

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

SB 7 cont., 9, 14

~~147~~

In the case of the first two alternatives, the agency would receive its full allotment for the next quarter. In the case of the third alternative, the agency would receive for the next quarter the additional amount necessary to make up the full allotment to which it is entitled.

Expenditures on capital projects are poorly controlled in the State of Alaska. A lump sum appropriation is made by project (e. g., a correctional facility) or by class of projects (e. g., all small boat harbors); the appropriation is established as a single authorization in the accounting system and the authorization is generally continued from year-to-year indefinitely. Therefore, in addition to the selective quarterly allotment system proposed above for operating expenditures, consideration should also be given to initiating an allotment system for capital projects. For example, the total authorization for a capital project could be allotted quarterly, with the allotment based on the projected monthly cash flows as per the annual work plan submitted by each agency for the Programs in which it is involved. In addition, prior to each quarterly allotment, each agency should submit revised cash flow forecasts for the capital projects under its control.

A necessary corollary of the use of allotments is the use of appropriations reserves. An appropriations reserve is basically a special account in which unallotted funds can be placed. Funds in appropriations reserve status are essentially withheld pending release to an agency. This device can be used either in conjunction with the selective allotment procedure recommended above, or as a selective control device for the agencies or programs not subject to the full allotment process.

Capital Appropriations
New York

Senate Print 6389—B
Assembly Print 1714—B

AN ACT

Making appropriations for the support of government
(CAPITAL CONSTRUCTION BUDGET)

*The People of the State of New York, represented in Senate and
Assembly, do enact as follows:*

1 CONSTRUCTION, RECONSTRUCTION AND
2 IMPROVEMENTS

3 Section 1. The amounts of moneys specified in this section or so
4 much thereof as shall be necessary to accomplish the purposes
5 designated by the appropriations are hereby appropriated from the
6 capital construction fund and authorized to be made available as

EXPLANATION — Matter in italics is new; matter in brackets [] is old law to be omitted.

1 CAPITAL CONSTRUCTION FUND—Continued

2 hereinafter provided to the respective public officers and for the
 3 several purposes specified as hereinafter set forth for construction,
 4 reconstruction and improvements including the acquisition of prop-
 5 erty and equipment. Such appropriations shall be available for
 6 the fiscal year beginning on the first day of April, nineteen hundred
 7 seventy and shall be deemed to provide and include all costs
 8 necessary and pertinent to the accomplishment of the purposes of
 9 the appropriations.

10 Notwithstanding the provisions of any general or special law, no
 11 part of any appropriation contained in this section shall be avail-
 12 able until a certificate of approval of availability shall have been
 13 issued by the director of the budget and a copy of such certificate
 14 filed with the state comptroller, the chairman of the senate finance
 15 committee and the chairman of the assembly ways and means com-
 16 mittee. Such certificate may be amended from time to time by the
 17 director of the budget and a copy of each such amendment shall be
 18 filed with the state comptroller, the chairman of the senate finance
 19 committee and the chairman of the assembly ways and means com-
 20 mittee.

21 The moneys herein appropriated, when made available pursuant
 22 to a certificate of approval of availability issued by the director
 23 of the budget, shall be paid out of the state treasury on the audit
 24 and warrant of the state comptroller on vouchers approved by the
 25 public officers of the respective state departments and agencies to
 26 which such moneys are made available. When a portion of such
 27 moneys is made available to another state department or agency
 28 by apportionment or otherwise in accordance with the provisions of

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1 CAPITAL CONSTRUCTION FUND—Continued

2 an appropriation, vouchers may be approved by the public officers
3 of such state department or agency or as otherwise specified in an
4 appropriation.

5 With respect to appropriations in this section made to the State
6 University Construction Fund pursuant to section 376 of Article
7 8-A of the education law and made to the Health and Mental
8 Hygiene Facilities Improvement Corporation pursuant to section
9 9 of the health and mental hygiene facilities improvement act as
10 enacted by chapter 359 of the laws of 1968, each such appropria-
11 tion specifies the desired date of completion of the construction,
12 reconstruction or improvement, and all work for such purposes
13 shall be performed as to assure completion, so far as practicable,
14 by the dates specified.

1 ~~CAPITAL CONSTRUCTION FUND~~ Continued

2 FIRST INSTANCE APPROPRIATIONS

3 Section 4. The amounts of moneys specified in this section or
4 so much thereof as shall be necessary to accomplish the purposes
5 designated are hereby appropriated from the capital construction
6 fund for payment by the State in the first instance as an advance
7 for a share, part or whole of the cost for the purposes hereinafter
8 specified subject to subsequent reimbursement and to the condi-
9 tions described in the respective appropriations and shall be avail-
10 able for the fiscal year beginning on the first day of April, nineteen
11 hundred seventy.

1 CAPITAL CONSTRUCTION FUND—Continued

2 The state comptroller is hereby authorized to receive amounts
3 of moneys equal to the amounts expended in the first instance
4 by the State from each of the appropriations authorized in this
5 section and to deposit such amounts of moneys to the credit of
6 the capital construction fund.

7 Notwithstanding the provisions of any general or special law,
8 no part of the appropriations contained in this section shall be
9 available for expenditure until a certificate of approval of avail-
10 ability shall have been issued by the director of the budget, and
11 ~~a copy of such certificate of approval filed with the state comp-~~
12 ~~troller, the chairman of the senate finance committee and the~~
13 ~~chairman of the assembly ways and means committee.~~ Such cer-
14 tificate may be amended from time to time by the director of
15 the budget and a copy of each such amendment shall be filed
16 with the state comptroller, the chairman of the senate finance com-
17 mittee and the chairman of the assembly ways and means committee.

CAPITAL CONSTRUCTION FUND---Continued

1 The moneys herein appropriated, when made available pursuant
2 to a certificate of approval of availability issued by the director
3 of the budget, shall be paid out of the state treasury on the audit
4 and warrant of the state comptroller on vouchers approved by the
5 respective public officers to whom such moneys are made avail-
6 able. When a portion of such moneys is made available to another
7 state department or agency by apportionment or otherwise in
8 accordance with the provisions of an appropriation, vouchers may
9 be approved by the public officer of such state department or agency
10 or as otherwise specified in an appropriation.

1 CAPITAL CONSTRUCTION FUND---Continued

2 CAPITAL CONSTRUCTION FUND

3 REAPPROPRIATIONS

4 (Exclusive of Department of Transportation)

5 Section 15. The several amounts named in this section, or so much
6 thereof as shall be sufficient to accomplish the purposes designated,
7 being unexpended balances of prior appropriations, are hereby
8 reappropriated and unless otherwise amended or repealed in part
9 or total as herein specified, shall continue to be available for the same
10 purposes as the prior appropriations or as otherwise amended for
11 the fiscal year beginning April 1, 1970. The appropriations con-
12 tained in this section may be amended by repealing the items set
13 forth in brackets and by adding thereto the other items set forth in
14 italics.

15 The unexpended balances of certain appropriations for identical
16 purposes as appropriated in several prior fiscal years are consoli-
17 dated and reappropriated as a single amount. The outstanding
18 obligations incurred prior to April 1, 1970 under the several prior
19 appropriations shall continue as obligations against the reappro-
20 priated balances.

21 Notwithstanding the provisions of any general or special law,
22 no part of any unallocated balances of prior appropriations con-
23 tained in this section shall be available for expenditure until a
24 certificate of approval of availability shall have been issued by the
25 director of the budget, and a copy of such certificate of approval
26 filed with the state comptroller, the chairman of the senate finance
27 committee and the chairman of the assembly ways and means com-

1 CAPITAL CONSTRUCTION FUND—Continued

2 mittee. Such certificate may be amended from time to time by the
3 director of the budget and a copy of each such amendment shall be
4 filed with the state comptroller, the chairman of the senate finance
5 committee and the chairman of the assembly ways and means
6 committee.

Repeal

1 CAPITAL CONSTRUCTION FUND—Continued

2 STATE CAMPUS SITE-ALBANY

3 By chapter 50, section 1, of the laws of 1969, for:

4 Extension of heating and chilled water piping to state police
5 academy(re. \$116,033)

6 By chapter 342, section 14, of the laws of 1968, and chapter 50,
7 section 12, of the laws of 1969, for:

8 Construction of an addition to building No. 7..(re. \$3,300,000)

9 The appropriation made by chapter 90, section 1, of the laws
10 of 1967, and chapter 50, section 12, of the laws of 1969,
11 to supplement the appropriation in chapter 47, section 1,
12 of the laws of 1966, for:

13 Installation of lawn watering system at the State Campus and
14 related work...\$150,000...is hereby repealed.

15 The appropriation made by chapter 47, section 1, of the laws
16 of 1966, and chapter 50, section 12, of the laws of 1969, for:

17 Installation of lawn watering system at the State Campus and
18 related work...\$300,000...is hereby repealed.

19 STATE CAPITOL

20 By chapter 50, section 1, of the laws of 1969, for:

21 Renovation of main roof.....(re. \$1,100,000)

22 By chapter 170, section 13, of the laws of 1967, and chapter 50,
23 section 12, of the laws of 1969, for:

24 Alterations and improvements to State Capitol including instal-
25 lation of air conditioning, wiring and lighting, ceilings, par-
26 titions and new doorways.....(re. \$171,372)

Repeal portion only, & reappropriate balance.

1 CAPITAL CONSTRUCTION FUND—Continued
2 Federal Land and Water Conservation Fund Act of 1965,
3 being Public Law 88-578, *the National Historic Preservation*
4 *Act of 1966 being Public Law 89-665 and the Appalachian*
5 *Regional Development Act of 1965 being Public Law 88-578*
6 (re. \$6,000,000)

7 The appropriation made by chapter 68, section 4, of the laws of
8 1968, and chapter 50, section 12, of the laws of 1969:

9 Advance for: The share of the Federal Government of the costs
10 of preparation of plans, specifications, and estimates, for super-
11 vision and inspection, and for construction, reconstruction,
12 improvements, and development, including acquisition of prop-
13 erty, of outdoor recreational facilities, in accordance with the
14 provisions of the Federal Land and Water Conservation Fund
15 Act of 1965, being Public Law 88-578 [~~\$4,000,000~~ \$2,463,393;
16 is hereby amended by repealing the sum of \$1,516,607
17 (re. \$2,463,893)

18 The appropriation made by chapter 90, section 8, of the laws of
19 1967, and as amended and reappropriated by chapter 50,
20 section 12, of the laws of 1969:

21 Advance for: The share of the Federal Government of the costs
22 of preparation of plans, specifications, and estimates, for super-
23 vision and inspection, and for construction, reconstruction,
24 improvements, and development, including acquisition of prop-
25 erty, of outdoor recreational facilities, in accordance with the
26 provisions of the Federal Land and Water Conservation Fund
27 Act of 1965, being Public Law 88-578..... (re. \$2,331,810)

CONSOLIDATE & REAPPROPRIATE

1 **CAPITAL CONSTRUCTION FUND—Continued**

2 are hereby consolidated and reappropriated to read:

3 Advance for: To supplement any appropriation made available
4 for the construction, reconstruction or improvement of any
5 state university project.

6 Such supplement shall be made available upon certification by the
7 chairman of the state university construction fund that the
8 project is urgent and necessary, and (a) the amount of the
9 lowest acceptable bids received and recommended by the bid-
10 ding agency exceeds the amount available in the appropriation
11 for such project or that (b) the amount of the final estimate for
12 the performance of the work by force account exceeds the
13 amount available in the appropriation for such project. Such
14 certification shall specify the amount of supplement required.

15 The moneys hereby appropriated also shall be available upon
16 certification of needs by the chairman of the state university
17 construction fund for payment of obligations incurred under
18 any capital construction fund appropriation for construction,
19 reconstruction or improvement of any facility for use of the
20 state university of New York which has lapsed prior to full
21 payment of obligations.....(re. \$18,000,000)

22 **University Centers**

23 **STATE UNIVERSITY OF NEW YORK AT ALBANY**

24 The appropriation made by chapter 50, section 7, of the laws of
25 1969:

26 Advance for: Installation of services, utilities and improvement
27 of grounds(re. \$1,844,000)

1 CAPITAL CONSTRUCTION FUND—Continued

2 and the appropriation made by chapter 68, section 7, of the laws
3 of 1968, and chapter 50, section 12, of the laws of 1969:

4 Advance for: Installation of services, utilities and improvement
5 of grounds(re. \$1,080,000)

6 and the appropriation made by chapter 170, section 21, of the laws
7 of 1967, and chapter 50, section 12, of the laws of 1969:

8 Advance for: Installation of services, utilities and improvement
9 of grounds(re. \$383,234)

10 and the appropriation made by chapter 47, section 9, of the laws
11 of 1966, and chapter 50, section 12, of the laws of 1969:

12 Advance for: Installation of services, utilities and improvement
13 of grounds(re. \$474,000)

14 are hereby consolidated and reappropriated to read:

15 Advance for: Installation of services, utilities, and improvement
16 of grounds(re. \$3,781,234)

17 By chapter 50, section 7, of the laws of 1969:

18 Advance for: Construction of health and physical education
19 facility(re. \$7,160,000)

20 Advance for: Installation of a hot water generator and refrigera-
21 tion unit(re. \$660,000)

22 Advance for: Construction of library basement complex
23(re. \$565,000)

24 Advance for: Installation of equipment to increase air handling
25 capacity of air conditioning units.....(re. \$100,000)

26 By chapter 170, section 21, of the laws of 1967, and chapter 50,
27 section 12, of the laws of 1969:

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GOVERNMENT CODE (Title 2, Part 1)

(d) The balance available for each state agency and for miscellaneous repairs, improvements, and equipment.

(e) The anticipated needs for expenditure during the next fiscal year.

LEGISLATIVE HISTORY

Added by Stats 1953 ch 170 § 16 p 1095. Based on Stats 1st Ex Sess 1946 ch 145 § 12 p 191, as amended by Stats 1949 ch 165 § 1 p 393.

§ 15798. Advice as to additional appropriation. At the beginning of each regular session of the Legislature, the board shall advise the Legislature as to any additional amount which should be appropriated by the Legislature from the State Treasury to meet the cost of carrying out such program during the next fiscal year.

LEGISLATIVE HISTORY

Added by Stats 1953 ch 170 § 16 p 1095. Based on Stats 1st Ex Sess 1946 ch 145 § 12 p 191, as amended by Stats 1949 ch 165 § 1 p 393.

PART 10b

STATE BUILDING CONSTRUCTION

[Added by Stats 1955 ch 1686 § 1 p 3094.]

- Chapter 1. General. §§ 15800-15803.
- 2. General Powers. §§ 15807-15811.
- 3. Construction and Leasing of Public Buildings. §§ 15815-15818.
- 4. Certificates. §§ 15821-15829.5.
- 5. Revenue Bonds. §§ 15830-15843.
- 6. Fiscal Provisions. §§ 15845-15849.

CHAPTER 1

General

- § 15800. Citation of part.
- § 15801. Legislative authorization required.
- § 15802. Definitions.
- § 15803. Part to be regarded as supplemental and additional to powers conferred by other laws.

§ 15800. Citation of part. This part is known and may be cited as the "State Building Construction Act of 1955."

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15801. Legislative authorization required. No public building shall be acquired or constructed under this part, unless authorized by a separate act or appropriation enacted by the Legislature.

§ 15803

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15802. Definitions. The following terms whenever used in this part have the meanings given in this section except where the context clearly indicates otherwise:

(a) "Board" means the State Public Works Board.
 (b) "Construction" includes the extension, enlargement, repair, renovation, restoration, improvement, furnishing, and equipping of any public building.

(c) "Public building" includes any structure, building, facility, or work which a state agency is authorized to construct and automobile parking lots, landscaping, and other facilities, including furnishings and equipment, incidental to the use of any building, and also includes the site thereof, and any easements or rights of way appurtenant thereto or necessary for its full use.

(d) "Acquire" includes purchase, condemnation, lease, and gift.

(e) "Cost of a public building" includes, but is not limited to, the cost of all real estate, properties, rights, and easements acquired, the cost of construction of public buildings and the furnishing and equipment of them, all financing charges, interest prior to, during and for a period of six months after construction, engineering, architects' and legal expenses, including the cost of plans, specifications, and surveys, estimates of cost and revenues, administrative expenses, and such other expenses as are necessary or incident to the financing of public buildings, or to determine the feasibility or practicability of any public buildings, and the condemnation of property necessary for use of, or in connection with, any public building.

(f) "Property" includes all property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of this part.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15803. Part to be regarded as supplemental and additional to powers conferred by other laws. This part provides an additional and alternative method for doing the things authorized herein and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

CHAPTER 2

General Powers

- § 15807. Acquisition of property subject to approval: Contract for maintenance and repair of public buildings: Items included.
- § 15808. Acquisition and construction of public buildings for use by state agencies.
- § 15809. Enumeration of powers.
- § 15809.5. Termination of authority to issue certificates and revenue bonds: Condition. [Repealed.]
- § 15810. Provision of manner of financing by Legislature: Issuance of both certificates and revenue bonds prohibited.
- § 15811. Power to pledge credit or taxing power of State.

§ 15807. Acquisition of property subject to approval: Contract for maintenance and repair of public buildings: Items included. The acquisition by the board of any property is subject to the approval of the Department of Finance. The board shall contract with the Department of Finance for the maintenance and repair of all public buildings constructed, acquired, or operated by the board, when the Department of Finance elects to furnish maintenance and repair, such maintenance and repair to include the items of maintenance and repair customarily supplied or afforded to other state buildings by the Department of Finance.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15808. Acquisition and construction of public buildings for use by state agencies. When authorized by a separate act or appropriation enacted by the Legislature, the board may acquire and construct public buildings for use by state agencies.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15809. Enumeration of powers. The board may:

(a) Acquire in the name of the State of California, and use any property, and lease as lessor, with the approval of the Department of Finance, any property or any interest therein at any time acquired by it to state agencies, or in the event of default upon any certificates or bonds to other than state agencies.

(b) Construct public buildings.

(c) Contract with other state agencies for the use of real property owned by the State, upon which to construct a public building.

(d) Fix, alter, charge, and collect rentals and other charges for the use of public buildings, or for the services rendered by the

board, at reasonable rates to be determined by the board for the purpose of providing for the payment of the expenses of the board, not provided for by state appropriations or otherwise, operation of its public buildings, and the payment of the principal of and interest on its certificates or revenue bonds.

(e) Make contracts of every kind and nature, and execute all instruments necessary or convenient for the carrying on of its business.

(f) Obtain insurance against loss by fire or other hazards on public buildings, both during and after construction, and obtain insurance against loss of revenues from any cause whatsoever, for the protection of the certificate holders or bondholders.

(g) Issue certificates or revenue bonds, as provided in this part, to obtain funds to pay the cost of public buildings, secure the payment of certificates or revenue bonds and interest thereon by pledging all or part of its revenues, rentals, and receipts, and provide for the security of the certificates or revenue bonds and the rights of the holders thereof.

LEGISLATIVE HISTORY

1. Added by Stats 1955 ch 1686 § 1 p 3094.
2. Amended by Stats 1957 ch 1070 § 1 p 2357, omitting the comma after "or for the services rendered by" in subd (d).

COLLATERAL REFERENCES

Forms:

7 Am Jur Legal Forms, Nos. 7:1081 et seq. (leases, generally).

§ 15809.5. Termination of authority to issue certificates and revenue bonds: Condition. [Repealed.]

LEGISLATIVE HISTORY

1. Added by Stats 1955 ch 1686 § 1 p 3094, the section then reading: "The authority of the board to issue certificates and revenue bonds shall terminate on the ninety-first day after final adjournment of the 1950 Regular Session of the Legislature; provided, that the termination of the authority of the board shall not affect the validity of any certificates or revenue bonds authorized by the board prior to said date."
2. Repealed by Stats 1957 ch 1070 § 2 p 2357.

§ 15810. Provision of manner of financing by Legislature: Issuance of both certificates and revenue bonds prohibited. In the act authorizing the acquisition and construction of public buildings pursuant to this part, the Legislature shall provide whether certificates or revenue bonds shall be issued to finance such acquisition and construction, or whether the board may elect to use either method of financing; but the board may not issue both certificates and revenue bonds to finance the acquisition and construction of public

§ 15811

GOVERNMENT CODE

[Tit 2, Div 3]

buildings authorized under this part at any one session of the Legislature.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15811. Power to pledge credit or taxing power of State. The board has no power at any time or in any manner to pledge the credit or taxing power of the State or any of its local agencies.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

CHAPTER 3**Construction and Leasing of Public Buildings**

- § 15815. Preparation of plans and specifications by Division of Architecture: Reimbursement of costs: State Contract Act applicable.
- § 15816. Jurisdiction, operation, and maintenance of public building when revenues, etc., no longer required for payment of principal or interest on certificates or revenue bonds: Application of available funds to redemption of certificates or revenue bonds secured by rentals and revenues from public building.
- § 15817. Lease of public building: Maximum term: Rentals: Commencement date.
- § 15818. Pledge of revenues, rentals, or receipts from public buildings to payment of certificates or revenue bonds: Lien upon revenues, rentals, or receipts.

§ 15815. Preparation of plans and specifications by Division of Architecture: Reimbursement of costs: State Contract Act applicable. The plans and specifications of any public building constructed pursuant to this part shall be prepared by the Division of Architecture and the board shall reimburse the division for the costs of such services from the funds available for the purpose. Any public building constructed under the provisions of this part shall be constructed in accordance with the provisions of the State Contract Act.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15816. Jurisdiction, operation, and maintenance of public building when revenues, etc., no longer required for payment of principal or interest on certificates or revenue bonds: Application of available funds to redemption of certificates or revenue bonds secured by rentals and revenues from public building. When any public building has been acquired or constructed by the board, and

[Part 10b, Ch 3] STATE BUILDING CONSTRUCTION

§ 15818

the revenues, rentals, or receipts from the operation of such public building are no longer required or pledged for the payment of principal or interest on any of the certificates or revenue bonds of the board undertaken under this part, the board shall forthwith notify the Department of Finance of that fact, and thereafter such public building shall be under the jurisdiction of, and operated and maintained by, the Department of Finance.

If at any time funds are available by law to retire any certificates or revenue bonds issued to defray the cost of any public building, such funds shall be applied to the redemption of certificates or revenue bonds secured by the rentals and revenues from said public building.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15817. Lease of public building: Maximum term: Rentals: Commencement date. Any state agency, with the approval of the Department of Finance, may lease, as lessee, any public building constructed by the board for a term not exceeding 20 years from the date of occupancy at such rentals as are determined by the board; and at any time after sufficient progress has been made on the public building to render it usable, the state agency may lease as lessee, with the approval of the Department of Finance, any portion of the public building completed or usable for a term not exceeding 20 years from the date of occupancy at such rentals as are determined by the board. Rentals under a lease shall commence upon the date of occupancy, irrespective of whether the public building, or the portion thereof leased, has been finally accepted by the Division of Architecture.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

COLLATERAL REFERENCES**Forms:**

7 Am Jur Legal Forms, Nos. 7:1061 et seq. (leases, generally).

§ 15818. Pledge of revenues, rentals, or receipts from public buildings to payment of certificates or revenue bonds: Lien upon revenues, rentals, or receipts. The revenues, rentals, or receipts from all public buildings authorized under this part at any one session of the Legislature, after deducting the cost of maintaining such public buildings, are hereby pledged to the payment of the principal of, and interest on, the certificates or revenue bonds issued to finance the construction of all such public buildings. The certifi-

ates or revenue bonds issued to finance the public buildings authorized at one session shall be equally secured by a lien upon the revenues, rentals, or receipts pledged to secure them without priority for number, date of certificates or revenue bonds, of sale, of execution, or of delivery pursuant to this part.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

CHAPTER 4

Certificates

- § 15821. Negotiability and transferability.
- § 15822. Authorization: Maturity: Rate of interest: When payable: Denomination and form: Terms of redemption: Signatures and countersignatures: Seal.
- § 15823. Sale: Legal investment for state special or trust fund: How payment to be made.
- § 15824. Contents of authorizing resolutions.
- § 15825. Issuance of refunding certificates.
- § 15826. State Treasurer to act as trustee: Prescribing duties and powers of trustee.
- § 15827. Rights and remedies.
- § 15828. Appointment of receiver: Powers and duties.
- § 15829. Additional remedy.
- § 15829.5. Application of chapter.

§ 15821. Negotiability and transferability. Certificates issued pursuant to this part are not negotiable instruments but are transferable between state agencies having jurisdiction over special or trust funds at a price mutually agreed upon by the state agencies.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15822. Authorization: Maturity: Rate of interest: When payable: Denomination and form: Terms of redemption: Signatures and countersignatures: Seal. The certificates shall be authorized by resolutions of the board, and shall bear such dates, mature at such time or times not exceeding 25 years from their respective dates, bear interest at such rate or rates agreed upon between the board and the investing agency with the approval of the Department of Finance, not exceeding 5 percent per year, payable semiannually, be in such denominations and in such form, be payable in such medium of payment and at such place or places, and subject to such terms of redemption at such prices not exceeding 105 percent of the principal amount as the resolutions provide.

The certificates shall bear the facsimile signature of the Governor and the facsimile countersignature of the Controller and shall be endorsed by the State Treasurer either by original signature or by a signature stamp, and the certificates shall be signed, countersigned, and endorsed by the officers who shall be in office on the date of issuance thereof, and each of said certificates shall bear an impress of the Great Seal of the State of California.

Note.—Stats 1957 ch 1072 also provides:

§ 1. The State Public Works Board, after approval of preliminary plans under the procedure provided by Section 4 of the Budget Act of 1957, is authorized to construct buildings and facilities on the new site of the California State Fair and Exposition, under the provisions of the State Building Construction Act of 1955 (commencing at Section 15800 of the Government Code), and to finance by the issuance of either certificates or revenue bonds pursuant to said act not to exceed in cost six million five hundred thousand dollars (\$6,500,000) annually for a period of two fiscal years.

When the buildings or facilities constructed by the State Public Works Board on the new site of the State Fair and Exposition have been constructed, and the revenues, rentals, or receipts from the operation of such buildings or facilities are no longer required or pledged for the payment of principal or interest on any of the certificates or revenue bonds of the board undertaken under the State Building Construction Act of 1955, the board shall forthwith transfer jurisdiction of such buildings or facilities to the California State Fair and Exposition.

LEGISLATIVE HISTORY

1. Added by Stats 1955 ch 1686 § 1 p 3094.
2. Amended by Stats 1957 ch 1070 § 3 p 2357, substituting "4 1/2 percent" for "4 percent."
3. Amended by Stats 1957 ch 1072 § 3 p 2360, substituting "5 percent" for "4 1/2 percent."

§ 15823. Sale: Legal investment for state special or trust fund: How payment to be made. The certificates shall be sold by the board at their face value to state agencies having jurisdiction over special or trust funds, without advertisement or competitive bidding. Such certificates are a legal investment for any state special or trust fund notwithstanding any provision of law limiting the investment which may be made by such special or trust fund. Payment of the purchase price may be made in accordance with mutual agreement between the state agency and the board, which agreement may provide for such payment in installments as work upon the public building or buildings progresses and funds necessary therefor are required.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15824. Contents of authorizing resolutions. Any resolutions authorizing any certificates may contain provisions which are part of the contract with the state agency as to:

- (a) Pledging all or any of the revenues, rentals, or receipts of the authority from specific properties.
- (b) The construction or acquisition of any public building and the duties of the board with reference thereto.
- (c) The terms and provisions of the certificates.
- (d) Limitations on the purposes to which the proceeds of the certificates, then or thereafter to be issued may be applied.
- (e) The rate of rentals and other charges for use of the public buildings of, or for the services rendered by, the board, including limitations upon the power of the board to modify any leases or other agreements pursuant to which any rentals or other charges are payable.
- (f) The setting aside of reserves or sinking funds and the regulation and disposition of them.
- (g) Limitations on the issuance of additional certificates or revenue bonds.
- (h) Any other agreements with the certificate holders.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15825. Issuance of refunding certificates. The board may provide, by resolution, for the issuance of refunding certificates for the purpose of refunding any certificates of the board issued pursuant to this part and then outstanding, either by voluntary exchange with the holders of the outstanding certificates, or to provide funds to redeem and retire the outstanding certificates, with accrued interest and any redemption value payable on any call date. The issuance of the refunding certificates, the maturities and other details of the certificates, the rights of the certificate holders, and the duties of the board in respect to the certificates, are governed by the provisions of this part insofar as they are applicable. Refunding certificates may be issued by the board to refund certificates originally issued or to refund certificates of the board previously issued for refunding purposes.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15826. State Treasurer to act as trustee: Prescribing duties and powers of trustee. The State Treasurer shall act as trustee for the board and the holders of the certificates issued under this part, and the board may authorize the trustee to act on behalf of the

holders of the certificates, or any stated percentage thereof, and to exercise and prosecute on behalf of the holders of the certificates such rights and remedies as may be available to the holders.

The board shall, by resolution, prescribe the duties and powers of such trustee with respect to the issuance, authentication, sale, and delivery of the certificates, and the payment of principal and interest thereof, the redemption of the certificates, and the management, exclusive of the investment or reinvestment thereof, of any sinking fund or other funds provided as security for the certificates.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15827. Rights and remedies. The rights and remedies conferred by this part upon or granted to certificate holders are in addition to and not in limitation of any rights and remedies lawfully granted to such certificate holders by the resolutions providing for the issuance of certificates.

If the board defaults in the payment of principal or interest on any of the certificates after such principal or interest becomes due, whether at maturity or upon call for redemption, and if such default continues for a period of 60 days, or if the board fails or refuses to comply with the provisions of this part or defaults in any agreement made with the certificate holders, the holders of 25 percent in aggregate principal amount of the certificates then outstanding by instruments filed in the Office of the County Recorder of the County of Sacramento, and acknowledged in the same manner as a deed to be recorded except as this right is limited under the provisions of any deed of trust, indenture, or other agreement, may appoint a trustee to represent the certificate holders for the purposes provided in this part. The trustee or any trustee under any deed of trust, indenture, or other agreement may, and upon written request of the holders of 25 percent in principal amount of the certificates then outstanding, or such other percentage as is specified in the deed of trust, indenture or other agreement, shall in his name:

- (a) By proper proceedings and actions enforce all rights of the certificate holders, including the right to require the board to collect rates, rentals and other charges adequate to carry out any agreement as to the revenues, or the pledge of revenues or receipts of the board, to lease public buildings to state agencies or otherwise and require the board to carry out any other agreements with or for the benefit of the certificate holders, and to perform its duties under this part.
- (b) Bring suit upon the certificates.

(c) By an action require the board to account as if it were the trustee of an express trust for the certificate holders.

(d) By an action enjoin any acts or things which may be unlawful or in violation of the certificate holders' rights.

(e) By notice in writing to the board declare certificates due and payable, and if all defaults are made good then with the consent of the holders of 25 percent of the principal amount of the certificates then outstanding or such other percentage as is specified in any deed of trust, indenture, or other agreement, annul the declaration that certificates are due and payable.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1086 § 1 p 3094.

§ 15828. Appointment of receiver: Powers and duties. A trustee, appointed pursuant to Section 15827, or acting under a deed of trust, indenture, or other agreement, whether or not all certificates have been declared due and payable, may have a receiver appointed. The receiver may, to the same extent that the board itself could do, enter and take possession of the public buildings of the board, or any parts thereof, the revenues, rentals, or receipts from which are applicable to the payment of the certificates in default, and operate and maintain the public buildings and collect and receive all rentals and revenues thereof arising therefrom in the same manner as the board might do. The receiver shall deposit money in a separate account and apply it in such manner as the court directs. In any action or proceeding by the trustees, the fees, counsel fees, and expenses of the trustees, and of the receiver, and all costs and disbursements allowed by the court, are a first charge on any revenues and receipts derived from the public buildings of the board, the revenues or receipts from which are or may be applicable to the payment of the certificates in default. The trustee shall have and possess all the powers necessary or appropriate for the exercise of any functions specifically set forth in this part or incident to the general representation of the certificate holders in the protection and enforcement of their rights; provided, however, that nothing in this section or any other section in this part shall authorize any trustee appointed pursuant to Section 15827, for the purpose of operating and maintaining any public buildings of the board, to sell, assign, mortgage, or otherwise dispose of, any of the assets of whatever kind and character belonging to the board.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1086 § 1 p 3094.

§ 15829. Additional remedy. In addition to all other rights and all other remedies the holder of certificates of the board may by an action at law enforce his rights against the board, including the right to require the board to collect fees, rentals and other charges adequate to carry out any agreement as to fees, rentals, or other charges or income, revenue and receipts and require the board to carry out any of its covenants and agreements with the certificate holders and perform its duties under this part.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1086 § 1 p 3094.

§ 15829.5. Application of chapter. This chapter shall not apply to the Unemployment Compensation Disability Fund.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1086 § 1 p 3094.

CHAPTER 5

Revenue Bonds

- § 15830. Bonds to be secured solely by revenues, rentals, or receipts from operation of public building: Limitation on lien: Recitation on face of bond.
- § 15831. Form of bonds and interest coupons: Rate of interest.
- § 15832. Sale to highest bidder: Procedure.
- § 15833. Notice of time and place of sale: Publication: Limitation on expense.
- § 15834. [No section of this number.]
- § 15835. Negotiability.
- § 15836. Legal investment for state special or trust fund.
- § 15837. When legal opinion other than that of Attorney General to be obtained: Payment.
- § 15838. Contents of resolutions authorizing bonds.
- § 15839. Authority to enter into deeds of trust, indentures, or other agreements: Provisions.
- § 15840. Issuance of refunding bonds: Procedure.
- § 15841. Rights and remedies.
- § 15842. Appointment of receiver: Powers and duties.
- § 15843. Additional remedy.

§ 15830. Bonds to be secured solely by revenues, rentals, or receipts from operation of public building: Limitation on lien: Recitation on face of bond. The bonds issued to finance the construction of a public building or buildings pursuant to this part shall be special obligations of this State secured solely by the revenues, rentals, or receipts received from the operation of all public buildings authorized at any one session of the Legislature financed by such bonds. No bond issued or sold pursuant to this part shall be or become a

lien, charge, or liability against the State of California or against its property or funds except to the extent of the pledges expressly made by this part. Every bond issued pursuant to this part shall contain a recital on the face thereof stating that neither the payment of the principal nor any part thereof, nor any interest thereon, constitutes a debt, liability, or general obligation of the State of California other than as provided in this part. The board has no power at any time or in any manner to pledge the credit or taxing power of the State, other than as provided in this part.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

COLLATERAL REFERENCES

Forms:

11 Am Jur Legal Forms, No. 11:151 (revenue bond).

§ 15831. **Form of bonds and interest coupons: Rate of interest.** All bonds issued under this part shall bear the facsimile signature of the Governor and the facsimile countersignature of the Controller and shall be endorsed by the State Treasurer either by original signature or by a signature stamp, and the bonds shall be signed, countersigned, and endorsed by the officers who shall be in office on the date of issuance thereof, and each of said bonds shall bear an impress of the Great Seal of the State of California. Interest coupons attached to each bond shall bear the facsimile signature of the State Treasurer who shall be in office on the date of issuance of the bond to which said coupons pertain. The bonds or coupons so signed, countersigned, endorsed, and sealed, when sold, are valid although the sale thereof be made at a date or dates upon which the officers having signed, countersigned, and endorsed said bonds or coupons, or any or either of said officers, shall have ceased to be the incumbents of the offices held by them at the time of signing, countersigning, or endorsing said bonds or coupons. Each bond issued under this part, if subject to call or redemption prior to maturity, shall contain a recital to that effect.

The rate of interest to be borne by the bonds need not be uniform for all bonds of the same issue or series or division and may be determined and fixed by the board by resolution adopted at or after the sale of said bonds, but not exceeding in any case 5 percent per annum payable semiannually. The highest bid received on the sale of the bonds shall be determined by deducting the total amount of the premium bid (if any) from the total amount of interest which the State would be required to pay from the date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity dates of the bonds then offered for sale at the coupons

rate or rates specified in the bid, and the award shall be made on the basis of the lowest net interest cost to the State. The lowest net interest cost to the State shall be computed between the dates aforesaid according to standard bond interest tables.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

COLLATERAL REFERENCES

Forms:

11 Am Jur Legal Forms, Nos. 11:168-11:172 (bond coupons), Nos. 11:191 et seq. (bond testimonium clauses and signatures).

§ 15832. **Sale to highest bidder: Procedure.** Upon receipt of a resolution of the board authorizing the issuance of bonds, the State Treasurer shall provide for their preparation in accordance with the resolution. The bonds authorized to be issued shall be sold by the State Treasurer to the highest bidder for cash at public sale upon sealed bids in such parcels and numbers as the State Treasurer shall be directed by the board, but the State Treasurer must reject any and all bids for said bonds, or for any of them, which shall be below par value of said bonds so offered plus the interest which shall have accrued thereon between the date of purchaser's payment for said bonds and the last preceding interest maturity date; and the State Treasurer may from time to time, by public announcement at the place and time fixed for the sale, continue such sale, as to the whole of the bonds offered, or any part thereof offered, at such time and place as the State Treasurer may select. Each bid shall be in writing and signed by the bidder and sealed, and shall be accompanied by the deposit of a certified check or cashier's check for one-half of one percent (0.5%) of the par value of the bonds so offered for sale, but not exceeding one hundred thousand dollars (\$100,000), drawn on a bank or trust company authorized to transact and transacting business in the State of California, payable to the Treasurer of the State of California, such deposit not to bear interest. The deposit of each unsuccessful bidder shall be returned to him immediately upon the nonacceptance of his bid, and the deposit of the successful bidder shall immediately upon the acceptance of his bid become and be the property of the State of California and be placed in the State Treasury to the credit of the Public Buildings Construction Fund, and shall be credited to the successful purchaser upon the purchase price of the bonds bid for in case such purchase price is paid in full by him within the time mutually agreed upon between the successful bidder and the State Treasurer. If the purchase price is not so paid, the successful bidder shall have no right in and to said bonds or by reason of said bid, or to the recovery of said deposit ac-

companying said bid, or to any allowance or credit by reason of such deposit unless it shall appear that the bonds would not be validly issued if delivered to the purchaser in the form and manner proposed. In case the purchase price is not so paid, the bonds so sold but not paid for shall be resold by the State Treasurer upon notice as provided in case of original sale.

Temporary or interim bonds, certificates, or receipts of any denomination whatever and with or without coupons attached thereto, to be signed by the State Treasurer, may be issued and delivered until the definitive bonds are executed and available for delivery. Signature of the State Treasurer may be by signature stamp.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

COLLATERAL REFERENCES

Cal Jur2d Public Securities and Obligations § 32.

Forms:

11 Am Jur Legal Forms, Nos. 11:101 et seq. (forms relating to bonds and to terms and conditions included therein), No. 11:151 (revenue bond).

§ 15833. Notice of time and place of sale. Publication: Limitation on expense. Due notice of the time and place of sale of all bonds shall be given by the State Treasurer by publication pursuant to Section 6066 in the City and County of San Francisco, in the City of Sacramento, and in the City of Los Angeles. In addition to the notice last above provided for, the State Treasurer may give further notice as he may deem advisable, but the expense and cost of such additional notice shall not exceed the sum of five hundred dollars (\$500) for each sale so advertised.

Note.—The title of Stats 1955 ch 1687 reads in part "An act to add Section 15833 to the Government Code" but in the body of the act § 15848 is added instead.

LEGISLATIVE HISTORY

1. Added by Stats 1955 ch 1686 § 1 p 3094.
2. Amended by Stats 1957 ch 357 § 43 p 1921, (1) substituting "pursuant to Section 6066" for "in one newspaper published" in the first sentence; (2) omitting "by publication in one newspaper published" after "San Francisco" and after "Sacramento, and" in the first sentence; and (3) omitting "once a week during two weeks prior to such sale" after "Los Angeles" in the first sentence.

COLLATERAL REFERENCES

Forms:

11 Am Jur Legal Forms, No. 11:203 (notice of sale of bonds).

§ 15834. [No section of this number.]

§ 15835. Negotiability. The bond or interim receipt is a negotiable instrument unless there is an express recital on its face that the bond or interim receipt is nonnegotiable.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

COLLATERAL REFERENCES

Cal Jur2d Public Securities and Obligations § 33.

§ 15836. Legal investment for state special or trust fund. Bonds issued pursuant to this part are a legal investment for any state special or trust fund notwithstanding any provision of law limiting the investments which may be made by such special or trust fund.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15837. When legal opinion other than that of Attorney General to be obtained: Payment. Whenever the board deems that it will increase the salability or the price of the bonds to obtain, prior to or after sale, a legal opinion, other than that of the Attorney General, as to the validity of the bonds, the board may authorize the State Treasurer, or the Department of Finance, or both, to obtain such a legal opinion. Payment for such legal services shall be made out of the proceeds of the sale of the bonds.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

COLLATERAL REFERENCES

Forms:

11 Am Jur Legal Forms, No. 11:206 (attorney's opinion of legality and validity of bond issue).

§ 15838. Contents of resolutions authorizing bonds. Any resolutions authorizing any bonds may contain provisions which are part of the contract with the bondholders as to:

- (a) Pledging all or any of the revenues, rentals or receipts of the board from all or any public buildings.
- (b) The acquisition, construction, improvement, operation, extension, enlargement, maintenance, and repair of any public buildings and the duties of the board with reference thereto.
- (c) The terms and provisions of the bonds.
- (d) Limitations on the purposes to which the proceeds of the bonds, then or thereafter to be issued, or of any loan or grant by the United States, may be applied.

(e) The rate of rentals and other charges for use of the public buildings of, or for the services rendered by, the board, including limitations upon the power of the board to modify any leases or other agreement pursuant to which any rentals or other charges are payable.

(f) The setting aside of reserves or sinking funds and the regulation and disposition of them.

(g) Limitations on the issuance of additional bonds or certificates.

(h) The terms and provisions of any deed of trust or indenture securing the bonds, or under which the bonds are issued.

(i) Any other agreements with the bondholders.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

COLLATERAL REFERENCES

Forms:

11 Am Jur Legal Forms, No. 11:184 (resolution prescribing form of bonds).

§ 15839. Authority to enter into deeds of trust, indentures, or other agreements: Provisions. The board may enter into any deeds of trust, indentures, or other agreements with any bank or trust company, or other person in the United States having power to enter into such agreements, including any federal agency, as security for such bonds, and may assign and pledge the revenues, rentals, or receipts of the board thereunder. The deeds of trust, indentures, or other agreements may contain such provisions as are customary in the instruments, or as the board authorizes, including but without limiting provisions as to:

(a) The acquisition, construction, improvement, operation, maintenance and repair of any public buildings, and the duties of the board with reference thereto.

(b) The application of funds and the safeguarding of funds on hand or on deposit.

(c) The rights and remedies of the trustee and the holders of the bonds, which may include restrictions upon the individual right of action of the bondholders.

(d) The terms and provisions of the bonds, or the resolutions authorizing the issuance of the bonds.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15840. Issuance of refunding bonds: Procedure. The board may provide, by resolution, for the issuance of refunding bonds for the purpose of refunding any bonds of the board issued pursuant to this part and then outstanding, either by voluntary exchange

with the holders of the outstanding bonds, or to provide funds to redeem and retire the outstanding bonds, with accrued interest, and any premium payable on the bond at maturity or at any call date. The issuance of the refunding bonds, the maturities and other details of the bonds, the rights of the bondholders, and the duties of the board in respect to the bonds, are governed by the foregoing provisions of this part insofar as they are applicable. Refunding bonds may be issued by the board to refund bonds originally issued, or to refund bonds of the board previously issued for refunding purposes.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

COLLATERAL REFERENCES

Forms:

11 Am Jur Legal Forms, No. 11:213 (purpose clause in refunding bond).

§ 15841. Rights and remedies. The rights and remedies conferred by this part upon or granted to bondholders are in addition to and not in limitation of any rights and remedies lawfully granted to such bondholders by the resolutions providing for the issuance of bonds, or by any deed of trust, indenture, or other agreement under which the bonds are issued.

If the board defaults in the payment of principal or interest on any of the bonds after the principal or interest becomes due, whether at maturity or upon call for redemption, and if such default continues for a period of 60 days, or if the board fails or refuses to comply with the provisions of this part or defaults in any agreement made with the bondholders, the holders of 25 percent in aggregate principal amount of the bonds then outstanding by instruments filed in the Office of the County Recorder of the County of Sacramento, and acknowledged in the same manner as a deed to be recorded except as this right is limited under the provisions of any deed of trust, indenture, or other agreement, may appoint a trustee to represent the bondholders for the purposes provided in this part. The trustee or any trustee under any deed of trust, indenture, or other agreement may, and upon written request of the holders of 25 percent in principal amount of the bonds then outstanding, or such other percentage as is specified in the deed of trust, indenture or other agreement, shall in his name:

(a) By proper proceedings and actions enforce all rights of the bondholders, including the right to require the board to collect rates, rentals, and other charges adequate to carry out any agreement as to the revenues, or the pledge of the revenues or receipts of the board, to lease public buildings to state agencies or otherwise,

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GOVERNMENT CODE

[Tit 2, Div 3

and require the board to carry out any other agreements with or for the benefit of the bondholders, and to perform its duties under this part.

(b) Bring suit upon the bonds.

(c) By an action require the board to account as if it were the trustee of an express trust for the bondholders.

(d) By an action enjoin any acts or things which may be unlawful or in violation of the bondholders' rights.

(e) By notice in writing to the board declare bonds due and payable, and if all defaults are made good then with the consent of the holders of 25 percent of the principal amount of the bonds then outstanding, or such other percentage as is specified in any deed of trust, indenture, or other agreement, annul the declaration that bonds are due and payable.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1080 § 1 p 3094.

COLLATERAL REFERENCES

Cal Jur2d Public Securities and Obligations § 62.

§ 15842. Appointment of receiver: Powers and duties. A trustee, appointed pursuant to Section 15841, or acting under a deed of trust, indenture, or other agreement, whether or not all bonds have been declared due and payable, may have a receiver appointed. The receiver may, to the same extent that the board itself could do, enter and take possession of the public buildings of the board, or any parts thereof, the revenues, rentals, or receipts from which are applicable to the payment of the bonds in default, and operate and maintain the public buildings and collect and receive all rentals and revenues thereof arising therefrom in the same manner as the board might do. The receiver shall deposit money in a separate account and apply it in such manner as the court directs. In any action or proceeding by the trustees, the fees, counsel fees, and expenses of the trustees, and of the receiver, and all costs and disbursements allowed by the court, are a first charge on any revenues and receipts derived from the public buildings of the board, the revenues or receipts from which are or may be applicable to the payment of the bonds in default. The trustee shall have and possess all the powers necessary or appropriate for the exercise of any functions specifically set forth in this part or incident to the general representation of the bondholders in the protection and enforcement of their rights; provided, however, that nothing in this section or any other section in this part shall authorize any trustee appointed pursuant to Section 15841, for the purpose of operating and maintaining any public buildings of the board, to sell, assign, mortgage, or otherwise

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dispose of, any of the assets of whatever kind and character belonging to the board.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15843. Additional remedy. In addition to all other rights and all other remedies the holder of bonds of the board may by an action at law enforce his rights against the board, including the right to require the board to collect fees, rentals, and other charges adequate to carry out any agreement as to fees, rentals, or other charges or income, revenue and receipts and require the board to carry out any of its covenants and agreements with the bondholders and perform its duties under this part.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

CHAPTER 6

Fiscal Provisions

- § 15845.** Transmission of moneys received to State Treasurer: Deposit in Public Buildings Construction Fund: Accounts maintained: Expenditures: Purposes: Sinking fund accounts: Use and disposition.
- § 15846.** Provision for allocation of financial and administrative costs.
- § 15847.** Investment and reinvestment of surplus moneys in accounts in Public Buildings Construction Fund authorized: Collection and deposit of interest received: Payment of expenses.
- § 15848.** Amount necessary to pay rent of agency occupying space in office building appropriated: From what fund payable: When available: When appropriation to become inoperative.
- § 15849.** Appropriations of amounts required to pay rent for buildings and facilities to be constructed on site of California State Fair and Exposition: Availability: Funds from which payable.

§ 15845. Transmission of moneys received to State Treasurer: Deposit in Public Buildings Construction Fund: Accounts maintained: Expenditures: Purposes: Sinking fund accounts: Use and disposition. All money received by the board from whatever source derived, shall be transmitted by the board at least once in every calendar month to the State Treasurer, and shall be deposited in the State Treasury to the credit of the Public Buildings Construction Fund, which fund is hereby created and is appropriated for the purpose hereinafter provided. There shall be maintained within the fund three separate accounts for each series of certificates or revenue bonds covering all the public buildings authorized under this part, at any one session of the Legislature.

- (a) ~~A construction account~~
 (b) ~~A revenue account~~
 (c) ~~A sinking fund account~~

There shall be deposited to the credit of the respective series in the construction account the proceeds from the sale of each series of certificates or revenue bonds authorized under the provisions of this part. ~~The money in each such account shall be expended for the purposes authorized by this part, or as provided in the resolution for the acquisition and construction of the public buildings, and in addition, for the payment of all costs and expenses of and incident to, the issuance and sale of certificates or revenue bonds, and the payment of interest due on the certificates or revenue bonds during the period of actual construction and for such further period as may be specified in the resolution for the issuance of the certificates or revenue bonds, not exceeding six months after the period of construction.~~

There shall be deposited to the credit of the respective series in the revenue account all revenues, rentals, or receipts received from the operation of each series of public buildings acquired, constructed, or operated by the board under the provisions of this part, and all other money received by the board from whatever source derived, the disposition of which is not otherwise provided by this part.

The money in each revenue account shall be expended for the payment of the costs of operation and maintenance of the public buildings authorized by this part, including administrative expenses of the board, and for such other purposes as may be provided in the resolution, subject to any restrictions provided by law or by the resolution.

All money in each revenue account, except that part required to pay the costs of operating the board, as provided for in the resolution authorizing the issuance of the certificates or revenue bonds, shall be set aside at regular intervals as provided in the resolution in separate sinking fund accounts for each series of certificates or revenue bonds, which are pledged to and charged with the payment of:

- (a) The interest upon such certificates or revenue bonds as the interest falls due.
 (b) The principal of the certificates or revenue bonds as it falls due.
 (c) Any redemption value upon certificates or revenue bonds redeemed by call.

The use and disposition of the sinking fund account is subject to the regulations provided in the resolution. Each separate sinking fund account is an account for the benefit of each of the respective series of the certificates or revenue bonds issued, without

~~distinction or priority of one over another, except as to series. Subject to the provisions of the resolution, any money in the sinking fund account of each series in excess of the amount equal to one year's interest on all certificates or revenue bonds of that series then outstanding may be applied to the purchase or redemption of certificates or revenue bonds of such series. All certificates or revenue bonds purchased or redeemed shall be canceled and shall not be issued again.~~

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15846. Provision for allocation of financial and administrative costs. The board may provide in the resolution for the allocation of financial and administrative costs of the board during the period of actual construction, and for such further period as may be specified in the resolution for the issuance of the certificates or revenue bonds, not exceeding two years, between the money in each construction account and the money in each revenue account.

LEGISLATIVE HISTORY

Added by Stats 1955 ch 1686 § 1 p 3094.

§ 15847. Investment and reinvestment of surplus moneys in accounts in Public Buildings Construction Fund authorized: Collection and deposit of interest received: Payment of expenses. Subject to the obligations of the board to its certificate holders or bondholders, the Department of Finance is authorized to invest and reinvest surplus moneys in any of the accounts in the Public Buildings Construction Fund, in bonds or other obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest, or of the State of California, or of the several counties or municipalities or other political subdivisions of the State of California, and to sell such bonds, or obligations, or any of them, upon direction of the board. All securities or other investments made under the provisions of this part shall be held by the State Treasurer as custodian thereof.

All interest received or other earnings derived from such investments shall be collected by the State Treasurer, and shall be deposited in the State Treasury to the credit of the account in the fund from which such interest or other earnings were derived.

Expenses incurred by the State Treasurer in taking and making delivery of bonds or other securities purchased as investments from such surplus money in the fund may be paid from the fund.

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
BUDGET AND AUDIT COMMITTEE

2 HOUSE BILL NO. 475

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 the revision of agency operations
7 plans under the Executive Budget Act."

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

9 * Section 1. AS 37.07 is amended by adding a new section to read:

10 Sec. 37.07.085. OPERATIONS PLAN REVISION. (a) If approved by the
11 governor and the committee, the operations plan of an agency provided
12 for under sec. 80 of this chapter may be revised to allow for the

13 (1) increase of an appropriation item based on additional
14 federal or other program receipts;

15 (2) establishment of a new position;

16 (3) reallocation between appropriation items.

17 (b) If approved by the division, the operations plan of an agency
18 provided for under sec. 80 of this chapter may be revised to allow for
19 the reallocation within an appropriation item.

20 (c) The operations plan of an agency provided for under sec. 80 of
21 this chapter shall be revised by the division to reflect

22 (1) reduction of an appropriation when there is a shortfall
23 in the appropriated estimate of federal or other program receipts; the
24 reduction shall include the shortfalls in receipts and the required state
25 matching funds appropriated;

26 (2) reduction in the state funding portion of an appropriation
27 when federal or other program receipts exceed the appropriated estimate
28 of receipts; these reductions shall be consistent with applicable
29 federal statutes; excess receipts appropriated under (1) of this section

1 are exempt from the reduction requirements of this paragraph

2 (3) increase of an appropriation to include additional
3 receipts above the appropriated estimate for refunds of shared taxes
4 and revenues to political subdivisions.

5 * Sec. 2. AS 37.07.120 is amended by adding a new subsection to read:

6 (4) "committee" means the Legislative Budget and Audit
7 Committee.

8 * Sec. 3. AS 37.07.080(e) is repealed.
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RECORDS CERTIFICATION

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James Smith
Signature of Camera Operator

4/4/89
Date

The Legislature of the State of Alaska
 HOUSE BILL

- 1 THE DEPARTMENT OF THE LEGISLATIVE MANAGING THE REQUEST
 1 THE HOUSE FINANCE COMMITTEE
 ✓ 1 THE SENATE FINANCE COMMITTEE
 1 THE DEPARTMENT OF BUDGET & FISCAL ALERT
 3 RETAIN A COPY FOR YOUR FILES

Subject: School Site Acquisition Program
 requested by Senate Finance Committee
 referred to
 completion date requested 2/3/71

SB #8 & #9

date of request 2/3/71
 date received

EXPENDITURE DETAIL

	FY 72	FY	FY
100 PERSONAL SERVICES	\$	\$	\$
200 TRAVEL			
300 CONTRACTUAL SERVICES			
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAUSES & SHARED REVENUE	1,000,000		
TOTAL	\$1,000,000	\$	\$

FUNDING DETAIL

FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	1,000,000		

Man Months

- Permanent Positions
- Temporary Positions

FISCAL ANALYSIS

A survey of projected construction needs of borough and city school districts through 1975 shows an average of \$25,000,000 needed for construction per year. Twenty-five million dollars will provide from five to seven new buildings per year. At \$150,000 to \$200,000 per site, the \$1,000,000 appropriation in Senate Bill #9 would provide from five to seven sites. Based on the above projection and cost estimates, the \$1,000,000 appears to be sufficient to cover one year's building site needs.

DATE 1/29/71

SIGNATURE

Nathaniel Cole

NAME & TITLE Nathaniel H. Cole, Director, Administrative Serv.

1 IN THE SENATE

BY THOMAS

2 SENATE BILL NO. 8

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a future school site acquisition
7 fund; and providing for an effective date."

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

9 * Section 1. AS 14 is amended by adding a new chapter to read:

10 CHAPTER 53. STATE ASSISTANCE.

11 Sec. 14.53.010. FUTURE SCHOOL SITE ACQUISITION FUND. There is
12 established in the Department of Education the future school site
13 acquisition fund, funded by appropriations by the legislature. Money
14 in the fund shall be used for the purposes provided for in sec. 20 of
15 this chapter.

16 Sec. 14.53.020. PURCHASE OF FUTURE SCHOOL SITES FROM FUND. (a)
17 The Department of Education shall use the money in the fund established
18 in sec. 10 of this chapter to purchase future school sites selected by
19 school districts.

20 (b) When school construction begins on the site purchased by the
21 department under (a) of this section, the school district shall pur-
22 chase the site from the state. The purchase price of the site to the
23 school district shall be the same as the price paid originally by the
24 state.

25 (c) A school district has 10 years from the time the state ac-
26 quires the land for it under this section to purchase the land from the
27 state. If the school district does not purchase the land within 10
28 years, the state shall sell it and deposit the proceeds of the sale in
29 the general fund.

1 (d) Land purchased by a school district under this section shall
2 be used exclusively for school purposes or title to it reverts to the
3 state.

4 (e) The department shall review annually with the school districts
5 for which it has acquired future school sites their school construction
6 plans.

7 (f) The right of eminent domain is not applicable under this
8 chapter.

9 * Sec. 2. This Act takes effect July 1, 1971.
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1 IN THE SENATE

BY THOMAS

2 SENATE BILL NO. 9

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the school site acquisition
7 fund in the Department of Education; and providing for
8 an effective date."

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

10 * Section 1. The sum of \$1,000,000 is appropriated from the general fund
11 to the school site acquisition fund in the Department of Education for the
12 purpose of making available interest free loans to school districts to
13 acquire future school sites.

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

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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

The Legislature of the State of Alaska
FISCAL NOTE

COPIES: THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST
 THE HOUSE FINANCE COMMITTEE STAFF
 THE SENATE FINANCE COMMITTEE STAFF
 THE DIVISION OF BUDGET & MANAGEMENT
 RETAIN A COPY FOR YOUR FILES

Subject Senior Citizen Bill HB _____ SB 14
 requested by Senator Lowell Thomas, Jr.
 referred to Senate Health & Welfare Committee date of request 2-22-71
 completion date requested 2-23-71 date received 2-22-71

EXPENDITURE DETAIL	FY 1971-72	FY	FY
100 PERSONAL SERVICES	\$	\$	\$
200 TRAVEL			
300 CONTRACTUAL SERVICES	530.00		
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE			
TOTAL	\$ 530.00	\$	\$

FUNDING DETAIL			
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	530.00		

Man Months
 Permanent Positions
 Temporary Positions

FISCAL ANALYSIS


SB 14 provides special tax and license fee relief to qualified Alaska residents who are 65 years of age and older. With respect tax relief accorded for (1) income tax; (2) motor vehicle license fees; (3) sports fishing and hunting license fees and (4) the Alaska School Tax of \$10.00 per head the above listed anticipated expenditures represent costs of printing and distributing a special Sports Fishing & Hunting License for residents who are 65 years of age and older. This is caused by the effective date of the bill which is July 1, 1971. Sports Fishing and Hunting Licenses are issued on a calendar year basis.

Tax and license fees which will be reduced by the terms of the bill have been projected as reduced revenues include:

Individual Income Tax - additional exemptions	\$100,000 to \$125,000
Sports Fishing & Hunting Licenses - reduced fees	\$8,140
Motor vehicle license plates - reduced fees	58,650
Alaska School Tax - exempting wage earners over 65 estimated at 2,500 @ \$10.00	25,000

Attached are memorandums covering Income Tax; Sports Fishing & Hunting; Motor Vehicle License plates as backup for the above revenue losses. School Tax losses were estimated at 2,500 wage earners out of an estimated 7,000 persons of age 65 and older.

DATE 2-23-71

SIGNATURE 
 NAME & TITLE R. D. Stevenson
Deputy Commissioner
Department of Revenue

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Deputy Commissioner

DATE : January 22, 1971

FROM: Fred Boetsch, Director
Audit Division

SUBJECT: SB 14 Senior Citizen Bill

It is difficult to project the possible effect that Section 6 might have on the Treasury since we do not have statistical data regarding the income earned by age brackets. Assuming all taxpayers over 65 earned in excess of \$10,100 the maximum effect that this would have would be \$720,000. Obviously, this is a bogus figure since most people in that age bracket do not have income in that amount. It would, undoubtedly, eliminate income taxes for the vast majority of persons over 65 and taxpayers whose spouses are over 62. A more realistic figure would probably be somewhere around \$100,000 to \$125,000 as to reduction in receipts.

As to the formula for apportionment of the exemption based on physical presence in the state (which is included in line 29, page 17 through line 2, page 8) we would recommend that the language herein be changed to state as follows (beginning after the semicolon after the word "exemption"): "The exemption may be allowed only in the proportion that the number of days that the taxpayer is physically present in the state bears to the number of days in the tax year." The change in this language is consistent with the change in the language we have proposed in other recommended legislation for the apportionment of exemptions and dependency credits. We feel that this language would make the Act more equitable and, at the same time, obviate any constitutional problems which may arise as a result of the language used in the present statutes.

An administrative problem would occur with respect to the effective date of the Act which is July 1, 1971 in that the exemptions would have to be prorated for the tax year 1971. It is suggested, therefore, that this provision either be made retroactive to January 1, 1971 or forwarded to January 1, 1972. I might mention that any legislation regarding a change in tax laws should take into consideration the fact that most of our taxes are based on a calendar year rather than the government fiscal year and, hence, effective dates should perhaps coincide with the calendar year rather than with the state's fiscal year for purposes of easing the administration of these laws. It is quite difficult to administer a law which changes in the middle of the year since most of our information is based upon a summary of data for the entire tax year. Changes in the middle of the year generally require additional questioning on the tax returns for that year and additional auditing by our personnel. This further complicates a form already considered by many to be far too complicated and places an additional burden upon our already limited staff. Therefore, any move that can be made to simplify the tax laws or their administration would be most welcome. Where discretion exists as to the effective date of a change in the tax laws, it is therefore recommended that the effective date coincide with the tax year.

FPB:abc

MEMORANDUM

State of Alaska

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

DATE : February 2, 1971

FROM: Ralph Kimlinger, Manager *A*
Juneau Field Office
Department of Revenue

SUBJECT: SB 14 SENIOR CITIZEN BILL
Re: My memo of 1/21/71

Computer analysis of the sports fishing and hunting licenses sold during calendar year 1970 indicates that 1,985 licenses were purchased by residents sixty five years of age or older.

Re computation of the loss to the treasury is computed at \$8,140.00. This of course does not take into consideration the federal matching monies received by the Department of Fish and Game.

Basis for computation is as follows:

	<u>No. Sold</u>	<u>Revenue</u>
Class 1 - Resident Sports Fishing	537	\$2,148
Class 2 - Resident Hunting	258	1,548
Class 4 - Res. Spt. Fish & Hunt	370	3,700
Class 5 - Spt, Fish, Hunt & Trap	62	744
Class 3A- Res. Hunt & Trap	33	---
Class 3B- Res. Trap	13	---
Class 5A- Res. 25¢ Fish, Hunt & Trap	712	---
	<u>1,985</u>	<u>\$8,140</u>

MEMORANDUM

State of Alaska

TO:

Phil Wall, Director
Administrative Services Div.

DATE : January 28, 1971

FROM: Paul D. Goodrich, Director
Division of Motor Vehicles

SUBJECT: Senate Bill No. 14
Senior Citizen Bill

Section 8 of this Bill provides amendment to 28.10.200 (b) (2) providing that individuals over 65 years of age may obtain motor vehicle registration for a fee of \$5 as opposed to the normal passenger registration fee of \$30.

The Division of Public Safety estimates that there are 2,200 persons over 65 years of age who are operating vehicles and presumed to be the owner of the vehicle.

The Department of Highways estimates there are 2,492 such persons in this state.

Motor vehicle insurance compancies' actuary tables estimate 2,500.

Combined and averaged these figures provide an estimate of 2,346 individuals in this state who are over 65 years of age.

By the provisions of this Act the net revenue loss to the State per individual, assuming they own one vehicle, would be \$25.

Total net revenue loss, as of current date, would be as follows:

$$2,346 \times \$25 = \$58,650 \text{ per year}$$

We have found no way, from insurance actuary tables or otherwise, of determining the yearly increase in the number of persons attaining the age of 65.

NOTE: Recommend the law specify a limit on the number of vehicles that can be licensed in this manner to any one individual.

The law does not provide a simple means whereby the administering agency can easily determine the eligibility of the applicant. It would seem reasonable that the law would provide issuance of a card or similar identification.

There are no other particular problems of administration other than those two minor instances stated above.

PDG:mjb

cc: R. D. Stevenson

PS: All Municipal Governments should be queried as to Personal Property Tax. In this area the personal property tax on a reasonably new 65-70 vehicle averages about \$40. It is my understanding that the State would pay this tax. If so additional cost to State would be somewhere in vicinity of \$93,840.

3

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

I. REQUEST

Bill Identification: CSSB 14 & CSHB 122
 Title: Senior Citizens
 Requested by: Legislative Finance Date: 1/28/72
 Return Date Requested: 2/11/72
 Agency: Budget & Management Program: _____

II. FISCAL DETAIL

Fiscal Services - General Government

Budget Request Unit(s) Affected: Family and Children Services

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		145.5	152.8	160.4	168.4	176.8
200 TRAVEL		8.8	9.2	9.6	10.0	10.5
300 CONTRACTUAL		60.4	63.4	66.5	69.8	73.3
400 COMMODITIES		1.5	1.5	1.6	1.6	1.7
500 EQUIPMENT		18.7	19.6	20.5	21.5	22.5
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		11,700.0	1,820.0	1,940.0	12,060.0	12,180.0
700 Reimbursement for Property Taxes		1,559.0	1,583.4	1,607.8	1,632.1	1,656.5
TOTAL		13,493.9	3,649.9	13,806.4	13,963.4	14,121.3
No. Recipients		3,900	3,940	3,980	4,020	4,060

B. FUNDING: (Thousands of dollars)

GENERAL FUND	11,036.4	11,162.6	11,289.1	11,415.7	11,542.0
FEDERAL FUNDS	2,457.5	2,487.3	2,517.3	2,547.7	2,578.4
OTHER	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	12 / 0	12 / 0	12 / 0	12 / 0	12 / 0	12 / 0
MAN MONTHS (P./T.)	144 / 0	144 / 0	144 / 0	144 / 0	144 / 0	144 / 0

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

100 Personal Services - 7 Social Worker II = \$99,754
 5 Clerk Typist III = 45,770 \$145.5

700 Grants: 2,200 senior citizens
 1,600 disabled
 100 blind
 3,900 recipients @ \$250 per mo. x 12 = \$11,700,000
 State share 9,360,000
 Federal share

IV. ATTACHMENTS (\$50 per recipient per mo.) 2,340,000

50% Federal participation on Administrative costs.

Reimbursement to Local Government for Real and Personal Property

(\$348 per year x 4,480 elderly persons = \$1,559,040) 1% increase per year in recipients or 70 per year.

V. DATE: 2-15-72 PREPARED BY: M. R. Lehman

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

(Refer to SB 211)
 RY

Assumptions:

1. From a range in payments of \$200 to \$367, we have assumed an average payment of \$250 per month under the senior citizens bill, plus average social security payments of \$80, or an average income of \$330 per month.

Average payment under the Old Age Assistance program is \$144 per month plus Social Security or a monthly income of \$220. Using this assumption increases the monthly assistance for the elderly approximately \$100 over the present program.

The bill in its present form gives no guidance in making an accurate monthly payment assumption.

Loss of State Revenue:

1. Hunting, Fishing and Trapping Licenses (See attached memo)	\$ 8,122
2. Motor Vehicle Plates (See attached memo)	58,650
3. Alaska Net Income Tax (See attached memo)	144,000
4. School Tax (2,500 @10.00)	<u>25,000</u>
Total Loss in State Revenue	<u>\$235,772</u>

Comments:

1. The bill in its present form is silent on standards for receiving minimum or maximum payment and would require clarification prior to developing accurate cost figures. A variable from \$200 to \$367 or \$300 to \$467 is too great to assume a realistic "average" payment.
2. Any increase over present Old Age Assistance payments would be 100% State funded as Federal participation levels were frozen at the January, 1971, payment level by the Federal government.
3. HR-I (Nixon's welfare reform), if passed in its present form, and if the Senior Citizen bill passes in its present form, could in the future create ineligibility for some Alaska Senior citizens while at the same time maintaining a cost to the state that would not be participated in by the Federal government.
4. "Resident" would have to be defined to comply with Federal participation requirements.

MEMORANDUM

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

DATE: February 14, 1972

FROM: Ralph Kimlinger, Manager
Juneau Field Office
Department of Revenue

SUBJECT: CSHB 122 and CSSB 14

Re computation of revenue loss to the treasury using the 1971 Actual Sales indicates an annual revenue loss of \$8,122.00 calculated as follows:

1971 Sport Fishing & Hunting License Sales Computer Analysis

	<u>Class</u>	<u># Sold</u>	<u>Revenue Loss</u>
1.	Res. Sport Fishing	567	\$2,268.00
2.	Res. Hunting	238	1,428.00
4.	Res Spt. Fishing & Hunting	367	3,670.00
5.	Res. Spt. Fish, Hunt, Trap	63	756.00
3A.	Res. Hunt & Trap	33	-0-
3B.	Res. Trapping	14	-0-
5A.	Res. 25¢ fish, hunt & trap	736	-0-
	Total	2,018	\$8,122.00

Please refer to my memo of 2/9/72 on the same subject.

RK/cr
Attachment

MEMORANDUM

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

FROM: Ralph Kimlinger, Manager
Juneau Field Office
Department of Revenue

DATE: February 9, 1972

SUBJECT: CSSB 14 and CSHB 122 -
Senior Citizens

CSSB 14 and CSHB 122 are identical bills as far as section 9 of each bill is concerned.

The statistical analysis of the 1971 sport fishing and hunting licenses has not been received from the Department of Fish and Game. Without the above computer produced analysis, an accurate updated computation of revenue loss to the treasury cannot be completed. Projected delivery date of the above statistical analysis is February 14, 1972.

Review of my memos of 4/20/71 on CSHB 122 and of 2/2/71 on SB 14 would indicate that an update of these figures would not substantially change the amount of projected revenue loss. I would therefore indicate a loss to the treasury of approximately \$8,140.00 per year.

Both of these bills call for an effective date of January 1, 1972 for Section 9, I would request that an effective date of January 1, 1973 be placed on Section 9.

Additional administrative costs are computed as follows:

Special license printing	\$ 500.00
Postage	50.00
Total	<u>\$ 550.00</u>

There seems to be an error in the combination of fees to arrive at a combination license of hunting, fishing and trapping [16.05.340 (a) (5) (B)] of \$3.00.

Fishing	\$ 1.00
Hunting	1.00
Trapping	3.00
	<u>\$ 5.00</u>

The combination license fee should be \$5.00. License provisions of 16.05.340 (a) (5) (B) will apply to an applicant for funds under section 431-561 of these bills and therefore qualify those individuals to receive their sport fishing, hunting and trapping license for 25¢. Since this office does not have information relative to the number qualifying under 431-561 who would hunt and fish, no estimate can be made of revenue loss over and above that stated above.

In so far as CSSB 14 and CSHB 122 are concerned, a comparative analysis of Section 9 of each bill (Fish and Game Licensing) indicates they are identical. SB 211 does not grant special privileges within the various statutes and therefore cannot be compared by this office.

- a) Fiscal Implications
- | | |
|-------------------------------|-------------------|
| Revenue loss | \$8,140.00 |
| Printing (Forms and Licenses) | 550.00 |
| Postage | 50.00 |
| Total | <u>\$8,740.00</u> |
- b) Benefits distribution
Those individuals over the age 65 who participate in Hunting, Fishing and Trapping
- c) Administrative considerations
Requires the printing of licenses and forms and the drafting of special instructions for the 270-300 License Officers who sell licenses

Section 9 should have an effective date January 1, 1973.

MEMORANDUM**State of Alaska**

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

DATE : April 20, 1971

FROM: Ralph Kimlinger, Manager
Juneau Field Office
Department of Revenue

SUBJECT: CSHB 122 - Senior Citizens
Bill

Committee Substitute for House Bill 122 has changed the original bill, at least Section 9, to read the same as Committee Substitute for Senate Bill 14.

Computation of the loss to the treasury is computed at \$8,140.00 annually. Basis for the computation is as follows:

<u>CLASS</u>	<u>NO. SOLD</u>	<u>REVENUE LOSS</u>
1 Res sport fish	537	\$2,148.00
2 Res hunting	258	1,548.00
4 Res. spt. fish & hunt	370	3,700.00
5 Res. spt. fish hunt & trap	62	744.00
3A Res. hunt & trap	33	-----
3B Res. trap	13	-----
5A Res. 25¢ fish, hunt & trap	712	-----
 Total	 1985	 \$8,140.00

The above statistics were computed on the basis of analysis of the 1970 sales of Sport Fishing & Hunting licenses.

With an effective date of January 1, 1972, for Section 9 of this bill, no additional problems of administration are anticipated.

RK:kh

g...

MEMORANDUM

State of Alaska

TO: Ralph Kimlinger, Manager
Juneau Field Office
Department of Revenue

DATE: April 19, 1971

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

SUBJECT: CS for House Bill No. 122
Senior Alaskan Supplemental
Income Program

Attached is a copy of Committee Substitute for House Bill No. 122, an Act relating to supplemental income or other benefits for senior citizens and other qualified residents of the State.

Reference is made to Section 9 of the bill that provides for reduced fees for residents 65 years of age or older in sports fishing and hunting and trapping licenses. It is requested that you prepare a memorandum to the writer advising of effect on Treasury and administrative problems if any.

RDS:eh

Attachment

FORM 02-2013

MEMORANDUM

State of Alaska

RECEIVED

FEB 15 8 22 AM '72

ALASKA

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

DATE : February 14, 1972

FROM: P. A. Wall, Director *PAW*
Administrative Services Division
Department of Revenue

SUBJECT: CSSB 14 - Senior
Citizen's Bill

We have reviewed and re-evaluated our Fiscal Note material in support of the analysis performed for Senate Bill 14, which was transmitted to you on February 2, 1971. The information in that analysis is still accurate.

There are approximately 2,346 residents in the State age 65 or over who have passenger vehicles registered. Projected revenue loss for registering these vehicles at \$5.00 rather than the existing \$30 will amount to a maximum revenue loss of \$58,650.

We foresee few administrative problems with the act. It should, however, stipulate that a maximum of one vehicle be allowed per registered owner age 65 or over. The effective date should be no earlier than January 1, 1973.

PAW:dsw

cc C. L. Pyles

FORM 616018

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Deputy Commissioner

DATE : March 14, 1972

FROM: Fred Boetsch, Director
Audit Division

SUBJECT: CS for SB 14 - Senior Citizens Bill
CS for HB 122

Assuming all taxpayers over 65 earned an average of \$4,000 and filed joint returns the effect that this would have would be \$144,000 in FY 1973. It would, undoubtedly, eliminate income taxes for the vast majority of persons over 65 and taxpayers whose spouses are over 62. A projection of the loss for FY 1973 through 1977 is:

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
Current Projection	\$42,962.7	\$53,481.0	\$55,212.3	\$51,763.1	\$50,332.8
CSSB 14 and CSHB 122 Projection	<u>42,818.7</u>	<u>53,329.8</u>	<u>55,053.5</u>	<u>51,596.4</u>	<u>50,157.8</u>
Revenue Loss	\$(144.0)	\$(151.2)	\$(158.8)	\$(166.7)	\$(175.0)

As to the formula for apportionment of the exemption based on physical presence in the State (which is included in line 27 through line 29, page 7), we would recommend that the language herein be changed to state as follows (beginning after the semicolon after the word "exemption"): "The exemption may be allowed only in the proportion that the number of days that the taxpayer is physically present in the State bears to the number of days in the tax year." The change in this language is consistent with the change in the language we have proposed in other recommended legislation for the apportionment of exemptions and dependency credits. We feel that this language would make the Act more equitable and, at the same time, obviate any constitutional problems which may arise as a result of the language used in the present statutes.

We do not see any administrative problems connected with the committee substitute.

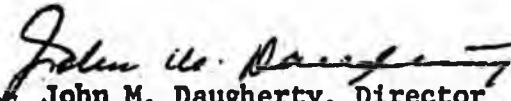
FPB:mbc

MEMORANDUM

State of Alaska

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

DATE : March 13, 1972

FROM: 
John M. Daugherty, Director
Treasury Division
Department of Revenue

SUBJECT: CSHB 122, CSSB 14, & SB 211 -
Alaska Longevity Bonus
Research on Funding and the Number
of Qualifying Residents

This is in reply to your memo of February 1, 1972 relating to the funding and the number of qualifying residents for the subject bills. Please refer to the attached tables showing the total funds required to be invested at various rates of return to sustain payments of \$100 to \$400 per month to various numbers of qualified residents.

Permissible investments to generate the necessary revenue required to fund these bills are as follows, showing current yields on various described investments. You are aware that these yields are subject to daily changes depending on the current market.

U. S. Treasury Bills (90 days)	3.64%
U. S. Treasury Bills (6 months)	4.01%
U. S. Treasury Notes (3 to 7 years)	5.43% to 6.01%
U. S. Treasury Bonds (10 years)	6.20%
U. S. Federal Agencies (10 years)	6.65%
Insured FHA Mortgages (30 years)	7.05%
Bankers Acceptances (6 months)	4.12%
Commercial Paper (6 months)	4.00%
State of Alaska Veterans Loans	6.50%
State of Alaska Agriculture Loans	5% to 5.50%
Deposits with Mutual Savings Banks in Alaska	4.50% to 5.00% (1 yr. or more)

Deposits with State and National banks presently at 6% and 6.25% for Certificates of Deposit 1 to 5 years and 10 to 14 years. However, if new money would be made available to the banks today, the rates would probably fall between 4-1/2% to 4-3/4%.

Although ⁵⁶HB 211 and CSHB 211 provides for the investment in bonds of a political subdivision of any state of the United States having a population of no less than 30,000 or interest bearing bonds of a state of the United States, the interest rates or yield would be too variable to establish. Since these are tax exempt bonds I might mention that we presently hold no bonds of this description at this time.

JMD:ge
Enclosures

Table Showing the Permanent Fund Required
to Sustain \$250.00 Per Month Payment
Under House Bill No. 122

Number of Months to Receive Payments	Cost Per Year	Rate of Return on Fund								
		5.0	5.25	5.5	5.75	6.0	6.25	6.5	6.75	7.0
2,000	\$ 6,000,000	\$120,000,000	\$114,000,000	\$109,000,000	\$104,000,000	\$100,000,000	\$ 96,000,000	\$ 92,000,000	\$ 89,000,000	\$ 85,000,000
3,000	9,000,000	180,000,000	171,000,000	163,000,000	157,000,000	150,000,000	144,000,000	138,000,000	133,000,000	129,000,000
4,000	12,000,000	240,000,000	229,000,000	218,000,000	209,000,000	200,000,000	192,000,000	185,000,000	178,000,000	171,000,000
5,000	15,000,000	300,000,000	286,000,000	272,000,000	261,000,000	250,000,000	240,000,000	231,000,000	222,000,000	214,000,000
6,000	18,000,000	360,000,000	343,000,000	327,000,000	313,000,000	300,000,000	288,000,000	277,000,000	267,000,000	257,000,000
7,000	21,000,000	420,000,000	400,000,000	381,000,000	365,000,000	350,000,000	336,000,000	323,000,000	311,000,000	300,000,000
8,000	24,000,000	480,000,000	457,000,000	436,000,000	417,000,000	400,000,000	384,000,000	369,000,000	356,000,000	343,000,000
9,000	27,000,000	540,000,000	514,000,000	490,000,000	470,000,000	450,000,000	432,000,000	415,000,000	400,000,000	386,000,000
10,000	30,000,000	600,000,000	571,000,000	545,000,000	522,000,000	500,000,000	480,000,000	462,000,000	444,000,000	429,000,000

4.75
 127,000,000
 190,000,000
 253,000,000
 316,000,000
 379,000,000
 442,000,000
 505,000,000
 569,000,000
 632,000,000

Table Showing the Permanent Fund Required
to Sustain \$200.00 Per Month Payment
Under House Bill No. 122

Number Eligible to Receive Payments	Cost Per Year	Rate of Return on Fund								
		5.0	5.25	5.5	5.75	6.0	6.25	6.5	6.75	7.0
2,000	\$ 4,800,000	\$ 96,000,000	\$ 91,000,000	\$ 87,000,000	\$ 83,000,000	\$ 80,000,000	\$ 77,000,000	\$ 74,000,000	\$ 71,000,000	\$ 69,000,000
3,000	7,200,000	144,000,000	137,000,000	131,000,000	125,000,000	120,000,000	115,000,000	111,000,000	107,000,000	102,000,000
4,000	9,600,000	192,000,000	183,000,000	175,000,000	167,000,000	160,000,000	154,000,000	148,000,000	142,000,000	137,000,000
5,000	12,000,000	240,000,000	229,000,000	218,000,000	209,000,000	200,000,000	192,000,000	185,000,000	178,000,000	171,000,000
6,000	14,400,000	288,000,000	274,000,000	262,000,000	250,000,000	240,000,000	230,000,000	222,000,000	213,000,000	206,000,000
7,000	16,800,000	336,000,000	320,000,000	305,000,000	292,000,000	280,000,000	269,000,000	258,000,000	249,000,000	240,000,000
8,000	19,200,000	384,000,000	366,000,000	349,000,000	334,000,000	320,000,000	307,000,000	295,000,000	284,000,000	274,000,000
9,000	21,600,000	432,000,000	411,000,000	393,000,000	376,000,000	360,000,000	346,000,000	332,000,000	320,000,000	309,000,000
10,000	24,000,000	480,000,000	457,000,000	436,000,000	417,000,000	400,000,000	384,000,000	369,000,000	356,000,000	343,000,000

112,000,000
 127,000,000
 203,000,000
 253,000,000
 303,000,000
 354,000,000
 404,000,000
 455,000,000
 505,000,000

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

I. REQUEST

Bill Identification: SB 211
 Title: Alaska Longevity Program
 Requested by: Legislative Finance Date: 1/28/72
 Return Date Requested: 2/11/72
 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		145.5	152.8	160.4	168.4	176.8
200 TRAVEL		8.8	9.2	9.6	10.0	10.5
300 CONTRACTUAL		60.4	63.4	66.5	69.8	73.3
400 COMMODITIES		1.5	1.5	1.6	1.6	1.7
500 EQUIPMENT		18.7	19.6	20.5	21.5	22.5
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		5,160.0	5,220.0	5,280.0	5,340.0	5,400.0
TOTAL		5,394.9	5,466.5	5,538.6	5,611.3	5,684.8
No. Recipients		4,300	4,350	4,400	4,450	4,500

B. FUNDING: (Thousands of dollars)

GENERAL FUND	2,697.4	2,733.2	2,769.3	2,805.6	2,842.4
FEDERAL FUNDS	2,697.4	2,733.2	2,769.3	2,805.6	2,842.4
OTHER	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	12 / 0	12 / 0	12 / 0	12 / 0	12 / 0	12 / 0
MAN MONTHS (P./T.)	144 / 0	144 / 0	144 / 0	144 / 0	144 / 0	144 / 0

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

100 Personal Services - 7 Social Worker II = 99,754
 5 Clerk Typist III = 45,770 \$145,524

700 Grants: 4,300 recipients -@\$100 per mo. x 12 = \$5,160.0
 Federal participation \$50 per case 2,580.0
 State Share 2,580.0

50% Federal participation on administrative costs.
 1% increase in recipients per year

IV. ATTACHMENTS

V. DATE: 3-15-72

PREPARED BY: M. R. Lehman

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

(Refer to SB 14)
 RJ

MEMORANDUM

TO: Myrton R. Charney, Director
Division of Budget & Mgmt
Department of Administration

DATE: January 31, 1972

FROM: Rich Guthrie
Fiscal Analyst
Senate Finance Committee

SUBJ: Fiscal Note Review:
CSHB 122; CSSB 14;
SB 211

Please review the attached fiscal notes for CSHB 122, CSSB 14, and SB 211 as follows:

1. Verify or revise the basic information in coordination with the Departments of Revenue and Health and Social Services;
2. Submit a revised fiscal note for each of the bills. Provide complete fiscal detail (administrative costs, grants, etc.) and estimated revenue losses or gains (identified by revenue code). Refer to our memo of 12/15/71 entitled "Fiscal Note Preparation Instructions" regarding analysis and other information that should be included.
3. Submit a comparative analysis of the three bills to include:
 - a. Fiscal implications;
 - b. Benefits distribution (target groups affected);
 - c. Administrative considerations;
 - d. Other considerations; and
 - e. Recommendations (optional).

Return of this information by February 11, 1972 is requested.

Attachments

cc: James McClaim, Administrative Officer
Department of Health & Social Services

Robert D. Stevenson, Deputy Commissioner
Department of Revenue

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

I. REQUEST

Bill Identification: CSSB 14
 Title: Senior Citizens
 Requested by: Legislative Finance Date: 1/25/72
 Return Date Requested: 2/11/72
 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)

IV. ATTACHMENTS

V. DATE: _____ PREPARED BY: _____

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

The Legislature of the State of Alaska
FISCAL NOTE

COPIES: THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST
THE HOUSE FINANCE COMMITTEE STAFF
 THE SENATE FINANCE COMMITTEE STAFF
THE DIVISION OF BUDGET & MANAGEMENT
RETAIN A COPY FOR YOUR FILES

Subject Senior Citizen Bill HB SB 14
 requested by Senator Lowell Thomas, Jr.
 referred to Senate Health & Welfare Committee date of request 2-22-71
 completion date requested 2-23-71 date received 2-22-71

EXPENDITURE DETAIL	FY 1971-72	FY	FY
100 PERSONAL SERVICES	\$	\$	\$
200 TRAVEL			
300 CONTRACTUAL SERVICES	530.00		
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE			

TOTAL	\$ 530.00	\$	\$
-------	-----------	----	----

FUNDING DETAIL	FY 1971-72	FY	FY
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	530.00		

Man Months
 Permanent Positions
 Temporary Positions

FISCAL ANALYSIS

SB 14 provides special tax and license fee relief to qualified Alaska residents who are 65 years of age and older. With respect tax relief accorded for (1) income tax; (2) motor vehicle license fees; (3) sports fishing and hunting license fees and (4) the Alaska School Tax of \$10.00 per head the above listed anticipated expenditures represent costs of printing and distributing a special Sports Fishing & Hunting License for residents who are 65 years of age and older. This is caused by the effective date of the bill which is July 1, 1971. Sports Fishing and Hunting Licenses are issued on a calendar year basis.

Tax and license fees which will be reduced by the terms of the bill have been projected as reduced revenues include:

Individual Income Tax - additional exemptions	\$100,000 to \$125,000
Sports Fishing & Hunting Licenses - reduced fees	\$8,140
Motor vehicle license plates - reduced fees	58,650
Alaska School Tax - exempting wage earners over 65 estimated at 2,500 @ \$10.00	25,000

Attached are memorandums covering Income Tax; Sports Fishing & Hunting; Motor Vehicle License plates as backup for the above revenue losses. School Tax losses were estimated at 2,500 wage earners out of an estimated 7,000 persons of age 65 and older.

DATE 2-23-71

SIGNATURE *R. D. Stevenson*

NAME & TITLE

R. D. Stevenson
 Deputy Commissioner
 Department of Revenue

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Deputy Commissioner

DATE : January 22, 1971

FROM: Fred Boetsch, Director
Audit Division

SUBJECT: SB 14 Senior Citizen Bill

It is difficult to project the possible effect that Section 6 might have on the Treasury since we do not have statistical data regarding the income earned by age brackets. Assuming all taxpayers over 65 earned in excess of \$10,100 the maximum effect that this would have would be \$720,000. Obviously, this is a bogus figure since most people in that age bracket do not have income in that amount. It would, undoubtedly, eliminate income taxes for the vast majority of persons over 65 and taxpayers whose spouses are over 62. A more realistic figure would probably be somewhere around \$100,000 to \$125,000 as to reduction in receipts.

As to the formula for apportionment of the exemption based on physical presence in the state (which is included in line 29, page 17 through line 2, page 8) we would recommend that the language herein be changed to state as follows (beginning after the semicolon after the word "exemption"): "The exemption may be allowed only in the proportion that the number of days that the taxpayer is physically present in the state bears to the number of days in the tax year." The change in this language is consistent with the change in the language we have proposed in other recommended legislation for the apportionment of exemptions and dependency credits. We feel that this language would make the Act more equitable and, at the same time, obviate any constitutional problems which may arise as a result of the language used in the present statutes.

An administrative problem would occur with respect to the effective date of the Act which is July 1, 1971 in that the exemptions would have to be prorated for the tax year 1971. It is suggested, therefore, that this provision either be made retroactive to January 1, 1971 or forwarded to January 1, 1972. I might mention that any legislation regarding a change in tax laws should take into consideration the fact that most of our taxes are based on a calendar year rather than the government's fiscal year and, hence, effective dates should perhaps coincide with the calendar year rather than with the state's fiscal year for purposes of easing the administration of these laws. It is quite difficult to administer a law which changes in the middle of the year since most of our information is based upon a summary of data for the entire tax year. Changes in the middle of the year generally require additional questioning on the tax returns for that year and additional auditing by our personnel. This further complicates a form already considered by many to be far too complicated and places an additional burden upon our already limited staff. Therefore, any move that can be made to simplify the tax laws or their administration would be most welcome. Where discretion exists as to the effective date of a change in the tax laws, it is therefore recommended that the effective date coincide with the tax year.

FPB:mbc

MEMORANDUM

State of Alaska

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

DATE : February 2, 1971

FROM: Ralph Kimlinger, Manager *A*
Juneau Field Office
Department of Revenue

SUBJECT: SB 14 SENIOR CITIZEN BILL
Re: My memo of 1/21/71

Computer analysis of the sports fishing and hunting licenses sold during calendar year 1970 indicates that 1,985 licenses were purchased by residents sixty five years of age or older.

Re computation of the loss to the treasury is computed at \$8,140.00. This of course does not take into consideration the federal matching monies received by the Department of Fish and Game.

Basis for computation is as follows:

	<u>No. Sold</u>	<u>Revenue</u>
Class 1 - Resident Sports Fishing	537	\$2,148
Class 2 - Resident Hunting	258	1,548
Class 4 - Res. Spt. Fish & Hunt	370	3,700
Class 5 - Spt, Fish, Hunt & Trap	62	744
Class 3A- Res. Hunt & Trap	33	---
Class 3B- Res. Trap	13	---
Class 5A- Res. 25¢ Fish, Hunt & Trap	712	---
	<u>1,985</u>	<u>\$8,140</u>

MEMORANDUM

State of Alaska

TO:

Phil Wall, Director
Administrative Services Div.

DATE : January 28, 1971

FROM: Paul D. Goodrich, Director
Division of Motor Vehicles

SUBJECT: Senate Bill No. 14
Senior Citizen Bill



Section 8 of this Bill provides amendment to 28.10.200 (b)(2) providing that individuals over 65 years of age may obtain motor vehicle registration for a fee of \$5 as opposed to the normal passenger registration fee of \$30.

The Division of Public Safety estimates that there are 2,200 persons over 65 years of age who are operating vehicles and presumed to be the owner of the vehicle.

The Department of Highways estimates there are 2,492 such persons in this state.

Motor vehicle insurance companies' actuary tables estimate 2,500.

Combined and averaged these figures provide an estimate of 2,346 individuals in this state who are over 65 years of age.

By the provisions of this Act the net revenue loss to the State per individual, assuming they own one vehicle, would be \$25.

Total net revenue loss, as of current date, would be as follows:

$$2,346 \times \$25 = \$58,650 \text{ per year}$$

We have found no way, from insurance actuary tables or otherwise, of determining the yearly increase in the number of persons attaining the age of 65.

NOTE: Recommend the law specify a limit on the number of vehicles that can be licensed in this manner to any one individual.

The law does not provide a simple means whereby the administering agency can easily determine the eligibility of the applicant. It would seem reasonable that the law would provide issuance of a card or similar identification.

There are no other particular problems of administration other than those two minor instances stated above.

PDG:mjb

cc: R. D. Stevenson

PS: All Municipal Governments should be queried as to Personal Property Tax. In this area the personal property tax on a reasonably new 65-70 vehicle averages about \$40. It is my understanding that the State would pay this tax. If so additional cost to State would be somewhere in vicinity of \$93,840.

Original sponsor: Thomas and Josepnsen

Offered: 3/2/71
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, WELFARE
AND EDUCATION COMMITTEE

2

CS FOR SENATE BILL NO. 14

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to supplemental income or other

7

benefits for senior citizens and other qualified

8

residents of the state; and providing for an effective

9

date."

10

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA

11

* Section 1. AS 47.25.430 - 47.25.610 are repealed.

12

* Sec. 2. AS 47.25 is amended by adding new section: to read:

13

ARTICLE 4. SENIOR ALASKAN SUPPLEMENTAL

14

INCOME PROGRAM.

15

Sec. 47.25.431. POLICY AND PURPOSE. (a) It is the policy of

16

the state and the purpose of secs. 431 - 561 of this chapter to co-

17

operate and coordinate with the United States government and its

18

agencies in providing for and administering the laws of the federal and

19

state governments having for their purpose the payment of supplemental

20

incomes to elderly residents.

21

(b) The purpose of these sections is to pay supplemental income

22

as a matter of right, sufficient to enable qualified residents to live

23

in dignity and pride, in order to insure their continued participation

24

in and contributions to the vitality and health of this state.

25

Sec. 47.25.441. PERSONS ENTITLED TO SUPPLEMENTAL INCOME. A

26

supplemental income shall be paid under secs. 431 - 561 of this chapter

27

to every qualified resident of the state who has attained the age of

28

65 years.

29

Sec. 47.25.451. AMOUNT OF SUPPLEMENTAL INCOME. (a) The payment

1 shall be in an amount which will provide the recipient with a reasonable
2 quality of life compatible with decency and health. Except as provided
3 in (b) of this section, payments from all sources may not be less than
4 \$200 nor more than \$367 a month for a single person, or less than \$300
5 nor more than \$467 a month for a married couple.

6 (b) Payments shall be decreased by the amount of additional
7 income received, except that the first \$20 of earned income and one-
8 half of the next \$60, not to exceed \$50 a month, shall be disregarded;
9 direct payments for medical service and remedial care may not be con-
10 sidered in determining the maximum amount payable.

11 (c) The payment may not be decreased or denied if the recipient
12 or his spouse

13 (1) owns in whole or in part the dwelling in which they
14 reside, or

15 (2) has cash, securities, or other assets convertible into
16 cash up to \$2,000, or

17 (3) owns any furniture, clothing, heirlooms, or an automobile
18 or boat used for transportation or residence.

19 (d) Notwithstanding any other provision of this section, the total
20 payment of supplemental income and income from other sources may not
21 exceed \$4,404 a calendar year in the case of any recipient, or \$5,604 a
22 calendar year if the recipient is living with his spouse.

23 Sec. 47.25.461. APPLICATION FOR SUPPLEMENTAL INCOME. (a) A
24 person entitled to supplemental income shall apply for it, either by
25 himself or by another in his behalf, by affidavit or declaration as to
26 the truth of facts, upon forms furnished by the department, sufficient
27 to enable the department to determine the eligibility of the applicant.

28 (b) Eligibility shall be determined, and supplemental income
29 shall be paid, on the basis of the application in which the facts

1 establish the entitlement of the applicant to supplemental income. The
2 department may at any time thereafter investigate the circumstances of
3 each recipient to verify the accuracy of the facts which supported the
4 application.

5 (c) The department shall require annual redetermination of eligi-
6 bility for each recipient, but the supplemental income payment shall
7 not be reduced or terminated unless required by a change in circum-
8 stances as determined from the reapplication. Each recipient is re-
9 quired to report any change in circumstances which would increase or
10 decrease the amount of supplemental income to be paid.

11 (d) All applications shall contain appropriate and conspicuous
12 notice to the applicant informing him of the penalties for fraud.

13 (e) The department shall grant to a person claiming or receiving
14 any supplemental income, and who is aggrieved by action or inaction of
15 the department, reasonable notice and an opportunity for a fair hearing
16 according to federal regulations. Pending the decision of a hearing
17 officer denying a claim, or reducing or terminating supplemental
18 income, no person who is being paid a supplemental income may have such
19 supplemental income decreased.

20 (f) If a recipient has been paid a greater amount of supplemental
21 income than entitled by law, the department may recover the excess
22 amounts in a lawful manner consistent with applicable federal regula-
23 tions. The attorney general is authorized to institute and maintain
24 actions for the recovery of these amounts on behalf of and at the re-
25 quest of the department. In every case, the department shall attempt
26 to accomplish such recovery by negotiating with the recipient. If an
27 overpayment of supplemental income results from the negligence or
28 mistake of the department, no recovery may be had unless the recipient
29 knew or should reasonably have known of the mistake or negligence.

1 Sec. 47.25.471. PAYMENT OF SUPPLEMENTAL INCOME. (a) Each payment
2 of supplemental income shall be made monthly. If it is impracticable
3 by reason of slow or interrupted means of communication for a warrant
4 covering a month's payment to reach the recipient in due course, the
5 department may transmit warrants covering payments for more than one
6 month and may deliver all of them to the recipient at one time. All
7 warrants shall be registered by the department.

8 (b) If a person receiving supplemental income is incapable of
9 taking care of himself or of the amounts paid under secs. 431 - 561 of
10 this chapter, the department may direct the payment of the supplemental
11 income to his legally appointed guardian or, if none, to another person
12 designated by the department for his benefit.

13 Sec. 47.25.481. CANCELLATION OF WARRANTS. (a) Warrants issued
14 to a recipient of supplemental income after the date of his death shall
15 be returned to the department and cancelled.

16 (b) Supplemental income warrants issued before the death of the
17 recipient but not negotiated at his death shall be returned to the
18 department and shall be cancelled, unless claimed by the authorized
19 representative of the estate of the recipient within 90 days of the
20 date of death.

21 (c) The state is not liable to the estate, heirs, or creditors
22 of the deceased recipient of supplemental income for payment on
23 warrants cancelled under (a) and (b) of this section.

24 Sec. 47.25.491. DEPARTURE FROM STATE. A recipient of supplemental
25 income who voluntarily leaves the state and who intends to reside in
26 another state may not thereafter receive supplemental income unless he
27 returns and satisfies the requirements of secs. 431 - 561 of this
28 chapter. This section does not apply to a person who, under the
29 instructions of a physician licensed to practice in the state, with the

1 concurrence of the department leaves the state for temporary medical
2 treatment not available in the state and with the intention to return
3 to the state.

4 Sec. 47.25.501. REPORTS BY DEPARTMENT. The department shall make
5 reports in detail which are required of it by the governor of the state
6 or by the federal government or a federal agency.

7 Sec. 47.25.511. ANNUAL REPORTS. Within 90 days after the close
8 of each fiscal year the department shall make a report to the governor
9 and to the legislature for the preceding year stating

- 10 (1) the total number of recipients;
- 11 (2) the total amount disbursed in cash;
- 12 (3) the total number of applications;
- 13 (4) the number granted;
- 14 (5) the number denied;
- 15 (6) the number cancelled or decreased during the year; and
- 16 (7) other information which it considers advisable.

17 Sec. 47.25.521. ALIENATION, ATTACHMENT, AND TAXATION. Supplemen-
18 tal income paid under secs. 431 - 561 of this chapter is inalienable
19 by an assignment or transfer and is exempt from garnishment, levy, or
20 execution under the laws of this state, and is exempt from all state
21 and political subdivision taxes except sales and use taxes.

22 Sec. 47.25.531. OBTAINING SUPPLEMENTAL INCOME BY FRAUD. A person
23 is guilty of a misdemeanor, and upon conviction is punishable by a fine
24 of not more than \$1,000, or by imprisonment in a jail for not more than
25 six months, or by both, if he by a false statement, representation, or
26 impersonation, or other fraudulent device, wilfully obtains or attempts
27 to obtain or aids or abets another to obtain

- 28 (1) supplemental income to which he is not entitled;
- 29 (2) greater supplemental income than he is entitled to; or

1 (3) payment of a void warrant for supplemental income.

2 Sec. 47.25.541. DEPARTMENT REGULATIONS. The department shall,
3 after notice and an opportunity to interested persons to be heard,
4 promulgate regulations for the efficient conduct and administration of
5 secs. 431 - 561 of this chapter, including guidelines and tables for
6 the payment of supplemental income under these sections.

7 Sec. 47.25.551. DEFINITION. In secs. 431 - 561 of this chapter,
8 "department" means the Department of Health and Welfare.

9 Sec. 47.25.561. SHORT TITLE. Secs. 431 - 561 of this chapter
10 may be cited as the Senior Alaskan Supplemental Income Program.

11 * Sec. 3. AS 29.10.336(a) is amended to read:

12 (a) Property owned by the city or the state; the real property
13 of certain residents of the state to the extent and subject to the
14 conditions provided in (e) of this section, the household furniture
15 of the head of a family or a householder not exceeding \$500 in value;
16 all property used exclusively for nonprofit religious, charitable,
17 cemetery, hospital, or educational purposes; the property of an
18 organization, not organized for business purposes, whose membership is
19 composed entirely of individuals with 90 days or more of active service
20 in the armed forces of the United States whose conditions of service
21 and separation were other than dishonorable, or the property of the
22 auxiliary of any such organization; and all money on deposit are exempt
23 from taxation.

24 * Sec. 4. AS 29.10.336 is amended by adding new subsections to read:

25 (e) The real or personal property owned and actually occupied as
26 a home by a resident of the state 65 years of age or older is exempt
27 from taxation to an amount not exceeding \$500. The owner shall pay
28 any amount over \$500 in real or personal property tax on the property.

29 (f) The claimant must file written application for the exemption

1 upon a form prescribed by the state assessor no later than January 15 of
2 the assessment year for which the exemption is sought and must file
3 a separate application for each assessment year in which the exemption
4 is sought. If an application is filed within the required time and
5 is approved by the assessor, he shall allow an exemption in accordance
6 with the provisions of this section. The assessor may at any time
7 require proof in the form he considers necessary of the right and
8 amount of an exemption claimed under this section.

9 (g) The state shall reimburse the borough or city, as the case
10 may be, for all the real and personal property tax revenues lost to it
11 by the operation of (e) of this section.

12 * Sec. 5. AS 07.12.200 is amended to read:

13 Sec. 07.12.200. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.30.-
14 200, relating to the collection of penalties on property taxes and in-
15 terest on property and sales taxes, applies to home rule boroughs.

16 (b) In assessing, levying and collecting taxes on real and
17 personal property, home rule boroughs are prohibited from taxing the
18 real and personal property of certain residents of the state to the
19 extent and subject to the conditions specified for first class cities
20 under AS 29.10.336(a) and (e).

21 * Sec. 6. AS 43.20.020(a) is amended by adding a new paragraph to read:

22 (4) the first \$3,750 of income if the taxpayer has attained
23 the age of 65 before the close of his taxable year; an additional
24 exemption of \$3,750 of income is allowed for the spouse of the taxpayer
25 if the spouse has attained the age of 62 before the close of the taxable
26 year. The exemption provided is cumulative and is not intended to
27 replace existing exemptions; the exemption may be allowed only in the
28 proportion that the number of months the taxpayer is physically present
29 in the state bears to 12 months.

1 * Sec. 7. AS 43.45.020 is amended to read:

2 Sec. 43.45.020. PERSONS EXEMPT FROM TAX. Persons in the active
3 military or naval service of the United States, persons 65 years of
4 age or older, paupers, insane persons, persons cared for by the state
5 and persons permanently injured, infirm, maimed or crippled so as to
6 be disabled from earning a livelihood are exempt from the payment of
7 the school tax.

8 * Sec. 8. AS 28.10.200(b)(2) is amended to read:

9 (2) [EXCEPT AS PROVIDED IN (B)(7), (B)(8) AND (B)(9) OF
10 THIS SECTION,] for a motor vehicle not designed, used or maintained
11 primarily for the transportation of passengers or property for hire,
12 and owned and principally operated

13 (A) by a resident 65 years of age or older . . . \$ 5

14 (B) by any other person 30;

15 * Sec. 9. AS 16.05.340(a)(1) through (5) is amended to read:

16 (1) Resident sport fishing license [. \$ 5]

17 (A) [HOWEVER, THE FEE IS \$1] for a resident who is
18 blind or 65 years of age or older \$ 1

19 (B) for all other residents. 5[.]

20 (2) Resident hunting license

21 (A) for a resident 65 years of age or older. . . \$ 1

22 (B) for all other residents. 7

23 (3) (A) Resident hunting and trapping license. 10

24 (B) Resident trapping license. 3

25 (4) Resident hunting and sport fishing license

26 (A) for a resident 65 years of age or older. . . 2

27 (B) for all other residents 12

28 (5) Resident hunting, trapping, and sport fishing

29 license [. 15]

1 (A) [HOWEVER, THE FEE IS 25 CENTS] for the head of a
 2 family or a dependent member of his family or one solely dependent
 3 upon himself for support, upon proof presented by the applicant
 4 that he [THE APPLICANT (A)] is obtaining or has obtained assistance
 5 during the preceding six months under any state or federal welfare
 6 program, [TO AID THE INDIGENT] or [(B)] has an annual family gross
 7 income of less than \$3,600 for the year preceding applica-
 8 tion \$.25
 9 (B) for a resident 65 years of age or older . . . 3.00
 10 (C) for all other residents 15.00

11 * Sec. 10. AS 47.25.810 is amended to read:

12 Sec. 47.25.810. AMOUNT OF ASSISTANCE. The amount of assistance
 13 for a permanently and totally disabled person shall be determined by
 14 the department with regard to the resources and needs of the person and
 15 the conditions existing in each case. Where possible, assistance shall
 16 be sufficient to provide reasonable subsistence compatible with decency
 17 and health and according to the standards of assistance established by
 18 the department. Payments from all sources may not be less than \$200
 19 nor more than \$367 a month for a single person, or less than \$300
 20 nor more than \$467 a month for a married couple. [HOWEVER, THE AMOUNT
 21 OF ASSISTANCE MAY NOT EXCEED \$250 A CALENDAR MONTH.] Direct payments
 22 for medical services and remedial care may not be considered in
 23 determining the maximum amount payable. Payments shall be decreased
 24 to the amount of additional income received except that the first \$20
 25 of earned income and one-half of the next \$60, not to exceed \$50 a
 26 month, shall be disregarded.

27 * Sec. 11. AS 47.25.640 is amended to read:

28 Sec. 47.25.640. AMOUNT OF ASSISTANCE. The department shall
 29 determine the amount of assistance granted for a needy blind person with

1 due regard to the resources and needs of the person and the conditions
2 existing in each case. Assistance shall be sufficient to provide the
3 applicant with reasonable subsistence compatible with decency and
4 health, and according to the standards of assistance established by the
5 department. Payments from all sources may not be less than \$200 nor
6 more than \$367 a month for a single person, or less than \$300 nor more
7 than \$467 a month for a married couple [HOWEVER, ASSISTANCE MAY NOT
8 EXCEED \$250 A MONTH]. Direct payments for medical services and
9 remedial care may not be considered in determining the maximum amount
10 payable. The first \$85 a month of the gross earned income, and one-
11 half of the remainder will be disregarded in determining need for aid
12 to the blind.

13 * Sec. 12. Secs. 1 - 5 and 10 - 11 of this Act take effect July 1, 1971.
14 Secs. 6 - 9 of this Act take effect January 1, 1972.

MEMO

To: Myrton R. Charney, Director
Division of Budget & Management

From: Legislative Finance

Date: January 28, 1972

Subject: Fiscal Note Review: CSHB 122; CSSB 14; SB 211

Please review the attached fiscal notes for CSHB 122, CSSB 14, and SB 211 as follows:

1. Verify or revise the basic information in coordination with the Departments of Revenue and Health & Social Services;
2. Submit a revised fiscal note for each of the bills. Provide complete fiscal detail (administrative costs, grants, etc.) and estimated revenue losses or gains (identified by revenue code). Refer to our memo of 12/15/71 entitled "Fiscal Note Preparation Instructions" regarding analysis and other information that should be brought to the legislature's attention.
3. Submit a comparative analysis of the three bills to include:
 - a. Fiscal implications;
 - b. Benefits distribution (target groups affected);
 - c. Administrative considerations;
 - d. Other considerations; and
 - e. Recommendations (optional).

Return of this information by February 11, 1972, is requested.

cc: James McClain, Administrative Officer
Department of Health & Social Services

Robert D. Stevenson, Deputy Commissioner
Department of Revenue

ls

1 IN THE SENATE

BY THOMAS AND JOSEPHSON

2 SENATE BILL NO. 14

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to "senior citizens", the needy
7 disabled, blind persons and children; and providing
8 for an effective date."

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

10 * Section 1. AS 47.25.430 - 47.25.610 are repealed.

11 * Sec. 2. AS 47.25 is amended by adding new sections to read:

12 ARTICLE 4. SENIOR ALASKAN SUPPLEMENTAL

13 INCOME PROGRAM.

14 Sec. 47.25.431. POLICY AND PURPOSE. (a) It is the policy of
15 the state and the purpose of secs. 431 - 561 of this chapter to co-
16 operate and coordinate with the United States government and its
17 agencies in providing for and administering the laws of the federal and
18 state governments having for their purpose the payment of supplemental
19 incomes to elderly residents.

20 (b) The purpose of these sections is to pay a supplemental income
21 as a matter of right, sufficient to enable qualified residents to live
22 in dignity and pride, in order to insure their continued participation
23 in and contributions to the vitality and health of this state.

24 Sec. 47.25.441. PERSONS ENTITLED TO SUPPLEMENTAL INCOME. A
25 supplemental income shall be paid under secs. 431 - 561 of this chapter
26 to every qualified resident of the state who has attained the age of
27 65 years.

28 Sec. 47.25.451. AMOUNT OF SUPPLEMENTAL INCOME. (a) The payment
29 shall be in an amount which will provide the recipient with a reasonable

1 quality of life compatible with decency and health, and shall reflect
2 the relative cost and hardship of life in the area in which the reci-
3 pient resides. Except as provided in (b) of this section, payments
4 from all sources may not be less than \$200 nor more than \$367 per month
5 for a single person, or less than \$300 nor more than \$467 per month
6 for a married couple.

7 (b) Payments shall be decreased by the amount of additional
8 income received, except that the first \$20 of earned income and one-
9 half of the next \$60, not to exceed \$50 per month, shall be disregarded;
10 should federal law or regulation regarding additional income be changed,
11 payments shall be adjusted accordingly, subject to legislative review
12 and approval. Direct payments for medical services and remedial care
13 may not be included in earned income.

14 (c) The payment may not be decreased or denied if the recipient
15 or his spouse (1) owns in whole or in part the dwelling in which they
16 reside, or (2) has cash, securities, or other assets convertible into
17 cash up to \$3,000, or (3) owns any furniture, clothing, heirlooms,
18 works of art, or an automobile or boat used for transportation or
19 recreation.

20 (d) Notwithstanding any other provision of this section, the
21 total payment of supplemental income and income from other sources
22 may not exceed \$4,404 a calendar year in the case of any recipient,
23 or \$5,604 a calendar year if the recipient is living with his spouse.

24 Sec. 47.25.461. APPLICATION FOR SUPPLEMENTAL INCOME. (a) A
25 person entitled to supplemental income shall apply for it, either by
26 himself or by another in his behalf, by affidavit or declaration as to
27 the truth of facts, upon forms furnished by the department, sufficient
28 to enable the department to determine the eligibility of the applicant.

29 (b) Eligibility shall be determined, and supplemental income shall