


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

SB 275 cont., 277, 278

MEMORANDUM

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

DATE: January 24, 1972

FROM: 
Steffen Andersen
Director
Excise Tax Division

SUBJECT: Senate Bill 275

At present there are two tax levies on cigarettes; namely a 2-1/2 mill tax on each cigarette imported or acquired in the State (equivalent to 5¢ per package) which is allocated to the school fund and a 1-1/2 mill levy on each cigarette imported or acquired in the State (equivalent to 3¢ per package) which is allocated to the general fund. Senate Bill 275 provides for an increase in the levy on the portion that goes into the general fund to 3-1/2 mills on each cigarette imported or acquired in the State (equivalent to 7¢ per package).

✓ It is to be noted that there is an error on line 10 of the bill where in brackets TWO appears. This should read ONE AND ONE-HALF in brackets, as provided in Section 43.50.190(a). The present tax on cigarettes is 8¢ per package of which 3¢ goes to the General Fund. Senate Bill 275 will provide for a total tax on cigarettes of 12¢ per package with 7¢ per package for the General Fund and 5¢ for the School Fund.

Attached is a schedule that indicates the additional revenues to the General Fund with the additional 4¢ per package tax as provided by Senate Bill 275 for the fiscal years 1973 through 1977. Such information is underlined on the chart and captioned "Code 102--4¢ additional tax--General Fund".

There is also attached a chart showing state cigarette tax rates as of September 1971. Such chart will indicate that if Alaska's cigarette tax rate was raised from 8¢ to 12¢ per package 26 states including Alaska would have a cigarette tax rate of 12¢ or more per package--that 17 states would have a higher cigarette tax rate than Alaska at the 12¢ rate.

Section II of the bill commencing on line 12 and ending on line 16 provides for what amounts to a floor stock tax on cigarette inventories held in Alaska. It is the intent of this Section to avoid stockpiling prior to the effective date of the Act by wholesalers, direct buying retailers who would attempt to acquire cigarettes at the old tax rate of 8¢ prior to the effective date of the Act and then sell them at the higher retail price after the tax increase. This is a common practice when cigarette tax rates are increased by the various states. In addition to the revenues estimated to be received for the fiscal year 1972-73 in amount of \$1,809,300 it can be estimated that the floor stock tax which will be paid on inventories on July 1, 1972 will bring in additional revenues on a one-shot tax imposition in amount of approximately \$150,000 for the fiscal year 1972-73.

RDS:SA:eh

CIGARETTE TAX.

<u>Code No.</u>	<u>Item</u>	<u>Estimate 1972-73</u>	<u>Estimate 1973-74</u>	<u>Estimate 1974-75</u>	<u>Estimate 1975-76</u>	<u>Estimate 1976-77</u>
102	Cigarette Tax 3¢ - General Fund	\$1,357,000	\$1,519,800	\$1,702,200	\$1,838,300	\$1,985,400
103	Cigarette Tax 5¢ - School Fund	<u>2,261,600</u>	<u>2,533,000</u>	<u>2,837,000</u>	<u>3,063,900</u>	<u>3,309,000</u>
	Total Tax	<u>\$3,618,600</u>	<u>\$4,052,800</u>	<u>\$4,539,200</u>	<u>\$4,902,200</u>	<u>\$5,294,400</u>
102	Value 1¢ additional Tax-General Fund	\$ 452,325	\$ 506,600	\$ 567,400	\$ 612,775	\$ 661,800
102	Value 2¢ additional Tax-General Fund	904,650	1,013,200	1,134,800	1,225,500	1,323,600
102	Value 3¢ additional Tax-General Fund	1,356,975	1,519,800	1,702,200	1,838,275	1,985,400
✓ 102	Value 4¢ additional Tax-General Fund	1,809,300	2,026,400	2,269,600	2,451,050	2,647,200
102	Value 5¢ additional Tax-General Fund	2,261,625	2,533,000	2,837,000	3,063,825	3,309,000
102	Value 6¢ additional Tax-General Fund	2,713,950	3,039,600	3,404,400	3,676,600	3,970,800
102	Value 7¢ additional Tax-General Fund	3,166,275	3,546,200	3,971,800	4,289,375	4,632,600
102	Value 8¢ additional Tax-General Fund	3,618,600	4,052,800	4,539,200	4,902,150	5,294,400

STATE CIGARETTE TAX RATES & TAXATION OF TOBACCO PRODUCTS
AND DISCOUNTS ALLOWED WHOLESALERS FOR COLLECTION OR AFFIXING
INDICIA AS OF SEPTEMBER 1, 1971

STATE	CIGARETTE TAX PER PACK OF 20	DISCOUNT RATE FOR WHOLESALERS	MONETARY DISCOUNT ON CASE 600 PACKS	TOBACCO PRODUCTS TAX ON CIGARS, etc
Alabama	12 ¢	7.5 %	\$ 5.40	Yes
Alaska	8 ¢	1.0 %	0.48	No
Arizona	10 ¢	1.5 %	0.90	Yes
Arkansas	17.75¢	3.8 %	4.047	Yes
California	10 ¢	0.85 %	0.51	No
Colorado	5 ¢	6.0 %	1.80	No
Connecticut	21 ¢	1.0 %	1.26	No
Delaware	14 ¢	.003¢ per pk	1.80	Yes
Dist. of Columbia	4 ¢	6.0 %	1.44	No
Florida	17 ¢	2.0-2.9 %	1.80-2.61	No
Georgia	12 ¢	3.0 %	2.16	Yes
Hawaii	8 ¢	-0-	-0-	Yes
Idaho	7 ¢	5.0 %	2.10	No
Illinois	12 ¢	0.67-1.67 %	0.48-1.20	No
Indiana	6 ¢	4.0 %	1.44	No
Iowa	13 ¢	3.50 %	2.10	Yes
Kansas	11 ¢	3.25 %	2.145	No
Kentucky	3 ¢	6.0 %	1.08	No
Louisiana	11 ¢	9.0 %	5.94	Yes
Maine	14 ¢	2.25 %	1.89	No
Maryland	6 ¢	5.0 %	1.80	No
Massachusetts	16 ¢	1.67 %	1.60	No
Michigan	11 ¢	1.0 %	0.66	No
Minnesota	18 ¢	1.5-2.5 %	1.62-2.70	Yes
Mississippi	9 ¢	8.0 %	4.32	Yes
Missouri	9 ¢	2.0 %	1.08	No
Montana	12 ¢	8.0 %	2.40	Yes
Nebraska	13 ¢	5.0 %	3.90	No
Nevada	10 ¢	4.0 %	2.40	No
New Hampshire	10.5 ¢	3.5 %	2.20	Yes
New Jersey	14 ¢	1.97 %	1.655	No
New Mexico	12 ¢	2.0-4.0 %	1.44-2.88	No
New York	12 ¢	1.22-1.44%	0.88-1.04	No
North Carolina	2 ¢	7/24¢ a stamp	1.75	No
North Dakota	11 ¢	3.0 %	1.98	Yes
Ohio	10 ¢	3.333%	1.80	No
Oklahoma	13 ¢	4.0 %	3.12	Yes
Oregon	4 ¢	4.175%	1.002	No
Pennsylvania	18 ¢	3.0 %	3.24	No
Rhode Island	13 ¢	2.0 %	1.56	Yes
South Carolina	6 ¢	5.0 %	1.50	Yes
South Dakota	12 ¢	3.5 %	2.52	No
Tennessee	13 ¢	3.3 %	2.574	Yes
Texas	18.5 ¢	2.75 %	3.0525	Yes
Utah	8 ¢	4.0 %	1.92	Yes
Vermont	12 ¢	3.2 %	2.304	Yes
Virginia	2.5 ¢	5.0 %	0.75	No
Washington	16 ¢	0.50-2.0 %	1.11	Yes
West Virginia	12 ¢	4.0 %	2.88	No
Wisconsin	16 ¢	2.1 %	2.016	No
Wyoming	8 ¢	6.0 %	2.88	No

SUMMARY OF PRECEDING TABLE OF CIGARETTE TAX RATES, ETC.

CIGARETTE TAXES BY RATES - September 1, 1971

<u>TAX RATE</u>	<u>NO. OF STATES</u>
2.0 c	1
2.5 c	1
3.0 c	1
4.0 c	2
5.0 c	1
6.0 c	3
7.0 c	1
8.0 c	4 (including Alaska)
9.0 c	2
10.0 c	4
10.5 c	1
11.0 c	4
12.0 c	9
13.0 c	6
14.0 c	4
16.0 c	2
17.0 c	1
17.75c	1
18.0 c	1
18.5 c	1
21.0 c	1
	<u>51</u>

GENERAL INFORMATION:

10 states have lower cigarette tax rates than does Alaska
 3 states have the same cigarette tax rate as does Alaska
 37 states have higher cigarette tax rates than does Alaska

21 states have a tax on tobacco products (cigars, etc.)
 30 states including Alaska do not have a tax on tobacco products (cigars, etc.)

SOURCE OF STATISTICS: Tobacco Merchants Association of the United States
 as of September 1, 1971



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

TELEPHONE
RCA ALASKA COMMUNICATIONS, 1972 MAR 1 PM 3 43
PHONE: 536-8440
JUNEAU, ALASKA 99801

CKA045 PDF

JUNEAU ALASKA 1 328P PST

SENATOR JOHN BUTROVICH

CAPITOL BLDG JUN

SB277 CONTAINS 1.5 MILLION FOR WATER GRANTS TO CITY OF ANCHORAGE WATER UTILITY FOR SUPPLY, TRANSMISSION AND DISTRIBUTION LINES ONLY. ANCHORAGE COUNCIL HAS DIRECTED CITY TO PROCEED WITH MAJOR DEVELOPMENT SHIP CREEK FOR SUPPLY TO AVOID WATER SHORTAGE IN 1976. STATE APPLICATION NOW BEING PREPARED FOR EARLY SUBMISSION. FINANCING IS MANDATORY NOW TO PROVIDE LEAD TIME FOR DESIGN AND CONSTRUCTION. URGE SB277 BE AMMENDED TO INCREASE TOTAL BY 4 MILLION DOLLARS FOR STATE PARTICIPATION IN THIS IMPORTANT AND CRITICAL WATER SUPPLY PROJECT

ROBERT E SHARP, CITY MANAGER OF ANCHORAGE

SB277 1.5 1976 SB277 4

(31).

The Legislature of the State of Alaska
 FISCAL NOTE (1)
 Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: SB 277 (2)
 Title: Issue G. O. Bonds for water & sewer project grants
 Requested by: Legislative Finance Date: 1/27/72
 Return Date Requested: 2/3/72
 Agency: Environmental Conservation Program: NRM & EC

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Division of Water & Air Quality Control

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC (1)		23,000	5,000			
TOTAL		23,000	5,000	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER		23,000	5,000			

C. POSITIONS:

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

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

Line 100--Administrative Assistant (See page 2 attached)

Line 700--Since bond elections are customarily held only every other year, and since State funds must be available to match Federal grants every year, proceeds of this bond issue must be spread over two years.

(1) Represents grants from G.O. Bond revenues only.

IV. ATTACHMENTS

(2) Senate am adds \$5 million with \$1 million to fund Village Safe Water Act of 1970.

V. DATE: February 7, 1972 (rev) PREPARED BY:

James A. Anderegg
 James A. Anderegg

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

The Legislature of the State of Alaska

FISCAL NOTE (2)

Second Session - Seventh State Legislature

(2) This fiscal note details the annual operating cost requirement to administer the G.O. Bond grants & the annual debt service to repay the bonds; + other grant programs that will require expansion.

I. REQUEST
 Bill Identification: SB 277
 Title: Issue G.O. Bonds for Sewer and Water Project Grants
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: STAFF SUMMARY 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 (1)	-0-	9.8	10.1	10.5	10.9	11.3
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC(2)	-0-	-0-	58.6	60.3	62.1	64.0
DEBT SERVICE (3)	-0-	-0-	1,990.4	2,423.1	2,423.1	2,423.1
TOTAL	-0-	9.8	2,059.1	2,493.9	2,496.1	2,498.4

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	9.8	2,059.1	2,493.9	2,496.1	2,498.4
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 /	1 /	1 /	1 /	1 /	1 /
MAN MONTHS (P./T.)	0 /	12 /	12 /	12 /	12 /	12 /

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

- (1) One new permanent Administrative Assistant
- (2) Increased water/sewer grants for municipal services revenue sharing program.
- (3) Assumes \$23,000,000 bonds sold FY 73; balance sold FY 74.

IV. ATTACHMENTS

1. Staff Comments: State Aid to Local Governments
2. Fiscal Note: Environmental Conservation, proposed projects
3. Fiscal Note: Budget and Management, debt service

V. DATE: 2/21/72 PREPARED BY: Rich Guthrie
 Rich Guthrie, Fiscal Analyst

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

Fiscal Note SB - 277
 6% - 20 Years
 \$28,000,000 G.O. Bonds
 Water & Sewer Grants

	Principal	First Six Months Interest Payment	Principal Payment	Second Six Months Interest Payment	Principal Payment	Total Payment
First Year	\$28,000,000	840,000	371,560	828,853	382,707	2,423,120
Second Year	27,245,733	817,372	394,188	802,546	409,014	2,423,120
Third Year	26,442,531	793,276	418,284	780,727	430,833	2,423,120
Fourth Year	25,593,414	767,802	443,758	754,490	457,070	2,423,120
Fifth Year	24,692,586	740,778	470,782	726,654	484,906	2,423,120
Sixth Year	23,736,898	712,107	499,453	697,123	514,437	2,423,120
Seventh Year	22,723,008	681,690	529,870	665,794	545,766	2,423,120
Eighth Year	21,647,372	649,421	562,139	632,557	579,003	2,423,120
Ninth Year	20,506,230	615,187	596,373	597,296	614,264	2,423,120
Tenth Year	19,295,593	578,868	632,692	559,887	651,673	2,423,120
Eleventh Year	18,011,228	540,337	671,223	519,900	691,660	2,423,120
Twelfth Year	16,648,345	499,450	712,110	478,087	733,473	2,423,120
Thirteenth Year	15,202,762	456,083	755,477	433,419	778,141	2,423,120
Fourteenth Year	13,669,144	410,074	801,486	386,030	825,530	2,423,120
Fifteenth Year	12,042,128	361,264	850,296	335,755	875,805	2,423,120
Sixteenth Year	10,316,027	309,481	902,079	282,418	929,142	2,423,120
Seventeenth Year	8,484,806	254,544	957,016	225,834	985,726	2,423,120
Eighteenth Year	6,542,064	196,262	1,015,298	165,803	1,045,757	2,423,120
Nineteenth Year	4,481,009	134,430	1,077,130	102,116	1,109,444	2,423,120
Twentieth Year	2,294,435	68,833	1,142,727	34,551	1,151,708	2,397,819

TOTAL \$48,437,099

ANALYSIS

The following comments apply to the questions raised in the January 27, 1972 memorandum from the Legislative Finance Committee requesting this Fiscal Note:

(1) The amount of Federal aid generated by these general obligation bonds is not a discrete single figure. This program was conceived and the law was drawn in the spring of 1970 to take advantage of a clause in Federal law which automatically increases Federal sewage treatment plant grants from 33% to 55% where a State provides 25% of the cost of each project, as Alaska now does under this program. Provision for construction grants for collection sewers (as contrasted with interceptors and sewage treatment) and for water systems was added to the proposed State legislation at a time when it appeared that royalties from the production of oil soon would be flowing freely, and thus, that adequate funding for all such programs would be readily available. In the tentative list of projects used to develop the \$28 million for FY 73, if only sewage treatment projects are considered, the additional 22% of Federal aid generated by the bond issue would amount to about \$8 million. If, however, it is considered that few, if any, Alaskan municipalities can construct water or sewer system facilities at today's prices without a combination of both State and Federal financial assistance, and if it is recognized that Federal assistance for water and sewer system projects averages about 40%, from 40 to 45 million Federal dollars will be generated by this \$28 million State bond issue.

(2) The attached listing of water and sewer system funding needs has been developed to show a program requirement this year of \$28 million. It should be noted that this listing does not represent commitment or priority order of projects. Since many of the municipalities listed have not yet obtained Federal commitments, and those on the lower part of the page have not raised their own funding, actual priorities will be established at the time funds become available soon after the general election in November. Similarly, completion dates are not available at this time. In a number of cases, the municipalities, even those in the upper part of the list where municipal bond elections have been held, are awaiting State funding to authorize consulting engineers to carry out detailed designs.

(3) As this program is growing, it will be essential to place administration on a permanent basis, instead of relying on a temporary administrative assistant, as has been done until the present time. The position proposed for funding in the Fiscal Note will establish the administration of this program on a permanent and orderly basis, and provide more prompt servicing of municipal forms.

The administrative details involve a complex interweaving of State grant and loan payments with payments from several Federal agencies also supporting such construction. Since this Department fixes priorities for Federal funding among sewage treatment projects, a variety of Federal fiscal forms for change orders, progress reports, etc., must be co-ordinated with State payments. Because this is a new Department, the administration of this program is a relatively large work load which cannot be absorbed by the skeleton administrative staff proposed in the FY 73 budget. Perhaps five percent of the time of the employee administering this program will be devoted to handling matters which will be generated by passage of HB 429 (loans from the same funds for advance engineering of water and sewer projects.)

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Municipalities - Bond Elections Have Been Held

<u>Municipality</u>	<u>Service</u>	<u>State Grant Required in \$ Millions 25% of Project Cost</u>
Greater Anchorage Area Boro	sewer	\$3.5
City of Anchorage	water	1.5
Fairbanks	sewer	3.0
Fairbanks	water	2.5
Haines	sewer	0.2
Haines	water	0.1
City and Boro of Juneau	sewer	2.0
Kodiak	sewer	2.0
Kodiak	water	1.5
City and Boro of Sitka	water	<u>0.1</u>
Sub-total		\$16.4

Estimated Amounts Where Bond Elections Not Yet Held

Ketchikan	sewer	2.0
Ketchikan	water	0.5
Kenai	water	1.0
Sitka	sewer	1.0
Petersburg	sewer	0.5
Petersburg	water	0.5
Seward	sewer	0.2
Homer	water	0.4
Metlakatla	water	0.1
Skagway	sewer	0.2
Skagway	water	0.2
Cordova	sewer	0.2
Dillingham	sewer	0.1
Dillingham	water	<u>0.1</u>
Sub-total		<u>7.0</u>
Total for Grants		23.4
Loans of Federal share of sewage treatment plant grants		<u>4.6</u>
Total Required		\$28.0



Alaska State Legislature

Senate

JUNEAU ALASKA

MEMORANDUM

TO: Legislative Finance Committees

DATE: February 21, 1972

FROM: Rich Guthrie
Fiscal Analyst *RY*

SUBJ: STAFF COMMENTS, SB 277,
Issue G.O. Bonds for
Water and Sewer Project
Grants, Additional
Revenue Sharing Require-
ments.

The following municipalities will become eligible for Air and/or Water Pollution Control grants in FY 1974. Individual population estimates are based upon the 1970 U.S. Census. However, the total population estimates have been increased 3% a year based upon current statewide growth projections.

<u>MUNICIPALITY</u>	<u>FY '70 POPULATION</u>	<u>GRANT (@ \$2 per capita)</u>
Cordova	1,164	
Haines	463	
Juneau	6,050	
Kodiak	3,798	
Ketchikan	6,994	
Petersburg	2,042	
Seward	1,587	
Sitka	3,370	
Skagway	<u>675</u>	
FY '70 POPULATION	26,143	
ESTIMATED INCREASE BY FY '74	<u>3,137</u>	
ESTIMATED FY '74	29,280	\$ 58,560
ESTIMATED FY '75	30,158	60,316
ESTIMATED FY '76	31,062	62,124
ESTIMATED FY '77	31,993	63,986

RG/ds

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

I. REQUEST

Bill Identification: SB 277
 Title: Issue G.O. Bonds for water & sewer project grants
 Requested by: Legislative Finance Date: 1/27/72
 Return Date Requested: 2/3/72
 Agency: Environmental Conservation Program: NRM & EC

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Division of Water & Air Quality Control

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES	-0-	9,768	10,128	10,512	10,908	11,316
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	9,768	10,128	10,512	10,908	11,316

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	9,768	10,128	10,512	10,908	11,316
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0/	1/	1/	1/	1/	1/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

see attached

IV. ATTACHMENTS

V. DATE: February 7, 1972

PREPARED BY: James A. Anderegg

James A. Anderegg

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

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE / JUNEAU 99801

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

RECEIVED

JAN 28 1972

Department of
Environmental Conservation

M E M O R A N D U M

TO: James Anderegg, Dep. Comm.
Department of Environmental
Conservation

DATE: 1/27/72

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 277,
AND RETURN IT TO OUR OFFICE BY 2/3/72.

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/71),
PLEASE OBSERVE THE FOLLOWING:

1. How much federal aid will these G.O. bonds generate?
2. Based upon present plans, how will these total funds be expended - by locality and project? Please indicate estimated completion dates.
3. Upon approval or completion of these projects, how much additional total operating program general fund expenditures will be required by your agency for administration, other grants, etc?

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 277
 Title: Issue G.O. Bonds for Water & Sewer Project Grants
 Requested by: Legislative Finance Date: 1/27/72
 Return Date Requested: 2/3/72
 Agency: Budget and Management Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

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

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

IV. ATTACHMENTS

Debt Service Schedule attached.

V. DATE: February 3, 1972

PREPARED BY: M. R. Charney

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

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

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 277

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1972
21 Water Supply and Sewerage System Construction Fund" shall be established,
22 to which shall be credited the proceeds of the sale of the bonds described
23 in sec. 1 of this Act except for the accrued interest and premiums. There
24 is appropriated from the "1972 Water Supply and Sewerage System Construction
25 Fund" to the Department of Environmental Conservation the sum of
26 \$33,000,000. The specific uses of the proceeds of these bonds shall be
27 determined by the governor in accordance with AS 46.03.030 except that
28 \$1,000,000 of the proceeds shall be used in funding the Village Safe Water
29 Act of 1970 (AS 46.07.010 - 46.07.080).

Article 2. Prohibited Acts and Penalties.

Section 160-220. [Repealed]

Secs. 46.05.160--46.05.220.

Repealed by § 4 ch 120 SLA 1971, effective July 1, 1971.

Editor's note. — The repealed article derived from ch. 117, SLA 1949; ch. 109, SLA 1968; ch. 244, SLA 1970.

Chapter 62, SLA 1971, effective May 11, 1971, amended AS 46.05.173(a) and (b) to read:

"(a) No person may pollute or add to the pollution of waters of the state by discharging from any vessel ballast water, tank-cleaning waste water or other waste containing petroleum in excess of the maximum permitted by the water quality standards established under secs. 40 and 150 of this chapter and in no event may a vessel discharge ballast water, tank-cleaning waste water or other waste containing petroleum in excess of 50 parts per million of oily residue.

(b) Except as provided in (c) of this section, no vessel may take on petroleum or any petroleum product or by-product as cargo unless it arrives in ports in the state without having discharged ballast at sea during the period of time from departure of the vessel en route to the state from a port outside the state to arrival at a port in the state or while in transit between ports in the state, and the master of the vessel certifies that fact on forms provided by the department."

The repeal of AS 46.05 in § 4, ch. 120, SLA 1971, became effective July 1, 1971, and these provisions appear as AS 46.03.750(a) and (b).

Article 3. General Provisions.

Section 225-240. [Repealed]

Secs. 46.05.225—46.05.240.

Repealed by § 4 ch 120 SLA 1971, effective July 1, 1971.

Editor's note. — The repealed article derived from ch. 117, SLA 1949; ch. 109, SLA 1968; ch. 145, SLA 1970.

Chapter 07. Village Safe Water Act.

- Section 10. Statement of purpose
- 20. Provision of facilities
- 30. Nature and location of facilities
- 40. Construction of facilities
- 50. Operation of facilities

- Section 60. Educational and informational program
- 70. Economy of administration
- 80. Definitions

Sec. 46.07.010. Statement of purpose. It is the purpose of this chapter to establish a program designed to provide safe water and hygienic sewage disposal facilities in villages in the state. (§ 1 ch 186 SLA 1970)

Sec. 46.07.020. Provision of facilities. The commissioner shall institute and carry out a program to provide for the installation of such safe water and hygienic sewage disposal facilities in villages in the state

as are necessary water and hygi 1970)

Sec. 46.07.030

constructed und the public and s shall include, at pumping facilit and healthful f hygienic sewage building housin determines it to used as a commi

(b) The locati determined by t body of the vill appropriate pub State Housing . velopment Planr maximum coord fecting the comm 1970)

Sec. 46.07.040.

shall provide for authorized to pro to public agencie contribution tow required from its

(b) In the con from the village utilized to the ma

Sec. 46.07.050.

the village gover hygienic sewage the commissione complete owner: commissioner m satisfactory assu upon completion the operation and

(b) Whenever governing body d and maintain the governing body in

CORRECTION

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

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

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 277

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1972
21 Water Supply and Sewerage System Construction Fund" shall be established,
22 to which shall be credited the proceeds of the sale of the bonds described
23 in sec. 1 of this Act except for the accrued interest and premiums. There
24 is appropriated from the "1972 Water Supply and Sewerage System Construction
25 Fund" to the Department of Environmental Conservation the sum of
26 \$33,000,000. The specific uses of the proceeds of these bonds shall be
27 determined by the governor in accordance with AS 46.03.030 except that
28 \$1,000,000 of the proceeds shall be used in funding the Village Safe Water
29 Act of 1970 (AS 46.07.010 - 46.07.080).

1 * Sec. 3. If the issuance of these bonds is authorized by the qualified
2 voters of the state, the amount of \$115,500 or as much of that amount as is
3 found necessary is appropriated from the general fund of the state to the
4 state bond committee to carry out the provisions of this Act and to pay
5 expenses incident to the sale and issuance of the bonds authorized in this
6 Act. The amounts expended from the appropriation authorized by this section
7 shall be reimbursed to the general fund from the proceeds of the sale of
8 the bonds authorized by this Act.

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

12 Proposition

13 State General Obligation Water Supply and Sewerage
14 System Construction Bonds \$33,000,000

15 Shall the State of Alaska issue its general obligation bonds
16 in the principal amount of not more than \$33,000,000 for the
17 purpose of paying the cost of capital improvements for water
18 supply and sewerage systems?

19 Bonds Yes []

20 'Bonds No []

21 * Sec. 5. This Act takes effect on the day after its passage and
22 approval or on the day it becomes law without approval.
23
24
25
26
27
28
29

Article 2. Prohibited Acts and Penalties.

Section 160-220. [Repealed]

Secs. 46.05.160-46.05.220.

Repealed by § 4 ch 120 SLA 1971, effective July 1, 1971.

Editor's note. - The repealed article derived from ch. 117, SLA 1949; ch. 109, SLA 1968; ch. 244, SLA 1970.

Chapter 62, SLA 1971, effective May 11, 1971, amended AS 46.05.173(a) and (b) to read:

"(a) No person may pollute or add to the pollution of waters of the state by discharging from any vessel ballast water, tank-cleaning waste water or other waste containing petroleum in excess of the maximum permitted by the water quality standards established under secs. 40 and 150 of this chapter and in no event may a vessel discharge ballast water, tank-cleaning waste water or other waste containing petroleum in excess of 50 parts per million of oily residue.

(b) Except as provided in (c) of this section, no vessel may take on petroleum or any petroleum product or by-product as cargo unless it arrives in ports in the state without having discharged ballast at sea during the period of time from departure of the vessel en route to the state from a port outside the state to arrival at a port in the state or while in transit between ports in the state, and the master of the vessel certifies that fact on forms provided by the department."

The repeal of AS 46.05 in § 4, ch. 120, SLA 1971, became effective July 1, 1971, and these provisions appear as AS 46.03.750(a) and (b).

Article 3. General Provisions.

Section 225-240. [Repealed]

Secs. 46.05.225-46.05.240.

Repealed by § 4 ch 120 SLA 1971, effective July 1, 1971.

Editor's note. - The repealed article derived from ch. 117, SLA 1949; ch. 109, SLA 1968; ch. 145, SLA 1970.

Chapter 07. Village Safe Water Act.

- Section 10. Statement of purpose
20. Provision of facilities
30. Nature and location of facilities
40. Construction of facilities
50. Operation of facilities

- Section 60. Educational and informational program
70. Economy of administration
80. Definitions

Sec. 46.07.010. Statement of purpose. It is the purpose of this chapter to establish a program designed to provide safe water and hygienic sewage disposal facilities in villages in the state. (§ 1 ch 136 SLA 1970)

Sec. 46.07.020. Provision of facilities. The commissioner shall institute and carry out a program to provide for the installation of such safe water and hygienic sewage disposal facilities in villages in the state

as are necessary water and hygiene (1970)

Sec. 46.07.030

constructed under the public and shall include, at pumping facilities and healthful for hygienic sewage building housing determines it to used as a commu

(b) The location determined by the body of the village appropriate public State Housing A velopment Plan maximum coordi fecting the comm 1970)

Sec. 46.07.040.

shall provide for authorized to pro to public agencie contribution tow required from its

(b) In the con from the village utilized to the ma

Sec. 46.07.050.

the village govern hygienic sewage the commissioner complete owners commissioner m satisfactory assu upon completion the operation and

(b) Whenever governing body d and maintain the governing body in

§ 46.07.030 WATER, AIR & ENVIRONMENTAL CONSERVATION § 46.07.050

as are necessary to assure that there will be at least one facility for safe water and hygienic sewage disposal in each village. (§ 1 ch 186 SLA 1970)

Sec. 46.07.030. Nature and location of facilities. (a) A facility constructed under authority of this chapter shall be available for use by the public and shall be designed to assure year-round use. The facility shall include, at a minimum, a source of clean water, such as a well with pumping facilities or utilization of surface water treated so it is safe and healthful for use, shower bath facilities, an adequate means of hygienic sewage disposal, and facilities for the washing of clothes. The building housing the facility shall also contain, if the commissioner determines it to be feasible and appropriate, suitable quarters to be used as a community health service office.

(b) The location of a facility constructed under this chapter shall be determined by the commissioner after consultation with the governing body of the village in which the facility is located, as well as with appropriate public agencies, including but not limited to the Alaska State Housing Authority and the Federal Field Committee for Development Planning in Alaska. The aim of the consultation is to achieve maximum coordination in public development plans and activities affecting the community in which the facility is to serve. (§ 1 ch 186 SLA 1970)

Sec. 46.07.040. Construction of facilities. (a) The commissioner shall provide for the construction of facilities under this chapter, and is authorized to provide for the construction by contract or through grants to public agencies or private nonprofit organizations, or otherwise. No contribution toward the cost of the construction of a facility may be required from its users.

(b) In the construction of a facility under this chapter, workmen from the village in which the facility is being constructed shall be utilized to the maximum extent feasible. (§ 1 ch 186 SLA 1970)

Sec. 46.07.050. Operation of facilities. (a) It is the responsibility of the village governing body to maintain and operate the safe water and hygienic sewage disposal facility, and upon completion of the facility the commissioner shall execute the necessary transfers of title to vest complete ownership of the facility in the governing body. The commissioner may not construct a facility unless he first receives satisfactory assurances from the village governing body that it will, upon completion of a facility, accept ownership and responsibility for the operation and maintenance of the facility.

(b) Whenever the commissioner determines that the village governing body does not have sufficient financial resources to operate and maintain the facility, the commissioner may make grants to the governing body in amounts which, when combined with other financial

assistance available to it, will enable the governing body to operate and maintain the facility.

(c) When necessary, the commissioner may require the creation of a nonprofit corporation in the village and shall contract with this corporation in order to carry out the purpose of this chapter. The contract shall provide that when an unincorporated community, which for purposes of this chapter is under contract to the state, subsequently is incorporated, then the contract terminates at the time of incorporation and the governing body of the newly incorporated city assumes the powers and duties set out in this chapter for the governing bodies of other incorporated cities. (§ 1 ch 186 SLA 1970)

Sec. 46.07.060. Educational and informational program. The commissioner shall conduct, in each village where there is located a safe water and hygienic sewage disposal facility, an appropriate educational and informational program designed to familiarize the residents of the village as to the health advantages to be achieved by the utilization of the facility. (§ 1 ch 186 SLA 1970)

Sec. 46.07.070. Economy of administration. In order to prevent duplication of effort and to promote economy of administration, the commissioner shall, to the maximum extent feasible, utilize the facilities of appropriate public agencies in the administration of the provisions of this chapter. (§ 1 ch 186 SLA 1970)

Sec. 46.07.080. Definitions. In this chapter

(1) "commissioner" means the commissioner of health and social services;

(2) "village" means an unincorporated community which has between 25 and 600 people residing within a two-mile radius, or a fourth class city. (§ 1 ch 186 SLA 1970; am § 6 ch 104 SLA 1971)

Effect of amendment. — The 1971 "commissioner of health and welfare" in amendment substituted "commissioner of health and social services" for paragraph (1).

Chapter 10. Pollution as Nuisance.

Section 10-20. [Repealed]

Secs. 46.10.010, 46.10.020.

Repealed by § 4 ch 120 SLA 1971, effective July 1, 1971.

Editor's note. — The repealed chapter derived from §§ 40-9-2, 40-9-3. ACLA 1949.

Section 5, ch. 120, SLA 1971, effective July 1, 1971, provides: "All litigation, hearings, investigations and other proceedings pending under any law amended or functions which may be

transferred by this Act, continue in effect and may be continued and completed notwithstanding any such transfer or amendment provided for in this Act. Certificates, orders, rules or regulations issued or filed under authority of a law amended by this Act or functions which

may b
effect
revoke
under
contra
any l
of fun

Artick

- 1. Ad
- 2. Ap
- 3. Wa
- 4. Ger

Section

- 10. D
- 20. A

Se

Natu
of th
1966)

Se

comr
neces
comr

(1)

provi
local

(2)

from
the p

other
recei

(3)

sourc

the p

(b)

(1)

vision
the

46.05

16;

(2)

certif



LAWS OF ALASKA

1970

Source

HCSSB 500

Chapter No.

220

AN ACT

Relating to a debt of the state; providing for the issuance of general obligation bonds in the amount of \$11,000,000, for the purpose of paying the cost of acquiring, constructing and equipping and making other capital improvements for water supply and sewerage systems; providing for the submission to a vote of the qualified voters of the state of the proposition of whether or not such bonds may be issued for such purposes; and providing for an effective date.

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

* Section 1. Sec. 1, ch. 147 SLA 1970 is amended to read:

Section 1. For the purpose of paying part or all of the cost of acquiring, constructing and equipping and making other capital improvements for water supply and sewerage systems, general obligation bonds of the state in the principal sum of not to exceed \$11,000,000 shall be issued and sold. The full faith, credit, and resources of the state shall be and are hereby pledged to the payment of the principal of and interest on such bonds, which bonds shall be issued under the provisions of AS 37.15 as amended at the time of issuance. The legislature may provide additional sources of money for the payment of such principal and interest, and this Act shall not be deemed to provide an exclusive method of payment.

* Sec. 2. Sec. 2, ch. 147 SLA 1970 is amended to read:

Sec. 2. The amounts of such bonds to be issued from time to time and the time or times of their issuance shall be fixed by the State Bond Committee (created by AS 37.15-110), and the specific uses of the proceeds of such bonds shall be determined by the governor provided \$3,000,000 shall be used for purposes set out in AS 46.07.010 - 46.07.080.

* Sec. 3. Sec. 3, ch. 147 SLA 1970 is amended to read:

Sec. 3. In the event the issuance of such bonds is authorized by the qualified voters of the state, the sum of \$38,500 or so much thereof as shall be found necessary

is appropriated from the general fund of the state to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized herein. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 4. Sec. 4, ch. 147 SLA 1970 is amended to read:

Sec. 4. In the event the issuance of such bonds is authorized by the qualified voters of the state, a special fund of the state to be known as the "1970 Water Supply and Sewerage System Construction Fund" shall be created, into which shall be paid the proceeds of the sale of the bonds described in sec. 1 of this Act except for the accrued interest and premiums. There is hereby appropriated from the "1970 Water Supply and Sewerage System Construction Fund" to the Department of Health and Welfare the sum of \$11,000,000.

* Sec. 5. Sec. 7, ch. 147 SLA 1970 is amended to read:

Sec. 7. The proposition to be submitted to the qualified voters at said election shall read substantially as follows:

Proposition

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

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed \$11,000,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping water supply and sewerage systems?

Bonds Yes []

Bonds No []

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

Approved by governor: June 18, 1970
Actual effective date: June 19, 1970



LA

Source

ASRSB 435

relating to a debt of general obligation bonds for the purpose of paying the cost of acquiring and making other facilities; providing for the qualified voters of the state that such bonds may be issued on an effective date.

AS IT ENACTED BY THE LEGISLATURE

* Section 1. For the purpose of acquiring, constructing and making other facilities, the State of Alaska shall issue its general obligation bonds of the principal sum of not to exceed \$5,500,000 shall be authorized, and resources of the State shall be pledged to the payment of the principal and interest on such bonds, which bonds shall mature on 37.15 as amended at the time of the passage of this Act. The State Bond Committee shall provide additional security for the principal and interest, and shall provide an exclusive method for the payment of the principal and interest on such bonds.

* Sec. 2. The amounts of the bonds and the time or times for the payment of the principal and interest on the bonds shall be determined by the State Bond Committee for specific uses of the proceeds of the bonds as determined by the governor in accordance with the provisions of this Act.

Project

- Livengood
- Fairbanks District
- Juneau District C
- Manley Shop
- O'Brien Shop
- Eagle Shop
- Cascade Shop
- Silvertip Shop
- Broad Pass Shop
- Seward Shop
- Palmer Warm Storage
- Ruby Shop

STATE OF ALASKA

The schedule below is a general summary of bonded debt and debt service activities for the fiscal year ended June 30, 1971. In this schedule, as well as on all statements and schedules in this report, interest required until maturity of the bonds is shown as a liability.

<u>Activity</u>	<u>Bonds Outstanding</u>	<u>Interest to Maturity on O/S Bonds</u>	<u>Total Principal and Interest Liability</u>	<u>Bonds Unissued</u>
Balance July 1, 1970	\$133,794,000	\$ 66,049,400	\$199,843,400	\$ 30,210,000
New Bonds Authorized				146,200,000
Bonds Sold	69,380,000	46,593,400	115,973,400	-69,380,000
Debt Service Paid	-7,971,000	-7,330,700	-15,301,700	
<u>Balance June 30, 1971</u>	<u>\$195,203,000</u>	<u>\$105,312,100</u>	<u>\$300,515,100</u>	<u>\$107,030,000</u>

New Bonds Authorized. At the general election held on November 3, 1970 the voters ~~ratified~~ the authorization of eleven new general obligation bond issues. The new issues, amounts and legal references are as follows:

<u>Issue</u>	<u>Amount</u>	<u>SLA 1970</u>
University Construction	\$ 29,700,000	Ch. 224
Highway Construction	29,200,000	Ch. 182
Ferry Construction	21,000,000	Ch. 223
School Construction	20,300,000	Ch. 170
Water & Sewage Systems	11,000,000	Ch. 220
Airport Construction	10,000,000	Ch. 222
State Correctional Facilities	8,600,000	Ch. 183
State Medical Facilities	5,600,000	Ch. 190
Highway Maintenance Facilities	5,500,000	Ch. 221
Alaska Remote Housing	3,000,000	Ch. 180
State Recreational Facilities	2,300,000	Ch. 181
Total	\$146,200,000	

All of these issues were authorized under the provisions of AS 37.15 as amended by Chapter 92 SLA 1970. They may be sold for a maximum effective interest rate of up to seven per cent.

The schedule below shows the amount of new issues authorized in each fiscal year since statehood. The total amount of new issues in fiscal 1971 was by far the largest amount ever ratified by the voters.

1961	\$ 30,500,000
1963	17,325,000
1964	8,185,000
1965	7,000,000
1967	62,585,000
1968	5,000,000
1969	44,700,000
1971	146,200,000

STATE OF ALASKA

Bonds Sold. The State held six sales and issued \$69,380,000 of general obligation bonds during fiscal 1971. The capital improvement projects being financed with the proceeds are as follows:

University Facilities	\$16,150,000
Schools	11,905,000
Highways	11,430,000
Airports	9,000,000
<u>Water & Sewage Systems</u>	<u>8,750,000</u>
Fish Hatchery Facilities	2,700,000
Hospitals and Medical Facilities	2,560,000
State Correctional Facilities	2,100,000
Highway Maintenance Facilities	2,000,000
Alaska Remote Housing	1,500,000
Ferry Construction	1,050,000
Outdoor Recreation Facilities	235,000
-Total	\$69,380,000

The schedule below shows bonds sold during the last seven years. The amount of bonds sold in fiscal 1971 was more than double the amount sold in any preceding year.

1965	\$ 2,665,000
1966	none
1967	30,585,000
1968	26,000,000
1969	19,000,000
1970	32,231,000
1971	69,380,000

During the last two fiscal years the State held ten sales of general obligation bonds. Details of individual sales are as follows:

<u>Date</u>	<u>Amount</u>	<u>Effective Interest</u>	<u>Maturity</u>
July 1, 1969	\$10,500,000	5.6936%	10 years
September 1, 1969	8,200,000	5.6250%	10 years
October 1, 1969	2,030,000	3.0000%	30 years
March 1, 1970	11,501,000	5.4901%	10 years
July 1, 1970	12,900,000	5.9075%	5 years
September 1, 1970	11,325,000	5.8750%	5 years
February 1, 1971	21,325,000	5.0719%	21 years
June 1, 1971	18,880,000	6.0377%	25 years
June 1, 1971	3,750,000	6.0401%	25 years
June 1, 1971	1,200,000	6.0000%	25 years

Debt service subsidy grants for interest in excess of three per cent are guaranteed by the Department of Health, Education and Welfare on the \$3,750,000 sale of June 1, 1971 and by the Department of Housing and Urban Development on the \$1,200,000 sale as of the same date.

STATE OF ALASKA

Bonds outstanding at June 30, 1971 consisted of the following:

State-incurred obligations	\$193,518,000
Territorial obligations assumed	1,685,000
Total general obligations	\$195,203,000

In 1958, Alaska, as a territory, sold \$2,932,000 of bonds for the construction of armories and facilities at the University. The bonds were issued by the Territory under a 1956 federal authorization. These bonds constituted the entire debt of the Territory when statehood became effective on January 3, 1959. They are now valid general obligations of the State payable out of the general fund.

As shown below, the amount of bonds authorized but unissued at June 30, 1971 was \$107,030,000.

Highway Construction	\$ 25,225,000
Ferry Construction	19,950,000
University Construction	18,480,000
School Construction	15,220,000
Airport Construction	8,100,000
State Correctional Facilities	6,500,000
State Medical Facilities	4,240,000
Highway Maintenance Facilities	3,500,000
Water and Sewage Systems	2,250,000
State Recreational Facilities	2,065,000
Alaska Remote Housing	1,500,000
Total Unissued	\$107,030,000

Ratings. Ratings of state general obligation bonds by the two nationally recognized rating services were as follows:

Standard & Poor's	A
Moody's	Baa

INTERNATIONAL AIRPORTS REVENUE BONDS

Chapter 88 SLA 1961 authorized the issuance of \$7,000,000 of revenue bonds with the proceeds to be used for improvements to the two international airports. This Act established a maximum effective interest rate of six per cent and provided that maturities were to be fixed by the State Bond Committee.

Chapter 88 SLA 1961 was amended by Chapter 62 SLA 1968, by Chapter 80 SLA 1968 and by Chapter 173 SLA 1970. Chapter 62 SLA 1968 increased the maximum effective interest to seven per cent. Chapter 80 SLA 1968 increased the amount of bonds authorized to \$9,225,000. Chapter 173 SLA 1970 increased the maximum effective interest rate to eight per cent and the amount of bonds authorized to \$19,225,000.

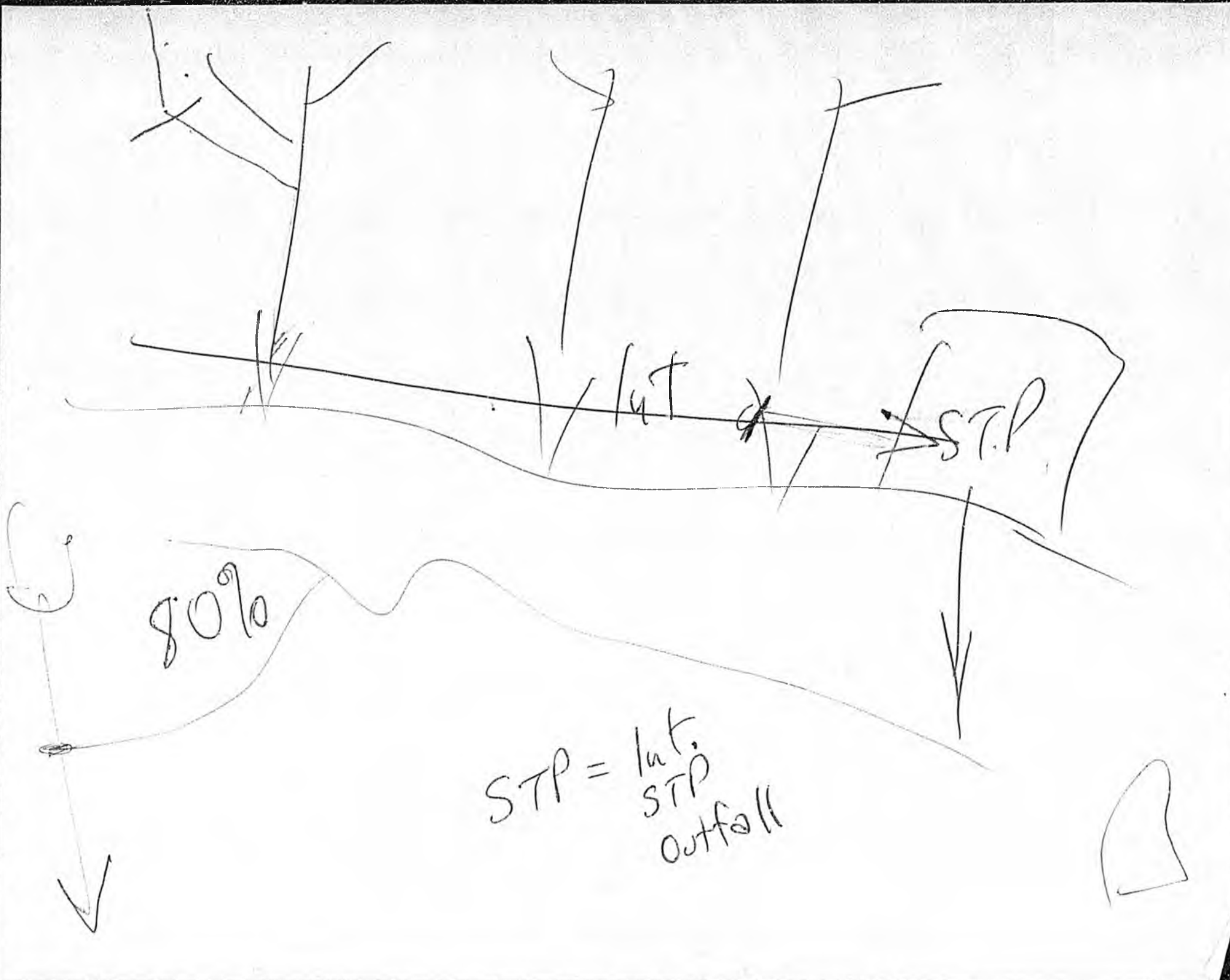
-60% - EDA

Fed state Co

Sold

(b) W		HUD - 50 EDA - 10	20	20
(b) S	HUD -	HUD - 50 EDA - 10	20	20
(2) ST		EPA - 55 EDA - 5	25	15
S. laterals			25	75

AS 46-03.030



90%

let

STP

STP = let
STP
outfall

Committee Report

S E N A T E

2/29/72

Date

Mr. President:

The Committee on Finance has had SB 277
(Issue water and sewer bonds)
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:

Bill Stary

W. M. ...

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature]

CHAIRMAN

MEMORANDUM

State of Alaska

TO:

The Honorable Jan M. Koslosky
 Chairman
 Senate State Affairs Committee
 Alaska State Legislature

DATE : January 26, 1972

FROM: *for*

James W. Anderson (fm)
 Max C. Brewer
 Commissioner
 Department of Environmental Conservation

SUBJECT: Request for Amendment: SB 277

In SB 277, Governor William A. Egan has proposed authorization of a \$28 million bond issue to provide additional State matching funds for the construction of municipal water and sewer system improvements.

In order to clearly specify the purposes for which these funds are intended, I am writing to suggest the desirability of substituting a comma for the period following the word "governor" in line 27 on page 1 of this bill, and adding the following phrase: "in accordance with AS 46.03.030."

This suggestion has the concurrence of the Office of the Attorney General.

Thank you for your consideration.

cc: The Honorable John Butrovich, Chairman ✓
 Senate Finance Committee

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

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 277

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$28,000,000 for the
8 purpose of paying the cost of capital improvements for
9 water supply and sewerage systems; and providing for
10 an effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for water supply and sewerage systems, general obligation bonds of the state
14 in the principal amount of not more than \$28,000,000 shall be issued and
15 sold. The full faith, credit and resources of the state are pledged to the
16 payment of the principal of and interest and redemption premium, if any, on
17 these bonds. These bonds shall be issued under the provisions of AS 37.15
18 as those provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1972
21 Water Supply and Sewerage System Construction Fund" shall be established,
22 to which shall be credited the proceeds of the sale of the bonds described
23 in sec. 1 of this Act except for the accrued interest and premiums. There
24 is appropriated from the "1972 Water Supply and Sewerage System Construction
25 Fund" to the Department of Environmental Conservation the sum of
26 \$28,000,000. The specific uses of the proceeds of these bonds shall be
27 determined by the governor.

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

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

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

10 Proposition

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

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

17 Bonds Yes []

18 Bonds No []

19 * Sec. 5. This Act takes effect on the day after its passage and
20 approval or on the day it becomes law without approval.
21
22
23
24
25
26
27
28
29

*Get fiscal year for
Environment*

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

POUCH 0 — JUNEAU 99801

January 21, 1972

Senator Jan M. Koslosky, Chairman
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99801

Dear Senator Koslosky:

In accordance with the January 19, 1972 request from Mr. Terry Dale, I attach a copy of the latest tabulation prepared by this Department in developing the amount of the bond issue proposed by SB 277.

It should be noted that this list is constantly changing as additional municipalities hold elections and as consulting engineers bring in additional preliminary plans with cost estimates. Since this list was prepared on October 30, 1971, Haines has voted its share of water and sewer system improvements, and thus would be moved to the first listing, that of municipalities where bond elections have been held. Another major addition is the recent proposal by the City of Anchorage to develop a major water storage reservoir at Ship Creek, where a total cost would be between \$10 and \$15 million. The State twenty-five percent share of such a project is estimated at \$3 million.

At \$28 million, as proposed by SB 277 (without general fund appropriation), the amount available for loans in the attached tabulation should read \$4.7 million. Since the Federal law providing for sewage treatment plant grants authorizes reimbursement after a project has been totally funded locally, our State law also authorizes the Department to lend the Federal share of a sewage treatment plant grant. These loan funds are intended for that purpose.

Sincerely yours,



Max C. Brewer
Commissioner

Enclosure

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

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 277

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$28,000,000 for the
8 purpose of paying the cost of capital improvements for
9 water supply and sewerage systems; and providing for
10 an effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for water supply and sewerage systems, general obligation bonds of the state
14 in the principal amount of not more than \$28,000,000 shall be issued and
15 sold. The full faith, credit and resources of the state are pledged to the
16 payment of the principal of and interest and redemption premium, if any, on
17 these bonds. These bonds shall be issued under the provisions of AS 37.15
18 as those provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1972
21 Water Supply and Sewerage System Construction Fund" shall be established,
22 to which shall be credited the proceeds of the sale of the bonds described
23 in sec. 1 of this Act except for the accrued interest and premiums. There
24 is appropriated from the "1972 Water Supply and Sewerage System Construction
25 Fund" to the Department of Environmental Conservation the sum of
26 \$28,000,000. The specific uses of the proceeds of these bonds shall be
27 determined by the governor.

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

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

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

10 Proposition

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

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

17 Bonds Yes []

18 Bonds No []

19 * Sec. 5. This Act takes effect on the day after its passage and
20 approval or on the day it becomes law without approval.
21
22
23
24
25
26
27
28
29

STATE
of ALASKA

MEMORANDUM

OFFICE OF THE GOVERNOR

TO: Rich Guthrie
Legislative Finance Division
Room 407, State Capitol Building

Thru: Byron I. Mallott, Director *BIM* DATE : February 17, 1972

FROM: Donald Argetsinger *DA* SUBJECT: Local governments qualifying
Local Government Specialist under AS 43.18.010 (a) (3) -
Local Affairs Agency Air and/or Water Pollution
Control - Fiscal Year 1972

<u>Local Government</u>	<u>Population</u>
Greater Anchorage Area Borough	110,456
Fairbanks North Star Borough	31,220
Kenai Peninsula Borough	15,836
Matanuska-Susitna Borough	6,509
City and Borough of Juneau	13,895
Bethel	2,656
Craig	272
Dillingham	979
Fairbanks	18,685
Goodnews Bay	203
Homer	1,083
Kake	551
Kenai	3,533
King Cove	283
Kotzebue	1,957
Lower Kalskag	182
Nome	2,488
North Pole	278

Memo to:
Rich Guthrie

-2-

February 17, 1972

<u>Local Government</u>	<u>Population</u>
Old Harbor	290
Ouzinkie	160
Palmer	1,335
Russian Mission	140
Saxman	360
Soldotna	1,202
Valdez	1,335

BIM:DA:pak

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

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 277

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$28,000,000 for the
8 purpose of paying the cost of capital improvements for
9 water supply and sewerage systems; and providing for
10 an effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for water supply and sewerage systems, general obligation bonds of the state
14 in the principal amount of not more than \$28,000,000 shall be issued and
15 sold. The full faith, credit and resources of the state are pledged to the
16 payment of the principal of and interest and redemption premium, if any, on
17 these bonds. These bonds shall be issued under the provisions of AS 37.15
18 as those provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qual 'ied
20 voters of the state, a special fund of the state to be known as the "1972
21 Water Supply and Sewerage System Construction Fund" shall be established,
22 to which shall be credited the proceeds of the sale of the bonds described
23 in sec. 1 of this Act except for the accrued interest and premiums. There
24 is appropriated from the "1972 Water Supply and Sewerage System Construction
25 Fund" to the Department of Environmental Conservation the sum of
26 \$28,000,000. The specific uses of the proceeds of these bonds shall be
27 determined by the governor.

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

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

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

10 Proposition

11 State General Obligation Water Supply and Sewerage

12 System Construction Bonds \$28,000,000

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

17 Bonds Yes []

18 Bonds No []

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

21
22
23
24
25
26
27
28
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 D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

1/27/73

S E N A T E

2-5-73
Date

Mr. President:

The Committee on Finance has had SB 270
(Issue bonds for flood control)
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:

W. H. May

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

CHAIRMAN

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

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 278

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general
7 obligation bonds in the amount of \$20,000,000 for the
8 purpose of paying the cost of capital improvements for
9 flood control and small boat harbor projects; and
10 providing for an effective date."

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

12 * Section 1. For the purpose of paying the cost of state participation
13 in capital improvements for flood control projects as provided in AS 35.07
14 and for small boat harbor projects, general obligation bonds of the state in
15 the principal amount of not more than \$20,000,000 shall be issued and sold.
16 The full faith, credit and resources of the state are pledged to the payment
17 of the principal of and interest and redemption premium, if any, on these
18 bonds. These bonds shall be issued under the provisions of AS 37.15 as those
19 provisions read at the time of issuance.

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

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

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

Bonds Yes []

Bonds No []

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

CORRECTION

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

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

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 278

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 . SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general
7 obligation bonds in the amount of \$20,000,000 for the
8 purpose of paying the cost of capital improvements for
9 flood control and small boat harbor projects; and
10 providing for an effective date."

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

12 * Section 1. For the purpose of paying the cost of state participation
13 in capital improvements for flood control projects as provided in AS 35.07
14 and for small boat harbor projects, general obligation bonds of the state in
15 the principal amount of not more than \$20,000,000 shall be issued and sold.
16 The full faith, credit and resources of the state are pledged to the payment
17 of the principal of and interest and redemption premium, if any, on these
18 bonds. These bonds shall be issued under the provisions of AS 37.15 as those
19 provisions read at the time of issuance.

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

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

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

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

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

4 (3) \$850,000 - Hoonah

5 (4) \$300,000 - Kake

6 (5) \$700,000 - Wrangell

7 (6) \$700,000 - Metlakatla

8 (7) \$800,000 - Haines

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

10 (9) \$400,000 - Unalaska

11 (10) \$500,000 - Bethel

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

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

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

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

26 Proposition

27 State General Obligation Flood Control and Small Boat Harbor

28 Bonds

\$20,000,000

29 Shall the State of Alaska issue its general obligation bonds

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

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

Bonds Yes []

Bonds No []

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

A M E N D M E N T

Offered in the SENATE

By Senate Finance Committee

To: _____ SENATE BILL NO. 275

_____ HOUSE BILL NO. _____

AMENDMENT: Page _____ Line _____

Page 1, line 7: Delete "\$10,000,000" and insert "\$20,000,000"

Page 1, line 9: After "cont of" insert "and small boat harbor"

Page 1, line 11: After "as 38.07" insert "and small boat harbor projects"

Page 1, line 15: Delete "\$10,000,000" and insert "\$20,000,000"

Page 1, line 24: After "Control" insert "and Small Boat Harbor"

Page 1, line 25: After "Control" insert "and Small Boat Harbor"

Page 1, line 26: Delete "\$10,000,000" and insert "\$20,000,000"

Page 1, line 27: After "governor" insert "and appropriated to, but not limited to the following projects and estimates"

Page 1, between lines 27 and 28 insert the following:

- (a) \$10,000,000 - flood control projects
- (b) \$10,000,000 - small boat harbor projects, as follows:
 - (1) \$200,000 - King Cove
 - (2) \$200,000 - Sand Point
 - (3) \$350,000 - Couch
 - (4) \$300,000 - Jane
 - (5) \$700,000 - Wainwright
 - (6) \$700,000 - Ukiak
 - (7) \$500,000 - Kaines
 - (8) \$1,000,000 - Kadiak
 - (9) \$100,000 - Unalakleet
 - (10) \$500,000 - Bethel
 - (11) \$3,500,000 - other harbor projects under investigation by the Corps of Engineers, including but not limited to Kotzebue, Aniakchak, Koonak, St. Paul and Port Lions.

Page 1, line 29: Delete "\$35,000" and insert "\$70,000"

Page 2, line 11: After "Control" insert "and Small Boat Harbor"

A M E N D M E N T

Offered in the SENATE

By Senate Finance Committee

To: _____ SENATE BILL NO. 378

_____ HOUSE BILL NO. _____

AMENDMENT: Page _____ Line _____

Page 2, Line 12: Delete "\$10,000,000" and insert "\$20,000,000"

Page 2, Line 13: Delete "\$10,000,000" and insert "\$20,000,000"

Page 2, Line 16: After "control" insert "and shall have effect"

STATUS OF FEDERAL SMALL BOAT HARBOR
AND DOCK PROJECTS - MARCH 1972

Project	Federal Cost	State Cost (G.O. Bonds)	Local Cost	Status of Federal Project	Est. Completion Date
King Cove Small Boat Harbor	\$1,000,000	\$300,000	\$5,000	Contract to be let late FY 72 or early FY 73. \$746,000 construction funds available in Fiscal Year 1972; \$400,000 requested for Fiscal Year 1973.	FY 1973
Sand Point Small Boat Hbr.	\$2,400,000	\$850,000	\$8,000	In final design stages. \$50,000 in planning money available in FY 1972. \$80,000 requested for FY 73. Construction scheduled for Fiscal Year 1974.	FY 1974
Kake Small Boat Harbor	\$2,200,000	\$300,000	\$6,000	In final design stages. \$145,000 in planning money available in FY 1972. \$50,000 requested for Fiscal Year 1973. Construction scheduled for Fiscal Year 1974.	FY 1974
Hoonah Small Boat Harbor	\$2,600,000	\$850,000	\$7,500	Study completed. Report in office of Management & Budget for construction authorization. May be included in Fiscal Year 1973 budget by Congress if early authorization is given.	FY 1975
Metlakatla Small Boat Hbr.	\$2,000,000	\$700,000	\$5,000	Same as Hoonah small boat harbor.	FY 1975
Wrangell Small Boat Harbor	\$1,000,000	\$700,000	\$5,000	Study to be conducted in Fiscal Year 1973. \$30,000 in study funds to be available on July 1, 1972.	FY 1975
Haines Small Boat Harbor	\$1,000,000	\$800,000	\$5,000	Same as Wrangell	FY 1976
Unalaska Dock	600,000	\$400,000	\$2,500	Same as Wrangell	FY 1977
Bethel Dock	\$1,300,000	\$500,000	200,000	Under review by EDA and Corps of Engineers	FY 1974
Kodiak Small Boat Harbor	\$6,000,000	\$1,000,000	\$7,000	Study scheduled for completion in late Fiscal Year 1972 or early Fiscal Year 1973.	FY 1976
Ketchikan Small Boat Hbr.	\$1,000,000	\$900,000	\$7,000	Authorized for study. Awaiting study funds.	FY 1977
Anchorage Small Boat Hbr.	\$1,000,000	\$900,000	\$135,000	Study underway, scheduled for completion in FY 1974. \$5,000 in study funds available for Fiscal Year 1972; \$10,000 requested for Fiscal Year 1973.	FY 1978
Kenai Small Boat Harbor	\$1,500,000	\$800,000	\$10,000	Authorized for study. Awaiting study funds.	FY 1979
St. Paul Small Boat Hbr.	\$1,000,000	\$500,000	\$3,500	\$10,000 in Fiscal Year 1972 to start study. \$30,000 in study money requested for Fiscal Year 1973.	FY 1980
Port Lions Small Boat Hbr.	\$,250,000	\$500,000	\$3,000	Same as St. Paul Small Boat Harbor.	FY 1980
Sitka Small Boat Harbor	Unknown	Unknown	Unknown	Under review by Corps for possible 107 project.study funding.	Unknown
TOTAL	\$24,850,000	\$10,000,000	\$409,500		

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

I. REQUEST

Bill Identification: SB 278 am
 Title: Flood Control and Small Boat Harbor Projects
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Staff Revision 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 (1)	-0-	-0-	1,650.0	1,850.0	2,500.0	1,800.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.(2)	-0-	-0-	3,300.0	3,300.0	3,400.0	-0-
Debt Service (3)	-0-	-0-	-0-	428.4	874.1	1,384.6
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	-0-	-0-	428.4	874.1	1,384.6
FEDERAL FUNDS						
OTHER G.O. Bonds	-0-	-0-	4,950.0	5,150.0	5,900.0	1,800.0

C. POSITIONS:

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

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

1. Small boat harbor construction; G.C. bonds funding; per schedule furnished by Division of Waters and Harbors
2. Flood control projects; G.O. bonds funding; estimated three-year construction schedule per Division of Waters and Harbors.
3. Annual debt service requirements; general funds.

IV. ATTACHMENTS

1. "Analysis" and "Cost Estimates;" Div. of Waters & Harbors
2. "Issue Analysis: State Assistance in the Construction of Federal Harbor Projects;" Div. of Waters & Harbors.
3. "Analysis: Flood Control Projects;" Div. of Waters & Harbors

V. DATE: _____ PREPARED BY: Rich Guthrie

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

III ANALYSIS

1. Small Boat Harbors - The \$10 million in G. O. Bonds for small boat harbor projects will be appropriated to the Division of Water and Harbors for the construction of inner harbor facilities, basin dredging, dock facilities and other improvements considered to be the local share of Federal harbor projects. Substantial federal expenditures will be generated by these projects as detailed on the additional information attached. Because the Water and Harbors program is primarily one of capital construction, contractual services will be the primary expenditure object affected.

2. Flood Control - The \$10 million in G. O. Bonds will be used to finance the local (non-federal) share of flood control projects constructed by the Federal government (Corps of Engineers). Funds will be disbursed as direct cash grants to the local government involved or as direct payment to the Corps as reimbursement for Federal funds expended. Because of this, no existing State program will be affected.

A fiscal note that was prepared for SB 278 contains a detail analysis of flood control projects in Alaska. A copy of this note is attached.

COST ESTIMATES

<u>Project and Location</u>	<u>Federal Cost</u>	<u>State (G.O. Bonds)</u>	<u>Local</u>	<u>Status of Federal Project</u>	<u>Est. Compl. Date</u>
King Cove Small Boat Hbr. ✓ <i>(no dredging)</i>	\$1,000,000	\$300,000	\$5,000	Construction to start in early F.Y. 1973.	1973
Sand Point Small Boat Hbr. ✓ <i>dredging & breakwater</i>	2,400,000	850,000 <i>dredging of inner harbor, berthing</i>	8,000	Construction to start in early F.Y. 1974.	1974
Hoonah Small Boat Hbr.	2,600,000	850,000	7,500	Awaiting authorization for construction.	1975
Kake Small Boat Hbr. <i>breakwater</i>	2,200,000	300,000 <i>no state dredging required</i>	6,000	Construction to start in F.Y. 1974.	1975
Wrangell Small Boat Hbr. (1)	1,000,000	700,000	5,000	Study to begin F.Y. 73.	1975
Metlakatla Small Boat Hbr. (1) <i>No congressional approval required - Sec. 107</i>	2,000,000	700,000	5,000	Awaiting authorization for construction.	1976
Haines Small Boat Hbr. (1)	1,000,000	800,000	5,000	Study to begin F.Y. 73.	1976
Kodiak Small Boat Hbr.	6,000,000	1,000,000	7,000	Study scheduled for completion in F.Y. 73	1976
Unalaska Dock ✓ (1)	600,000	400,000	25,000	Study to begin F.Y. 73.	1977
Bethel Dock ✓	1,300,000	500,000	200,000	Under review by E.D.A.	1974
Ketchikan Small Boat Hbr.	1,000,000	900,000	7,000	Authorized for study awaiting study funds.	1977
Anchorage Small Boat Hbr.	1,000,000	900,000	135,000	Under study. Study scheduled for completion in F.Y. 74.	1978
Kenai Small Boat Hbr.	1,500,000	800,000	10,000	Authorized for study. Awaiting study funds.	1979
St. Paul Small Boat Hbr.	1,000,000	500,000	3,500	Authorized for study. Study scheduled to begin F.Y. 73.	1980
Port Lions Small Boat Hbr. ✓	1,250,000	500,000	3,000	Authorized for study. Study scheduled to begin F.Y. 73.	1980
TOTALS	\$25,850,000	\$10,000,000	\$432,000		

(1) No congressional approval required - (Sec 107) Fed. share under \$1,000,000

SPECIAL REPORT

ISSUE ANALYSIS: STATE ASSISTANCE IN THE
CONSTRUCTION OF FEDERAL HARBOR PROJECTS

STATE OF ALASKA
Department of Public Works
Division of Water & Harbors

George W. Easley
Commissioner of Public Works

Don D. Statter
Director of Water and Harbors

R.T. Meketa
Public Works Planner

September, 1971.

INTRODUCTION

To most coastal communities, a small boat harbor is an important factor in their economic development and survival. Benefits which are directly or indirectly related to boating activity accrue to the community, the region and the entire State through construction and operation of these harbors. The importance of the State's marine oriented facilities is emphasized by the fact that less than 500 miles of the 33,000 miles of coastline in Alaska are accessible by the connected primary highway system. To a large segment of Alaska's population, boats or aircraft are the only means available for transportation.

In the absence of a connected highway system, waterways provide the means for travel between population centers and, even more important, a base of operations for harvesting the ocean resources and an avenue for importing and exporting consumer products. Many areas of Alaska are subject to severe adverse weather conditions which expose the small boat operator to conditions ranging from difficult to dangerous. Small boat harbors offer a haven of refuge for vessels overtaken or disabled by these hazardous conditions.

Alaska's small boat harbors and other shallow draft vessel facilities play an important role in the social and economic well being of the State. Their importance is more than local in scope. It is obvious that their significance is regional and that they play a key role in the trade with other states and nations. However, the number and distribution of these facilities is less than adequate to accommodate the existing demand for protected moorage facilities. Of the estimated 15,000 small craft operating in Alaska less than 5000 are berthed in protected harbors. The remainder must compete for the limited transient moorage in State harbors or the few private spaces that are available. Many find no facilities whatsoever and are moored on tidal flats or river mouths subjecting them to possible damage or loss.

Increased fishing activity is resulting in a continuing demand for additional harbor facilities throughout the State. Although the fishing industry is the second largest industry in the State, trailing only the production of petroleum products, one can even argue that fishing is the larger of the two since there are many more Alaskans directly or indirectly affected by the fisheries effort. For example, the work force that is engaged annually in Alaska's marine harvest number in excess of 30,000. Moreover, more than 200 establishments are listed as being engaged in fish processing and involved are approximately 10,000 vessels. The projected increase in the number of boats which will ply Alaskan waters in future years is very hard to predict. Estimates as high as 10% per year have been suggested but this is probably an optimistic figure since the growth will be tempered by many factors. One of the most important restraints will be the ability of the fishing industry to sustain the increased growth. However, it is expected that technological improvements in harvesting and processing together with the utilization of yet undeveloped fisheries will result in a steady growth at least equal to that of the last ten years.

Although commercial boating leads all other types of boating activity in Alaska today, interest in leisure time boating is steadily increasing. This can be exemplified by the fact that in at least one City in Alaska it is considered to be on a par with commercial boating activity. Twenty years ago, however, a boat being transported on a trailer in Alaska was a sight to cause comment. Pleasure boats were so expensive that only a few could afford them. Other than a small number of inboard cruisers, most pleasure boats were 14' to 18' skiffs either propelled by oars or a small horsepower outboard motor.

After the Second World War outboards were greatly improved, and their power output increased many times. In a parallel movement, improvements in boats and boat building techniques, along with liberal financing, have placed such equipment within reach of the man of modest means. Trailers for transporting these new boats were also made in quantity so that the boater became mobile. As a result, there has been a continually increasing demand for launching ramps and protected small boat mooring facilities throughout all areas of Alaska including the inland lakes and rivers.

Based on statistics available for the period from 1960 to 1970 it is estimated that commercial small boat activity will increase at a rate of 3% per year and recreational boating at 5% per year. This will result in an overall growth of 33% over the next ten year period which will create a demand for new facilities in numbers exceeding the total moorage now available.

STATE PROGRAM

The Division of Water and Harbors is the primary agency of the State Government responsible for the development of small boat harbors and other shallow draft vessel facilities in the State. The program of the division is a traditional one dating back to Territorial days and is geared to the .04¢ per gallon tax paid on the purchase of marine fuel.

In keeping with the general policy of local management responsibility, the facilities are leased to local government entities wherever possible. As a matter of policy the lessee is responsible for the installation of electrical utilities, sanitary facilities, parking areas and other supporting shoreside facilities and minor maintenance. Of the 60 separate facilities in Alaska, 42 have been leased to the local community for the nominal fee of \$1.00 per year and the remainder are under management control of the State. Responsibility for major repairs, at all facilities, rests with the division. In order to maintain some degree of uniformity throughout the State, the standard lease agreement specifies minimum moorage rates, together with regulations regarding other basic operational procedures. In general, however, the community has broad authority to operate the harbor as it may deem appropriate.

The division works very closely with the U.S. Army Corps of Engineers who administer a similar program at the Federal level. Even though the two programs are very similar in nature and their relationship effects the overall development of small boat harbors in Alaska, they are two distinct operations, including two separate government agencies with unrelated sources of funding. Inasmuch as the Federal program, particularly the policy on local cooperation, has a direct bearing on the issue studied in this report it is discussed at some length below.

FEDERAL PROGRAM

The Federal Government, through the U.S. Army Corps of Engineers, is charged with the responsibility of developing the water resources of the nation. Areas of this responsibility range from navigation, flood and erosion control, hydroelectric power and water supply to fish and wildlife enhancement and environmental preservation. Projects are initiated by request of local individuals, civic groups, communities, or States.

There are two separate processes by which Federal water resource projects are undertaken. The first process is used for major projects and requires specific Congressional authorization for projects exceeding \$10,000,000, and Secretary of the Army authorization for projects under ten million dollars in cost. There are no limitations on the amount of Federal cost participation for an economically justified project. Projects in this category generally require 10-11 years from inception to construction.

The second process involves special continuing authorities which permit the construction of economically justified projects without approval of Congress. This process is much shorter, requiring only 2-4 years for completion. There are, however, limitations placed on the amount of federal cost participation and the local sponsor must assume all costs which exceed the federal limitations. The two authorities pertaining to small boat harbor development are:

1. Section 107 of the 1960 River and Harbors Act which applies to small navigation projects not exceeding \$1,000,000 per project.
2. Section 3 of the 1945 River and Harbors Act which applies to emergency snagging and clearing for navigation not exceeding \$300,000 per project.

The justification, size, cost, and use of proposed harbors are detailed in survey reports prepared by the Corps of Engineers for each project. These reports are very comprehensive, sometimes requiring 2 or more years to complete, and are reviewed and approved by the Board of Engineers for Rivers and Harbors and the Secretary of the Army before the project is authorized for construction. Since only economically feasible projects are authorized, priorities are established more or less in the order of report completion and authorization dates. Since study, design, and construction funds are appropriated directly by Congress, these dates are necessarily subject to political influence.

Prior to Statehood, the Federal Government financed the general navigation facilities, breakwaters, entrance channels, and dredged berthing basins in all boat harbors constructed in Alaska. The State, through funds provided from Watercraft Fuel Tax Revenues, assumed the responsibility of constructing the inner harbor facilities such as floats, docks, grids, launching ramps, etc. The local village or community provided the required land, easements and rights-of-way. All harbors which were constructed prior to 1959, or were authorized by Congress prior to that date, were included under this policy.

With Statehood, the Federal Government relinquished certain responsibilities that it assumed under the Territorial form of government. The Congress recognized the necessity and desirability of local involvement in the water resource development program, and accordingly, local sponsors of federal harbor projects were required to provide additional assurances of responsibility. These provisions are covered in the Corps of Engineers engineering manual EM 1120-2-113 dated June 11, 1959 and are listed below. The additional requirements are underlined.

1. All lands, easements, and rights-of-way for construction and subsequent maintenance of the project.
2. Adequate terminal and transfer facilities, and other self-liquidating items including bulkheads, piers, floats, dredged berthing areas, and other mooring facilities.
3. 50% of the first costs of the general navigation facilities allocated to recreation and land enhancement.
4. All access roads, parking areas and other necessary public use facilities.

Under these provisions of local cooperation, a City, community, or village sponsoring a federal project would be hard pressed to underwrite the local share of these costs, particularly the expense associated with basin dredging. In fact, it is doubtful if more than a few of our existing harbors could have been constructed under these circumstances. Some communities, such as Petersburg, have already felt the effects of this cost sharing policy. For the past decade the City has been in need of a new harbor but has been unable to provide the harbor dredging cost of a federal project. Finally in 1969, as a result of the critical need, the Legislature, upon request of the administration, appropriated \$230,000 of the marine fuel tax monies for the construction of a reduced scale facility. Because of the City's inability to bear their share of the cost of the federal project they have had to settle for a smaller harbor and the State has lost a benefit of several hundred thousand dollars in federal funds.

Even though financing of the Petersburg Harbor was accomplished within the current program of the Division of Water and Harbors, some other means for funding future harbor projects must be found. At present the division receives some \$1,400,000 annually from the fuel tax account. Obviously, expenditures of six to seven hundred thousand dollars in any one year for one project (dredging plus inner harbor facilities) is not practical. Not only would this disrupt the continuity of the program but it would delay other equally justified projects.

It is not the purpose of this report to analyze or comment on the Corps of Engineers policy. It is sufficient to say that, unless methods and means are found to finance the local share of Federal small boat harbor projects, the entire small boat harbor development program in Alaska will become stagnated. The alternatives appear to be:

1. For the municipality to pay its share of the costs through revenue bonds, general obligation bonds, special taxes, etc.

2. Delay new harbor developments until the municipality is able to obtain the funds necessary to finance their share of the cost.
3. Increase user fees.
4. For the State to assume the local share of the costs.

Most of the municipalities today are hard pressed to meet the expanding demand for streets, sewers, and utilities and in many cases are already overtaxing their bonding capacities. Alternate #1 may be possible for many of our larger cities, but it is simply beyond the financial capability of most of the smaller communities and villages. To most of these smaller coastal communities, a small boat harbor is vital to their existence since they look to the sea as a primary factor in their basic economic development. For these communities to delay harbor improvements until they could afford the necessary costs would be entirely impractical, because the very harbor that they are trying to finance will probably be one of the major municipal improvements which would contribute to their economic stability. The boating public in Alaska is highly sensitive to additional taxes and although they might stand for a nominal increase in moorage rates (user fees) no boater would pay the exorbitant fee that would have to be charged to amortize a \$400,000 loan over any reasonable period of time. For example, it would be necessary to charge something like \$10.00 per foot of boat length per year to pay off the cost of dredging over a period of 10 years. The highest rate currently charged at any small boat harbor in the State today is \$3.00 per foot per year. For the above reasons alternate #4 is considered the most feasible.

THE PROBLEM

The revenues generated by the marine fuel tax are not sufficient to finance both the basin dredging and the construction of inner harbor improvements. Average cost per project for basin dredging or land fill is in the neighborhood of \$400,000. The Division of Water and Harbors has estimated that, starting in 1974, two or more of these Federal projects will reach construction stage each year. It is obvious that unless an alternate method of funding these projects is found a repeat of the situation at Petersburg is bound to occur. In this event it is very likely that the Corps of Engineers will amend their requirements to the point that every sponsor of a federal harbor project will be required to show that they have the funds available before the Corps will even proceed with their feasibility investigations. This could have a disastrous delaying effect on the entire smallcraft harbor development program in Alaska.

Three methods of financing the local share of Federal projects, at the State level, were considered. They are:

1. An increase in the marine fuel tax.
2. Special Legislative appropriations.
3. General obligation bonds.

ANALYSIS OF ALTERNATIVES

Increase the Tax on Marine Fuel - This approach is desirable from an administrative standpoint. First, it would provide a known source of revenue that can be estimated for future years and form the basis for

long range Capital Improvement Programs. Second, the revenues will increase as boating activity increases thereby providing additional monies to keep pace with the demand.

However, the disadvantages of this approach are formidable. Tax increases are never popular political issues and it is doubtful if much support could be mustered in light of the controversy resulting from the last increase (1970-71). It's very likely that this fact alone will completely rule out this alternative in the final analysis.

Special Legislative Appropriations - Without doubt this alternative is the least desirable administratively. There is no assurance that future Legislatures will see fit to grant the special appropriation or even recognize the importance of the program. In addition, it is possible that the Corps of Engineers may require written assurance of participation 2 or 3 years prior to construction.

At first glance this method appears to be attractive from a political standpoint since it gives the local representatives an opportunity to introduce legislation favorable to their constituency. However, proposed projects in more remote areas may not prove to be very popular with the majority of the legislators who may be seeking similar appropriations for the more populated areas.

General Obligation Bonds - This approach appears to contain the best features of both other alternatives without the disadvantage of either. It would provide for a known source on which a program can be based and guarantees future funding availability. It will allow the State to assure the Corps of financial participation at any stage of project formulation. It would have political appeal and should be popular with most citizens of the State since it will provide for benefits for a large part of the population. Since part of the benefits will have Statewide significance a Statewide bonding proposal is considered to be an entirely equitable method of financing.

CONCLUSIONS & RECOMMENDATION

Of the alternatives listed, a Statewide general obligation bond proposal is the most favorable. It is therefore recommended that the administration prepare and present a proposal to the Seventh Legislature for their immediate action. It is further recommended that the bond proposal total 10 million dollars as derived from the attached compilation of needs and priorities.

ANALYSIS: FLOOD CONTROL PROJECTS

(1) Will these G.O. bond funds generate any Federal aid? If so, how much, and for what purposes or projects?

Since the bond funds will be used to finance the local share of Federal Flood Control projects it will generate a substantial amount of Federal aid. Based on the latest information available, it is estimated that the \$10 million proposed by SB 273 will generate between \$100 and \$150 million in Federal construction funds.

(2) Based upon present plans, how will these G.O. bond funds be expended, by locality and project? Indicate estimated completion dates.

The attached summary of Federal Flood Control projects in Alaska outlines all projects currently authorized, under study, or awaiting study by the Alaska District. Because of the magnitude of the Fairbanks project it is expected that the large majority of the \$10 million bond fund will be expended on this one project. Actual completion date will depend on the availability of funding by Congress but it has been estimated that construction will take at least 3 years.

Because of the present status of the other imminent projects, Skagway and Talkeetna, construction starts are at least 5 years in the future, assuming that studies result in a favorable recommendation.

(3) Upon approval or completion of these projects, how much additional operating program general funding will be required by your agency for administration, other State aid, etc.?

Because the proposed G.O. Bond funds will be expended as direct cash grants or payments, it is not expected that any additional expenditures of State funds or manpower will be required.

FAINBANKS FLOOD CONTROL PROJECT
COST ESTIMATE

Federal Project first cost

Dam & levee construction, relocations,
reservoir, buildings, operating equipment,
engineering design and administration. \$100,000,000 +

Est. Annual Cost (Federal responsibility)

Operation and maintenance of dam and
related structures. 500,000

Local Share of project first cost

One half of land enhancement value and
100% of the cost of land purchase and
relocation for levee portion of project. 10,000,000

Estimated Annual cost (Local responsibility)

Operation and maintenance of levee system
and interior drainage works, cost of
maintenance and replacement of facilities
for recreation and fish and wildlife
enhancement. 150,000

It should be noted that the Federal project first cost will more than likely exceed the 100 million dollar by a substantial amount. More accurate figures cannot be given until final designs are completed.

FEDERAL FLOOD CONTROL PROJECTS

Alaska District-Corps of Engineers

Authorized Projects

Fairbanks - Flood control act of June, 1938 authorized construction of the Moose Creek dike that was completed in 1945.

Flood control act of July 1959 authorized construction of a diversion dam and control structures across Chena River near Mile 20. The project was never built because of increasing costs due to development in the area of the project.

Senate resolution of January 1965 requested the Chief of Engineers to review the 1959 project to determine whether modifications or revised recommendations were advisable.

Survey report was completed in December 1967 (following the August 67 flood) and recommended that the 1959 authorized project be modified to provide for a dam and reservoir on the Chena River at Mile 28, a dam and detention reservoir on the Little Chena River at Mile 11, a levee along the Tanana and Chena Rivers, and various interior drainage works. Initial cost estimate was 113 million dollars.

FEDERAL FLOOD CONTROL PROJECTS (con't)

Alaska District-Corps of Engineers

Authorized Projects

Fairbanks (con't)

Advanced engineering and design began in 1970. An in-depth study of alternative plans is underway and it is expected that the final design-memo will be published within the next 2 months.

The most favorable design appears to be a dam, reservoir, and diversion system on the Chena River at Mile 17, together with the Little Chena dam and Tanana River levee system as originally proposed. Latest cost estimates indicate that the Federal project cost will exceed the original estimate and that 10 million dollars in non-Federal funds will be required.

Construction is scheduled for late Fiscal Year 1973. \$600,000 for a construction start is included in the President's Fiscal Year 1973 budget. Because of the magnitude of the project it is expected that construction will proceed in increments. Completion of the entire project will depend on the availability of funding in future years.

Skagway - The initial project was completed in 1940 and consists of a rock, brush and earth levee along 6700' of the Skagway River.

The project has been authorized for possible modification. A public hearing was held in May 1970 and the study report is scheduled for completion late in Fiscal Year 1972.

FEDERAL FLOOD CONTROL PROJECTS (con't)

Alaska District - Corps of Engineers

Authorized Projects

Talkeetna - The project, authorized in 1958, provides for stabilization of 1500' of the Talkeetna River bank at Talkeetna. The estimated cost of the protection is \$82,000 (1958). In 1960 the project was placed in the inactive category since the emergency work done under continuing authorities in 1951 has provided effective protection. \$27,000 in restudy funds have been included in the 1973 budget proposal submitted by the president.

Tolovana River - Project was authorized in 1927 but was never constructed. Abandonment was recommended in 1932 and the project has been inactive ever since.

Projects Under Study

Ship Creek & Eagle River - A study of flood control and water supply enhancement for the City of Anchorage is currently under way. Completion is not expected until late Fiscal Year 1974 or early Fiscal Year 1975.

Tanana River at Nenana - A flood prevention study for the City of Nenana is currently inactive.

Unalakleet - A study of wave-caused flooding at the village is underway and is expected to be completed in late Fiscal Year 1972.

FEDERAL FLOOD CONTROL PROJECTS (con't)

Alaska District - Corps of Engineers

Surveys Not Started

Kotzebue - Authorized in 1966

McGrath - Authorized in 1964

Woodchopper Creek - Authorized in 1962

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

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 273

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

12 * Section 1. For the purpose of paying the cost of state participation
13 in capital improvements for flood control projects as provided in AS 35.07,
14 general obligation bonds of the state in the principal amount of not more
15 than \$10,000,000 shall be issued and sold. The full faith, credit and
16 resources of the state are pledged to the payment of the principal of and
17 interest and redemption premium, if any, on these bonds. These bonds shall
18 be issued under the provisions of AS 37.15 as those provisions read at the
19 time of issuance.

20 * Sec. 2. If the issuance of these bonds is authorized by the qualified
21 voters of the state, a special fund of the state to be known as the "1972
22 Flood Control Projects Fund" shall be established, to which shall be
23 credited the proceeds of the sale of the bonds described in sec. 1 of this
24 Act except for the accrued interest and premiums. There is appropriated
25 from the "1972 Flood Control Projects Fund" to the Department of Public
26 Works the sum of \$10,000,000. The specific uses of the proceeds of these
27 bonds shall be determined by the governor.

28 * Sec. 3. If the issuance of these bonds is authorized by the qualified
29 voters of the state, the amount of \$35,000 or as much of that amount as is

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

I. REQUEST

Bill Identification: SB 278
 Title: Issue G.O. Bonds for Flood Control Projects
 Requested by: Senate Finance Date: 1/27/72
 Return Date Requested: _____
 Agency: STAFF ANALYSIS Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 Debt Service			865.4	865.4	865.4	865.4
TOTAL	-0-	-0-	865.4	865.4	865.4	865.4

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	-0-	865.4	865.4	865.4	865.4
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

ASSUMPTIONS:

1. All funds to Fairbanks project
2. Construction begins late fiscal year 1973

IV. ATTACHMENTS

1. Fiscal note: Debt Service Schedule; Budget and Management
2. Fiscal note: Construction program; Public Works

V. DATE: 2/3/72 PREPARED BY: Rich Guthrie
Senate Fiscal Analyst

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

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

I. REQUEST

Bill Identification: Senate Bill 278
 Title: Issue G. O. Bonds for Flood Control Projects
 Requested by: Senate Finance Committee Date: 1/27/72
 Return Date Requested: 2/3/72
 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

- Debt Service Schedule attached.
- Expenditure detail information supplied by Public Works January 31, 1972.

V. DATE: February 3, 1972 PREPARED BY: M. R. Charney

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

FISCAL NOTE SB - 278
 6% - 20 Years
 \$10,000,000 G. O. Bonds
 Flood Control Projects

Year	Principal	First Six Months Interest	Principal Payment	Second Six Months Interest	Principal Payment	Total Payment
1	\$10,000,000	300,000	132,700	296,019	136,681	865,400
2	9,730,619	291,919	140,781	287,695	145,005	865,400
3	9,444,833	283,345	149,355	278,864	153,836	865,400
4	9,141,642	274,249	158,451	269,496	163,204	865,400
5	8,819,987	264,600	168,100	259,557	173,143	865,400
6	8,478,744	254,362	178,338	249,012	183,688	865,400
7	8,116,718	243,502	189,198	237,826	194,874	865,400
8	7,732,646	231,979	200,721	225,958	206,742	865,400
9	7,325,183	219,755	212,945	213,367	219,333	865,400
10	6,892,905	206,787	225,913	200,010	232,690	865,400
11	6,434,302	193,029	239,671	185,839	246,861	865,400
12	5,947,770	178,433	254,267	170,805	261,895	865,400
13	5,431,608	162,948	269,752	154,856	277,844	865,400
14	4,884,012	146,520	286,180	137,935	294,765	865,400
15	4,303,067	129,092	303,608	119,984	312,716	865,400
16	3,686,743	110,602	322,098	100,939	331,761	865,400
17	3,032,884	90,987	341,713	80,735	351,965	865,400
18	2,339,206	70,176	362,524	59,300	373,400	865,400
19	1,603,282	48,098	384,602	36,560	396,140	865,400
20	822,540	24,676	408,024	12,435	414,516	859,651

TOTAL \$17,302,251