

Leg. Finance - Finance Comte Files (1971-72) 8879  
HB 598 cont., 609 22

1 living data, state employee regional pay differentials and other  
2 measures and standards which in his opinion tend to reflect cost dif-  
3 ferentials of construction materials, labor, and other components of  
4 the overall cost of local government operations;

5 (2) "fiscal capacity" means the ratio of total taxable  
6 assessed value to total population in a governmental unit,

7 (3) "governmental unit" means an organized borough or a city  
8 levying ad valorem taxes whether located inside or outside an organized  
9 borough, and an unorganized borough;

10 (4) "statewide fiscal capacity" means the ratio of total  
11 taxable assessed value to total population for the state as a whole;

12 (5) "taxable real and tangible personal property" means  
13 property not exempt from taxation under the constitution and laws of  
14 the state or of the United States, but does not include any subsurface  
15 estate or property used in a consumer distribution system; the term  
16 includes otherwise taxable property exempted from taxation under home  
17 rule ordinance or charter;

18 (6) "taxing unit" means any organized borough or city levy-  
19 ing ad valorem taxes whether located inside or outside an organized  
20 borough.

21 Sec. 43.56.160. REGULATIONS. The Local Affairs Agency and the  
22 Department of Revenue may adopt regulations as appropriate to carry out  
23 their respective duties under this chapter, including regulations  
24 governing determination of the population valuation and cost factors  
25 in sec. 140 of this chapter.

26 \* Sec. 2. This Act takes effect on the day after its passage and approval  
27 or on the day it becomes law without approval.  
28  
29

# Committee Report

S E N A T E

Ref: 5/10/72

5-13-72

Date

Mr. President:

The Committee on Finance has had CSHB 598 (Fin)  
(tax on oil & gas exploration)  
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 Local Government  
committee for further work & then to be reported to Senate Finance
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

[Signature] \_\_\_\_\_  
[Signature] \_\_\_\_\_  
\_\_\_\_\_  
[Signature] \_\_\_\_\_  
\_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends :  
\_\_\_\_\_ recommends :  
\_\_\_\_\_ recommends :  
\_\_\_\_\_ recommends :  
\_\_\_\_\_ recommends :

[Signature]  
CHAIRMAN

Original sponsor: Rules Committee by  
request of the Governor

Offered: 4/29/72  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 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 relating to taxation of property used in  
7 connection with transportation of unrefined oil and  
8 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 (a) An annual tax of 20 mills is  
13 levied each tax year beginning January 1, 1973 on the full and true  
14 value of taxable real and tangible personal property employed in the  
15 transportation of unrefined oil and gas.

16 (b) Local governmental units may levy a tax not to exceed 20  
17 mills on not more than 10 per cent of the full and true value of  
18 taxable real and tangible personal property employed in the transporta-  
19 tion of unrefined oil and gas. Payment of the tax levied under this  
20 subsection is in lieu of the appropriate portion of the tax levied  
21 by the state under (a) of this section.

22 (c) Property taxable under this chapter does not include property  
23 employed in the construction of facilities taxable under this chapter  
24 as distinct from the facilities themselves; however, with respect to  
25 pipelines and other facilities taxable under this chapter which may  
26 be under construction or awaiting construction, full and true value  
27 for each tax year before completion shall be measured by the costs  
28 incurred or accrued with respect to the facility as of the assessment  
29 date.

1 (d) The tax levied under this chapter does not apply to property  
2 with respect to which an ad valorem tax is payable to a city or borough  
3 on January 1, 1972 and on January 1 of any succeeding year during which  
4 a tax is levied under this chapter.

5 Sec. 43.56.020. EXEMPTIONS. The following property is exempt  
6 from the tax levied under this chapter:

7 (1) producing oil or gas leases;

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

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

13 Sec. 43.56.030. IN LIEU OF OTHER TAXES. Payment of the tax  
14 levied under this chapter is in lieu of all ad valorem taxes on property  
15 subject to tax under this chapter now or hereafter imposed by the  
16 state, or by a city or a borough.

17 Sec. 43.56.040. ASSESSMENT. Assessment of property subject to  
18 the tax levied under this chapter shall be carried out by the Local  
19 Affairs Agency substantially in the manner provided in AS 29.10.378 -  
20 29.10.453 for first class cities, except that the agency shall function  
21 in place of the local assessor, and the State Assessment Review Board  
22 shall function in the place of the city council sitting as a board of  
23 equalization.

24 Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The State Assess-  
25 ment Review Board shall consist of the commissioners of administration,  
26 commerce, natural resources, revenue and the attorney general. The  
27 governor shall appoint a chairman from the membership.

28 Sec. 43.56.060. POWERS AND DUTIES. The State Assessment Review  
29 Board has the powers and duties with respect to assessment of property

1 taxable under this chapter of a city council sitting as a board of  
2 equalization with respect to a first class city.

3 Sec. 43.56.070. COLLECTION AND ENFORCEMENT. The tax levied  
4 in this chapter is payable in full to the Department of Revenue on  
5 June 30 of the tax year, except that the Department of Revenue may  
6 by regulation provide for prepayment of taxes and payment by install-  
7 ments. A penalty of 10 per cent shall be added to delinquent taxes  
8 and interest at the rate of eight per cent a year, or four percentage  
9 points above the yearly rate charged member banks for advances by the  
10 12th Federal Reserve District that prevailed on the first day of the  
11 month preceding the commencement of that calendar quarter, whichever  
12 is greater, shall accrue on all unpaid taxes, excluding penalties,  
13 from the due date until paid in full. Collection of the tax levied  
14 under this chapter shall be carried out by the Department of Revenue  
15 substantially in the manner provided in AS 29.10.456 - 29.10.537 and  
16 29.10.348 - 29.10.351 for first class cities.

17 Sec. 43.56.080. LIEN FOR TAX. The tax levied under this chapter  
18 and interest and penalty set out in sec. 70 of this chapter are liens  
19 upon the property subject to tax under this chapter. The liens pro-  
20 vided by this section are prior and paramount to all other liens or  
21 encumbrances upon the same property.

22 Sec. 43.56.090. FALSE STATEMENT. A person who knowingly fails  
23 to file a return when due or makes a false statement in a return  
24 required under this chapter as to the amount, location, kind or value  
25 of property subject to taxation with intent to evade the taxation is  
26 guilty of a misdemeanor and upon conviction is punishable by a fine  
27 of not more than \$1,000, or by imprisonment for not more than six  
28 months, or by both, together with the costs of prosecution.

29 Sec. 43.56.100. DEPOSIT IN GENERAL FUND. The annual revenue

1 from the tax levied under this chapter shall be deposited in the  
2 general fund.

3 Sec. 43.56.110. IMPACT DISTRIBUTION. Each unit of local govern-  
4 ment may request reimbursement from the state for expenses incurred by  
5 the local government as a direct result of oil and gas development,  
6 production or transmission within its boundaries. The governor shall  
7 review and evaluate all requests for reimbursement and include his  
8 recommendations in the annual budget for state government expenditures.  
9 Funds to reimburse local governments may be appropriated annually by  
10 the legislature.

11 Sec. 43.56.120. DEFINITIONS. In this chapter

12 (1) "local governmental unit" means an organized borough or  
13 a city levying ad valorem taxes whether located inside or outside an  
14 organized borough;

15 (2) "taxable real and tangible personal property" means  
16 tank farms, tanker terminals, gathering and transmission lines, and  
17 related oil or gas storage and transport facilities associated with  
18 the production and transportation of crude oil and natural gas; the  
19 term includes otherwise taxable property exempted from taxation under  
20 home rule ordinance or charter, but does not include property exempt  
21 from taxation under the constitution and laws of the state or of the  
22 United States, or any subsurface estate or property user in a consumer  
23 distribution system.

24 \* Sec. 2. This Act takes effect on the day after its passage and approval  
25 or on the day it becomes law without approval.  
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27  
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Original sponsor: Rules Committee by  
request of the Governor

Offered: 3/29/72  
Referred: Finance

1 IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE

2 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 in  
7 connection with transportation of unrefined oil and  
8 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  
16 for part of a tax year in a manner 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  
20 property employed in the construction of facilities taxable under this  
21 chapter as distinct from the facilities themselves; however, with  
22 respect to pipelines and other facilities taxable under this chapter  
23 which may be under construction or awaiting construction, full and true  
24 value for each tax year before completion shall be measured by the  
25 costs incurred or accrued with respect to the facility as of the assess-  
26 ment date. The tax levied under this chapter does not apply to  
27 property with respect to which an ad valorem tax is payable to a city or  
28 borough on January 1, 1972 and on January 1 of any succeeding year  
29 during which a tax is levied under this chapter.

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

4           (1) producing oil or gas leases;

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

8           (3) oil and gas produced in the state upon which gross pro-  
9 duction taxes are paid.

10          Sec. 43.56.030. IN LIEU OF OTHER TAXES. Payment of the tax  
11 levied under this chapter is in lieu of all ad valorem taxes on property  
12 subject to tax under this chapter now or hereafter imposed by the state,  
13 or by a city or a borough.

14          Sec. 43.56.040. ASSESSMENT. Assessment of property subject to  
15 the tax levied under this chapter shall be carried out by the Local  
16 Affairs Agency substantially in the manner provided in AS 29.10.378 -  
17 29.10.453 for first class cities, except that the agency shall function  
18 in place of the local assessor, and the State Assessment Review Board  
19 shall function in the place of the city council sitting as a board of  
20 equalization.

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

25          Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State  
26 Assessment Review Board shall not be compensated but are entitled to  
27 per diem and expenses authorized by law for boards.

28          Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review  
29 Board has the powers and duties with respect to assessment of property

1 taxable under this chapter of a city council sitting as a board of  
2 equalization with respect to a first class city.

3 Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in  
4 this chapter is payable in full to the Department of Revenue on  
5 September 30 of the tax year, except that the Department of Revenue may  
6 by regulation provide for prepayment of taxes and payment by install-  
7 ments. A penalty of 10 per cent shall be added to delinquent taxes and  
8 interest at the rate of eight per cent a year, or four percentage  
9 points above the yearly rate charged member banks for advances by the  
10 12th Federal Reserve District that prevailed on the first day of the  
11 month preceding the commencement of that calendar quarter, whichever  
12 is greater, shall accrue on all unpaid taxes, excluding penalties, from  
13 the due date until paid in full. Collection of the tax levied under  
14 this chapter shall be carried out by the Department of Revenue sub-  
15 stantially in the manner provided in AS 29.10.456 - 29.10.537 and 29.10.  
16 348 - 29.10.351 for first class cities.

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

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

29 Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The annual revenue

1 from the tax levied under this chapter shall be deposited in the  
2 general fund.

3 Sec. 43.56.120. AUTHORIZATION OF APPROPRIATION. There is autho-  
4 rized to be appropriated to the Local Affairs Agency each year an  
5 amount equal to the sum of the amounts deposited in the general fund  
6 under sec. 110 of this chapter, less costs incurred or anticipated in  
7 administration of the tax for the year of levy.

8 Sec. 43.56.130. DISTRIBUTION. As soon as practicable following  
9 the annual appropriation provided for in sec. 120 of this chapter,  
10 the Local Affairs Agency shall distribute to the treasurer of each  
11 taxing unit, and shall segregate and expend for the benefit of the  
12 unorganized borough area, an amount which bears the same ratio to the  
13 total amount of the annual appropriation under sec. 120 of this chapter  
14 as the distribution index of the governmental unit bears to the sum of  
15 the distribution indices of all governmental units.

16 Sec. 43.56.140. DISTRIBUTION INDEX. The distribution index  
17 of each governmental unit is based on its cost of services, wealth  
18 and population and is determined annually in accordance with the

19 following formula:  $D = \frac{PCF_a}{F_p}$

20 where D = distribution index

21 P = total population of the governmental unit as a percentage  
22 of the statewide total population

23 C = cost of service index

24  $F_p$  = fiscal capacity

25  $F_a$  = statewide fiscal capacity.

26 Sec. 43.56.150. DEFINITIONS. In this chapter

27 (1) "cost of service index" means the ratio as determined  
28 by the Local Affairs Agency of the average cost of materials and personal  
29 services, weighed equally, in a particular governmental unit to the

1 average cost of materials and personal services in the state as a  
2 whole for each tax year; in determining the cost of service index  
3 the agency may utilize such standards of reference as federal cost of living  
4 data, state employee regional pay differentials and other measures and  
5 standards which in its opinion tend to reflect cost differentials of  
6 construction materials, labor, and other components of the overall  
7 cost of local government operations;

8 (2) "fiscal capacity" means the ratio of total taxable  
9 assessed value to total population in a governmental unit;

10 (3) "governmental unit" means an organized borough or a  
11 city levying ad valorem taxes whether located inside or outside an  
12 organized borough, and an unorganized borough;

13 (4) "statewide fiscal capacity" means the ratio of total  
14 taxable assessed value to total population for the state as a whole;

15 (5) "taxable real and tangible personal property" means  
16 property not exempt from taxation under the constitution and laws  
17 of the state or of the United States, but does not include any sub-  
18 surface estate or property used in a consumer distribution system; the  
19 term includes otherwise taxable property exempted from taxation under  
20 home rule ordinance or charter;

21 (6) "taxing unit" means any organized borough or city levying  
22 ad valorem taxes whether located inside or outside an organized borough;

23 (7) "total taxable assessed value" means the full and true  
24 value of all real and tangible personal property not specifically  
25 exempted from taxation under the constitution and laws of the state or  
26 the United States, and for purposes of determining fiscal capacity  
27 includes the value of property located in an unorganized borough even  
28 though ad valorem tax is not levied on the property.

29 Sec. 43.56.160. REGULATIONS. The Local Affairs Agency and the

1 Department of Revenue may adopt regulations as appropriate to carry  
2 out their respective duties under this chapter, including regulations  
3 governing determination of the population valuation and cost factors  
4 in sec. 140 of this chapter.

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

Introduced: 2/7/72  
Referred: Local Government  
and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 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 in  
7 connection with exploration for and transportation of  
8 unrefined oil and gas; and providing for an effective  
9 date."

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

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

12 CHAPTER 56. OIL AND GAS EXPLORATION AND  
13 TRANSPORTATION PROPERTY TAX.

14 Sec. 43.56.010. LEVY OF TAX. (a) An annual tax of 20 mills is  
15 levied each tax year, beginning January 1, 1973, on the full and true  
16 value of all the taxable real and personal property employed in the  
17 state in the exploration for and transportation of unrefined oil and  
18 gas, except that the tax levied under this section does not apply to  
19 property with respect to which an ad valorem tax is payable to a city  
20 or borough on January 1, 1972 and on January 1 of any succeeding year  
21 during which a tax is levied under this section.

22 Sec. 43.56.020. EXEMPTIONS. In addition to property excluded  
23 under sec. 90(6) of this chapter, the following property is exempt  
24 from the tax levied under this chapter

25 (1) producing oil or gas leases;

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

29 (3) oil and gas produced in the state upon which gross

1 production taxes are paid.

2 Sec. 43.56.030. IN LIEU OF OTHER TAXES. Payment of the tax  
3 levied under this chapter is in lieu of all ad valorem taxes on  
4 property subject to tax under this chapter now or hereafter imposed by  
5 the state, or by a city or a borough.

6 Sec. 43.56.040. ASSESSMENT AND COLLECTION. Property subject to  
7 the tax levied under this chapter shall be assessed and collected in  
8 the manner provided in AS 43.77.050 - 43.77.090, AS 43.77.110, and  
9 AS 43.77.130 - 43.77.140.

10 Sec. 43.56.050. DEPOSIT IN GENERAL FUND. The annual revenue from  
11 the tax levied under this chapter shall be deposited in the general  
12 fund.

13 Sec. 43.56.060. AUTHORIZATION OF APPROPRIATION. There is  
14 authorized to be appropriated each year an amount equal to the sum of  
15 the amounts deposited in the general fund under sec. 50 of this  
16 chapter. The amount appropriated under authority of this section shall  
17 be administered by the Department of Community and Regional Development.

18 Sec. 43.56.070. DISTRIBUTION. As soon as practicable following  
19 the annual appropriation provided for in sec. 60 of this chapter,  
20 the Department of Community and Regional Development shall distribute  
21 to the treasurer of each taxing unit, and shall segregate and hold  
22 for the benefit of each unorganized borough, an amount which bears the  
23 same ratio to the total amount of the annual appropriation as the  
24 distribution index of the governmental unit bears to the sum of the  
25 distribution indices of all governmental units.

26 Sec. 43.56.080. DISTRIBUTION FORMULA. The distribution index of  
27 each governmental unit is based on its cost of services, wealth and  
28 population and is determined annually in accordance with the following  
29 formula

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$$\Gamma = \frac{PCF_a}{F_p}$$

where D = distribution index

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

C = cost of service index

F<sub>p</sub> = fiscal capacity

F<sub>a</sub> = statewide fiscal capacity.

Sec. 43.56.090. DEFINITIONS. In this chapter

(1) "taxing unit" means any organized borough or city levying ad valorem taxes whether located within or outside an organized borough;

(2) "governmental unit" means an organized borough or a city levying ad valorem taxes whether located within or outside an organized borough, and an unorganized borough;

(3) "fiscal capacity" means the ratio of total taxable assessed value to total population within a governmental unit;

(4) "statewide fiscal capacity" means the ratio of total taxable assessed value to total population for the state as a whole;

(5) "cost of service index" means the cost as determined by the state assessor in the Department of Community and Regional Development for each tax year in each particular governmental unit of education, sewer, water, police and fire protection, road construction and other governmental services expressed as a percentage of the average cost of those services in the state as a whole;

(6) "taxable real and personal property" means property not exempt from taxation under the constitution and laws of the state or of the United States, but does not include any subsurface estate or property used in a consumer distribution system. The term includes

1 otherwise taxable property exempted from taxation under home rule  
2 ordinance or charter.

3 Sec. 43.56.100. REGULATIONS. The Department of Community and  
4 Regional Development and the Department of Revenue may adopt regula-  
5 tions as appropriate to carry out their respective duties under this  
6 chapter.

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



# 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

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.

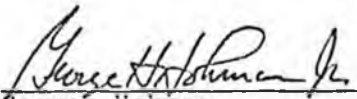
HOUSE JOURNAL

- (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

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: CSHB 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.						
<b>TOTAL</b>	<b>--</b>	<b>52.4</b>	<b>53.4</b>	<b>55.9</b>	<b>58.8</b>	<b>61.8</b>

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: HB 598  
 Title: Oil exploration property tax  
 Requested by: Legislative Finance Date: 3/29/72  
 Return Date Requested: 4/14/72  
 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.

<u>Fiscal Year</u>	<u>Pipeline Tariff (\$/EBL)</u>	<u>Well Head Oil Price (\$/EBL)</u>	<u>Well Head Gas Price (\$/MCF)</u>	<u>Daily Production (in Millions)</u>		<u>Royalty Revenue (Millions)</u>
				<u>Oil (BBL)</u>	<u>Gas (MCF)</u>	
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
<u>46.714c</u>	<u>48.714c</u>	<u>54.06c</u>

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
<u>40.87c</u>	<u>42.62c</u>	<u>47.30c</u>

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
25.0c	31.25c	37.50c

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

1000 bbl/day <u>well</u> 9.62¢	2000 bbl/day <u>well</u> 11.37¢	10,000 bbl/day <u>well</u> 16.05¢
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Which when expressed as a cents/barrel rate for taxable oil only will be:

1000 bbl/day <u>well</u> 11¢	2000 bbl/day <u>well</u> 13¢	10,000 bbl/day <u>well</u> 18.35¢
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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.

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

### Committee Report

3/29/72

## HOUSE OF REPRESENTATIVES

4/18/72

Date

Mr. Speaker

The Committee on FINANCE has had CSHB 598 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 CSHB 598 and that CS for CSHB 598 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>	_____	_____
<u>[Signature]</u>	_____	_____

#### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

[Signature] recommends: none

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature]  
CHAIRMAN

Introduced: 2/7/72  
Referred: Local Government  
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 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 in  
7 connection with exploration for and transportation of  
8 unrefined oil and gas; and providing for an effective  
9 date."

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

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

12 CHAPTER 56. OIL AND GAS EXPLORATION AND  
13 TRANSPORTATION PROPERTY TAX.

14 Sec. 43.56.010. LEVY OF TAX. (a) An annual tax of 20 mills is  
15 levied each tax year, beginning January 1, 1973, on the full and true  
16 value of all the taxable real and personal property employed in the  
17 state in the exploration for and transportation of unrefined oil and  
18 gas, except that the tax levied under this section does not apply to  
19 property with respect to which an ad valorem tax is payable to a city  
20 or borough on January 1, 1972 and on January 1 of any succeeding year  
21 during which a tax is levied under this section.

22 Sec. 43.56.020. EXEMPTIONS. In addition to property excluded  
23 under sec. 90(6) of this chapter, the following property is exempt  
24 from the tax levied under this chapter

- 25 (1) producing oil or gas leases;  
26 (2) machinery, appliances and equipment used in and around  
27 a well producing oil or gas and actually used in the operation of a  
28 well; and  
29 (3) oil and gas produced in the state upon which gross

1 production taxes are paid.

2 Sec. 43.56.030. IN LIEU OF OTHER TAXES. Payment of the tax  
3 levied under this chapter is in lieu of all ad valorem taxes on  
4 property subject to tax under this chapter now or hereafter imposed by  
5 the state, or by a city or a borough.

6 Sec. 43.56.040. ASSESSMENT AND COLLECTION. Property subject to  
7 the tax levied under this chapter shall be assessed and collected in  
8 the manner provided in AS 43.77.050 - 43.77.090, AS 43.77.110, and  
9 AS 43.77.130 - 43.77.140.

10 Sec. 43.56.050. DEPOSIT IN GENERAL FUND. The annual revenue from  
11 the tax levied under this chapter shall be deposited in the general  
12 fund.

13 Sec. 43.56.060. AUTHORIZATION OF APPROPRIATION. There is  
14 authorized to be appropriated each year an amount equal to the sum of  
15 the amounts deposited in the general fund under sec. 50 of this  
16 chapter. The amount appropriated under authority of this section shall  
17 be administered by the Department of Community and Regional Development.

18 Sec. 43.56.070. DISTRIBUTION. As soon as practicable following  
19 the annual appropriation provided for in sec. 60 of this chapter,  
20 the Department of Community and Regional Development shall distribute  
21 to the treasurer of each taxing unit, and shall segregate and hold  
22 for the benefit of each unorganized borough, an amount which bears the  
23 same ratio to the total amount of the annual appropriation as the  
24 distribution index of the governmental unit bears to the sum of the  
25 distribution indices of all governmental units.

26 Sec. 43.56.080. DISTRIBUTION FORMULA. The distribution index of  
27 each governmental unit is based on its cost of services, wealth and  
28 population and is determined annually in accordance with the following  
29 formula

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

where D = distribution index

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

C = cost of service index

F<sub>p</sub> = fiscal capacity

F<sub>a</sub> = statewide fiscal capacity.

Sec. 43.56.090. DEFINITIONS. In this chapter

(1) "taxing unit" means any organized borough or city levying ad valorem taxes whether located within or outside an organized borough;

(2) "governmental unit" means an organized borough or a city levying ad valorem taxes whether located within or outside an organized borough, and an unorganized borough;

(3) "fiscal capacity" means the ratio of total taxable assessed value to total population within a governmental unit;

(4) "statewide fiscal capacity" means the ratio of total taxable assessed value to total population for the state as a whole;

(5) "cost of service index" means the cost as determined by the state assessor in the Department of Community and Regional Development for each tax year in each particular governmental unit of education, sewer, water, police and fire protection, road construction and other governmental services expressed as a percentage of the average cost of those services in the state as a whole;

(6) "taxable real and personal property" means property not exempt from taxation under the constitution and laws of the state or of the United States, but does not include any subsurface estate or property used in a consumer distribution system. The term includes

1 otherwise taxable property exempted from taxation under home rule  
2 ordinance or charter.

3 Sec. 43.56.100. REGULATIONS. The Department of Community and  
4 Regional Development and the Department of Revenue may adopt regula-  
5 tions as appropriate to carry out their respective duties under this  
6 chapter.

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

Original sponsor: Rules Committee by  
request of the Governor

Offered: 3/29/72  
Referred: Finance

1 IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE

2 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 in  
7 connection with transportation of unrefined oil and  
8 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  
16 for part of a tax year in a manner 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  
20 property employed in the construction of facilities taxable under this  
21 chapter as distinct from the facilities themselves; however, with  
22 respect to pipelines and other facilities taxable under this chapter  
23 which may be under construction or awaiting construction, full and true  
24 value for each tax year before completion shall be measured by the  
25 costs incurred or accrued with respect to the facility as of the assess-  
26 ment date. The tax levied under this chapter does not apply to  
27 property with respect to which an ad valorem tax is payable to a city or  
28 borough on January 1, 1972 and on January 1 of any succeeding year  
29 during which a tax is levied under this chapter.

*include  
tax  
forms*

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

4           (1) producing oil or gas leases;

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

8           (3) oil and gas produced in the state upon which gross pro-  
9 duction taxes are paid.

10          Sec. 43.56.030. IN LIEU OF OTHER TAXES. Payment of the tax  
11 levied under this chapter is in lieu of all ad valorem taxes on property  
12 subject to tax under this chapter now or hereafter imposed by the state,  
13 or by a city or a borough.

14          Sec 43.56.040. ASSESSMENT. Assessment of property subject to  
15 the tax levied under this chapter shall be carried out by the Local  
16 Affairs Agency substantially in the manner provided in AS 29.10.378 -  
17 29.10.453 for first class cities, except that the agency shall function  
18 in place of the local assessor, and the State Assessment Review Board  
19 shall function in the place of the city council sitting as a board of  
20 equalization.

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

25          Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State  
26 Assessment Review Board shall not be compensated but are entitled to  
27 per diem and expenses authorized by law for boards.

28          Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review  
29 Board has the powers and duties with respect to assessment of property

1 taxable under this chapter of a city council sitting as a board of  
2 equalization with respect to a first class city.

3 Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in  
4 this chapter is payable in full to the Department of Revenue on  
5 September 30 of the tax year, except that the Department of Revenue may  
6 by regulation provide for prepayment of taxes and payment by install-  
7 ments. A penalty of 10 per cent shall be added to delinquent taxes and  
8 interest at the rate of eight per cent a year, or four percentage  
9 points above the yearly rate charged member banks for advances by the  
10 12th Federal Reserve District that prevailed on the first day of the  
11 month preceding the commencement of that calendar quarter, whichever  
12 is greater, shall accrue on all unpaid taxes, excluding penalties, from  
13 the due date until paid in full. Collection of the tax levied under  
14 this chapter shall be carried out by the Department of Revenue sub-  
15 stantially in the manner provided in AS 29.10.456 - 29.10.537 and 29.10.  
16 348 - 29.10.351 for first class cities.

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

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

29 Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The annual revenue

1 from the tax levied under this chapter shall be deposited in the  
2 general fund.

3 Sec. 43.56.120. AUTHORIZATION OF APPROPRIATION. There is autho-  
4 rized to be appropriated to the Local Affairs Agency each year an  
5 amount equal to the sum of the amounts deposited in the general fund  
6 under sec. 110 of this chapter, less costs incurred or anticipated in  
7 administration of the tax for the year of levy.

8 Sec. 43.56.130. DISTRIBUTION. As soon as practicable following  
9 the annual appropriation provided for in sec. 120 of this chapter,  
10 the Local Affairs Agency shall distribute to the treasurer of each  
11 taxing unit, and shall segregate and expend for the benefit of the  
12 unorganized borough area, an amount which bears the same ratio to the  
13 total amount of the annual appropriation under sec. 120 of this chapter  
14 as the distribution index of the governmental unit bears to the sum of  
15 the distribution indices of all governmental units.

16 Sec. 43.56.140. DISTRIBUTION INDEX. The distribution index  
17 of each governmental unit is based on its cost of services, wealth  
18 and population and is determined annually in accordance with the

19 following formula:  $D = \frac{PCF_a}{F_p}$

20 where D = distribution index

21 P = total population of the governmental unit as a percentage  
22 of the statewide total population

23 C = cost of service index

24  $F_p$  = fiscal capacity

25  $F_a$  = statewide fiscal capacity.

26 Sec. 43.56.150. DEFINITIONS. In this chapter

27 (1) "cost of service index" means the ratio as determined  
28 by the Local Affairs Agency of the average cost of materials and personal  
29 services, weighed equally, in a particular governmental unit to the

1 average cost of materials and personal services in the state as a  
2 whole for each tax year; in determining the cost of service index  
3 the agency may utilize such standards of reference as federal cost of living  
4 data, state employee regional pay differentials and other measures and  
5 standards which in its opinion tend to reflect cost differentials of  
6 construction materials, labor, and other components of the overall  
7 cost of local government operations;

8 (2) "fiscal capacity" means the ratio of total taxable  
9 assessed value to total population in a governmental unit;

10 (3) "governmental unit" means an organized borough or a  
11 city levying ad valorem taxes whether located inside or outside an  
12 organized borough, and an unorganized borough;

13 (4) "statewide fiscal capacity" means the ratio of total  
14 taxable assessed value to total population for the state as a whole;

15 (5) "taxable real and tangible personal property" means  
16 property not exempt from taxation under the constitution and laws  
17 of the state or of the United States, but does not include any sub-  
18 surface estate or property used in a consumer distribution system; the  
19 term includes otherwise taxable property exempted from taxation under  
20 home rule ordinance or charter;

21 (6) "taxing unit" means any organized borough or city levying  
22 ad valorem taxes whether located inside or outside an organized borough;

23 (7) "total taxable assessed value" means the full and true  
24 value of all real and tangible personal property not specifically  
25 exempted from taxation under the constitution and laws of the state or  
26 the United States, and for purposes of determining fiscal capacity  
27 includes the value of property located in an unorganized borough even  
28 though ad valorem tax is not levied on the property.

29 Sec. 43.56.160. REGULATIONS. The Local Affairs Agency and the

1 Department of Revenue may adopt regulations as appropriate to carry  
2 out their respective duties under this chapter, including regulations  
3 governing determination of the population valuation and cost factors  
4 in sec. 140 of this chapter.

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

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

TO:  Jay Hogan, Fiscal Analyst  
Division of Legislative Finance  
State Capitol Building

DATE : May 18, 1972

FROM: Frederick P. Boetsch, Director  
Audit Division  
Department of Revenue

SUBJECT: CSHB 598

*FPB*

I am enclosing a memo I wrote on April 13 to Deputy Commissioner Stevenson regarding both the original House Bill and the House Finance Committee Substitute.

I have also enclosed the Fiscal Note which we prepared for the Committee Substitute. This Fiscal Note provides for \$52.4 thousand dollars in Fiscal Year 1973. This would be sufficient to cover the cost of a Field Auditor who would spend full time auditing the cost accounting records for the pipeline during construction. After the period of construction this individual could be transferred to our regular field audit program which will have grown by that time to justify an additional person. He would also be available from time to time as additions were made to the pipeline to ascertain the cost of those additions. It would also allow for a Collection Agent to keep on top of collection of the taxes, and for a Clerk Typist II to handle the necessary correspondence and other clerical needs of both the auditor and the collection agent. Other administrative costs which would be incurred by the Local Affairs Agency are the subject of a separate memo in the Fiscal Note from Bob Dozier.

If you need any further information please do not hesitate to contact me.

FPB:mbc  
Enclosures

# **CORRECTION**

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

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

TO:  Jay Hogan, Fiscal Analyst  
Division of Legislative Finance  
State Capitol Building

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I have also enclosed the Fiscal Note which we prepared for the Committee Substitute. This Fiscal Note provides for \$52.4 thousand dollars in Fiscal Year 1973. This would be sufficient to cover the cost of a Field Auditor who would spend full time auditing the cost accounting records for the pipeline during construction. After the period of construction this individual could be transferred to our regular field audit program which will have grown by that time to justify an additional person. He would also be available from time to time as additions were made to the pipeline to ascertain the cost of those additions. It would also allow for a Collection Agent to keep on top of collection of the taxes, and for a Clerk Typist II to handle the necessary correspondence and other clerical needs of both the auditor and the collection agent. Other administrative costs which would be incurred by the Local Affairs Agency are the subject of a separate memo in the Fiscal Note from Bob Dozier.

If you need any further information please do not hesitate to contact me.

FPB:mbc  
Enclosures

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

I. REQUEST

Bill Identification: CSHB 598  
 Title: Bill rec. pipeline property tax  
 Requested by: Legislative Finance Date: 3/30/72  
 Return Date Request: 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  
 Deputy Commissioner  
 Department of Revenue

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

## MEMORANDUM

State of Alaska

TO:  R. D. Stevenson  
Deputy Commissioner

DATE : April 13, 1972

FROM: Fred Boetsch, Director  
Audit Division

SUBJECT: HB 598 and CSHB 598

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



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>
-----------------	--------------

CSHB 598	
----------	--

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.



# 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

"An Act providing for the issuance of general obligation bonds in the amount of \$40,050,000 for the purpose of paying the cost of capital improvements for the U of A, and providing for an effective date."

### Committee Report

## HOUSE OF REPRESENTATIVES

6/8/72

6-9-72

Date

Mr. Speaker

The Committee on FINANCE has had HB 609

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: <u>No Rec</u>
_____	recommends: _____
_____	recommends: _____
_____	recommends: _____
_____	recommends: _____

CHAIRMAN

"An Act providing for the issuance of general obligation bonds in the amount of \$40,050,000 for the purpose of paying the cost of capital improvements for the U. of A.; and providing for an effective date."

**Committee Report**

HOUSE OF REPRESENTATIVES

6-8-72

Date

Mr. Speaker

The Committee on FINANCE has had HB 609

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 609 (Finance) and that CS for HB 609 (Finance) 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:

<u>[Signature]</u>	recommends: <u>no vote</u>
_____	recommends: _____
<u>[Signature]</u>	recommends: _____
<u>[Signature]</u>	recommends: <u>no vote</u>
_____	recommends: _____

CHAIRMAN

## UNIVERSITY OF ALASKA

COLLEGE, ALASKA 99701

# 200 Kenai Rd.  
in 91.5

No

3.5%

TO:

DATE: Wed  
5/31

George Helms -

When you get to considering HB609,  
The legislative Council bonding package for UAF,  
you might want to get in touch with Don  
Meyck, Director of Planning, Telephone FAKS 479-7231.

I must leave tonight but could be back down  
next week if necessary. Chuck Ferguson, Provost  
for SE, will be in town through Friday. Phone 6-6747.

I hope, too, you will give consideration to  
putting funds for HB592 in the budget bill and  
also to funding the University portions of HB814  
in the general appropriations bill.

Don DeFoe

cc d. Hogan

"An Act providing for the issuance of general obligation bonds in the amount of \$17,050,000 for the purpose of paying the cost of capital improvements for the University of Arkansas and providing for an effective date."

### Committee Report

HOUSE OF REPRESENTATIVES

5/5/72

*replaced*

7

Mr. Speaker

Date

The Committee on FINANCE has had HR 609 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 HR 609 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: No

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

CHAIRMAN

A M E N D M E N T

Offered in the HOUSE

By Finance Committee

To: CS HOUSE Bill No. 609 (Finance)

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

AMENDMENT: Page 1 Line 7

Delete "\$33,050,000" and substitute "\$32,700,000"  
Page 1 Line 14

Delete "\$33,050,000" and substitute "\$32,700,000"  
Page 1 Line 25

Delete "\$33,050,000" and substitute "\$32,700,000"  
Page 2 Lines 23 and 24

Delete subsection (d)  
Page 3 Line 9

Delete "\$33,050,000" and substitute "\$32,700,000"  
Page 3 Line 11

Delete "\$32,050,000" and substitute "\$32,700,000"

Original sponsor: Rules Committee by request  
of the Legislative Council

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 609

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$33,050,000 for the purpose  
8 of paying the cost of capital improvements for the  
9 University of Alaska; and providing for an effective  
10 date."

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

12 \* Section 1. For the purpose of paying the cost of capital improvements  
13 for the University of Alaska, general obligation bonds of the state in the  
14 principal amount of not more than \$33,050,000 shall be issued and sold. The  
15 full faith, credit and resources of the state are pledged to the payment of  
16 the principal of and interest and redemption premium, if any, on these bonds.  
17 These bonds shall be issued under the provisions of AS 37.15 as those provi-  
18 sions read at the time of issuance.

19 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
20 voters of the state, a special fund of the state to be known as the "1972  
21 University of Alaska Construction Fund" shall be established, to which shall  
22 be credited the proceeds of the sale of the bonds described in sec. 1 of this  
23 Act except for the accrued interest and premiums. There is appropriated  
24 from the "1972 University of Alaska Construction Fund" to the University of  
25 Alaska the sum of \$33,050,000. The specific uses of the proceeds of these  
26 bonds shall be determined in accordance with the following:

27 (a) \$27,700,000 - Southeastern Region, as follows:

28 (1) \$18,500,000 - University of Alaska, Anchorage Senior College,  
29 as follows:

- 1 (A) \$9,500,000 - Academic Building, Phase I  
 2 (B) \$8,000,000 - Joint-use Multipurpose Building  
 3 (C) \$1,000,000 - Campus improvements: utilities, roads,

4 parking

5 (2) \$5,000,000 - University of Alaska, Anchorage - Anchorage  
 6 Community College - Expansion Program, Phase III

7 (3) \$1,500,000 - Kenai Peninsula Community College, Phase II

8 (4) \$750,000 - Matanuska-Susitna Community College, Phase II

9 (5) \$1,200,000 - Kodiak Community College, Phase II

10 (6) \$750,000 - Kuskokwim Community College

11 (b) \$3,500,000 - Northern Region, as follows:

12 (1) \$1,500,000 - Fairbanks Campus, as follows:

13 *1.5m* ? (A) \$950,000 - Utilities upgrading

14 (B) \$550,000 - Completion of recital hall-lecture room, in  
 15 Fine Arts Building

16 (2) \$1,500,000 - Tanana Valley Community College, Fairbanks  
 17 Campus: vocational shops and classroom building

18 (3) \$500,000 - Extension Center Headquarters, Nome

19 (c) \$1,500,000 - Southeastern Region, as follows:

20 *1.5m ?* (1) \$500,000 - Juneau-Douglas Community College, Vocational Center,  
 21 Juneau Campus

22 (2) \$1,000,000 - Sitka Community College, Phase I

23 *350- ?* (d) \$350,000 - Central Governance, University System, Planning Revolv-  
 24 ing Fund.

25 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
 26 voters of the state, the amount of \$115,675 or as much of that amount as is  
 27 found necessary is appropriated from the general fund of the state to the  
 28 state bond committee to carry out the provisions of this Act and to pay  
 29 expenses incident to the sale and issuance of the bonds authorized in this

1 Act. The amounts expended from the appropriation authorized by this section  
2 shall be reimbursed to the general fund from the proceeds of the sale of the  
3 bonds authorized by this Act.

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

7 Proposition

8 State General Obligation University of Alaska  
9 1972 Construction Bonds \$33,050,000

10 Shall the State of Alaska issue its general obligation bonds  
11 in the principal amount of not more than \$33,050,000 for the  
12 purpose of paying the cost of capital improvements for the  
13 University of Alaska?

14 Bonds Yes [ ]  
15 Bonds No [ ]

16 \* Sec. 5. This Act takes effect on the day after its passage and approval  
17 or on the day it becomes law without approval.

Introduced: 2/9/72  
Referred: Health, Welfare &  
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST  
OF THE LEGISLATIVE COUNCIL

2 HOUSE BILL NO. 609

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$40,050,000 for the purpose  
8 of paying the cost of capital improvements for the  
9 University of Alaska; and providing for an effective  
10 date."

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

12 \* Section 1. For the purpose of paying the cost of capital improvements  
13 for the University of Alaska, general obligation bonds of the state in the  
14 principal amount of not more than \$40,050,000 shall be issued and sold. The  
15 full faith, credit and resources of the state are pledged to the payment of  
16 the principal of and interest and redemption premium, if any, on these bonds.  
17 These bonds shall be issued under the provisions of AS 37.15 as those provi-  
18 sions read at the time of issuance.

19 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
20 voters of the state, a special fund of the state to be known as the "1972  
21 University of Alaska Construction Fund" shall be established, to which shall  
22 be credited the proceeds of the sale of the bonds described in sec. 1 of this  
23 Act except for the accrued interest and premiums. There is appropriated  
24 from the "1972 University of Alaska Construction Fund" to the University of  
25 Alaska the sum of \$40,050,000. The specific uses of the proceeds of these  
26 bonds shall be determined in accordance with the following:

27 (a) \$31,700,000 - Southcentral Region, as follows:

28 (1) \$18,500,000 - University of Alaska, Anchorage Senior College,  
29 as follows:

- 1 (A) \$9,500,000 - Academic Building, Phase I  
2 (B) \$8,000,000 - Joint-use Multipurpose Building  
3 (C) \$1,000,000 - Campus improvements: utilities, roads,  
4 parking

5 (2) \$9,000,000 - University of Alaska, Anchorage - Anchorage  
6 Community College, as follows:

- 7 (A) \$8,500,000 - Expansion Program, Phase III  
8 (B) \$500,000 - Campus improvements: streets and parking  
9 -200,000 (3) \$1,500,000 - Kenai Peninsula Community College, Phase II  
10 (4) \$750,000 - Matanuska-Susitna Community College, Phase II  
11 (5) \$1,200,000 - Kodiak Community College, Phase II  
12 (6) \$750,000 - Extension Center Headquarters, Bethel

13 (b) \$5,000,000 - Northern Region, as follows:

14 (1) \$3,000,000 - Fairbanks Campus, as follows:

15 (A) \$1,500,000 - Building safety and use improvements for  
16 McIntosh, Nerland, Stevens, Bunnell and Lathrop Halls; Fatty Gymnasium;  
17 and Chapman Building

18 (B) \$950,000 - Utilities upgrading

19 (C) \$550,000 - Completion of recital hall - lecture room, in  
20 Fine Arts Building

21 (2) \$1,500,000 - Tanana Valley Community College, Fairbanks  
22 Campus: vocational shops and classroom building

23 (3) \$500,000 - Extension Center Headquarters, Nome

24 (c) \$3,000,000 - Southeastern Region, as follows:

25 (1) \$2,000,000 - Juneau-Douglas Community College, as follows:

26 -1.5 (A) \$1,000,000 - Southeastern Region Conference Center and  
27 Administration Building, Auke Lake Campus

28 (B) \$1,000,000 - Vocational Center, Juneau Campus

29 (2) \$1,000,000 - Sitka Community College, Phase I

1 (d) \$350,000 - Central Governance, University System, Planning Revolving  
2 Fund.

3 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
4 voters of the state, the amount of \$140,175 or as much of that amount as is  
5 found necessary is appropriated from the general fund of the state to the  
6 state bond committee to carry out the provisions of this Act and to pay  
7 expenses incident to the sale and issuance of the bonds authorized in this  
8 Act. The amounts expended from the appropriation authorized by this section  
9 shall be reimbursed to the general fund from the proceeds of the sale of the  
10 bonds authorized by this Act.

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

14 Proposition

15 State General Obligation University of

16 Alaska 1972 Construction Bonds \$40,050,000

17 Shall the State of Alaska issue its general obligation bonds  
18 in the principal amount of not more than \$40,050,000 for the  
19 purpose of paying the cost of capital improvements for the  
20 University of Alaska?

21 Bonds Yes [ ]

22 Bonds No [ ]

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

25  
26  
27  
28  
29



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:

6/11/72

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

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

HB 609

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.

House

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

I. REQUEST

Bill Identification: HB-609, "An Act Providing for the issuance of General  
Title: Obligation Bonds, etc."

Requested by: Legislative Finance Date: May 8, 1972

Return Date Requested: As soon as possible

Agency: Budget and Management Program: Higher Education

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Various

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Debt Retirement			3,360.8	3,491.6	3,491.6	3,491.6
TOTAL		-0-	3,360.8	3,491.6	3,491.6	3,491.6

B. FUNDING: (Thousands of dollars)

GENERAL FUND		-0-	3,360.8	3,491.6	3,491.6	3,491.6
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

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

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

If approved by the voters, it is assumed that \$38,550,000 in bonds will be sold in either late FY '73 or early FY '74 and \$1,500,000 for the Tanana Valley Community College will be sold in FY '75. Debt payment is based on a 20-year amortization schedule at 6% interest.

A tentative fiscal year development schedule is attached; however, cash flow information is difficult to project at this early planning stage prior to voter approval, making a projection of investment income impractical.

IV. ATTACHMENTS

Development schedule

V. DATE: May 10, 1972

PREPARED BY: M. R. Charney  
Director

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

PROPOSED DEVELOPMENT SCHEDULE  
HB-609

	Proposed Bond Issue	FY '73	FY '75
(a) Southcentral Region	<u>\$31,700.0</u>		
(1) University of Alaska - Anchorage Senior College	\$18,500.0	\$18,500.0	
(2) University of Alaska - Anchorage Community College	9,000.0	9,000.0	
(3) Kenai Community College	1,500.0	1,500.0	
(4) Matanuska-Susitna Community College	750.0	750.0	
(5) Kodiak Community College Phase I	1,200.0	1,200.0	
(6) Extension Center - Bethel	750.0	750.0	
 (b) Northern Region	 5,000.0		
(1) Fairbanks Campus	3,000.0	3,000.0	
(2) Tanana Valley Community College	1,500.0		\$1,500.0
(3) Extension Center - Nome	500.0	500.0	
 (c) Southeastern Region	 3,000.0		
(1) Juneau-Douglas Community College	2,000.0	2,000.0	
(2) Sitka Community College	1,000.0	1,000.0	
 (d) Central Governance	 <u>350.0</u>	 <u>350.0</u>	 <u>350.0</u>
	\$40,050.0	\$40,050.0	\$38,550.0 \$1,500.0

*delete*

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 609 (FINANCE)

The committee substitute generally revises downward the Legislative Council's suggested bond package for the University of Alaska. The reason for this revision is that six capital projects relating to the University are currently under discussion in the budget free conference. Under the assumption that these projects will be funded in the budget they were removed from this bond proposal to prevent double funding.

Committee Substitute for House Bill 609 (Finance) submitted yesterday was withdrawn for certain technical corrections. As a result it was never printed. This committee substitute incorporates those technical corrections and is reported out as a replacement for yesterday's committee substitute.

---

George Hohman, Jr.  
Chairman

11/13 § 14

34,200,000

Original sponsor: Rules Committee by request  
of the Legislative Council

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 609

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of ~~\$33,050,000~~<sup>32,700,000</sup> for the purpose  
8 of paying the cost of capital improvements for the  
9 University of Alaska; and providing for an effective  
10 date."

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

12 \* Section 1. For the purpose of paying the cost of capital improvements  
13 for the University of Alaska, general obligation bonds of the state in the  
14 principal amount of not more than ~~\$33,050,000~~ shall be issued and sold. The  
15 full faith, credit and resources of the state are pledged to the payment of  
16 the principal of and interest and redemption premium, if any, on these bonds.  
17 These bonds shall be issued under the provisions of AS 37.15 as those provi-  
18 sions read at the time of issuance.

19 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
20 voters of the state, a special fund of the state to be known as the "1972  
21 University of Alaska Construction Fund" shall be established, to which shall  
22 be credited the proceeds of the sale of the bonds described in sec. 1 of this  
23 Act except for the accrued interest and premiums. There is appropriated  
24 from the "1972 University of Alaska Construction Fund" to the University of  
25 Alaska the sum of ~~\$33,050,000~~<sup>32,700,000</sup>. The specific uses of the proceeds of these  
26 bonds shall be determined in accordance with the following:

27 (a) \$27,700,000 - Southcentral Region, as follows:

28 (1) \$18,500,000 - University of Alaska, Anchorage Senior College,  
29 as follows:

1 (A) \$9,500,000 - Academic Building, Phase I

2 (B) \$8,000,000 - Joint-use Multipurpose Building

3 (C) \$1,000,000 - Campus improvements: utilities, roads,  
4 parking

5 (2) \$5,000,000 - University of Alaska, Anchorage - Anchorage  
6 Community College - Expansion Program, Phase III

7 (3) \$1,500,000 - Kenai Peninsula Community College, Phase II

8 (4) \$750,000 - Matanuska-Susitna Community College, Phase II

9 (5) \$1,200,000 - Kodiak Community College, Phase II

10 (6) \$750,000 - Kuskokwim Community College

11 (b) \$3,500,000 - Northern Region, as follows:

12 (1) \$1,500,000 - Fairbanks Campus, as follows:

13 (A) \$950,000 - Utilities upgrading

14 (B) \$550,000 - Completion of recital hall-lecture room, in  
15 Fine Arts Building

16 (2) \$1,500,000 - Tanana Valley Community College, Fairbanks  
17 Campus: vocational shops and classroom building

18 (3) \$500,000 - Extension Center Headquarters, Nome

19 (c) <sup>3,000,000</sup>~~\$1,500,000~~ - Southeastern Region, as follows:

20 (1) \$500,000 - Juneau-Douglas Community College, Vocational Center  
21 Juneau Campus

22 (2) \$1,000,000 - Sitka Community College, Phase I

23 (d) \$350,000 - Central Governance, University System, Planning Revolv-  
24 ing Fund.

25 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
26 voters of the state, the amount of \$<sup>119,700</sup>115,675 or as much of that amount as is  
27 found necessary is appropriated from the general fund of the state to the  
28 state bond committee to carry out the provisions of this Act and to pay  
29 expenses incident to the sale and issuance of the bonds authorized in this  
CSHB 609 (Finance)

1 Act. The amounts expended from the appropriation authorized by this section  
2 shall be reimbursed to the general fund from the proceeds of the sale of the  
3 bonds authorized by this Act.

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

7 Proposition

8 State General Obligation University of Alaska  
9 1972 Construction Bonds

<sup>32,700,000</sup>  
[ \$33,050,000 ]

10 Shall the State of Alaska issue its general obligation bonds  
11 in the principal amount of not more than <sup>32,700,000</sup> [ \$33,050,000 ] for the  
12 purpose of paying the cost of capital improvements for the  
13 University of Alaska?

14 Bonds Yes [ ]

15 Bonds No [ ]

16 \* Sec. 5. This Act takes effect on the day after its passage and approval  
17 or on the day it becomes law without approval.

40 050  
7.350  
32700

1.5  
1.5  
350  
4.0  
5,850.  
7,350

500 +

Original sponsor: Rules Committee by request of the Legislative Council

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 609

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of ~~\$33,050,000~~ for the purpose  
8 of paying the cost of capital improvements for the  
9 University of Alaska; and providing for an effective  
10 date."

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

12 \* Section 1. For the purpose of paying the cost of capital improvements  
13 for the University of Alaska, general obligation bonds of the state in the  
14 principal amount of not more than \$33,050,000 shall be issued and sold. The  
15 full faith, credit and resources of the state are pledged to the payment of  
16 the principal of and interest and redemption premium, if any, on these bonds.  
17 These bonds shall be issued under the provisions of AS 37.15 as those provi-  
18 sions read at the time of issuance.

19 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
20 voters of the state, a special fund of the state to be known as the "1972  
21 University of Alaska Construction Fund" shall be established, to which shall  
22 be credited the proceeds of the sale of the bonds described in sec. 1 of this  
23 Act except for the accrued interest and premiums. There is appropriated  
24 from the "1972 University of Alaska Construction Fund" to the University of  
25 Alaska the sum of \$33,050,000. The specific uses of the proceeds of these  
26 bonds shall be determined in accordance with the following:

27 (a) \$27,700,000 - Southeastern Region, as follows:

28 (1) \$18,500,000 - University of Alaska, Anchorage Senior College,  
29 as follows:

1 (A) \$9,500,000 - Academic Building, Phase I .

2 (B) \$8,000,000 - Joint-use Multipurpose Building

3 (C) \$1,000,000 - Campus improvements: utilities, roads,  
4 parking

5 (2) \$5,000,000 - University of Alaska, Anchorage - Anchorage  
6 Community College - Expansion Program, Phase III

7 (3) \$1,500,000 - Kenai Peninsula Community College, Phase II

8 (4) \$750,000 - Matanuska-Susitna Community College, Phase II

9 (5) \$1,200,000 - Kodiak Community College, Phase II

10 (6) \$750,000 - Kuskokwim Community College

11 (b) \$3,500,000 - Northern Region, as follows:

12 (1) \$1,500,000 - Fairbanks Campus, as follows:

13 (A) \$950,000 - Utilities upgrading

14 (B) \$550,000 - Completion of recital hall-lecture room, in  
15 Fine Arts Building

16 (2) \$1,500,000 - Tanana Valley Community College, Fairbanks  
17 Campus: vocational shops and classroom building

18 (3) \$500,000 - Extension Center Headquarters, Nome

19 (c) \$1,500,000 - Southeastern Region, as follows:

20 (1) \$500,000 - Juneau-Douglas Community College, Vocational Center,  
21 Juneau Campus

22 (2) \$1,000,000 - Sitka Community College, Phase I

23 (d) \$350,000 - Central Governance, University System, Planning Revolv-  
24 ing Fund.

25 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
26 voters of the state, the amount of \$115,675 or as much of that amount as is  
27 found necessary is appropriated from the general fund of the state to the  
28 state bond committee to carry out the provisions of this Act and to pay  
29 expenses incident to the sale and issuance of the bonds authorized in this

1 Act. The amounts expended from the appropriation authorized by this section  
2 shall be reimbursed to the general fund from the proceeds of the sale of the  
3 bonds authorized by this Act.

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

7 Proposition

8 State General Obligation University of Alaska

9 1972 Construction Bonds

\$33,050,000

10 Shall the State of Alaska issue its general obligation bonds  
11 in the principal amount of not more than \$33,050,000  
12 purpose of paying the cost of capital improvements for the  
13 University of Alaska?

14 Bonds Yes [ ]

15 Bonds No [ ]

16 \* Sec. 5. This Act takes effect on the day after its passage and approval  
17 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

# Committee Report

Ref: 6/10/72

S E N A T E

June 12, 1972 Date

Mr. President:

The Committee on Finance has had CSBP 609 (Pin)  
(U of A Bonds \$34,200,000)  
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 <sup>delete</sup> with CS for CS HB 609 and that delete CS for CS HB 607 do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

[Signature] \_\_\_\_\_  
[Signature] \_\_\_\_\_  
[Signature] \_\_\_\_\_  
[Signature] \_\_\_\_\_

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

[Signature] recommends: do not pass  
[Signature] recommends: DO NOT PASS " " " "  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
[Signature]  
CHAIRMAN

Gov. Original bill

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

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 513

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

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

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

11

CAPITAL BUDGET SUMMARY

FY 73

AGENCY	CATEGORY	I	Education
University of Alaska	PROGRAM	B	Higher Education
DIVISION	SUB PROGRAM	3	Southcentral Region
Southcentral Regional Center	ELEMENT	c.	Anchorage Comm. College
	SUB ELEMENT		

PRIORITY	TITLE	TYPE	LOCATION	AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVE ALLOWANCE
1	Anchorage Community College Expansion, Phase III					
	Facility and equipment (3.c.)	Constr.	Anchorage C. C.	8,500.0	- 0 -	
2	Campus Improvements: Streets and Parking (3.c.)	Constr.	Anchorage C. C.	500.0	500.0	
TOTAL				9,000.0	500.0	

FUNDING SOURCE	Federal Receipts					
	Required General Fund Matching					
	Other General Fund					
	Inter-Agency Receipts					
	Other					
	Bonds				9,000.0	

00308

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FY 73

CAPITAL BUDGET  
PROPOSED PROJECT

AGENCY	CATEGORY	code	
University of Alaska	PROGRAM	T	Education
DIVISION	SUBPROGRAM	B	Higher Education
Southcentral Region		3	Southcentral Region
Anchorage Comm. College	EVENT	c	Anchorage Comm. College
	SUBELEMENT		

TITLE	Campus Improvements		BUDGET COMPONENT	(3.c.)	COST	500.0	PRIORITY	2
LOCATION	Anchorage Community College Campus		AREA SERVED	Greater Anchorage Borough	ELECTION DISTRICT	8	STARTING DATE	3/1973
							COMPLETION DATE	8/1974
CONSTRUCTION	XX	EQUIPMENT	DESCRIPTION: Improvement and development of streets, parking and other site improvements on the Anchorage Community College Campus.					
IMPROVEMENT		LAND						

EXPLANATION: The Anchorage Community College Campus lacks improved and adequate streets and parking. There have been no funds provided for this development. There is a critical shortage of parking and no surfaced parking exists at this time. It is anticipated that 250 surfaced "stalls" of parking and that 2000 feet of surfaced streets can be developed with these funds.

	TOTAL	FY 73	FY 74	FY 75	FY 76 AND BEYOND
TOTAL ANNUAL EXPENDITURE	500.0				
PLANNING AND ENGINEERING	33.5	28.0	5.5		
LAND					
CONSTRUCTION	454.0	100.0	354.0		
EQUIPMENT					
ADMINISTRATION AND OTHER	12.5	10.0	2.5		

APPROPRIATION REQUEST	AMOUNT
Federal Receipts	
Required General Fund Matching	
Other General Fund	
Inter-Agency Receipts	
Other	00011
Bonds	500.0
TOTAL	500.0

(DECREASE) IN OPERATING EXPENDITURES				
Funding Source	OTHER SOURCES			
	GENERAL FUND	Decrease	60.0	120.0

# **CORRECTION**

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

