

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

SB 277 cont., 278, 279, 280, 289, 290, 298am 42

Introduced: 1/14/72  
Referred: State Affairs;  
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 277

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 \$28,000,000 for the  
8 purpose of paying the cost of capital improvements for  
9 water supply and sewerage systems; and providing for  
10 an 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 water supply and sewerage systems, general obligation bonds of the state  
14 in the principal amount of not more than \$28,000,000 shall be issued and  
15 sold. The full faith, credit and resources of the state are pledged to the  
16 payment of the principal of and interest and redemption premium, if any, on  
17 these bonds. These bonds shall be issued under the provisions of AS 37.15  
18 as those 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 Water Supply and Sewerage System Construction Fund" shall be established,  
22 to which shall be credited the proceeds of the sale of the bonds described  
23 in sec. 1 of this Act except for the accrued interest and premiums. There  
24 is appropriated from the "1972 Water Supply and Sewerage System Construction  
25 Fund" to the Department of Environmental Conservation the sum of  
26 \$28,000,000. The specific uses of the proceeds of these bonds shall be  
27 determined by the governor.

28 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
29 voters of the state, the amount of \$98,000 or as much of that amount as is

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

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

10 Proposition

11 State General Obligation Water Supply and Sewerage  
12 System Construction Bonds \$28,000,000

13 Shall the State of Alaska issue its general obligation bonds  
14 in the principal amount of not more than \$28,000,000 for the  
15 purpose of paying the cost of capital improvements for water  
16 supply and sewerage systems?

17 Bonds Yes [ ]

18 Bonds No [ ]

19 \* Sec. 5. This Act takes effect on the day after its passage and  
20 approval or on the day it becomes law without approval.  
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# RECORDS CERTIFICATION



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

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

CONSIDERATION OF THE CALENDARSECOND READING OF SENATE BILLS

SB SENATE BILL NO. 278 (Issue flood control bonds, \$10,000,000)  
278 was read the second time.

The Finance Committee offered the following amendment:

- Page 1, line 7: Delete "10,000,000" and insert  
"\$20,000,000"
- Page 1, line 9: After "control" insert "and small boat  
harbor"
- Page 1, line 13: After "AS 35.07" insert "and for  
small boat harbor projects"
- Page 1, line 15: Delete "\$10,000,000" and insert  
"\$20,000,000"
- Page 1, line 22: After "control" insert "and Small  
Boat Harbor"
- Page 1, line 25: After "Control" insert "and Small  
Boat Harbor"
- Page 1, line 26: Delete "\$10,000,000" and insert  
"\$20,000,000"
- Page 1, line 27: After "governor" insert "and ap-  
portioned to, but not limited to the  
following projects and estimates"
- Page 1, between lines 27 and 28 insert:  
"(a) \$10,000,000 - flood control projects  
(b) \$10,000,000 - small boat harbor projects as  
follows:
- (1) \$300,000 - King Cove
  - (2) \$850,000 - Sand Point
  - (3) \$850,000 - Hoonah
  - (4) \$300,000 - Kake
  - (5) \$700,000 - Wrangell
  - (6) \$700,000 - Metlakatla
  - (7) \$800,000 - Haines
  - (8) \$1,000,000 - Kodiak
  - (9) \$400,000 - Unalaska
  - (10) \$500,000 - Bethel
  - (11) \$3,600,000 - other harbor projects  
under investigation by the Corps of  
Engineers, including but not limited  
to Ketchikan, Anchorage, Kenai, St.  
Paul and Port Lions."
- Page 1, line 29: Delete "\$35,000" and insert "\$70,000"
- Page 2, line 11: After "Control" insert "and Small  
Boat Harbor"
- Page 2, line 12: Delete "\$10,000,000" and insert  
"\$20,000,000"
- Page 2, line 14: Delete "\$10,000,000" and insert  
"\$20,000,000"
- Page 2, line 16: After "control" insert "and Small  
Boat Harbor"

Senator Butrovich moved and asked unanimous consent for  
adoption of the above amendment. There being no objection,  
the amendment was adopted.

FIRST READING AND REFERENCE OF HOUSE BILLS cont'd

HOUSE BILL NO. 711, by the Rules Committee by request of the Governor, entitled: HB  
711

"An Act relating to electrical safety; and providing for an effective date."

was read the first time and referred to the Labor and Management Committee.

COMMUNICATIONS

Telegram from Mr. and Mrs. Elwood Mathews to Senator Meland was read, thanking the Governor, members of the legislature and the Department of Fish and Game for implementing the salt water salmon rearing experiments.

INTRODUCTION AND REFERENCE OF SENATE RESOLUTIONS

SENATE RESOLUTION NO. 5, by the Resources Committee, relating to regulations of the Guide Licensing and Control Board, was read the first time and referred to the Resources Committee. SR  
5

SENATE CONCURRENT RESOLUTION NO. 20, by the Judiciary Committee, relating to a study of no-fault automobile insurance, was read the first time and referred to the committees on Judiciary and Commerce. SCR  
20

INTRODUCTION AND REFERENCE OF SENATE BILLS

SENATE BILL NO. 375, by the Health, Welfare and Education Committee by request, entitled: SB  
375

"An Act relating to the limitation of liability for negligence by hospitals."

was read the first time and referred to the committees on Health, Welfare and Education and Judiciary.

CONSIDERATION OF THE CALENDAR cont'd

There being no further amendments, Senator Miller moved and asked unanimous consent that SENATE BILL NO. 278 am, be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered. SB  
278  
am

SENATE BILL NO. 278 am, was read the third time.

The question being: "Shall SENATE BILL NO. 278 am, (issue flood control and small boat harbor bonds - \$20,000,000) pass the Senate?" The roll was taken with the following result:

Yeas:	18	Butrovich, Croft, Groh, Josephson, Koslosky, Lewis, Meland, Merdes, Miller, Palmer, Poland, Rader, Ray, Rettig, Thomas, Young, Ziegler, Hammond
Nays:	1	Hensley
Excused:	1	Christiansen

And so, SENATE BILL NO. 278 am, passed the Senate.

Senator Miller moved and asked unanimous consent that the roll call on the passage of SENATE BILL NO. 278 am, be considered next on the calendar, be held until Monday, March 13, 1972. Without objection, it was so ordered.

SENATE BILL NO. 278 am, was referred to the Secretary for engrossment.

Senator Miller moved and asked unanimous consent that SENATE BILL NO. 310 (place of trial) which was to be considered next on the calendar, be held until Monday, March 13, 1972. There being no objection, it was so ordered. SB  
310

UNFINISHED BUSINESS

Senator Miller requested that the reconsideration of the vote on SENATE BILL NO. 277 am (water and sewer bonds) be taken up at this time. SB  
277  
am

UNFINISHED BUSINESS cont'd

SB SENATE BILL NO. 277 am, was considered in third reading.  
277  
am

Senator Hensley moved and asked unanimous consent that SENATE BILL NO. 277 am, be returned to second reading for a specific amendment. Without objection, it was so ordered.

SENATE BILL NO. 277 am, was considered in second reading for the following specific amendment by Senator Hensley:

Page 1, lines 7, 14 and 26 and  
Page 2, lines 12 and 14:

Delete "\$32,000,000" and insert "\$33,000,000"

Page 1, line 27: Before the period insert: "except that \$1,000,000 of the proceeds shall be used in funding the Village Safe Water Act of 1970 (AS 46.07.010 - 46.07.080)"

Page 1, line 29: Delete "\$103,000" and insert "\$115,500"

Senator Hensley moved for adoption of his amendment.

The question being: "Shall the amendment offered by Senator Hensley be adopted?" A roll call was requested and appears as follows:

Yeas:	13	Croft, Hensley, Josephson, Meland, Merdes, Miller, Palmer, Poland, Rader, Ray, Thomas, Young, Hammond
Nays:	6	Butrovich, Groh, Koslosky, Lewis, Rettig, Ziegler
Excused:	1	Christiansen

And so, the amendment by Senator Hensley was adopted.

Senator Miller moved and asked unanimous consent that SENATE BILL NO. 277 am, be considered engrossed, advanced to third reading and considered on final passage. Without objection, it was so ordered.

SENATE BILL NO. 277 am, was read the third time.

### Committee Report

## HOUSE OF REPRESENTATIVES

8/24/77

7

\_\_\_\_\_ Date

Mr. Speaker

The Committee on FINANCE has had SB 278 amended

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) [Signature]

#### MEMBERS SIGNING THE MAJORITY REPORT:

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

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

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

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

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

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

\_\_\_\_\_ CHAIRMAN

Dear George,

The bond measure should not be allowed to become a pawn in budgetary considerations among Legislators. I know for a fact that your cause would be better aided by getting rid of this Bill so that talk can be had about specific line items such as the \$150,000 mentioned last week, ostensibly for assistance in purchasing small boat harbor lands.

Also, I would not be surprised that if, once the bond measure got passed, someone did not suggest restoring the 1.9 million authorized in the 1971 budget but yet unappropriated because of unclear intent. If such an item appeared in the Senate version, for example, I suppose the free conference committee would probably need to make specific allocations.

G.

# GEORGE C. SILIDES, ENGINEERING ASSOCIATES

P.O. BOX 748

528 FIFTH AVENUE

FAIRBANKS, ALASKA 99701

CONSULTING ENGINEERS

PLANNERS

SURVEYORS

March 28, 1972

Representative George H. Hohman  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V, State Capitol  
Juneau, Alaska 99801

Dear George,

You now have in your Committee, SB 278 amended. This measure provides for setting before the electorate a proposed bond issue of \$20 million for the purposes of flood control and for the construction of urgently needed small boat harbors and docking facilities.

I would respectfully urge that this measure be immediately brought, in unaltered form, to the floor of the House for final action. In so doing, current negotiations with the Corps and the EDA on a number of the projects will be greatly enhanced. Secondly, passage of the measure clears and defines other budgetary considerations immediately affecting these and similar projects.

Since this office has been involved with the needs determination and feasibility of the listed projects, I am prepared to testify on the matter at your convenience and discretion.

Sincerely yours,

GEORGE C. SILIDES, ENGINEERING  
ASSOCIATES



George C. Silides, P.E.

CC:  
Committee Members  
Speaker  
Majority Leader  
Rules Comm. Chairman

AMENDMENT #1

*June 16, 1972  
Floor Amendment*

Offered in the HOUSE

By Degnan and Kerttula

To: \_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_  
\_\_\_\_\_ SENATE BILL NO. 278 am

AMENDMENT: Page 1 Line 7

Delete "\$20,000,000" and insert "\$31,000,000".

Page 1 Line 9

Delete "small boat"

Page 1 Line 14

Delete "small boat"

Page 1 Line 15

Delete "\$20,000,000" and insert "\$31,000,000"

Page 1 Line 22

Delete "Small Boat"

Page 1 Line 25

Delete "Small Boat"

Page 1 Line 26

Delete "\$20,000,000" and insert "\$31,000,000"

Page 2 Between lines 14 and 15

Add new sections to read:

"(c) Transfer to the City of Lost River \$10,000,000 for harbor, docks, and related marine facilities; providing that the limitations of AS 29.76.075 have been overcome in regards to commitment of City funds or formal undertakings for physical development by the City."

"(d) To Matanuska Susitna Borough for matching Federal funds for the Point MacKenzie port and related facilities \$1,000,000.

A M E N D M E N T #1

(Continued)

Offered in the HOUSE

By DEGHAN & KERTTOLA

To: \_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_  
\_\_\_\_\_ SENATE BILL NO. 278 am

AMENDMENT: Page 2 Line 16

Delete "\$70,000" and insert "\$108,500"

Page 2 Line 27

Delete "Small Boat"

Page 2 Line 28

Delete "\$20,000,000" and insert "\$31,000,000"

Page 3 Line 1

Delete "\$20,000,000" and insert "\$31,000,000"

Page 3 Line 3

Delete "small boat"

Introduced: 1/14/72  
Referred: State Affairs,  
Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 278

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  
7 obligation bonds in the amount of \$20,000,000 for the  
8 purpose of paying the cost of capital improvements for  
9 flood control and small boat harbor projects; and  
10 providing for an 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 state participation  
13 in capital improvements for flood control projects as provided in AS 35.07  
14 and for small boat harbor projects, general obligation bonds of the state in  
15 the principal amount of not more than \$20,000,000 shall be issued and sold.  
16 The full faith, credit and resources of the state are pledged to the payment  
17 of the principal of and interest and redemption premium, if any, on these  
18 bonds. These bonds shall be issued under the provisions of AS 37.15 as those  
19 provisions read at the time of issuance.

20 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
21 voters of the state, a special fund of the state to be known as the "1972  
22 Flood Control and Small Boat Harbor Projects Fund" shall be established, to  
23 which shall be credited the proceeds of the sale of the bonds described in  
24 sec. 1 of this Act except for the accrued interest and premiums. There is  
25 appropriated from the "1972 Flood Control and Small Boat Harbor Projects Fund"  
26 to the Department of Public Works the sum of \$20,000,000. The specific uses  
27 of the proceeds of these bonds shall be determined by the governor and appor-  
28 tioned to, but not limited to the following projects and estimates:

29 (a) \$10,000,000 - flood control projects

1 (b) \$10,000,000 - small boat harbor projects, as follows:

2 (1) \$300,000 - King Cove

3 (2) \$850,000 - Sand Point

4 (3) \$850,000 - Hoonah

5 (4) \$300,000 - Kake

6 (5) \$700,000 - Wrangell

7 (6) \$700,000 - Metlakatla

8 (7) \$800,000 - Haines

9 (8) \$1,000,000 - Kodiak

10 (9) \$400,000 - Unalaska

11 (10) \$500,000 - Bethel

12 (11) \$3,600,000 - other harbor projects under investigation

13 by the Corps of Engineers, including but not limited to Ketchikan,  
14 Anchorage, Kenai, St. Paul and Port Lions.

15 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
16 voters of the state, the amount of \$70,000 or as much of that amount as is  
17 found necessary is appropriated from the general fund of the state to the  
18 state bond committee to carry out the provisions of this Act and to pay  
19 expenses incident to the sale and issuance of the bonds authorized in this  
20 Act. The amounts expended from the appropriation authorized by this section  
21 shall be reimbursed to the general fund from the proceeds of the sale of the  
22 bonds authorized by this Act.

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

26 Proposition

27 State General Obligation Flood Control and Small Boat Harbor

28 Bonds

\$20,000,000

29 Shall the State of Alaska issue its general obligation bonds

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in the principal amount of not more than \$20,000,000 for  
the purpose of paying the cost of capital improvements for  
flood control and small boat harbor projects?

Bonds Yes [ ]

Bonds No [ ]

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



# RECORDS



# GERTIFICATION

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

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

# Committee Report

HOUSE OF REPRESENTATIVES

4/23/72

\_\_\_\_\_  
Date

Mr. Speaker

The Committee on FINANCE has had SB 279

under consideration. A majority of the members of the Committee

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

## MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

## MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

\_\_\_\_\_  
CHAIRMAN

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

*House*

I. REQUEST

Bill Identification: SB 279  
 Title: Issue Hospital Bonds  
 Requested by: Legislative Finance Date: \_\_\_\_\_  
 Return Date Requested: \_\_\_\_\_  
 Agency: Staff Analysis Program: General Government, Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Debt Service, Financial Assistance  
 A. EXPENDITURES: (Thousands of dollars) to Communities

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.				50,000	50,000	50,000
800 MISCELLANEOUS				305,100	305,100	305,100
TOTAL	-0-	-0-	-0-	355,100	355,100	355,100

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	-0-	-0-	355,100	355,100	355,100
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

CODE	EXPLANATION
700	Additional State Aid to Local Governments, estimate 50 beds @ \$1,000 per bed
800	Annual Debt Service

IV. ATTACHMENTS

Fiscal Note - Budget and Management  
 Fiscal Note - Health and Social Services

V. DATE: 1/26/72

PREPARED BY:

*Rich Guthrie*  
 Senate Fiscal Analyst

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

✓

# MEMORANDUM

TO:  Legislative Finance  
Room 407  
Capitol Building

FROM: *for* Frederick McGinnis *Commissioner*  
*Commissioner*  
Department of Health and Social Services

DATE: January 25, 1972

SUBJECT: Fiscal Note - SB 279

Pursuant to your request, attached is Fiscal Note pertaining to SB 279.

FM:JFM:mm

Attachment

cc: Division of Budget and Management

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

I. REQUEST

Bill Identification: SB 279  
 Title: Issue Hospital Bonds  
 Requested by: Legislative Finance Date: 1/19/72  
 Return Date Requested: 1/25/72  
 Agency: Health & Soc. Svc. Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_  
 A. EXPENDITURES: (Thousands of dollars)

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

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

IV. ATTACHMENTS

SEE THE ATTACHMENTS NUMBER 1. (a) (b) (c) 2. 3. (a) (b) (c)

V. DATE: January 24, 1972

PREPARED BY: Lowell Swartz  
 Coordinator Health and Social Services Facilities  
 Development

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: SB 279  
 Title: Issue Hospital Bonds  
 Requested by: Legislative Finance Date: 1/19/72  
 Return Date Requested: 1/25/72  
 Agency: Budget and Management Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

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

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

IV. ATTACHMENTS

Debt Service Schedule attached.

V. DATE: 1/25/72

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

*M. R. Charney*  
M. R. Charney

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

TOTAL VALUE AND CAPACITY OF PRESENT  
HOSPITAL FACILITIES

1. (a)

Anchorage Community Hospital	85 Gen. Beds	4,300,000
Alaska Psychiatric Institute, Anch.	225 Men. Beds	6,501,000
Providence Hospital, Anchorage	123 Gen. 12 LTC Beds	7,000,000
Ridgeview Manor Nursing Home, Anch.	75 LTC Beds	700,000
Glenmore Nursing Home, Anchorage	100 LTC Beds	1,500,000
The Careage House N.H., Anchorage	103 LTC Beds	1,000,000
Cordova Community Hospital	14 Gen. 8 LTC Beds	417,316
Fairbanks Memorial Hospital	116 Gen. Beds	8,440,000
Faith Hospital	3 Gen. Beds	600,000
Homer City Hospital	9 Gen. Beds	150,000
Bartlett Memorial Hospital, Juneau	59 Gen. 8 LTC Beds	5,017,504
Ketchikan General Hospital	55 Gen. 40 LTC Beds	3,665,500
Kodiak Island Hospital	25 Gen. Beds	1,240,000
Maynard McDougall Hospital, Nome	18 Gen. 6 LTC Beds	599,076
Valley Hospital, Palmer	27 Gen. Beds	684,849
Petersburg General Hospital	13 Gen. 12 LTC Beds	1,000,000
Wesleyan Hospital for Chronic Diseases, Inc., Seward	24 LTC Beds	322,164
Seward General Hospital	33 Gen. Beds	723,507
Sitka Community Hospital	24 Gen. Beds	376,098
Central Peninsula General Hospital, Soldotna	30 Gen. Beds	1,421,653
Wrangell General Hospital	13 Gen. Beds	819,550
Harborview Memorial Hospital, Valdez	15 Gen. 150 Men. Beds	4,500,000
Careage North, Fairbanks	100 LTC Beds	1,000,000
	662 Gen. Beds	\$ 51,978,217
	375 Men. Beds	
	488 LTC. Beds	
	<u>1,525 Total Beds</u>	

B. Identified needs by locality.

Wrangell General Hospital needs a Long-Term Care Addition.

Petersburg Hospital should be replaced by a modern facility.

Juneau needs a Long-Term Care Facility.

Sitka Hospital should be replaced by a modern facility.

Anchorage Community Hospital should be replaced and modernized.

Homer Hospital needs replacement with a modern hospital.

Kodiak needs a long term care addition to its present hospital.

## C. Applications pending and on file.

Health Facility		Estimated Construction Cost
(Replacement)	Anchorage Community Hospital	\$10,000,000
+ 50 beds	Wrangell General Hospital - LTC Unit	700,000
(estimate)	Homer General Hospital	1,000,000
	Kodiak Island Hospital - LTC Unit	700,000

## 2. Probable Use of Funds by Locality and Project FY 1973 and 1974 Construction.

Based upon applications presently pending and on file, it appears that the funds will be apportioned between those facilities listed in the preceding paragraph in accordance with the State Plan to be developed for FY 1973 and 1974. It is conceivable, however, that new applications could be received between now and the time that the FY 73 and 74 plans are prepared which, based upon valid considerations, would assume a sufficiently high priority for construction as to warrant selection for funding.

2. Probable use of funds by locality and project FY 1973 and 1974 Construction.

Replacement of Anchorage Community Hospital

Estimated Construction Cost	\$10,000,000
States Share at 30%	3,000,000

Wrangell General Hospital - Long-Term Care Addition.

Estimated Construction Cost	700,000
State Share at 30%	210,000

Replacement of Homer General Hospital.

Estimated Construction Cost	1,000,000
States Share at 30%	300,000

Estimate additional 50 beds.

3. (a) The present construction programs are all funded and no adverse effects are anticipated.
- (b) Construction funds are expended by project and a project may extend over a period of 2 to 4 years.\* Therefore, fiscal year expenditure breakdowns are not available. Projects under construction are:

## Fairbanks Memorial Hospital

Hill-Burton Funds	\$1,000,000
Economic Development Administration	1,774,700
Indian Health Service	1,445,300
State Funds Chapter 7 FS-SLA 1967	100,000
State Funds Chapter 146 - SLA 1968	1,000,000
Local Funds	2,820,000
Total Construction Cost	\$8,440,000
Estimated Completion Date - March 1, 1972.	

## Anchorage Treatment Center

Hill-Burton Funds	\$ 235,000
State General Funds	150,000
State Funds Chapter 190 - SLA 1970	235,000
Local Funds	153,896
Total Construction Cost	\$ 773,896
Estimated Completion Date - June 1, 1972.	

## Valdez Rehabilitation Building

Mentally Retarded Funds	\$ 181,600
State General Funds	171,600
State Funds Chapter 190 - SLA 1970	149,400
Total Construction Cost	\$ 503,000
Estimated Completion Date - March 1, 1972.	

Wesleyan Hospital for Chronic Diseases  
Seward

State Funds Chapter 190 - SLA 1970	\$ 600,000
Local Funds	226,070
Total Construction Cost	\$ 826,070
Estimated Completion Date - June 1, 1972.	

## Kodiak Health and Social Services Center

Federal Urban Renewal Funds	\$ 17,777
State General Fund	127,900
State Funds Chapter 175 - SLA 1960	38,400
State Funds Chapter 190 - SLA 1970	15,000
Total Construction Cost	199,077
Estimated Completion Date - February 1, 1972.	

\* Approximately 1976-77.

## 3. (b) Continued. Projects authorized and in design stage.

## Providence Hospital

Hill-Burton Funds	\$2,000,000
State Funds Chapter 190 - SLA 1970	1,800,000
Local Funds	12,200,000
Total Construction Cost	<u>\$16,000,000</u>

## Ketchikan Mental Health Center

Mental Health Funds	\$ 89,040
State Funds Chapter 190 - SLA 1970	113,400
Local Funds	49,560
Total Construction Cost	<u>\$ 252,000</u>

## Valdez Landscaping, Paving and Maintenance Building

Mentally Retarded Funds	\$ 64,000
State General Funds	200,000
Total Construction Cost	<u>\$ 264,000</u>

- (c) No additional State Aid will be required providing of course that construction costs do not rise at too rapid a rate. Hopefully the present inflation controls will prevent this from happening.

Fiscal Note  
 SB-279  
 \$3,500,000 Hill-Burton Matching Bonds  
 Compounded Annually  
 6% - 20 yrs.

	<u>Principal</u>	<u>Interest</u>	<u>Principal Payment</u>	<u>Total Payment</u>
First Year	\$3,500,000	\$210,000	\$ 95,120	\$305,120
Second Year	3,404,880	204,293	100,827	305,120
Third Year	3,304,053	198,243	106,077	305,120
Fourth Year	3,197,176	191,831	113,289	305,120
Fifth Year	3,083,887	185,033	120,087	305,120
<del>Sixth Year</del>	<del>2,963,800</del>	<del>177,828</del>	<del>127,292</del>	305,120
Seventh Year	2,836,508	170,190	134,930	305,120
Eighth Year	2,701,578	162,095	143,025	305,120
Ninth Year	2,558,553	153,513	151,607	305,120
Tenth Year	2,406,946	144,417	160,703	305,120
Eleventh Year	2,246,243	134,775	170,345	305,120
Twelfth Year	2,075,898	124,554	180,566	305,120
Thirteenth Year	1,895,332	113,720	191,400	305,120
Fourteenth Year	1,703,932	102,236	202,884	305,120
Fifteenth Year	1,501,048	90,063	215,057	305,120
Sixteenth Year	1,285,991	77,159	227,961	305,120
Seventeenth Year	1,058,030	63,482	241,638	305,120
Eighteenth Year	816,392	48,984	256,136	305,120
Nineteenth Year	560,256	33,615	271,505	305,120
Twentieth Year	288,751	17,325	288,751	306,076

*TOTAL* # 2,603,356 # 3,500,000 # 6,103,356

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

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 279

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 \$3,500,000, for the purpose  
8 of matching federal funds under the Hill-Burton  
9 hospital construction program; 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 matching federal funds under the Hill-  
13 Burton hospital construction program, general obligation bonds of the state  
14 in the principal amount of not more than \$3,500,000 shall be issued and sold.  
15 The full faith, credit and resources of the state are pledged to the payment  
16 of the principal of and interest and redemption premium, if any, on these  
17 bonds. These bonds shall be issued under the provisions of AS 37.15 as  
18 those 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 Health and Medical Facilities Construction Fund" shall be established, to  
22 which shall be credited the proceeds of the sale of the bonds described in  
23 sec. 1 of this Act except for the accrued interest and premiums. There is  
24 appropriated from the "1972 Health and Medical Facilities Construction Fund"  
25 to the Department of Health and Social Services the sum of \$3,500,000.  
26 The specific uses of the proceeds of these bonds shall be determined by the  
27 governor.

28 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
29 voters of the state, the amount of \$12,500 or as much of that amount as is

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

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

10 Proposition

11 State Health and Medical Facilities Construction

12 Bonds \$3,500,000

13 Shall the State of Alaska issue its general obligation bonds  
14 in the principal amount of not more than \$3,500,000 for the  
15 purpose of paying the cost of capital improvements for  
16 health and medical facilities?

17 Bonds Yes [ ]

18 Bonds No [ ]

19 \* Sec. 5. This Act takes effect on the day after its passage and  
20 approval or on the day it becomes law without approval.  
21  
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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

"An Act providing for the issuance of general obligation bonds in the amount of \$6,000,000, for the purpose of paying the cost of capital improvements for high-way construction; and providing for an effective date."

### Committee Report

## HOUSE OF REPRESENTATIVES

3/21/72

\_\_\_\_\_ Date

Mr. Speaker

The Committee on FINANCE has had SB 280

under consideration. A majority of the members of the Committee

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

#### MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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

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

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

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

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

\_\_\_\_\_ CHAIRMAN

Introduced: 1/14/72  
Referred: State Affairs;  
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 280

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  
7 obligation bonds in the amount of \$6,000,000, for the  
8 purpose of paying the cost of capital improvements for  
9 highway construction; 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 highways general obligation bonds of the state in the principal amount  
14 of not more than \$6,000,000 shall be issued and sold. The full faith,  
15 credit and resources of the state are pledged to the payment of the  
16 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 Highway Construction Fund" shall be established, to which shall be credited  
22 the proceeds of the sale of the bonds described in sec. 1 of this Act  
23 except for the accrued interest and premiums. There is appropriated from  
24 the "1972 Highway Construction Fund" to the Department of Highways the sum  
25 of \$6,000,000. The specific uses of the proceeds of these bonds shall be  
26 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 \$20,000 or as much of that amount as is  
29 found necessary is appropriated from the general fund of the state to the

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

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

9 Proposition

10 State Highway Construction Bonds \$6,000,000

11 Shall the State of Alaska issue its general obligation bonds  
12 in the principal amount of not more than \$6,000,000 for the  
13 purpose of paying the cost of capital improvements for  
14 highways?

15 Bonds Yes [ ]

16 Bonds No [ ]

17 \* Sec. 5. This Act takes effect on the day after its passage and  
18 approval or on the day it becomes law without approval.  
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The Legislature of the State of Alaska  
FISCAL NOTE  
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: SB 280  
 Title: Issue Highway Bonds  
 Requested by: Legislative Finance Date: 2/4/72  
 Return Date Requested: \_\_\_\_\_  
 Agency: Staff Analysis Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_  
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
--- Debt Service				519.2	519.2	519.2
--- Maintenance				200.0	400.0	400.0
TOTAL	-0-	-0-	-0-	719.2	919.2	919.2

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	-0-	-0-	719.2	919.2	919.2
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Assumptions:

1. Construction starts in FY 1974
2. 50% completion in FY 1975
3. 100% completion in FY 1976

IV. ATTACHMENTS

Fiscal Note: Dept. of Highways, Proposed projects  
 Fiscal Note: Dept. of Administration, Annual Debt Service

V. DATE: \_\_\_\_\_

PREPARED BY: Rich Guthrie

Fiscal Analyst

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

I. REQUEST

Bill Identification: SB 280

Title: Issue Highway Bonds

Requested by: Legislative Finance

Date: 1/24/72

Return Date Requested: 1/31/72

Agency: Highways

Program:

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Capital Improvement Budget

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			48,387,000			
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>			48,387,000			

B. FUNDING: (Thousands of dollars)

GENERAL FUND					
FEDERAL FUNDS			42,387,000		
OTHER			6,000,000		

C. POSITIONS:

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

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

1. The \$6,000,000 as provided by SB 280 will generate approximately \$42,387,000 in Federal-Aid. The \$6,000,000 will provide sufficient cash to carry the Federal Highway Program through the fall of 1974.
2. Based upon present plans, projects listed under fiscal 1974 of the 1972 Five-Year Highway Program will be funded to an amount of \$48,387,000. Projects will be completed approximately 2 years after tentative contract award date.
3. The total operating budget will increase approximately \$400,000 upon completion of these projects.

IV. ATTACHMENTS

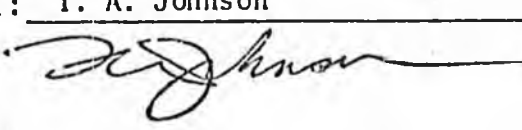
1. Copy of 1972 Five-Year Highway Construction Program.

V. DATE: January 31, 1972

PREPARED BY: T. A. Johnson

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

*7/10/72*



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

I. REQUEST

Bill Identification: SB 280  
 Title: Issue Highway Bonds  
 Requested by: Legis. Finance Date: 1/24/72  
 Return Date Requested: 1/31/72  
 Agency: Budget & Management Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

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

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Assuming all \$6,000,000 are sold at once.

IV. ATTACHMENTS

Debt Service Schedule

V. DATE: 1/31/72

PREPARED BY: M. R. Charney

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

FISCAL NOTE - SB-280

\$6,000,000 Highway Bonds  
6% - 20 years

	Principal	Interest Payment	Principal Payment	Total Payment
First Year	6,000,000	360,000	159,240	519,240
Second Year	5,840,760	350,446	168,794	519,240
Third Year	5,671,966	340,318	178,922	519,240
Fourth Year	5,493,044	329,583	189,657	519,240
Fifth Year	5,303,387	318,203	201,037	519,240
Sixth Year	5,102,350	306,141	213,099	519,240
Seventh Year	4,889,251	293,355	225,885	519,240
Eighth Year	4,663,366	279,802	239,438	519,240
Ninth Year	4,423,928	265,436	253,804	519,240
Tenth Year	4,170,124	250,207	269,033	519,240
Eleventh Year	3,901,091	234,065	285,175	519,240
Twelfth Year	3,615,916	216,955	302,285	519,240
Thirteenth Year	3,313,631	198,818	320,422	519,240
Fourteenth Year	2,993,209	179,593	339,647	519,240
Fifteenth Year	2,653,562	159,214	360,026	519,240
Sixteenth Year	2,293,536	137,612	381,628	519,240
Seventeenth Year	1,911,908	114,714	404,526	519,240
Eighteenth Year	1,507,382	90,443	428,797	519,240
Nineteenth Year	1,078,585	64,715	454,525	519,240
Twentieth Year	624,060	37,444	624,060	661,504

TOTAL \$4,527,064 \$6,000,000 \$10,527,064



# RECORDS CERTIFICATION



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

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

### Committee Report

HOUSE OF REPRESENTATIVES

4/20/72

Date

Mr. Speaker

The Committee on Finance has had G3-R 279

under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<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:

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

[Signature]  
CHAIRMAN

Offered: 2/11/72  
Referred: Rules

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 289

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to provide for the filing of consolidated  
7 corporation income tax returns; and providing for an  
8 effective date."

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

10 \* Section 1. AS 43.20.010(c) is amended by adding a new paragraph to  
11 read:

12 (9) An affiliated group of corporations may make a con-  
13 solidated return for the taxable year in lieu of separate returns.  
14 For purposes of calculating the amount of tax payable by the group,  
15 Internal Revenue Code sections 1501 - 1552, as amended, shall apply.

16 \* Sec. 2. The provisions of AS 43.20.010(c)(9) apply to an election  
17 made for any taxable year ending on or after the effective date of this  
18 Act, and shall also apply to a taxable year which has ended before the  
19 effective date of this Act if the three-year statutory period for assessment  
20 of a deficiency for that year has not expired on the effective date of this  
21 Act.

22 \* Sec. 3. This Act takes effect on the day after its passage and approval  
23 or on the day it becomes law without approval.  
24  
25  
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Introduced: 1/19/72  
Referred: Commerce

1 IN THE SENATE

BY ZIEGLER

2 SENATE BILL NO. 289

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to provide for the filing of consolidated  
7 corporation income tax returns."

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

9 \* Section 1. AS 43.20.010(c) is amended by adding a new paragraph to  
10 read:

11 (9) An affiliated group of corporations may make a consoli-  
12 dated return for the taxable year in lieu of separate returns. If a  
13 corporation is a member of the affiliated group for a fractional part  
14 of the year, the consolidated return will include the income of that  
15 corporation for the part of the year that it is a member of the  
16 affiliated group. The commissioner shall promulgate regulations  
17 covering consolidated returns to insure that the income tax liability  
18 of the affiliated group of corporations and of each corporation in  
19 the group is clearly reflected and to prevent the avoidance of tax  
20 liability.

## MEMORANDUM

State of Alaska

TO:  R. D. Stevenson  
Deputy Commissioner

DATE : April 6, 1972

FROM: Fred Boetsch, Director  
Audit Division

SUBJECT: CSSB 289

*FB*

The Committee Substitute includes some of the suggestions made by Mr. Bue in his memo of January 29 on the subject of the original bill. Specifically it now refers to the sections of the Internal Revenue Code which provide for the filing of consolidated returns.

I am also enclosing a copy of Mr. Bue's memo dated February 1 which included projections for increases in revenue based on the adoption of this bill and the funding for and creation of two additional corporate tax auditors who could administer these provisions. I have revised the funding requirements on the Fiscal Note. Mr. Bue, however, did not indicate the significance of the Multistate Tax Compact (AS 43.19) in regard to this bill.

The Multistate Tax Compact assumes that consolidated or combined returns will be filed. In the past we have not had the clear legal authority to permit the filing of consolidated returns. With this law, and the adoption of regulations under the Multistate Tax Compact, we will be able to bring in additional tax dollars by requiring, as well as permitting, the filing of consolidated returns on large multistate corporations doing business in Alaska. The requirement power may be in the statutes currently under the Compact. However, this bill would spell it out specifically and refer to specific code sections in the Internal Revenue Code to govern the filing of such consolidated returns. I believe that spelling it out in the statutes makes our authority stronger in this regard. I must stress, however, that unless we have the manpower to assign full time to administering this project the projected revenues will not be realized. It might also be noted that the return on cost would be between 34.7 to 1 and 4.8 to 1. In other words, for every dollar we spent in administering this program we would get between \$35 and \$5 back. I, personally, think that the higher ratio would be maintained in subsequent years. However, I respect Mr. Bue's conservative approach.

FPB:mbc  
Enclosures

## MEMORANDUM

TO: R.D. Stevenson  
Deputy Commissioner

DATE: February 1, 1972

Thru: T. L. File, Chief  
Income Tax Section

FILE NO:

FROM: *A. L. Bue*  
A. L. Bue, Supervisor  
Corporation Income Tax Unit

SUBJECT: SB 289

Following are revised Corporation Income Tax Unit revenue projections (which take into consideration SB 289) compared with current projections:

(Thousands of Dollars)

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
SB 289 projection	\$8,537.0	8,633.6	9,038.4	8,986.0	8,831.6
current projection	<u>6,906.9</u>	<u>8,288.3</u>	<u>8,726.6</u>	<u>8,708.7</u>	<u>8,563.1</u>
Net gain in revenues	\$1,630.1	\$345.3	\$311.8	\$277.3	\$268.5

Basis for projections: (percentages)

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
SB 289 growth rate	29.6	25.0	24.5	17.0	8.0
projected growth rate	<u>6.0</u>	<u>20.0</u>	<u>20.0</u>	<u>13.0</u>	<u>4.0</u>
Increase	23.6	5.0	4.5	4.0	4.0

These growth rates take into consideration the new accelerated depreciation rates, anticipated increases in tax revenue from the construction of the North Slope pipeline, the advent of increased activity centered around oil feeder and gathering system construction in 1977, the provisions of SB 289, and the addition of two new full-time positions for two Revenue Field Auditors (properly trained by the Multistate Tax Audit Staff for multitudinous audits of outside corporations for proper administration of SB 289).

The breakdown for the requested new positions follows:

<u>Position</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
Permanent	\$40.5	\$41.2	\$43.4	\$45.7	\$48.1
Man. months	24	24	24	24	24

Personal Services	\$35,184.00
Equipment	1,286.00
Travel	<u>4,000.00</u>
Total	\$40,470.00

# MEMORANDUM

TO: R.D. Stevenson  
Deputy Commissioner

DATE: February 1, 1972

Thru: T. L. File, Chief  
Income Tax Section

FILE NO:

FROM: A. L. Bue, Supervisor  
Corporation Income Tax Unit

SUBJECT: SB 289

Following are revised Corporation Income Tax Unit revenue projections (which take into consideration SB 289) compared with current projections:

(Thousands of Dollars)

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
SB 289 projection	\$8,537.0	8,633.6	9,038.4	8,986.0	8,831.6
current projection	<u>6,906.9</u>	<u>8,288.3</u>	<u>8,726.6</u>	<u>8,708.7</u>	<u>8,563.1</u>
Net gain in revenues	\$1,630.1	\$345.3	\$311.8	\$277.3	\$268.5

Basis for projections: (percentages)

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
SB 289 growth rate	29.6	25.0	24.5	17.0	8.0
projected growth rate	<u>6.0</u>	<u>20.0</u>	<u>20.0</u>	<u>13.0</u>	<u>4.0</u>
Increase	23.6	5.0	4.5	4.0	4.0

These growth rates take into consideration the new accelerated depreciation rates, anticipated increases in tax revenue from the construction of the North Slope pipeline, the advent of increased activity centered around oil feeder and gathering system construction in 1977, the provisions of SB 289, and the addition of two new full-time positions for two Revenue Field Auditors (properly trained by the Multistate Tax Audit Staff for multitudinous audits of outside corporations for proper administration of SB 289).

The breakdown for the requested new positions follows:

<u>Position</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
Permanent	\$40.5	\$41.2	\$43.4	\$45.7	\$48.1
Man months	24	24	24	24	24
Personal Services			\$35,184.00		
Equipment			1,286.00		
Travel			<u>4,000.00</u>		
Total			\$40,470.00		

ALB:pmv

# MEMORANDUM

TO: R. D. Stevenson  
Deputy Commissioner

DATE: January 21, 1971

FILE NO:

FROM: A. L. Bue, Supervisor  
Corporation Income Tax Unit

SUBJECT: SB 289

You have requested perusal of this bill from the corporation income tax administration viewpoint. Although the last sentence in the act has intrinsic strength, greater merit would inhere should the act incorporate by reference Internal Revenue Code Sections 1501, 1502, 1503 and 1504 and the Federal Income Tax Regulations pertaining thereto. At present the provisions of the above sections and regulations have not been incorporated into the Alaska Statutes thereby presenting a conceivable conflict with AS 43.19.010 (Multistate Tax Compact). The conflict may arise in the following manner:

A. Alaska Statute 43.19.010, Article IV, paragraph 18, states:

If the allocation and apportionment provisions of this Article do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the tax administrator may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

- (a) separate accounting;
- (b) the exclusion of any or more of the factors;
- (c) the inclusion of one or more additional factors which will fairly represent the taxpayer's business activity in this state; or
- (d) the employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

B. At present the Alaska Statutes are silent concerning consolidated returns which could conceivably be construed to mean consolidated returns are definitely not allowable no matter what subsection (d) of the above statute says. The thinking here could be similar to that revealed in Dostal's, Inc. & Chamois Motor Lodge, Inc. v. Wright (a Vermont Supreme Court Decision of April 22, 1971) wherein in upholding the Vermont tax commissioner's regulation barring consolidation, the court declared that the failure to authorize consolidated corporate reports for taxation purposes must be taken to be deliberate, in light of its positive authorization of joint husband-wife returns. It said that proper concern for legislative intent, with its presumption that the consequences of the enactment were deliberately designed, prevents the assumption that the distinction was inadvertent.

January 21, 1972

Re: SB 289

- C. Presently certain corporations file separate returns as a tax avoidance means, utilizing the three-factor allocation and apportionment method. Through certain legal machinations they may classify sales of certain raw materials (such as fish and oil) derived from Alaska as sales completed outside the State of Alaska, thereby reducing the sales factor percentage to such an extent that the reflection of the business activity within this State is drastically distorted. Here a consolidated return would definitely be desirable as by such a filing the distortion would quickly disappear. The Corporation Income Tax Unit would heartily recommend the act not only give the taxpayer the option of electing to file on a consolidated basis if by doing so this will better reflect the extent of the business activity within this State, but also that the commissioner may exercise the option of requiring consolidated filings when by doing so such a requirement would better reflect the extent of business activity within this State.
- D. At present AS 43.20.030 (d) requires a taxpayer, upon request by the Department, to "furnish to the Department a true and correct copy of the tax return which he has filed with the United States Collector of Internal Revenue." The Corporation Income Tax Unit has, in one case, requested such a return from a taxpayer filing on a separate basis. The objective here was to obtain a copy of their consolidated Federal return so we could determine the amount of distortion, if any, inherent in their separate filing with Alaska. We received a copy of this corporation's "pro forma" Alaska Federal return, computed on a separate basis, and used in compiling their consolidated return, filed under another name. To further strengthen this act, the Corporation Income Tax Unit recommends that a provision be added requiring the taxpayer, upon request by the Department, to furnish to the Department a true and correct copy of the Federal consolidated return which includes as an affiliated corporation the corporation which filed on a separate basis with this State.
- E. Proper administration of this act with the addition of one full-time corporation income tax auditor will result in an increase in revenue of \$1,500,000.

ALB:mhc

cc: F. P. Deutch, Director, Audit Division  
T. L. Fife, Chief, Income Tax Section



# 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

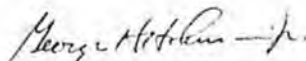
"HOUSE FINANCE COMMITTEE REPORT

on

HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 290

The committee substitute combines two bills, SENATE BILL NO. 290 with HOUSE BILL NO. 539. Section 1 (HB 539) provides an increase in the minimum benefit paid to retired teachers, an increase from \$300 to \$375 a month. Section 2 (SB 290) makes the two per cent retirement pension adjustment applicable to teachers who retired prior to July 1 of 1972.

Because there is some disagreement regarding the cost of state contributions required to support these changes, the committee has proposed a January 1, 1973 effective date. The delay in effective date gives the Department of Administration time to prepare an actuarial run on the teachers' retirement system to determine 1) the existing level of state contribution as opposed to the actuarially required level of state contribution, and 2) the true costs required to fund the changes in benefits proposed by this bill. Money will be included in the appropriation to the Department of Administration to fund the actuarial study and the study will be completed in time to permit the next legislature to make any statutory adjustments in the level of state funding required to support these benefit changes.



---

George H. Hohman, Jr.  
Chairman'

HB 464 The Judiciary Committee has had HOUSE BILL NO. 464 (relating to automobile liability insurance; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 464 (relating to motor vehicle insurance) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 464 do pass. The report was signed by Mr. Moran, Chairman, and concurred in by Moran, Flynn, Hillstrand and Barber. Not concurring were Rose who recommends do not pass; Randolph who recommends do pass if amended; and Banfield who has no recommendation.

HOUSE BILL NO. 464 was referred to the Rules Committee for placement on the calendar.

The Speaker stated that without objection, the Judiciary Committee Chairman's report on COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 464 will not be read and will be printed in tomorrow's journal, April 27, 1972. There being no objection, it was so ordered.

HB 638 The Judiciary Committee has had HOUSE BILL NO. 638 (providing for arbitration of small claims) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Moran, Chairman, and concurred in by Moran, Randolph, Rose, Hillstrand and Barber. Not concurring was Banfield who has no recommendation.

HOUSE BILL NO. 638 was referred to the Rules Committee for placement on the calendar.

HB 700 The Judiciary Committee has had HOUSE BILL NO. 700 (relating to licensure to practice medicine) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Moran, Chairman, and concurred in by Moran, Randolph, Hillstrand and Flynn. Not concurring were Rose, Banfield and Barber who have no recommendations.

### Committee Report

HOUSE OF REPRESENTATIVES

5/14/72

4/21/72

Date

Mr. Speaker

The Committee on FINANCE has had SB 29

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 HCS for SB 29 and that HCS for SB 29 do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

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

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

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

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

[Signature]

CHAIRMAN

HOUSE JOURNAL

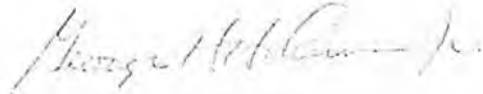
HOUSE FINANCE COMMITTEE REPORT

on

HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 290

The committee substitute combines two bills, SENATE BILL NO. 290 with HOUSE BILL NO. 539. Section 1 (HB 539) provides an increase in the minimum benefit paid to retired teachers, an increase from \$300 to \$375 a month. Section 2 (SB 290) makes the two per cent retirement pension adjustment applicable to teachers who retired prior to July 1 of 1972.

Because there is some disagreement regarding the cost of state contributions required to support these changes, the committee has proposed a January 1, 1973 effective date. The delay in effective date gives the Department of Administration time to prepare an actuarial run on the teachers' retirement system to determine 1) the existing level of state contribution as opposed to the actuarially required level of state contribution, and 2) the true costs required to fund the changes in benefits proposed by this bill. Money will be included in the appropriation to the Department of Administration to fund the actuarial study and the study will be completed in time to permit the next legislature to make any statutory adjustments in the level of state funding required to support these benefit changes.



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George H. Hoinman, Jr.  
Chairman

STATE  
of ALASKA

# MEMORANDUM

TO: [

Honorable George Hohman, Chairman  
House Finance Committee  
Alaska State Legislature

DATE : April 24, 1972

FROM:

Richard W. Freer  
Deputy Commissioner  
Department of Administration

SUBJECT: Retirement Bills - H. B. 537  
H. B. 539 - ~~S. B. 290~~

This agency does not support an increase in the 10% matching contributions limit at this time, and under no circumstances does this agency support an increase in benefits which exceeds the available funding. This office would recommend a veto of any legislation for which appropriate funding is not provided by law.

We do not support the concept of retrospective benefit changes as contained in S. B. 290 and H. B. 537. The amounts being paid to retired teachers represents the results of the benefit formula in effect at the date of retirement of these retirees as well as the salary levels recognized at the time teachers terminated and the funding required to provide such benefits.

Furthermore, there is a philosophical question regarding the application of contributions. We do not believe that current participants in the Retirement System, including the State and the local school districts, should be obligated to divert current contributions to the benefit of individuals who are no longer actively engaged in the education profession. When a person retires, a reserve is established and interest is credited to the reserve on the basis of the earned rate. It is from this reserve that benefits are paid. If benefits are adjusted upward, the liability reserve for retired lives must be adjusted accordingly. If the liabilities exceed the reserves, current contributions and/or interest which should be credited to the reserve for active lives would have to be diverted to the reserve for retired lives. In essence, the cost of the benefit increases is being absorbed by future taxpayers.

The greatest growth in the Teachers' Retirement Fund has been since 1970 when the contributions were increased to their present level. These contributions are required to fund benefits currently being earned.

If all benefits are to be paid on the same basis, the value of benefits adjusted upward is considerably greater than the value of the benefits being paid to persons contributing the larger amounts. If the equity between active and retired teachers is to be preserved, the benefits improvement should be adjusted downward to offset the

difference in contributions.

As you know, the actuary has advised us that the adjustments contained in S. B. 290 and H. B. 537 for the teachers currently receiving retirement benefits would cost an additional .31% this year and would increase the liabilities by \$2.25 million. To evaluate the effect of the possible cost of future benefit level increases if this precedent is established, we asked the actuary to calculate the cost if the benefit formula level was changed to 2.5%. He has advised us that the cost, assuming no difference in the current retired group (i.e. no growth factor, change in salary factors, etc.), would increase the cost an additional .58% and would increase the liabilities \$4,165,411.

H. B. 539 provides for a one-time adjustment. This is an acceptable retirement plan design if the benefits being paid do not meet certain subsistence income standards. The minimum benefit was introduced into this System a few years ago and the benefits have been adjusted the past two legislative sessions. Furthermore, the post retirement pension adjustments have been applied to these revised minimums. The cost of this bill is within current funding limitations.

We do believe that benefits must be adjusted subsequent to retirement. It is for this purpose that the post retirement pension adjustment provision was included in the law. If this provision is effective and if the level of the benefits paid at the time of retirement is realistic, major changes in the amounts being paid should not be necessary and under no circumstances should annual adjustments in the benefit level other than the post retirement pension adjustment be required - - or expected. The effect of inflation should be offset by the post retirement pension adjustment.

We do approve the concept of H. B. 539.

RWF/mjc

1 IN THE SENATE

BY THOMAS, PALMER, MILLER,  
YOUNG

*Finance Comm.*

2 *House CS* SENATE BILL NO. 290

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 teachers' retirement salaries;  
7 and providing for an effective date."

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

9 \* Section 1. AS 14.25.120(g) is amended to read:

10 (g) A teacher who retires before July 1, 1971, with at least 25  
11 years of creditable service, at least 15 of which were membership ser-  
12 vice, and who is entitled to a retirement salary under either this  
13 retirement fund or the retirement fund of 1945, shall receive a service  
14 retirement salary of not less than \$375 [\$300] a month, based on a  
15 minimum sum of \$15 a month for each year of creditable service, not  
16 including adjustments made under sec. 142 or sec. 143 of this chapter.  
17 A teacher who retired before July 1, 1971, with less than 25 years of  
18 creditable service, and who is entitled to a retirement salary under  
19 either this retirement fund or the retirement fund of 1945, shall  
20 receive a service retirement salary of at least \$15 [\$12] a month for  
21 each year of credited service. If on the date the teacher originally  
22 applied for retirement salary, the teacher elected option two as pro-  
23 vided by sec. 120(c)(2)(B) of this chapter as payment of his indebted-  
24 ness or a reduced benefit in accordance with sec. 120(c)(4) of this  
25 chapter, the amount of the dollar reduction shall remain in effect.

26 \* Section 2. AS 14.25.120 is amended by adding new subsections to read:

27 (h) A teacher who retires before July 1, 1972, shall receive a  
28 service retirement salary computed either under (c)(1) of this section,  
29 not including adjustments made under secs. 142 and 143 of this chapter,  
30 or under (g) of this section, whichever computation would provide the  
31 teacher with the greater amount of service retirement salary. If,  
32 on the date the teacher originally applied for retirement salary, the  
33 teacher elected option two under (c)(2)(B) of this section as payment  
34 of his indebtedness or a reduced benefit under (c)(4) of this section,  
35 the amount of the dollar reduction shall remain in effect.

36 (i) Any amendment to this section shall be applied to a teacher  
37 who retired before the effective date of the amendment at the option  
38 of the retired teacher.

39 \* Sec. 3. This Act takes effect ~~July 1, 1972.~~ *January 1, 1973.*



JUNEAU ALASKA

# Alaska State Legislature

## House

### MEMORANDUM

TO: Richard Freer  
Deputy Commissioner  
Department of Administration

DATE: April 20, 1972

FROM: George Hohman  
Chairman  
House Finance Committee

RE: Retirement Bills

Since it appears that passage of SB 290, HB 537, and HB 539 may necessitate that the 10% contribution limit be raised, does the administration recommend that the contribution limit be raised at this time or at a later date when it can be more accurately determined what the raise should be? If the administration recommends that the contribution limit be raised at this time, how much should the limit be raised?

Also requested is a statement of the administration's position regarding retirement bills currently before the Legislature.



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: 5/17/72

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

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

SB 290

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

### Committee Report

HOUSE OF REPRESENTATIVES

4/7/72

6/7/72 Date

Mr. Speaker

The Committee on FINANCE has had CSSB 298 am

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 <sup>House</sup> CS for CSSB 298 and that H CS for CSSB 298 do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- (other) reports back HCS CSSB 298 (Finance) with individual recommendations

MEMBERS SIGNING THE MAJORITY REPORT:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

\_\_\_\_\_

CHAIRMAN

Original sponsors: Josephson, Merdes,  
Croft, et al

Offered: 3/2/72  
Referred: Rules

1 IN THE SENATE

BY THE LOCAL GOVERNMENT COMMITTEE

2 CS FOR SENATE BILL NO. 298

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 state matching funds for the construc-  
7 tion of sports facilities; and providing for an effec-  
8 tive date."

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

10 \* Section 1. PURPOSE. The purpose of this Act is to enable municipali-  
11 ties to provide facilities for professional, semiprofessional, amateur,  
12 collegiate and scholastic spectator-oriented sports. Spectator interest  
13 has demonstrated the need for these facilities, and experience indicates  
14 that state assistance is required to provide them.

15 \* Sec. 2. AS 43.18 is amended by adding new sections to read:

16 ARTICLE 4. SPORTS FACILITIES GRANTS.

17 Sec. 43.18.400. GRANT OF FUNDS FOR SPORTS FACILITIES. Subject to  
18 appropriation, the state shall make matching grants to municipalities  
19 of an amount equal to \$50 per capita population to pay not more than  
20 one-half of the cost of construction of a facility to be used principally  
21 for spectator-oriented sports.

22 Sec. 43.18.410. APPLICATION AND DISBURSEMENT. Application for a  
23 grant under secs. 400 - 460 of this chapter shall be made before June 30,  
24 1974. Funds shall be disbursed upon demonstration that a proposed  
25 facility is of the type contemplated by secs. 400 - 460 of this chapter and  
26 that the applicant will pay its share of the construction cost.

27 Sec. 43.18.420. MAINTENANCE AND EMPLOYMENT OF FACILITY. A munici-  
28 pality shall maintain a facility and employ it, or cause it to be  
29 employed, for the uses intended by secs. 400 - 460 of this chapter by

1 direct operation, by operation through a contract manager or by lease.

2 Sec. 43.18.430. POWER OF BOROUGH. A municipality may own,  
3 maintain and employ a facility constructed under secs. 400 - 460 of  
4 this chapter. The exercise of this power on an areawide basis is at  
5 the option of the borough and is not subject to the restrictions on  
6 acquiring additional areawide powers in AS 07.15.350.

7 Sec. 43.18.440. LIMITATION. No more than one grant under secs.  
8 400 - 460 of this chapter may be made to a municipality.

9 Sec. 43.18.450. ADMINISTRATION. The commissioner shall administer  
10 the grant program and in so doing liberally interpret this chapter.

11 Sec. 43.18.460. DEFINITIONS. In secs. 400 - 460 of this chapter

12 (1) "commissioner" means the commissioner of commerce;

13 (2) "cost of construction" means the cost of borrowing,  
14 site acquisition, design, site preparation, construction, equipment  
15 acquisition and installation, but does not include the cost of promotion,  
16 travel, or feasibility studies;

17 (3) "facility" means a covered stadium or arena or any  
18 combination of them, or any other similar structure or structures,  
19 including related improvements such as parking areas, locker rooms,  
20 concession stands, restaurants, offices, press boxes, rest rooms, and  
21 storage areas, and including fixed or portable equipment, used in the  
22 operation of the facility;

23 (4) "municipality" means an organized borough of any class  
24 or a first class city outside a borough;

25 (5) "population" means the population of a municipality  
26 established by the final official 1970 U.S. Census;

27 (6) "used principally for spectator-oriented sports" means  
28 that the major use of a facility shall be for sporting events such as  
29 baseball, football, soccer, track and field meets, ice hockey,

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basketball, and boxing and wrestling, viewed by spectators in substantial numbers, and that the minor use of a facility may be for organized participant-oriented sports and nonsports activities for which similar facilities are commonly used.

\* Sec. 3. This Act takes effect July 1, 1972.

Original sponsors: Josephson, Merdes,  
Croft, et al

Offered: 4/7/72  
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 298

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 state matching funds for the con-  
7 struction of sports facilities; and providing for an  
8 effective date."

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

10 \* Section 1. PURPOSE. The purpose of this Act is to enable municipali-  
11 ties to provide facilities for professional, semiprofessional, amateur,  
12 collegiate and scholastic spectator-oriented sports. Spectator interest has  
13 demonstrated the need for these facilities, and experience indicates that  
14 state assistance is required to provide them.

15 \* Sec. 2. AS 43.18 is amended by adding new sections to read:

16 ARTICLE 4. SPORTS FACILITIES GRANTS.

17 Sec. 43.18.400. GRANT OF FUNDS FOR SPORTS FACILITIES. Subject to  
18 direct appropriation or through the proceeds of a bonding issue, the  
19 state shall make matching grants to municipalities of an amount equal  
20 to \$50 per capita, based on the population of the municipality, to pay  
21 not more than one-half of the cost of construction of a facility to be  
22 used principally for spectator-oriented sports.

23 Sec. 43.18.410. APPLICATION AND DISBURSEMENT. Application for a  
24 grant under secs. 400 - 460 of this chapter shall be made before  
25 June 30, 1974. Funds shall be disbursed upon demonstration that a  
26 proposed facility is of the type contemplated by secs. 400 - 460 of  
27 this chapter and that the applicant will pay its share of the cost of  
28 construction.

29 Sec. 43.18.420. MAINTENANCE AND EMPLOYMENT OF FACILITY. A

1 municipality shall maintain a facility and employ it, or cause it to be  
2 employed, for the uses intended by secs. 400 - 460 of this chapter by  
3 direct operation, by operation through a contract manager, or by lease.

4 Sec. 43.18.430. POWER OF MUNICIPALITY. A municipality may own,  
5 maintain and employ a facility constructed under secs. 400 - 460 of  
6 this chapter. The exercise of this power on an areawide basis is at  
7 the option of the borough and is not subject to the restrictions on  
8 acquiring additional areawide powers in AS 07.15.350.

9 Sec. 43.18.440. LIMITATION. No more than one grant under secs.  
10 400 - 460 of this chapter may be made within an organized borough. If  
11 an organized borough refuses or fails to undertake a project within  
12 one year of the effective date of secs. 400 - 460 of this chapter, a  
13 first class city within that organized borough may undertake a sports  
14 facility project.

15 Sec. 43.18.450. ADMINISTRATION. The commissioner shall admin-  
16 ister the grant program and in so doing liberally interpret secs. 400 -  
17 460 of this chapter.

18 Sec. 43.18.460. DEFINITIONS. In secs. 400 - 460 of this chapter

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21 site acquisition, design, site preparation, construction, equipment  
22 acquisition and equipment installation, but does not include the cost  
23 of promotion, travel, or feasibility studies;

24 (3) "facility" means a covered stadium or arena or any  
25 combination of them, or any other similar structure or structures,  
26 including related improvements such as parking areas, locker rooms,  
27 concession stands, restaurants, offices, press boxes, rest rooms, and  
28 storage areas, and including fixed or portable equipment, used in the  
29 operation of the facility;

1 (4) "municipality" means an organized borough of any class  
2 or a first class city outside an organized borough;

3 (5) "population" means the population of a municipality  
4 established by the final official 1970 U.S. Census or other reliable  
5 population data;

6 (6) "used principally for ~~spectator-oriented~~ sports" means  
7 that the major use of a facility shall be for sporting events such as  
8 baseball games, football games, soccer games, track and field meets,  
9 ice hockey matches, basketball games, and boxing and wrestling matches,  
10 viewed by spectators in substantial numbers, and that the ~~minor~~ use of  
11 a facility may be for organized participant-oriented sports and non-  
12 sports activities for which similar facilities are commonly used.

13 \* Sec. 3. This Act takes effect July 1, 1972.  
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Original sponsors: Josephson, Merdes,  
Croft, et al

Offered: 3/2/72  
Referred: Rules

1 IN THE SENATE

BY THE LOCAL GOVERNMENT COMMITTEE

2 CS FOR SENATE BILL NO. 298

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 state matching funds for the con-  
7 struction of sports facilities; and providing for an  
8 effective date."

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

10 \* Section 1. PURPOSE. The purpose of this Act is to enable municipali-  
11 ties to provide facilities for professional, semiprofessional, amateur,  
12 collegiate and scholastic spectator-oriented sports. Spectator interest has  
13 demonstrated the need for these facilities, and experience indicates that  
14 state assistance is required to provide them.

15 \* Sec. 2. AS 43.18 is amended by adding new sections to read:

16 ARTICLE. SPORTS FACILITIES GRANTS.

17 Sec. 43.18.400. GRANT OF FUNDS FOR SPORTS FACILITIES. Subject to  
18 direct appropriation or through the proceeds of a bonding issue, the  
19 state shall make matching grants to municipalities of an amount equal to  
20 \$50 per capita population to pay not more than one-half of the cost of  
21 construction of a facility to be used principally for spectator-oriented  
22 sports.

23 Sec. 43.18.410. APPLICATION AND DISBURSEMENT. Application for a  
24 grant under secs. 400 - 460 of this chapter shall be made before June 30,  
25 1974. Funds shall be disbursed upon demonstration that a proposed facil-  
26 ity is of the type contemplated by secs. 400 - 460 of this chapter and  
27 that the applicant will pay its share of the construction cost.

28 Sec. 43.18.420. MAINTENANCE AND EMPLOYMENT OF FACILITY. A  
29 municipality shall maintain a facility and employ it, or cause it to be

1 employed, for the uses intended by secs. 400 - 460 of this chapter by  
2 direct operation, by operation through a contract manager or by lease.

3 Sec. 43.18.430. POWER OF BOROUGH. A municipality may own, main-  
4 tain and employ a facility constructed under secs. 400 - 460 of this  
5 chapter. The exercise of this power on an areawide basis is at the op-  
6 tion of the borough and is not subject to the restrictions on acquiring  
7 additional areawide powers in AS 07.15.350.

8 Sec. 43.18.440. LIMITATION. No more than one grant under secs.  
9 400 - 460 of this chapter may be made to a municipality.

10 Sec. 43.18.450. ADMINISTRATION. The commissioner shall admin-  
11 ister the grant program and in so doing liberally interpret this chapter.

12 Sec. 43.18.460. DEFINITIONS. In secs. 400 - 460 of this chapter

13 (1) "commissioner" means the commissioner of commerce;

14 (2) "cost of construction" means the cost of borrowing,  
15 site acquisition, design, site preparation, construction, equipment  
16 acquisition and installation, but does not include the cost of promo-  
17 tion, travel, or feasibility studies;

18 (3) "facility" means a covered stadium or arena or any  
19 combination of them, or any other similar structure or structures,  
20 including related improvements such as parking areas, locker rooms,  
21 concession stands, restaurants, offices, press boxes, rest rooms, and  
22 storage areas, and including fixed or portable equipment, used in the  
23 operation of the facility;

24 (4) "municipality" means an organized borough of any class  
25 or a city of any class outside a borough;

26 (5) "population" means the population of a municipality  
27 established by the final official 1970 U.S. Census or other reliable  
28 population data;

29 (6) "used principally for spectator-oriented sports" means

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that the major use of a facility shall be for sporting events such as baseball, football, soccer, track and field meets, ice hockey, basketball, and boxing and wrestling, viewed by spectators in substantial numbers, and that the minor use of a facility may be for organized participant-oriented sports and nonsports activities for which similar facilities are commonly used.

\* Sec. 3. This Act takes effect July 1, 1972.

Introduced: 1/21/72  
Referred: Commerce; Local  
Government

BY JOSEPHSON, MERDES, CROFT,  
GROH, HENSLEY, POLAND, RADER,  
RETTIG, THOMAS, YOUNG

1 IN THE SENATE

2 SENATE BILL NO. 298

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing state aid for all-weather athletic  
7 facilities; and providing for an effective date."

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

9 \* Section 1. FINDINGS, PURPOSE. The legislature finds and declares that

10 (1) the nature of the climate throughout the State of Alaska and  
11 the demand for all-weather sports facilities to encourage either organized  
12 or individual athletic participation and activity in the interest of preser-  
13 vation of the public health and promotion of the general welfare is such  
14 that funds should be made available for the planning and construction of  
15 all-weather athletic facilities, particularly those buildings of contemporary  
16 design that employ a closed, covered or domed stadium or arena as a place for  
17 both participants and spectators to enjoy athletic events the year around  
18 regardless of weather conditions;

19 (2) spectator athletics enjoy proven, widespread community support  
20 in this state and, as a result, favorable national attention has focused upon  
21 Alaska as a home for semiprofessional and professional sports; however,  
22 inclement weather conditions during long periods of the year necessitate fore-  
23 shortened outdoor sports seasons and result in numerous postponements of  
24 scheduled contests, thus making difficult Alaska's participation in profes-  
25 sional outdoor team sports, or the development of semiprofessional programs,  
26 notwithstanding demonstrated support;

27 (3) the technology in architecture and engineering for the design  
28 and construction of domed or covered athletic stadia and arenas suitable for  
29 football, baseball and other traditional outdoor sports is advancing rapidly

1 thus making economically feasible the construction of these facilities in  
2 Alaska at a time when the state's growth has increased public demand for this  
3 type of facility; athletic facilities incorporating the domed stadium feature  
4 while designed to make possible spectator comfort in viewing the highest  
5 caliber professional and semiprofessional team sports, have incidental use  
6 for individual participatory and intramural, interscholastic and intercollegi-  
7 ate athletic programs as well;

8 (4) state participation in the development of all-weather athletic  
9 facilities, separately or in conjunction with civic center, convention or  
10 community recreation facilities, will serve the economic interests of the  
11 state, increase tourism, promote recreational opportunities and encourage the  
12 accumulation of technological knowledge that will assist northern communities  
13 to meet the growing demand for stadia and arenas in which traditional outdoor  
14 sports can be played the year around.

15 \* Sec. 2. AS 43.18 is amended by adding a new section to read:

16 Sec. 43.18.350. ALL-WEATHER ATHLETIC FACILITIES. (a) Within the  
17 limits of legislative appropriations for the purpose, the state shall  
18 make matching grants to local governments, or their nonprofit designee,  
19 equal to 50 per cent of the estimated reasonable nonfederal costs of  
20 land acquisition, planning and construction of all-weather athletic  
21 facilities in accordance with the provisions of this section. However,  
22 the state grant may not exceed \$50 per capita population of the local  
23 government including both the city and the surrounding integrated  
24 economic area. A local government may issue bonds up to \$100 per capita  
25 population of the entire integrated economic area the all-weather  
26 athletic facility will serve. For the purposes of this section "sur-  
27 rounding" or "entire integrated economic area" means a city and the  
28 borough in which it is located.

29 (b) A project funded under this section may be funded, planned

1 and constructed in conjunction with a project funded under. sec. 300 of  
2 this chapter. However, the athletic facility is subject to the terms  
3 and conditions of this section.

4 (c) Grants for only one project may be awarded to a single local  
5 government under this section. Applications for grants shall be made  
6 in accordance with a form prescribed by the commissioner. A grant shall  
7 be allotted according to an agreement made between the commissioner on  
8 behalf of the state and the local government receiving the grant. The  
9 agreement may include any provisions agreed upon by the parties and  
10 shall include in substance the following provisions:

11 (1) estimates of reasonable nonfederal costs of a project  
12 as approved by the commissioner after consultation with the Department  
13 of Public Works;

14 (2) a schedule of grant disbursements, if, as determined by  
15 the commissioner, a grant is to be disbursed other than in one sum;

16 (3) an agreement by the local government to

17 (A) proceed with and complete the proposed project  
18 expeditiously;

19 (B) not discontinue operation or dispose of all or part  
20 of a project for which it receives a grant without the approval  
21 of the commissioner;

22 (C) apply for, and make reasonable efforts to secure,  
23 federal assistance which may be available for the project, subject  
24 to conditions the commissioner may require in order to maximize  
25 the amounts of the assistance received or to be received for all  
26 projects in the state;

27 (D) provide for payment of the local government's share  
28 of the cost of the project;

29 (4) agreement by the local government that, if federal

1 assistance for a project becomes available to the local government which  
2 was not included in the calculation of the amount of a grant authorized  
3 and disbursed under this section, the value of the federal assistance  
4 shall be ascertained and subtracted from the total value of the project  
5 and the balance shall be equally divided between the state and local  
6 government;

7 (5) provision for alteration or modification of an approved  
8 project and for remedies in case of failure to perform the agreement  
9 between the parties or noncompliance with regulations promulgated by  
10 the commissioner under this section;

11 (6) provision for alteration or modification of an existing  
12 facility which would have qualified under this section as an all-weather  
13 athletic facility at the time of initial construction if this section  
14 had been in effect, and provision for remedies in case of failure to  
15 perform the agreement between the parties or noncompliance with regula-  
16 tions promulgated by the commissioner under this section;

17 (7) provision that an all-weather athletic facility funded  
18 under this section shall have the capacity for individual participatory  
19 or organized competitive ice sports programs including, but not limited  
20 to, ice skating, ice hockey and curling, unless the commissioner finds  
21 that there is another adequate facility in the community under con-  
22 struction or available for this purpose.

23 (d) Nothing in this section prohibits a local government, or its  
24 nonprofit designee, that receives a grant under this section from  
25 leasing in its entirety the all-weather athletic facility to a private  
26 operator or contracting for the management of it with a stadium manage-  
27 ment specialist. However, the private operator or stadium management  
28 specialist shall comply with the provisions of this section, agreements  
29 between the state and a local government, and regulations promulgated

1 by the commissioner under this section.

2 (e) Architectural plans, designs and engineering drawings for a  
3 facility funded under this section become the property of the state;  
4 or verified copies of the plans, designs or drawings shall be available  
5 to the state so that the initial projects may be used as pilot projects  
6 for future facilities.

7 (f) If funds appropriated by the legislature to provide grants  
8 under this section are not adequate to satisfy amounts required by  
9 approved grant applications, funds shall be allocated on the basis  
10 of priority established by the Department of Economic Development by  
11 regulations promulgated to carry out the provisions of this section.

12 (g) The commissioner shall require in the negotiations and  
13 agreements with the local government that continued maintenance of the  
14 all-weather athletic facility is the responsibility of the local  
15 government and the local government must show the feasibility of this  
16 before authorization of state funds.

17 (h) The commissioner shall require annual reports from local  
18 governments or their nonprofit designees receiving grants under this  
19 section. The reports shall include an accounting of grant funds  
20 expended and other information the commissioner considers necessary.  
21 The state may, at any time, conduct a pre- or post-expenditure audit  
22 of a project funded under this section.

23 (i) The commissioner shall provide an annual report to the  
24 legislature with respect to grants made under this section.

25 (j) The commissioner shall promulgate regulations under the  
26 Administrative Procedure Act (AS 44.62) to carry out the purpose of  
27 this section.

28 (k) In this section

29 (1) "commissioner" means the commissioner of economic

1 development;

2 (2) "facility" or "all-weather athletic facility" means a  
3 municipal or civic sports center, arena, stadium or other similar  
4 structure or complex of structures employing a contemporary covered  
5 or domed roof design;

6 (3) "local government" means a first class city or a first  
7 class borough having power to implement the projects for which grants  
8 are authorized in this section.

9 \* Sec. 3. This Act takes effect July 1, 1972.  
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# Alaska State Legislature

SENATOR EDWARD A. MERDES  
P. O. BOX 810  
FAIRBANKS, ALASKA 99701

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99801



SENATOR DISTRICT "1" (CENTRAL ALASKA)  
COMMITTEES  
STATE AFFAIRS  
LOCAL GOVERNMENT  
MEMBER OF LEGISLATIVE COUNCIL

Senate

April 13, 1972

Mr. Jay Hogan  
Fiscal Analyst  
State Capitol  
Pouch WF  
Juneau, Alaska 99801

Dear Jay:

In line with our conversation yesterday where you scheduled Committee Substitute for Senate Bill 298, the Dome Stadium Bill for hearings before the House Finance Committee at 1:30 p.m., Wednesday, April 19, please be advised that this information has been phoned to Mr. Paul Deese, President of the Anchorage Baseball Club and he advised that he will have an architect from the east come in to testify along with himself and other parties vitally interested in this Bill.

In view of the fact that there will be visitors from out of town spending large sums of money to come to Juneau, I sincerely hope that the hearing will not be cancelled or changed.

Senator Josephson and I, along with Mr. Deese and others certainly appreciate the consideration of our request for this hearing by Chairman Hohman and you. I believe it will be most informative as there will be experienced and interesting testimony on this legislation.

Cordially,

A handwritten signature in dark ink, appearing to read "E. Merdes".

EDWARD A. MERDES

EAM/lrg

cc: Hon. George Hohman, Chairman - House Finance Committee  
Members - House Finance Committee  
Senator Joe Josephson  
Mr. Paul Deese

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

I. REQUEST

Bill Identification: CSSB 298: "An Act providing state matching funds for the construction of sports facilities."

Requested by: Legislative Finance Date: 4/9/72

Return Date Requested: 4/17/72

Agency: Department of Commerce Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

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

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

In reviewing CSSB 298, I do not see where any additional administrative costs would be incurred by the Department. The Bill would authorize the Legislature to make direct grants by appropriation for each proposed project. The burden of proof falls on the applicant. Actual disbursement of funds would probably be done on a controlled account basis which should not create an excessive burden for the Department.

IV. ATTACHMENTS

V. DATE: April 19, 1972

PREPARED BY: Sharon Wolfberg

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