

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

SB 329 cont., 332, 335, 343, 351, 354, 357

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

I. REQUEST

Bill Identification: SB 329 & SB 278
 Title: Issue G.O. Bonds for Flood Control & Small Boat Harbors
 Requested by: Legis. Finance Date: 2/15/72
 Return Date Requested: 2/22/72
 Agency: Public Works Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: VII C3A Water and Harbor Facilities

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL			1,650.0	1,850.0	2,500.0	1,800.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	1,650.0	1,850.0	2,500.0	1,800.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER G.O. Bonds	0	0	1,650.0	1,850.0	2,500.0	1,800.0

C. POSITIONS: Not affected

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

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

See attached

IV. ATTACHMENTS

1. Additional information requested - Small Boat Harbors
2. Special Report "State Assistance in the Construction of Federal Harbor Projects."
3. Copy of Fiscal Note on SB 278 - Flood Control - *Reported out of Senate Finance Committee on 2/8/72. Typing in files.*

V. DATE: 2/16/72 PREPARED BY: /s/ Don Statter
 Don Statter, Director
 Division of Water and Harbors

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: 1/21/72
 Action Date Requested: 2/3/72
 Agency: Public Works Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: NONE

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	Refer to attachments.					

B. FUNDING: (Thousands of dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER	State G.O. Bonds				

C. POSITIONS:

	Not applicable					
PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

For purposes of this fiscal note it is assumed that 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 direct payment to the Corps of Engineers as reimbursement for Federal funds expended.

IV. ATTACHMENTS

1. Additional information requested.
2. Summary of "Federal Flood Control Projects" in Alaska.

V. DATE: January 31, 1972 PREPARED BY: Don Statter, Director
Division of Water and Harbors

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (Prime legislator named)

Introduced: 2/8/72
Referred: Local Government;
Finance

1 IN THE SENATE

BY POLAND AND RADER

2 SENATE BILL NO. 329

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 \$20,000,000 for the purpose
8 of providing assistance to local governments in paying
9 the cost of construction and capital improvements for
10 river and harbor development in the form of flood con-
11 trol and small boat harbor projects; and providing for
12 an effective date."

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

14 * Section 1. For the purpose of providing assistance to local governments
15 in paying the cost of construction and capital improvements for river and
16 harbor development in the form of flood control and small boat harbor pro-
17 jects, general obligation bonds of the state in the principal amount of not
18 more than \$20,000,000 shall be issued and sold. The full faith, credit and
19 resources of the state are pledged to the payment of the principal and
20 interest on these bonds. These bonds shall be issued under the provisions of
21 AS 37.15 as those provisions read at the time of issuance.

22 * Sec. 2. The amounts of these bonds and the time of their issuance shall
23 be determined by the governor and apportioned to, but not limited to the
24 following projects and estimates.

25 (a) \$10,000,000 - small boat harbors, as follows:

- 26 (1) \$300,000 - King Cove
27 (2) 850,000 - Sand Point
28 (3) 850,000 - Hoonah
29 (4) 300,000 - Kake

1 (5) 700,000 - Wrangell

2 (6) 700,000 - Metlakatla

3 (7) 800,000 - Haines

4 (8) 1,000,000 - Kodiak

5 (9) 400,000 - Uralaska

6 (10) 500,000 - Bethel

7 (11) 3,600,000 - other harbor projects under investigation by the

8 Corps of Engineers, including but not limited to Ketchikan, Anchorage, Kenai,
9 St. Paul and Port Lions.

10 (b) \$10,000,000 - flood control

11 * Sec. 3. If the issuance of these bonds is authorized by the qualified
12 voters of the state, a special fund of the state to be known as the "1972
13 River and Harbor Project Construction Fund" shall be established, to which
14 shall be credited the proceeds of the sale of the bonds described in sec. 1
15 of this Act except for the accrued interest and premiums. There is appro-
16 priated from the "1972 River and Harbor Project Construction Fund" to the
17 Department of Public Works the sum of \$20,000,000.

18 * Sec. 4. If the issuance of these bonds is authorized by the qualified
19 voters of the state, the amount of \$70,000 or as much of that amount as is
20 found necessary is appropriated from the general fund of the state to the
21 state bond committee to carry out the provisions of this Act and to pay the
22 expenses incident to the sale and issuance of the bonds authorized in this
23 Act. The amounts expended from the appropriation authorized by this section
24 shall be reimbursed to the general fund from the proceeds of the sale of the
25 bonds authorized by this Act.

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

29 Proposition

State General Obligation River and Harbor

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

Project Construction Bonds \$20,000,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than \$20,000,000 for the purpose of providing assistance to local governments in paying the cost of flood control and small boat projects?

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.



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

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 SENATE

BY MELAND

SENATE BILL NO. 332

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for a souvenir sport fishing license."

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

* Section 1. AS 16.05.340(a) is amended by adding a new paragraph to read:

(18) Visitor's souvenir sport fishing license -- valid for a period of one day after date of issuance.....1

* Sec. 2. AS 16.05.350 is amended to read:

Sec. 16.05.350. EXPIRATION OF LICENSES AND TAGS. Licenses and tags required under secs. 330 - 430 of this chapter, except the visitor's special sport fishing license, the visitor's souvenir sport fishing license and the resident trapping license, expire at the close of December 31 following issuance. The resident trapping license expires at the close of September 30 following the year of issuance. The 1963 resident trapping license expires at the close of September 30, 1964.

MEMO

TO: Legislative Finance Committee Members

FROM: Rich Guthrie

SUBJECT: SB 332; Souvenir Sport Fishing License

The following departments were asked to submit fiscal notes for this bill:

Revenue
Fish & Game
Economic Development

Estimates of annual sales range from a low of 1,000 (Dept. of Revenue) to a high of 15,000 (Dept. of Fish & Game) for the first year.

Estimates of net impact upon state funds range from a gross annual profit of \$7,500 (Dept. of Economic Development) to a gross annual loss of \$27,000 (Dept. of Fish & Game).

The staff has not attempted to reconcile these differences, but would suggest that the appropriate departmental representatives be asked to appear when this legislation is considered.

Attachments

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

I. REQUEST

Bill Identification: SB 332
 Title: Souvenir sport fishing license
 Requested by: Senate Finance Committee Date: 3/1/72
 Return Date Requested: 3/8/72
 Agency: Dept. of Revenue Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Gen. Gov't. Fiscal Services, Rev. Coll.

A. EXPENDITURES: (Thousands of dollars) Fish & Game Licensing IX, CID,

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	2.0	2.0	2.0	2.0	2.0	2.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	2.0	2.0	2.0	2.0	2.0	2.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	2.0	2.0	2.0	2.0	2.0	2.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

See Attached

IV. ATTACHMENTS

1. Memo to R. D. Stevenson, 3/6/72
2. Analysis

V. DATE: March 6, 1972

PREPARED BY: _____

Ralph Kimlinger
 Ralph Kimlinger

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

ANALYSIS:

Wording of SB 332 indicates that a license of special design and character, to be kept as a memento, would be produced and distributed for sale throughout Alaska. Our recent license survey of the other 49 states shows that none of the other states issue such a license. Most states have a "trip license" which is issued for one or two days. Printing costs for a "Memento License" are estimated at approximately \$114.66 per thousand.

Costs necessary upon passage of SB 332 would be as follows:

15,000 licenses at \$114.66 per thousand - - - - -	\$1,719.90
25¢ Commission on each license sold - - - - -	250.00
Shipping Costs - - - - -	75.00
Total Costs - - - - -	<u>\$2,044.90</u>

MEMORANDUM

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

DATE: March 6, 1972

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

SUBJECT: SB 332

Passage of SB 332 will set up a special license for tourists who desire to sport fish within Alaska only one day. Information received through this office from License Officers, tourists, etc., would indicate that very few of the people fishing would be fishing only one day or two days. This bill would appear to be of benefit only to Southeast Alaska where there are some one day tours.

Wording of SB 332 indicates that a license of special design and character, to be kept as a memento, would be produced and distributed for sale throughout Alaska. Our recent license survey of the other 49 states shows that none of the other states issue such a license. Most states have a "trip license" which is issued for one or two days. My memo of 1/26/72 on the subject of a one day license indicates printing costs on the basis of an ordinary license. Printing costs for a "Memento License" would run 3 to 4 times the estimate of \$32.76 per thousand.

EFFECT ON TREASURY

Based on our estimate of 1,000 licenses sold, the effect of passage of SB 332 would be as follows:

15,000 licenses at \$114.66 per thousand - - - - -	\$1,719.90
25¢ Commission on each license sold - - - - -	250.00
Shipping Costs - - - - -	75.00
Total Cost - - - - -	<u>\$2,044.90</u>
Revenue from sale of 1,000 licenses @ \$1.00 - - - -	\$1,000.00
Less Costs - - - - -	<u>2,044.90</u>
Net Revenue - - - - -	<u>-\$1,044.90</u>

Assuming that approximately 300 of the 1,000 licenses were sold to new applicants and that 700 would have purchased the present 10-day license, we would compute the loss in revenue to the state as follows:

Present Revenue from 10-day licenses @\$5.00 - - - -	\$3,500.00
Less Commission - - - - -	175.00
Net Revenue - - - - -	<u>\$3,325.00</u>
Net Revenue we would have received: 10-day lic. - -	\$3,325.00
Revenue received - - - - -	-0-
Revenue loss - - - - -	<u>\$3,325.00</u>
Plus loss on design and sales; 1 day license - - -	<u>1,044.90</u>
Total annual loss to the state - - - - -	<u>\$4,369.90</u>

Projected revenue loss for Fiscal 1973 - 1977 are as follows:

<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
[4369.90]	[4289.90]	[4205.90]	[4112.90]	[4012.90]

"Trip Licenses" as issued in other states are generally issued at a fee which is more per day than the average daily fee of the full week license or the 10-day license.

Present license fee for the 10-day license is \$5.00 but SB 149 am sets up a 10-day license at \$10.00 or \$1.00 per day. I would therefore recommend a license fee of \$2.00 to \$3.00 for a one day license.

The wording of the bill starting on line 11 with . . . "Valid for a period of one day after date of issuance" Should be changed to read : "Valid for the date inscribed on the license."

SB 332 should also have an effective date of preferably January 1, 1973 but at least July 1, 1972 which would allow this office time to design and purchase the necessary licenses.

STATE
of ALASKA

MEMORANDUM

TO: Legislative Finance
Room 407
Capitol BuildingTHROUGH: John R. Werner, Deputy Commissioner
Department of Economic Development

DATE: March 6, 1972

FR: Paul M. Schaaf, Administrative Officer
Department of Economic Development

SUBJECT: S.B. 332

The fiscal analysis prepared by Mr. Vern Roberts and the brief projections stated here are based on a 1972 figure of 15,000 tourists who would take advantage of the one day souvenir permit. An analysis of information compiled from 1971 border surveys indicates a valid 13% increase per year in visitor activity in Alaska. The following figures are submitted:

	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
One day permits	15,000	16,950	19,150	21,640	24,450	27,630

It is natural to presume this permit system would provide additional stimulus to the travel industry. However, costs to produce, record, and tabulate one day permit sales might very well exceed \$2.00 per permit.

The one dollar (\$1.00) collected by the State plus an estimated retail impact of approximately \$3.00 may be analyzed as follows:

<u>Gross Revenue</u>	<u>Costs</u>	<u>Profit</u>
One day permit - \$1.00	\$2.00	-(\$1.00)
Incidental expenses: food, tackle, transportation, etc. - \$3.00	Expense at 50% markup - \$1.50	\$1.50
Total Revenue - \$4.00	Gross cost - \$3.50	Gross Profit per Permit - \$.50

The Department of Economic Development is not in a position to either recommend or discourage the passage of S.B. 332. If viewed from the overall effort to increase State revenues, there is little or no advantage. If this system is viewed as a tool to encourage visitor activity in the sport fishing and provide the travel industry with an additional sales incentive, the benefit is apparent.

MEMORANDUM

State of Alaska

TO: The Honorable Jay Hogan
 Legislative Finance
 Capitol Building, Room 407
 THROUGH: Wallace Noerenberg *WLN*
 Commissioner

DATE : March 6, 1972

FROM: Vern Roberts, Director *VR*
 Division of Administration
 Department of Fish and Game

SUBJECT: Fiscal Note Request SB 332

In accordance with your request of March 1, 1972, furnished herewith are this department's comments regarding the subject piece of legislation.

In preparing these comments we have consulted with Mr. Paul Schaaf of the Department of Economic Development for projections of how many persons would purchase one day "souvenir" fishing licenses. We have contacted the Department of Revenue, who has statutory responsibility for the sale of licenses, for estimates of costs of purchasing, shipping and selling these licenses. We have included estimates by our Division of Protection on the costs of handling the data processing and filing requirements of a new license.

We estimate that of the total number of one-day licenses sold that 10 percent of the persons would have purchased a 10-day license if the one-day license was not available.

Estimated number of sales of one-day licenses for 1972 (per Department of Economic Development)	15,000
Department of Revenue cost projection	
15,000 licenses at \$114.66 per thousand	\$1,719.90
25¢ commission on each license sold	250.00
Shipping costs	75.00
Total cost	\$2,044.90
Revenue from sale of 1,000 licenses @\$1.00	\$1,000.00
Less costs	2,044.90
Net revenue	$(\$1,044.90) \times 15 = (\$15,773.50)$
Fish & Game handling cost 35¢ per license X 15,000	(5,250.00)
Revenue lost from sale of 1,500 10-day licenses @\$5.00 each	(6,000.00)
Total impact on state treasury	(\$27,023.50)

This department has no objection to the use of a one-day license. The above figures, however, clearly indicate that the State would sustain a loss of \$27,023.50 per year if one-day licenses are made available to non-residents at a cost of \$1.00, it is, therefore, our recommendation that this bill not be passed unless it is amended to provide for no loss of revenue to the state.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

BUREAU 99801

MEMORANDUM

TO: Vern Roberts , Director
Div. of Administration
Dept. of Fish & Game

DATE: March 1, 1972

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 332,
AND RETURN IT TO OUR OFFICE BY 3/8/72.

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

1. Coordinate with Paul Schaaf, Admin. Officer, Economic Development, to estimate the number of tourists who would obtain a visitor's souvenir sport fishing license
2. Other agency comments or recommendations.

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

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

CC: BUDGET & MANAGEMENT

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUHEAU 99801

MEMORANDUM

TO: Robert D. Stevenson
Deputy Commissioner
Department of Revenue

DATE: March 1, 1972

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 332,
AND RETURN IT TO OUR OFFICE BY 3/8/72.

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

1. Coordinate with:
 - a. Paul Schaaf, Admin. Officer,
Department of Economic Development
 - b. Vern Roberts, Director, Div. of
Admin., Department of Fish & Game
2. Determine the net effect upon revenues
3. Comment upon the regulations, administrative procedures,
and additional costs necessary to implement this legislation.
4. Other comments or recommendations.

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

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

CC: BUDGET & MANAGEMENT



RECORDS CERTIFICATION

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

James D. Smith
Signature of Camera Operator

4/4/89
Date

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

I. REQUEST

Bill Identification: SR 335
 Title: St. Aid to Pub. Utilities providing sewerage & waste treatment facili
 Requested by: Legis. Finance Date: 2/28/72
 Return Date Requested: 3/13/72
 Agency: Environmental Conserv. 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.		60				
TOTAL		60				

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)

see attached

IV. ATTACHMENTS

V. DATE: 14 March 72 PREPARED BY: _____

James A. Anderegg
 James A. Anderegg

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

ANALYSIS: Senate Bill 335

March 10, 1972

This bill would appear to provide state grant assistance to College Utilities Corporation (Fairbanks) which is preparing to extend its sewerage facility during the summer of 1972. According to the Alaska Public Utilities Commission there are only three other privately owned sewerage utilities regulated by APUC which would qualify under the terms of SB 335. Two of these three are mobile home courts and the third is the Mendenhaven Corporation of Juneau, whose sewer system will be absorbed by the City and Borough of Juneau municipal sewer system during the summer of 1972.

In preparing this estimate, I have assumed that the bill will take effect at the time of passage, at the earliest, and thus only those facilities constructed after that date would be eligible for grant assistance. Such a grandfather clause providing for subsequent construction of water and sewer facilities was the basis for paragraph b of the original law (AS 46.05.155) which is now AS 46.03.030.

As nearly as can be determined, College Utilities is the only privately owned sewerage utility presently planning expansion. For the purposes of this fiscal note, it has been assumed that the cost of the construction program during the coming summer may be about \$250,000. Thus the cost to the state will be 25% of this amount or about \$60,000.

The Department of Environmental Conservation does not favor SB 335. While privately owned sewerage utilities may have a place in remote isolated areas if it is otherwise impractical to establish community sewer service, we are encouraging integrated community-wide sewer systems where possible. In this case, College Utilities in Fairbanks would have the added incentive of state financial support to maintain independence from the Fairbanks system.

Introduced: 2/11/72
Referred: Commerce; Finance

1 IN THE SENATE

BY MILLER

2 SENATE BILL NO. 335

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 state aid to public utilities
7 providing sewerage and waste treatment facilities."

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

9 * Section 1. AS 46.03.030 is amended by adding a new subsection to read:

10 (d) The department may, as funds are available, pay to a
11 privately owned public utility regulated by the Alaska Public Utilities
12 Commission up to 25 per cent of the estimated reasonable cost of con-
13 struction of a sewerage system or waste treatment facility, provided
14 that construction is according to plans and specifications approved
15 by the department and that the service is operated and made available
16 on a public utility basis similar to that which would be provided by
17 a municipality.
18
19
20
21
22
23
24
25
26
27
28
29

Introduced: 2/11/72
Referred: Commerce; Finance

1 IN THE SENATE

BY MILLER

2 SENATE BILL NO. 335

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 state aid to public utilities
7 providing sewerage and waste treatment facilities."

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

9 * Section 1. AS 46.03.030 is amended by adding a new subsection to read:

10 (d) The department may, as funds are available, pay to a
11 privately owned public utility regulated by the Alaska Public Utilities
12 Commission up to 25 per cent of the estimated reasonable cost of con-
13 struction of a sewerage system or waste treatment facility, provided
14 that construction is according to plans and specifications approved
15 by the department and that the service is operated and made available
16 on a public utility basis similar to that which would be provided by
17 a municipality.

18
19
20
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

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

I. REQUEST

Bill Identification: Senate Bill 343
 Title: State Aid to Local Governments contracting for Transit Systems
 Requested by: Legislative Finance Date: April 7, 1972
 Return Date Requested: April 14, 1972
 Agency: Office of the Governor Program: State Aid to Local Govern-
ments

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		0	0			
200 TRAVEL		0	0			
300 CONTRACTUAL		0	0			
400 COMMODITIES		0	0			
500 EQUIPMENT		0	0			
600 LAND & STRUCTURES		0	0			
700 GRANTS, CLAIMS, ETC.		256.6	260.4			
TOTAL		256.6	260.4			

B. FUNDING: (Thousands of dollars)

GENERAL FUND		256.6	260.4			
FEDERAL FUNDS		0	0			
OTHER		0	0			

C. POSITIONS:

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

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

The City of Anchorage, with its Demonstration Dial-A-Bus Project, planned for the period June 1, 1972 through April 1, 1974, is the only local government known to be contemplating contracting for a transit system. Therefore, this analysis is based on the present City of Anchorage population (estimated) of 50,556, with a projected growth rate of 1.5% per year for FY 1973 and 1974. This estimate does not consider the City of Anchorage's pending annexation proposal or annexations which might be undertaken during the project period.

IV. ATTACHMENTS

V. DATE: April 11, 1972 PREPARED BY: Donald Argetsinger

Warren W. Wiley
 FOR: Warren W. Wiley
 Administrative Assistant
 Office of the Governor

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

Local note

Introduced: 2/14/72
Referred: Local Government;
Finance

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 SENATE BY MILLER AND GROH

SENATE BILL NO. 343

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the granting of state aid to local governments contracting for transit systems."

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

* Section 1. AS 43.18.010(a) is amended by adding a new paragraph to read:

(7) \$5 per capita to cities and boroughs contracting for transit systems.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

file
AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: Warren Wiley, Admin. Asst. DATE: 4/7/72
Office of Governor

ATTN: Local Affairs Agency

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

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 343,
AND RETURN IT TO OUR OFFICE BY 4/14/72.

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

1. Cities that would probably qualify in FY 73, and additional state aid they would receive?
2. Comments or recommendations regarding this proposed legislation?

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

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

CC: BUDGET & MANAGEMENT



RECORDS



CERTIFICATION

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

James D. Smith
Signature of Camera Operator

4/4/89
Date

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

M E M O R A N D U M

TO: Legislative Finance
Committee Members

DATE: March 21, 1972

FROM: Rich Guthrie
Fiscal Analyst *RG*

SUBJ: SB 351,
CSSB 351

A summary of the Department of Education comments follows for SB 351:

1. SB 351 presumes that there are three high school presently at Newhalen, Gambell-Savoonga, and Nelson Island. This is incorrect, as there are only elementary schools at these locations.
2. It is recommended that standard design component structure be utilized, and that several facilities be bid at the same time.
3. A recommended schedule of construction priorities is furnished.

Additional Department of Education comments for CSSB 351 are:

1. Any appropriation should be made to State Operated Schools.
2. A priority listing regarding the distribution of the additional funds is furnished.

State Operated Schools has estimated that \$1,492,400 and 70 new positions would be required to operate these new facilities the first year (FY 1973 completion assumed).

Annual debt service requirements for these bonds would be (assume 20 year bonds @ 6%):

<u>BOND AMOUNT</u>	<u>ANNUAL DEBT SERVICE</u>
\$ 9,000,000	\$ 778,860
\$17,500,000	\$1,514,450

Attachments:

1. Department of Education fiscal note
2. S.O.S. fiscal note

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

I. REQUEST

Bill Identification: CSSB 351, SB 351
 Title: Issue G.O. Bonds for Elementary & Secondary Educational Facilities
 Requested by: Legislative Finance Date: 3/2/72
 Return Date Requested: 3/9/72
 Agency: Department of Education Program: Pre-School - Elem. & Secondary

II. FISCAL DETAIL

Budget Request Unit(s) Affected: State-Operated Schools - Rural Schools

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		9,000,000				
700 GRANTS, CLAIMS, ETC.						
TOTAL		9,000,000				

B. FUNDING: (Thousands of dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER		9,000,000			

C. POSITIONS:

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

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

See Attachments # 1 and 2

IV. ATTACHMENTS

V. DATE: 3/13/72

PREPARED BY: *[Signature]*

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

Attachment I

COMMENTS REGARDING SENATE BILL 351

SB 351 - \$9,000,000, multipurpose facilities, \$500,000 each location.

(Newhalen - 40
Gambell-Savoonga - 98 + 108 (BIA)
Nelson Island (Tununak 80, Nighmute 41, Chefornek 89) (BIA)

~~SB 351 presumes three high schools are at the above locations. This is incorrect, as only elementary schools are in existence at the present time.~~

Allocations of \$500,000 each are designated for the following communities with four-classroom elementary schools:

Galena	109+24 HS	Noatak	63
Holy Cross	57	Nondalton	72
Kaltag	72	Northway	89
Kenny Lake	77	Point Hope	93
Kivalina	54	Selawik	138
Kongiginak	70	Shishmaref	80
Manokotak	78	Togiak	128
		Teller	56

(New Stuyahok has 77 pupils but was not included in above list of elementary schools.)

Multipurpose rooms (gymnasium, community building, etc.) are the single most desired facility by communities and educators. Alaska's extreme climatic conditions dictate that most large group activities must take place in heated, well-lit facilities. This type of facility is conspicuous by its absence in most communities.

It is our opinion that standard design, simplified structures would provide the most economical space in the least amount of time. However, in some locations the multipurpose facility should be an addition to an existing building and similar in design.

While utilities, need for auxiliary spaces, foundations, etc., will all vary according to location, it is believed approximately 7,500 to 8,000 square feet can be provided within the \$500,000 allocation. This amount of space

would generally permit a clear space of 70' x 80', locker-shower rooms, storage, utilities, and some community services (laundry, etc.).

According to a program dated February 7, 1972, submitted by the State-Operated School System, the following construction is programmed for fiscal 1973 from funds available under Chapter 170, SLA 1970. (Only those projects that involve locations designated in SB 351 are shown.)

Manokotak	2 classrooms	\$120,000
Galena	Transfer existing facilities to new site	100,000
Kivalina	1 classroom	50,000
Kongiganak	Sewage & water system	80,000

Of the communities listed, Gambell-Savoonga and Nelson Islands are currently under BIA jurisdiction. We have no information as to existing facilities, future construction, etc.

Generally, in regard to proposed multipurpose facilities program, the State Department of Education would recommend the following:

1. List locations by priority, i.e., in order of number of pupils.
2. Standard design component structures.
3. Bid several facilities at same time.

Priorities:

The Department of Education recommends the following order of priority:

<u>School</u>	<u>Pupils</u>
Selawik	138
Galena	133
Togiak	128
Point Hope	93
Northway	89
Shishmaref	80
Manikotak	78
Kenny Lake	77
Kaltag	72
Nondalton	72
Kongiganak	70
Noatak	63
Holy Cross	57
Teller	56
Kivalina	54

We are not familiar with the facilities at Gambell-Savoonga or Nelson Islands, but assuming sites are available, would recommend separate multipurpose

facilities for the following locations:

Savoonga	108
Gambell	98
Chefornak	89
Tununak	80

Attachment II

COMMENTS REGARDING CS FOR SB 351

Committee Substitute for Senate Bill 351 is similar to SB 351 in that it provides for secondary schools at seven locations:

Nondalton-Newhalen	Nelson Island (BIA)
Noorvik	Gambell-Savoonga (BIA)
Aniak	Unalakleet (BIA)
Selawik	

and multipurpose facilities at:

Galena	Manokotak
Holy Cross	Noatak
Kaltag	Northway
Kenny Lake	Point Hope
Kiana (BIA)	Shishmaref
Kivalina	Teller
Kongiganak	Togiak

No specific fund allocations are made; consequently, it is especially important to prioritize the projects.

Consideration is being given to providing an area high school at Aniak by the State Board of Education, with Chapter 170, SLA 1970 funding. However, due to some program conflicts, this project is not yet certain.

Galena has initiated a secondary program; consequently, it is not an elementary school only.

Most of the comments made in respect to SB 351 would also be true for CSSB 351; i.e., use of standardized structures: bid multiple projects.

In addition, the department would recommend that considerable thought be given as to the actual location of facilities in respect to Nondalton-Newhalen and Gambell-Savoonga.

For example, a school at Newhalen, although possibly more centrally located, would have to have more extensive boarding facilities since the number of pupils in residence at Newhalen (40) is relatively low. Nondalton has almost double this number (72), consequently a larger number of pupils would have to be accommodated on a boarding basis if the school is located at Newhalen.

Boarding spaces required at Newhalen - 30
Boarding spaces required at Nondalton - 15

(If pupils from other schools within the area are to be boarded, the facilities would have to be increased proportionately.)

In either bill, the Department would recommend that the appropriations be made to State-Operated Schools System.

Assuming secondary schools listed above would ultimately be approved and facilities would include multi-purpose rooms, the following elementary schools would be recommended for multi-purpose rooms:

<u>State</u>	<u>Elementary Pupils</u>
Northway	89
Kenny Lake	77
Kaltag	72
Kongiganak	70
Noatak	63
Holy Cross	57
Teller	56
Kivalina	54

BIA

Kiana	88
Kotlik	73
Toksook Bay	72
Napakiak	68
Goodnews Bay	67
Scammon Bay	59
Kwigillingok	55

MEMORANDUM

State of Alaska

Alaska State-Operated Schools
650 International Airport Road
Anchorage, Alaska

TO: Robert Isaac, Special Assistant
Department of Education
Pouch F
Juneau, Alaska 99801

DATE : February 7, 1972

FROM: G. Lee Hayes *GLH*
Plant Facilities &
New Construction Supervisor

SUBJECT: Programming - Ch. 170-70
Remaining Funds

The following list represents the proposed projects to be accomplished by Alaska State-Operated Schools during FY 73. Please add these projects to the existing list describing the distribution of Ch. 170-70 funds.

1. Kokhanok Bay - classroom addition	50,000
2. Sleetmute - classroom & quarters addition	100,000
3. New Stuyahok - two classroom addition	120,000
4. Manokotak - two classroom addition	120,000
5. Relocatables - unspecified locations	600,000
6. Bethel quarters	200,000
7. Gakona - two classrooms & quarters addition	225,000
8. Red Devil - kitchen	40,000
9. Copper Center - classroom & kitchen	60,000
10. Galena - transfer of site	100,000
11. Pitka's Point - quarters	50,000
12. Kivalina - classroom	50,000
13. Mentasta Lake - classroom/quarters	50,000
14. Dot Lake - classroom	50,000
15. Ruby - kitchen	40,000
16. Tanana - equipment	10,000
17. Kongiganak - sewer & water	80,000
	<u>1,945,000</u>
Program Contingency	<u>705,000</u>
	<u>2,650,000</u>

It is intended to request the initiation of each project individually as the scope of each project is determined.

G. L. H.

GLH/hs

360 Master



ALASKA STATE-OPERATED SCHOOL SYSTEM

650 International Airport Road
Anchorage, Alaska 99502

March 14, 1972

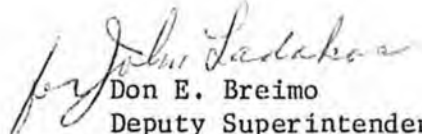
Legislative Finance
Room 407
Capitol Building
Juneau, Alaska 99801

Dear Sir:

Transmitted herewith is Fiscal Note Preparation pertaining to Senate Bill 351.

If additional information is needed, please let us know.

Sincerely yours,


Don E. Breimo
Deputy Superintendent

DEB:jle

Enclosures

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

I. REQUEST

Bill Identification: CSSB 351, SB 351
 Title: Issue G.O. Bonds for elementary & secondary educational facilities
 Requested by: Legislative Finance Date: 3/2/72
 Return Date Requested: 3/9/72
 Agency: State Operated Schools Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Rural students Alaska State-Operated
 A. EXPENDITURES: (Thousands of dollars) Schools

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		1,103.2	1,164.1	1,223.6	1,291.5	1,362.9
200 TRAVEL		35.0	36.4	38.5	40.6	43.4
300 CONTRACTUAL		25.2	26.6	29.4	32.2	35.0
400 COMMODITIES		329.0	347.9	366.8	386.4	408.1
500 EQUIPMENT		-0-	3.2	3.2	3.2	3.2
600 LAND & STRUCTURES		17,500.0	--	--	--	--
700 GRANTS, CLAIMS, ETC.						
TOTAL		18,992.4	1,578.2	1,661.5	1,753.9	1,852.6

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1,492.4	1,578.2	1,661.5	1,753.9	1,852.6
FEDERAL FUNDS						
OTHER G.O. Bonds		17,500.0	--	--	--	--

C. POSITIONS:

PERMANENT/TEMPORARY	/	70 /	70 /	70 /	70 /	70 /
MAN MONTHS (P./T.)	/	784 /	784 /	784 /	784 /	7 /

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

See Attachment I

IV. ATTACHMENTS

V. DATE: 3/13/72

PREPARED BY: John Ladaker

Don E. Breimo
 Deputy Superintendent

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

ATTACHMENT I

III. ANALYSIS

A. Assumption

Construction costs of seven Area Schools @ 1,500,000 = 10,500,000

Construction cost of fourteen multipurpose rooms @ 500,000 = 7,000,000

B. Program Summary

I. Positions

<u>No.</u>	<u>Positions</u>		<u>Salary</u>	<u>Salary Plus Benefits</u>
7	Principals	12 mo.	23,390	190,827
35	Teachers	12 mo.	17,877	625,695
21	CW II	10 mo.	9,090	223,335
7	CT III	10 mo.	7,840	64,204

II. Other Expenditures

200	Travel	Supervision and administration
300	Contractual	Communications, transportation of things
400	Commodities	Administrative and instructional supplies, texts, etc., (@\$100.00 per pupil)
		Maintenance and operation costs
500	Equipment	(\$200.00 per pupil)
600	Construction	G. O. Bonds

C. Computations

Cost per pupil presently used to compute Alaska State-Operated Schools budget.

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

I. REQUEST

Bill Identification: CSSB 351, SB 351
 Title: Issue G.O. Bonds for elementary & secondary educational facilities
 Requested by: Legislative Finance Date: 3/2/72
 Return Date Requested: 3/9/72
 Agency: State Operated Schools Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

MULTIPURPOSE
 EACH

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		10.6	11.2	11.8	12.5	13.2
200 TRAVEL		-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL		.3	.3	.4	.5	.6
400 COMMODITIES		10.3	10.9	11.5	12.1	12.8
500 EQUIPMENT		-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		500.0	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.						
TOTAL		521.2	22.4	23.7	25.1	26.6

B. FUNDING: (Thousands of dollars)

GENERAL FUND		21.2	22.4	23.7	25.1	26.6
FEDERAL FUNDS						
OTHER		500.0				

C. POSITIONS:

PERMANENT/TEMPORARY	/	1 /	1 /	1 /	1 /	1 /
MAN MONTHS (P./T.)	/	10 /	10 /	10 /	10 /	10 /

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

IV. ATTACHMENTS

V. DATE: _____

PREPARED BY: Don E. Beaman
by John Tarkenton

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: CSSB 351, SB 351
 Title: Issue G.O. Bonds for elementary & secondary educational facilities
 Requested by: Legislative Finance Date: 3/2/72
 Return Date Requested: 3/9/72
 Agency: State Operated Schools Program: _____

II. FISCAL DETAIL

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

MULTIPURPOSE ROOMS

x 14

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		148.4	156.8	165.2	175.0	184.8
200 TRAVEL		-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL		4.2	4.2	5.6	7.0	8.4
400 COMMODITIES		144.2	152.6	161.0	169.4	179.2
500 EQUIPMENT		-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		7,000.0	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.						
TOTAL		7,296.8	313.6	331.8	351.4	372.4

B. FUNDING: (Thousands of dollars)

GENERAL FUND		296.8	313.6	328.8	351.4	372.4
FEDERAL FUNDS						
OTHER		7,000.0				

C. POSITIONS:

PERMANENT/TEMPORARY	/	14 /	14 /	14 /	14 /	14 /
MAN MONTHS (P./T.)	/	140 /	140 /	140 /	140 /	140 /

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

IV. ATTACHMENTS

V. DATE: _____ PREPARED BY: Hon. E. Berman

by John Tardito

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: CSSB 351, SB 351
 Title: Issue G.O. Bonds for elementary & secondary educational facilities
 Requested by: Legislative Finance Date: 3/2/72
 Return Date Requested: 3/9/72
 Agency: State Operated Schools Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Rural students in Alaska State-Operated
 A. EXPENDITURES: (Thousands of dollars) Schools

SECONDARY
 (one)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		136.4	143.9	151.2	159.5	168.3
200 TRAVEL		5.0	5.2	5.5	5.8	6.2
300 CONTRACTUAL		3.0	3.2	3.4	3.6	3.8
400 COMMODITIES		26.4	27.9	29.4	31.0	32.7
500 EQUIPMENT		-0-	3.2	3.2	3.2	3.2
600 LAND & STRUCTURES		1,500.0	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.						
TOTAL		1,670.8	183.4	192.7	203.1	214.2

B. FUNDING: (Thousands of dollars)

GENERAL FUND		170.8	183.4	192.7	203.1	214.2
FEDERAL FUNDS						
OTHER		1,500.0	---	---	---	---

C. POSITIONS:

PERMANENT/TEMPORARY	/	8 /	8 /	8 /	8 /	8 /
MAN MONTHS (P./T.)	/	92 /	92 /	92 /	92 /	92 /

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

IV. ATTACHMENTS

V. DATE: _____ PREPARED BY: Don E. Biceano

by John Laskov

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: CSSB 351, SB 351
 Title: Issue G.O. Bonds for elementary & secondary educational facilities.
 Requested by: Legislative Finance Date: 3/2/72
 Return Date Requested: 3/9/72
 Agency: State Operated Schools Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

SECONDARY
 x 7 Total

OBJECT	PY 72	PY 73	PY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		954.8	1,007.3	1,058.4	1,116.5	1,178.1
200 TRAVEL		35.0	36.4	38.5	40.6	43.4
300 CONTRACTUAL		21.0	22.4	23.8	25.2	26.6
400 COMMODITIES		184.8	195.3	205.8	217.0	228.9
500 EQUIPMENT		-0-	3.2	3.2	3.2	3.2
600 LAND & STRUCTURES		10,500.0	---	---	---	---
700 GRANTS, CLAIMS, ETC.						
TOTAL		11,695.6	1,264.6	1,329.7	1,402.5	1,480.2

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1,195.6	1,264.6	1,329.7	1,402.5	1,480.2
FEDERAL FUNDS						
OTHER		10,500.0	---	---	---	---

C. POSITIONS:

PERMANENT/TEMPORARY	/	56 /	56 /	56 /	56 /	56 /
MAN MONTHS (P./T.)	/	644 /	544 /	544 /	544 /	544 /

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

IV. ATTACHMENTS

V. DATE: _____ PREPARED BY: D. E. Brown

by John L. ...

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

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: Nat Cole, Director
Administrative Services
Department of Education

DATE: 3/2/72

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR CSSB 351, SB 351
AND RETURN IT TO OUR OFFICE BY 3/9/72.

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

1. Furnish an analysis of the priority needs for facilities at the indicated locations as related to other facilities needed throughout the state and existing state commitments to school construction and debt retirement.
2. Agency comments or recommendations:
 - a. Should the appropriation be made to the Dept. of Ed. or to S.O.S?
 - b. Other pertinent information.

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

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

CC: BUDGET & MANAGEMENT

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99301

MEMORANDUM

TO: Don Breimo
State Operated Schools
650 Int'l Airport Road
Anchorage, Alaska 99502

DATE: 3/2/72

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR CSSB 351, SB, 351
AND RETURN IT TO OUR OFFICE BY 3/9/72.

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

1. Furnish an analysis of the priority needs for facilities at the indicated locations as related to your tentative five-year capital construction program.
2. Agency comments or recommendations:
 - a. Should the appropriation be made to State-Operated Schools or the Department of Education?
 - b. Other pertinent information.

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

Fiscal note

Introduced: 2/14/72
Referred: Health, Welfare &
Education; Finance

BY HENSLEY, CHRISTIANSEN, CROFT,
JOSEPHSON, THOMAS AND YOUNG

1 IN THE SENATE

2 SENATE BILL NO. 351

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 \$9,000,000 for the purpose
8 of paying the cost of construction of multipurpose
9 educational facilities in elementary and secondary
10 schools at designated locations in the state; and
11 providing for an effective date."

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

13 * Section 1. For the purpose of paying the cost of construction of
14 multipurpose educational facilities in elementary and secondary schools at
15 designated locations in the state general obligation bonds of the state in
16 the principal amount of not more than \$9,000,000 shall be issued and sold.
17 The full faith, credit and resources of the state are pledged to the payment
18 of the principal of and interest and redemption premium, if any, on these
19 bonds. These bonds shall be issued under the provisions of AS 37.15 as those
20 provisions read at the time of issuance.

21 * Sec. 2. If the issuance of these bonds is authorized by the qualified
22 voters of the state, a special fund of the state to be known as the "1972
23 Multipurpose Educational Facilities Construction Fund" shall be established,
24 to which shall be credited the proceeds of the sale of the bonds described
25 in sec. 1 of this Act except for the accrued interest and premiums. There
26 is appropriated from the "1972 Multipurpose Educational Facilities Construc-
27 tion Fund" to the Department of Education the sum of \$9,000,000. The pro-
28 ceeds of these bonds, in the amount of \$500,000 each for construction of a
29 multipurpose room facility at the following locations:

1 (1) the high schools at Newhalen, Gambell-Savoonga and Nelson
2 Island and

3 (2) the four-teacher, or more, elementary schools at Galena,
4 Holy Cross, Kaltag, Kenny Lake, Kivalina, Kongiginak, Manakotak, Noatak,
5 Wondalton, Northway, Point Hope, Selawik, Shishmaref, Teller and Togiak.

6 * Sec. 3. If the issuance of these bonds is authorized by the qualified
7 voters of the state, the amount of \$31,500 or as much of that amount as is
8 found necessary is appropriated from the general fund of the state to the
9 state bond committee to carry out the provisions of this Act and to pay
10 expenses incident to the sale and issuance of the bonds authorized in this
11 Act. The amounts expended from the appropriation authorized by this section
12 shall be reimbursed to the general fund from the proceeds of the sale of
13 the bonds authorized by this Act.

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

17 Proposition

18 State General Obligation 1972 Multipurpose Educational
19 Facilities Construction Bonds \$9,000,000

20 Shall the State of Alaska issue its general obligation bonds
21 in the principal amount of not more than \$9,000,000 for the
22 purpose of paying the cost of construction of multipurpose
23 educational facilities in elementary and secondary schools
24 at designated locations in the state?

25 Bonds Yes []

26 Bonds No []

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

29

Original sponsors: Hensley, Christiansen,
Croft, et al

Offered: 3/1/72
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

2 CS FOR SENATE BILL NO. 351

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 \$17,500,000 for the purpose
8 of paying the cost of acquiring, constructing and
9 equipping secondary schools and multipurpose educa-
10 tional facilities at designated locations in the state
11 and providing for an effective date."

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

13 * Section 1. For the purpose of paying the cost of acquiring, construct-
14 ing and equipping secondary schools and multipurpose educational facilities
15 at designated locations in the state, general obligation bonds of the state
16 in the principal amount of not more than \$17,500,000 shall be issued and
17 sold. The full faith, credit and resources of the state are pledged to the
18 payment of the principal of and interest and redemption premium, if any, on
19 these bonds. These bonds shall be issued under the provisions of AS 37.15
20 as those provisions read at the time of issuance.

21 * Sec. 2. If the issuance of these bonds is authorized by the qualified
22 voters of the state, a special fund of the state to be known as the "1972
23 State Secondary School and Multipurpose Educational Facilities Construction
24 Fund" shall be established, to which shall be credited the proceeds of the
25 sale of the bonds described in sec. 1 of this Act except for the accrued
26 interest and premiums. There is appropriated from the "1972 State Secondary
27 School and Multipurpose Educational Facilities Construction Fund" to the
28 State Operated Schools the sum of \$17,500,000. The proceeds of these bonds,
29 in the amount of \$1,500,000 for each secondary school and \$500,000 for each

1 multipurpose educational facility at the following locations:

2 (1) secondary schools at Nondalton-Newhalen, Moorvik, Aniak,
3 Selawik, Nelson Island, Gambell-Savoonga and Unalakleet; and

4 (2) multipurpose educational facilities at the four-teacher, or
5 more, elementary schools at Galena, Holy Cross, Kaltag, Kenny Lake, Kiana,
6 Kivalina, Kongiginak, Manakotak, Noatak, Northway, Point Hope, Shishmaref,
7 Teller and Togiak.

8 * Sec 3. If the issuance of these bonds is authorized by the qualified
9 voters of the state, the amount of \$61,250 or as much of that amount as is
10 found necessary is appropriated from the general fund of the state to the
11 state bond committee to carry out the provisions of this Act and to pay
12 expenses incident to the sale and issuance of the bonds authorized in this
13 Act. The amounts expended from the appropriation authorized by this section
14 shall be reimbursed to the general fund from the proceeds of the sale of the
15 bonds authorized by this Act.

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

19 Proposition

20 State General Obligation 1972 State Secondary School
21 and Multipurpose Educational Facilities Construction
22 Bonds \$17,500,000

23 Shall the State of Alaska issue its general obligation bonds in
24 the principal amount of not more than \$17,500,000 for the purpose
25 of paying the cost of acquiring, constructing and equipping
26 secondary schools and multipurpose educational facilities at
27 designated locations in the state?

28 Bonds Yes []

29 Bonds No []

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

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



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

Fiscal Note

Introduced: 2/24/72
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE
BY REQUEST

2 SENATE BILL NO. 354

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the ad valorem tax exemption on
7 oil and gas production; and providing for an effective
8 date."

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

10 * Section 1. AS 43.55 is amended by adding a new section to read:

11 Sec. 43.55.085. REFUNDS TO CITIES AND BOROUGHES. The department
12 shall certify to the Department of Administration annually as of
13 January 1, the revenue which would have accrued to each city or borough
14 through ad valorem taxes on property, but for the exemption provided
15 by sec. 10 of this chapter. Upon certification, the Department of
16 Administration shall issue a warrant to each city or borough for the
17 sum from the general fund. If the amount which would have been due in
18 ad valorem property taxes exceeds the gross production tax revenues
19 from property within the city or borough, then no more than the total
20 of gross production tax revenues attributable to the property shall
21 be refunded to the city or borough.

22 * Sec. 2. This Act takes effect on the day after its passage and approval
23 or on the day it becomes law without approval.
24
25
26
27
28
29

SB 354
Copy for
Finance

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS / 3001 PORCUPINE DRIVE — ANCHORAGE 99504

WILLIAM A. EGAN, GOVERNOR

March 10, 1972

Re: Senate Bill No. 354

Honorable W. I. "Bob" Palmer
Alaska State Senator
Pouch V
Juneau, Alaska 99801

Dear Bob:

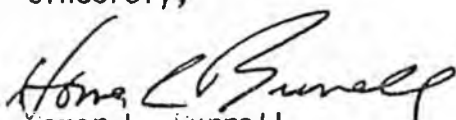
Pursuant to our telephone conversation and amending our memorandum of March 2, 1972 to Steffen Anderson, we have analyzed the effect the captioned bill will have on the state treasury by issuing a warrant to the borough equivalent to only the exemption cited in Sec. 43.55.010 (b)(3).

We made calculations for the Kenai Peninsula Borough based on the adjusted initial value of exempt facilities, cited above, supplied to you by Mr. Jerry Heier, Chief Tax Assessor for the Kenai Peninsula Borough. No calculations were made for the Proposed North Slope Borough because the broad assumptions necessary for the analysis are uncertain, as is the possibility of oil or gas production during the forecast period.

The attached table lists the loss to the state for fiscal years 1973 through 1977 for Kenai Peninsula Borough mill rates of five, ten and fifteen. We assumed:

1. Initial values of \$10 million for each of fourteen producing platforms, plus an additional \$2 million for each of the eleven platforms with water injection facilities, and a value of \$3.5 million for Swanson River gas compression plants.
2. Twenty year life with straight line depreciation, starting with initial facility values in the year of installation and declining to zero values.

Sincerely,


Homer L. Burrell
Director

Attachment

cc: Charles F. Herbert, Commissioner
Steffen Anderson, Director Excise Tax Division

KENAI PENINSULA BOROUGH

<u>Calendar year</u>	<u>Property Valuation (Million \$)</u>	<u>Ad Valorem Tax Rate (Mills)</u>	<u>Computed Ad Valorem Tax (Million \$)</u>	<u>FY</u>	<u>Average Ad Valorem Tax - Per FY (Million \$)</u>	<u>Prod. Tax Limit (Million)</u>	<u>Loss To Treasury (Million \$)</u>		
1972	127.1	5	0.636						
		10	1.271						
		15	1.907						
1973	118.8	5	0.594	1973	0.615	9.525	0.615		
		10	1.188					1.230	1.230
		15	1.782					1.845	1.845
1974	110.5	5	0.553	1974	0.574	10.028	0.574		
		10	1.105					1.147	1.147
		15	1.658					1.720	1.720
1975	102.3	5	0.512	1975	0.533	9.254	0.533		
		10	1.023					1.064	1.064
		15	1.535					1.597	1.597
1976	94.0	5	0.470	1976	0.491	8.605	0.491		
		10	0.940					0.982	0.982
		15	1.410					1.473	1.473
1977	85.7	5	0.429	1977	0.450	8.125	0.450		
		10	0.857					0.899	0.899
		15	1.286					1.348	1.348

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

I. REQUEST

Bill Identification: SB 354
 Title: Ad valorem tax exemption on oil and gas production
 Requested by: Legis. Finance Date: 2/25/72
 Return Date Requested: 3/3/72
 Agency: Dept. of Revenue Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

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

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)

See attached memorandum from Homer L. Burrell, Director, Oil and Gas Division, Department of Natural Resources, Anchorage, Alaska regarding effect on Treasury and problems involved in estimating losses to General Fund.

IV. ATTACHMENTS

1. Memo - Oil & Gas Division.
2. Oil & Gas Production Tax Estimates, Narrative & Amounts - from Revenue Sources, 1971-1977.

V. DATE: March 7, 1972 PREPARED BY: R. D. Stevenson

R. D. Stevenson
Deputy Commissioner

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

STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

RECEIVED
72 MAR 2 11 13 10

TO: Steffen Anderson
Director
Excise Tax Division

DATE : March 2, 1972

BUREAU, ALASKA

FILE

FROM: Homer L. Burrell
Director

HLS

SUBJECT: Senate Bill No. 354

Per your request, following are our comments on the captioned bill.

From the standpoint of administration, the only problem we see is that gross production tax revenues may not be ascertainable because of a dispute over the value, such as currently exists as to Cook Inlet oil. This might create problems in adjustment when the value is finally determined if, for instance, it is held the oil companies are entitled to a tax refund.

The effect of the bill on state revenue is impossible to determine with any degree of accuracy, for various reasons. The limitations of our previous Code 115 revenue forecasts have been explained in comments accompanying the forecasts; however we have no basis for revision thereof at this time. These forecasts are ten to 100 times as accurate as estimates of ad valorem taxation by local government. The basis for valuation is unknown and would undoubtedly be negotiated by the taxpayer and assessor. Of course the rate or mill levy is unascertainable.

However, we've tried. We have made calculations for the Kenai Peninsula Borough and the proposed North Slope Borough, separately. Assumptions have been made as follows:

1. Borough ad valorem taxation would be on the basis generally used in Texas (where ad valorem taxation is in addition to a small oil and gas severance tax) and California (where ad valorem taxation is in lieu of an oil and gas severance tax), although the various counties in Texas and California do not use uniform valuation methods. We have, therefore, disregarded the value of production facilities and equipment and estimated the net value of the recoverable oil and gas in the ground. This is presumably what it would sell for, in the ground, and has a built-in adjustment for the value of production facilities.

We have used \$1.50 per barrel of oil and 15¢ per MCF of gas as the value for ad valorem tax purposes.

2. We have used American Petroleum Institute and American Gas Association recoverable reserve figures, with only slight modifications based on our knowledge. These are as follows as of July 1, 1972:

Kenai Peninsula Borough

Proposed North Slope Borough

0.6 billion bbls of oil
5.0 billion MCF of gas

10.0 billion bbls of oil
26.0 billion MCF of gas

We have used a 10% annual depletion rate for oil and a 2% annual depletion

Steffen Anderson

-2-

March 2, 1972

rate for gas, in the Kenai Peninsula Borough during the FY 73 through FY 77 period of our estimates.

3. The Kenai Peninsula Borough currently has a 5 mill ad valorem tax rate, but it also has a sales tax. We have therefore calculated the effect of the bill on the Treasury for 5, 10 and 15 mill ad valorem tax rates!

4. We have uniformly assumed seven-eighths of the value would be subject to ad valorem taxation.

cc: Charles F. Herbert
Commissioner

Kenai Peninsula Borough

<u>FY</u>	<u>Ad Valorem Tax Rate</u>	<u>Loss to Treasury (millions of dollars)</u>
1973	5 mills	2.3
	10 mills	9.5
	15 mills	9.5
1974	5 mills	3.2
	10 mills	10.0
	15 mills	10.0
1975	5 mills	3.0
	10 mills	9.3
	15 mills	9.3
1976	5 mills	2.6
	10 mills	8.6
	15 mills	8.6
1977	5 mills	2.5
	10 mills	8.1
	15 mills	8.1

Proposed North Slope Borough

<u>FY</u>	<u>Ad Valorem Tax Rate</u>	<u>Loss to Treasury (millions of dollars)</u>
1973-76	5 mills	insignificant
	10 mills	"
	15 mills	"
1977	5 mills	35.0
	10 mills	35.0
	15 mills	35.0

Revenue
Code
114

Fish Tax - Freezer Ship

Rate:

For freezer ships and other floating storages: An annual license equal to 4% of the value of the raw halibut, halibut livers and viscera, salmon and bottom fish, shellfish or other fishing resource bought or otherwise obtained for processing through freezing, salting or other method, or the taking of crab for export without such processing.

The value is established as the actual price paid for the raw material, including indirect considerations furnished by the processor.

Allocation:

Revenue from Fish Tax - Freezer Ship is paid into the General Fund.

Citation:

AS 43.75.060-090 excluding paragraph (1) AS 43.75.060.

Basis for Estimate:

The estimates for future years must be held conservative, due to the court case which was rendered unfavorable to the state by the State District Court in Juneau. However, the case is to be appealed to higher courts (no decision as of 8/9/71). This will determine the proper taxing rate on the value of king crab processed into a finished product aboard floating equipment. This could be either 1% or 4%, making considerable difference in the collections under this statute. Also, AS 43.75.060 allows floating cold storages which remain in one place for over one year to qualify as a cold storage and be taxed at the rate of 1% instead of 4%. This act causes a considerable loss of revenue under AS 43.75.060 (2), the freezer ship tax.

Revenue
Code
115

Oil and Gas Production Tax

Rate:

There is levied upon every person producing oil and gas a tax based upon a per cent of the gross value at the well of all oil and gas produced in the State, less value of any part, the ownership or right to which is exempt from taxation. The tax is upon the whole production, including what is commonly known as the royalty interest, and is levied according to the following schedule:

- (1) oil -- based upon the average daily per-well production for the calendar month in barrels, the tax is:
 - (A) three per cent on the first 300 barrels;
 - (B) five per cent on the next 700 barrels;
 - (C) six per cent on the next 1,500 barrels and
 - (D) eight per cent on all production in excess of 2,500 barrels;

Oil and Gas Production Tax (Continued)

- (2) gas -- the rate shall be four per cent of the gross value of the gas and liquid products produced.

Allocation:

Revenues from the Oil and Gas Production tax are paid into the General Fund.

Citation:

AS 43.55.010-140 as amended by Ch. 247, SLA 1970.

Basis for Estimate:

The royalty income estimate is obtained by estimating the total oil or gas production for each month during the period and entering this data into a computer program which calculates each month's revenue, utilizing the State's net interest factor and wellhead oil or gas price. Royalty and tax income estimates from oil and gas operations have been made after considering the production performance of each pool in the State. This involves analysis of individual lease and well performance. All fields in Cook Inlet are now under pressure maintenance operations which has the effect of prolonging peak production and arresting the production decline, in spite of no additional field development in the forecast period. This results in a predicted total oil and gas revenue decline, that in FY 1975 is still only 12% under the FY 1971 actual of \$42.5 million. It has been estimated that production will start on the North Slope by July 1, 1976. This will give almost four and one-half years from the present time for issuance of permit and completion of construction of the pipeline.

There is a dispute between the State and most of the oil companies on the value of Cook Inlet crudes. This matter is being litigated. For royalty purposes the current value being paid by Tesoro Alaskan Petroleum Corporation for State royalty oil has been used as a basis for income estimates where oil is being taken in kind and the price now being paid by the operators was used on all other royalty oil. The estimated weighted price of royalty oil for the year 1971-72 is \$3.20 per barrel. The 5% discovery royalty bonus is still in effect on some leases and this results in the State having an average net interest of something less than 12% in the production from all State leases. All royalty oil wellhead prices were escalated \$.05 per barrel per year beginning in 1972.

Oil and Gas Production Tax (Continued)

At present there are 199 active producing oil wells and they average 1097 barrels per well per day. Reservoir energy is being replaced by the injection of 241,000 barrels of water and 207 million cubic feet of gas per day. Also, residue fractions from the crude oil topping plant on the North Slope are being reinjected at about 2300 barrels per day. Since there is very little history on the performance of Alaskan fields under fluid injection operations, the estimates are subject to large fluctuations, even within a lease. Some of the factors considered in preparing these estimates are as follows:

General

The State has issued an order for each oil pool in the Cook Inlet to the effect that gas flaring, except for the amounts necessary for safety, must cease by July 1, 1972. Gas proration has been considered in preparing the estimates for Cook Inlet oil fields.

The Native Land Claims bills, now under consideration, will greatly affect the royalty income estimates from the North Slope oil fields and from rental royalties from Federal lands (Code 709). Since the effective date and amount of the settlement are not final, current projections disregard the Native Land Claims.

Granite Point Field: There are 30 wells averaging 484 barrels per day, compared to 35 wells averaging 537 barrels per well per day one year ago. Pressure maintenance operations have been installed on all leases in the field with injection initiated in the last half of 1970. Production is expected to continue to decline until first effects of the pressure maintenance project are felt in late 1971. Oil production should rise to about 17,000 barrels per day by early 1974 and hold for some time. Since extremely high injection pressures are anticipated in this field, future estimates of beneficial results are speculative, even though favorable response has been obtained from the same formation in other fields.

McArthur River Field: There are now 52 producing oil wells in this field averaging 2210 barrels of oil per day, as compared to one year ago when 51 wells were producing 2060 barrels per well per day. Full-scale pressure maintenance operations have been underway in this field for almost three years and favorable response is being obtained. There are 16 water injection wells through which 171,000 barrels of water per day are being injected into the formation. Estimates assume that present production rates will decline to mid-1972, be maintained through mid-1973, and will decline gradually thereafter. Since performance indicates the project is very effective, the production decline rate should be relatively uniform and moderate. The McArthur River Field produces approximately 40% of the State's total oil and gas income.

Oil and Gas Production Tax (Continued)

Middle Ground Shoal: There are 38 wells producing an average of 763 barrels of oil per day, as compared to 40 wells producing 873 barrels of oil per day one year ago. Pressure maintenance operations have been underway for three years and response, particularly in the lower pools, has been favorable. All primary and secondary development is complete. The field has peaked out and will continue a gradual decline throughout the budget period.

Prudhoe Bay: One well which is furnishing crude for the topping plant is producing about 3400 barrels per day. Approximately 2300 barrels per day of the lower fraction is being reinjected into the reservoir. More than 60 wells have been drilled within the limits of the Prudhoe Bay Field and these represent a potential productive capacity of up to 600,000 barrels per day if a pipeline were available at the present time. Development drilling is continuing at a slow rate. There apparently will be no problem in drilling necessary wells to have desired delivery capability by the time the pipeline is laid into the field. These estimates are predicated on the assumption that the ALPS Pipeline will be installed by July 1, 1976 and that initial oil production will approximate 600,000 barrels per day and will rise to 1,700,000 barrels per day by March 1, 1977. At this time it is estimated that approximately 210 wells will be in operation on the North Slope. These wells will be capable of sustained rates of 10,000 to 15,000 barrels of oil per day. For these purposes a west coast refinery price of \$3.12 per barrel has been used in 1971 and escalated \$.05 per barrel each year.

Because there is an increasing demand for low sulfur content crudes to minimize air pollution, and increasing pressures from the Arab countries on Middle East crudes, there should be no problem in marketing North Slope crudes by the time the pipeline is completed. It has been assumed that a gas pipeline to be built through Canada, capable of an initial throughput of 1.5 billion cubic feet of gas per day, will be available for start of oil production in July, 1976. This line will have ultimate throughput capability of 3.0 billion cubic feet of gas per day. It will be necessary to reinject a large portion of the associated produced gas to maintain reservoir pressure; however, it is estimated that initial gas sales will coincide with oil production on July 1, 1976, starting with 200 million cubic feet per day and reaching 600 million cubic feet per day by March 1, 1977. The wellhead price of this gas is estimated to be \$.16 per MCF in 1976.

Revenue
Code
115

Oil and Gas Production Tax (Continued)

Swanson River: Swanson River now has 41 oil wells producing an average of 818 barrels per well per day, as compared to 38 wells producing 870 barrels per day a year ago. This pressure maintenance project continues to perform very well and, although gas breakthrough has occurred in a few places, the operator has been successful in controlling significant increases in gas-oil ratios. Some experimentation has been performed with water injection and approximately 3400 barrels of water per day is being injected into one well to supplement the gas injection program. Approximately 207 million cubic feet of gas per day is being injected through ten gas injection wells. Production is now declining and a steady 8% decline throughout the remaining life of the reservoir is predicted. The State receives 90% of the royalty paid to the federal government, which is included in receipt code 709.

Trading Bay Field: The Trading Bay Field now has 36 wells averaging 635 barrels of oil per well per day compared to 32 wells averaging 818 barrels of oil per day one year ago. Development is essentially complete in this field and pressure maintenance operations are underway. It is estimated that production rates will continue to decline due to normal depletion.

Beluga Gas Field: A ten percent annual increase in gas production is predicted for this field. Future gas sales are an extrapolation of the past trend which reflects a continuing population and industry growth in the area.

Kenai Gas Field: Gas production will increase an estimated 12% from FY 72 to FY 73 and then remain essentially steady throughout the forecast period. The increase in 1973 results from a severe cutback in rental gas to the Swanson River Field pressure maintenance project in 1971 and a planned return to the previous high injection volumes in January 1973. A predicted 15% decline at this project is offset by natural demand growth in the Anchorage Natural Gas Corporation system.

North Cook Inlet Gas Field: This Phillips Petroleum Company operated unit delivers a fixed volume of gas for LNG manufacture and sale to Japan. Spare producing capacity is available and steady production is predicted throughout the forecast period.

Sterling Gas Field: A modest annual increase in gas production is forecast for this field based on current conditions and past production history.

SECTION II

DETAIL OF STATE REVENUES
FISCAL YEARS 1971-77

REVENUE SOURCE	ACTUAL F.Y. 1971	ESTIMATED						
		F.Y. 1972 Budget Estimate	F.Y. 1972 Revised Estimate	F.Y. 1973 Revised Estimate	F.Y. 1974 Revised Estimate	F.Y. 1975 Revised Estimate	F.Y. 1976 Revised Estimate	F.Y. 1977 Estimate
GENERAL FUND - UNRESTRICTED REVENUE								
<u>Income, Excise, Occupation & Production Taxes</u>								
1 Alcoholic Beverage Excise Tax	\$ 4,936.4	\$ 5,312.5	\$ 5,293.0	\$ 6,301.1	\$ 7,057.1	\$ 7,833.4	\$ 8,146.7	\$ 8,472.6
2 Cigarette Tax (3c general)	1,112.8	1,219.0	1,233.6	1,357.0	1,519.8	1,702.2	1,838.3	1,985.4
4 Insurance Premium Tax	3,018.2	3,300.0	3,795.0	4,364.3	5,018.9	5,771.7	6,637.5	7,633.1
5 Alaska Business License Tax	5,583.8	6,150.0	5,918.0	6,321.0	7,136.0	7,920.0	8,279.0	8,049.0
Sub-total	<u>\$14,651.2</u>	<u>\$15,981.5</u>	<u>\$16,239.6</u>	<u>\$18,343.4</u>	<u>\$20,731.8</u>	<u>\$23,227.3</u>	<u>\$24,901.5</u>	<u>\$26,140.1</u>
<u>Income Taxes</u>								
6 Individual Income Tax	35,476.0	42,340.2	37,686.5	42,962.7	53,481.0	55,212.3	51,763.1	50,332.8
7 Fiduciary Income Tax	45.8	16.0	25.0	40.0	40.0	40.0	45.0	45.0
8 Corporation Income Tax	6,064.9	6,434.7	6,524.1	6,906.9	8,288.3	8,726.6	8,708.7	8,563.1
Sub-total	<u>\$41,586.7</u>	<u>\$48,790.9</u>	<u>\$44,235.6</u>	<u>\$49,909.6</u>	<u>\$61,809.3</u>	<u>\$63,978.9</u>	<u>\$60,516.8</u>	<u>\$58,940.9</u>
9 Mines & Mining Tax	16.6	50.0	17.0	17.0	18.0	19.0	20.0	21.0
10 Inheritance Tax	104.5	18.0	50.0	20.0	10.0	-0-	-0-	-0-
11 Estate Tax	1.2	-0-	7.0	8.0	8.0	9.0	10.0	10.0
Sub-total	<u>\$122.4</u>	<u>\$68.0</u>	<u>\$74.0</u>	<u>\$45.0</u>	<u>\$36.0</u>	<u>\$28.0</u>	<u>\$30.0</u>	<u>\$31.0</u>
<u>Commercial Fish Tax</u>								
12 Raw Fish Tax	3,490.5	2,152.0	2,152.0	2,816.8	2,065.6	3,549.3	3,993.6	3,968.0
13 Fish Tax - Cold Storage	372.9	290.0	290.0	305.0	310.0	310.0	310.0	310.0
14 Fish Tax - Freezer Ship	154.5	150.0	150.0	140.0	140.0	140.0	140.0	140.0
Sub-total	<u>\$3,967.9</u>	<u>\$2,592.0</u>	<u>\$2,592.0</u>	<u>\$3,261.8</u>	<u>\$2,515.6</u>	<u>\$3,999.3</u>	<u>\$4,443.6</u>	<u>\$4,418.0</u>
<u>Oil & Gas Production Taxes</u>								
15 Oil & Gas Production Tax (3c general)	9,926.6	8,644.6	10,880.0	9,535.0	10,038.0	9,264.0	8,622.0	43,072.0
16 Oil & Gas Production Tax (1c Dis. Rel) (1)	538.4	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sub-total	<u>\$10,465.0</u>	<u>\$8,644.6</u>	<u>\$10,880.0</u>	<u>\$9,535.0</u>	<u>\$10,038.0</u>	<u>\$9,264.0</u>	<u>\$8,622.0</u>	<u>\$43,072.0</u>
17 Disaster Relief Tax (2)	47.4	-0-	1.6	-0-	-0-	-0-	-0-	-0-
18 School Tax	1,418.8	1,564.7	1,399.3	1,455.3	1,542.6	1,635.1	1,700.5	1,717.5
19 Property Tax	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
20 Electric & Telephone Co-op Tax	395.4	385.0	425.0	455.0	480.0	505.0	530.0	555.0
Sub-total	<u>\$1,861.6</u>	<u>\$1,949.7</u>	<u>\$1,825.9</u>	<u>\$1,910.3</u>	<u>\$2,022.6</u>	<u>\$2,140.1</u>	<u>\$2,230.5</u>	<u>\$2,272.5</u>

1) In accordance with the provisions of Chapters 27 & 31, PSS 1967, commencing with the fiscal year 1972 Disaster Relief Revenue will be subject to appropriation to the Disaster Relief Fund. This tax should terminate at the end of fiscal year 1972-73 when a total in excess of \$7.5 million is estimated available for appropriation to this fund. Pursuant to the provisions of Chapter 247, SIA 1970 the imposition of the Disaster Severance Tax was repealed effective July 1, 1970.

2) Repealed effective January 1, 1970 per Chapter 48, SIA 1969.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH VI — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH VII — STATE CAPITOL

BUREAU 59001

MEMORANDUM

TO: Bob Stevenson
Deputy Commissioner
Department of Revenue

DATE: 2/25/72

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 354
AND RETURN IT TO OUR OFFICE BY 3/3/72.

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

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

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

CC: BUDGET & MANAGEMENT



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

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

March 29, 1972

The Honorabe John Butrovich
Chairman
Senate Finance Committee
Alaska State Legislature
Juneau, Alaska

Dear Chairman Butrovich:

I would like to take this opportunity to report to you on the status of the proposed land purchase by the University of Alaska from Alaska Methodist University and to urge your early consideration of this measure. As I know you are aware, the proposed sale must be approved by the Department of Interior since Alaska Methodist University originally acquired the property from the federal government under the provision of the Recreation and Public Purposes Act.

Our staff has contacted Curtis McVee, State Director for Alaska of the Bureau of Land Management, Bob Price, Regional Solicitor of the Department of Interior, and, most recently, Mrs. J. A. Hagans, Chief Adjudicator in the State Office of the Bureau of Land Management, to check on the status of the application for transfer of title to this property. Mrs. Hagans has informed us that the application appears to be in conformance with the applicable statutes and regulations and that she has forwarded the application to the Lands and Realty Section of the Department in Washington, D.C. for final review. Informally, I have received assurance from other federal representatives coincident with my own opinion, that there are no problems with the transfer and that it should be approved routinely. However, as you are aware, the review process of the federal government is frequently laborious to the point of ponderousness. Despite assurances that the approval will receive expedited treatment, I am concerned about the time frame.

If funds are appropriated by the legislature to carry out this proposed purchase, I assure you that my office will work closely with the University of Alaska to make certain that the interests of the state are adequately protected. We will make certain that all barriers to the transfer of title are taken care of before funds are transferred to Alaska Methodist University.

The Honorable John Butrovich

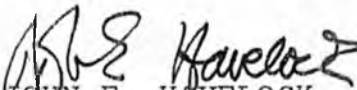
-2-

March 29, 1972

With regard to the Sponsor Substitute for Senate Bill 357 now before your committee which would appropriate funds to carry out this purchase, I would think that the second \$975,000 should be paid on July 1, 1972 rather than on July 1, 1973.


Please let me know if there is anything I can do to help you or your committee in this matter.

Sincerely yours,


JOHN E. HAVELOCK
ATTORNEY GENERAL

JEH:gb

To: Legislative Finance Committees

From: Rich Guthrie, Fiscal Analyst 

Subject: SB 357

SB 357 is one of several bills developed by the Legislative Council based upon the study entitled "Higher Education in Alaska" as authorized by HCR 26, 1971 legislative session.

The finance committees may wish to review the following before acting upon SB 357:

1. "Higher Education in Alaska" report
(copies provided earlier in the session);
2. Legislative Finance Staff Comments of
Feb. 21, 1972, regarding the "Higher
Education in Alaska" report (attached);
3. HB 603; HB 609; HCR 19; HCR 26;
HJR 106 (attached).

Additional information or assistance will be furnished by the staff upon request.

Att.

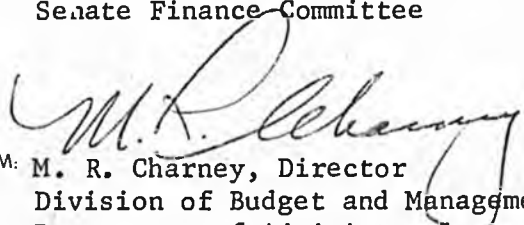
ls

STATE
of ALASKA

MEMORANDUM

TO: [Senator John Butrovitch, Chairman
Senate Finance Committee

DATE : March 15, 1972

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

SUBJECT: Senate Bill 357

As requested at today's Senate Finance Committee, I have checked with the Governor regarding Senate Bill 357 and its relation to last weekend's revised Memorandum of Understanding between the University of Alaska and Alaska Methodist University for the amount of \$2.0 million.

The Governor supports Senate Bill 357 and sees no need of further legislation on this matter. Payments under the Memorandum are to be made in two fiscal years. Senate Bill 357 will cover the payment to be made in FY 72. The FY 73 payment is covered under the Governor's proposed FY 73 budget by the items "Grant in Aid" and "Other" in the "Student Aid" BRU (p.59, Budget Document Supplement).

STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE COMMISSIONER

TO: [Division of Legislative Finance
Alaska State Legislature

ATTN: Rich Guthrie

DATE: March 20, 1972

FROM: Dale Wallington *AD*
Deputy Commissioner

SUBJECT: Deeds - AMU Lands

The Bureau of Land Management issued four deeds covering the AMU property in Anchorage. Three of these were issued to the Alaska Methodist University and the fourth to the Division of National Missions of the Board of Missions of the Methodist church.

In addition to the usual restrictions as to water rights, rights-of-way, roads, etc., the deeds contain two stipulations: 1) that the land be used for school purposes only, and 2) that if the patentee, or his successor, attempts to transfer title to or control over the lands to another, or the lands are devoted to a use other than for which the land was conveyed, without the consent of the Secretary of the Interior, or his delegate, the title shall revert to the United States.

SB 357

1 AMENDED MEMORANDUM OF UNDERSTANDING

2 This AMENDED MEMORANDUM OF UNDERSTANDING is entered into this 11th
3 day of February, 1972,),
4 the University of Alaska (hereinafter, the U of A), and Alaska Methodist
5 University (hereinafter, AMU).

6 WITNESSETH:

7 WHEREAS, U of A plans to expand its campus at Anchorage, Alaska, and
8 requires suitable land to carry out that expansion; and

9 WHEREAS, AMU has patent to land in the Anchorage area which is suitable
10 for such expansion; and

11 WHEREAS, due to developments occurring subsequent to the execution of
12 the MEMORANDUM OF UNDERSTANDING dated January 8, 1972, between the above
13 mentioned parties, it is necessary to amend the same in accordance with the
14 provisions hereinafter set forth;

15 NOW, THEREFORE, the parties agree as follows:

16 1. AMU agrees to convey to U of A in fee simple
17 absolute approximately 197.5 acres of land described as follows:

18 Parcel No. 1: The Southeast One-quarter (SE 1/4) of the Southeast
19 One-quarter (SE 1/4) of Section Twenty-one (21), Township Thirteen
20 North (T13N), Range Three West (R3W), Seward Meridian.

21 Parcel No. 2: The South One-half (S 1/2) of the Southwest One-
22 quarter (SW 1/4) of Section Twenty-two (22), Township Thirteen North
23 (T13N), Range Three West (R3W), Seward Meridian.

24 Parcel No. 3: The Northeast One-quarter (NE 1/4) of the Northeast
25 One-quarter (NE 1/4) of Section Twenty-eight (28), Township Thirteen
26 North (T13N), Range Three West (R3W), Seward Meridian.

27 Parcel No. 4: The Northwest One-quarter (NW 1/4) of the Southeast
28 One-quarter (SE 1/4) of the Northeast One-quarter (NE 1/4) of Section
29 Twenty-eight (28), Township Thirteen North (T13N); Range Three West

(R3W), Seward Meridian.

Parcel No. 5: The West One-half (W 1/2) of the Northeast One-quarter (NE 1/4) of the Southeast One-quarter (SE 1/4) of the Northeast One-quarter (NE 1/4) of Section Twenty-eight (28), Township Thirteen North (T13N), Range Three West (R3W), Seward Meridian.

Parcel No. 6: All that portion north of University Drive of the North One-half (N 1/2) of the Southwest One-quarter (SW 1/4) of the Southeast One-quarter (SE 1/4) of the Northeast One-quarter (NE 1/4) of Section Twenty-eight (28), Township Thirteen North (T13N), Range Three West (R3W), Seward Meridian.

Parcel No. 7: All that portion north of University Drive of the Northwest One-quarter (NW 1/4) of the Southeast One-quarter (SE 1/4) of the Southeast One-quarter (SE 1/4) of the Northeast One-quarter (NE 1/4) of Section Twenty-eight (28), Township Thirteen North (T13N), Range Three West (R3W), Seward Meridian.

Parcel No. 8: The easterlymost two and one-half (2 1/2) acres of the North One-half (N 1/2) of the Southwest One-quarter (SW 1/4) of the Northeast One-quarter (NE 1/4) of Section Twenty-eight (28), Township Thirteen North (T13N), Range Three West (R3W), Seward Meridian.

Parcel No. 9: The Southwest One-quarter (SW 1/4) of the Northwest One-quarter (NW 1/4) of the Northwest One-quarter (NW 1/4) of the Southeast One-quarter (SE 1/4) of Section Twenty-eight (28), Township Thirteen North (T13N), Range Three West (R3W), Seward Meridian; and

The Southwest One-quarter (SW 1/4) of the Northwest One-quarter (NW 1/4) of the Southeast One-quarter (SE 1/4) of Section Twenty-eight (28), Township Thirteen North (T13N), Range Three West (R3W), Seward Meridian; and

The Southwest One-quarter (SW 1/4) of the Southeast One-quarter

(SE 1/4) of the Northwest One-quarter (NW 1/4) of the Southeast One-quarter (SE 1/4) of Section Twenty-eight (28), Township Thirteen North (T13N), Range Three West (R3W), Seward Meridian.

2. All parcels have been patented to AMU under U. S. Patent No. 50-64-0186 and 50-64-0187, dated June 2, 1964, and the U of A's use shall be subject to the restrictions imposed in the original patents. This conveyance is subject to the approval of the Secretary of the United States Department of the Interior. Both parties agree to cooperate in planning for the use and development of their adjoining lands.

3. The U of A shall pay AMU the sum of One million nine hundred fifty thousand dollars (\$1,950,000) for the above described parcels of land with one-half (1/2) thereof payable on March 20, 1972, as soon as a legislative appropriation for this purpose is enacted, and the remaining one-half (1/2) thereof, payable on July 1, 1972.

4. AMU shall dedicate in perpetuity the balance of its main Anchorage campus which it holds under the November 28, 1958, U. S. Patent No. 1150278, including both land and existing and future buildings, to nonprofit education, health, recreation and conservation or related public purposes. The U of A has the right to enforce this dedication.

5. AMU and U of A shall implement the Memorandum of Understanding of August 11, 1969, commonly known as the "Consortium Agreement," to guarantee the sensible elimination of duplication of higher educational opportunities in Anchorage consistent with the stated objectives of the respective higher education institutions in the Anchorage area. AMU shall make available to the U of A classrooms and other facilities not now being fully utilized without further payment effective at once. The U of A and AMU shall establish and implement a common calendar for major terms in each academic year commencing with the 1972-73 academic year. The Legislative Council of the Alaska State Legislature shall oversee the implementation of the "Consortium Agreement" and shall enforce recommendations and settle disputes between AMU and U of A.