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

HB 480 cont., 499, 499am, 501

83

20

FY 73

PERSONAL SERVICES
REQUEST FOR NEW POSITION

		code	
AGENCY	CATEGORY	VI	Admin. of Justice
	PROGRAM	E	Judicial System
DIVISION	SUB-PROGRAM		Judicial Services
	ELEMENT	E	Adjudication
	SUB-ELEMENT		

POSITION TITLE Hearing Officer	RANGE 22C	LOCATION Junea u	
TYPE OF POSITION Permanent Full Time	M/C:	REF: FORM _____ LINE _____	

TYPE OF EXPENDITURE	FY 73 AMOUNT	FY 73 FUNDING SOURCE	DETAIL OF RELATED EXPENSES
PERSONAL SERVICES	21,948		
Benefits	3,731		
EQUIPMENT	3,300		Desk 325, swivel chair 225, table 200
			2 bookcases 225, 4 side chairs 681
OTHER			file cabinet 154, coatrack 50
			Dict. and Trans. Unit 990, Port.Dict. Unit 450
TOTAL	28,979		

PROJECTIONS	FY 74	FY 75	FY 76	FY 77
TOTAL EXPENSES				
FUNDING SOURCE				

EXPLANATION: To conduct hearings in the Southeastern Senate District as directed by the presiding officer

CERTIFICATION BY AGENCY HEAD	DATE

APPROVED CLASSIFICATION	
CLASS CODE	
RANGE	
APPROVED BY:	
EFFECTIVE DATE	
LOCATION	
PCN	

20

FY 73

PERSONAL SERVICES
REQUEST FOR NEW POSITION

		code	
AGENCY	CATEGORY	VI	Admin of Justice
	PROGRAM	E	Judicial System
DIVISION	SUB-PROGRAM		Judicial Services
	ELEMENT	E	Adjudication
	SUB-ELEMENT		

POSITION TITLE Secretary III	RANGE 12C	LOCATION Juneau	
TYPE OF POSITION Permanent Full Time	M/C:	REF: FORM _____ LINE _____	

TYPE OF EXPENDITURE	FY 73 AMOUNT	FY 73 FUNDING SOURCE	DETAIL OF RELATED EXPENSES
PERSONAL SERVICES	10,512		
Benefits	1,787		
EQUIPMENT	954		Desk 220, chair 45, typewriter 549,
			coatrack 50, file cabinet 110
OTHER	200		Commodities
TOTAL	13,453		

PROJECTIONS	FY 74	FY 75	FY 76	FY 77
TOTAL EXPENSES				
FUNDING SOURCE				

EXPLANATION: To perform routine secretarial duties for the hearing officer grade 24

CERTIFICATION BY AGENCY HEAD	DATE

APPROVED CLASSIFICATION	
CLASS CODE	
RANGE	
APPROVED BY:	
EFFECTIVE DATE	
LOCATION	
PCN	

20

FY 73

PERSONAL SERVICES
REQUEST FOR NEW POSITION

		code	
AGENCY	CATEGORY	VI	Admin. of Justice
	PROGRAM	E	Judicial System
DIVISION	SUB-PROGRAM		Judicial Services
	ELEMENT	E	Adjudication
	SUB-ELEMENT		

POSITION TITLE	Secretary II	RANGE 10C	LOCATION Juneau
TYPE OF POSITION	Permanent Full Time	M/C:	REF: FORM _____ LINE _____

TYPE OF EXPENDITURE	FY 73 AMOUNT	FY 73 FUNDING SOURCE	DETAIL OF RELATED EXPENSES
PERSONAL SERVICES	9,072		
Benefits	1,542		
EQUIPMENT	954		Desk 220, chair 45, typewriter 529
			coatrack 50, file cabinet 110
OTHER	200		Commodities
TOTAL	11,768		

PROJECTIONS	FY 74	FY 75	FY 76	FY 77
TOTAL EXPENSES				
FUNDING SOURCE				

EXPLANATION: To perform routine secretarial duties for the hearing officer grade 22.

CERTIFICATION BY AGENCY HEAD	DATE

APPROVED CLASSIFICATION	
CLASS CODE	
RANGE	
APPROVED BY:	
EFFECTIVE DATE	
LOCATION	
PCN	

20

FY 73

PERSONAL SERVICES
REQUEST FOR NEW POSITION

		code	
AGENCY	CATEGORY	VI	Admin of Justice
	PROGRAM	E	Judicial System
DIVISION	SUB-PROGRAM		Judicial Services
	ELEMENT	E	Adjudication
	SUB-ELEMENT		

POSITION TITLE Court Transcriber	RANGE 12C	LOCATION Anchorage
TYPE OF POSITION Permanent Part Time	M/C:	REF: FORM _____ LINE _____

TYPE OF EXPENDITURE	FY 73 AMOUNT	FY 73 FUNDING SOURCE	DETAIL OF RELATED EXPENSES
PERSONAL SERVICES	5,256		
Benefits	894		
EQUIPMENT			
OTHER			
TOTAL	6,150		

PROJECTIONS	FY 74	FY 75	FY 76	FY 77
TOTAL EXPENSES				
FUNDING SOURCE				

EXPLANATION: To transcribe tapes of hearings as required.

CERTIFICATION BY AGENCY HEAD	DATE

APPROVED CLASSIFICATION	
CLASS CODE	
RANGE	
APPROVED BY:	
EFFECTIVE DATE	
LOCATION	
PCN	

23

FY 73

OTHER OPERATING EXPENSES
TRAVEL

		code	
AGENCY	CATEGORY	01	Admin of Justice
	PROGRAM	0	Judicial System
DIVISION	SUB-PROGRAM		Judical Services
	ELEMENT	E	Adjudication
	SUB-ELEMENT		

CODE	TRAVEL CLASSIFICATION	FY 71 ACTUAL	FY 72 AUTHORIZED	FY 73 AGENCY Maintenance	FY 73 AGENCY Change	FY 73 AGENCY Request	FY 73 GOVERNOR'S BUDGET
200	TOTAL		23,088				
	FIELD TRAVEL						
	IN-STATE		10,488				
	OUT-OF-STATE						
	ADMINISTRATIVE TRAVEL						
	IN-STATE		12,600				
	OUT-OF-STATE						
	CONVENTIONS AND MEETINGS						
	IN-STATE						
	OUT-OF-STATE						
920	INTER-AGENCY CHARGES						

EXPLANATION:

420 days @ 30.00 = 12,600 per diem

3 employees - 10 days mo. - 12 mo.	360	
1 employee - 5 days mo. - 12 mo.	60	12,600

24 trips	Fairbanks to Nome @ 146	3,504
24 trips	Juneau to Anchorage @ 92	2,208
24 trips	Anchorage to Fairbanks @128	3,072
24 trips	Juneau to Ketchikan @71	1,704
		10,488

02-1023

24

FY 73

OTHER OPERATING EXPENSES
CONTRACTUAL SERVICES

		code	
AGENCY	CATEGORY	VI	Admin. of Justice
	PROGRAM	F	Judicial System
DIVISION	SUB-PROGRAM		Judicial Services
	ELEMENT	E	Adjudication
	SUB-ELEMENT		

CODE	CONTRACTUAL SERVICES CLASSIFICATION	FY 71 ACTUAL	FY 72 AUTHORIZED	FY 73 AGENCY Maintenance	FY 73 AGENCY Change	FY 73 AGENCY Request	FY 73 GOVERNOR'S BUDGET
300	TOTAL		13,100				
930	INTER-AGENCY CHARGES						

EXPLANATION:

310	Telephone and postage	3,000
330	Space	2,500
340	Equipment repair	100
360	Rental of equipment (2 MTST and Xerox)	7,500

02.1024

25

FY 73

OTHER OPERATING EXPENSES
COMMODITIES

		code	
AGENCY	CATEGORY	VT	Admin. of Justice
	PROGRAM	E	Judicial System
DIVISION	SUB-PROGRAM		Judicial Services
	ELEMENT	E	Adjudication
	SUB-ELEMENT		

CODE	COMMODITY CLASSIFICATION	FY 71 ACTUAL	FY 72 AUTHORIZED	FY 73 AGENCY Maintenance	FY 73 AGENCY Change	FY 73 AGENCY Request	FY 73 GOVERNOR'S BUDGET
400	TOTAL		4,000				
900	INTER-AGENCY CHARGES						

EXPLANATION: Office Supplies

02-1025

22

FY 73

EQUIPMENT

		code	
AGENCY	CATEGORY	VT	Admin. of Justice
	PROGRAM	F	Judicial System
DIVISION	SUB-PROGRAM		Judicial Services
	ELEMENT	E	Adjudication
	SUB-ELEMENT		

CODE	EQUIPMENT CLASSIFICATION	FY 71 ACTUAL	FY 72 AUTHORIZED	FY 73 AGENCY Maintenance	FY 73 AGENCY Change	FY 73 AGENCY Request	FY 73 GOVERNOR'S BUDGET
500	TOTAL		34.752				
510	VEHICLES, BOATS, AIRPLANES						
520	OFFICE FURNITURE AND EQUIPMENT						
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	Executive desks	520	7	325	2,275		
2	Swivel chair	520	7	225	1,575		
3	Table	520	7	200	1,400		
4	Bookcases	520	14	112.50	1,575		
5	Chairs	520	28	170.25	4.767		
6	File cabinets	520	7	154	1,078		
7	Coatracks	520	14	50	700		
8	Dictating and transcribing units	520	7	990	6,930		
9	Portable Dictating units	520	7	450	3,150		
10	Secretarial desks	520	9	220	1,980		
11	Secretarial chairs	520	9	45	405		
12	Typewriter	520	9	533.44	4,801		
13	File cabinets	520	9	110	990		

02-1022

(cont'd next page)

28

FY 73

EXPLANATION: Equipment List continued

14 Calculator
15 Testing and repair tools

		code	
AGENCY	CATEGORY	VI	Admin. of Justice
	PROGRAM	"	Judicial System
DIVISION	SUBPROGRAM		Judicial Services
	ELEMENT	"	Adjudication
	SUBELEMENT		

520	1	550	550
520	1	2,576	2,576

M E M O R A N D U M

TO: George H. Hohman
Chairman
House Finance Committee

DATE: April 18, 1972

FROM: J. H. Hogan
Fiscal Analyst
House Finance Committee

SUBJ: HB 480
Fiscal Impact

In our memorandum of December 15, 1971, directed to all agencies, we presented instructions for the compilation of fiscal notes. The memorandum called for estimates of state expenditures, numbers of permanent positions, man-months of effort required, etc., including all specific assumptions upon which the fiscal detail was based. The problem of this bill is that we have in our files none of this information - no "fiscal note" - because the bill has never been referred to the Finance Committee.

A quick review of the bill indicates increased cost to the state requiring additional appropriations to the Judiciary in the following areas:

1. Section 351 provides for the expansion of the Alaska Court System into an activity not previously engaged in (Office of Administrative Adjudication). This provision means that, at least, shifting of responsibility will occur between certain administrative agencies and the Alaska Court System. Such shifting will have definite fiscal impact upon any agency now conducting hearings of the nature referred to in the bill.

2. Section 352 provides for the appointment of a presiding officer to direct and control the Office of Administrative Adjudication. The salary, office space, and support costs of such a position represent fiscal impact.

3. Section 353 provides for a staff of hearing officers to work under the direction of the presiding officer. Presumably, these hearing officers will be located strategically throughout the state, each requiring office space, salary and other support costs.

4. Section 354 provides that the Office of Administrative Adjudication "shall maintain a staff of technical and clerical personnel as is necessary to carry out the duties of the office". Again, there are clearly fiscal implications. Furthermore, this section directs that the office "shall study the subject of administrative law and procedure in all its aspects; submit its suggestions to the various agencies in the interest of fairness, uniformity and expedition of business; and report its recommendations to the governor and legislature at the beginning of each session". What are the costs of studying administrative law, submitting suggestions to agencies, and reporting recommendations to the governor and legislature? Based on a statement made by the court system during a budget hearing, that the preparation of the courts' budget request cost $50,000, we can assume that the activities enumerated above will not be free.

5. Finally, Section 410 provides that hearings will be held at various central locations throughout the state. Either the office will have to staff regional offices throughout the state or dispatch hearing officers and support staff to such areas for each hearing. In either event, there will be costs. But, again, we do not know how much.

RECORDS CERTIFICATION

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

James O. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

"An Act establishing the Office of Administrative Adjudication."

Committee Report

HOUSE OF REPRESENTATIVES

2/17/7

6-9-72
Date

Mr. Speaker

The Committee on FINANCE has had CSHB 480 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
- [x] reports it back without recommendation
- [ ] (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

Alaska Court System

State of Alaska

DIRECTOR PERSONNEL-PURCHASING
CLARENCE W. ERICKSON

OFFICE OF ADMINISTRATIVE DIRECTOR

941 FOURTH AVENUE
ANCHORAGE, ALASKA
99501

June 7, 1972

Mr. Glen K. Vernon
Finance Division
Pouch WF - State Capitol
Juneau, Alaska 99801

Ref: CSHB 480

Dear Mr. Vernon:

We have discussed CSHB 480 with Representative Mike Rose, as of this date, and we are further reducing our financial note of May 30, with the understanding that after a reasonable trial period, in which we could analyze operating expenses properly, we factually could request supplemental assistance in FY 72-73 if required.

We offer a revised note on minimum costs required for CSHB 480 as follows:

ANCHORAGE OFFICE LOCATION

Presiding Officer	24	33,951
Two Hearing Officers	22	57,958
1 Secretary	12	13,453
1 Secretary	10	11,768
Transcribing (part time)		3,000
Travel		15,000
Contractual		6,500
Commodities		2,000
Hearing Room Equipment		3,000
Sec. 44.62.353 Item D		6,000
		151,730

In the spirit of the State of Alaska providing a more expeditious method of handling hearing applications we are initially absorbing costs within the FY 72-73 Budget of the Alaska Court System to effect part of the reductions above. The absorbing areas specifically are as follows:

1. Accounting procedures.
2. Transcribing requirements above the part time allocation.
3. Recording technician for maintenance of equipment.

In the funding requirements needed to implement CSHB 480, it is our understanding that further savings can be effected through duplicative requests for hearing officers made by other agencies. The Alaska Transportation Commission and the Governor's Office are two in question, possibly there are others. Analysis and transfer of funding FY 72-73 duplicative requests from other agencies in support of CSHB 480 would probably reduce new funding needs below $100,000.

If we can be of any further assistance please call on us.

Sincerely,

C. W. Erickson

CWE:pk

cc: Representative Mike Rose

CSHB 480
Fiscal Note

Alaska Court System

State of Alaska

DIRECTOR PERSONNEL-PURCHASING
CLARENCE W. ERICKSON

OFFICE OF ADMINISTRATIVE DIRECTOR

941 FOURTH AVENUE
ANCHORAGE, ALASKA
99501

30 May 1972

Glen K. Vernon
Finance Division
Pouch WF - State Capitol
Juneau, Alaska, 99801

Ref; Tel. Conversation
5/30/72 - CSHB480.

Dear Mr. Vernon:

Following is a resume of the reduced amount submitted for DSHB480. It is the feeling of this office that the sum of $252,000. is the minimum amount required to implement the intent of CSHB480. The only reduction which could be effected beyond this would be the position of Electrical Technician if it develops that his work for Alaska Court System could also include work for the adjudication officers:

1 Director	26C	$36,533
1 Hearing officer	24C	33,051
2 Hearing officers	22C	57,958
1 Secretary	12C	13,453
1 Secretary	10C	11,768
1 Accountant	14C	15,925
1 Electrical Technician	16C	20,011
1 Transcriber, Permanent Part Time		6,150
Travel		25,000
Contractual		6,500
Commodities		2,000
Testing & Repair Equipment		2,576
Hearing Room Equipment		6 000
		$236,925
Section 44.62.353 Item D Contractual Service of Hearing Officer Director		15,000
		$251,925

Ref, Tel. Conversation
5/30/72
CSHB480

If the above description and allocation of expenditures to implement this bill can be changed to any great degree, we can submit a financial note to meet whatever circumstances are required, but it is essential that the area of responsibility and the work load be suffciently enumerated with the amount.

If we can be of any further assistance please call on us.

Thank you.

Sincerely yours,

C. W. Erickson
Director Purchasing and Personnel

CWE/hmt

Original sponsor: Rose

Offered: 3/29/72
Referred: Judiciary

IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 480

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing the Office of Administrative Adjudication."

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

* Section 1. AS 44.62 is amended by adding new sections to read:

Sec. 44.62.351. OFFICE OF ADMINISTRATIVE ADJUDICATION. There is created the Office of Administrative Adjudication in the Alaska court system.

Sec. 44.62.352. PRESIDING OFFICER. (a) The Office of Administrative Adjudication is under the direction and control of an executive officer who shall be known as the presiding officer.

(b) The presiding officer shall have the same qualifications as a hearing officer and shall be appointed for a term of six years by the governor from two or more nominations submitted by the Judicial Council. The presiding officer is removable before the end of his term only for good cause.

Sec. 44.62.353. HEARING OFFICERS. (a) The presiding officer shall appoint and maintain a staff of hearing officers qualified under this section which is sufficient to fill the needs of the various state agencies.

(b) A hearing officer shall have been admitted to the practice of law for at least two years immediately before his employment, shall be otherwise qualified by reason of background and experience and shall meet the qualifications established by the court system.

(c) The presiding officer shall assign a hearing officer for any

administrative adjudicatory proceeding arising under state law. A hearing officer so assigned is considered an employee of the office and not of the agency providing the hearing. When not engaged in hearing cases, hearing officers may be assigned by the presiding officer to perform other duties of the office including those under sec. 354 of this chapter.

(d) The office may contract for the services of a hearing officer when a staff member is not otherwise available or qualified to conduct a proceeding.

Sec. 44.62.354. DUTIES OF OFFICE. All hearings of state agencies, boards, commissions, and officers required to be conducted under this chapter shall be conducted by hearing officers on the staff of the office. However, the services of the office are not limited to those agencies set out in sec. 330 of this chapter, and shall be used by all state agencies. The office shall maintain a staff of technical and clerical personnel as is necessary to carry out the duties of the office. The office shall study the subject of administrative law and procedure in all its aspects; submit its suggestions to the various agencies in the interest of fairness, uniformity and the expedition of business; and report its recommendations to the governor and legislature at the beginning of each session. The office shall compile and publish significant administrative law decisions. All departments, agencies, officers and employees of the state shall give the office ready access to their records and full information and reasonable assistance in any matter of research requiring recourse to them or to data within their knowledge or control.

* Sec. 2. AS 44.62.410 is amended to read:

Sec. 44.62.410. TIME AND PLACE OF HEARING. The agency <u>shall consult the office and all parties in interest, and, subject to the</u>

availability of the office's staff, shall determine the time and place of hearing. The hearing shall be held in the most convenient location with due regard [JUNEAU OR KETCHIKAN, WHICHEVER IS CLOSER] to the place where the matter arises and to the residence of the parties, [TRANSACTION OCCURRED OR WHERE THE RESPONDENT RESIDES, IF THE TRANSACTION OCCURRED IN OR THE RESPONDENT RESIDES IN THE SOUTHEASTERN SENATE DISTRICT; IN ANCHORAGE IF THE TRANSACTION OCCURRED OR THE RESPONDENT RESIDES WITHIN THE SOUTH CENTRAL SENATE DISTRICT; IN FAIRBANKS OR NOME, WHICHEVER IS CLOSER TO THE PLACE WHERE THE TRANSACTION OCCURRED OR WHERE THE RESPONDENT RESIDES, IF THE TRANSACTION OCCURRED IN OR THE RESPONDENT RESIDES IN THE CENTRAL OR NORTHWESTERN SENATE DISTRICTS. THE AGENCY MAY, IF THE TRANSACTION OCCURRED IN A SENATE DISTRICT OTHER THAN THAT OF RESPONDENT'S RESIDENCE, SELECT THE PLACE OF HEARING APPROPRIATE FOR EITHER DISTRICT. THE AGENCY MAY SELECT A DIFFERENT PLACE NEARER THE PLACE WHERE THE TRANSACTION OCCURRED OR WHERE THE RESPONDENT RESIDES,] or the parties by agreement may select any place in the state, subject to approval by the office.

* Sec. 3. AS 44.62.430(a) is amended to read:

(a) Before the hearing begins the agency or the assigned hearing officer shall issue subpoenas and subpoenas duces tecum at the request of a party in accordance with the rules of civil procedure. After the hearing begins the agency hearing a case or a hearing officer sitting alone may issue subpoenas and subpoenas duces tecum.

* Sec. 4. AS 44.62.430(b) is amended to read:

(b) A subpoena issued under (a) of this section extends to all parts of the state and shall be served in accordance with the rules of civil procedure. No witness is obliged to attend at a place out of the election district in which he resides unless the distance is less than 100 miles from his place of residence, except that the agency or the

assigned hearing officer, upon affidavit of a party showing that the testimony of the witness is material and necessary, may endorse on the subpoena an order requiring the attendance of the witness.

* Sec. 5. AS 44.62.500(c) is amended to read:

(c) If the proposed decision is not adopted as provided in (b) of this section, the agency shall state in writing its reasons for not adopting the decision, and a final decision, including findings of fact and conclusions of law, shall be separately stated. Findings of fact, if set out in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings. If the agency determines that additional evidence is necessary, the agency may refer the matter to the office for assignment to the same or to another hearing officer to take additional evidence. [IF THE PROPOSED DECISION IS NOT ADOPTED AS PROVIDED IN (b) OF THIS SECTION THE AGENCY MAY DECIDE THE CASE UPON THE RECORD, INCLUDING THE TRANSCRIPT, WITH OR WITHOUT TAKING ADDITIONAL EVIDENCE, OR MAY REFER THE CASE TO THE SAME OR ANOTHER HEARING OFFICER TO TAKE ADDITIONAL EVIDENCE.] If the case is so assigned to a hearing officer he shall prepare a proposed decision as provided in (b) of this section upon the additional evidence and the transcript and other papers which are part of the record of the earlier hearing. A copy of the proposed decision shall be furnished to each party and his attorney as prescribed by (b) of this section. The agency may not decide a case provided for in this subsection without giving the parties the opportunity to present either oral or written argument before the agency. [IF ADDITIONAL ORAL EVIDENCE IS INTRODUCED BEFORE THE AGENCY, NO AGENCY MEMBER MAY VOTE UNLESS HE HAS HEARD THE ADDITIONAL ORAL EVIDENCE.]

* Sec. 6. AS 44.62 is amended by adding a new section to read:

Sec. 44.62.515. DECISION TIME LIMITS. (a) The hearing officer

shall render a proposed decision in a case which he hears within 90 days from the conclusion of the hearings on the case or the submission of briefs or memoranda, whichever occurs later.

(b) No salary warrant may be issued to a hearing officer until he has filed with the state officer designated to issue salary warrants, an affidavit that no matter referred to him has been pending for more than 90 days from the time of the closing of the record on the matter, including the submission of motions, memoranda or briefs.

(c) A proposed decision of the hearing officer, upon which no action is taken by the agency within 30 days from the receipt of that decision, is the final decision of the agency.

* Sec. 7. AS 44.62.590(a) is amended to read:

(a) In a proceeding before an agency, the agency <u>or the assigned hearing officer</u> shall certify the facts to the superior court in the judicial district where the proceeding is held if a person in the proceeding

(1) disobeys or resists a lawful order;

(2) refuses to respond to a subpoena;

(3) refuses to take oath or affirmation as a witness;

(4) refuses to be examined; or

(5) is guilty of misconduct at a hearing or so near the hearing as to obstruct the proceeding.

* Sec. 8. AS 44.62.640(b)(3) is amended to read:

(3) "hearing officer" means a hearing officer qualified under sec. <u>353</u> [350] of this chapter;

* Sec. 9. AS 44.62.640(b) is amended by adding a new paragraph to read:

(6) "office" means the Office of Administrative Adjudication.

* Sec. 10. AS 44.62.350 is repealed.

IN THE HOUSE BY ROSE

HOUSE BILL NO. 480

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing the Office of Administrative Adjudication."

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

* Section 1. AS 44.62 is amended by adding new sections to read:

Sec. 44.62.351. OFFICE OF ADMINISTRATIVE ADJUDICATION. There is created the Office of Administrative Adjudication in the Alaska court system.

Sec. 44.62.352. PRESIDING OFFICER. (a) The Office of Administrative Adjudication is under the direction and control of an executive officer who shall be known as the presiding officer.

(b) The presiding officer shall have the same qualifications as a hearing officer and shall be appointed by the governor from two or more nominations submitted by the Judicial Council.

Sec. 44.62.353. HEARING OFFICERS. (a) The presiding officer shall appoint and maintain a staff of hearing officers qualified under this section which is sufficient to fill the needs of the various state agencies.

(b) A hearing officer shall have been admitted to the practice of law for at least two years immediately before his employment.

(c) The presiding officer shall assign a hearing officer for any proceeding arising under secs. 330 - 630 of this chapter and upon request from any agency may assign a hearing officer to conduct other administrative proceedings not arising under those sections. A hearing officer so assigned is considered an employee of the office and not of

the agency to which he is assigned. When not engaged in hearing cases, hearing officers may be assigned by the presiding officer to perform other duties of the office including those under sec. 354 of this chapter.

Sec. 44.62.354. DUTIES OF OFFICE. All hearings of state agencies, boards, commissions, and officers required to be conducted under this chapter shall be conducted by hearing officers on the staff of the office. The office shall maintain a staff of technical and clerical personnel as is necessary to carry out the duties of the office. The office shall study the subject of administrative law and procedure in all its aspects; submit its suggestions to the various agencies in the interest of fairness, uniformity and the expedition of business; and report its recommendations to the governor and legislature at the beginning of each session. All departments, agencies, officers and employees of the state shall give the office ready access to their records and full information and reasonable assistance in any matter of research requiring recourse to them or to data within their knowledge or control.

* Sec. 2. AS 44.62.410 is amended to read:

Sec. 44.62.410. TIME AND PLACE OF HEARING. The agency <u>shall consult the office, and, subject to the availability of the office's staff,</u> shall determine the time and place of hearing. The hearing shall be held in Juneau or Ketchikan, whichever is closer to the place where the transaction occurred or where the respondent resides, if the transaction occurred in or the respondent resides in the Southeastern Senate District; in Anchorage if the transaction occurred or the respondent resides within the South Central Senate District; in Fairbanks or Nome, whichever is closer to the place where the transaction occurred or where the respondent resides, if the transaction occurred in or the respondent

resides in the Central or Northwestern Senate Districts. The agency may, if the transaction occurred in a senate district other than that of respondent's residence, select the place of hearing appropriate for either district. The agency may select a different place nearer the place where the transaction occurred or where the respondent resides, or the parties by agreement may select any place in the state.

* Sec. 3. AS 44.62.430(a) is amended to read:

(a) Before the hearing begins the agency <u>or the assigned hearing officer</u> shall issue subpoenas and subpoenas duces tecum at the request of a party in accordance with the rules of civil procedure. After the hearing begins the agency hearing a case or a hearing officer sitting alone may issue subpoenas and subpoenas duces tecum.

* Sec. 4. AS 44.62.430(b) is amended to read:

(b) A subpoena issued under (a) of this section extends to all parts of the state and shall be served in accordance with the rules of civil procedure. No witness is obliged to attend at a place out of the election district in which he resides unless the distance is less than 100 miles from his place of residence, except that the agency <u>or the assigned hearing officer</u>, upon affidavit of a party showing that the testimony of the witness is material and necessary, may endorse on the subpoena an order requiring the attendance of the witness.

* Sec. 5. AS 44.62.500(c) is amended to read:

(c) If the proposed decision is not adopted as provided in (b) of this section the agency may decide the case upon the record, including the transcript, with or without taking additional evidence, or may refer the case to the same or another hearing officer to take additional evidence. <u>If the proposed decision is not adopted, the agency shall state in writing its reasons for not adopting the decision.</u> If the case is so assigned to a hearing officer he shall prepare a proposed

decision as provided in (b) of this section upon the additional evidence and the transcript and other papers which are part of the record of the earlier hearing. A copy of the proposed decision shall be furnished to each party and his attorney as prescribed by (b) of this section. The agency may not decide a case provided for in this subsection without giving the parties the opportunity to present either oral or written argument before the agency. If additional oral evidence is introduced before the agency, no agency member may vote unless he has heard the additional oral evidence.

* Sec. 6. AS 44.62 is amended by adding a new section to read:

Sec. 44.62.515. DECISION TIME LIMITS. (a) The hearing officer shall render a decision in a case which he hears within 90 days of the conclusion of the hearings on the case.

(b) If an agency takes no action on a hearing officer's decision within 30 days of the rendering of that decision, it is the final decision of the agency.

* Sec. 7. AS 44.62.590(a) is amended to read:

(a) In a proceeding before an agency, the agency <u>or the assigned hearing officer</u> shall certify the facts to the superior court in the judicial district where the proceeding is held if a person in the proceeding

(1) disobeys or resists a lawful order;

(2) refuses to respond to a subpoena;

(3) refuses to take oath or affirmation as a witness;

(4) refuses to be examined; or

(5) is guilty of misconduct at a hearing or so near the hearing as to obstruct the proceeding.

* Sec. 8. AS 44.62.640(b)(3) is amended to read:

(3) "hearing officer" means a hearing officer qualified

under sec. 353 [350] of this chapter;

* Sec. 9. AS 44.62.640(b) is amended by adding a new paragraph to read:

(6) "office" means the Office of Administrative Adjudication.

* Sec. 10. AS 44.62.350 is repealed.

RECORDS CERTIFICATION

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

James O. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

"An Act creating the Alaska Regional Corporation Organizational Loan Fund."

Committee Report

HOUSE OF REPRESENTATIVES

4/12/72

4/12/72
Date

Mr. Speaker

The Committee on [illegible] has had [illegible] 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)

/X/ recommends it be replaced with CS for [illegible] and that CS for [illegible] do pass

/_/ (and) recommends it be referred to the _____ committee

/_/ reports it back without recommendation

/_/ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]		

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[illegible]
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE By _____

To: _____ HOUSE BILL NO. _____

_____ SENATE BILL NO. _____

AMENDMENT: Page _____ Line _____

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: 4/25/72

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

Bill No.	Title
HB 499	

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.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

April 19, 1972

M E M O R A N D U M

TO: Representative Hohman

FROM: Hayden Kaden, Legislative Counsel H.K.

SUBJECT: CSHB 499, an Act providing for loans to Alaska Regional Corporations.

In putting the final draft of the Finance Committee Substitute into proper form, I inadvertently included the words "association or" on line 20 of page 1 of the bill. The words "association or" were not in the draft of the Finance Committee Substitute sent to me. I hope that you can take proper action to have this error corrected.

HK:ic

to: Tom

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

April 14, 1972

J. H. Hogan
House Finance Committee
State Capitol
Juneau, Alaska 99801

Re: CS for HB 499; "An Act providing for loans to Alaska Regional Corporations."

Dear Mr. Hogan:

We would like to make the following observations concerning your request for an opinion on the assignment of funds as it relates to this proposed bill:

1. Following the oral discussions with members of the House Finance Committee and yourself concerning this bill, we once again contacted the staff of the Solicitor of the U. S. Department of Interior concerning the question of assignment of the federal funds to be appropriated to the native corporations. Mr. Charles Soller of that staff indicated orally that he saw no problems for a corporation to assign those funds as long as the assignment conformed to the guidelines established by the Secretary of Interior. Those guidelines require a ceiling authorization in the articles of incorporation. In addition, those guidelines limit the committing of funds to a period of one year. Funds may be committed beyond a one year period only with the approval of the Secretary.

We have yet to receive any written confirmation of Mr. Soller's opinion on this matter, and his comments and the guidelines are addressed only to the problem of assignment of funds once the corporation has been organized. No opinion at all was given on the matter of whether there could be a valid assignment of funds before the corporation was formed.

2. There is serious doubt that there could be a valid assignment on behalf of the corporations before the corporations are actually formed. This probably cannot now be done under the state's present corporation law.

3. The corporations can probably validly assign only those funds which they are not legally required to distribute to the village corporations or to the shareholders.

Like the comments of Commissioner Wohlforth, this response does not indicate administration approval or disapproval of this bill.

Very truly yours,

JOHN E. HAVELOCK
ATTORNEY GENERAL

JEH:gb

cc: The Honorable William A. Egan
Governor

The Honorable Eric E. Wohlforth
Commissioner of Revenue

Charles Soller, Assistant Solicitor
Department of the Interior

02-0018

STATE
of ALASKA

MEMORANDUM

TO: The Honorable J. H. Hogan
House Finance Committee
State Capitol
Juneau, Alaska 99801

DATE: April 13, 1972

FROM: Eric E. Wohlforth
Commissioner
Department of Revenue

SUBJECT: CS for HB 499; "An act providing for loans to Alaska Regional Corporations."

Responding to your request for a fiscal note on CSHB 499 this department, as stated in my letter on the same subject dated April 11, 1972, has no information to indicate what the loan volume might be.

At this time we do not anticipate that enactment of the bill would create additional administrative expense for this department.

EEW/llh

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S — JUNEAU 99801

April 11, 1972

The Honorable J.H. Hogan
House Finance Committee
State Capitol
Juneau, Alaska 99801

Re: CS for HB 499; "An act providing for loans to Alaska Regional Corporations."

Dear Mr. Hogan:

With respect for your request for comments on the above bill we call your attention to the following:

1. The bill provides for a maximum total loans which "...may not exceed the amount the regional corporation is eligible to receive from the $12,500,000 authorized for appropriation under Sec. 6(a)(1)(A), PL 92-203. Page 2, lines 7 to 11 as you know, under Sec. 7(j) of the Claims Act 10% of all corporate funds received by the 12 regional corporations and all net income shall be distributed among the stockholders of the 12 regional corporations. In addition, with respect to the $12,500,000 initial appropriation, 45% shall be distributed among the village corporations in the region. From the initial $12,500,000 appropriation 45% or $5,625,000 will be initially available to the 12 regional corporations. This is the figure contained in the original bill, line 21, page 1. It would seem appropriate that this figure be used as the maximum loan amount since the regional corporations will not have available any more than $5,625,000 from the first $12,500,000 appropriation it will receive. I have no information to indicate, however, whether either figure is an appropriate maximum loan amount.

2. The declaration of purpose, page 1, lines 11 to 15 states that it is the purpose of this chapter "...to make loans available to promote and facilitate the creation, organization and operation by the 12 existing regional Alaska native associations of the 12 regional corporations required under Sec. 7 of the Alaska Native Claims Settlement Act, PL 92-203...". Lines 24 through 28 of page 1, however, indicate that a loan shall be made to the regional corporation for the purpose of organizing and operating a regional corporation.

There is an apparent inconsistency as to whether these are to be pre-incorporation loans or loans only permitted to be made to regional corporations once established under the laws of the State of Alaska. If the loans are pre-incorporation loans only, the maximum amount permitted would seem too high.

3. Page 2, lines 15 to 17 provide for a maximum five year term and lines 17 through 21 provide that "repayment of loans shall be made on an annual basis with repayment commencing no later than 90 days after receipt of the funds authorized to be appropriated from the Alaska Native Fund of the regional corporation. . .". If the purpose of the Act is to put the regional corporations in funds prior to the initial federal appropriation I question whether such repayments should not therefore be required immediately upon receipt of the federal appropriation. Again this raises the question of the appropriate maximum loan amount; certainly loans to be repaid on receipt of federal funds would in all likelihood be not equal to the amount of the federal funds appropriated.

4. To the extent the enrollment shows a difference in natives residing within the areas of regional corporations from that indicated by the 1970 census enumeration, there will undoubtedly be disparities in amounts lent to native associations or corporations. A matter such as this could be handled by a loan agreement between the Department and the regional associations or corporations. A loan agreement could also handle problems which might arise if regional corporations merge, as permitted under the Claims Settlement Act. I feel that it might be desirable to include specific permission in the legislation to enter into loan agreements.

5. I question the interest rate limitation of 5.9% derives from. If it relates to the yield to maturity of the North Slope Account, the comparison would only be valid if the loans were properly secured and indeed marketable.

6. I defer to the Attorney General the legal question of whether there may be an assignment of the initial appropriation to be received by the regional corporations.

Please understand that this response does not indicate administration approval or disapproval of this bill.

Very truly yours,

Eric E. Wohlforth

Eric E. Wohlforth
Commissioner

cc: Governor William A. Egan
Attorney General John E. Havelock

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S — JUNEAU 99801

April 11, 1972

The Honorable J. H. Hogan
House Finance Committee
State Capitol
Juneau, Alaska 99801

Re: CS for HB 499; "An act providing for loans to Alaska Regional Corporations."

Dear Mr. Hogan:

With respect for your request for comments on the above bill we call your attention to the following:

1. The bill provides for a maximum total loans which "...may not exceed the amount the regional corporation is eligible to receive from the $12,500,000 authorized for appropriation under Sec. 6(a)(1)(A), PL 92-203. Page 2, lines 7 to 11 as you know, under Sec. 7(j) of the Claims Act 10% of all corporate funds received by the 12 regional corporations and all net income shall be distributed among the stockholders of the 12 regional corporations. In addition, with respect to the $12,500,000 initial appropriation, 45% shall be distributed among the village corporations in the region. From the initial $12,500,000 appropriation 45% or $5,625,000 will be initially available to the 12 regional corporations. This is the figure contained in the original bill, line 21, page 1. It would seem appropriate that this figure be used as the maximum loan amount since the regional corporations will not have available any more than $5,625,000 from the first $12,500,000 appropriation it will receive. I have no information to indicate, however, whether either figure is an appropriate maximum loan amount.

2. The declaration of purpose, page 1, lines 11 to 15 states that it is the purpose of this chapter "...to make loans available to promote and facilitate the creation, organization and operation by the 12 existing regional Alaska native associations of the 12 regional corporations required under Sec. 7 of the Alaska Native Claims Settlement Act, PL 92-203...". Lines 24 through 28 of page 1, however, indicate that a loan shall be made to the regional corporation for the purpose of organizing and operating a regional corporation.

There is an apparent inconsistency as to whether these are to be pre-incorporation loans or loans only permitted to be made to regional corporations once established under the laws of the State of Alaska. If the loans are pre-incorporation loans only, the maximum amount permitted would seem too high.

3. Page 2, lines 15 to 17 provide for a maximum five year term and lines 17 through 21 provide that "repayment of loans shall be made on an annual basis with repayment commencing no later than 90 days after receipt of the funds authorized to be appropriated from the Alaska Native Fund of the regional corporation...". If the purpose of the Act is to put the regional corporations in funds prior to the initial federal appropriation I question whether such repayments should not therefore be required immediately upon receipt of the federal appropriation. Again this raises the question of the appropriate maximum loan amount; certainly loans to be repaid on receipt of federal funds would in all likelihood be not equal to the amount of the federal funds appropriated.

4. To the extent the enrollment shows a difference in natives residing within the areas of regional corporations from that indicated by the 1970 census enumeration, there will undoubtedly be disparities in amounts lent to native associations or corporations. A matter such as this could be handled by a loan agreement between the Department and the regional associations or corporations. A loan agreement could also handle problems which might arise if regional corporations merge, as permitted under the Claims Settlement Act. I feel that it might be desirable to include specific permission in the legislation to enter into loan agreements.

5. I question the interest rate limitation of 5.9% derives from. If it relates to the yield to maturity of the North Slope Account, the comparison would only be valid if the loans were properly secured and indeed marketable.

6. I defer to the Attorney General the legal question of whether there may be an assignment of the initial appropriation to be received by the regional corporations.

Please understand that this response does not indicate administration approval or disapproval of this bill.

Very truly yours,

Eric E. Wohlforth

Eric E. Wohlforth
Commissioner

cc: Governor William A. Egan
Attorney General John E. Havelock

TANANA CHIEFS CONFERENCE

Board Resolution 72-43

Whereas, the Tanana Chiefs Conference is creating and organizing a regional corporation, and

Whereas, the need for funds to serve this purpose is great and urgent, and

Whereas, House Bill 499 has been introduced which would create the Alaska Regional Corporation Organizing Loan Fund allowing the Local Affairs Agency to make loans to run not longer than three years and not to exceed an interest rate of four percent.

BE IT RESOLVED, by the Tanana Chiefs Conference assembled. Tanana Chiefs Conference supports and urges prompt passage of House Bill 499.

Adopted March 31, 1972

Lucy Ann Carlo

Lucy Carlo, Secretary

John Sackett

John Sackett, President

Introduced: 1/13/72
Referred: State Affairs
and Finance

IN THE HOUSE BY HOHMAN AND FISCHER

HOUSE BILL NO. 499

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act creating the Alaska Regional Corporation Organizational Loan Fund."

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

* Section 1. AS 44.19 is amended by adding new sections to read:

Sec. 44.19.341. DECLARATION OF PURPOSE. It is the purpose of secs. 341 - 348 of this chapter to make available low interest loans to promote and facilitate the creation and organization by the 12 existing regional Alaska Native associations of the 12 regional corporations required to be organized under sec. 7 of the Alaska Native Claims Settlement Act, P.L. 92-203, and the creation of which is a condition precedent to the receipt of the initial money payment from the Alaska Native Fund under sec. 6, P.L. 92-203.

Sec. 44.19.342. ALASKA REGIONAL CORPORATION ORGANIZATIONAL LOAN FUND CREATED. There is created the Alaska regional corporation organizational loan fund in the Local Affairs Agency, which may not exceed $5,625,000, to carry out the purposes of secs. 341 - 348 of this chapter.

Sec. 44.19.343. LOANS. Upon proper application by an existing regional Native association listed in sec. 7, P.L. 92-203, the agency shall make a loan to that association for the purpose of creating and organizing a regional corporation in order to qualify for the first fiscal year money available to regional corporations from the Alaska Native Fund under sec. 6, P.L. 92-203.

Sec. 44.19.344. DUTIES OF THE AGENCY. The Local Affairs Agency

shall

(1) administer the loan fund;

(2) adopt and enforce regulations necessary to carry out the purposes of secs. 341 - 348 of this chapter;

(3) oversee the use by the regional Native associations of money borrowed from the loan fund.

Sec. 44.19.345. LIMITATION ON LOANS. (a) The amount of an organizational loan provided for under secs. 341 - 348 of this chapter shall be determined by the agency but may not exceed the amount the regional Native association, if it was a regional corporation, is eligible to receive under sec. 6 (a)(1)(A), P.L. 92-203, during the fiscal year in which the Act takes effect. In determining that maximum amount, the agency shall use the 1970 census enumeration until the enrollment under sec. 5, P.L. 92-203, is completed.

(b) A loan may not run longer than three years nor bear a rate of interest that exceeds four per cent.

Sec. 44.19.346. REPAYMENT OF LOANS. Repayment of loans under secs. 341 - 348 of this chapter shall be on an annual basis and repayment shall commence no later than 90 days after receipt of the money authorized to be appropriated from the Alaska Native Fund to the regional corporation under sec. 6(a)(1)(A), P.L. 92-203.

Sec. 44.19.347. EXPIRATION OF LOAN FUND. Because the purposes for which the loan fund is created are limited, no loan may be made from the loan fund after five years from the effective date of secs. 341 - 348 of this chapter.

Sec. 44.19.348. DEFINITIONS. In secs. 341 - 348 of this chapter

(1) "agency" means the Local Affairs Agency;

(2) "loan fund" means the Alaska Regional Corporation Organizational Loan Fund.

BY HOHMAN AND FISCHER

~~Introduced: 1/13/72~~
~~Referred: State Affairs and Finance~~

IN THE HOUSE ~~BY HOHMAN AND FISCHER~~

C/S HOUSE BILL NO. 499

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for loans to ~~creating the~~ Alaska Regional Corporations."

~~Organizational Loan Fund."~~

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

* Section 1. AS 44.~~19~~25 is amended by adding new sections to read:

Sec. 44.~~19.341.~~25.030. DECLARATION OF PURPOSE. It is the purpose of secs. 341 - 348 of this chapter to make ~~available low interest~~ loans available to promote and facilitate the creation, and operation and organization by the 12 existing regional Alaska Native associations of the 12 regional corporations required ~~to be organized~~ under sec. 7 of the Alaska Native Claims Settlement Act, P.L. 92-203, ~~and~~ the creation of which is a condition precedent to the receipt of ~~the initial money~~ payments from the Alaska Native Fund. ~~under sec. 6, P.L. 92-203.~~

~~Sec. 44.19.342. ALASKA REGIONAL CORPORATION ORGANIZATIONAL LOAN FUND CREATED. There is created the Alaska regional corporation organizational loan fund in the Local Affairs Agency, which may not exceed $5,625,000, to carry out the purposes of secs. 341 - 348 of this chapter.~~

Sec. 44.~~19.343.~~25.032. LOANS. Upon proper application by an existing regional Native association or corporation listed in sec. 7, P.L. 92-203, the ~~agency~~ department of revenue shall make a loan to the regional corporation ~~that association~~ for the purpose of ~~creating and~~ organizing and operating a regional corporation. ~~in order to qualify for the first fiscal year money available to regional corporations from the Alaska Native Fund under sec. 6, P.L. 92-203.~~

~~Sec. 44.19.344. DUTIES OF THE AGENCY. The Local Affairs Agency~~

~~shall~~

~~(1) administer the loan fund;~~

~~(2) adopt and enforce regulations necessary to carry out the purposes of secs. 341 - 348 of this chapter;~~

~~(3) oversee the use by the regional Native associations of money borrowed from the loan fund.~~

Sec. 44.~~19.345.~~ 25.034. LIMITATION ON LOANS. (a) The amount of an organizational loan provided for under secs. ~~341 - 348~~ 030-038 of this chapter shall be determined by the ~~agency~~ department of revenue but may not exceed the amount the regional ~~Native association, if it was a regional~~ corporation is eligible to receive from the $12,500,000 authorized for appropriation under sec. 6 (a)(1)(A), P.L. 92-203. ~~during the fiscal year in which the Act takes effect.~~ In determining ~~that~~ maximum loan amounts, the ~~agency~~ department shall use the 1970 census enumeration until the enrollment under sec. 5, P.L. 92-203, is completed.

(b) A loan may not run longer than ~~three~~ five years nor bear a rate of interest that exceeds ~~four~~ 5.9 per cent.

Sec. 44.~~19.346.~~ 25.036 REPAYMENT OF LOANS. Repayment of loans under secs. ~~341 - 348~~ 030-038 of this chapter shall be on an annual basis ~~and~~ with repayment ~~shall commence~~ commencing no later than 90 days after receipt of ~~the money~~ funds authorized to be appropriated from the Alaska Native Fund to the regional corporation under sec. 6(a)(1)(A), P.L. 92-203.

Sec. 44.~~19.347.~~ 25.038. EXPIRATION OF LOAN ~~FUND.~~ PROGRAM. Because the purposes for which the loan ~~fund~~ program is created are limited, no loan may be made ~~from the loan fund~~ after five years from the effective date of secs. ~~341 - 348~~ 030-038 of this chapter. The program shall be inoperative ten years from the effective date of secs. 030-038.

~~Sec. 44.19.348. DEFINITIONS. In secs. 341 - 348 of this chapter:~~

~~(1) "agency" means the Local Affairs Agency;~~

~~(2) "loan fund" means the Alaska Regional Corporation Organizational Loan Fund.~~

Original sponsor: Hohman and Fischer

Offered: 4/13/72
Referred: Rules

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 499

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for loans to Alaska Regional Corporations."

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

* Section 1. AS 44.25 is amended by adding new sections to read:

Sec. 44.25.030. DECLARATION OF PURPOSE. It is the purpose of secs. 30 - 38 of this chapter to make loans available to promote and facilitate the creation, organization and operation by the 12 existing regional Alaska Native associations of the 12 regional corporations required under sec. 7 of the Alaska Native Claims Settlement Act, P.L. 92-203, the creation of which is a condition precedent to the receipt of payments from the Alaska Native Fund.

Sec. 44.25.032. LOANS. Upon proper application by an existing regional Native association or corporation listed in sec. 7, P.L. 92-203, the Department of Revenue shall make a loan to the regional association or corporation for the purpose of organizing ~~and~~ or operating a regional corporation.

Sec. 44.25.034. LIMITATION ON LOANS. (a) The amount of an organizational loan provided for under secs. 30 - 38 of this chapter shall be determined by the Department of Revenue but may not exceed $250,000 per region. ~~the amount the regional corporation is eligible to receive from the $12,500,000 authorized for appropriation under sec. 6(a)(1)(A), P.L. 92-203. In determining maximum loan amounts, the department shall use the 1970 census enumeration until the enrollment under sec. 5, P.L. 92-203, is completed.~~

(b) A loan may not run longer than five years nor bear a rate of interest that exceeds 5.9 per cent.

Sec. 44.25.036. REPAYMENT OF LOANS. Repayment of loans under secs. 30 - 38 of this chapter shall be on an annual basis with repayment commencing no later than 90 days after receipt of funds authorized to be appropriated from the Alaska Native Fund to the regional corporation under sec. 6(a)(1)(A), P.L. 92-203.

Sec. 44.25.038. EXPIRATION OF LOAN PROGRAM. Because the purposes for which the loan program is created are limited, no loan may be made after five years from the effective date of secs. 30 - 38 of this chapter. The program shall be inoperative 10 years from the effective date of secs. 30 - 38.

Original sponsor: Hohman and Fischer

Offered: 4/13/72
Referred: Rules

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 499

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for loans to Alaska Regional Corporations."

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Sec. 44.25.030. DECLARATION OF PURPOSE. It is the purpose of secs. 30 - 38 of this chapter to make loans available to promote and facilitate the creation, organization and operation by the 12 existing regional Alaska Native associations of the 12 regional corporations required under sec. 7 of the Alaska Native Claims Settlement Act, P.L. 92-203, the creation of which is a condition precedent to the receipt of payments from the Alaska Native Fund.

Sec. 44.25.032. LOANS. Upon proper application by an existing regional Native association or corporation listed in sec. 7, P.L. 92-203, the Department of Revenue shall make a loan to the regional association or corporation for the purpose of organizing and operating a regional corporation.

Sec. 44.25.034. LIMITATION ON LOANS. (a) The amount of an organizational loan provided for under secs. 30 - 38 of this chapter shall be determined by the Department of Revenue but may not exceed the amount the regional corporation is eligible to receive from the $12,500,000 authorized for appropriation under sec. 6(a)(1)(A), P.L. 92-203. In determining maximum loan amounts, the department shall use the 1970 census enumeration until the enrollment under sec. 5, P.L. 92-203, is completed.

(b) A loan may not run longer than five years nor bear a rate of interest that exceeds 5.9 per cent.

Sec. 44.25.036. REPAYMENT OF LOANS. Repayment of loans under secs. 30 - 38 of this chapter shall be on an annual basis with repayment commencing no later than 90 days after receipt of funds authorized to be appropriated from the Alaska Native Fund to the regional corporation under sec. 6(a)(1)(A), P.L. 92-203.

Sec. 44.25.038. EXPIRATION OF LOAN PROGRAM. Because the purposes for which the loan program is created are limited, no loan may be made after five years from the effective date of secs. 30 - 38 of this chapter. The program shall be inoperative 10 years from the effective date of secs. 30 - 38.

Original sponsor: Hohman and Fischer

Offered: 4/13/72
Referred: Rules

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 499

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for loans to Alaska Regional Corporations."

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

* Section 1. AS 44.25 is amended by adding new sections to read:

Sec. 44.25.030. DECLARATION OF PURPOSE. It is the purpose of secs. 30 - 38 of this chapter to make loans available to promote and facilitate the creation and organization by the 12 existing regional Alaska Native associations of the 12 regional corporations required under sec. 7 of the Alaska Native Claims Settlement Act, P.L. 92-203, the creation of which is a condition precedent to the receipt of payments from the Alaska Native Fund.

Sec. 44.25.032. LOANS. Upon proper application by an existing regional Native association or corporation listed in sec. 7, P.L. 92-203, the Department of Revenue shall make a loan to the regional association or corporation for the purpose of organizing or operating a regional corporation.

Sec. 44.25.034. LIMITATION ON LOANS. (a) The amount of an organizational loan provided for under secs. 30 - 38 of this chapter shall be determined by the Department of Revenue but may not exceed $250,000 per region.

(b) A loan may not run longer than five years nor bear a rate of interest that exceeds 5.9 per cent.

Sec. 44.25.036. REPAYMENT OF LOANS. Repayment of loans under secs. 30 - 38 of this chapter shall be on an annual basis with repay-

ment commencing no later than 90 days after receipt of funds authorized to be appropriated from the Alaska Native Fund to the regional corporation under sec. 6(a)(1)(A), P.L. 92-203.

Sec. 44.25.038. EXPIRATION OF LOAN PROGRAM. Because the purposes for which the loan program is created are limited, no loan may be made after five years from the effective date of secs. 30 - 38 of this chapter. The program shall be inoperative 10 years from the effective date of secs. 30 - 38.

Introduced: 1/13/72
Referred: State Affairs
and Finance

IN THE HOUSE BY HOHMAN AND FISCHER

HOUSE BILL NO. 499

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act creating the Alaska Regional Corporation Organizational Loan Fund."

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

* Section 1. AS 44.19 is amended by adding new sections to read:

Sec. 44.19.341. DECLARATION OF PURPOSE. It is the purpose of secs. 341 - 348 of this chapter to make available low interest loans to promote and facilitate the creation and organization by the 12 existing regional Alaska Native associations of the 12 regional corporations required to be organized under sec. 7 of the Alaska Native Claims Settlement Act, P.L. 92-203, and the creation of which is a condition precedent to the receipt of the initial money payment from the Alaska Native Fund under sec. 6, P.L. 92-203.

Sec. 44.19.342. ALASKA REGIONAL CORPORATION ORGANIZATIONAL LOAN FUND CREATED. There is created the Alaska regional corporation organizational loan fund in the Local Affairs Agency, which may not exceed $5,625,000, to carry out the purposes of secs. 341 - 348 of this chapter.

Sec. 44.19.343. LOANS. Upon proper application by an existing regional Native association listed in sec. 7, P.L. 92-203, the agency shall make a loan to that association for the purpose of creating and organizing a regional corporation in order to qualify for the first fiscal year money available to regional corporations from the Alaska Native Fund under sec. 6, P.L. 92-203.

Sec. 44.19.344. DUTIES OF THE AGENCY. The Local Affairs Agency

shall

(1) administer the loan fund;

(2) adopt and enforce regulations necessary to carry out the purposes of secs. 341 - 348 of this chapter;

(3) oversee the use by the regional Native associations of money borrowed from the loan fund.

Sec. 44.19.345. LIMITATION ON LOANS. (a) The amount of an organizational loan provided for under secs. 341 - 348 of this chapter shall be determined by the agency but may not exceed the amount the regional Native association, if it was a regional corporation, is eligible to receive under sec. 6 (a)(1)(A), P.L. 92-203, during the fiscal year in which the Act takes effect. In determining that maximum amount, the agency shall use the 1970 census enumeration until the enrollment under sec. 5, P.L. 92-203, is completed.

(b) A loan may not run longer than three years nor bear a rate of interest that exceeds four per cent.

Sec. 44.19.346. REPAYMENT OF LOANS. Repayment of loans under secs. 341 - 348 of this chapter shall be on an annual basis and repayment shall commence no later than 90 days after receipt of the money authorized to be appropriated from the Alaska Native Fund to the regional corporation under sec. 6(a)(1)(A), P.L. 92-203.

Sec. 44.19.347. EXPIRATION OF LOAN FUND. Because the purposes for which the loan fund is created are limited, no loan may be made from the loan fund after five years from the effective date of secs. 341 - 348 of this chapter.

Sec. 44.19.348. DEFINITIONS. In secs. 341 - 348 of this chapter

(1) "agency" means the Local Affairs Agency;

(2) "loan fund" means the Alaska Regional Corporation Organizational Loan Fund.

R/6

Original sponsor: Hohman and Fischer

Offered: 4/13/72
Referred: Rules

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 499

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for loans to Alaska Regional Corporations."

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

* Section 1. AS 44.25 is amended by adding new sections to read:

Sec. 44.25.030. DECLARATION OF PURPOSE. It is the purpose of secs. 30 - 38 of this chapter to make loans available to promote and facilitate the creation, organization and operation by the 12 existing regional Alaska Native associations of the 12 regional corporations required under sec. 7 of the Alaska Native Claims Settlement Act, P.L. 92-203, the creation of which is a condition precedent to the receipt of payments from the Alaska Native Fund.

Sec. 44.25.032. LOANS. Upon proper application by an existing regional Native association or corporation listed in sec. 7, P.L. 92-203, the Department of Revenue shall make a loan to the regional association or corporation for the purpose of organizing and operating a regional corporation.

Sec. 44.25.034. LIMITATION ON LOANS. (a) The amount of an organizational loan provided for under secs. 30 - 38 of this chapter shall be determined by the Department of Revenue but may not exceed the amount the regional corporation is eligible to receive from the $12,500,000 authorized for appropriation under sec. 6(a)(1)(A), P.L. 92-203. In determining maximum loan amounts, the department shall use the 1970 census enumeration until the enrollment under sec. 5, P.L. 92-203, is completed.

(b) A loan may not run longer than five years nor bear a rate of interest that exceeds 5.9 per cent.

Sec. 44.25.036. REPAYMENT OF LOANS. Repayment of loans under secs. 30 - 38 of this chapter shall be on an annual basis with repayment commencing no later than 90 days after receipt of funds authorized to be appropriated from the Alaska Native Fund to the regional corporation under sec. 6(a)(1)(A), P.L. 92-203.

Sec. 44.25.038. EXPIRATION OF LOAN PROGRAM. Because the purposes for which the loan program is created are limited, no loan may be made after five years from the effective date of secs. 30 - 38 of this chapter. The program shall be inoperative 10 years from the effective date of secs. 30 - 38.

"FINANCE COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 499

The Finance Committee Substitute for House Bill No. 499 makes several changes from the bill as originally introduced. Basically the attempt of the committee has been to simplify the procedure for loaning money to Alaska Regional Corporations established under the Native Claims Settlement Act. Significant changes are as follows:

(1) Creation of a special loan fund is deleted in favor of direct loans made by the Department of Revenue.

(2) Loans are to be provided to Regional Corporations as opposed to Associations and funds loaned may be used for operating as well as organizational purposes.

(3) The maximum appropriation authorized for the first year of the Native Claims Settlement Act ($12,500,000) is specifically included as the total loan limitation.

(4) Loans may run for a period of five as opposed to three years and bear interest at a rate not to exceed 5.9% as opposed to 4%.

George Hohman
Chairman"

RECORDS CERTIFICATION

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

James O. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

Committee Report

Rec'd: 4/24/72

S E N A T E

_____ Date

Mr. President:

The Committee on Finance has had CSHB 422 (Federal Loan 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:

Jim Anthony	Ric Emmons	
Earl Mary	Do Pass	

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Jim Anthony
CHAIRMAN

Original sponsor: Hohman and Fischer

Offered: 4/13/72
Referred: Rules

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 499

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 loans to Alaska Regional Corpo-
7 rations."

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

9 * Section 1. AS 44.25 is amended by adding new sections to read:

10 Sec. 44.25.030. DECLARATION OF PURPOSE. It is the purpose of
11 secs. 30 - 38 of this chapter to make loans available to promote and
12 facilitate the creation and organization by the 12 existing regional
13 Alaska Native associations of the 12 regional corporations required
14 under sec. 7 of the Alaska Native Claims Settlement Act, P.L. 92-203,
15 the creation of which is a condition precedent to the receipt of payments
16 from the Alaska Native Fund.

17 Sec. 44.25.032. LOANS. Upon proper application by an existing
18 regional Native association or corporation listed in sec. 7, P.L.
19 92-203, the Department of Revenue shall make a loan to the regional
20 association or corporation for the purpose of organizing or operating
21 a regional corporation.

22 Sec. 44.25.034. LIMITATION ON LOANS. (a) The amount of an
23 organizational loan provided for under secs. 30 - 38 of this chapter
24 shall be determined by the Department of Revenue but may not exceed
25 $250,000 per region.

26 (b) A loan may not run longer than five years nor bear a rate of
27 interest that exceeds 5.9 per cent.

28 Sec. 44.25.036. REPAYMENT OF LOANS. Repayment of loans under
29 secs. 30 - 38 of this chapter shall be on an annual basis with repay-

ment commencing no later than 90 days after receipt of funds authorized to be appropriated from the Alaska Native Fund to the regional corporation under sec. 6(a)(1)(A), P.L. 92-203.

Sec. 44.25.038. EXPIRATION OF LOAN PROGRAM. Because the purposes for which the loan program is created are limited, no loan may be made after five years from the effective date of secs. 30 - 38 of this chapter. The program shall be inoperative 10 years from the effective date of secs. 30 - 38.

Original sponsor: Hohman and Fischer

Offered: 4/13/72
Referred: Rules

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 499

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for loans to Alaska Regional Corporations."

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

* Section 1. AS 44.25 is amended by adding new sections to read:

Sec. 44.25.030. DECLARATION OF PURPOSE. It is the purpose of secs. 30 - 38 of this chapter to make loans available to promote and facilitate the creation, organization and operation by the 12 existing regional Alaska Native associations of the 12 regional corporations required under sec. 7 of the Alaska Native Claims Settlement Act, P.L. 92-203, the creation of which is a condition precedent to the receipt of payments from the Alaska Native Fund.

Sec. 44.25.032. LOANS. Upon proper application by an existing regional Native association or corporation listed in sec. 7, P.L. 92-203, the Department of Revenue shall make a loan to the regional association or corporation for the purpose of organizing and operating a regional corporation.

Sec. 44.25.034. LIMITATION ON LOANS. (a) The amount of an organizational loan provided for under secs. 30 - 38 of this chapter shall be determined by the Department of Revenue but may not exceed the amount the regional corporation is eligible to receive from the $12,500,000 authorized for appropriation under sec. 6(a)(1)(A), P.L. 92-203. In determining maximum loan amounts, the department shall use the 1970 census enumeration until the enrollment under sec. 5, P.L. 92-203, is completed.

(b) A loan may not run longer than five years nor bear a rate of interest that exceeds 5.9 per cent.

Sec. 44.25.036. REPAYMENT OF LOANS. Repayment of loans under secs. 30 - 38 of this chapter shall be on an annual basis with repayment commencing no later than 90 days after receipt of funds authorized to be appropriated from the Alaska Native Fund to the regional corporation under sec. 6(a)(1)(A), P.L. 92-203.

Sec. 44.25.038. EXPIRATION OF LOAN PROGRAM. Because the purposes for which the loan program is created are limited, no loan may be made after five years from the effective date of secs. 30 - 38 of this chapter. The program shall be inoperative 10 years from the effective date of secs. 30 - 38.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

April 14, 1972

J. H. Hogan
House Finance Committee
State Capitol
Juneau, Alaska 99801

Re: CS for HB 499; "An Act providing for loans to Alaska Regional Corporations."

Dear Mr. Hogan:

We would like to make the following observations concerning your request for an opinion on the assignment of funds as it relates to this proposed bill:

1. Following the oral discussions with members of the House Finance Committee and yourself concerning this bill, we once again contacted the staff of the Solicitor of the U. S. Department of Interior concerning the question of assignment of the federal funds to be appropriated to the native corporations. Mr. Charles Soller of that staff indicated orally that he saw no problems for a corporation to assign those funds as long as the assignment conformed to the guidelines established by the Secretary of Interior. Those guidelines require a ceiling authorization in the articles of incorporation. In addition, those guidelines limit the committing of funds to a period of one year. Funds may be committed beyond a one year period only with the approval of the Secretary.

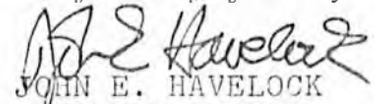
We have yet to receive any written confirmation of Mr. Soller's opinion on this matter, and his comments and the guidelines are addressed only to the problem of assignment of funds once the corporation has been organized. No opinion at all was given on the matter of whether there could be a valid assignment of funds before the corporation was formed.

2. There is serious doubt that there could be a valid assignment on behalf of the corporations before the corporations are actually formed. This probably cannot now be done under the state's present corporation law.

3. The corporations can probably validly assign only those funds which they are not legally required to distribute to the village corporations or to the shareholders.

Like the comments of Commissioner Wohlforth, this response does not indicate administration approval or disapproval of this bill.

Very truly yours,



JOHN E. HAVELOCK
ATTORNEY GENERAL

JEH:gb

cc: The Honorable William A. Egan
Governor

The Honorable Eric E. Wohlforth
Commissioner of Revenue

Charles Soller, Assistant Solicitor
Department of the Interior

STATE
of ALASKA

MEMORANDUM

TO: The Honorable J. H. Hogan
House Finance Committee
State Capitol
Juneau, Alaska 99801

DATE: April 13, 1972

FROM: Eric E. Wohlforth
Eric E. Wohlforth
Commissioner
Department of Revenue

SUBJECT: CS for HB 499; "An act providing for loans to Alaska Regional Corporations."

Responding to your request for a fiscal note on CSHB 499 this department, as stated in my letter on the same subject dated April 11, 1972, has no information to indicate what the loan volume might be.

At this time we do not anticipate that enactment of the bill would create additional administrative expense for this department.

EEW/llh

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S — JUNEAU 99801

April 11, 1972

The Honorable J.H. Hogan
House Finance Committee
State Capitol
Juneau, Alaska 99801

Re: CS for HB 499; "An act providing for loans to Alaska Regional Corporations."

Dear Mr. Hogan:

With respect for your request for comments on the above bill we call your attention to the following:

1. The bill provides for a maximum total loans which "...may not exceed the amount the regional corporation is eligible to receive from the $12,500,000 authorized for appropriation under Sec. 6(a)(1)(A), PL 92-203. Page 2, lines 7 to 11 as you know, under Sec. 7(j) of the Claims Act 10% of all corporate funds received by the 12 regional corporations and all net income shall be distributed among the stockholders of the 12 regional corporations. In addition, with respect to the $12,500,000 initial appropriation, 45% shall be distributed among the village corporations in the region. From the initial $12,500,000 appropriation 45% or $5,625,000 will be initially available to the 12 regional corporations. This is the figure contained in the original bill, line 21, page 1. It would seem appropriate that this figure be used as the maximum loan amount since the regional corporations will not have available any more than $5,625,000 from the first $12,500,000 appropriation it will receive. I have no information to indicate, however, whether either figure is an appropriate maximum loan amount.

2. The declaration of purpose, page 1, lines 11 to 15 states that it is the purpose of this chapter "...to make loans available to promote and facilitate the creation, organization and operation by the 12 existing regional Alaska native associations of the 12 regional corporations required under Sec. 7 of the Alaska Native Claims Settlement Act, PL 92-203...". Lines 24 through 28 of page 1, however, indicate that a loan shall be made to the regional corporation for the purpose of organizing and operating a regional corporation.

There is an apparent inconsistency as to whether these are to be pre-incorporation loans or loans only permitted to be made to regional corporations once established under the laws of the State of Alaska. If the loans are pre-incorporation loans only, the maximum amount permitted would seem too high.

3. Page 2, lines 15 to 17 provide for a maximum five year term and lines 17 through 21 provide that "repayment of loans shall be made on an annual basis with repayment commencing no later than 90 days after receipt of the funds authorized to be appropriated from the Alaska Native Fund of the regional corporation...". If the purpose of the Act is to put the regional corporations in funds prior to the initial federal appropriation I question whether such repayments should not therefore be required immediately upon receipt of the federal appropriation. Again this raises the question of the appropriate maximum loan amount; certainly loans to be repaid on receipt of federal funds would in all likelihood be not equal to the amount of the federal funds appropriated.

4. To the extent the enrollment shows a difference in natives residing within the areas of regional corporations from that indicated by the 1970 census enumeration, there will undoubtedly be disparities in amounts lent to native associations or corporations. A matter such as this could be handled by a loan agreement between the Department and the regional associations or corporations. A loan agreement could also handle problems which might arise if regional corporations merge, as permitted under the Claims Settlement Act. I feel that it might be desirable to include specific permission in the legislation to enter into loan agreements.

5. I question the interest rate limitation of 5.9% derives from. If it relates to the yield to maturity of the North Slope Account, the comparison would only be valid i the loans were properly secured and indeed marketable.

6. I defer to the Attorney General the legal question of whether there may be an assignment of the initial appropriation to be received by the regional corporations.

Please understand that this response does not indicate administration approval or disapproval of this bill.

Very truly yours,

Eric E. Wohlforth

Eric E. Wohlforth
Commissioner

cc: Governor William A. Egan
Attorney General John E. Havelock

Introduced: 1/13/72
Referred: State Affairs
and Finance

IN THE HOUSE BY HOHMAN AND FISCHER

HOUSE BILL NO. 499

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act creating the Alaska Regional Corporation Organizational Loan Fund."

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

44.25 * Section 1. AS 44.19 is amended by adding new sections to read:

Sec. 44.19.341. DECLARATION OF PURPOSE. It is the purpose of secs. 341 - 348 of this chapter to make available low interest loans to promote and facilitate the creation and organization by the 12 existing regional Alaska Native associations of the 12 regional corporations required to be organized under sec. 7 of the Alaska Native Claims Settlement Act, P.L. 92-203, [and the creation of which is a condition precedent to the receipt of the initial money payment from the Alaska Native Fund under sec. 6, P.L. 92-203.] deleted

Sec. 44.19.342. ALASKA REGIONAL CORPORATION ORGANIZATIONAL LOAN FUND CREATED. There is created the Alaska regional corporation organizational loan fund in the Local Affairs Agency, which may not [exceed $5,625,000, to] $250,000 per region carry out the purposes of secs. 341 - 348 of this chapter.

Sec. 44.19.343. LOANS. Upon proper application by an existing regional Native association or corporation listed in sec. 7, P.L. 92-203, the agency shall make a loan to that association for the purpose of creating and organizing a regional corporation in order to qualify for the first fiscal year money available to regional corporations from the Alaska Native Fund under sec. 6, P.L. 92-203. Add

[Sec. 44.19.344. DUTIES OF THE AGENCY. The Local Affairs Agency Delete

shall

(1) administer the loan fund;

Delete

(2) adopt and enforce regulations necessary to carry out the purposes of secs. 341 - 348 of this chapter;

(3) oversee the use by the regional Native associations of money borrowed from the loan fund.

Sec. 44.19.345. LIMITATION ON LOANS. (a) The amount of an organizational loan provided for under secs. 341 - 348 of this chapter shall be determined by the agency but may not exceed the amount the regional Native association, if it was a regional corporation, is eligible to receive under sec. 6 (a)(1)(A), P.L. 92-203, during the fiscal year in which the Act takes effect. In determining that maximum amount, the agency shall use the 1970 census enumeration until the enrollment under sec. 5, P.L. 92-203, is completed.

$250,000 maximum

(b) A loan may not run longer than ~~three~~ five years nor bear a rate of interest that exceeds ~~four~~ 5.9 per cent.

Sec. 44.19.346. REPAYMENT OF LOANS. Repayment of loans under secs. 341 - 348 of this chapter shall be on an annual basis and repayment shall commence no later than 90 days after receipt of the money authorized to be appropriated from the Alaska Native Fund to the regional corporation under sec. 6(a)(1)(A), P.L. 92-203.

Sec. 44.19.347. EXPIRATION OF LOAN FUND. Because the purposes for which the loan fund is created are limited, no loan may be made from the loan fund after five years from the effective date of secs. 341 - 348 of this chapter. Fund shall become inoperative after 10 years.

Sec. 44.19.348. DEFINITIONS. In secs. 341 - 348 of this chapter

(1) "agency" means the Local Affairs Agency;

Deleted

(2) "loan fund" means the Alaska Regional Corporation Organizational Loan Fund.

RECORDS CERTIFICATION

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

James O. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

RECORDS CERTIFICATION

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James O. Smith
Signature of Camera Operator

4/4/89
Date

02-619 (REV 8/78)

"An Act making a supplemental appropriation for the veterans' loan program and providing for an effective date.

Committee Report

HOUSE OF REPRESENTATIVES

1/13/72

_____ Date

Mr. Speaker

The Committee on FINANCE has had HB 501 under consideration. A majority of the members of the Committee

/X/ 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

House

M E M O R A N D U M

TO: Legislative Finance Committees

DATE: February 11, 1972

FROM: Rich Guthrie
Fiscal Analyst

SUBJ: STAFF COMMENTS, HB 501, Supplemental Appropriation, Veteran's Loan Program

1. FY 1971-72 Budget Workbook

   a. p. 236 -- Anticipated 300 new loans would be made in FY 71-72 due to increased funding availability from Department of Revenue, increased lending limit to $37,500, and expanded eligibility rules.

   b. p. 234 -- Requested additional staffing (3.5 positions) and support to handle the anticipated increased workload -- $47,400 total increase requested.

2. FY 1971-72, House Finance Committee Minutes

   a. p. 210 -- Mr. Tinsley stated that 10 personnel processed 100 loans in six months. Said that 150 to 200 loans annually would push a staff of 10. Also, he estimated that 5 more positions could process 100 additional loans annually.

3. FY 1971-72, Senate Finance Committee Minutes (no comments)

4. FY 1971-72, FCC Report, p. 21

Dept. Request	Revised Governor's Allowance	House Allow.	Senate Allow.	FCC Allow.
$311,700	264,300 (1)	264,300	264,300	264,300

   (1) Maintenance Level

5. Dept. of Commerce, Supplemental Appropriation Request, Nov. 16, 1971.

   a. Department requests 7 new positions; $59,900 supplemental appropriation.

   b. Governor recommends 5 new positions; $40,400 supplemental appropriation.

   c. Workload factors: (1) Present staff of 12 positions
      (2) 39 loans from May - Sept, 1970;
      81 loans from May - Sept, 1971.

Attachment - Departmental request and budget detail.

RG/ds

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: 2/26/72

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

Bill No.	Title
HB 501	Supplemental appropriation to Veteran's Loan Program

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.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF COMMERCE

OFFICE OF THE COMMISSIONER / POUCH D — JUNEAU 99801

February 17, 1972

The Honorable George Hohman
Chairman
House Finance Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Hohman:

During a recent committee hearing Representative Tom Fink requested various information relative to the loan activity within the Division of Veterans' Affairs.

I have enclosed a copy of the 1970-71 six-month comparison statement. The comparison statement reflects numerically as well as total dollar amount of loans approved.

In conferring with each region I find that the Anchorage office commenced processing 16 new applications in November, 11 in December and 14 in January. The Juneau office commenced processing 13 new applications in November, 6 in December and 9 in January. The Fairbanks office commenced processing 5 new applications in November, 4 in December and 6 in January.

The following is a breakdown of loans made in the months of November, December, January and first half of February.

Anchorage	Juneau	Fairbanks
November:		
15 from Anchorage	11 from Juneau	6 from Fairbanks
3 from Soldotna	2 from Wrangell	1 from Nome
1 from Ninilchik	2 from Ketchikan	
1 from Seward	1 from Sitka	
1 from Ugashik		
1 from Eagle River		
1 from Kenai		

HB 501

Anchorage	Juneau	Fairbanks
December:		
6 from Anchorage	9 from Juneau	9 from Fairbanks
1 from Homer	2 from Sitka	2 from Big Delta
1 from Palmer	1 from Ketchikan	2 from Nome
	1 from Wrangell	
	1 from Douglas	
January:		
10 from Anchorage	3 from Juneau	2 from Fairbanks
1 from Homer	1 from Ketchikan	1 from North Pole
1 from Kenai		1 from Clear
1 from Kodiak		1 from Kotzebue
1 from Palmer		
February:		
2 from Kodiak	2 from Juneau	2 from Fairbanks
1 from Anchorage	1 from Douglas	
1 from Glenallen	1 from Ketchikan	
1 from Soldotna	1 from Sitka	

Representative Fink also requested information pertaining to the number of applicants inquiring about the veterans' loan program. In the Juneau office there were 63 inquiries in the month of November, 49 in December and 54 in January. The Anchorage office received 68 inquiries in November, 68 in December, and 73 in January. The Fairbanks office received 49 inquiries in November, 54 in December and 47 in January.

If I can be of any further assistance in reference to the above information, please do not hesitate to contact me.

Very truly yours,

Emmitt Wilson
Deputy Commissioner

cc: Mr. Roy Waddington
Director
Division of Veterans' Affairs

1971

Loans Approved Period	Region	Number of Loans	Home
July	Juneau	10	(10) 287,700
	Anch.	14	(13) 304,200
	Fair.	8	(6) 160,500
SUB-TOTAL		32	752,400
August	Juneau	8	(5) 123,000
	Anch.	15	(14) 422,900
	Fair.	4	(3) 94,000
SUB-TOTAL		27	639,900
Sept.	Juneau	3	(1) 40,000
	Anch.	11	(9) 288,550
	Fair.	3	(3) 65,700
SUB-TOTAL		17	394,250
October	Juneau	12	(8) 227,400
	Anch.	10	(9) 248,950
	Fair.	4	(2) 53,800
SUB-TOTAL		26	530,150
November	Juneau	11	(10) 236,400
	Anch.	18	(9) 236,625
	Fair.	5	(4) 139,900
SUB-TOTAL		34	612,925
December 30, 1971	Juneau	13	(8) 221,250
	Anch.	3	(1) 30,600
	Fair.	11	(6) 133,000
SUB-TOTAL		27	384,850
TOTAL		163	3,314,475

Business	Personal	Dollar Amount
0	0	287,700
0	(1) 5,000	309,200
(2) 102,025	0	262,525
102,025	5,000	859.425
(3) 94,200	0	217,200
(1) 60,000	0	482,900
0	(1) 5,000	99,000
154,200	5,000	799,100
(2) 114,000	0	154,000
(2) 115,700	0	404,250
0	0	65,700
229,700	0	623,950
(4) 147,000	0	374,400
(1) 35,000	0	283,950
(2) 52,000	0	105,800
234,000	0	764,150
(1) 50,000	0	286,400
(9) 435,700	0	672,325
(1) 7,500	0	147,400
493,200	0	1,106,125
(4) 156,000	(1) 3,500	380,750
(1) 33,000	(1) 5,000	68,600
(4) 125,400	(1) 5,000	263,400
314,400	13,500	712,750
1,527,525	23,500	4,865,500

1970

Loans Approved Period	Region	Number of Loans	Home
July	Juneau	3	(3) 62,780
	Anch.	5	(3) 72,700
	Fair.	4	(4) 96,600
SUB-TOTAL		12	232,080
August	Juneau	6	(5)122,000
	Anch.	12	(11)248,500
	Fair.	6	(5)113,500
SUB-TOTAL		24	484,000
Sept.	Juneau	9	(6)128,800
	Anch.	13	(10)233,200
	Fair.	3	(3) 75,000
SUB-TOTAL		25	437,000
October	Juneau	8	(5)125,000
	Anch.	2	(2) 50,000
	Fair.	0	0
SUB-TOTAL		10	175,000
November	Juneau	0	0
	Anch.	2	(1) 15,900
	Fair.	1	(1) 14,800
SUB-TOTAL		3	30,700
December 30, 1970	Juneau	5	(2) 50,000
	Anch.	9	(7)149,900
	Fair.	3	(1) 20,500
SUB-TOTAL		17	220,400
TOTAL		91	1,579,180

Business	Personal	Dollar Amount
0	0	62,780
(1) 23,000	(1) 5,000	100,700
0	0	96,600
23,000	5,000	260,080
(1) 25,000	0	147,000
(1) 25,000	0	273,500
(1) 25,000	0	138,500
75,000	0	559,000
(2) 45,000	(1) 5,000	178,800
(2) 50,000	(1) 3,000	286,200
0	0	75,000
95,000	8,000	540,000
(2) 48,500	(1) 5,000	178,500
0	0	50,000
0	0	0
48,500	5,000	228,500
0	0	0
(1) 25,000	0	40,900
0	0	14,800
25,000	0	55,700
(3) 53,500	0	103,500
(1) 25,000	(1) 5,000	179,900
(2) 49,200	0	69,700
127,700	5,000	353,100
394,200	23,000	1,996,380

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

BUDGET AMENDMENT SUMMARY
by
PROGRAM NOTIFICATION UNIT

AGENCY	COMMERCE	06
OPERATING PROGRAM	Veterans' Affairs	5
ACTIVITY	Loan Adm.	7
FUNCTION		

Supplemental Request:

For the Fiscal Year Ending June 30, 1972

PROGRAM NOTIFICATION UNIT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
			Gov. Estimates
Veterans' Revolving Loan Fund	264,300	~~[illegible]~~ 40,400	~~[illegible]~~ 304,700
TOTAL	264,300	~~[illegible]~~ 40,400	~~[illegible]~~ 304,700
SOURCE OF FUNDS			
FEDERAL RECEIPTS			
GENERAL FUND			
OTHER ACCOUNT RECEIPTS			
GENERAL FUND	264,300	~~[illegible]~~ 40,400	~~[illegible]~~ 304,700
SUBTOTAL OTHER ACCOUNT			
DEDICATED GENERAL FUND RECEIPTS			
TOTAL			
PERMANENT FULL TIME POSITIONS	12	~~7~~ 5	~~12~~ 17
PERMANENT PART TIME POSITIONS			
TEMPORARY FULL TIME (SEASONAL) POSITIONS			
MAN MONTHS	144	~~33~~ 24	~~177~~ 168

02-1043

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

STATEMENT OF PROGRAM

		CODE
AGENCY	Commerce	08
OPERATING PROGRAM	Veterans' Affairs	5
ACTIVITY	Loan Administration	7
FUNCTION		

For the Fiscal Year Ending June 30, 1972

STATUTORY BASIS:

AS 26.15.010 to 170

DEFINITION:

The Department of Commerce through the Division of Veterans' Affairs Revolving Loan Fund has the responsibility for making loans to qualified veterans of the State of Alaska as described in 26.15.010. These loans may be used to purchase, refinance, build and remodel homes, farms, businesses and multiple dwellings. In addition, a qualified veteran may be granted a loan for education, domestic or personal use. The Division of Veterans' Affairs consists of the general office located in Juneau and 3 regional offices located in Anchorage, Juneau and Fairbanks.

ANALYTIC STATEMENT:

There are 30,000 veterans in the State of Alaska that qualify for benefits under the Alaska World War War II Veterans' Loan Program, which has the primary function of granting loans for personal use, for the purchase of homes, farms and multiple dwellings, and to provide financial assistance to businesses.

The passage of Chapter 109, SLA 1971, has increased the Veterans' Loan Program in the Division of Veterans' Affairs considerably raising maximum limits for home financing from $25,000 to $40,000; and business loans from $25,000 to $50,000. As you can see, the increase in home loans alone involves many more applicants. Since enactment of this legislation on May 24, 1971, the total loans granted increased 100 percent over the same period of time last year. In 1970, a total of 39 loans granted from May 24 through September 1; as compared to 1971's total of 81 loans granted for that same period. The Anchorage region indicates the largest percentage increase, for this period of time, granting 19 in 1970 compared to 27 in 1971. The Fairbanks region, servicing the entire area north of the Alaskan Range, issued 11 loans in 1970 compared to 15 in 1971. Once again, this compiled comparison was from May 24 through September 1.

The tremendous workload increase deems it imperative to add seven new positions, three of which will be in the Juneau general office. These positions will consist of an Administrative Officer I, Collection Officer and an Accounting Clerk III. The Administrative Officer would review and analyze applications prior to presentation to the loan committee. The Administrative Officer would also have supervisory responsibility of the Juneau general office and would work with the Director on Budgetary and other related duties as required. At this time, the Director has this entire responsibility and therefore knowledgeable assistance is necessary.

Continued on page 2.