

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

HB 588, 592, 593, 594, 595, 598

121



RECORDS CERTIFICATION



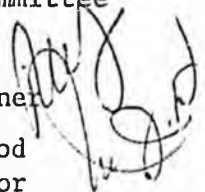
I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this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

James D. Smith
Signature of Camera Operator

4/4/89
Date

MEMORANDUM

TO: Mr. Jay Hogan, Fiscal Analyst
House Finance Committee

THRU: Richard W. Freer 
Deputy Commissioner

FROM: Mary-Jean Hackwood
Benefit Supervisor
Department of Administration

DATE : March 21, 1972

SUBJECT: Fiscal Note
House Bill No. 588

We are attaching cost analyses of House Bill No. 588 containing an explanation of the rates shown. You will note that I have calculated the actual cost if the benefit was funded by the Department of Health and Social Services as well as the cost if it was prorated over the entire membership.

COST ANALYSIS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

ANALYSIS OF H.B. NO. 588

1971 EMPLOYER CONTRIBUTIONS RATE - STATE	7.84%
COST REQUIREMENT FOR H.B. NO. 588	.25%
CURRENT COVERED PAYROLL	\$63,844,214
CURRENT MATCHING CONTRIBUTIONS (\$63,844,214 x 7.84%)	\$ 5,005,386
ADDITIONAL COST FOR H.B. 588 (\$63,844,214 x .25%)	\$ 159,611

	<u>1972 - 1973</u>	<u>1973 - 1974</u>	<u>1974 - 1975</u>	<u>1975 - 1976</u>	<u>1976 - 1977</u>
*PROJECTED COVERED PAYROLL	\$66,078,761	\$68,391,518	\$70,785,221	\$73,262,704	\$75,826,899
ANTICIPATED COST OF BILL	165,196	170,979	176,963	183,157	189,567

*BASED UPON ANNUAL PAYROLL INCREASE OF 3.5%

This cost analysis is prepared to indicate the cost of the provisions of HB 588 if the increased cost to classify correctional officers and superintendents as peace officers is spread over the entire State payroll. All departments would share the increase in employer cost.

COST ANALYSIS

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

ANALYSIS OF H.B. NO. 588

1971 EMPLOYER CONTRIBUTIONS RATE - STATE	7.84%
COST REQUIREMENT FOR H.B. NO. 588	24.00%
COST ON CORRECTIONAL OFFICER PAYROLL	\$2,333,544
CURRENT COVERED PAYROLL	\$2,333,544
CURRENT MATCHING CONTRIBUTIONS (\$2,333,544 x 7.84%)	\$ 182,950
ADDITIONAL COST FOR H.B. 588 (\$2,333,544 x 24 %)	\$ 560,051

	<u>1972 - 1973</u>	<u>1973 - 1974</u>	<u>1974 - 1975</u>	<u>1975 - 1976</u>	<u>1976 - 1977</u>
PROJECTED COVERED PAYROLL	\$2,415,218	\$2,499,751	\$2,587,242	\$2,677,795	\$2,771,518
ANTICIPATED COST OF BILL	589,652	599,940	620,938	642,671	665,164

This cost analysis is prepared to indicate the cost of the provisions of HB 588 if the Department of Health and Social Services assumed total employer liability and charged the cost to the payroll for correctional officers and superintendents. This reflects actual employer cost for these employees to be classified as peace officers.

Introduced: 2/4/72
Referred: Judiciary and
Finance

1 IN THE HOUSE

BY HOHMAN

2 HOUSE BILL NO. 588

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the coverage of correctional
7 officers under the Public Employees Retirement System."

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

9 * Section 1. AS 39.35.680(14) is amended to read:

10 (14) "peace officer and fireman" means an employee who is
11 employed full time in the state as a peace officer, chief of police,
12 correctional officer, correctional superintendent, fireman or fire
13 chief;

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RECORDS CERTIFICATION



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James D. Smith
Signature of Camera Operator

4/4/89
Date

"An Act making a supplemental appropriation to the University of Alaska; and providing for an effective date."

Committee Report

HOUSE OF REPRESENTATIVES

4/14/72

5/3/72

Date

Mr. Speaker

The Committee on FINANCE has had HB 592

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 HB 592 and that CS for HB 592 do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Adrian</u>	<u>_____</u>	<u>_____</u>
<u>Harwick</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

George F. Johnson
CHAIRMAN

Introduced: 2/7/72
Referred: Health, Welfare &
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 592

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 University of Alaska; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$350,000 is appropriated from the general fund
11 to the University of Alaska to meet extraordinary and unfunded costs for
12 the fiscal year ending June 30, 1972.

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

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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: 5/10/72

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

<u>Bill No.</u>	<u>Title</u>
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HB 592

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.

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

I. REQUEST

Bill Identification: HB 592 "An Act making a supple-
 Title: mental appropriation to the U. of A. and . . ."
 Requested by: Legislative Finance Date: April 18, 1972
 Return Date Requested: April 28, 1972
 Agency: University of Alaska Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: University of Alaska

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	350.0					
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	350.0					
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Anchorage Higher Education Library

Original project budget (1970 G. O. Bonds) \$6,000,000
 Removed at administration request 350,000
 Current Status \$5,650,000

Encumbered funds \$5,739,742
 Additional funds budgeted to completion
 (site work, equipment, furniture) 260,258
 Total Project Cost \$6,000,000

IV. ATTACHMENTS see Appendix 1

V. DATE: April 26, 1972

PREPARED BY: for Richard Holden
Donald C. Moyer
 Executive Director, Planning &
 Institutional Studies

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

Appendix I

The joint use (AMU - UA) Library project was funded by a G. O. Bond Issue in November 1970 with a project budget of \$6,000,000. Additional funds (\$400,000) for acquisition of equipment and books were to be provided by AMU under the UA - AMU Consortium Agreement. Design work commenced November 1970, a construction contract was awarded in May 1971. The site consisted of 15 acres given by AMU to UA.

A meeting was held on August 30-31, 1971 between University of Alaska Regents and Alaska Methodist University Trustees in the office of Representative Eugene Guess. Chairman of the meeting was Commissioner of Revenue Eric Wohlforth, representing the Governor of Alaska. The Regents were strongly requested by the administration to change the Consortium Agreement to provide for the sale of an additional 2½ acres of real property to UA and a purchase of the AMU Library for \$750,000. The funds were to be obtained as follows:

1. \$350,000 from the construction project budget for the Higher Education Library (an amount not previously budgeted in the construction budget),
2. The return of \$400,000 which was AMU's original commitment to the project.

At that time the University had encumbered or was about to encumber \$5,739,742 from the construction budget. It was further the University's intention to encumber the remaining \$260,258 as soon as possible to provide the required site work, erosion control, equipment and furniture for the project. The encumbrance of these funds was therefore delayed until the administration could submit to the Legislature a supplemental request in the amount of \$350,000 to make up the loss to the project budget.

The construction schedule for the project requires a completion date of August 28, 1972. The schedule has, of course, been seriously impacted by the University's inability to commit the remaining funds necessary for the completion of the Library. The Legislature's approval of the supplemental request will enable the Library to open reasonably close to its originally scheduled date and will enable the University to avoid potential claims from the contractor due to extension of time.

If the funds are not restored to the project, the building will open without the furniture and equipment and with inadequate drainage control and site work and with a budget deficit of \$89,742 plus whatever contingency items develop during the 1972 construction season.

10-6

BILLY BURNS OF FLAT - A LIVING LEGEND

This is just a short profile on a grand old man whose life story could fill a book. He was born August 22, 1883 on the Apache reservation in Arizona of a Spanish mother and Irish American father,

He was also born prematurely because his mother was kicked by a colt. He was given into the keeping of an Apache woman with a name of her own and suckled on the milk of the Indian mother. He spoke the Apache language before he learned English. The family later migrated to California and still later were all killed in the San Francisco earthquake. He personally identified 29 of his kin including his father. He joined the Mexican revolution and fought staunchly till all the food and ammunition was gone. Then, feeling like a "lost soul" he came to Alaska, arriving at Seward in 1908. He walked overland striking the Iditerode Trail at Knik and finally arrived at Flat, a distance of about 600 miles. While on the trail he lived "off his own-sights" mixing the strict meat with caribou mess. Flat at the time was a boom town, gold and quartz were being mined and the population was 5,000. There was a school house and a dance hall that held 100 couples, and Billy totally out of modesty says he was the best dancer. It's easy to believe looking at the faded old snapshots showing the handsome, wiry, young man that at one time mined \$4,000 worth of gold in two months with only his pick and shovel. He also trapped and had a little cabin at the headwaters of the Iditerode River, 150 miles from Flat by water and 50 miles overland. He remembers when the only supplies were brought in by barge from Holly Cross in summer and orders had to be planned to see families through the long winter and spring. It wasn't until 1927 that planes from Fairbanks flew in luxuries like fresh greens and other store bought items. So Billy Burns lived in contentment for more than 60 years in the harsh land that he loved and pioneered and recently celebrated his 88th birthday. Surrounded by friends, well-wishers and sincere admirers from across the GREAT LAND.

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of the month
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weekly on Thurs-
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Mr. Older Parsons
Mr. Chuciak and Pa Iner
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Ray Charnley, part
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For members who must
charge for medical
ther necessary trips.
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the Knik Arm Courier.

plumbing seemed an al-
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es are all that are need-
the project.

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count is 35 forks, 25 knives,
PLEASE help the asserment
is service for 200, Minnie
action behind the plan.

House

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

I. REQUEST

Bill Identification: HB 592 "An Act making a supple-
 Title: mental appropriation to the U. of A. and . . ."
 Requested by: Legislative Finance Date: April 18, 1972
 Return Date Requested: April 28, 1972
 Agency: University of Alaska Program: _____

II. FISCAL DETAIL

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A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	350.0					
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	350.0					
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Anchorage Higher Education Library

Original project budget (1970 G. O. Bonds)	\$6,000,000
Removed at administration request	350,000
Current Status	\$5,650,000

Encumbered funds	\$5,739,742
Additional funds budgeted to completion (site work, equipment, furniture)	260,258

IV. ATTACHMENTS see Appendix 1	Total Project Cost	\$6,000,000
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V. DATE: April 26, 1972

Richard Holden
 PREPARED BY: for Donald C. Moyer
 Executive Director, Planning &
 Institutional Studies

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

Appendix I

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If the funds are not restored to the project, the building will open without the furniture and equipment and with inadequate drainage control and site work and with a budget deficit of \$89,742 plus whatever contingency items develop during the 1972 construction season.

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/2/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 592

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 University of Alaska; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$400,000 is appropriated from the general fund
11 to the University of Alaska to meet extraordinary and unfunded costs for
12 the fiscal year ending June 30, 1972.

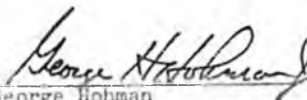
13 * Sec. 2. This Act takes effect on the day after its passage and approval
14 or on the day it becomes law without approval.

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HOUSE JOURNAL

May 2, 1972

17 HB In addition to the \$350,000 requested to meet extraordinary
18 592 costs for the fiscal year ending June 30, 1972, the Committee
Substitute includes \$50,000 for completion of an audio visual
historical research project on Alaska's mining past.

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George Hohman
Chairman

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

I. REQUEST

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 Title: mental appropriation to the U. of A. and . . ."
 Requested by: Legislative Finance Date: April 18, 1972
 Return Date Requested: April 28, 1972
 Agency: University of Alaska Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: University of Alaska

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
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300 CONTRACTUAL	350.0					
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	350.0					
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Anchorage Higher Education Library

Original project budget (1970 G. O. Bonds)	\$6,000,000
Removed at administration request	350,000
Current Status	<u>\$5,650,000</u>
Encumbered funds	\$5,739,742
Additional funds budgeted to completion (site work, equipment, furniture)	<u>260,258</u>
IV. ATTACHMENTS see Appendix 1	Total Project Cost \$6,000,000

V. DATE: April 26, 1972

Richard Holden
 PREPARED BY: for Donald C. Moyer
 Executive Director, Planning &
 Institutional Studies

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

Appendix I

The joint use (AMU - UA) Library project was funded by a G. O. Bond Issue in November 1970 with a project budget of \$6,000,000. Additional funds (\$400,000) for acquisition of equipment and books were to be provided by AMU under the UA - AMU Consortium Agreement. Design work commenced November 1970, a construction contract was awarded in May 1971. The site consisted of 15 acres given by AMU to UA.

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At that time the University had encumbered or was about to encumber \$5,739,742 from the construction budget. It was further the University's intention to encumber the remaining \$260,258 as soon as possible to provide the required site work, erosion control, equipment and furniture for the project. The encumbrance of these funds was therefore delayed until the administration could submit to the Legislature a supplemental request in the amount of \$350,000 to make up the loss to the project budget.

The construction schedule for the project requires a completion date of August 28, 1972. The schedule has, of course, been seriously impacted by the University's inability to commit the remaining funds necessary for the completion of the Library. The Legislature's approval of the supplemental request will enable the Library to open reasonably close to its originally scheduled date and will enable the University to avoid potential claims from the contractor due to extension of time.

If the funds are not restored to the project, the building will open without the furniture and equipment and with inadequate drainage control and site work and with a budget deficit of \$89,742 plus whatever contingency items develop during the 1972 construction season.

Committee Report

S E N A T E

Ref: 5/8/72

June 1, 1972
Date

Mr. President:

The Committee on Finance has had CSHD 592
(U of A, suppl. approp.)
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:

Clifford Roberts _____
John W. Kennedy _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____
_____ recommends: _____
Paul Kay recommends: do not pass
_____ recommends: _____
_____ recommends: _____
Ch. D. [unclear]
CHAIRMAN

A M E N D M E N T

Offered in the SENATE

By _____

To: _____ SENATE BILL NO. _____

CS HOUSE BILL NO. 592

AMENDMENT: Page 1 Line 10

Delete "\$400,000" and insert "\$350,000"

A M E N D M E N T

Offered in the SENATE

By _____

To: _____ SENATE BILL NO. _____

CS _____ HOUSE BILL NO. 592

AMENDMENT: Page 1 Line 10

Delete "\$400,000" and insert "\$350,000"

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/2/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 592

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the

7

University of Alaska; and providing for an effective

8

date."

9

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

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* Section 1. The sum of \$400,000 is appropriated from the general fund

11

to the University of Alaska to meet extraordinary and unfunded costs for

12

the fiscal year ending June 30, 1972.

13

* Sec. 2. This Act takes effect on the day after its passage and approval

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or on the day it becomes law without approval.

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Introduced: 2/7/72
Referred: Health, Welfare &
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 592

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

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RECORDS



CERTIFICATION

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

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

S E N A T E

Ref: 4/17/72

4-20-72

Date

Mr. President:

The Committee on Finance has had HB 593
(Dept of Natural Resources - Supple)
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

John Buttner
CHAIRMAN

MEMORANDUM

State of Alaska
DEPARTMENT OF NATURAL RESOURCES

TO: Joseph R. Henri, Commissioner
Department of Administration

DATE : January 31, 1972

FROM: Charles F. Herbert
Commissioner

SUBJECT: Supplemental Appropriation-
Land Selection Filing Fees

HB 593

As you are no doubt aware, land selections by the State made to the Bureau of Land Management require the payment of \$40 per township selected.

In this connection I invite your attention to page 121 of our current year budget for the Division of Lands which carries the comment: "State land selection filing fees required by BLM will be requested separately from special appropriations as needed, if required, ****." That action was due to the Native Lands Claims problem and legislative intent that there should be no budgeting for filing fees until they were necessary.

As you know, we recently made selections totaling 77,134,308 acres which, added to our previously selected acreage of 24,660,391, gave us an aggregate selection of 101,794,699 acres. Of course, as indicated above, filing fees due on our selections had not been budgeted for.

Enclosed is a summary sheet which covers our recent selections. You will note they totaled: 77,134,308 acres; 3,348.50 townships; with filing fees amounting to \$134,250.

Since we had previously, during the last fiscal year, processed warrants in the amount of \$33,390 for filing fees to the Bureau of Land Management which we never processed, those warrants were cancelled and redeposited against our new selections.

Accordingly, we require a supplemental appropriation to cover filing fees in the amount of 100,860. (\$134,250 current filing fees, less previous processed amount of \$33,390.)

Your cooperation in the prompt handling of this requirement will be sincerely appreciated.

Enclosure

cc: Governor Egan
- Director, Division of Lands
Director, Division of Budget & Management

3 348.5
4
\$133,940
33 390
\$100,550

AREA #	NAME	NO OF SELECTS	GS- THRU GS-	ACRES	TWP	FILING FEES
#16	Seward Peninsula	18	1875 - 1892	4,032,000	175.	7000
#14	Walker Lake	13	1893 - 1905	2,978,280	129.5	5500
#13	Central Brooks Range	22	1906 - 1927	3,873,255	168.	6720
#10	Forty Mile	21	1928 - 1948	5,148,737	223.5	8940
#11	Chena River	4	1949 - 1952	593,280	26.	1040
#15	Central Yukon River	18	1973 - 1990	1,914,514	83.	3320
# 8	Tanana Area	4	1969 - 1972	460,800	20.	800
#12	Coleen-Sheenjak	16	1953 - 1968	2,033,958	88.5	3540
# 2	Copper River East ALD	25	1991 - 2015	7,328,449	318.	12720
# 2	Copper River East FLD	3	2016 - 2018	830,700	36.	1430
# 2	Copper River South	16	2019 - 2034	3,312,641	144.	5760
# 2	Copper River North	14	2035 - 2048	3,098,908	134.5	5380
# 7	Mt. McKinley North ALD	1	2049 -	115,200	5.	200
# 7	Mt. McKinley North FLD	10	2050 - 2059	1,774,080	77.	3080
# 9	Denali Area FLD.	20	2190 - 2209	3,469,362	150.5	6020
# 9	Denali Area ALD	16	2174 - 2189	2,606,510	113.	4520
# 6	Ruby-McGrath FLD	14	2060 - 2073	2,350,080	102.	4080
# 6	Ruby-McGrath ALD	38	2074 - 2111	9,409,728	408.5	16340
# 3	Mt. McKinley South	15	2210 - 2224	2,407,293	104.5	4180
# 4	Alaska Range	34	2140 - 2173	8,885,978	385.5	15420
# 5	Wood River	28	2112 - 2139	8,190,720	355.5	14220
# 1	Pacific Coastline Cent.	9	2225 - 2233	844,238	37.	1480
# 1	Pacific Coastline East	11	2234 - 2244	738,317	32.	1280
# 1	Pacific Coastline West	9	2245 - 2253	737,280	32.	1280
<i>(24 separate selections)</i>						
TOTALS		379		77,134,308	3348.50	\$134,250

Introduced: 2/7/72
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 593

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Natural Resources; and providing for an
8 effective date."

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

10 * Section 1. The sum of \$100,900 is appropriated from the general fund
11 to the Department of Natural Resources for unfunded costs of land selection
12 filing fees for the fiscal year ending June 30, 1972.

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

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RECORDS CERTIFICATION



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

James C. Smith
Signature of Camera Operator

4/4/89
Date

"An Act making a supplemental appropriation to the Department of Natural Resources; and providing for an effective date."

Committee Report

HOUSE OF REPRESENTATIVES

2/18/72

3/29/72 Date

Mr. Speaker

The Committee on FINANCE has had HB 593 under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Johnson</u>	<u>Wright</u>	_____
<u>Wanink</u>	_____	_____
<u>Frank</u>	_____	_____
<u>R. J. Thomas</u>	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Chairman
CHAIRMAN

Introduced: 2/7/72
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 593

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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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: ~~4/22/72~~ 4/22/72

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

<u>Bill No.</u>	<u>Title</u>
-----------------	--------------

HB593

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.

MEMORANDUM

State of Alaska
DEPARTMENT OF NATURAL RESOURCES

TO: [Joseph R. Henri, Commissioner
Department of Administration

DATE : January 31, 1972

FROM: Charles F. Herbert
Commissioner

SUBJECT: Supplemental Appropriation-
Land Selection Filing Fees

As you are no doubt aware, land selections by the State made to the Bureau of Land Management require the payment of \$40 per township selected.

In this connection I invite your attention to page 121 of our current year budget for the Division of Lands which carries the comment: "State land selection filing fees required by BLM will be requested separately from special appropriations as needed, if required, ****." That action was due to the Native Lands Claims problem and legislative intent that there should be no budgeting for filing fees until they were necessary.

As you know, we recently made selections totaling 77,134,308 acres which, added to our previously selected acreage of 24,660,391, gave us an aggregate selection of 101,794,699 acres. Of course, as indicated above, filing fees due on our selections had not been budgeted for.

Enclosed is a summary sheet which covers our recent selections. You will note they totaled: 77,134,308 acres; 3,348.50 townships; with filing fees amounting to \$134,250.

Since we had previously, during the last fiscal year, processed warrants in the amount of \$53,390 for filing fees to the Bureau of Land Management which we never processed, those warrants were cancelled and redeposited against our new selections.

Accordingly, we require a supplemental appropriation to cover filing fees in the amount of 100,860. (\$134,250 current filing fees, less previous processed amount of \$53,390.)

Your cooperation in the prompt handling of this requirement will be sincerely appreciated.

Enclosure

cc: Governor Egan
Director, Division of Lands
Director, Division of Budget & Management

AREA #	NAME	NO OF SELECTS	GS- THRU GS-	ACRES	TWP	FILING FEES
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# 1	Pacific Coastline East	11	2234 - 2244	738,317	32.	1280
# 1	Pacific Coastline West	9	2245 - 2253	737,280	32.	1280
TOTALS		379		77,134,308	3348.50	134,250



REGORDS



CERTIFICATION

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

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

Ref: 4/19/72

S E N A T E

4-24-72

Date

Mr. President:

The Committee on Finance has had HB 594
(Alaska American Revolution Bicentennial Com)
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

[Signature]
CHAIRMAN

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: Warren Wiley
Administrative Assistant
Office of the Governor

DATE: April 24, 1972

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR
AND RETURN IT TO OUR OFFICE BY 4/27/72.

HB 594 &
HB 595

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

1. Coordinate with the Alaska Travel Division (Paul Schaaf, Admin. Off., Economic Development).
2. Submit a brief statement of preliminary plans by the Office of the Governor and the state museum.
3. Furnish preliminary estimates of the total fund requirements through FY 1977.

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

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

CC: BUDGET & MANAGEMENT

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

M E M O R A N D U M

TO: Paul Schaaf
Administrative Officer
Dept. of Economic Development

DATE: 4/24/72

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR
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HB 594 &
HB 595

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

1. Coordinate with the Office of the Governor (Warren Wiley, Admin. Asst).
2. Submit a brief statement of preliminary plans by the Travel Division.
3. Furnish preliminary estimates of fund requirements through FY 1977.

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

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

CC: BUDGET & MANAGEMENT

Introduced: 2/7/72
Referred: State Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 594

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska American Revolution
7 Bicentennial Commission; and providing for an
8 effective date."

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

10 * Section 1. The Alaska American Revolution Bicentennial Commission is
11 established in the Office of the Governor.

12 * Sec. 2. The commission consists of the director of the Alaska travel
13 division, the director of the state museum and seven additional members
14 appointed by the governor. The commission shall select a chairman from its
15 membership. Terms of all members end on December 31, 1976.

16 * Sec. 3. Members of the commission serve without compensation but are
17 entitled to per diem and travel expenses authorized by law for other boards
18 and commissions.

19 * Sec. 4. The Alaska American Revolution Bicentennial Commission shall
20 prepare an overall program for commemorating the bicentennial of the
21 American Revolution in Alaska and shall plan, encourage, develop and
22 coordinate observances and activities commemorating the historic events
23 that preceded and are associated with the American Revolution. In carrying
24 out these responsibilities the commission may

25 (1) consider related plans and programs developed by the National
26 American Revolution Bicentennial Commission and local and private groups,
27 and it may designate special committees with representatives from these
28 groups to plan, develop and coordinate specific activities;

29 (2) give emphasis in its planning to the ideas associated with

1 the allocation of financial and administrative responsibility among the
2 public and private organizations recommended for participation by the
3 commission. The report shall also include proposals for legislation and
4 administrative action the commission considers necessary to carry out its
5 recommendations. The governor shall transmit the report to the legisla-
6 ture with any comments and recommendations for legislation.

7 * Sec. 6. This Act takes effect on the day after its passage and
8 approval or on the day it becomes law without approval.
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CORRECTION

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

Introduced: 2/7/72
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 594

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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24 out these responsibilities the commission may

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26 American Revolution Bicentennial Commission and local and private groups,
27 and it may designate special committees with representatives from these
28 groups to plan, develop and coordinate specific activities;

29 (2) give emphasis in its planning to the ideas associated with

1 the American Revolution which have been important to the development of the
2 United States and Alaska in world affairs and in mankind's quest for
3 freedom;

4 (3) consult, cooperate with and seek advice from appropriate
5 state departments, the University of Alaska, local public bodies, learned
6 societies, and historical, patriotic, philanthropic, civic, professional
7 and related organizations;

8 (4) determine if there are sites in the state which are
9 appropriate for preservation or development in commemoration of the
10 American Revolution so that suitable observances and exhibits may be held
11 at the sites during the bicentennial celebration;

12 (5) accept donations of money, property or personal services.

13 * Sec. 5. (a) Not later than January 1, 1974 the commission shall
14 submit to the governor a comprehensive report incorporating its specific
15 recommendations for the commemoration of the American Revolution and
16 related events. The report may recommend activities including, but not
17 limited to

18 (1) the production, publication and distribution of books,
19 pamphlets, films and other educational materials on the history, culture
20 and political thought of the period of the American Revolution;

21 (2) bibliographical and documentary projects and publications;

22 (3) conferences, convocations, lectures, seminars and other
23 programs;

24 (4) the development of libraries, museums, historic sites and
25 exhibits, including mobile exhibits;

26 (5) ceremonies and celebrations commemorating specific events;

27 (6) the issuance of commemorative medals, seals, automobile
28 license plates and certificates of recognition.

29 (b) The report of the commission shall include recommendations for

1 the allocation of financial and administrative responsibility among the
2 public and private organizations recommended for participation by the
3 commission. The report shall also include proposals for legislation and
4 administrative action the commission considers necessary to carry out its
5 recommendations. The governor shall transmit the report to the legisla-
6 ture with any comments and recommendations for legislation.

7 * Sec. 6. This Act takes effect on the day after its passage and
8 approval or on the day it becomes law without approval.
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RECORDS CERTIFICATION



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James D. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 2/7/72
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

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3 freedom;

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5 state departments, the University of Alaska, local public bodies, learned
6 societies, and historical, patriotic, philanthropic, civic, professional
7 and related organizations;

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9 appropriate for preservation or development in commemoration of the
10 American Revolution so that suitable observances and exhibits may be held
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6 ture with any comments and recommendations for legislation.

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8 approval or on the day it becomes law without approval.
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James C. Smith
Signature of Camera Operator

4/4/89
Date

Ref: 4/19/72

Committee Report

S E N A T E

4/24/72

Date

Mr. President:

The Committee on Finance has had HB 595
(Alaska American Revolution Bicentennial Com. Appropriation)
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:

_____	_____	_____
_____	<i>Greg Kay</i>	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

John Buttrick

CHAIRMAN

Introduced: 2/7/72
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 595

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Alaska American Revolution
7 Bicentennial Commission; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$5,000 is appropriated from the general fund
11 to the Alaska American Revolution Bicentennial Commission.

12 * Sec. 2. The balance of the appropriation made by this Act lapses
13 into the general fund on December 31, 1976.

14 * Sec. 3. This Act takes effect on the day after its passage and
15 approval or on the day it becomes law without approval.

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RECORDS



CERTIFICATION

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James D. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 2/7/72
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 595

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Alaska American Revolution
7 Bicentennial Commission; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$5,000 is appropriated from the general fund
11 to the Alaska American Revolution Bicentennial Commission.

12 * Sec. 2. The balance of the appropriation made by this Act lapses
13 into the general fund on December 31, 1976.

14 * Sec. 3. This Act takes effect on the day after its passage and
15 approval or on the day it becomes law without approval.

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RECORDS



CERTIFICATION

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

James D. Smith
Signature of Camera Operator

4/4/89
Date

HOUSE JOURNAL

FINANCE COMMITTEE REPORT

ON

HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO 168

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 598

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 769

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 770

The Finance Committee has reported out this "package" relating to the taxation of oil and gas and the regulation of oil and gas pipeline transportation. It is the position of this committee that the simplest and clearest combination of revenue and regulatory measures is, in the long run, in the best interest of both the state and the industry. This package has been designed with this in mind, to accomplish the following objectives:

- (1) HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL 168 incorporates the Governor's approach on cents per barrel taxation of oil. Basically the cents per barrel tax creates a \$2.50 per barrel floor on oil value within the currently existing severance tax framework. Should the value of North Slope oil fall below \$2.50 a barrel, the cents per barrel rates will come into play and guarantee certain minimum revenues based upon the well's ability to produce. The substitute also incorporates language making the payment of severance tax due monthly as opposed to quarterly
- (2) COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 598 complements the revised severance tax by levying a 20 mill ad valorem tax on "tank farms, tanker terminals, gathering and transmission lines, and related oil or gas storage and transport facilities . . .". Reimbursement of local government for impact of oil and gas development is accomplished in two ways:
 - (a) Local governments may levy a tax not to exceed 20 mills on not more than 10 per cent of the value of the taxable property; and
 - (b) Units of local government may request reimbursement through the appropriations process to offset the costs of oil and gas development within their boundaries. Rather than create new administrative machinery, the bill simply establishes an assessment review board consisting of the commissioners of administration, commerce, natural resources, revenue and the attorney general.

HOUSE JOURNAL

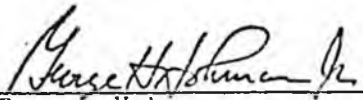
(3) COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 769 simply adds to the general powers of the Alaska Public Utilities Commission the authority to regulate oil or gas transportation facilities when such regulation is not in conflict with the Interstate Commerce Act of 1906 or the Natural Gas Act of 1938.

(4) COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 770 gives the Director of the Division of Lands the authority to grant a right-of-way for oil and gas pipelines subject to APUC regulation. The act spells out the following conditions for a right-of-way lease:

The lessee shall

- (a) be a common carrier and a common purchaser of oil and gas;
- (b) transport products without unjust or unreasonable discrimination;
- (c) exchange products;
- (d) provide connections and inter-connections where economically feasible;
- (e) provide fire, liability and property insurance; and
- (f) submit security or bond against faithful completion of operations.

The Commissioner of Natural Resources is authorized to negotiate the right-of-way lease and to establish a reasonable rate or fee.


George Hohman
Chairman

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Deputy Commissioner

DATE : April 13, 1972

FROM: Fred Boetsch, Director
Audit Division

SUBJECT: HB 598 and CSHB 598

FPB

I have reviewed HB 598 and CSHB 598. The original bill places a property tax on both exploration and transportation equipment used in the oil and gas industry. The Committee Substitute taxes only the transportation equipment. Both provide for a 20 mill rate. The property tax on oil and gas transportation equipment is, of course, the more important source of revenue. The tax on exploration equipment would not bring in anything of the magnitude of the tax on the transportation equipment itself.

If we assume a \$3.5 billion pipeline (current estimates), then this would bring in \$70 million a year at a 20 mill tax rate. If the cost turns out to be \$3 billion, then this would bring in \$60 million per year at the 20 mill tax rate. I do not have any figures on the value of exploration equipment currently on the North Slope or which may plan to be on the North Slope, but assuming that it is as much as \$100 million, the tax on that source would bring in only \$1 or \$2 million. The original bill did not define clearly what constitutes transportation equipment, what should be done in the case of equipment or a facility which is used only partially for oil or gas transportation (e.g., a generating plant) or how to value a transportation facility during its construction phase. The Committee Substitute cures these several defects in the original bill and makes administration of the tax much easier.

The table below indicates estimates of this tax during a construction period starting in July 1973 through July 1977. At that time the pipeline is assumed to have been built to a thru-put level of 600,000 BPD. The property tax should climb gradually after that until 1982 when it reaches a total cost of \$3,453,000 (per report from TAMS). The tax will then yield approximately \$70 million a year. We have assumed a \$3.5 billion pipeline in the following case, since that is the latest cost figure which the State has (no adjustment inflation has been made):

	(\$000 omitted)				
	FY 73	FY 74	FY 75	FY 76	FY 77
HB 598	<u>11,517.5</u>	<u>17,906.0</u>	<u>32,680.2</u>	<u>49,740.0</u>	<u>59,796.6</u>
CSHB 598	<u>9,517.5</u>	<u>15,906.0</u>	<u>30,680.2</u>	<u>47,740.0</u>	<u>57,796.6</u>

This assumes that the first phase (to 600,000 BPD) of the pipeline will be completed in fiscal year 1978.

The administrative problems related to HB 598 have already been alluded

R. D. Stevenson
Re: HB 598 and CSHB 598

-2-

April 13, 1972

to in that it may be difficult to define in many cases what constitutes exploration equipment. Some of the questions that arise are: is a helicopter used to transport geologists and other people a part of exploration property? Should it be taxed by the State or possibly by the borough in which it is stationed, or by both, or by neither? Another problem is trying to identify all the property which may have been involved in exploration during the year. It is possible the property would have moved in and out between various assessment dates and it would be difficult, if not impossible, to identify that property.

On the other hand, CSHB 598 refers only to transportation property which is much simpler to identify and, certainly, is less mobile. In addition, the Committee Substitute provides for prorationing of property used partly in oil and gas transportation and partly for other purposes not subject to this tax. It also permits the State to levy the tax during construction in progress. The number of pieces of equipment involved in pipeline transportation are large, fairly easy to identify, and to value. The value of the pipeline based on construction in progress can be easily ascertained from Aleyeska's records since normally all capital projects in oil companies are controlled by a single AFE (Authorization for Expenditure) which, in effect, acts as a project cost accounting ledger.

During the years of construction it would be necessary to have at least one Field Auditor working full time to keep up with the cost accounting for the pipeline. After the end of construction in 1977 or 1978, this person could be transferred to our other tax programs which will have grown enough by then to justify an additional Field Auditor. In addition, I have allowed for an additional Collection Agent and a Clerk Typist II to handle necessary correspondence and files for both the Field Auditor and the Field Agent. The costs of these administrative areas are delineated on the face of the Fiscal Note in part 2. This does not include additional costs of assessment by the State Assessor's Office. Those costs are the subject of a separate Fiscal Note from Bob Dozier. These assumptions are based on CSHB 598 which, as noted above, would be much simpler to administer than the original HB 598.

However, assuming that HB 598 were to pass, then the other Fiscal Note for that bill indicates the cost of administration which would include a Property Tax Investigator, a Field Auditor, two Collection Agents and the Clerk Typist II. The Property Tax Investigator would be necessary to make on-the-spot checks of property being used in exploration activities and the additional Collection Agents would be necessary to enforce collection of property taxes on the several different companies which might be doing exploratory work. Of course, as it stands now, limiting the tax to the transportation facilities alone would also limit the number of taxpayers with which we would have to deal. Expanding it to exploratory activities as well would increase greatly the number of taxpayers since many exploration groups are either operating under contract or wildcatting on their own.

FPB:mbc
Attachments

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

I. REQUEST

Bill Identification: CS HB 598
 Title: Oil gas pipeline property tax
 Requested by: Legislative Finance Date: 3/30/72
 Return Date Requested: 4/14/72
 Agency: Revenue Program: _____

COMMITTEE SUBSTITUTE

II. FISCAL DETAIL

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

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES	--	45.3	47.6	49.9	52.4	55.1
200 TRAVEL		5.0	5.3	5.5	5.8	6.1
300 CONTRACTUAL		.4	.4	.4	.5	.5
400 COMMODITIES		.1	.1	.1	.1	.1
500 EQUIPMENT		1.6	--	--	--	--
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	--	52.4	53.4	55.9	58.8	61.8

B. FUNDING: (Thousands of dollars)

GENERAL FUND	--	52.4	53.4	55.9	58.8	61.8
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	- / -	3 /	3 /	3 /	3 /	3 /
MAN MONTHS (P./T.)	- / -	36 /	36 /	36 /	36 /	36 /

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

See memo from Fred Boetsch, Director of Audit, dated April 13, 1972.

IV. ATTACHMENTS

V. DATE: April 13, 1972

PREPARED BY: _____

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

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

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

I. REQUEST

Bill Identification: HR 591
 Title: Oil exploration project tax
 Requested by: Legislative Finance Date: 2/29/72
 Return Date Requested: 2/14/72
 Agency: _____ Program: _____

ORIGINAL BILL

II. FISCAL DETAIL

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

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES	--	82.4	86.5	90.8	95.4	100.1
200 TRAVEL		8.5	8.9	9.3	9.8	10.3
300 CONTRACTUAL		.8	.8	.9	.9	1.0
400 COMMODITIES		.2	.2	.2	.2	.2
500 EQUIPMENT		2.8	--	--	--	--
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	--	94.7	96.4	101.2	106.3	111.6

B. FUNDING: (Thousands of dollars)

GENERAL FUND	--	94.7	96.4	101.2	106.3	111.6
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	5/	5/	5/	5/	5/
MAN MONTHS (P./T.)	/	60/	60/	60/	60/	60/

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

See memo from Fred Boetsch, Director of Audit, dated April 13, 1972.

IV. ATTACHMENTS

V. DATE: April 13, 1972

PREPARED BY: _____

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

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

General Fund Cash Flow Analysis

April 25, 1972

This analysis tests the impact of a cents/barrel production tax, and the 20 mill property tax (a shared revenue) on expected general fund balances in the years 1973 - 1982.

Ten year projections are not intended to be predictive of the long term value of the General Fund, but to provide an internally consistent planning framework.

Further, because of the variability of investment returns, and the critical timing of North Slope production general fund balances projected beyond 1980 may vary by \pm \$20 million.

The following assumptions have been made for this analysis:

EXPENDITURES:

1. Operating expenditures will increase at the annual rate of 6% during FY 1974 - 1977 and 8% during FY 1978 - 1982.

2. Capital expenditures in FY 1973 are at the program budget level (\$5.3 million) and in following years grow at a 5% rate.

3. Debt service estimates are based on the service of present and future debt issues. Future debt issues include both the \$107 million presently authorized and, in addition, new authorizations in the following amounts:

Calendar Year 1972 - \$71.0 million
Calendar Year 1974 - \$60.0 million
Calendar Year 1976 - \$100.0 million
Calendar Year 1978 - \$100.0 million
Calendar Year 1980 - \$100.0 million

These are to be issued at the rate of 25% the first following fiscal year, 37-1/2% the next, and 37-1/2% the third following year. These issues are assumed to carry a 6% coupon and a 20 year average life.

4. Native land claims payments by the State are estimated on the basis of the Revenue Sharing formula contained in the Native Land Claims Settlement Act.

REVENUES:

1. Investment revenue assumes a 6% rate of return on reinvestment of maturing investments presently in the portfolio.

2. Ten year tax and license revenue estimates are derived from trend adjustments to five year forecasts. Income tax revenue from the apportionment of taxable income from TAPS pipeline operation are estimated to be \$5 million in FY 1978 and \$10 million each year thereafter.

3. Option additional revenues due to the 20 mill property tax on oil transportation equipment (CSHB 598), are estimated on the basis of 50% of the total expected revenue amount. The remainder would be shared revenue without any corresponding effect on levels of State expenditures.

The amounts of additional revenues added under the 50% rule are as follows:

<u>Fiscal Year</u>	<u>Amount in millions</u>	<u>Fiscal Year</u>	<u>Amount in millions</u>
1973	\$ 4.75	1978	\$30.00
1974	7.95	1979	32.00
1975	15.34	1980	35.00
1976	23.74	1981	35.00
1977	28.90	1982	35.00

4. Oil production from the North Slope is expected to begin July 1, 1976. The following table displays the critical assumptions on throughput and related prices used to estimate the royalty revenue from the North Slope. The general assumption is that of a \$3.5 billion pipeline operating at approximately a 2% dividend rate--a State controlled regulatory environment.

Fiscal Year	Pipeline Tariff (\$/BBL)	Well Head Oil Price (\$/EBL)	Well Head Gas Price (\$/MCF)	Daily Production (in Millions)		Royalty Revenue (Millions)
				Oil (BBL)	Gas (MCF)	
1977	2.18	0.81	0.16	0.60	0.54	23
1978	1.45	1.58	0.16	0.90	0.81	67
1979	0.98	2.10	0.16	1.35	1.22	132
1980	0.87	2.25	0.16	1.50	1.35	157
1981	0.85	2.31	0.16	1.50	1.35	160
1982	0.83	2.37	0.17	1.50	1.35	165
1983	0.81	2.43	0.17	1.50	1.35	170
1984	0.78	2.49	0.17	1.50	1.35	174
1985	0.76	2.55	0.17	1.50	1.35	178

The production tax tested was the following:

Cents/Barrel on per Well Barrel Production

0-300	301-1000	1001-2500	Over 2500
43.214	48.214	50.714	55.714

The production level graduations will change the effective tax rate depending on a given well's rate of production.

1000 bbl/day well	2000 bbl/day well	10,000 bbl/day well
46.714¢	48.714¢	54.06¢

In addition, these rates apply only to the taxable portion of total oil produced which excludes the royalty share paid to the State.

The equivalent tax for all production would be:

1000 bbl/day well	2000 bbl/day well	10,000 bbl/day well
40.87¢	42.62¢	47.30¢

Provided as a credit against these cents/barrel taxes is the amount paid as a royalty. The 12.5% royalty amounts when expressed as cents/barrel would be the following:

at \$2.00 Wellhead Price	at \$2.50 Wellhead Price	at \$3.00 Wellhead Price
25.0¢	31.25¢	37.50¢

At the \$2.50 well head price the net severance tax payment would be for all oil:

1000 bbl/day well <hr/> 9.62¢	2000 bbl/day well <hr/> 11.37¢	10,000 bbl/day well <hr/> 16.05¢
-------------------------------------	--------------------------------------	--

Which when expressed as a cents/barrel rate for taxable oil only will be:

1000 bbl/day well <hr/> 11¢	2000 bbl/day well <hr/> 13¢	10,000 bbl/day well <hr/> 18.35¢
-----------------------------------	-----------------------------------	--

These rates are the same as the present severance tax or:

$$4.40\% \times \$2.50 = 11¢$$

$$5.20\% \times \$2.50 = 13¢$$

$$7.34\% \times \$2.50 = 18.35¢$$

North Slope Oil and Gas Revenue Summary
(Millions)

<u>Fiscal Year</u>	<u>Oil and Gas Royalty</u>	<u>Present Gas Severance</u>	<u>Present Oil Severance</u>	<u>Present Total Revenue</u>	<u>Proposed Credit Cents per/bbl Total Revenue</u>
1977	23	1	9	33	107.6
1978	67	2	30	99	163.4
1979	132	3	60	195	245.1
1980	157	3	73	233	271.0
1981	160	3	75	238	271.0
1982	165	3	77	249	271.0

Tax breakeven estimated in year 1985 when projected well head price exceeds \$2.50 per barrel.

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/10/72
Referred: Finance

1 IN THE HOUSE

BY THE LOCAL GOVERNMENT COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 598

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 a state tax on property used
7 in connection with transportation of unrefined oil
8 and gas; and providing for an effective date."

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

10 * Section 1. AS 43 is amended by adding a new chapter to read:

11 CHAPTER 56. OIL AND GAS TRANSPORTATION PROPERTY TAX.

12 Sec. 43.56.010. LEVY OF TAX. An annual tax of 20 mills is levied
13 each tax year beginning January 1, 1973, on the full and true value of
14 taxable real and tangible personal property employed in the transporta-
15 tion of unrefined oil and gas. With respect to a facility employed for
16 part of a tax year in such a manner as to render it taxable under this
17 chapter or partly so employed for a full tax year, the value of the
18 facility taxable under this chapter shall be proportionate to the
19 employment. Property taxable under this chapter does not include prop-
20 erty employed in the construction of facilities taxable under this
21 chapter as distinct from the facilities themselves. The tax levied
22 under this chapter does not apply to property with respect to which an
23 ad valorem tax is payable to a city or borough on January 1, 1972 and
24 on January 1 of any succeeding year during which a tax is levied under
25 this chapter.

26 Sec. 43.56.020. EXEMPTIONS. In addition to property excluded
27 under sec. 150(6) of this chapter, the following property is exempt
28 from the tax levied under this chapter:

29 (1) producing oil or gas leases;

CORRECTION

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

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/10/72
Referred: Finance

1 IN THE HOUSE

BY THE LOCAL GOVERNMENT COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 598

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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15 tion of unrefined oil and gas. With respect to a facility employed for
16 part of a tax year in such a manner as to render it taxable under this
17 chapter or partly so employed for a full tax year, the value of the
18 facility taxable under this chapter shall be proportionate to the
19 employment. Property taxable under this chapter does not include prop-
20 erty employed in the construction of facilities taxable under this
21 chapter as distinct from the facilities themselves. The tax levied
22 under this chapter does not apply to property with respect to which an
23 ad valorem tax is payable to a city or borough on January 1, 1972 and
24 on January 1 of any succeeding year during which a tax is levied under
25 this chapter.

26 Sec. 43.56.020. EXEMPTIONS. In addition to property excluded
27 under sec. 150(6) of this chapter, the following property is exempt
28 from the tax levied under this chapter:

29 (1) producing oil or gas leases;

1 (2) machinery, appliances and equipment used in and around
2 a well producing oil or gas and actually used in the operation of a
3 well; and

4 (3) oil and gas produced in the state upon which gross
5 production taxes are paid.

6 Sec. 43.56.030. IN LIEU OF OTHER TAXES. Payment of the tax
7 levied under this chapter is in lieu of all ad valorem taxes on prop-
8 erty subject to tax under this chapter now or hereafter imposed by
9 the state, or by a city or a borough.

10 Sec. 43.56.040. ASSESSMENT. Assessment of property subject to
11 the tax levied under this chapter shall be carried out by the Local
12 Affairs Agency substantially in the manner provided in AS 29.10.378 -
13 29.10.453 for first class cities, except that the agency shall function
14 in place of the local assessor, and the State Assessment Review Board
15 shall function in the place of the city council sitting as a board
16 of equalization.

17 Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The director of
18 local affairs shall appoint at least five qualified persons to serve
19 at his pleasure as the State Assessment Review Board. At least one
20 person shall be appointed from each of the four judicial districts.

21 Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State
22 Assessment Review Board shall be compensated and are entitled to per
23 diem and expenses authorized by law for boards.

24 Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review
25 Board has the powers and duties with respect to assessment of property
26 taxable under this chapter of a city council sitting as a board of
27 equalization with respect to first class cities.

28 Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in
29 this chapter is payable in full to the Department of Revenue on

1 September 30 of the tax year, except that, the Department of Revenue
2 may by regulation provide for prepayment of taxes and payment by
3 installments. A penalty of ten per cent shall be added to delinquent
4 taxes and interest at the rate of eight per cent per annum, or four
5 percentage points above the per annum rate charged member banks for
6 advances by the 12th Federal Reserve District that prevailed on the
7 first day of the month preceding the commencement of that calendar
8 quarter, whichever is greater, shall accrue on all unpaid taxes,
9 excluding penalties, from the due date until paid in full. Collection
10 of the tax levied under this chapter shall be carried out by the
11 Department of Revenue substantially in the manner provided in AS 29.10.-
12 456 - 29.10.537 and 29.10.348 - 29.10.351 for first class cities.

13 Sec. 43.56.090. LIEN FOR TAX. The tax levied under this chapter
14 and interest and penalty set out in sec. 80 of this chapter are liens
15 upon the property subject to tax under this chapter. The liens pro-
16 vided by this section are prior and paramount to all other liens or
17 encumbrances upon the same property.

18 Sec. 43.56.100. FALSE STATEMENT. A person who knowingly fails
19 to file a return when due or makes a false statement in a return
20 required under this chapter as to the amount, location, kind or value
21 of property subject to taxation with intent to evade the taxation is
22 guilty of a misdemeanor and upon conviction is punishable by a fine of
23 not more than \$1,000, or by imprisonment for not more than six months,
24 or by both, together with the costs of prosecution.

25 Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The annual revenue from
26 the tax levied under this chapter shall be deposited in the general
27 fund.

28 Sec. 43.56.120. AUTHORIZATION OF APPROPRIATION. There is
29 authorized to be appropriated to the Local Affairs Agency each year

1 an amount equal to the sum of the amounts deposited in the general fund
2 under sec. 110 of this chapter, less costs incurred or anticipated in
3 administration of the tax for the year of levy.

4 Sec. 43.56.130. DISTRIBUTION. As soon as practicable following
5 the annual appropriation provided for in sec. 120 of this chapter, the
6 Local Affairs Agency shall distribute to the treasurer of each taxing
7 unit, and shall segregate and hold for the benefit of each unorganized
8 borough, an amount which bears the same ratio to the total amount of
9 the annual appropriation under sec. 120 of this chapter as the distri-
10 bution index of the governmental unit bears to the sum of the distri-
11 bution indices of all governmental units.

12 Sec. 43.56.140. DISTRIBUTION INDEX. The distribution index of
13 each governmental unit is based on its cost of services, wealth and
14 population and is determined annually in accordance with the following
15 formula:

$$16 \quad D = \frac{PCF_a}{F_p}$$

17 where D = distribution index

18 P = total population of the governmental unit as a percentage
19 of the statewide total population

20 C = cost of service index

21 F_p = fiscal capacity

22 F_a = statewide fiscal capacity.

23 Sec. 43.56.150. DEFINITIONS. In this chapter

24 (1) "cost of service index" means the ratio as determined by
25 the Local Affairs Agency of the average cost of materials and personal
26 services, weighed equally, in a particular governmental unit to the
27 average cost of materials and personal services in the state as a whole
28 for each tax year; in determining the cost of service index the state
29 assessor may utilize such standards of reference as federal cost of