

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. The governor shall appoint a

1 chairman to serve at his pleasure.

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

3 The commission may

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

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

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

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

20 (b) The commission shall

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

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

29 (3) conceive, review and recommend state policies to the

1 governor for the regulation and development of all phases of communi-
2 cations in the state;

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

6 (5) coordinate among state agencies telecommunication
7 program creation and broadcasting;

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

11 (7) assist the attorney general in preparing for proceedings
12 on telecommunications before the Alaska Public Utilities Commission
13 and the Federal Communications Commission;

14 (8) to the extent allowed by the Federal Communications
15 Commission, provide for the assignment of telecommunications fre-
16 quencies to intrastate users of telecommunications equipment;

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

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

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

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

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

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

6 (6) receive all federal, state or private funds, property
7 or assistance that may be appropriated, granted or otherwise made
8 available to the state for educational broadcasting purposes at all
9 levels of education, and use and disburse funds and property for
10 purposes consistent with the terms of this chapter, subject to reason-
11 able limitations imposed by the grantor;

12 (7) initiate all state applications for federal or private
13 funds, and receive for review and approval all applications for
14 state participation if the applications involve any form of educational
15 broadcasting.

16 (b) The commission may

17 (1) lease, purchase, construct, own, operate, manage
18 and be the licensee of educational broadcasting stations, production
19 centers, and all other related equipment and facilities necessary to
20 provide fully effective educational broadcasting in the state;

21 (2) perform all other functions necessary to insure the
22 orderly and coordinated development of educational broadcasting in the
23 state.

24 Sec. 44.19.521. ADMINISTRATIVE POWERS OF THE COMMISSION. The
25 commission may

26 (1) employ all consultative, technical and clerical person-
27 nel necessary for the implementation of this chapter, within the
28 limits of available funds;

29 (2) employ a director, who shall be directly responsible

1 to the commission in financial and administrative matters;

2 (3) appoint unpaid advisory committees to assist in
3 development of programs for instructional and public television
4 broadcasts;

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

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

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

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

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

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

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

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



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

SENATE

Ref: 4/19/72

~~Committee File Name~~

_____ Date

Mr. President:

The Committee on Finance has had SCS 0380 312
(tourism revolving fund)
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:

Sen. Sullivan _____
Sen. ... _____
Sen. ... _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:
Sen. ... recommends: DO PASS
_____ recommends:
_____ recommends:
_____ recommends:

_____ CHAIRMAN

Original sponsors: Warwick, Meland
and M. Miller

Offered: 6/2/72
Referred: Hules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

SENATE CS FOR 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 is
13 created in the Department of Commerce a tourism revolving fund.

14

Sec. 45.90.015. TOURISM LOANS. The department shall, under
15 established regulations, make loans to persons engaged in the tourist
16 industry.

17

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

19

(1) make loans to a business directly involved in the
20 tourist industry;

21

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

23

(3) promulgate rules and regulations necessary to carry
24 out its functions;

25

(4) establish amortization plans for the repayment of loans
26 not to exceed 20 years.

27

(b) The Department of Commerce shall consult with the state
28 division or department having jurisdiction over tourism on regulations
29 and procedures established under this chapter.

1 Sec. 45.90.030. LIMITATIONS ON LOANS. (a) No loan to a business
2 may be more than \$1,000,000.

3 (b) The loan shall be secured by acceptable collateral and may
4 not exceed 75 per cent of the appraised value of the collateral offered
5 as security.

6 (c) The rate of interest may not exceed eight per cent a year
7 on the unpaid balance.

8 (d) No loan may be granted to refinance an existing financial
9 obligation.

10 (e) A loan under this chapter must be participated in by a
11 financial institution in an amount which is not less than 25 per cent
12 of the total amount of the loan.

13 (f) The participating financial institution shall administer and
14 service the loan for a reasonable fee not exceeding one-half of one
15 per cent.

16 (g) The lien of the state is a first lien to the extent of its
17 portion of the total loan and the participating financial institution
18 shall have a first lien to the extent of its portion of the total loan.

19 Sec. 45.90.040. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)
20 The commissioner of commerce may sell or transfer at par value or
21 at a premium or discount to any bank or other private purchaser for
22 cash or other consideration the mortgages and notes held by the Depart-
23 ment of Commerce as security for loans made under this chapter.

24 (b) The commissioner of commerce may sell or transfer at par
25 value to the Department of Revenue the mortgages and notes held by the
26 Department of Commerce as security for loans made under this chapter.
27 The Department of Revenue may purchase all the mortgages and notes
28 offered and shall purchase the mortgages and notes offered until the
29 current principal amount of all the mortgages and notes purchased and

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held by the Department of Revenue equals \$5,000,000.

Sec. 45.90.050. TOURISM LOAN BOARD. There is created the tourism loan board consisting of the commissioners of commerce, economic development and revenue. A majority of the board must approve all loans before they are made by the department.

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

5/11 - Sen. Groh to prepare Comm. Sub,
RY

TOURISM REVOLVING LOAN FUND - SCS CSHB 312 "SUGGESTED REVISIONS"

1. Limitation on loans.

- a. \$500,000 state loan limit.
- b. State loan may not be used to re-finance existing projects or loans unless the original project or loan was financed by the state under this program.
- c. Required business participation - 10% of state loan granted. This requirement may be satisfied by the land value upon which a facility would be built, in-kind labor, cash, etc.
- d. Required participation by bank or other private lending institution - 10% of state loan amount.

2. Administration of program.

- a. Private banks or lending institutions to act as agents for the state in the administration of this program. Services will include investigations of those requesting state loans under this program, recommendations to the Tourism Loan Board, receipt of payments, foreclosures, and sale or receivership of foreclosed loans and projects. Payment for services to be based upon standard points.
- b. Tourism Loan Board. Inclusion on the board of a non-voting advisory member from the travel industry; to be appointed by the governor.

3. Repayment of Loans.

- a. Bank or private lending institution portion of the loan to be repaid in full within the first three to five years. First mortgage to be held on this portion of the loan for specified period of time. State to hold a second mortgage. *State to hold a second mortgage to that portion of the loan.*
- b. State portion of loan - repayments to begin in fourth or sixth year after the private lending institution portion is fully repaid. State to hold first mortgage on this portion of loan.
- c. Rate of interest to be the standard legal rate currently charged at the time of the loan.

279-6528 Anchorage

Sheffield

San Groh: ① Suggests that Tourism Loan Board not approve loans until after bank has approved.

Ratio of 25% bank, ~~25%~~^{75%} state - each portion at own ~~total~~ interest rate.

② First mortgage by both state & bank over the entire period of the loan.

CHANGE

Original sponsors: Warwick, Meland
and M. Miller

Offered: 4/19/72
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

SENATE CS FOR 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

15

may

16

(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 loans

23

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.

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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

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

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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
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CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

CHANGE

Original sponsors: Warwick, Meland
and M. Miller

Offered: 4/19/72
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

SENATE CS FOR CS FOR HOUSE BILL NO. 312

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SEVENTH LEGISLATURE - SECOND SESSION

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

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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 may purchase all the mortgages
12 and notes offered and shall purchase the mortgages and notes offered
13 until the current principal amount of all the mortgages and notes
14 purchased and held by the Department of Revenue equals one per cent
15 of the unencumbered general fund balance for the preceding fiscal
16 year as shown by the annual financial report of the state for the
17 year.

18 Sec. 45.90.050. TOURISM LOAN BOARD. There is created the
19 tourism loan board consisting of the commissioners of commerce, economic
20 development and revenue. A majority of the board must approve all
21 loans before they are made by the department. *Advise member from industry*

22 * Sec. 2. This Act *non-voting* takes effect on the day after its passage and approval
23 or on the day it becomes law without approval.
24
25
26
27
28
29

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

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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.

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

BY WARWICK, MELAND
AND M. MILLER

1 IN THE HOUSE

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.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: Bob Stevenson
Deputy Director
Department of Revenue

DATE: April 24, 1972

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR CSHB 312
AND RETURN IT TO OUR OFFICE BY 4/26/72 CSHB 385.

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

Reference Sec. 45.90.030 (b): Furnish comments, recommendations,
and estimated annual amount of mortgages and notes that would
be purchased over the next five years.

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

VILLAGE MOTEL
Box 365
Valdez, Alaska 99686

January 27, 1972

Mr. Frank A. Seymour
Executive Director
Alaska Visitors Association
c/o Baranof Western Hotel
127 Franklin Street
Juneau, Alaska 99801

Re: Travel Industry Needs,
VALDEZ

Dear Mr. Seymour:

In response to publicity generated through your appearance before the House Finance Committee of the Alaska State Legislature on Monday, January 24th, we offer the following comments concerning Travel Industry needs in Valdez for the next five years.

TOURISM

Based on Tourism, only, the City of Valdez needs to double its present facilities. To date, we have:

| | |
|----------------------|----------------------|
| The Wyatt House----- | 60 rooms |
| Valdez Motel----- | 29 rooms |
| Lampighter----- | 10 rooms |
| Village Motel----- | 20 vacation cottages |

To handle our present tourist trade, we should add at least 100 rooms this season.

Each Saturday night, plus many week day nights during July and August, at least 100 cars a night are turned away because Valdez simply does not have enough tourist facilities. Since Valdez is 100 miles from Copper Center, this means that these visitors must retrace their steps that distance and still run the chance of finding no rooms. Many of these people have made firm reservations on the State Ferry, the M/V Bartlett and must cancel their trip simply because they were not aware that the motel situation in Valdez is so drastic. Despite all efforts to warn ferry passengers at the time their tickets are bought, it is not always possible to get the word to them.

Valdez is the terminus of the Richardson Highway and also the terminus of the State Ferry System, therefore there is a steady influx of people at all times during the tourist season. Visitors from Interior Alaska arrive by highway and visitors from the Anchorage area arrive by state ferry from Whittier. To our knowledge, VALDEZ IS THE ONLY HIGHWAY COMMUNITY IN ALASKA THAT WAS CONSISTENTLY CROWDED LAST SUMMER. Tourists mentioned that they had no problem finding motel rooms in other Alaskan cities and rural areas but were absolutely amazed to find that Valdez had no vacancies. Rooms in private homes were filled to capacity, with basements pressed into use as well as a small dormitory in the Catholic Church and the floor of the Baptist church. We, ourselves, used three houses that we own to serve as our annex.

Valdez is an extremely popular vacation spot for Alaskans as well as tourists from the Lower 48 States. The Silver Salmon Fishing Derby in August each year attracts many from the Interior while the M/B. Bartlett State Ferry trips lure the Anchorage vicinity folks. A natural disaster such as the Palmer flood that closed the Glenn Highway for a few days last August was a calamity for Valdez. Traffic routed through Valdez to utilize the ferry connection to Anchorage simply could not be handled and we know of some folks who "toughed it out" in their cars.

We simply cannot "push" tourism in Valdez any further until more facilities can be provided. We, ourselves, advertised this year in one publication only, the Mile-Post. We didn't dare go any further.

TRANS-ALASKA PIPELINE IMPACT IN VALDEZ

During the tourist season, there is no possible way that personnel connected with the Trans-Alaska Pipeline could possibly be handled in the present motel facilities unless the tourist industry is to suffer. The Valdez Motel, with 29 rooms, was leased last summer to Surfco and Alyeska, taking in tourists only when a few rooms were released by Surfco. This meant that the already short tourist space last summer was further aggravated. The Wyatt House saved the day through bringing in 24 units of trailer motel units, to bring their total unit capacity to 60.

Therefore, Valdez needs facilities that will cater to the pipeline impact influx during the summer months apart from the tourist needs. It is difficult to determine just how much will be needed for this purpose as it is expected that construction personnel will be housed in camps. But there will be many inspectors, etc., who will not be living in these camps.

However, there should be no financial risk in building 100 units designed to handle the pipeline impact as at conclusion of the terminus and pipeline construction, three or four years hence, the tourist trade in Valdez will have built up sufficiently to absorb these pipeline impact units, as they are released. That is, this would all be possible IF LONG TERM FINANCING IS AVAILABLE. Tourist facilities in Valdez, with exception of one or two year-around motels, should be financed so that they can be CLOSED DOWN AFTER THE TOURIST SEASON.

NEEDS The need today is for more ECONOMICAL MOTEL UNITS in the Rural areas. Alaskans as well as tourists from out of state are constantly looking for reasonably priced motel rooms. They expect to pay more when they go to a luxury motel in Anchorage or Fairbanks, but even in those cities, many are seeking the less expensive rooms.

For instance, our Village Motel, which consists of 20 vacation cottages with cooking facilities, are planned for family groups. Each cottage will sleep six people and we charge \$25 per night per cottage. Most of the time, each cottage is filled with five or six people. On week ends and Tuesdays, we seldom have a cottage to spare for tourists who happen to arrive. Our motel is already filled by reservations fully a week in advance. This is true, also, of the other motels. We have recently turned down a proposal from a Japanese tourist concern that would like to bring groups of Japanese tourists to Valdez. We simply cannot handle them and do justice to our already over-flowing Alaskan tourist trade.

To handle needs of future Japanese tourists as well as the large number of elderly couples who drive to Alaska each summer, we are in desperate need of:

unless Valdez is within their service area.

Therefore, unless the State of Alaska, through this special bill, will set up a long-term loan fund for the Rural Areas, the development of tourist facilities in support of our huge tourist industry cannot proceed. We shall have to be ruled out of the growing tourist trade. "WHY DON'T YOU HAVE ENOUGH ROOMS IN VALDEZ", they ask. "BECAUSE, WE SIMPLY CAN'T AFFORD TO BUILD FOR A SUMMER MONTH, TOURIST TRADE BUSINESS ON SHORT TERM FINANCING.", we explain.

We do not believe the granting of such loans in the rural areas would have any effect upon facilities in Fairbanks or Anchorage. In fact, the more tourists that the rural areas, especially along the highway, can handle, the more who are likely to find their way to Fairbanks and Anchorage! If they are unhappy when they first reach Alaska, they are less likely to continue on to the larger cities. In fact, some with whom we have talked have purposely stayed away from both Fairbanks and Anchorage because, based on what they had found so far, they were not encouraged to travel further, they explained.

Thus, by enlarging facilities in the rural areas, limitations of tourist travel in all of Alaska are diminished and the entire state will gain by the enlargement of rural tourist facilities.

The need for more motel facilities in Valdez today is CRITICAL. We sincerely hope that the State can come forth with loan funds for tourist facilities in the Rural Areas.

Sincerely yours,

VILLAGE MOTEL



Ed and Frances Walker, Owners

Copy to Robert I. Ditman
Member, House Finance Committee
Alaska State Legislature



DATE: February, 1972
TO: Members of the Alaska State Legislature
FROM: F. A. Seymour, Executive Director
Alaska Visitors Association
RE: Information Related to H.B. 312

This information is presented at the request of the House Finance Committee, to assist them in evaluating H.B. 312, Tourism Revolving Loan Fund.

The list below was compiled and discussed by members of the Alaska Visitors Association's Board of Directors. It is a projection of the hotel-motel needs during the next five years, if long-term funds were available. The new units could be expansion of existing facilities, or a totally new business or businesses. Varying quality of hotel-motel rooms would indicate that an average unit cost today in Alaska would be \$30,000, including land cost. The new unit projections took into consideration only normal visitor industry growth. Pipeline construction, etc. could change the picture drastically in several communities. This list is not necessarily complete.

| <u>CITY</u> | <u>ESTIMATED NEW UNIT NEEDS BY 1977</u> (not in order of importance) |
|-------------------------------------------------|-------------------------------------------------------------------------|
| *Sitka | 100 |
| Ketchikan | 150 |
| Juneau | 150 |
| Skagway | 100 |
| Petersburg | 50 |
| Kotzebue | 50 |
| *Barrow | 50 |
| Kodiak | 100 |
| *Tok | 100 |
| *Valdez | 125 |
| *Cordova | 50 |
| Wrangell | 25 |
| Fairbanks | 150 |
| Anchorage | 200 |
| *Lodges, Resorts, & Outlying Areas | 400 |

* Indicates need for immediate expansion of available units.

These figures will vary according to the aggressiveness of the individual community in the promotion of tourism, as well as carrier promotion. Also, the growth of visitor traffic other than tourist will affect unit demand.

ADDITIONAL CONSIDERATIONS IN EVALUATING H.B. 312

TOURISM REVOLVING LOAN FUND

The following should be either included in the legislation or drafted by the committees and passed along to the supervisors of this loan program to convey legislative intent.

1. Principal goal of this program is to provide long-term (15-25 years) capital investment in basic visitor facilities and attractions. Such as: hotels, motels, river boat cruises, gold mine tours, ski lodges, private camper parks, etc.
2. This program should not be used to pick up existing mortgages, or for purposes of refinancing, except as may be necessary to maintain the stability of a loan originally granted under this program. The purpose of this loan program is to provide long-term funds for new facilities or the expansion of existing facilities.

In conclusion, the AVA recommends that the maximum amount be increased from two million to two and one-half million.



alaska visitors association

608 4th Avenue, Suite 28, Anchorage, Alaska 99501 - (907) 279-4116

The logo for the Alaska Visitors Association (AVA) features the lowercase letters "ava" in a simple, sans-serif font, enclosed within a rectangular border. Above the logo is a stylized line drawing of a person's head and shoulders, wearing a hat and a jacket, looking towards the right.

DATE: February 12, 1972
TO: House Finance Committee
FROM: F. A. Seymour, Executive Director
Alaska Visitors Association
SUBJECT: Resort or tour facility development
effects on a Gateway City.

One extra night, or 24 hour period, would normally be expected in a Gateway City for tour traffic going to outlying or bush area.

EXAMPLE:

50 bed facility in Nome at 80 percent capacity for 100 days would equal 4,000 tourists

4,000 tourists spending one extra day in the Gateway City would mean \$160,000. per year in direct revenue to said city

Also, the Gateway City

1. provides wholesale and suppliers services
2. employment for airline personnel (flight and ground crews)
3. receives a portion of facility payroll spent for recreation, clothing, etc.

ADDITIONAL COMMENTS

50 unit facility, with restaurant and bar, will require a minimum of 40 employees (directly or indirectly employed by the hotel)

Gateway City receiving all of the main traffic (tourist) and most of the residual traffic (purchase of supplies, etc.) could gain as much as the area where the facility is built. But - - -

Resort operation, where turnover is less frequent, would be less productive to the Gateway City.

es

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 |
|-------|--------------|--------------|--------------|

| 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 Paul M. Schaaf

NAME & TITLE 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: John H. Dougherty, Director
Treasury Division
Department of Revenue

THRU: Irene E. Hyatt, Commissioner
Department of Economic Development

FROM: Eric McDowell, Deputy Director
Alaska Travel Division

DATE : March 16, 1971

SUBJECT: House Bill 312
Tourism Revolving Fund

Per your telephone 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 \$3,000,000 - \$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 time required 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 somewhat 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 1% service fee. For example: Here \$10,000,000 of loans to be processed, the Department of Revenue would receive \$50,000 in service fees.

From a candid viewpoint as a person familiar with Alaska tourism, I certainly believe 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 immediately exhausted and would cease to be revolving in concept. In the case of this particular legislation, this would not occur for two 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 312 on the State treasury.

DEW/ab

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.

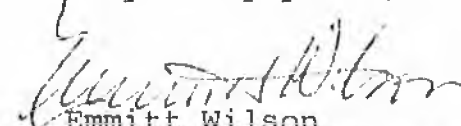
January 28, 1972

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 vice 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

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

15

may

16

(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.



BARANOF HOTEL · JUNEAU, ALASKA 99801

May 11, 1972

PHONE 586-2660

To: Senator John Butrovich

Re: Changes in House Bill #312

From: Bill Sheffield

After discussing the above bill with you and Richard Guthrie this morning and appearing before your committee this afternoon, I thought it best to indicate the changes that seemed to be mutually agreed upon and acceptable.

1. State loan may not be used to re-finance existing projects or loans unless the original project or loan was financed by the state under this program.
2. Bank participation of 20% and the state 80%.
3. Legislature establish a fund.
Appoint a Loan Committee who establishes criteria as to loans.
Find a servicing agent (Bank Trust Dept. or Mortgage Service Dept.)
After a loan has been approved by the bank, the bank and borrower submits the loan to the state for participation.
After participating bank and state accept loan, Bank Trust Dept. or Bank Mortgage Servicing Dept. will complete details, documentation (as prescribed by the state).
Funds come from state and bank (any bank).
Only one agent services all mortgages and renders monthly reports to state and banks (optional).
State establishes rules as to delinquency policy.
Early pay out to bank - 5 years.
Since both a bank and the state would be participating in the loan, both state and bank would receive a first mortgage on the per-centage of interest as it appears.
4. Tourism Loan Board. Inclusion on the board of a non-voting advisory member from the travel industry; to be appointed by the governor.



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• RED RAM MOTOR LODGE •
• SHEFFIELD'S YE PUBLICK HOUSE

cont.
-2-



BARANOF HOTEL · JUNEAU, ALASKA 99801

PHONE 586.2660

5. Rate of interest to be the standard legal rate currently charged at the time of the loan.

With the bank participating in a loan fund of this type and acting as the administrator and escrow agent for a fee, it eliminates the state in being responsible for the monthly burden and expense to service these loans.

The bank would also act per instructions from the state as to any failure of payments, such as foreclosures, liquidations, etc. Any failure of payments and foreclosures while the bank and state were participating, would be the responsibility of both parties as their interest appears and the responsibility of state once the bank is paid in full.

Hopefully, your committee will have the opportunity to review this bill as rewritten and take action during this session.

Thank you for the opportunity to appear.

Bert Sheffield



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SHEFFIELD HOUSE · WHITEHORSE

• RED RAM MOTOR LODGE
SHEFFIELD'S YE PUBLICK HOUSE

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

I. REQUEST

Bill Identification: CSHB 312 and CSHB 385
 Title: Establishing the tourism revolving fund
 Requested by: Senate Finance Date: 4/24/72
 Return Date Requested: 4/26/72
 Agency: Department of Revenue Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

| OBJECT | FY 72 | FY 73 | FY 74 | FY 75 | FY 76 | FY 77 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | -0- | | | | | |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|--|--|--|--|--|--|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

| | | | | | | |
|---------------------|-------|----|----|----|----|----|
| PERMANENT/TEMPORARY | -0-// | // | // | // | // | // |
| MAN MONTHS (P./T.) | -0-// | // | // | // | // | // |

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

See detailed memorandum from Richard E. Alexander, State Investment Officer, Department of Revenue as to requested information in Fiscal Note Request dated April 24, 1972. There will be a cost to the General Fund of \$1,000,000 per CS for House Bill No. 385 likely during FY 1972 to initially set up the Tourism Revolving Fund.

IV. ATTACHMENTS

V. DATE: April 26, 1972 PREPARED BY: R. D. Stevenson

R. D. Stevenson
Deputy Commissioner

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

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: Bob Stevenson
Deputy Director
Department of Revenue

DATE: April 24, 1972

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR CSHB 312
AND RETURN IT TO OUR OFFICE BY 4/26/72 CSHB 385.

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

Reference Sec. 45.90.030 (b): Furnish comments, recommendations,
and estimated annual amount of mortgages and notes that would
be purchased over the next five years.

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

MEMORANDUM

TO: R. D. Stevenson
Deputy Commissioner
Department of Revenue

DATE: April 26, 1972

FROM: Richard E. Alexander *RA*
State Investment Officer
Department of Revenue

SUBJECT: CSHB 312 and 385 - Tourism
Revolving Loan Fund

In response to your memo and fiscal note request concerning CSHB 312 and 385, I would like to first submit some general information on the mortgage holdings in the general fund.

The following tabulation indicates present as well as an estimate of the commitment of the general fund to mortgage loan purposes by June 30, 1972:

| | Ending Balance FY 1971 | Purchases to Date FY 1972 | Total To Date | Estimated Further Submissions | Estimated Total Ending FY 1972 |
|---------------------------------|------------------------------|---------------------------------|------------------------|-------------------------------------|-----------------------------------|
| Veterans Loans | \$1,613,982.81 | \$ 7,650,186.17 | \$ 9,264,168.98 | \$2,200,000.00 | \$11,464,168.98 |
| Loan Incentive Program | 3,775,908.53 | | 3,775,908.53 | | 3,775,908.53 |
| GNMA | | 6,088,705.44 | 6,088,705.44 | | 6,088,705.44 |
| Alaska Housing Finance Corp. | | | | 7,500,000.00 | 7,500,000.00 |
| Agricultural | | 529,825.01 | 529,825.01 | | 529,825.01 |
| Total | <u>\$5,389,891.34</u> | <u>\$14,268,716.62</u> | <u>\$19,658,607.96</u> | <u>\$9,700,000.00</u> | <u>\$29,358,607.96</u> |

The Department of Revenue is obligated to purchase all veterans loans submitted, and comprises the principal portion of loans purchased. You will note that further submissions are expected during the current fiscal year of \$2,200,000 which will result in approximately \$11,500,000 in veterans loans held by the general fund by June 30, 1972.

The Division of Veterans Affairs advises that they will be submitting a minimum of \$10,000,000 for purchase each year through FY 1977. The following amortization schedule indicates that we will have over \$54,000,000 in veterans loans held by the general fund by June 30, 1977.

| Fiscal Year | Beginning Balance | Loan Purchases | Principal Payments | Loan Payoffs | Ending Balance |
|----------------|----------------------|-------------------|-----------------------|-----------------|-------------------|
| 1972 | \$ 1,613,000 | \$10,000,000 | \$ 288,000 | \$120,000 | \$11,205,000 |
| 1973 | 11,205,000 | 10,000,000 | 504,000 | 210,000 | 20,491,000 |
| 1974 | 20,491,000 | 10,000,000 | 720,000 | 300,000 | 29,471,000 |
| 1975 | 29,471,000 | 10,000,000 | 936,000 | 390,000 | 38,145,000 |
| 1976 | 38,145,000 | 10,000,000 | 1,152,000 | 480,000 | 46,513,000 |
| 1977 | 46,513,000 | 10,000,000 | 1,344,000 | 560,000 | 54,609,000 |

Principal payments average \$24,000 per year for each \$1 million in mortgages. Payoffs average \$10,000 per year for each \$1 million in mortgages (Payoffs are low due to attractive interest rates). Schedule assumes \$10 million in loan purchases each year.

Although at the present time our obligated loan purchases consist only of veterans loans, indications are that in the near future we will be purchasing loans of the Small Business Loan Program, Alaska Housing Finance Corporation, as well as loans from other programs.

Of primary significance, in my view, is the fact that there is no secondary market for resale of these loans. This would include commercial fishing loans and tourist industry loans. In other words, these loans become a permanent investment of the general fund and will remain held by the fund until paid down by the respective mortgages. You must evaluate the capacity of the general fund to acquire unmarketable securities in the long term spending plan and projected fund balances in future years.

Given the uncertainties of revenue forecasting, date of oil flow, etc., it would be prudent to retain discretionary authority as to the purchase of loans. I say this in view of the rapid expansion of the veterans loan program and imminent initiation of other programs. However, Section 45.90.040(b) does allow discretion after the principal amount of mortgages purchased or held equals one percent of the unencumbered general fund balance for the preceding fiscal year, and is acceptable to us as written.

Our estimates of unencumbered general fund balances for the next five years are:

| <u>Fiscal Year Ending</u> | <u>Amount</u> |
|---------------------------|---------------|
| 1972 | \$761,000,000 |
| 1973 | 663,000,000 |
| 1974 | 556,000,000 |
| 1975 | 433,000,000 |
| 1976 | 276,000,000 |

The following three examples indicate the principal amount of mortgages or notes we would be required to purchase or hold for the above five year period:

Example #1:

Using the above general fund ending balance estimates, the maximum principal amount of mortgages or notes we would be required to purchase in FY 1973 would be \$7.61 million. If we purchased the maximum, and our general fund estimates are correct, we would not be required to purchase additional mortgages over the remaining four year period. In fact, if we purchase \$6.6 million in FY 1973, we would not be required to purchase additional mortgages. (1% of FY 1973 balance.)

Example #2:

If we purchase \$3 million in FY 1973, we could then purchase a maximum of \$3.63 million during FY 1974, and would not be required to purchase additional mortgages over the remaining period. The maximum we would be required to hold would be \$6.63 million which equals 1% of the unencumbered general fund ending balance for FY 1973.

Example #3:

If we purchased \$2 million in FY 1973 and \$2 million in FY 1974, we would be required to purchase up to \$1.56 million in FY 1975. This would give us \$5.56 million in mortgages which equals 1% of the ending general fund balance for FY 1974 (\$556 million). We would not be required to purchase additional mortgages until the general fund balance exceeded \$556 million.

REA:ge



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

S E N A T E

_____ Date

Mr. President:

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

Original sponsor: Judiciary Committee
by Request

Offered: 4/16/71
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 313

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the administration of the Alaska
7 court system; and providing for an effective date."

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

9 * Section 1. AS 22.15.220(b) is amended to read:

10 (b) Each magistrate shall receive annual compensation to be
11 determined by the supreme court. Salary increases shall be determined
12 on the basis of percentage of pay increase the legislature provides
13 for state employees in the classified service.

14 * Sec. 2. AS 22.20 is amended by adding a new section to read:

15 Sec. 22.20.037. EMPLOYMENT OF JUDICIAL EMPLOYEES. (a) Judicial
16 employees shall be employed subject to classification and wage plans
17 based on the merit principle and adapted to the special needs of the
18 judiciary, as determined by the administrative director of courts.
19 Except as otherwise provided by law, all employees of the Alaska court
20 system and the Judicial Council are subject to the general state laws
21 regarding leave, retirement and travel.

22 (b) This section does not deprive employees of the judiciary of
23 the right to participate in the state employees retirement system, a
24 group insurance plan or any other program benefits or rights provided
25 by law or personnel rule for state employees in the classified service.

26 (c) The administrative director of courts shall conduct a salary
27 survey annually to insure that employees of the Alaska court system
28 receive salaries consistent with those paid to employees in the
29 classified and partially exempt state service.

April 27, 1971

MEMORANDUM

TO: Senator John Butrovich

FROM: Robert N. Reeves

SUBJECT: CSHB 313

This bill is designed to make the court system function more efficiently. The court system has no classified employees. All employees of the court system are partially exempt, which in effect, means that we have the power to hire and fire the employees under the present law.

There is a definite constitutional question of whether or not the executive branch through their personnel director, can control the judicial branch. Some years ago, the legislative branch placed all their employees in the exempt category for this very reason.

This bill is broken down into three basic sections:

Section 1, AS 22.15.220(b) deals with magistrates. At the present time magistrates are in a unique position inasmuch as they are not classified as judges and they are not classified as state employees within the Personnel Act. The administrative office of the court system sets the pay and administers to the magistrates at the present time and this will merely make it statutory rather than the somewhat voluntary basis that it has been operating under for several years.

The second section, which is Sec. 22.20.037 in the bill, is the section which allows the administrative director of courts to classify the court employees rather than having the Director of Personnel classify them. This has been a constant problem inasmuch as judicial employees rarely fit within the narrow categories of state personnel in the executive branch that the Director of Personnel uses, it is somewhat like sticking round pegs into square holes. Essentially for practical purposes some classifications will be upgraded and some classifications reduced. Overall the personal service costs will not increase because we still operate within the limits of an appropriation.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Original sponsor: Judiciary Committee
by Request

Offered: 4/16/71
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

CS FOR HOUSE BILL NO. 313

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

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17 based on the merit principle and adapted to the special needs of the
18 judiciary, as determined by the administrative director of courts.
19 Except as otherwise provided by law, all employees of the Alaska court
20 system and the Judicial Council are subject to the general state laws
21 regarding leave, retirement and travel.

22 (b) This section does not deprive employees of the judiciary of
23 the right to participate in the state employees retirement system, a
24 group insurance plan or any other program benefits or rights provided
25 by law or personnel rule for state employees in the classified service.

26 (c) The administrative director of courts shall conduct a salary
27 survey annually to insure that employees of the Alaska court system
28 receive salaries consistent with those paid to employees in the
29 classified and partially exempt state service.

1 * Sec. 3. AS 39.25.110(3) is amended to read:

2 (3) the administrative director and all other employees
3 of the state court system, and employees and members of the Judicial
4 Council;

5 * Sec. 4. AS 39.25.120(6) is repealed.

6 * Sec. 5. This Act takes effect on the day after its passage and approv-
7 al or on the day it becomes law without approval.

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April 27, 1971

MEMORANDUM

TO: Senator John Butrovich
FROM: Robert N. Reeves
SUBJECT: CSHB 313

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There is a definite constitutional question of whether or not the executive branch through their personnel director, can control the judicial branch. Some years ago, the legislative branch placed all their employees in the exempt category for this very reason.

This bill is broken down into three basic sections:

Section 1, AS 22.15.220(b) deals with magistrates. At the present time magistrates are in a unique position inasmuch as they are not classified as judges and they are not classified as state employees within the Personnel Act. The administrative office of the court system sets the pay and administers to the magistrates at the present time and this will merely make it statutory rather than the somewhat voluntary basis that it has been operating under for several years.

The second section, which is Sec. 22.20.037 in the bill, is the section which allows the administrative director of courts to classify the court employees rather than having the Director of Personnel classify them. This has been a constant problem inasmuch as judicial employees rarely fit within the narrow categories of state personnel in the executive branch that the Director of Personnel uses, it is somewhat like sticking round pegs into square holes. Essentially for practical purposes some classifications will be upgraded and some classifications reduced. Overall the personal service costs will not increase because we still operate within the limits of an appropriation.

Senator John Butrovich
April 27, 1971
Page 2

However, our reclassifications should enable us to get more work done by fewer employees and at less cost.

Section B under this provision simply insures that all court system employees will continue to receive the same benefits as any other state employees.

Section 3 provides for a salary survey that is to be consistent with the salary survey of the classified and partially exempt service. This was inserted to placate the fears of some of the people in the administration that court employees could somehow be paid more than other state employees and thereby create problems. As I discussed with you, Pat Hunt, the Director of Personnel of the State, testified before the House Judiciary Committee, and recommended that the court system be given this authority. I have discussed this with John Carter, the representative of the State Employees Union, and he is satisfied with the bill.

Another problem, we spend many man hours, travel, and per diem in trying to explain to the Division of Personnel exactly what the court employees are doing and trying to get the proper classification.

One comment that was made when the bill was in the House was that this was an empire creating bill. That is not true because we still work within the appropriation guidelines established by the legislature. This bill, in essence, is to assist the employees in the judicial system, to insure that they are properly classified in the work that they are called upon to perform, and that they are paid a just salary for that work.



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

APR 20, 1957

Date

Mr. Speaker:

The Committee on REVENUE has had 2 314

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: 3/12/71
Referred: Health, Welfare &
Education

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 314

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state agreements with private
7 institutions of higher education."

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

9 * Section 1. AS 14.40.910 is amended by adding a new subsection. to read:

10 (b) Effective with all terms commencing after July 1, 1973, no
11 payment may be made under sec. 900 of this chapter for a course if
12 a similar course is offered by the University of Alaska system at a
13 location within the immediate area of the privately sponsored insti-
14 tution of higher education. Contractual payments to private institu-
15 tions shall be reduced proportionately for all such duplicate courses
16 taken at the private institution.



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 C. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 3/19/71
Referred: Health, Wel-
fare & Education and
Finance

1 IN THE HOUSE

BY FERGUSON AND NAUGHTON

2 HOUSE BILL NO. 329

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Education;
7 and providing for an effective date."

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

9 * Section 1. The sum of \$16,000 is appropriated from the general fund
10 to the Department of Education, division of libraries, for the indexing,
11 microfilming and translation of historical documents pertinent to the Russian
12 period of Alaska's history and, in particular, its influence on Alaskan
13 Native culture.

14 * Sec. 2. This Act takes effect on July 1, 1971.
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COMMITTEE COPY

POOR COPY