

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

SB 211 cont., 220, 241, 244, 245, 255, 258 ~~160~~

a state mean of 2.57.

Over 80% of the non-native elderly homes, compared to roughly 41% of native elderly homes, have two or fewer persons per household. Just over 21% of the native elderly homes have six or more persons per household.

A comparison of the number of persons per household and the number of rooms per home, indicates that over 62% of the homes of native elderly and 18% of the homes of non-native elderly have one or more persons per room. According to the present housing standards of U. S. agencies,¹ over one person per room is considered a good indication of overcrowding in the home. Consequently, 45% of the homes of rural elderly compared to only 16% of urban elderly might be considered overcrowded. In terms of age, 40% of the homes of persons age 80 and over are overcrowded as compared to less than 30% of the homes of persons under age 80.

--. Housing Conditions

Significant variation is apparent in the availability of facilities between the homes of elderly native and non-natives. (Table II.1) A significant proportion of native homes, and correspondingly rural homes, do not have basic facilities such as running water, flush toilet or heat in every room.

Seven out of the ten facilities shown are not available in 30% or more

¹ U. S. Department of Housing and Urban Development (HUD) and the U. S. Bureau of the Census.

would like help in obtaining better housing. More than 61% of the native elderly and nearly 8% of the non-native elderly desire help in getting better housing. Overall, 93.5% of the Alaskan elderly are very or fairly satisfied with the place they live in. There is no significant variation in the proportion of people satisfied with the place they live in by region, race or age.

B. RESOURCES

The resources available for improving the housing situation for the elderly can be broadly classified under three categories: federal resources, state resources and private resources.

1. Federal

The main federal agency concerned with providing help in housing the elderly is the U. S. Department of Housing and Urban Development (HUD). HUD has as many as 21 different programs, most of which benefit the elderly, directly or indirectly.¹ And in some of the general purpose programs, such as the Model Cities program, special attention is being given to housing for the elderly. "Model Cities has coordinated its efforts in the field of aging with the Administration on Aging of the Department of Health, Education, and Welfare and with the Office of Special Programs of the Office of Economic Opportunity."²

Besides the general purpose programs, HUD has programs directed

¹ Robbins, Ira S. Housing the Elderly - Background, (Washington, D. C.: White House Conference on Aging, March, 1971) pp. 89 et seq. (This section on Federal resources is based on this report).

² Ibid. p. 89.

natives judge their home as the right size. As might be expected, as the elderly increase in age, fewer perceive their home as being too small. Most of them, 87% of persons 80 years old and over, consider their home to be just the right size. Almost 95% of the elderly are satisfied with the amount of privacy they have in their present home. There is no significant variation in the proportion satisfied with their privacy either by region, race or age.

Over 89% of the elderly in Alaska feel the temperature of their homes to be comfortable during the winter months. Of those not feeling comfortable, 83% live in rural areas. Almost 70% of the native elderly have comfortable temperatures in their homes during winter months compared to over 96% of the non-native elderly. There is no significant difference in the incidence of comfortable temperatures during winter months by age.

Approximately 95% of all elderly Alaskans are satisfied with the lighting in their homes. There appears to be no significant variation from this mean by region, age or race.

Nearly 90% of the Alaskan elderly feel that they should pay lower property taxes. A greater proportion (93% to 96%) of urban residents feel this than rural residents. Almost 97% of the non-natives desire lower property taxes compared to approximately 85% of the natives. There is no significant difference in attitude towards property taxes by age group.

While 35% of the rural elderly would like help in getting better housing, only 11% of the urban elderly would. Statewide, 22% of Alaska's elderly

of the native elderly homes in Alaska. Only two out of the ten facilities are not available in 5% or more of the non-native elderly homes.

Probable reasons for a number of these facilities being absent, especially running water and heat in every room, are the remote locations, the population dispersal, and the limited financial resources of the rural and native elderly. More than 45% of the native and over one-third of the non-native elderly who do not have telephones find them too expensive or they cannot afford the deposit.

TABLE II. 1
FACILITIES IN THE HOME, BY RACE

Facilities	Native	Non-Native	State Mean
Electric Lighting	93.4%	99.6%	98.0%
Running Water	57.8	97.4	87.0
Hot Running Water	57.9	97.3	88.9
Private Flush Toilet ¹	57.3	96.8	86.5
Bathtub or Shower	56.0	96.4	85.8
Heat in Every Room	68.0	92.4	86.0
Cooking Facilities	97.3	99.7	99.1
Oven	94.5	99.4	98.1
Refrigerator ²	68.0	97.9	90.1
Telephone ³	40.6	90.8	77.7

¹ Chemical toilets were included within the definition of private flush toilet.

² Outside cold storage boxes were included within the definition of refrigerator.

³ In remote villages access to any telephone was included within the definition of telephone.

3. Housing Cost

The average annual cost of heating an elderly person's home in Alaska is about \$440. It costs more to heat a home in rural areas (\$471 per year) than in an urban area (\$408).

The average amount of property taxes paid by Alaskan elderly is \$348 per year. The elderly living in urban areas pay an average of \$439 per year compared to \$221 per year by the elderly living in rural areas. However, elderly non-natives pay almost three times as much in property taxes as do the native elderly (\$403 to \$115 per year).

Approximately 36% of urban and 14% of the rural elderly are paying on home mortgages. The same figures for non-natives and natives, respectively, are roughly 29% and 13%. About 7% of persons 80 years of age and older are paying on mortgages compared to more than 31% in the 60 to 64 age group.

Compared to almost 64% of the non-native elderly, less than 14% of native elderly have property insurance. There is a tendency not to carry property insurance as a person grows older (Figure II.4)

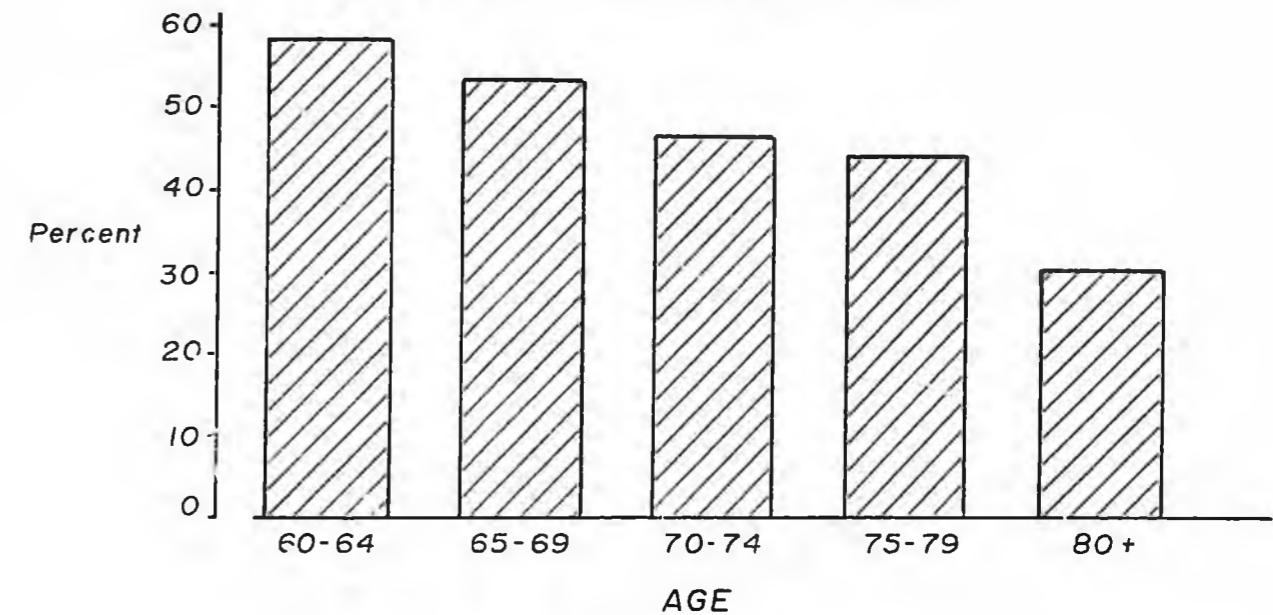
4. Attitudes Toward Housing

More than 71% of the Alaskan elderly would prefer to live in single family houses compared to fewer than 15% who wish to live in an apartment, nearly 11% who desire retirement or nursing home residence, and 3% who prefer mobile homes.

Over 21% of the urban elderly compared to less than 8% of the rural

FIGURE II.4

PROPERTY INSURANCE, BY AGE



elderly would prefer to live in apartments. While 64% of the urban elderly would like to live in a single family house, more than 78% of the rural elderly express such a preference. Correlatively, over 80% of the native elderly compared to almost 68% of the non-native elderly prefer to live in a single family house.

Although only 5.2% of the elderly age 60 to 64 express a desire to live in a nursing or retirement home, this percentage rises steadily with age to where at age 80 and over it is 26.6%. However, it should be noted that only 10.9% of all the elderly indicate such a preference.

While 77% of the elderly think their present home is the right size, fewer than 18% think it is too small and almost 6% think it is too large. It is interesting to note that even though 62% of the native elderly homes have one or more persons per room, 64% of the natives still judge their home as being the right size. In contrast, 81% of the non-

TO: The Honorable John Butrovich DATE: April 3, 1972
Chairman
Senate Finance Committee

FROM: Glen K. Vernon (2)
Fiscal Analyst

SUBJECT: Impact of
CSSB 211 upon OAA
Recipients

In response to your request for the impact of CSSB 211 upon OAA recipients, the following information is presented:

1. Assume that the bill passes in its present form with no other change in the law:
 - a. A person who qualifies for the benefits provided by CSSB 211 with regard to age and longevity, and is not a recipient of Old Age Assistance would have his income increased by \$100 per month as the bill intends.
 - b. A person who qualifies with regard to age and longevity, and whose only present source of income is Old Age Assistance (Welfare) would automatically have his welfare check reduced by the amount of the longevity payment. His total income would remain the same as it was in the first place. Federal matching funds would probably still make up \$50 of his total monthly income.

Example:

Original income		\$250
State (OAA)	\$200	
Federal (OAA)	50	
Income under CSSB 211		\$250
State (OAA)	\$100	
State (CSSB 211)	100	
Federal (OAA)	50	

- c. A person who qualifies with regard to age and longevity, and whose present income is from social security, retirement, or some other earned source, but is supplemented by Old Age Assistance, would receive little or no increase in his monthly income. The state could lose up to \$50 per month per recipient from federal funds. (Maximum loss of federal funds would occur in the case of those recipients whose OAA grants total \$100 per month, or less.)

Example:

Original income		\$250
Social Security, etc.	\$150	
State (OAA)	50	
Federal (OAA)	50	
Income under CSSB 211		\$250
Social Security, etc.	\$150	
State (CSSB 211)	100	

2. Assume that CSSB 211 passes and that no other change is made in the statute, but the Department of Health & Social Services is instructed through an intent statement to increase the OAA assistance standard (maximum total monthly income allowed) to \$350.

a. Same as "a" above.

b. A person who qualifies under CSSB 211 and whose only source of income is Old Age Assistance would automatically have his welfare check reduced by the amount of the longevity payment. His total income would remain the same as before; federal matching would not be changed.

Example: (Same as "b" above)

c. A person who qualifies under CSSB 211 and whose income is from social security or some earned source, but is supplemented by Old Age Assistance would have his income increased by as much as \$100 per month.

Example:

Original income		\$250
Social Security, etc.	\$150	
State (OAA)	50	
Federal (OAA)	50	
Income under CSSB 211		\$350
Social Security, etc.	\$150	
State (OAA)	50	
Federal (OAA)	50	
State (CSSB 211)	100	

3. Assume that CSSB 211 passes and that the grant maximum in 47.25.340 is increased to \$350.
 - a. Same as a above.
 - b. All persons qualifying for Old Age Assistance would receive a \$100 increase in monthly income. Those with 30 year residence in Alaska would receive it from the Department of Administration under the provisions of CSSB 211; those not qualifying under CSSB 211 would have their OAA grants increased by \$100 per month. Receipt of federal funds would not be changed.

As can be seen, possible inequities occur in each of the assumptions presented above. In assumption #1, CSSB 211 would cause people receiving Old Age Assistance to have their income remain unchanged regardless of longevity accompanied by a loss of about \$500,000 per year in federal funds to the state. In assumption #2, OAA recipients qualifying under CSSB 211 who have no income except OAA grants would realize no change in their income. OAA recipients who receive part of their income from some other source than OAA grants would realize up to \$100 per month increase in income. In assumption #3, all recipients of Old Age Assistance would receive a \$100 increase in their income, regardless of longevity in Alaska. That is, there would be no extra benefit for a person of over 30 years of residence, since all other OAA recipients would receive the same increase.

Another matter of concern, not related to the subject of this memorandum, is the provision for funding of the bill. My discussions with individuals in the Department of Revenue indicate that some problems may occur with regard to investment provisions and actuarial soundness. Further information relating to this matter can be quickly developed if you should desire it.

Also, you requested the number of OAA recipients who are presently receiving less than \$100 per month in welfare payments. The actual count from the March payroll is 690 persons. Of that number, 325 persons are receiving \$50 or less; 365 persons are receiving more than \$50.

MEMORANDUM

TO: Senator John Butrovich
Alaska State Senate

Thru: Commissioner Frederick McGinnis *F.M.C.G.*
Department of Health and Social Services
DATE: April 3, 1972

FROM: Stanley P. Harris *SPH* SUBJECT: "Old Timer's" allotment under
Director CSSB 211
Division of Family and Children Services

In response to your request for information regarding what would be required to assure the current OAA recipients would not have the "Old Timer's" allotment of \$100 under CSSB 211 subtracted from their present grant: under AS 47.25.430, the amount of assistance would have to be amended to change the \$250 present ceiling to \$350. In this way, the benefit would be passed on to the welfare recipients as well as to those persons who are not presently receiving welfare help.

Cost

State General Fund without Title XIX \$2,640,000
based on 2,200 persons

State General Fund with Title XIX \$1,320,000

If the State standards were raised to \$350, it would broaden the base and add approximately 200 new cases. This cost would be offset by the 10% anticipated raise in Social Security Benefits which would be deducted from recipients grants.

With response to your inquiry as to the status of a recipient who receives less than the \$250 present ceiling and who also receives Social Security Benefits or any other income and may also receive the \$100 under CSSB 211:

1. The Federal Social Security law "Compilation of the Social Security Laws", requires that all income must be considered. (See attached).

	<u>\$250 Present Ceiling</u>	<u>\$350 Ceiling</u>
Examples: State Standard	\$250	\$350
Social Security	- 100	- 100
Current Welfare payment	\$150	\$250
CSSB 211 Payment	- 100	- 100
New Welfare Payment	\$50	\$150
State Standard	\$250	\$350
Social Security	- 175	- 175
Current Welfare payment	\$ 75	\$175
CSSB 211 Payment	- 100	- 100
No Welfare Payment	0	\$ 75

	<u>\$250 Present Ceiling</u>	<u>\$350 Ceiling</u>
State Standard	\$250	\$350
Social Security	<u>100</u>	- <u>100</u>
	\$150	\$250
VA benefits	<u>45</u>	<u>45</u>
	\$105	\$205
CSSB 211 Payment	<u>100</u>	<u>100</u>
Welfare Grant	\$ 5	\$105

SPH/FMcG/jrt

Attachment

SENATOR JOHN BUTBOVICH



90TH CONGRESS }
2d Session }

HOUSE OF REPRESENTATIVES

{ DOCUMENT
No. 266

COMPILATION
OF THE
SOCIAL SECURITY LAWS

+
INCLUDING THE SOCIAL SECURITY ACT,
AS AMENDED, AND RELATED ENACTMENTS
THROUGH JANUARY 2, 1968

+
VOLUME I

that such assistance shall be furnished with reasonable promptness to all eligible individuals;

(9) provide, if the plan includes assistance for or on behalf of individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions;

(10) if the State plan includes old-age assistance—

(A) provide that the State agency shall, in determining need for such assistance, take into consideration any other income and resources of an individual claiming old-age assistance, as well as any expenses reasonably attributable to the earning of any such income; except that, in making such determination, (i) the State agency may disregard not more than \$7.50^a per month of any income and (ii) of the first \$80 per month of additional income which is earned the State agency may disregard not more than the first \$20 thereof plus one-half of the remainder;^b

(B) include reasonable standards, consistent with the objectives of this title, for determining eligibility for and the extent of such assistance; and

(C) provide a description of the services (if any) which the State agency makes available to applicants for and recipients of such assistance to help them attain self-care, including a description of the steps taken to assure, in the provision of such services, maximum utilization of other agencies providing similar or related services; and

(11) if the State plan includes medical assistance for the aged—

(A) provide for inclusion of some institutional and some noninstitutional care and services;

(B) provide that no enrollment fee, premium, or similar charge will be imposed as a condition of any individual's eligibility for medical assistance for the aged under the plan;

(C) provide for inclusion, to the extent required by regulations prescribed by the Secretary, of provisions (conforming to such regulations) with respect to the furnishing of such assistance to individuals who are residents of the State but are absent therefrom;

(D) include reasonable standards, consistent with the objectives of this title, for determining eligibility for and the extent of such assistance; and

(E) provide that no lien may be imposed against the property of any individual prior to his death on account of medical assistance for the aged paid or to be paid on his behalf under the plan (except pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual), and that there shall be no adjustment or recovery

(except, after the death of spouse, if any, from such assistance for the aged individual under the plan;

(12) if the State plan includes individuals who are patients in institutions—

(A) provide for having arrangements with State agencies for the care of such individuals with diseases, and, where appropriate, may be necessary for carrying out arrangements for joint plans for alternate methods of care, and for immediate readmittance to such individuals under alternate plans providing for access to patient information, and for making arrangements for such individuals;

(B) provide for an individual to assure that the institution will be in the best interests, including, but not limited to, the needs, that he will be given the maximum freedom within the institution, and that the institution will be a minimum of his need for care;

(C) provide for the care, making maximum utilization of such individuals who would otherwise be in institutions, including appropriate methods for such individuals; and for methods to assure that the responsibility for such individuals under the State plan with respect to such individuals will be effectively carried out;

(D) provide methods for the care of such individuals of institutional care for such individuals.

(13) if the State plan includes patients in public institutions, the State is making satisfactory provision for supplementing a comprehensive provision for utilization of such individuals in nursing homes, and other alternative methods for mental diseases.

(b) The Secretary shall approve any plan which imposes, as a condition for approval under the plan—

- (1) an age requirement of
- (2) any residence requirements for old-age assistance except that an individual has resided therein five years preceding the application for

^a P.L. 90-248, sec. 213(a) (1), inserted "\$7.50" in lieu of "\$5".

^b See also footnote 1, of this title, relating to Food Stamp Act and Economic Opportunity Act.

See also sec. 1109 of the Social Security Act for modification of this sec. 2(a)(10)(A) with respect to disregarding amounts disregarded for any individual under any approved public assistance plan in determining need for old-age assistance or medical assistance for the aged under a plan approved under this section 2.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

JUNEAU 99801

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

TO: Earl D. Hillstrand, Chairman
House Finance Committee

DATE: January 15, 1973

FROM: Robert L. Grogan *RLG*
Fiscal Analyst

SUBJ: Longevity Bonus
Program

This analysis attempts to indicate the approximate cost of the Longevity Bonus Program.

Examining the 1960 census figures provides the number of persons potentially eligible for benefits. Two requirements of the potential claimant are that the: (1) lives to age 65, and (2) remains in the State of Alaska for 25 consecutive years.

The present number of enrolled claimants indicates that approximately 25% (4,187) of the potential 16,638 have qualified. This does not consider the fact that applications presently continue to come in (as many as 20 to 30 a day) from individuals who have been eligible for years, thus indicating that we do not have all the eligible persons in the 4,187 total, i.e., the 25% factor is low.

Applying the 25% eligibility factor against the remaining number of potentially eligible persons from the 1960 census data gives a total of 52,383 more claimants to qualify in the remaining years of the program (see fig. 1). This estimate is obviously low due to increases in life expectancy and decreasing population migration (see fig. 2).

Mortality tables indicate one may expect to live 15 years at age 65 (see fig. 3). Thus, the average claimant will receive \$18,000 under the program. According to this average data and discounting the present claimants, it is apparent that the program can expect to pay \$942,876,000 in additional benefits. The administrative cost factor of 4% reflects an additional \$37,715,040 to be added to the total cost. The program could become more expensive to administer due to increasing file size and inflationary costs.

When the 1 million dollars previously funded plus the proposed 1.5 million dollar supplemental request are added to the total, it brings the estimate to \$983,091,040.

The last individual will become eligible in the year 2024. The program, based on mortality table data, can be expected to phase out by the year 2039. The program is presently liable for \$5,024,400 annually.

RG/ds

Age	Alaska Total	
	Total	Male Female
All Ages	226,167	128,811 97,356
Under 5 years	34,193	17,197 16,996
5 years	6,010	3,071 2,939
6 years	5,783	2,912 2,871
7 to 9 years	11,766	7,591 7,175
10 to 13 years	16,627	8,875 8,052
14 years	2,894	1,437 1,457
15 years	2,927	1,470 1,457
16 years	2,920	1,520 1,400
17 years	2,745	1,511 1,205
18 years	3,596	2,150 1,446
19 years	5,040	3,343 1,697
20 to 24 years	23,523	15,997 7,526
25 to 34 years	39,672	22,711 16,961
35 to 44 years	31,931	18,019 13,912
45 to 54 years	18,957	11,000 7,877
55 to 59 years	5,721	3,511 2,210
60 to 64 years	3,125	2,175 1,250
65 to 74 years	3,745	2,318 1,427
75 and over	1,644	1,027 617

FIG. 1
Source: U.S. Bureau of the Census, U.S. Census of Population: 1960. Final Report PC(1)-3B

NET MIGRATION RATE, 1960 TO 1970

1. Nevada	50.1
2. Florida	26.5
3. Arizona	17.5
4. California	13.1
5. Maryland	12.4
6. Colorado	12.3
7. New Hampshire	11.3
8. Oregon	9.0
9. Washington	8.7
10. Connecticut	8.5
11. Missouri	8.5
12. New Jersey	8.0
13. Utah	7.1
14. Vermont	3.5
15. Virginia	3.6
16. Hawaii	1.7
UNITED STATES	1.5

FIG. 2
Source: National Education Association, 1972

Age	Male	Female	Total
0-4	1,000	1,000	2,000
5-9	950	950	1,900
10-14	900	900	1,800
15-19	850	850	1,700
20-24	800	800	1,600
25-29	750	750	1,500
30-34	700	700	1,400
35-39	650	650	1,300
40-44	600	600	1,200
45-49	550	550	1,100
50-54	500	500	1,000
55-59	450	450	900
60-64	400	400	800
65-69	350	350	700
70-74	300	300	600
75-79	250	250	500
80-84	200	200	400
85-89	150	150	300
90-94	100	100	200
95-99	50	50	100
100+	0	0	0

FIG. 3 MORTALITY TABLE
Source: Life Insurance Fact Book 1972

Yellow

SB 211

MEMORANDUM

TO: Honorable John Butrovich
Chairman
Senate Finance Committee

DATE: April 5, 1972

FROM: Glen K. Vernon
Fiscal Analyst
Legislative Finance Committee

SUBJ: Old Age Assistance
Grant Breakdown for
March, 1972.

In response to your request for further breakdown on amounts being received by OAA recipients, the following figures are presented. These figures are for the month of March, 1972.

<u>\$ amount received</u>	<u># of recipients</u>
\$ 1 - 49	367
50 - 99	323
100 - 150	478 *
151 - 249	656
250 even	<u>130</u>
	1,954

* 38 of this number received exactly \$100.

GV/ds

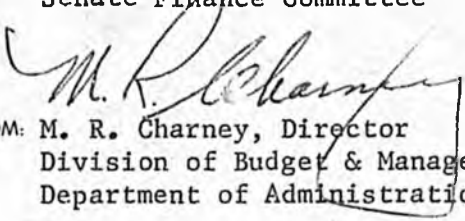
STATE
of ALASKA

MEMORANDUM

TO:

The Honorable John Butrovich, Chairman
Senate Finance Committee

DATE : March 23, 1972

FROM:  M. R. Charney, Director
Division of Budget & Management
Department of Administration

SUBJECT: SB - 211
Alaska Longevity Program

As requested on March 22, an analysis was made of the Alaska Comprehensive Study on Aging prepared for the Department of Health and Social Services by the Seattle Consortium, to determine the difference in the number of Alaskans qualifying under SB - 211 with 20 years residency and the number qualifying if the bill were amended to specify 30 years of residency. This analysis revealed the number would remain the same.

	Native	Non-Native
Elderly 65 and over	2,125	4,761
30 years residency	1,976 (93%)	2,332 (49%)
Total recipients with 30 yrs residency		4,308

Cost of this bill would not change with an amendment requiring 30 years residency.

M E M O R A N D U M

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

DATE: January 31, 1972

FROM: Rich Guthrie
Fiscal Analyst
Senate Finance Committee *RG*

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

Butro, Ray

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

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

MEMORANDUM

State of Alaska

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

DATE : March 13, 1972

John M. Daugherty
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 ^{SB} HB 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 \$100.00 Per Month Payment
Under Senate Bill No. 211

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	\$ 2,400,000	\$ 48,000,000	\$ 46,000,000	\$ 44,000,000	\$ 42,000,000	\$ 40,000,000	\$ 38,000,000	\$ 37,000,000	\$ 36,000,000	\$ 34,000,000
3,000	3,600,000	72,000,000	66,000,000	65,000,000	63,000,000	60,000,000	58,000,000	55,000,000	53,000,000	51,000,000
4,000	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
5,000	6,000,000	120,000,000	114,000,000	109,000,000	104,000,000	100,000,000	96,000,000	93,000,000	89,000,000	86,000,000
6,000	7,200,000	144,000,000	137,000,000	131,000,000	125,000,000	120,000,000	115,000,000	110,000,000	107,000,000	103,000,000
7,000	8,400,000	168,000,000	160,000,000	153,000,000	146,000,000	140,000,000	134,000,000	129,000,000	124,000,000	120,000,000
8,000	9,600,000	192,000,000	183,000,000	175,000,000	167,000,000	160,000,000	154,000,000	147,000,000	142,000,000	137,000,000
9,000	10,800,000	216,000,000	206,000,000	196,000,000	188,000,000	180,000,000	173,000,000	166,000,000	160,000,000	154,000,000
10,000	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

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	177.0
200 TRAVEL		8.8	9.2	9.6	10.0	10.4
300 CONTRACTUAL		60.4	63.4	66.5	69.8	73.1
400 COMMODITIES		1.5	1.5	1.6	1.6	1.6
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	3,806.4	13,963.4	14,127.0
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	11,542.3
FEDERAL FUNDS	2,457.5	2,487.3	2,517.3	2,547.7	2,578.1
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: 3-15-72

PREPARED BY: M. R. LeBarney

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

(Refer to 502)
RS

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						
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 _____ Alaska
 requested by _____ Longevity Program SB 211
 referred to _____ date of request _____
 completion date requested _____ date received _____

EXPENDITURE DETAIL	FY 1971-72	FY 1972-73	FY 1973-74
100 PERSONAL SERVICES	\$ 27,000	\$ 27,000	\$ 27,000
200 TRAVEL			
300 CONTRACTUAL SERVICES			
400 COMMODITIES	61,200	61,200	61,200
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE	4,800,000	5,160,000	5,520,000
TOTAL	\$ 4,888,200	\$ 5,248,200	\$ 5,608,200

FUNDING DETAIL			
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	4,888,200	5,248,200	5,608,200
Man Months	24	24	24
Permanent Positions	2	2	2
Temporary Positions			

FISCAL ANALYSIS

The fiscal analysis of Senate Bill No. 211 was conducted in the following manner:

- Estimated annual costs of actual bonus payments (Code 700) are based upon projections which were calculated previously for House Bill No. 122 which is identical to Senate Bill No. 211. A copy of the House Bill No. 122 analysis is attached.
- Estimated annual costs to administer this program have been included in this analysis. This item was overlooked in the fiscal analysis of House Bill 122, but should be added to the estimated cost projections which were furnished for that legislation.

The costs of administering this program were determined through a comparative analysis of the administrative costs in the existing Public Employees and Teachers Retirement Systems which are presently administered by the Department of Administration. The annual administrative costs of Senate Bill 211 have been estimated in the following manner:

a. Code 100 - Personal Services	Estimated Cost (FY 1971-72)
Benefits Supervisor, Range 18	\$18,300
Clerk Typist II, Range 7	8,700
b. Codes 200 - 900	61,200*
TOTAL ADMINISTRATIVE COST FY 1971-72	\$88,200

It is assumed that this funding will be adequate to cover the expected annual increased cases for the next five years.

DATE 4-9-71

SIGNATURE M. J. [Signature]

NAME & TITLE Director Budget & Management

Fiscal Analysis (Senate Bill No. 211) - Continued

* Analysis of Code 200 - 900 costs were based upon computation of average administrative costs per individual served under the existing Public Employees and Teachers Retirement Systems.

<u>Explanation</u>	<u>Teachers Retirement System</u>	<u>Public Employees Retirement System</u>
Individuals served	7,000	10,200
Annual administrative costs (Codes 200 - 900)	\$125,200.00	\$129,900.00
Cost per individual served	17.89	12.74
Average cost per individual-----	\$15.31	

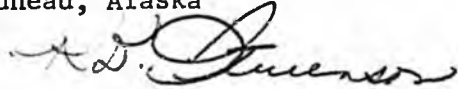
Attachment:

MEMORANDUM

State of Alaska

TO: The Honorable John Butrovich, Chairman
Senate Finance Committee
Alaska State Legislature
Juneau, Alaska

DATE : April 7, 1971

FROM: 
R. D. Stevenson
Deputy Commissioner
Department of Revenue
Juneau, Alaska

SUBJECT: Senate Bill No. 211
Alaska Longevity Bonus

I am enclosing eight copies of a memorandum from John M. Daugherty, Director of the Treasury Division, Department of Revenue concerning the funding to permit payment of the Alaska Longevity Bonus as described in Senate Bill No. 211.

If the fund is to be sufficient to permit payments to the qualified recipients it is suggested that the first payment date be made one year after the fund is created in order that the fund might have one year's earnings for distribution to the recipients.

RDS:eh

Attachments

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Deputy Commissioner of Revenue

DATE : April 7, 1971

FROM: *John M. Daugherty*
John M. Daugherty
Director, Treasury Division

SUBJECT: Senate #211 - Alaska Longevity
Bonus. Research on funding and
the number of qualifying residents.

This is in reply to your memo of April 7th relating to the funding and the number of qualifying residents. Please refer to the following attachments:

- (1) A table showing the required total funds invested at various rates of return to sustain \$100.00 per month payments to various numbers of qualified residents.
- (2) Estimates of the number that could be eligible to qualify for this bonus, prepared by Dr. West of the Division of Vital Statistics of the Department of Health & Welfare.

Permissible investments to generate the necessary revenue required to fund this bill 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) 3.67%
- * U. S. Treasury Bills (6 months). 3.74%
- * U. S. Treasury Notes (3 to 7 years). . . . 5% to 5.56% purchased at a premium
- * U. S. Treasury Bonds (10 years). 5.28%
- * U. S. Treasury Bonds, long bonds 5.91%
- * Insured FHA Mortgages (30 years) 6.892%
- State of Alaska Veterans Loans 7%
- State of Alaska Agriculture Loans 5% (Dept. of Natural Resources)
- * Deposits with Mutual Savings Banks in Alaska . . 5.25% to 6.00%

Deposits with State and National Banks presently @ 6.25% for 5 year Certificates of Deposit. However if new money would be made available to the banks today, the rates would probably fall between 5¼% to 5.50%.

Although House Bill #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 have not invested in bonds of this description up to the present time.

* Rates subject to continuous change.

ESTIMATES OF THE ELDERLY POPULATION OF ALASKA

The following estimates are extrapolations from the census of 1960 and earlier censuses. Categories of population by age are not yet available from the 1970 census. Estimates are for 1971, and have been rounded to the nearest hundred.

Persons 63 or more years old -----	7600
Persons 65 or more years old:	
Total -----	6300
Resident 20 years -----	4100
Resident 25 years -----	3700

Persons with discontinuous 20-year residence can be estimated only by applying intuition to the above figures. One may guess that they number between 4500 and 5000, perhaps closer to the first of these figures.

S. S. West
Statistics Section
2/4/71

Table Showing the Permanent Fund Required
to Sustain \$100.00 Per Month Payment
Under Senate Bill No. 211

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	\$ 2,400,000	\$ 48,000,000	\$ 46,000,000	\$ 44,000,000	\$ 42,000,000	\$ 40,000,000	\$ 38,000,000	\$ 37,000,000	\$ 36,000,000	\$ 34,000,000
3,000	3,600,000	72,000,000	66,000,000	65,000,000	63,000,000	60,000,000	58,000,000	55,000,000	53,000,000	51,000,000
4,000	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
5,000	6,000,000	120,000,000	114,000,000	109,000,000	104,000,000	100,000,000	96,000,000	93,000,000	89,000,000	86,000,000
6,000	7,200,000	144,000,000	137,000,000	131,000,000	125,000,000	120,000,000	115,000,000	110,000,000	107,000,000	103,000,000
7,000	8,400,000	168,000,000	160,000,000	153,000,000	146,000,000	140,000,000	134,000,000	129,000,000	124,000,000	120,000,000
8,000	9,600,000	192,000,000	183,000,000	175,000,000	167,000,000	160,000,000	154,000,000	147,000,000	142,000,000	137,000,000
9,000	10,800,000	216,000,000	206,000,000	196,000,000	188,000,000	180,000,000	173,000,000	166,000,000	160,000,000	154,000,000
10,000	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

Introduced: 4/6/71
Referred: Finance

1 IN THE SENATE

BY BUTROVICH AND RAY

2 SENATE BILL NO. 211

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for an Alaska longevity bonus."

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

8 * Section 1. AS 47 is amended by adding a new chapter to read:

9 CHAPTER 45. ALASKA LONGEVITY BONUS.

10 Sec. 47.45.010. PERSONS WHO MAY QUALIFY FOR LONGEVITY BONUS.

11 (a) A person who is 65 years of age or over and who has maintained
12 a domicile in the state for 20 years or more, whether continuous or
13 not, may apply to the commissioner of administration for qualification
14 to receive a monthly bonus not to exceed \$100.

15 (b) When the commissioner of administration determines that an
16 applicant qualifies under this chapter he shall immediately begin
17 payment of the bonus.

18 (c) A person who otherwise qualifies to receive a bonus provided
19 for in this chapter may continue to do so only as long as he continu-
20 ously retains a domicile in the state.

21 Sec. 47.45.020. CONTINUOUS ELIGIBILITY PROCEDURES. After
22 qualification, monthly applications for bonuses may be made in person
23 to any office of the Department of Administration. Mailed monthly
24 applications shall also be considered by the Department of Adminis-
25 tration. In-person or mailed applications shall be made on forms
26 provided by the Department of Administration and shall conform to
27 the conditions as provided by regulation. The commissioner may make
28 exceptions to those residents who are isolated in rural areas and
29 cannot mail a monthly application; however, they shall mail an

1 application at least once every six months.

2 Sec. 47.45.030. ABSENCE FROM THE STATE. A recipient shall notify
3 the commissioner of administration when he expects to be absent from
4 the state if the absence is for a continuous period that exceeds 30
5 days. After such notification, the recipient shall no longer receive
6 bonuses from the Department of Administration after his last regularly
7 approved monthly application. Upon his return to the state he may
8 again make application for a bonus. Whenever the absence is for a
9 continuous period that exceeds 180 days the recipient shall be dis-
10 qualified from receiving bonuses for the next 12 calendar months after
11 his return to the state. However, when the commissioner of adminis-
12 tration determines a period of absence is beyond the control of the
13 recipient, he may not be disqualified, if he still otherwise qualifies
14 upon his return to the state. Continual absences from the state, even
15 though reported, and failure to notify the commissioner of an expected
16 absence may be grounds for disqualification.

17 Sec. 47.45.040. DISQUALIFICATION. Disqualification under this
18 chapter shall rest solely with the commissioner of administration and
19 shall be outlined in the regulations promulgated under sec. 100(1) of
20 this chapter.

21 Sec. 47.45.050. DEPARTMENT HEARING. The Department of Adminis-
22 tration may hold a departmental hearing upon the request of any appli-
23 cant or recipient who has been disqualified. Previous to this hearing
24 the department shall by certified mail notify an applicant or recipient
25 in plain and comprehensive language the exact reason for his disqualifi-
26 cation. Form letters using only referral to state statutes or depart-
27 ment regulations, or otherwise vague in detail, shall not be considered
28 compliance by the department with this section.

29 Sec. 47.45.060. LEGAL REMEDY. Legal remedy from disqualification

1 may be sought by an applicant or recipient in any court of competent
2 jurisdiction in the state. The burden of proof shall rest solely upon
3 the applicant or recipient and any costs related to a disqualification
4 verdict determined against the applicant or recipient may be recoverable
5 by the attorney general from that person; or from any agency represent-
6 ing that person supported in whole, or in part, with state appropria-
7 tions.

8 Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is
9 one who

10 (1) does not meet the age or residence requirements as
11 provided for under this chapter;

12 (2) meets the age and residence requirements of this chapter
13 but is confined in a mental health institution or facility and is
14 certified by the state as unable to manage his own affairs; however,
15 if such a person was at the time of his commitment the principal
16 support of a spouse, the commissioner of administration may determine
17 to pay the confined person's bonus to his spouse until the spouse is
18 qualified for a bonus;

19 (3) is otherwise qualified but confined in a penal or
20 correctional institute or facility; upon completion of sentence or upon
21 the conferral of a pardon, parole or probation, the person may make
22 application; confinement outside the state shall be considered as
23 residence in the state if a person was convicted and sentenced from a
24 court in Alaska; revocation of parole or probation shall be cause for
25 immediate disqualification until release from confinement is again
26 effected;

27 (4) leaves the state of his own volition and remains absent
28 from the state for a continuous period of more than 180 days.

29 Sec. 47.45.080. ACCRUAL OF BONUSSES. No recipient may, for any

1 reason, receive an accrual of bonuses in excess of two monthly payments
2 No interest may be paid on accrued bonuses. Upon the death of a
3 recipient the commissioner of administration shall pay to the bene-
4 ficiary of the recipient any accrued bonuses not to exceed two monthly
5 payments.

6 Sec. 47.45.090. ALASKA LONGEVITY BONUS FUND. (a) There is
7 the Alaska longevity bonus fund created for the purpose of paying the
8 monthly bonuses provided for in this chapter. The fund consists of
9 all money made available by appropriations of the state legislature,
10 and from other appropriated funds, all contributions from whatever
11 source, and income and interest derived from the investment of money.

12 (b) The commissioner of administration is the administrator of
13 the fund.

14 Sec. 47.45.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The
15 commissioner of administration shall

16 (1) promulgate regulations necessary to carry out the
17 provisions of this chapter;

18 (2) make expenditures from the fund necessary to administer
19 this chapter;

20 (3) establish and maintain an adequate system of accounts
21 for the fund;

22 (4) publish annually a report showing the financial condi-
23 tions of the fund.

24 Sec. 47.45.110. ALASKA LONGEVITY BONUS ADVISORY BOARD. (a)
25 There is established the Alaska Longevity Bonus Advisory Board con-
26 sisting of three members acquainted with the investment of funds
27 appointed by the governor for overlapping three-year terms.

28 (b) Members of the board serve without compensation except that
29 each member may be reimbursed for actual and necessary expenses at

1 the rate established by AS 39.20.180.

2 (c) The board shall confer with the commissioner of administra-
3 tion only in matters regarding the administration of the investment
4 policies of the fund and may make such recommendations to him as they
5 consider necessary.

6 (d) The board shall be furnished reports relating to the condi-
7 tion and administration of the fund.

8 (e) The board shall meet at the call of the commissioner of
9 administration.

10 Sec. 47.45.120. CUSTODY AND INVESTMENT. (a) The commissioner of
11 revenue is the treasurer of the system and has powers and duties for
12 this purpose including but not limited to the following:

13 (1) to act as official custodian of the cash and securities
14 belonging to the fund;

15 (2) to receive all items of cash belonging to the system;

16 (3) to collect the interest and principal on securities
17 acquired under this chapter and deposit the interest and principal
18 in the incentive grant fund;

19 (4) to invest and reinvest the assets of the fund in accor-
20 dance with this section.

21 (b) When, in the opinion of the commissioner of administration,
22 there is on hand in the fund a surplus over and above a reasonably safe
23 amount to take care of current demands upon the fund, the surplus or
24 so much of it as in the judgment of the commissioner of administration
25 is considered proper may be invested by the commissioner of revenue in
26 (1) bonds or other interest-bearing obligations and securities of
27 the United States or any agency of the United States, a state of the
28 United States, or a political subdivision of any state of the United
29 States, if the political subdivision has a population as shown by the

1 last federal census preceding the investment of no less than 30,000
2 inhabitants, except no population limitation applies to a political
3 subdivision of this state; (2) first lien real estate mortgage securi-
4 ties insured by the Federal Housing Administration under the National
5 Housing Act of the United States, or held by the Department of Commerce
6 or the Department of Natural Resources; (3) deposits with mutual
7 savings banks in Alaska, to the extent that the investment is insured
8 by the federal government or an agency of the federal government; and
9 (4) deposits with state and national banks in Alaska to the extent
10 that the investment is insured by the federal government or an agency
11 of the federal government. No more than 25 per cent of the surplus may
12 be invested in mortgage securities of the Department of Commerce, and
13 the state shall appropriate sufficient money from the general fund to
14 reimburse the teachers retirement system for any losses incurred as
15 a result of failure of the obligors to pay on the notes. No more than
16 \$400,000 of the surplus may be invested annually in the mortgage
17 securities of the Department of Natural Resources, and the state shall
18 appropriate sufficient money from the general fund to reimburse the
19 fund created in this chapter for any losses incurred as a result of
20 failure of the obligors to pay on the notes.

21 (c) In making investments the commissioner of revenue shall
22 exercise the judgment and care under the circumstances then prevailing
23 which men of ordinary prudence, discretion, and intelligence exercise
24 in the management of their own affairs not in regard to speculation
25 but in regard to the permanent disposition of their funds, considering
26 the probable income from the fund as well as the probable safety of
27 their capital.

28 (d) Except as provided in (a) - (c) of this section, the commis-
29 sioner of revenue may:

1 (1) invest and reinvest the principal and income of the fund
2 without distinction between principal and income;

3 (2) sell, exchange, convey, transfer or otherwise dispose of
4 any investment of the fund by private contract or at public auction;

5 (3) vote bonds or other securities; give general or special
6 proxies or powers of attorney with or without powers of substitution;
7 exercise conversion privileges, subscription rights or other options
8 and make payments incidental thereto; generally exercise the powers of
9 an owner with respect to bonds, securities or other investments held
10 in the fund;

11 (4) make, execute, acknowledge and deliver documents of
12 transfer and conveyance and other instruments necessary or appropriate
13 to carry out the powers granted by this subsection;

14 (5) register investments in the name of the fund;

15 (6) do all acts whether or not expressly authorized which he
16 considers necessary or proper for the protection of the investments
17 held in the fund.

18 Sec. 47.45.130. EXEMPTION FROM TAXATION AND PROCESS. Bonuses
19 received under this chapter are exempt from all state and political
20 subdivision taxes except sales and use taxes and are not subject to
21 execution, attachment, garnishment or other process. No bonus received
22 under this chapter may be exempt from a federal tax requirement.

23 Sec. 47.45.140. DEATH OR CESSATION OF RESIDENCY. The commis-
24 sioner of administration shall establish procedures to stop a bonus
25 when a recipient under this chapter no longer qualifies. When a
26 recipient dies or discontinues his residency in the state his qualifi-
27 cation for a bonus shall stop at the time of his last approved monthly
28 application.

29 Sec. 47.45.150. PENALTY FOR FALSE STATEMENTS. A person who

1 wilfully or knowingly makes a false statement, or falsifies or permits
2 to be falsified any record required by this chapter, is guilty of
3 a misdemeanor and, upon conviction, is punishable by a fine of not
4 more than \$500, or by imprisonment for not more than six months, or by
5 both, forfeits all rights under this chapter, and shall make adequate
6 restitution for any bonuses illegally received.

7 Sec. 47.45.160. DEFINITIONS. In this chapter

8 (1) "bonus" means a monthly Alaska longevity bonus payment
9 made to a person or his beneficiary who qualifies under this chapter;

10 (2) "domicile" means the place with which a person has a
11 settled connection for determination of his civil status or other
12 legal purposes because it is actually or legally his permanent and
13 principal home.

14 Sec. 47.45.170. The Administrative Procedure Act does not apply
15 to this chapter.

16 Sec. 47.45.180. PURPOSE. The sole purpose of this chapter is
17 to offer and provide all law-abiding Alaskans capable of managing their
18 own affairs who have maintained a domicile in the state for at least
19 20 years and have reached a retirement age of 65, an incentive to
20 continue uninterrupted residency in the state. Under no circumstances
21 shall this chapter be considered a form, type, or manner, of public
22 relief. Bonuses made under this chapter are not predicated on need
23 even though they may appear to provide supplemental income to some
24 qualified persons who would otherwise be forced to become responsi-
25 bilities of the state. -

26 * Sec. 2. AS 01.10.030 does not apply to this Act. If any provision of
27 this Act, or the application of a provision of this Act to any person or
28 circumstance is held invalid, this entire Act shall be considered invalid.
29



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  Smith
Signature of Camera Operator

4/4/89
Date

4/21/71

Committee Report

S E N A T E

_____ Date

Mr. President:

The Committee on FINANCE has had 30 220
(pre-~~primary~~ presidential primary elections)
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ CHAIRMAN

FORM 02-002
Formerly SA-2

STATE OF ALASKA
Inter-Department Route Slip

TO: _____
DEPT.: Senator Josephson

ATTN.: _____

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

Per your request

From: A. Lov Date: 4/11/77

By: Polly Ann Polly

MEMORANDUM**State of Alaska**

OFFICE OF THE LIEUTENANT GOVERNOR

TO: Senator Josephson
Alaska State Senate

DATE : April 16, 1971

FROM: *PAP*
Patty Ann Polley
Election Supervisor
Southeastern

SUBJECT: Senate Bill 220

Since the time that the fiscal note was prepared for Senate Bill 4, work has started on dividing precincts having over 500 registered voters. The Division of Elections is expecting to add approximately 200 precincts to the 400 that were used for the 1970 elections.

The \$115,000 for Other Contractual Services is based on 2200 people serving on election boards for 15 hours at a cost of \$3.50 per hour. At the current level of \$2.50 an hour, the Other Contractual Services would cost \$82,500 for the boards.

House Bill 10 which has passed the House and is presently in the Senate calls for increasing the payment to the election boards to \$3.50 an hour. We feel that \$3.50 an hour would give the election board members some compensation for the work that they are required to do and the many hours which are required.

For the Presidential Primary, the election boards would spend approximately 15 hours at the polls. Approximately 13 hours would be required to get the polls ready and to keep the polls open for 12 hours. A very minimum of two hours would be required to count the ballots after the closing of the polls.

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 HB SB 220
 requested by Senator Josephson
 referred to date of request 4/16/71
 completion date requested 4/16/71 date received

EXPENDITURE DETAIL	FY 1971-72	FY	FY
100 PERSONAL SERVICES	\$ 12,958	\$	\$
200 TRAVEL	2,000		
300 CONTRACTUAL SERVICES	132,375		
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE			
TOTAL	\$ 147,333	\$	\$

FUNDING DETAIL			
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	147,333		

Man Months 15
 Permanent Positions
 Temporary Positions 3 Clerk V

FISCAL ANALYSIS

<u>100</u> Personal Services	
1 temporary position Juneau \$720 per month	
1 temporary position Anchorage \$720 per month	
1 temporary position Fairbanks \$775 per month	
17% Emp. benefits	\$1,883
<u>210</u> Workshops for Election Boards	\$1,500
<u>220</u> Per diem and other costs	500
<u>314</u> Postage	\$6,000
Mailing of ballots and supplies	
<u>320</u> Printing and Advertising	\$8,000
Advertising election	
Printing ballots and supplies	
<u>350</u> Transportation of Things	\$1,000
Air Freight on Ballots to area offices	
<u>360</u> Equipmental Rental	\$2,375
33 voting machines @ \$75 each	
<u>390</u> Other Contractual Services	\$115,000
Payments of Judges and Clerks	
Payment of Absentee Boards	
Payment of Counting Teams	
Payment of Canvass Board	
Payment for polling places	

DATE 4/16/71

SIGNATURE Patty Ann Polley

NAME & TITLE Patty Ann Polley, Election Supervisor
Southeastern

Original sponsor: Josephson by request

Offered: 4/21/71
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 220

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for preferential presidential
7 primary elections and selection of delegates to
8 national presidential conventions."

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

10 * Section 1. AS 15.25 is amended by adding new sections to read:

11 ARTICLE 3. PREFERENTIAL PRESIDENTIAL PRIMARY ELECTIONS

12 AND SELECTION OF DELEGATES.

13 Sec. 15.25.220. ELECTION OF PREFERENTIAL PRESIDENTIAL CANDIDATES.

14 (a) The lieutenant governor shall call a presidential primary election
15 the last Tuesday in February of the year in which the national presi-
16 dential election is held.

17 (b) The lieutenant governor shall prepare separate ballots for
18 each political party represented as provided for in sec. 230 of this
19 chapter. The ballot for a party shall be headed with the name of the
20 party and shall have as many columns as there are presidential candi-
21 dates for candidacy for that party. Each column shall be headed with
22 the name of a presidential candidate, in block letters.

23 Sec. 15.25.230. PLACING NAMES ON BALLOT. (a) The name of a
24 candidate for a political party nomination for the President of the
25 United States shall be printed on the ballots only

26 (1) by direction of the lieutenant governor who shall place
27 the name of a candidate upon the ballot when he determines in his sole
28 discretion that the candidate's candidacy is generally advocated or
29 recognized in national news media throughout the United States; or

1 (2) upon the petition for nomination presented to the
2 lieutenant governor by members of the political party of the candidate
3 in the form provided by sec. 240 of this chapter.

4 (b) The lieutenant governor may not place a candidate's name
5 on the ballot nor may a petition be presented to the governor after
6 the last Tuesday in January before the presidential election.

7 Sec. 15.25.240. PETITION FOR PRESIDENTIAL CANDIDATE. (a) A
8 petition for nomination of a candidate under sec. 230 2) of this
9 chapter shall have attached to it a sheet or sheets containing the
10 signatures of at least 250 registered voters of the candidate's politi-
11 cal party.

12 (b) The signature sheets shall also contain the residence
13 address and name of each registered voter whose signature appears on
14 the petition. The signature shall be certified.

15 Sec. 15.25.250. WITHDRAWAL OF CANDIDACY BY CANDIDATE. A person
16 who has been selected by the lieutenant governor or nominated as a
17 candidate by petition as provided in sec. 230 of this chapter, may have
18 his name withdrawn not later than the first Tuesday before the presi-
19 dential primary election.

20 Sec. 15.25.260. PRESIDENTIAL PRIMARY NOMINATING CONVENTIONS.
21 (a) At a presidential primary nominating convention, delegates shall
22 be selected upon a proportionate basis substantially equal to that
23 percentage of the vote each presidential candidate receives in the
24 preferential presidential primary election provided for under sec. 220
25 of this chapter.

26 (b) Nominating conventions shall be held on the last Thursday
27 of May in each presidential election year.

28 Sec. 15.25.270. PROCEDURES FOR PRESIDENTIAL PRIMARY ELECTIONS.
29 The provisions of the Election Code (AS 15) for a general election

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apply to a presidential primary election, except to the exact extent to which the provisions of secs. 220 - 280 of this chapter vary those provisions.

Sec. 15.25.280. DEFINITIONS. In secs. 220 - 280 of this chapter

- (1) "alternate delegate" includes alternate half-delegates;
- (2) "delegate" includes half-delegates;

Introduced: 4/12/71
Referred: State Affairs

1 IN THE SENATE

BY JOSEPHSON BY REQUEST

2 SENATE BILL NO. 220

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for preferential presidential
7 primary elections and selection of delegates to
8 national presidential conventions."

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

10 * Section 1. AS 15.25 is amended by adding new sections to read:

11 ARTICLE 3. PREFERENTIAL PRESIDENTIAL PRIMARY ELECTIONS
12 AND SELECTION OF DELEGATES.

13 Sec. 15.25.220. ELECTION OF PREFERENTIAL PRESIDENTIAL CANDIDATES.

14 (a) The lieutenant governor shall call a presidential primary election
15 the last Tuesday in February of the year in which the national presi-
16 dential election is held.

17 (b) The lieutenant governor shall prepare separate ballots for
18 each political party represented by lawfully filed declarations under
19 sec. 230 of this chapter. The ballot for a party shall be headed
20 with the name of the party and shall have as many columns as there are
21 presidential candidates lawfully filing declarations for candidacy
22 for that party. Each column shall be headed with the name of a
23 presidential candidate, in block letters.

24 Sec. 15.25.230. MANNER, CONTENT AND DATE OF FILING PRESIDENTIAL
25 DECLARATION. (a) To be effective, the presidential declaration must
26 be filed with the lieutenant governor by either

27 (1) the actual physical delivery of the declaration by mail
28 or in person at or before 5:00 p.m. Alaska Standard Time, on the first
29 Tuesday in February of the year in which the national presidential

1 election is held; or

2 (2) the actual physical delivery by telegram of a copy in
3 substance of the statements made in the declaration at or before
4 5:00 p.m. Alaska Standard Time, on the first Tuesday in February of
5 the year in which the national presidential election is held and also
6 the actual physical delivery of the original declaration postmarked
7 at or before 5:00 p.m. Alaska Standard Time, on the first Tuesday in
8 February of the year in which the national presidential election is
9 held.

10 (b) The declaration to be a presidential candidate shall contain

11 (1) the candidate's name;

12 (2) a statement of eligibility to run for the office of
13 president;

14 (3) the political party whose nomination he seeks; and

15 (4) an affidavit as to the truth of the contents of the
16 declaration.

17 Sec. 15.25.240. PRESIDENTIAL PRIMARY NOMINATING CONVENTIONS.

18 (a) At a presidential primary nominating convention, delegates shall
19 be selected upon a proportionate basis substantially equal to that
20 percentage of the vote each presidential candidate receives in the
21 preferential presidential primary election provided for under sec. 220
22 of this chapter.

23 (b) Nominating conventions shall be held on the last Thursday
24 of May in each presidential election year.

25 Sec. 15.25.250. PROCEDURES FOR PRESIDENTIAL PRIMARY ELECTIONS.

26 The provisions of the Election Code (AS 15) for a general election
27 apply to a presidential primary election, except to the exact extent
28 to which the provisions of secs. 220 - 260 of this chapter vary those
29 provisions.

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Sec. 15.25.260. DEFINITIONS. In secs. 220 - 260 of this chapter

(1) "delegate" includes half-delegates;

(2) "alternate delegate" includes alternate half-delegates.



RECORDS



CERTIFICATION

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

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

S E N A T E

_____ Date

Mr. President:

The Committee on _____ has had _____
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

CHAIRMAN

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

May 3, 1971

MEMORANDUM

TO : Senator Robert H. Ziegler, Sr.
FROM : John W. Elliott
SUBJECT: Attached bill

The attached bill is for an additional 15 days. If you think that is not a reasonable period, the dollar amount can be changed in one minute's time. I am preparing a letter for Butrovich to the effect that any unused portion of this amount will be lapsed.

JME:hg
Enclosure

*Clyde - This again is for temporary
help. We will be out of money
5/5/71*

JMB



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

Introduced: 5/10/71
Referred: Finance

BY HAMMOND, CROFT, GROH,
JOSEPHSON, MERDES, PALMER,
THOMAS, YOUNG

1 IN THE SENATE

2 SENATE BILL NO. 244

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 the general appropriation bill."

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

8 * Section 1. AS 24.05.180 is amended by adding a new subsection to read:

9 (b) The finance committee of each house shall report out of
10 committee a committee substitute for the governor's general appropriation
11 bill on or before the sixtieth day of each regular session. The substi-
12 tute budget bills shall be placed on the daily calendar of each house
13 for the sixtieth legislative day. If the finance committees have not
14 prepared a substitute bill as required by this section, the governor's
15 general appropriation bill shall be placed on the calendar for the
16 sixtieth legislative day.



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

Introduced: 5/10/71
Referred: Finance

BY HAMMOND, CROFT, GROH
JOSEPHSON, MERDES, PALMER,
THOMAS, YOUNG

1 IN THE SENATE

2 SENATE BILL NO. 245

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 the general appropriation bill."

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

8 * Section 1. AS 37.07.060(c) is amended to read:

9 (c) The governor, at the time of his presentation of the proposed
10 comprehensive program and financial plan in the message to the joint
11 session of the legislature under (b) of this section, shall also
12 submit a general appropriation bill to authorize the proposed expendi-
13 tures, and a bill or bills covering recommendations in the budget for
14 new or additional revenues. The general appropriation bill shall be
15 submitted to both houses of the legislature simultaneously.



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
 Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: SB 255
 Title: Tax on transfers or consumption of motor fuel
 Requested by: Senate Finance Committee Date: 3/1/72
 Return Date Requested: 3/8/72
 Agency: Dept. of Public Works Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Water and Harbors Facilities

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	0	(21.2)	(22.0)	(23.0)	(23.8)	(24.8)
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	(21.2)	(22.0)	(23.0)	(23.8)	(24.8)

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	(21.2)	(22.0)	(23.0)	(23.8)	(24.8)
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

Not affected. See analysis

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

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

The Water and Harbors program is funded with revenues received from the tax imposed on the sale of marine fuel in the State. Because the program is primarily one of capital construction, fluctuations in funding affect contractual rather than personal services. For example, except for direct project supervision, the cost of administering a \$300,000 project is normally no more than a \$30,000 one. Naturally this premise is valid only within certain limits. However, the changes in revenue which would be generated by SB 255 are not expected to be significant enough to affect any expenditures other than contractual services.

IV. ATTACHMENTS

1. Additional information requested.

2. Copy of fiscal note on SB 319. (Refer to SB 319 file) *RY*

V. DATE: March 3, 1972

PREPARED BY: *Don Statter*

Don Statter, Director
 Division of Water and Harbors

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

MARINE FUEL TAX

EFFECT ON TREASURY FROM SENATE BILL 255

10% of the Tax on 25% of the Marine Diesel Fuel

	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977
Code 133 Revised Estimate	\$1,100,600	\$1,114,600	\$1,190,400	\$1,238,000	\$1,287,000
Loss to Treasury from SB 255	<u>20,636</u>	<u>21,461</u>	<u>22,320</u>	<u>23,212</u>	<u>24,131</u>
Estimated Revenue Less SB 255	\$1,079,964	\$1,093,139	\$1,168,080	\$1,214,788	\$1,262,869

Effect on Treasury From Credit of 10% on Total Diesel Marine Fuel

	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977
Code 133 Revised Estimate	\$1,100,600	\$1,114,600	\$1,190,400	\$1,238,000	\$1,287,000
Loss To Treasury	<u>82,544</u>	<u>85,844</u>	<u>89,280</u>	<u>92,848</u>	<u>96,524</u>
Estimated Revenue Less 10%	\$1,018,056	\$1,028,756	\$1,101,120	\$1,145,152	\$1,190,476

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Deputy Commissioner

DATE : March 3, 1972

FROM: *Steffen Andersen*
Steffen Andersen, Director
Excise Tax Division

SUBJECT: Senate Bill No. 255

My interpretation of the subject bill indicates that the intent is to allow credit of 10% of the 4¢ fuel tax on motor fuel used only in auxiliary engines in heating and cooking on boats and watercraft.

This gets us back to the question of what portion of the fuel used on boats and watercraft is used for this purpose. As you know from prior surveys, owners of boats and watercraft were declaring from 25% to 40% for cooking and heating. If SB 255 were to pass it can be presumed that boat owners would return to their former practices.

There would be no administrative problems from the Excise Division level, for the tax credit would be when the boat owner purchases the fuel from the distributor. There would be additional administrative problems on field audits due to the additional computation on all marine fuel sales.

The attached table reflects the loss of marine diesel fuel tax if we assume 25% of the total fuel is used for auxiliary engines and for heating and cooking aboard boats and watercraft.

Also shown on the table is the effect on Treasury, assuming the intent of Senate Bill 255 was to give the purchasers of marine fuel a 10% credit on the total marine fuel purchased for the use of auxiliary engines and for heating and cooking aboard boats and watercraft.

SA:dw

Attachment

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

I. REQUEST

Bill Identification: SB 255
 Title: Tax on transfers or consumption of motor fuel
 Requested by: Senate Finance Committee Date: 3/1/72
 Return Date Requested: 3/8/72
 Agency: Department of Revenue 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						

REVENUE

B. ~~EXPENDITURES~~: (Thousands of dollars)

GENERAL FUND	-0-	(20.6)	(21.5)	(22.3)	(23.2)	(24.1)
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

See attached memorandum dated March 3, 1972 from Steffen Andersen, Director, Excise Tax Division, Department of Revenue concerning effect on Treasury. The bill as written seemingly allows only a very limited exemption.

A copy has been directed, as requested, to Mr. Don Statter, Director, Division of Water & Harbors, Department of Public Works, Juneau, Alaska.

IV. ATTACHMENTS

V. DATE: March 6, 1972

PREPARED BY: R. D. Stevenson
 R. D. Stevenson
 Deputy Commissioner

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

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE COMMISSIONER

POUCH Z — JUNEAU 99801

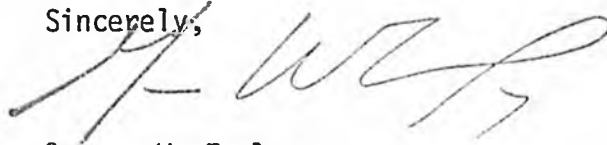
March 3, 1972

Legislative Finance
Room 407
State Capitol Building
Juneau, Alaska 99801

Gentlemen:

In response to your request of March 1, 1972, attached is the completed Fiscal Note pertaining to Senate Bill 255.

Sincerely,



George W. Easley
Commissioner

Enclosure

cc: Honorable Bill Ray
Alaska State Senate
Pouch "V" State Capitol Bldg.

Division of Budget & Management
Pouch "C"

ADDITIONAL INFORMATION

The Department of Revenue was contacted on February 8, 1972 to determine the estimated loss in revenue if an exemption were allowed on diesel fuels used aboard boats for cooking and heating purposes. They indicated that field audits conducted by personnel of the Excise Tax Division in 1966 and 1968 confirmed that the diesel fuel exemption from the marine fuel tax amounted to approximately 25%. Since SB 255 provides for an exemption of 10% of this amount a factor of .975 [$1 - (1 \times .25 \times .10)$] was applied to the diesel fuel revenues estimated by the Department of Revenue on November 22, 1971. Based on this, the Fiscal Year 1973 through Fiscal Year 1977 estimated total marine fuel tax would be as follows:

<u>Fiscal Year</u>	<u>Dept. Revenue Tax Estimate</u>	<u>Fuel Tax Under SB 255</u>
1973	\$1,100.6	\$1,079.4
1974	1,144.6	1,122.6
1975	1,190.4	1,167.4
1976	1,238.0	1,214.2
1977	1,287.5	1,262.7

The probable Fiscal Year 1973 construction schedule if SB 255 were enacted into law would be the same as the program included in the Governor's budget package except that the Haines Harbor Dredging project would be reduced by \$21,200.00

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IN THE SENATE

BY RAY

SENATE BILL NO. 255

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the tax on transfers or consumption of motor fuel."

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

* Section 1. AS 43.40.010(a)(2) is amended to read:

(2) the tax on motor fuel used in engines for the propulsion of boats and watercraft of all descriptions, including that motor fuel which may be used for heating and cooking aboard boats and watercraft, is four cents a gallon, less 10 per cent of the amount of the tax on motor fuel used only in auxiliary engines and for heating and cooking aboard boats and watercraft, and

* Sec. 2. AS 43.40.010(b)(2) is amended to read:

(2) the tax on motor fuel used in engines for the propulsion of boats and watercraft of all descriptions, including that motor fuel which may be used for heating and cooking aboard boats and watercraft, is four cents a gallon, less 10 per cent of the amount of the tax on motor fuel used only in auxiliary engines and for heating and cooking aboard boats and watercraft, and

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

M E M O R A N D U M

TO: Tracy Kaldor
Administrative Officer
Dept. of Public Works

DATE: March 1, 1972

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 255,
AND RETURN IT TO OUR OFFICE BY 3/8/72.

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

1. Contact Bob Stevenson, Deputy Commissioner, Dept. of Revenue, to obtain information regarding the estimated loss in revenues.
2. Determine the effect upon the FY 1973 proposed projects -- by location.
3. Other comments or recommendations.

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

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

CC: BUDGET & MANAGEMENT

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: Robert D. Stevenson
Deputy Commissioner
Department of Revenue

DATE: March 1, 1972

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 255
AND RETURN IT TO OUR OFFICE BY 3/8/72.

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

1. Determine the effect upon marine fuel tax revenues.
2. Comment upon the regulations and/or administrative procedures that would be necessary to implement this legislation.
3. Provide the Division of Waters & Harbors, Dept. of Public Works, with information regarding the estimated revenue reduction.
4. Other comments or recommendations.

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

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

CC: BUDGET & MANAGEMENT



RECORDS



CERTIFICATION

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

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

SENATE

1-25-72

Date

Mr. President:

The Committee on _____ has had _____ under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

CHAIRMAN

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

1 IN THE SENATE

2 SENATE BILL NO. 258

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the preparation of fiscal notes
7 on bills."

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

9 * Section 1. AS 24.30.035 is amended to read:

10 Sec. 24.30.035. FISCAL NOTES ON BILLS. Before a bill which
11 would require increased appropriations by the state is reported to the
12 Rules Committee [OUT BY THE COMMITTEE OF ORIGINAL REFERENCE], there
13 shall be attached to the bill an estimate of the probable amount of
14 the appropriation increase for the ensuing fiscal year and at least
15 two succeeding fiscal years [, OR A STATEMENT EXPLAINING WHY A REASON-
16 ABLE ESTIMATE CANNOT BE MADE]. The estimate or statement shall be
17 prepared by the department or departments affected.

Back-up for SB 258

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: All Agencies

DATE: December 15, 1971

FROM: Legislative Finance
Room 407
Capitol Building

SUBJ: Fiscal Note Preparation Instructions

During the forthcoming legislative session, various state agencies will be called upon to provide detailed information regarding the fiscal implications of proposed legislation. As in the past, the fiscal note will be used to accomplish this task (as prescribed in AS 24.30.035). In order to provide legislators with timely and objective fiscal data, please observe the following instructions when completing and processing fiscal notes.

INSTRUCTIONS

I. REQUEST (Completed by Legislative Finance)

Two copies of the fiscal note form will be forwarded to the agency; a copy of the proposed legislation will be attached.

II. FISCAL DETAIL (To be completed by the agency)

Upon receipt, note the date that the fiscal note is to be returned to Legislative Finance. If this date cannot be met, request an extension prior to the deadline in order that discussion of the proposed legislation may be rescheduled to a later date. Prompt submission of fiscal notes is essential!

A. Expenditures:

Complete all columns. If there are no expenditures for the indicated year, enter a zero.

B. Funding:

Identify "Other" funds according to type and title.

C. Positions:

Indicate permanent positions and man months on the left side of the column, and temporary positions and man months on the right side.

III. ANALYSIS (To be completed by the agency)

The presentation must be concise and limited to one additional page if the space provided on the fiscal note is inadequate. Only information which explains or justifies the "Fiscal Detail" section is permitted here. Other types of information or more detailed fiscal information must be presented as a separate attachment (See Section IV).

Your analysis should cover the following areas as required:

A. Assumptions:

Identify the specific assumptions upon which the fiscal detail is based. If the general assumptions differ from those developed by Planning and Research for FY 73 budget preparation (Budget Manual - FY 73, Volume I, Instructions; p. 100-105), identify the revised general assumptions that were used.

B. Program Summary:

A concise narrative summary of the operational program shown in Section II, Fiscal Detail, is requested. Minimum informational requirements are:

1. Positions - list any new positions required according to job classification title; show the salary, benefits and related support costs for each. (See instructions for completion of FY 73 budget form 20, Personal Services Request for New Position);

2. Other Expenditures - identify and justify major expenditure items for all objects;
3. Funding - furnish basis of estimate for "Federal" or "Other" funds.

C. Computations:

If a "formula" method is utilized in determining the data shown in Section II, Fiscal Detail, show the computations in sequence. Clearly identify the input elements and mathematical processes that are used in each step.

IV. ATTACHMENTS (Optional)

Additional information that should be considered during discussion of the proposed legislation may be attached to the fiscal note. All attachments should be listed by title in Section IV.

There are many different types of information that may be attached. Some examples are:

- A. Charts or graphs;
- B. Agency comments regarding the legislation itself - suggested revisions, effect upon existing or proposed programs, alternative legislation, etc.;
- C. Pertinent articles from newspapers, magazines, professional publications, etc.;
- D. Pertinent agency memoranda (past and present) relating to the subject area of the legislation.

V. DATE/SIGNATURE

Upon completion of the fiscal note, the person preparing the note is to date and sign it. The original copy of the fiscal note, with attachments, is to be returned to Legislative Finance; a copy is to be sent to Budget and Management.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

M E M O R A N D U M

TO: George Morrison, Comptroller DATE: 1/18/72
Courts

FROM: LEGISLATIVE FINANCE SUBJ: FISCAL NOTE REQUEST
ROOM 407
CAPITOL BUILDING

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 194,
AND RETURN IT TO OUR OFFICE BY 1/24/72.

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/72),
PLEASE OBSERVE THE FOLLOWING:

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

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

CC: BUDGET & MANAGEMENT

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

I. REQUEST

Bill Identification: SB 194
 Title: Establishing a Fifth District of Superior Court
 Requested by: Legislative Finance Date: 1/18/72
 Return Date Requested: 1/24/72
 Agency: Courts 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)