

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

HB 782am cont. , 792, 798, 813 ~~184~~

February 13, 1972

institutions earn less bond interest in relation to total income ratio compared to other types of financial institutions.

National banks, on the other hand, have a high ratio of bond interest income to total income and would be taxed less in proportion than the other institutions.

The percent of tax increase using the second method by types of institutions would be:

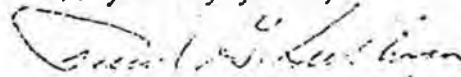
Savings and Loans	342%
Mutual Savings Banks	290%
Commercial Banks	134%
National Banks	33%
Total all Banks	86%

Of the 50 states, 28 use an excise or income tax structure with an average tax rate of 6.91%; 22 states use other than excise or income tax on banks such as property or capital stock taxes. Of the 27 states using a system similar to Alaska, 18 are franchise-excise tax systems 16 of which include interest earned on U. S. and municipal bonds and have an average tax rate of 7.8%. This category is exactly the same type as Alaska's present system. The two other franchise-excise tax states included all interest except that earned on their own municipal obligations and have an average tax rate of 6%. No franchise-excise tax states excluded all bond interest from income.

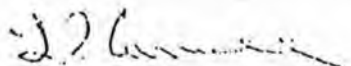
Ten states use an income tax basis. Five of these states include all interest earned except their own municipal obligations with an average tax rate of 6.54%, 4 excluded all interest earned in their measure of income with an average tax rate of 4.94%. One state, Colorado, excludes all interest but includes interest earned on their own municipal bonds. No income tax states include all bond interest in their measure of income.

In summary, Alaska's present bank tax system is the method used by most excise or income tax states. However, the 2% tax rate is below the average of 6.91% for these other states.

Very truly yours,



Paul G. Sullivan
State Investment Officer



L. P. Carroll, Chief
Miscellaneous Tax Division

PGS:LPC:gc

Enclosures:

1970 Bank Tax Review

Bank Excise or Income Tax Summary by State with graphs

Bank Tax Other Than Excise or Income Tax Summary by State

1960 Attorney General's Opinion

State Bank Tax
As of December 1970
and Alternative Proposals

Type	Financial Institutions	Tax Using Present Method With All Interest		Tax Excluding Bond Inv. Interest at Corp. Rate		Difference from Present 1970 Tax to Alternate Methods + or - Corporate Rate			Per Cent Tax to 6%	+ or - from '70 Alternate Methods	
		2%	6%	Alloc. Exp.	Unalloc.	6%	Alloc.	Unalloc.		Alloc.	Unalloc.
A	Total Commercial Banks	\$ 28,356.00	\$ 85,068.00	\$ 66,421.89	\$ -0-	\$ 56,712.00	\$ 38,065.89	\$ (28,356.00)	+200%	+134%	-100%
B	Total Mutual Savins Bks	7,990.00	23,970.00	31,185.08	-0-	15,980.00	23,195.08	(7,990.00)	+200%	+290%	-100%
	Total State Banks	\$ 36,346.00	\$109,038.00	\$ 97,606.97	\$ -0-	\$ 72,692.00	\$ 61,260.97	\$ (36,346.00)	+200%	+168%	-100%
C	Total National Banks	105,073.00	315,219.00	140,119.01	-0-	210,146.00	35,046.01	(105,073.00)	+200%	+ 33%	-100%
D	Total Savings & Loans	9,905.50	29,716.50	43,755.57	13,815.83	19,911.00	13,850.07	3,910.33	+200%	+342%	+ 40%
	Total All Banks	<u>\$151,324.50</u>	<u>\$453,973.50</u>	<u>\$281,481.55</u>	<u>\$13,815.83</u>	<u>\$302,649.00</u>	<u>\$130,157.05</u>	<u>\$ (37,508.67)</u>	<u>+200%</u>	<u>+ 86%</u>	<u>- 91%</u>

MEMORANDUM

TO: Eric E. Wohlforth
Commissioner
Department of Revenue

DATE: February 1, 1972

FROM: L. P. Carroll
Misc. Tax Section

SUBJECT: Bank Tax Research

In response to your request for an analysis of various State methods of taxation on banks and financial institutions the following is submitted:

Alabama: Excise tax - financial institutions - 6% of taxable net income (1)

Alabama does not permit any exclusions from or credits to gross income in arriving at taxable net income. Chapter 18, Section 425, definitions (b) states in part:

"'net income' shall mean and include the net income for the taxable year, as in this title defined, arising from the business the privilege to engage in which is hereby taxed computed by deducting from the gross income arising from such business, without any exclusions from or credit to such gross income, the total amount of the following deductions".
(Emphasis added)

The statute goes on to identify ordinary and necessary business expenses as deductible but at no time allows for a deduction of income from federal, state or municipal securities.

California: Taxed under bank and corporation franchise tax - national and state banks and financial corporations - adjusted annually with maximum of 11%; minimum for financial corporations other than banks, 7% but not less than \$100. (1)

California specifically includes interest on government bonds in net income in computing the tax on banks and financial institutions. Deerings California Codes, Revenue and Tax, C. A. 24272 states:

"for purposes of the tax imposed under Chapter 2, 'gross income' includes all interest received from federal, state or municipal bonds."

Chapter 2 referred above is the bank and corporation franchise tax.
(Emphasis added)

Colorado: Taxed under general income tax - corporation, banks, trust, finance savings and loan companies and cooperatives - 6% of Colorado income. (1)

Eric E. Wohlforth
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February 1, 1972

Colorado specifically includes interest from government and municipal securities in the net income of banks and other financial institutions. The Colorado Revenue statute, 1963 as amended 1971, Section 138, definitions (5) states:

"'net income' is defined, for purposes of this section, to be gross income from all sources as defined in Section 138-1-9, less credits and deductions allowed to corporations under Section 138-1-2, excepting that income received from government and municipal securities is not allowable as a deduction from gross income".
(Emphasis added)

Hawaii: Bank franchise tax - 11.7% of net income of banks and other financial institutions. (1)

Hawaii specifically includes interest income from federal, state, and municipal securities in arriving at net taxable income for banks and other financial institutions. Chapter 241, taxation of banks and other financial corporations, Section 241-4(B) and (1) state as follows:

"(B) The 'entire net income from all sources' shall be determined in the same manner as the 'taxable income of a corporation, as provided by Chapter 235, with the following changes and adjustments:"

(1) There is included in gross income interest received upon the obligations of the United States or its possessions, or upon securities issued under the authority of an act of Congress, or upon state, territorial, municipal, county, or other bonds or securities whether or not the income from such obligations bonds, or securities, is tax free. Section 235-7(a)(1)(6) and (7) do not apply. (Emphasis added)

Idaho: Taxed under general income tax - banks and corporations - 6% exercising corporation franchise; 6% of net income for corporations not subject to corporation franchise tax. (1)

Idaho specifically includes federal, state and municipal bond interest in computing net taxable income for banks and other financial corporations. The revised Idaho Code Section 63-3028, as amended, (2) states in part:

"The amount of the tax levied under this section shall be according to and measured by the net income for each taxable year of such corporations and national banking associations from all sources, including the interest on bonds issued by or under authority

of the federal government, and bonds issued by the State of Idaho or any municipal or other subdivisions thereof. . . "
(Emphasis added)

North Dakota: Taxed under general income tax - banks and trust companies (excise income) 5%. Minimum \$50 . An additional 2% tax is imposed. (1)

North Dakota specifically includes income received from tax exempt securities. Chapter 57-35.2 N. D. C. C. , imposes an annual tax upon each bank, trust company and building and loan association. Chapter 57-35.07 states:

"On or before the 15th day of March in each year the managing officer of each bank or trust company located within this state shall file with the tax commissioner, and forms to be provided by him, a report in writing under oath showing the amount of the net income of said bank or trust company for the preceding calendar year, including the amount of its income from tax exempt securities for each year, and, at the same time shall file with the county auditor. . . , a duplicate original of such report." (Emphasis added)

New Mexico: Taxable under income tax - banks and financial corporations: 6% of net income; minimum \$100. (1)

New Mexico also includes income from federal, state and municipal securities in arriving at net taxable income for banks and financial institutions subject to the tax. New Mexico revised statutes amended, 1971, Section 72-15B-I(f) definitions states:

"'net income' means that part of the taxpayers income generally defined as federal taxable income and it shall be computed in the same manner as provided in the Internal Revenue Code for computing federal taxable income, except that the income from federal, state and municipal securities must be included in the computation of net income for the purposes of banking and financial corporations tax act." (Emphasis added)

Thus as the attached graph illustrates at least seven sister states taxing banks on the same basis (percentage tax on net income including interest on federal, state and municipal securities) have taxes ranging from 200% to 500% higher than the State of Alaska.

(1) Source: State Tax Handbook as of October 1, 1971, published by Commerce Clearing House, Inc.

COMPARATIVE BANK TAXES

ALABAMA

CALIFORNIA

COLORADO

HAWAII

IDAHO

NO. DAKOTA

N. MEXICO

ALASKA

RATE OF TAX % OF NET TAXABLE INCOME

12%

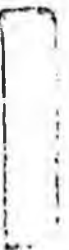
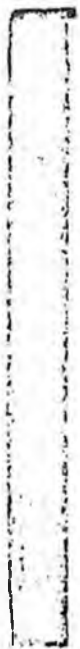
10%

8%

6%

4%


2%



MEMORANDUM

TO: [Neil Phelps-Munson
Legislative Assistant
c/o Honorable Ron L. Rettig
Alaska State Senate
State Capitol
Juneau, Alaska,

DATE: January 21, 1972

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

SUBJECT: Senate Bill No. 276

In response to your request for revenues received from the license fee imposed under Alaska Statutes, Section 43.70.030(b) on national and state banks, trust companies and savings and loan associations, the following information is submitted:

GENERAL: The license fee for each national bank and state bank, trust company and savings and loan association is two per cent of its net income. Net income means the taxable income of each such taxpayer before net operating loss deduction and special deductions, computed as required under the Internal Revenue Code of the United States and includes all other income including income from federal, state or municipal obligation.

REVENUES RECEIVED FROM ALASKA BUSINESS LICENSE TAX ON BANKS IN ALASKA:

<u>Taxable Year</u>	<u>Total Net State Taxable Income All Banks</u>	<u>Total Revenues @ 2% All Banks</u>
1970	\$ 7,078,330	\$ 141,566
1969	5,157,598	103,152
1968	4,563,460	91,269
1967	4,365,528	87,310

Statistics covering revenues for the calendar 1971 will be available after April 16, 1972 at which time the returns are due for the calendar year 1971. We estimate that the total net state taxable income from all Alaska banks in 1971 will amount to \$9,000,000; revenues at 2% amounting to \$180,000.

We estimate that for the taxable year 1972 total net state taxable income from banks would amount to \$10,000,000 with revenues at 2% amounting to \$200,000.

Neil Phelps-Munson

-2-

January 21, 1972

If the tax were raised from 2% to 6% as proposed in Senate Bill No. 276 the revenue from the license tax on banks would amount to 6% of \$10,000,000, or \$600,000. This would provide additional revenues in amount of \$400,000 for 1972.

I am enclosing copies of material contained in the review of the Alaska Tax Structure dated December 31, 1968, prepared by Peat, Marwick and Mitchell and Co., concerning their study of Alaska's present license tax on banks as compared with selected Western states; their study and recommendation of the taxation of banks and financial institutions in Alaska. Peat, Marwick and Mitchell recommended in December 1968 that the existing rate of tax on banks and financial institutions be increased to at least 6% of income as presently measured under the existing statutes.

I am enclosing an abstract of bank excise tax or bank income tax as applied by other states which was secured from the State Tax Handbook as of October 1, 1971, published by Commerce Clearing House, Inc. This data is more current for comparison purposes than the material prepared by Peat, Marwick and Mitchell as of December 1968.

RDS:eh

Enclosures

B. FRANCHISE TAX - BANK AND FINANCIAL INSTITUTION

The taxation of banks and financial institutions in Alaska is covered under two separate statutes; the Alaska Net Income Tax Act and the Alaska Business License Act. The various features of these taxes as they relate to banks and financial institutions are discussed in the following paragraphs.

1. General Description and Administration

National and State chartered banks, trust companies, and savings and loan associations are subject to a tax based upon 2% of their net income under the Alaska Business License Act.

All financial institutions, except national and State banks, are also subject to the provisions of the Alaska Net Income Tax Act. Prior to 1961 national and State banks were also subject to both taxes. As taxation of Federally chartered banks is limited by Federal statutes, only the business license tax was applied to national banks. In 1961, the legislature amended the Alaska Net Income Tax Act to specifically exclude both national and State banks, thereby eliminating the tax inequity that had existed between the two classes of banks.

2. Application Throughout the United States

Because of the limitations imposed by Federal statutes upon methods by which Federally chartered banks may be taxed, the practical aspects of the problem of discrimination have brought about almost identical treatment of national and State banks, and of all the important members of the group, in most states.

Federal legislation authorizing state taxation of national banks limits the method of taxation, except for ad valorem taxes on real property to:

- a. Share taxes.
- b. Dividends paid.
- c. Net income taxes.
- d. Excise tax - measured by net income.

Share taxes are imposed in twenty-four states while twenty-four states impose taxes based on net income.

Share taxes are generally based upon the "value" of the capital stock of the corporation less the "value" of real property, are imposed at the general property tax rate, and are in lieu of all other taxes except ad valorem taxes on realty.

Of the states imposing taxes based upon "net income", only two do so under Net Income Tax. The excise or franchise tax based upon net income is more widely utilized. The distinction between a "Net Income Tax" and an excise or franchise tax based upon net income is that interest from Federal obligations is specifically exempted from direct state taxation, while income from this source may be included in a franchise or privilege tax as a "measure" of the tax.

Federal statutes also permit the taxation of "dividends derived therefrom (National Bank) in the taxable income of an owner or holder thereof." A feature of dividend taxation is that it alone of the four methods may be used in addition to one of the other methods.

3. History in Alaska

All banks and financial institutions were included in both the Alaska Net Income Tax Act and the Business License Act which were enacted in 1949. (See Section V Personal Income Tax, and IX, Sales and Gross Receipts Taxes). Until 1961, the State collected only the business license tax from national banks and both taxes from State banks. In 1961, the legislature amended the Alaska Net Income Tax Act to specifically exclude both national and State banks, thereby eliminating the difference in tax treatment that had existed.

4. Comparison with Selected Western States

A comparison with selected western states is shown in Exhibit XII-2.

5. Percent of Revenue Derived

The percentage of tax collections from banks, under the Alaska Business License Act, to total State revenues and regulatory fees from 1961 through 1967 are as follows:

<u>Year</u>	<u>Percentage</u>
6-30-67	.14
6-30-66	.10
6-30-65	.24
6-30-64	.11
6-30-63	.12
6-30-62	.11
6-30-61	.16

6. Principle of the Tax

Although Alaska taxes banks under the provisions of the Alaska Business License Act, the tax is in effect a franchise tax - measured by net income, and as such follows the principles of franchise taxes.

7. Economic Impact and Burden

The economic impact and burden of this tax is similar to the impact and burden imposed by a corporate income tax.

8. Potential Modifications

Several modifications to the franchise tax on banks and financial institutions appear to warrant discussion:

- a. Increase the rate.
- b. Amend the Income Tax Act to provide similar treatment for trust companies and savings and loan associations.
- c. Exempt State banks from personal property taxation.

Each of these possibilities is discussed in the following paragraphs.

a. Increase Rate

As shown in Exhibit XII-2, Alaska has the lowest rate of the western states taxing banks by the means of an excise tax. The general approach throughout the western states is to impose a higher excise tax rate on banks than the rate imposed on other corporations for income or "excise" taxes. This higher rate is intended to equalize the tax burden between classes of banks, some of which are not subject to personal property and other taxes.

b. Amend the Income Tax Act to provide equal treatment for trust companies and savings and loan associations

As previously mentioned, financial institutions except national and State banks are subject to the provisions of the Income Tax Act and the Alaska Business License Act. Subjecting financial institutions other than banks to two forms of taxation based on "net income" appears to violate the principles of horizontal equity wherein equal tax treatment is given equals within a class of taxpayers. Amendment of the Income Tax Act to remove trust companies and savings and loan associations from the provisions of that act would be a solution to the problem.

c. Exempt State banks and other financial institutions from personal property taxation

Federal statutes prohibit the taxation of personal property of national banks by state and local governments. Under these conditions the other financial institutions are at a disadvantage because they are required to pay personal property taxes. In order to provide equitable tax treatment to all members of the financial community, the exemption from personal property tax might be extended to all financial institutions - state banks and other financial institutions.

9. Recommendations

We recommend that all of the potential modifications in the preceding section be considered and that the existing statutes be amended to:

- a. Increase the existing rate of tax on banks and financial institutions to at least 6% of income as presently measured under the existing statutes.
- b. Exempt trust companies and savings and loan associations from the Alaska Income Tax.
- c. Extend exemption from personal property taxation to state banks and other financial institutions.

The increase in tax rate to 6% will provide a rate that is approximately equal to the minimum rate currently in effect under the corporate income tax statutes. This rate of tax more closely provides equal treatment of financial institutions in relation to other corporations, even though both groups cannot be taxed under identical provisions.

At the present time Alaska does not have any trust companies subject to taxation and only a few savings and loan associations, however our opinion is that all financial institutions should be taxed on the same basis and that the statutes should be amended to provide for equal treatment. The recommended changes would provide for adequate and equitable treatment of all financial institutions.

Extension of the personal property tax exemption to state banks and other financial institutions will reduce the tax revenues currently received by local governments. The size of this loss of revenue should be determined by the local governments involved, and provision should be made in the statutes to reimburse this loss. The reimbursement procedure should provide a single plan for reimbursement of all reductions arising from the tax structure change and not be tied directly to each statutory revision.

Franchise Tax

Banks and Financial Institutions

Comparison with Selected Western States

	Type of tax	Excise tax rate	Corporate income tax rate imposed on corporations other than banks %	
Alaska	Excise	2	(1)	
Arizona	Excise	5	(2)	In lieu of any tax on net income or shares of stock.
California	Excise	9.5(3)	7	In lieu of all other taxes except real property.
Colorado	Excise	6	5	In lieu of all property taxes except real property.
Hawaii	Excise	11.7	(4)	
Idaho	Excise	6	6	
Montana	Share	-	5-1/2	Based on 30% of assessed value less 30% of assessed value of real estate at general property tax rates.
Nevada	Share	-	-	Based on full cash value less value of property taxed separately at moneyed capital rates.
New Mexico	Share	-	3	Based on book value, less: assessed value of real estate; surplus and contingency reserves up to 100% of the par value of the capital stock. General property tax rate.
Oregon	Excise	8	6	In lieu of all taxes except real estate.
Utah	Excise	6	6	
Wyoming	Share	-	-	Based on par value of shares less pro rata share of assessment on real property, at general property tax rates.

(1) \$25,000 or less 5.4%, over \$25,000, 9.36%.

(2) From 2% on first \$1,000 to 8% over \$6,000.

(3) 1967 rate - rate is determined annually and limited to 11%.

(4) \$25,000 or less, 5.85%, over \$25,000, 6.435%.



JOHN L. RADER
ATTORNEY GENERAL

STATE OF ALASKA
DEPARTMENT OF LAW
Box 2170
JUNEAU

February 29, 1960

The Honorable Peter Gatz
Commissioner of Revenue
Alaska Office Building
Juneau, Alaska

Re: State Taxation of National and State Banks
under Sec. 5(b), Ch. 43, SLA 1949.

Dear Mr. Gatz:

In your letter of February 9, you have requested our advice as to the taxation of state and national banks under Sec. 5(b), Ch. 43, SLA 1949. You have stated that some of the banks have failed to include federal bond interest in their computation of net income which is the measure of the tax. An opinion from this office dated October 8, 1953 advised that federal bond interest should not be included in the computation. Attached to your letter were copies of excerpts from Prentice-Hall Tax Service wherein the author states that income from any source, including interest from federal bonds, may be used as the measure of an excise tax upon the privilege of doing business in the state. You have requested that we review our decision of October 8, 1953, and have asked whether federal bond interest should be included in the net income which is used as a measure of this tax?

It is the opinion of this office, that under the present statute there is serious doubt whether federal bond interest can be included in net income which is used as a measure of this tax.

Section 5(b) of Ch. 43, SLA 1949, (35-1-75 Cum. Supp.) provides as follows:

"(b) The license fee for national and territorial banks, trust companies and savings and loan associations shall be two percentum (2%) upon the net income of each such tax payer, computed as required under the Internal Revenue Code of the United States."

The tax imposed by this section is an excise tax upon the privilege of doing business in Alaska. There are many decisions holding the imposition of an excise tax

measured by income from all sources, including federal bonds, is valid.

In Flint v. Stone Tracy Co., 220 U.S. 107 (1911) the United States Supreme Court upheld the validity of a federal tax, levied upon a corporate franchise granted by a state. The tax was measured by the entire corporate income, including income from tax exempt bonds. Mr. Justice Day delivered the opinion of the court and after reviewing the previous decisions of the court said:

"There is nothing in these cases contrary, as we shall have occasion to see, to the former rulings of this court which hold that where a tax is lawfully imposed upon the exercise of privileges within the taxing power of the state or nation, the measure of such tax may be the income from the property of the corporation, although a part of such income is derived from property in itself nontaxable. The distinction lies between the attempt to tax the property as such and to measure a legitimate tax upon the privileges involved in the use of such property.

"It is therefore well settled by the decisions of this court that when the sovereign authority has exercised the right to tax a legitimate subject of taxation as an exercise of a franchise or privilege, it is no objection that the measure of taxation is found in the income produced in part from property which of itself considered is nontaxable."

In Educational Films Co. v. Ward, 282 U.S. 379, 389, (1931), the courts sustained the imposition of the New York State franchise tax measured by the entire net income of the corporation. By statute "net income" was defined as the total net income, including all dividends received on stocks, and all interest received from federal, state, municipal or other bonds. Mr. Justice Stone, speaking for the court said:

"While this court, since McCulloch v. Maryland, 4 Wheat. 316, has consistently held that the instrumentalities of either government, or the income derived from them, may not be made the direct object of taxation by the other, . . . it is held with like consistency that the privilege of exercising the corporate franchise is no

less an appropriate object of taxation by one government merely because the corporate property, or net income, which is made the measure of the tax, may chance to include the obligations of the other, or the income derived from them. The constitutional power of one government to reach this permissible object of taxation may not be curtailed because of the indirect effect which the tax may have upon the other."

While a state may impose a tax measured by the entire income of a corporation, including interest from tax exempt securities, for the privilege of doing business in the state it cannot impose a tax upon an instrumentality of the United States. National banks are instrumentalities of the United States and are subject to taxation only as Congress expressly permits. Section 548 of 12 U.S.C. (1958 ed.) authorizes four alternative methods whereby a state may impose a tax upon national banking associations.

"The legislature of each state may determine and direct, subject to the provisions of this section, the manner and place of taxing all the shares of national banking associations located within its limits. The several states may (1) tax such shares, or (2) include dividends derived therefrom in the taxable income of an owner or holder thereof, or (3) tax such associations on their net income, or (4) according to or measured by their net income, provided the following conditions are complied with:

"a. The imposition by any state of any one of the above four forms of taxation shall be in lieu of the others, except as hereinafter provided in subdivision (c) of this clause.

"b. In case of a tax on or according to or measured by the net income of an association, the taxing state may, except in case of a tax on net income, include the entire net income received from all sources, but the rate shall not be higher than the rate assessed upon other financial

corporations nor higher than the highest of the rates assessed by the taxing state upon mercantile, manufacturing, and business corporations doing business within its limits:"

In Tradeoan Bank v. Tax Commissioner, 309 U. S. 550 (1940), the United States Supreme Court upheld a statute of Oklahoma, which imposed a tax upon national banks measured by net income which included interest from the obligations of the United States. In discussing the federal statute, Mr. Justice Murphy, speaking for the court said:

"R. S. 5219, 12 U.S.C. § 543, . . . authorizes four alternative methods whereby a state may impose a tax on the national banking associations located within its limits. Method numbered (4) provides for a tax on such associations 'according to, or measured by' 'the entire net income received from all sources' subject only to certain restrictions as to the rate. This method was added to the three previously authorized under R. S. 5219 by amendment of March 25, 1925 . . . The plain meaning of the amendment is confirmed by its legislative history showing beyond doubt that Congress intended to authorize a franchise tax measured by net income including interest on tax immune federal securities."

From the above we may conclude that the State of Alaska may impose an excise tax upon national banks pursuant to R. S. 5219, 12 U.S.C. § 543, and that net income of the banks, including federal bond interest, may be used as a measure of the tax.

R. S. 5219, 12 U.S.C. § 543, imposes certain restrictions on state taxation of national banking associations. The imposition by the state of any one of the four methods of taxation must be in lieu of all others. Thus, a state must elect one method for taxation of national banks. The State of Alaska has elected method No. 4 providing for a tax measured by net income. See letter of January 10, 1951, from this office to Commissioner of Taxation.

In case of a tax measured by net income "the rate shall not be higher than the rate assessed by other financial corporations nor higher than the highest of the rates assessed by the taxing state upon mercantile, manufacturing, and business corporations doing business within its limits." Some question may be raised as to whether the Alaska Business License Act meets this requirement of the Federal statute.

Under the Alaska Business License Act the tax upon "national and territorial banks, trust companies and savings and loan associations" is two per cent (2%) of net income. The tax upon other financial, mercantile, manufacturing and business corporations is at the rate of one per cent (1%) and one fourth per cent (1/4%) of gross receipts.

In Tradesman's Bank v. Tax Commissioner, supra, the court considered a similar question with respect to the Oklahoma statute and said:

"A consideration of the course of judicial decision on R. S. 5219 and its predecessors can leave no doubt that the various restrictions it places on the permitted methods of taxation are designed to prohibit only those systems of state taxation which discriminate in practical operation against national banking associations or their shareholders as a class . . . Thus, it is not a valid objection to a tax on national bank shares that other moneyed capital in the state or shares of state banks are taxed at a different rate or assessed by a different method unless it appears that the difference in treatment results in fact in a discrimination unfavorable to the holders of the shares of national banks . . . We think the same purpose to prevent actual discrimination but to allow the states considerable freedom in working out an equitable tax system is discernible in the particular restriction upon which appellant relies.

"The resolution of the issue raised by appellant thus turns upon examination of the whole tax structure of the state. . . .

"This brief survey suffices to show that, considering all the taxes imposed upon business and mercantile corporations doing business in the state, the scheme of taxation adopted by Oklahoma does not discriminate against national banking associations."

Under our statute the method of taxing financial, mercantile, manufacturing, and business corporations differs from the method used for national and state banks, trust companies and savings and loan associations but it does not appear that there is any discrimination against national banking associations, especially when the entire Alaska

tional bank stocks and Federal securities."

In Peter Kiewit Sons Co., v. County of Douglas, 161 Neb. 93, 72 N.W.2d 415 (1955) a state tax resulting in discrimination against United States securities was also declared to be invalid.

The leading case on this problem is Commissioner v. Curtis Publishing Co., 363 Pa. 299, 69 A.2d 410 (1949). In that case the court dealt with a statute very much similar to our own. The state imposed a franchise tax on the net income of the corporation for the privilege of doing business in the state. Net income was defined as net income for the calendar year or fiscal year as returned to, and ascertained by the federal government. The court pointed out that net income as determined for the federal income tax included interest from federal obligations but did not include interest from state obligations. The court held this statute was invalid as it discriminated against the obligations of the federal government. After an exhaustive review and analysis of leading cases on state taxation of national banks the court said:

"No case has been brought to our attention and we have found none in which the United States Supreme Court has upheld any tax imposed by a state if that tax discriminated either directly or indirectly against the securities of the United States."

The computation of net income under our statute is the same as net income computed under the Internal Revenue Code. This computation omits interest from state and municipal obligations. If the banks are required to include federal bond interest, as is required under the Internal Revenue Code, the tax on such interest may be held to result in discrimination against the securities of the United States and invalid for the same reason as the Pennsylvania statute was found invalid. While an Alaska court might reasonably arrive at a different conclusion we are nevertheless of the opinion that federal bond interest should not be included in the computation of net income for the purposes of this tax.

It is believed this act should be amended to require the inclusion of interest from state and municipal bonds. With this amendment it is believed that the state may impose a tax upon the net income of our banks computed as required under the Internal Revenue Code and include in that computation interest from federal obligations. A copy of the draft of a proposed amendment to this statute is submitted with this memorandum for your consideration. This draft also strikes the net operating loss deduction which can now be claimed by

scheme of taxation is considered.

However, there appears to be a serious defect in our present statute. The measure of the tax upon national and state banks, trust companies and savings and loan associations is two per cent (2%) upon the net income of each such taxpayer, computed as required under the Internal Revenue Code of the United States. Net income as computed under the Internal Revenue Code includes interest from federal bonds but does not include interest from state and municipal bonds. See 26 U.S.C., § 103 (1953 ed.). A state tax which results in discrimination against the securities of the United States is invalid.

A Pennsylvania statute imposed a tax on the shares of a trust company. The measure of the tax was the value of the net assets less the amount invested in stock of certain Pennsylvania corporations. The United States Supreme Court in Schuylkill Trust Co. v. Pennsylvania, 296 U.S. 113 (1935) held this tax to be invalid. The court said:

"If the tax is lifted from the shares of certain trust companies because those companies own only stocks already taxed or relieved from taxation by the state, and shares in other trust companies are taxed amongst whose assets there are United States Bonds or other securities entitled to exemption because issued by federal instrumentalities, which are figured in the base of the tax, it is impossible to avoid the conclusion that the law discriminates in favor of the former and against the latter solely by reason of ownership of such federal securities."

In Fidelity and Guarantee Fire Corporation v. Tesser, 172 Md. 652, 195 Atlantic 107, 107 (1937) the court referred to the Schuylkill opinion and said:

"The quoted portion of the Schuylkill opinion seems to indicate that the state, in valuing the stock of the corporation for purposes of taxation, cannot exempt any of its securities, whether tax exempt or not, when amongst its assets are national bank stocks or federal securities unless they also are exempt, in which event the local tax exempt property or securities would also be exempt. In other words, the federal policy seems to be with respect to the taxing of shares in domestic corporations owning national bank shares, federal securities, tax exempt or already taxed shares, to tax all or omit the na-

The Honorable Peter Gatz
Commissioner of Revenue

February 29, 1960
-8-

banks.

Very truly yours,

JOHN L. RADER
ATTORNEY GENERAL

By

Robert C. Lowe
Robert C. Lowe
Legal Assistant

RCL:lb
Encl.

SB 276 + HB 782

COMMENTS :

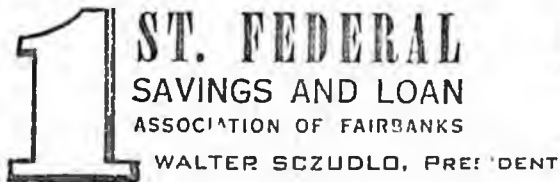
BANKS

SAVINGS + LOAN ASSOC.

*STATEMENT BY THE
PRESIDENT OF THE ALASKA STATE BANK*

The projected increase in the ~~business~~ license tax on banks of 300% will work to the detriment of all Alaskan local governments and the citizens they represent though the increased costs of doing business which will of necessity be recouped through increased charges for services and lower effective yields on public offerings of the local government entities. A three-fold increase of the Alaska tax on net income as reported for Federal Income tax purposes plus the amounts received as income from exempt municipal securities would result in a disproportionate increase in revenue from those entities striving to improve the economic well being of Alaska. Such action by the State coupled with the lower rates on investments and the rising costs of doing business may force the banks to lower the present $4\frac{1}{2}\%$ passbook rate which already has been lowered in the "Lo er '48" to 4%.

If the revenue picture of the State of Alaska requires such a large increase in one sector of the business economy, what plans are there for tax increases to other business sectors and the individual taxpayer. The out-of-state bank handling the investment portfolio for the State of Alaska is exempt from this tax. Other out-of-state banks have representatives in the state which are competing daily, especially in Juneau, seeking customers now doing business with local Alaskan banks or businesses that may come to Alaska. Out-of-state banks have even concentrated on this business to the extent of creating Alaska Departments.



DOWNTOWN OFFICE
500 SECOND AVENUE

CUSHMAN-GAFFNEY OFFICE
570 GAFFNEY ROAD
PHONE 452-4471
FAIRBANKS, ALASKA

February 24, 1972

Mr. Ron L. Rettig, Chairman
Alaska State Legislature
Pouch "V"
Juneau, Alaska 99801

Dear Ron:

Your letter of January 20, 1972, concerning Senate Bill No. 276, was received while I was out of town on a business trip.

The amendment of Senate Bill No. 276 appears to me to be discriminatory, if it is only applied to raising the business license fee on banks, trust companies and savings and loan associations.

Moreover, additional taxes on savings and loan associations or mutual banks, simply reduce funds available for home loans, at least to some extent. In addition, they increase costs to prospective home buyers or builders. This certainly is contrary to the spirit of the nation's policy expressed by Congress to assist in providing opportunities for each American to acquire decent housing.

Additional taxes on financial institutions generally reduce funds available for lending, or increase costs of operation, so as to make it more difficult to secure funds competitively for loan purposes. It is the money lent to business and industry, and for construction, and home acquisition that enlarges the tax base, provides for business, commercial and industrial expansion, and increases jobs and employment.

The Report of the President's Commission on Financial Structure and Regulation, among other things, encourages elimination of interest controls and usury laws; and provision of certain tax exemptions to encourage savings, and special tax consideration for institutions involved in home financing.

In my opinion increasing taxes on financial institutions is not in the public interest in a state like Alaska, where we must encourage availability of funds for loans and capital expansion.

Sincerely yours,

Walter Sczudlo
President

WS:nlb



"Christ Makes Men Independent"

Frank Munkowski
Alaska National Bank

*Working
+ Tax
+ 100000
+ 100000*

Bond Purchase - 2% tax - 1 year bond - \$100,000 @ 5% coupon = \$5,000 income

I. 2% tax would require purchase at approximately \$99,910

Coupon income	\$5,000.00
Less tax	<u>100.00</u>
Net	\$4,900.00
Add discount accretion	<u>90.00</u>
	\$4,990.00

(original discount is not Federally taxable)

\$4,990.00 = approximately 5% on \$99,910.00 invested

II. 6% tax, 1 year bond, would require purchase at approximately \$99,730.00

Coupon income	\$5,000.00
Less tax	<u>300.00</u>
Net	\$4,700.00
Add discount accretion	<u>270.00</u>
	\$4,970.00

\$4,970.00 = approximately 5% on \$99,730.00 invested

Effect of interest ceiling reduction on revenue generated through 2% tax
(and 6% tax)

\$100,000.00 loan @ 8.75% = \$8,750.00 interest

2% tax = \$175.00

\$100,000.00 loan @ 8.00% = \$8,000.00 interest

\$2% tax = \$160.00

@ 2% = a tax revenue loss of \$15 per \$100,000 loans

@ 6% = a tax revenue loss of \$45 per \$100,000 loans

Total loans Alaskan banks =

Exhibit 3

THE FIRST NATIONAL BANK OF ANCHORAGE

P.O. BOX 1667, JUNEAU, ALASKA

Juneau Branch

January 26, 1972

Senator R. L. Rettig, Chairman
Senate Commerce Committee
Alaska State Legislature
Juneau, Alaska

Mr. Chairman, and members of the Joint Senate and House Committees:

I am Milt Daugherty and I represent The First National Bank of Anchorage, Anchorage, Alaska. I would like to make three statements regarding Senate Bill No. 276 and its effect on the financial community of the state:

First, I feel that increasing the business license tax will have an adverse effect on the ability of the smaller state and national bank to build their capital accounts through retained earnings in the face of an expanding economy, thus forcing the respective supervisory agencies to deny expansion requests until capital accounts expand in proportion to growth.

Second, I feel increasing the business license tax (which will fall mainly on tax exempt income) will make Alaskan banks less competitive with underwriting bond buyers outside of the state. Through the efforts of The First National Bank of Anchorage, which has been a large purchaser of state bonds during the past five years, the State of Alaska has sold its bonds as if they were "A" rated. Without the active bidding of this bank and others in Alaska in future years, the state and municipalities will incur substantially heavier interest burdens.

Third, it appears that a 200% tax increase in one year on any industry is excessive.

Very truly yours,

M. L. Daugherty
M. L. DAUGHERTY
Senior Vice President

MLD:jw

Exhibits



MT. MCKINLEY MUTUAL SAVINGS BANK

TELEPHONE (907) 452-4491 P. O. BOX 468 531 THIRD AVENUE FAIRBANKS, ALASKA 99701

VERNON D. FORBES
PRESIDENT

January 25, 1972

The Honorable Ron L. Rettig
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Senator Ron:

Since receiving your letter of the 20th yesterday I have talked to you on the telephone and perhaps this letter is unnecessary; however, I wish to make one point crystal clear and that is if at any time there is anything that we at the Mt. McKinley Bank can do to assist you in any way, please let us know and we will respond immediately. One thing we want to avoid is giving any testimony before any committee or announcing any position without having made certain that we have a united front with Alaska Mutual.

Referring specifically to Senate Bill 276, about which we have had some brief words, we see no profound reason for opposing that bill which triples the income tax on banks PROVIDED, however, we are not hemmed in on the interest rates we can charge; if we cannot make a profit, we cannot pay taxes. It is for that reason that our greatest concern is with the terrible situation that exists regarding the usury laws. We have discussed this matter many times before and it seems so obvious that Alaska cannot develop and its financial institutions cannot survive with interest rates lower than in the capital surplus states. The only thing that will attract much needed capital to Alaska is having interest rates that are competitive. No one is more aware of this truth than you and I cannot understand why the legislature is so unable to grasp such a simple fact.

I repeat, the increased tax envisioned by Senate Bill 276, in my opinion, will not have a deleterious effect if we are not hobbled by low interest rate ceilings.



MT. MCKINLEY MUTUAL SAVINGS BANK

TELEPHONE (907) 452-4491 P. O. BOX 468 531 THIRD AVENUE FAIRBANKS, ALASKA 99701

The Honorable Ron L. Rettig
January 25, 1972
Page Two

Perhaps I can be criticized for going to Hawaii at this particular time but, nevertheless, I am leaving tomorrow; however, Mr. Thompson will be standing by and will make any and all trips to Juneau you may think necessary to assist you in any way. I gave up my vacation last winter because of the legislative session but this year I think it imperative that I have a little rest and recreation. Additionally, if you should deem it important enough, I can and will return from Hawaii if so summoned.

Best of luck.

Sincerely,


Vernon D. Forbes
President

VDF/dkm

ESTABLISHED 1909

The First Bank of Cordova

P. O. BOX 260

Cordova, Alaska 99574

February 4, 1972

Mr. Ron L. Rettig, Chairman
Senate Commerce Committee
Alaska State Legislature
Pouch V
Juneau, Alaska


Dear Ron:

I've been gone for a while so I didn't have the opportunity to respond to your January 20 letter regarding Senate Bill 276. Why in the name of heaven don't we let the banks pay corporation income tax the same as any other corporation in the state, and get rid of all this Mickey-Mousing.

One of these days I hope to be down to visit you.

Very best regards.

Sincerely,


R. R. Borer,
President

val

TELEGRAM

FOR TELETYPE AND TELEVISIONS, INC.
JULIEN, ALASKA 99501

M#

1972 JUN 25 AM 7 50

AL331

AFAGDS NL PDF

ANCHORAGE ALASKA 25

REP RON BETTIG

JUN
1201

SINCE BILL NUMBER 212 WAS PASSED WE HAVE HAD A MATERIAL INCREASE IN LOAN FUNDS AVAILABLE FROM OUTSIDE THE STATE OF ALASKA ALLOWING THE RATE TO RETURN TO THE 8 PERCENT LEVEL WILL SUBSTANTIALLY REDUCE THIS FLOW-REFERENCE BILL 276 OUR CPA CONSULTANT QUESTIONS THE REASONING BEHIND THE INCREASE BECAUSE THE RESULTING FLOW OF FUNDS WILL NOT MATERIALLY ASSIST THE STATE BUDGET

GORDON HARTLIEB

212 & 276 .

ANALYSIS OF SENATE BILL 276

1. The rates used by the state in their comparisons are gross rates and unadjusted for exclusions for federal income taxes, interest on federal and municipal bonds and for capital gains.
2. The bill fails to meet the test of nondiscrimination against national banks by imposing a higher tax on banks than is borne by other business and financial corporations in the State of Alaska. This is expressly prohibited by federal statute.
3. "Outside" banks doing business in Alaska are given preferential treatment. They are specifically exempt from all forms of taxation under section 06.10.010 of the Alaska Statutes. They have an added advantage being able to escape Alaska's 8% usuary law by closing loans in their home state.
4. Congress has authorized the Board of Governors of the Federal Reserve System to make a special study of the impact on banking of all recent tax changes and recommend what additional federal legislation, if any, may be required to insure tax equality between national banks, state banks, and other corporations. This report is due October 31, 1972. Would recommend that our legislature await the results of this study before it establishes a new tax rate.

WHAT OUTSIDE BANKS?



NATIONAL BANK OF ALASKA

Head Office • Box 600 • Anchorage, Alaska 99501

April 26, 1972

The Honorable Ron L. Rettig
Alaska State Senate
State Capitol Building
Juneau, Alaska 99801

Dear Ron:

As you requested we have redrawn the amendment to Sec. 43.70.035,
Optional Computation for Banks, Trust Companies, and Savings and Loan
Associations.

Although we do not have access to the calculations, we believe this amendment accomplishes the tax result suggested under item 2 in the letter to you dated February 18, 1972, from Paul G. Sullivan and L. P. Carroll. We believe the authors of the letter concluded that inasmuch interest on obligations of the United States is exempt from taxation by a state authority, therefore business deductions should be allocated to this income and reduced proportionably in reaching taxable income.

I have not made any attempt to determine the legality of this amendment. Our tax attorney is so busy on a current case he was unable to even draft this amendment for us, which caused delay in getting this amendment to you. To prevent further delay the amendment has been drawn without the benefit of legal expertise.

Very truly yours,

John Reekie, Jr.
Senior Vice President

JR:dm

SB 276 (+ HB 782)

Sec. 43.70.035. OPTIONAL COMPUTATION FOR BANKS, TRUST
COMPANIES AND SAVINGS AND LOAN ASSOCIATIONS. ^{As a license fee} A national bank or
state bank, trust company or savings and loan association, in place of the
license fee provided in sec. 30(b) of this chapter, may elect to pay a net
income tax as a corporation under AS 43.20.010(b) , computed in accordance
with AS 43.20; except that in computing net income under AS 43.20.010(b)
interest income from obligations of the United States and U. S. instrumentalities
shall be eliminated from total income shown on the federal return, and total
deductions shall be reduced by the percentage that the taxpayers interest
income from obligations of the United States and U. S. instrumentalities bears
to total income shown on the federal return.

Original sponsor: Rules Committee by
request of the Governor

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 276

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 Alaska business license tax
7 on national banks and state banks, trust companies
8 and savings and loan associations; and providing for
9 an effective date."

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

1 * Section 1. AS 43.70.030(b) is amended to read:

2 (b) Unless an election is made to compute and pay the tax under
3 sec. 35 of this chapter, the [THE] license fee for each national bank
4 and state bank, trust company and savings and loan association is six
5 [TWO] per cent of its net income. Net income means the taxable income
6 of each such taxpayer before net operating loss deduction and special
7 deductions, computed as required under the Internal Revenue Code of
8 the United States and includes all other income including income from
9 federal, state or municipal obligation. Each of these taxpayers
10 shall submit a copy of the income tax return which it files with the
11 United States Collector of Internal Revenue and shall notify the commis-
12 sioner of revenue in writing of any alteration or modification of the
13 federal income tax return and of a recomputation of tax or determina-
14 tion of deficiency. The taxpayer who files his federal return on a
15 fiscal year basis shall in addition submit a statement setting out
16 all information which would be required and reported in a federal
17 income tax return prepared for the calendar year. This statement
18 shall be in the same form as a federal income tax return and the net
19 income shall be computed as required under the Internal Revenue Code.

1 The statement shall be submitted to the commissioner of revenue before
2 the 16th day of April after the close of the calendar year.

3 * Sec. 2. AS 43.70 is amended by adding a new section to read:

4 Sec. 43.70.035. OPTIONAL COMPUTATION FOR BANKS, TRUST COMPANIES
5 AND SAVINGS AND LOAN ASSOCIATIONS. A national bank or state bank,
6 trust company or savings and loan association, in place of the license
7 fee provided in sec. 30(b) of this chapter, may elect to pay a net
8 income tax as corporation under AS 43.20.010(b), computed in accordance
9 with AS 43.20; except that business expenses shall be allocated propor-
0 tionately to all income, including income from federal, state or
1 municipal obligation, in computing net income under AS 43.20.010(b).

2 * Sec. 3. This Act is retroactive to January 1, 1972 and takes effect on
3 the day after its passage and approval or on the day it becomes law without
4 approval.
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LIABILITIES

	Deposits	Other Liabilities	Reserves on Loans & Sec.	Capital	Surplus	Undivided Profits	Capital Reserves	Total Cap. Accts.	Total Lia. & Cap. Accts.
Alaska State Bank	59,741,035.42	1,762,735.29	470,653.37	922,640.00	2,090,168.55	1,028,148.11	-0-	4,041,156.66	66,023,580.74
Bank of Petersburg	5,925,516.49	20,656.96	67,619.61	100,000.00	100,000.00	217,074.80	35,000.00	452,074.80	6,465,867.86
B. M. Eehrends Bank	16,470,616.33	143,550.87	5,084.76	500,000.00	500,000.00	705,907.21	500,000.00	2,205,907.21	18,825,159.17
1st Bank of Cordova	4,753,242.18	34,435.49	147,083.80	150,000.00	150,000.00	104,151.49	-0-	404,151.49	5,338,912.96
Matanuska Valley Bank	51,943,119.32	1,078,993.55	492,241.48	1,750,540.00	1,059,620.00	213,443.59	-0-	3,029,603.59	56,543,957.94
Peoples Bank & Trust	8,905,351.12	265,414.97	-0-	700,000.00	500,000.00	195,005.50	-0-	1,395,005.50	10,565,771.59
Total	147,738,880.86	3,305,787.13	1,190,683.02	4,129,380.00	4,399,788.55	2,463,720.70	535,000.00	11,527,899.25	163,763,250.26
Alaska Mutual	45,881,723.58	4,532,293.42	-0-	-0-	1,068,338.52	550,301.48	2,182,651.90	3,801,291.90	54,215,308.90
Mt. McKinley Mut.	15,993,610.48	820,770.95	-0-	-0-	402,494.95	75,881.14	491,464.66	969,840.75	17,784,232.14
Total	61,875,334.06	5,353,064.37	-0-	-0-	1,470,833.47	626,182.62	2,674,116.56	4,771,132.65	71,999,531.06
Total State Banks	209,614,214.92	3,658,851.50	1,190,683.02	4,129,380.00	5,870,622.02	3,089,913.32	3,209,116.56	16,299,031.90	235,762,781.34
Alaska Nat'l Bank of FBKS	43,000,756.25	1,306,925.18	29,592.51	840,000.00	1,100,000.00	678,359.93	-0-	2,618,359.93	46,955,633.87
1st Nat'l Bank of Anchorage	179,834,505.12	5,436,339.59	2,440,761.51	2,000,000.00	5,500,000.00	2,986,509.83	-0-	10,486,509.83	198,198,116.05
1st Nat'l Bank of FBKS	29,291,996.62	330,650.04	31,383.10	750,000.00	750,000.00	177,195.52	300,000.00	1,977,195.52	31,631,225.28
1st Nat'l Bank of Ketchikan	17,758,748.54	196,352.27	151,072.56	400,000.00	450,000.00	301,706.48	-0-	1,151,706.48	19,257,879.85
National Bank of Alaska	206,853,126.46	7,501,091.91	2,652,820.11	5,000,000.00	5,000,000.00	4,983,032.86	-0-	14,968,032.86	231,995,071.34
Total National Banks	476,739,132.99	14,771,358.99	5,305,629.79	8,990,000.00	12,800,000.00	9,131,804.62	300,000.00	31,221,804.62	528,037,926.39
Total All Banks	686,353,347.91	23,430,210.49	6,496,312.81	13,119,380.00	18,670,622.02	12,221,717.94	3,509,116.56	47,520,836.52	763,800,707.73

"Exhibit II"

SB 276 (+ HB782)

STATEMENT OF CONDITION FOR ALASKA BANKS

JUNE 30, 1971

DEPOSITS

	Total Deposits	Demand Deposits	Time & Savings Dep.	*Total Public Funds	Dep. of U.S. Gov't	Deposits State, Pol.
Alaska State Bank	59,741,035.42	22,642,125.11	37,098,910.31	25,091,433.47	294,593.02	24,796,840.45
Bank of Petersburg	5,925,516.49	2,270,312.90	3,655,203.59	1,738,872.85	7,962.20	1,730,910.65
B. M. Behrends Bank	16,470,616.33	8,332,753.63	8,130,862.70	4,796,331.40	79,130.80	4,717,200.60
First Bank of Cordova	4,753,242.18	1,710,203.77	3,043,038.41	1,424,277.27	60,014.87	1,364,262.50
Matanuska Valley Bank	51,943,119.32	23,947,164.59	27,995,954.43	21,993,961.23	413,531.30	21,580,429.93
Peoples Bank & Trust	2,905,351.12	2,996,827.67	5,908,523.45	3,998,345.49	62,914.37	3,935,431.12
Total	147,738,980.86	61,906,387.97	85,832,492.89	59,043,221.71	918,146.66	58,125,075.93
Alaska Mutual Savings	15,881,723.53	1,062,871.72	14,818,851.86	12,862,722.90	1,537.53	12,861,185.40
Mt. McKinley Federal	15,993,610.48	3,704,483.85	15,573,126.63	3,343,733.16	2,552.30	3,341,180.86
Total	61,875,334.06	1,483,355.57	60,391,978.49	15,206,456.06	4,089.80	16,202,366.26
Total State Banks	292,614,314.92	83,389,743.54	146,224,471.38	75,249,677.77	922,236.46	74,327,441.31
Alaska Nat'l Bank of Anchorage	45,500,750.25	21,764,614.46	23,736,141.79	14,266,856.42	833,139.71	13,433,716.71
First Nat'l Bank of Anchorage	179,834,505.12	78,596,471.69	101,238,033.43	74,046,869.86	5,813,640.04	68,233,229.82
First Nat'l Bank of FB&S	29,291,996.62	16,395,948.44	12,896,048.18	8,786,739.95	606,303.85	8,180,436.10
First Nat'l Bank of Ketchikan	17,758,749.54	6,012,577.29	11,746,171.25	5,245,739.75	301,171.81	4,944,567.94
National Bank of Alaska	206,853,126.46	91,944,540.31	114,908,586.15	72,764,489.39	4,087,023.98	68,677,465.41
Total National Banks	478,739,132.99	214,714,152.19	262,024,980.60	175,110,695.37	11,641,279.39	163,469,415.98
Total All Banks	686,353,347.91	278,103,895.73	408,249,452.18	250,360,373.14	12,563,515.85	237,796,857.29

*Total Public Funds included in Total Deposits

Banks in Alaska	ASSETS						
	Cash & Due from Banks	U. S. Gov. Obligation	Other Securities	Loans & Discounts	Bank Premises & Equipment	Other Assets	Total Assets
Alaska State Bank	6,381,679.46	2,212,990.32	20,661,836.37	34,425,044.54	1,264,737.16	1,077,322.69	66,023,580.74
Bank of Petersburg	276,921.16	1,144,767.17	903,644.34	4,055,860.29	51,830.42	32,844.48	6,465,867.86
B. M. Behrends Bank	1,696,116.38	5,427,833.34	4,970,533.12	6,615,014.04	73,122.72	42,439.57	18,825,159.17
First Bank of Cordova	503,783.07	374,364.06	1,469,036.19	2,812,202.18	72,024.30	107,503.16	5,338,912.96
Matanuska Valley Bank	4,852,832.31	5,706,700.24	10,055,312.73	34,007,430.32	584,795.79	1,336,366.55	56,543,957.94
Peoples Bank & Trust	1,524,172.54	-0-	4,416,173.54	4,203,530.99	156,571.02	265,323.50	10,565,771.59
Total	15,235,504.92	14,866,655.13	42,477,126.29	86,119,082.36	2,203,081.41	2,861,800.15	163,783,250.26
Alaska Mutual Savings	1,930,520.26	646,059.01	9,362,406.26	40,886,369.00	436,238.56	953,036.71	54,215,308.90
Mt. McKinley Mutual Savings	475,097.53	294,819.00	4,413,266.67	12,189,960.45	211,453.97	199,624.56	17,784,222.16
Total	2,405,617.79	940,877.01	13,775,672.93	53,076,329.53	648,342.55	1,152,691.27	71,999,531.06
Total State Banks	17,641,122.71	15,807,532.14	56,252,799.22	139,195,411.89	2,851,423.96	4,014,491.42	235,762,781.34
Alaska Nat'l Bank of FBBS	8,521,661.50	977,049.45	7,263,135.53	28,609,172.37	1,117,093.80	467,491.22	46,955,633.87
First Nat'l Bank of Anchorage	22,348,897.15	15,848,790.95	66,917,242.93	83,842,502.93	3,887,863.59	3,352,798.50	198,198,116.05
First Nat'l Bank of FBBS	5,867,663.95	2,920,565.63	5,234,425.58	16,168,873.87	1,010,203.10	429,488.15	31,631,225.28
First Nat'l Bank of Ketchikan	2,072,129.15	3,402,438.95	1,721,605.57	11,406,383.39	572,042.85	83,279.94	19,257,879.85
National Bank of Alaska	27,630,455.04	16,205,366.83	69,990,235.24	105,777,921.14	7,567,393.32	4,773,598.77	231,995,071.34
Total National Banks	66,490,806.79	39,354,211.81	153,126,775.25	245,804,853.70	14,154,621.66	9,106,556.58	528,037,926.39
Total All Banks	84,131,929.50	55,161,743.95	209,379,573.07	385,000,265.59	17,006,045.62	13,121,148.00	763,800,707.73

Compiled quarterly by the Department of Commerce, Goldst. Bldg., Pouch "D", Juneau, Alaska 99801

Introduced: 4/6/72
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST

2 HOUSE BILL NO. 782

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 Alaska business license tax
7 on national banks and state banks, trust companies
8 and savings and loan associations; and providing for
9 an effective date."

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

11 * Section 1. AS 43.70.030(b) is amended to read:

12 (b) The license fee for each national bank and state bank, trust
13 company and savings and loan association is six [TWO] per cent of
14 its net income. Net income means the taxable income of each such
15 taxpayer before net operating loss deduction and special deductions,
16 computed as required under the Internal Revenue Code of the United
17 States and includes all other income including income from federal,
18 state or municipal obligation. Each of these taxpayers shall submit
19 a copy of the income tax return which it files with the United States
20 Collector of Internal Revenue and shall notify the commissioner of
21 revenue in writing of any alteration or modification of the federal
22 income tax return and of a recomputation of tax or determination of
23 deficiency. The taxpayer who files his federal return on a fiscal
24 year basis shall in addition submit a statement setting out all
25 information which would be required and reported in a federal income
26 tax return prepared for the calendar year. This statement shall be
27 in the same form as a federal income tax return and the net income
28 shall be computed as required under the Internal Revenue Code. The
29 statement shall be submitted to the commissioner of revenue before

1 the sixteenth day of April after the close of the calendar year.

2 * Sec. 2. This Act is retroactive to January 1, 1972.

3 # Sec. 3. This Act takes effect on the day after its passage and approval
4 or on the day it becomes law without approval.

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RECORDS CERTIFICATION



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

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

HOUSE OF REPRESENTATIVES

11/21/72

11/21/72 Date

Mr. Speaker

The Committee on FINANCE has had HB 702 under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
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_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

CHAIRMAN

Introduced: 4/11/72
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 792

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 leave for state employees; and
7 providing for an effective date."

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

9 * Section 1. AS 39.20.240 is amended to read:

10 Sec. 39.20.240. ACCUMULATION OF ANNUAL LEAVE. The annual leave
11 which is not used by an officer or employee during a 12 month period
12 accumulates for use in succeeding 12 month periods [YEARS] until it
13 totals not to exceed 60 days at the end of the 12 month period
14 [CALENDAR YEAR], unless his department or agency head certifies in
15 writing that the employee or officer was denied the opportunity to use
16 leave accumulated in excess of 60 days during the 12 month period
17 [BETWEEN JANUARY 1 AND DECEMBER 31 OF EACH YEAR]. The Department of
18 Administration shall promulgate regulations and forms to insure proper
19 annual leave control.

20 * Sec. 2. AS 39.20 is amended by adding a new section to read:

21 Sec. 39.20.295. SPECIAL REGULATIONS ON LEAVE PERIOD. In accord
22 with the procedures established in sec. 320 of this chapter, the
23 Department of Administration shall promulgate rules defining and
24 establishing a uniform beginning and a uniform concluding date for
25 the 12 month periods applicable to leave use and accumulation by
26 officers and employees of state government.

27 * Sec. 3. AS 39.20.060(a) is amended to read:

28 (a) Officers and employees are entitled to sick leave with pay
29 which accrues at the rate of one and one-quarter days for each full

1 monthly pay period. Sick leave which is not used during the 12 month
2 period [YEAR] in which it accrues accumulates and is available for
3 use in succeeding 12 month periods [YEARS].

4 * Sec. 4. AS 39.20.340(a) is amended to read:

5 (a) An employee of the state, or a political subdivision, with
6 the approval of the city council or borough assembly who is a member
7 of a reserve component of the United States Armed Forces is entitled
8 to a leave of absence without loss of pay, time, or efficiency rating
9 on all days during which he is ordered to training duty, as
10 distinguished from active duty, with troops or at field exercises, or
11 for instruction. The leave of absence may not exceed 16 1/2 working
12 days in any one 12 month period [CALENDAR YEAR].

13 * Sec. 5. This Act takes effect July 1, 1972.
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House

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

I. REQUEST

Bill Identification: HB 792 "An Act Relating To Leave For State
Title: Employees; and Providing For An Effective Date.
Requested by: Legislative Finance Date: April 24, 1972
Return Date Requested: April 28, 1972
Agency: Department of Administration Program: 1X General Government

II. FISCAL DETAIL

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

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

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

HB 492 will facilitate computerizing leave records and carries no additional costs to implement.

IV. ATTACHMENTS

V. DATE: April 26, 1972 PREPARED BY: 

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



Alaska State Legislature
Senate

JUNEAU ALASKA

TO: Mr. George Hohman, Chairman
House Finance Committee

FROM: Rich Guthrie
Senate Fiscal Analyst

SUBJECT: Fiscal Note Request

DATE: 5/29/72

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

<u>Bill No.</u>	<u>Title</u>
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HB 792

The Senate Finance Committee would appreciate receiving eight copies of the fiscal note and other pertinent materials that will assist them as they consider these bills.



RECORDS CERTIFICATION



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

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

Ref: 5/24/72

S E N A T E

4-21-76 _____ Date

Mr. President:

The Committee on Finance has had B 792
(leave for state employees)
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

John Ray _____
_____ _____
John Ray _____
John Ray _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

John Ray
CHAIRMAN

April 11, 1972

The Honorable Eugene Guess
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a bill entitled "An Act relating to leave for state employees; and providing for an effective date."

This bill amends AS 39.20.240, 39.20.295, 39.20.260(a) and 39.20.340(a) to provide for uniform language in defining leave accrual periods throughout the Act. The clarification provided by the amendments will make possible the maintenance of leave records by electronic data processing.

Sincerely,

William A. Egan
Governor

14000

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

I. REQUEST

Bill Identification: HB 792 "An Act Relating To Leave For State
Title: Employees; and Providing For An Effective Date."
Requested by: Legislative Finance Date: April 24, 1972
Return Date Requested: April 28, 1972
Agency: Department of Administration Program: IX General Government

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

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

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

HB 492 will facilitate computerizing leave records and carries no additional costs to implement.

IV. ATTACHMENTS

V. DATE: April 26, 1972

PREPARED BY: 

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

Introduced: 4/11/72
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 792

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 leave for state employees; and
7 providing for an effective date."

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

9 * Section 1. AS 39.20.240 is amended to read:

10 Sec. 39.20.240. ACCUMULATION OF ANNUAL LEAVE. The annual leave
11 which is not used by an officer or employee during a 12 month period
12 accumulates for use in succeeding 12 month periods [YEARS] until it
13 totals not to exceed 60 days at the end of the 12 month period
14 [CALENDAR YEAR], unless his department or agency head certifies in
15 writing that the employee or officer was denied the opportunity to use
16 leave accumulated in excess of 60 days during the 12 month period
17 [BETWEEN JANUARY 1 AND DECEMBER 31 OF EACH YEAR]. The Department of
18 Administration shall promulgate regulations and forms to insure proper
19 annual leave control.

20 * Sec. 2. AS 39.20 is amended by adding a new section to read:

21 Sec. 39.20.295. SPECIAL REGULATIONS ON LEAVE PERIOD. In accord
22 with the procedures established in sec. 320 of this chapter, the
23 Department of Administration shall promulgate rules defining and
24 establishing a uniform beginning and a uniform concluding date for
25 the 12 month periods applicable to leave use and accumulation by
26 officers and employees of state government.

27 * Sec. 3. AS 39.20.060(a) is amended to read:

28 (a) Officers and employees are entitled to sick leave with pay
29 which accrues at the rate of one and one-quarter days for each full

1 monthly pay period. Sick leave which is not used during the 12 month
2 period [YEAR] in which it accrues accumulates and is available for
3 use in succeeding 12 month periods [YEARS].

4 * Sec. 4. AS 39.20.340(a) is amended to read:

5 (a) An employee of the state, or a political subdivision, with
6 the approval of the city council or borough assembly who is a member
7 of a reserve component of the United States Armed Forces is entitled
8 to a leave of absence without loss of pay, time, or efficiency rating
9 on all days during which he is ordered to training duty, as
10 distinguished from active duty, with troops or at field exercises, or
11 for instruction. The leave of absence may not exceed 16 1/2 working
12 days in any one 12 month period [CALENDAR YEAR].

13 * Sec. 5. This Act takes effect July 1, 1972.
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RECORDS CERTIFICATION

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James D. Smith
Signature of Camera Operator

4/4/89
Date

An Act appropriating to the Alaska court system for the purchase of certain parcels of real property in the City of Anchorage and providing for an effective date.

Committee Report

HOUSE OF REPRESENTATIVES

4/14/73

6-9-72

Date

Mr. Speaker

The Committee on FINANCE has had THE BILL

under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

CHAIRMAN

Introduced: 4/14/72
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

HOUSE BILL NO. 798

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act appropriating to the Alaska court system for
7 the purchase of certain parcels of real property in
8 the City of Anchorage; and providing for an effective
9 date."

10

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

11

* Section 1. The sum of \$525,000 is appropriated from the general fund
12 to the Alaska court system for the purchase of lots 1, 2, 11 and 12 of
13 block 30 in the original townsite of the City of Anchorage for the expansion
14 of the Anchorage courthouse building.

15

* Sec. 2. The appropriation made by this Act is for a capital project
16 and is subject to the provisions of AS 37.25.020.

17

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

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JUNEAU ALASKA

Alaska State Legislature
Senate

TO: Mr. George Hohman, Chairman
House Finance Committee

FROM: Rich Guthrie
Senate Fiscal Analyst

SUBJECT: Fiscal Note Request

DATE: 6/11/72

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

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

HB 798

The Senate Finance Committee would appreciate receiving eight copies of the fiscal note and other pertinent materials that will assist them as they consider these bills.

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

I. REQUEST

Bill Identification: H.B. 798 "An Act appropriating to
Title: the Alaska Court System for the purchase of - - -"
Requested by: Legislative Finance Date: April 18, 1972
Return Date Requested: Legislative Finance
Agency: Alaska Court System Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: 525

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	525.000	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	525,000	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

1 lot has a house on it which will be removed. 2 are improved parking lots now.
1 lot has a building which would be suitable for interim use as court office space and would help to alleviate our space problems. Parking space is desperately needed as none is now provided for court personnel, judges or jurors.

IV. ATTACHMENTS

V. DATE: 4/25/72 PREPARED BY: Margaret Lee Terri

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



RECORDS



CERTIFICATION

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

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

SENATE

6-11-77

6-11-77

Date

Mr. President:

The Committee on Finance has had SB 707
(Appropriations to Alaska Court System)
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature]
CHAIRMAN

BILL HISTORY IN THE HOUSE

HB 798

<u>DATE</u>	<u>ACTION</u>
4/14/72	Read first time and referred to Committee on Finance.
6/9/72	Reported back with recommendation that Finance do pass. To Rules. Read second time and advanced. Read third time and reconsideration taken up. Notice of reconsideration. Reported correctly engrossed. Signed by speaker
6/10/72	Sent to Senate.

BILL HISTORY IN THE SENATE

HB 798

<u>DATE</u>	<u>ACTION</u>
6/10/72	Read first time and referred to Committee on Finance.

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

I. REQUEST

Bill Identification: H.B. 798 "An Act appropriating to
 Title: the Alaska Court System for the purchase of
 Requested by: Legislative Finance Date: April 18, 1972
 Return Date Requested: Legislative Finance
 Agency: Alaska Court System Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: 525

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	525.000	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	525,000	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

1 lot has a house on it which will be removed. 2 are improved parking lots now.
 1 lot has a building which would be suitable for interim use as court office space and would help to alleviate our space problems. Parking space is desperately needed as none is now provided for court personnel, judges or jurors.

IV. ATTACHMENTS

V. DATE: 4/28/72 PREPARED BY: Margie Lee Lee

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

Introduced: 4/14/72
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

HOUSE BILL NO. 798

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act appropriating to the Alaska court system for
7 the purchase of certain parcels of real property in
8 the City of Anchorage; and providing for an effective
9 date."

10

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

11

* Section 1. The sum of \$525,000 is appropriated from the general fund
12 to the Alaska court system for the purchase of lots 1, 2, 11 and 12 of
13 block 30 in the original townsite of the City of Anchorage for the expansion
14 of the Anchorage courthouse building.

15

* Sec. 2. The appropriation made by this Act is for a capital project
16 and is subject to the provisions of AS 37.25.020.

17

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

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RECORDS



CERTIFICATION

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

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

HOUSE OF REPRESENTATIVES

4/30/72

4/27/72 Date

Mr. Speaker

The Committee on FINANCE has had HR 113

under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

CHAIRMAN

Introduced: 4/20/72
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

HOUSE BILL NO. 813

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act appropriating to Mr. and Mrs. Joe Redington,
7 Sr.; and providing for an effective date."

8

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

9

* Section 1. The sum of \$20,000 is appropriated from the general fund to
10 Mr. and Mrs. Joe Redington, Sr. for the purpose of reimbursing their expendi-
11 tures on the Alaska Centennial Iditarod Trail Project.

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* Sec. 2. This Act takes effect on the day after its passage and approv-
13 al or on the day it becomes law without approval.

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RECORDS



CERTIFICATION

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

James O. Smith
Signature of Camera Operator

4/4/89
Date

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1972

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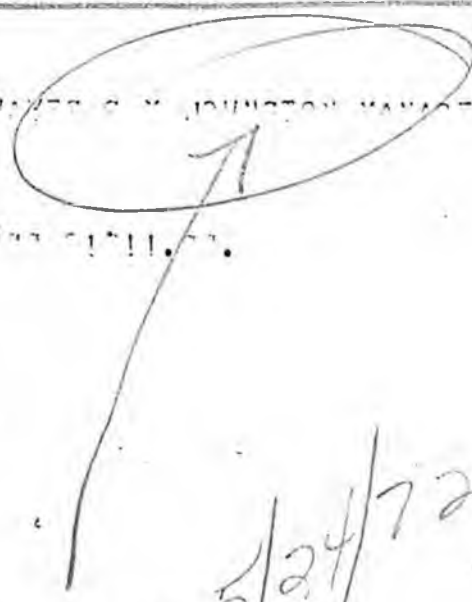
ANCHORAGE ALASKA 02

CHIEF MAN OF THE INTERFINANCE COMMITTEE
JUN 20 1972

PLEASE ADVISE STATUS OF MESSRS AND MRS JOYNESTON INFORMATION
AS TO UNPAID ACCOUNTS OF MR AND MRS JOYNESTON ON THE
ALASKA CONFIDENTIAL INVESTOR TRAIL PROJECT AND LISTED IN
THE 1972, AND APPROPRIATION THE FIRM OF TROYK RYMAN AND HAYES
HAS AN OUTSTANDING ACCOUNT DUE FROM THE JOYNESTONS ON
THIS PROJECT IN THE AMOUNT OF \$111,000 IS THIS ACCOUNT
INCLUDED IN THE 1972, AND APPROPRIATION PLEASE ADVISE
IMMEDIATELY

TROYK RYMAN AND HAYES & JOYNESTON MANAGERS

1111, 1111, 1111, 1111.



No.

RY

Called 5/24/72
(279-0543)

RY

11B815

Amount to \$24,500. if
comm. wants to pay
full cost of
all business

EXPENSES PAID BY THE IDITAROD TRAIL CENTENNIAL COMMITTEE:

Printing of Deeds for 1 sq.ft.lots -	?
Printing of Certificates of Ownership -	?
Office Supplies	\$115.00
Telephone	390.00
Electricity	100.00
Posters, stationary, banners, and signs (material)	350.00
Historical markers - Knik, Wasilla, Iditarod Trail	135.00
Film of Iditarod Trail race - Musgrove, photographer	545.00
Publicity Booths for sale of deeds:	
Anchorage Flea Market 100.00	
Palmer Fair Booth 100.00	200.00
A-67 Booth-expenses and loss of deeds in Fairbanks flood	?
Refreshments for Workers on Iditarod Trail and Knik	25.00
Fuel for equipment used on trail work	475.00
Parts and repairs for Carney's bulldozer	250.00
Equipment rental for race areas at Knik and Big Lake	800.00
Snow removal for race areas at Knik and Big Lake	275.00
Wages paid (almost all work done by volunteer labor)	75.00
Arm bands for officials, numbers, markers, large banners for race	200.00
Chains and equipment for Tyonek sponsored team	50.00
Fuel at Knik Hall (Museum)	150.00
Plaques for Iditarod Trail workers,	100.00
Public Address system	175.00
Pigeon timers	180.00
Liability insurance for race	250.00
Prize Money for Iditarod Trail Centennial Dog Race	<u>25,000.00</u>
Total expenditures through February, 1967	\$30,215.00
Income thru sale of Centennial lots	<u>14,648.00</u>
Obtained from Tyoneks, with mortgage,	15,567.00
Interest on mortgage to Oct., 1970	<u>4,119.00</u>
Total demanded, Oct., 1970	20,017.00
Possible interest, Oct. 1970 - April, 1972 ?	<u>3,000.00</u>
Total which may be due now (we have not been able to get an answer from Mr. McCutcheon)	<u>\$23,017.00</u>

Mr. Tryk's bill for surveying, \$1,500.00, has not yet been paid, but he has not been pressing for payment.

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

I. REQUEST

Bill Identification: SB 813 "An Act appropriating to Mr. & Mrs. Joe
Viktorichuk, Sr. and family, for an executive rate."
Department of: Legislative Finance Date: April 21, 1972
Return Date if possible: April 28, 1972
Agency: _____ Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

CODE	DESCRIPTION	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100	PERSONNEL SERVICES						
200	TRAVEL						
300	COMMODITIES						
400	CONTRACTS						
500	EQUIPMENT						
600	LAND & BUILDINGS						
700	GRANTS, GIFTS, ETC.		20,000				
	TOTAL		20,000				

B. FUNDING: (Thousands of dollars)

GENERAL FUND	FEDERAL FUNDS	OTHER
	20,000	

C. POSITIONS:

PERMANENT/TEMPORARY	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
PERMANENT (P./T.)	/	0 /	/	/	/	/

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

State centennial project records do not indicate that a project for the
construction of the Iditarod trail was applied for or approved through the
Wasilla Centennial Committee.

IV. ATTACHMENTS

V. DATE: 5/3/72

PREPARED BY: M. R. [Signature]

Original: Legislative Finance
cc: Budget and Management
Fiscal Auditor (Print Legislator Name)

EXPENSES PAID BY THE IDITAROD TRAIL CENTENNIAL COMMITTEE:

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Printing of Certificates of Ownership -	?
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Copy

Knik, Alaska,
April 9, 1971

Mr. Eben Hobson,
Office of the Governor,
Juneau, Alaska.

Dear Mr. Hobson:

We understand that Mrs. Rose Palmquist, of Wasilla, has spoken to you about our problem with the native village of Tyonek, or their attorneys, and the probable foreclosure on our property at Flat Horn Lake, in payment for the loan made to the Iditarod Trail Committee and Wasilla Centennial Committee in 1967.

Mrs. Palmquist informs us that she and Dorothy Page have explained the situation and that you indicated interest and concern and might still be able to introduce a bill for payment in this session, but need a bit more information on the personal aspect of the case. Joe and I would like to take this opportunity to thank you for your kind consideration and intervention in our behalf.

We realize now that it was rather stupid of us to lay our home on the line to secure the loan, but at that time it seemed safe enough and the only thing to do at short notice. We were at that time dealing with Mr. Stanley McCutcheon, spokesman for the people of Tyonek. However, when we originally contacted the Tyoneks we were dealing personally with Al Kaloa, who was then their Chief. He had assured us that his people would be proud and pleased to guarantee the prize money for the Iditarod Trail Centennial Race, should we not raise the required \$25,000.00 through the sale of our Centennial Acre deeds. There was no mention made at that time about it being a loan, to be paid back with interest added, as was the case later. Of course, agreement at that time was simply verbal between Albert Kaloa and my husband, Joe Redington. Soon after this Al died in the tragic fire at the Lane Hotel in Anchorage. We then found ourselves dealing with Mr. McCutcheon, but thought there was no problem, for he was agreeable to the idea of our friends at Tyonek contributing to the success of the greatest dog race of modern times here in Alaska, and the biggest Centennial project of the Matanuska-Susitna Borough.

After Al Kaloa's death, we were dealing with the other leaders of the Tyonek Village Council - Seraphim Stephan, Fred Bismark, Emil McCord and others, and all were very interested in the race and pleased to have a part in it. Members of the Iditarod Trail Committee, Aurora Dog Mushers, and the Wasilla Centennial Committee worked very hard for months to prepare the trail, set up all plans, publicise the event, coordinate the race, and trying desperately to raise the required prize money with the sale of the Centennial Acre deeds. These, as you no doubt know, are deeds to a square foot of land on the Centennial Acre at Flat Horn Lake. We had donated the acre from our property there, (the same property now under threat of foreclosure), and had to go to great lengths in time and expense to secure proper legal permission for such a project, and then a concentrated selling effort to raise the thousands of dollars necessary for the costs of preparing for, and running, the race, in addition to the prize money. I think you have been given a brief outline of some of the costs

incurred and can appreciate how we found ourselves forced to go to Stanley McCutcheon and ask for the promised assistance. It was then, and only then, at the last minute, that we were told we would have to offer some sort of security! Joe had to do something immediately, and foolishly (we learned to our sorrow), put up our twenty acres and home at Flat Horn Lake. We had always understood that the money would be put up with the understanding that it would be paid back whenever we were able to raise more funds, and after pressing bills were paid. We have been paying bills incurred at that time ever since 1967, and were completely ignored and forgotten when other Centennial incurred debts were paid or written off for other organizations in the State.

We have finally paid most of the other debts incurred at that time, and hoped to start repaying the Tyoneks, but find now that their attorneys will foreclose if the entire amount is not paid immediately, and the original fifteen thousand dollars has now mushroomed to over twenty thousand dollars! It all seems a little ironic, for we had such a fine relationship with the people from Tyonek, and their leaders attended the race and presented the award check to the winners at the banquet in Palmer, and were so pleased and proud that over half of the prize money was won by Native mushers, and they considered it their type of race. Everyone was in full agreement at that time that the Iditarod Trail Race had done much to save and promote dog mushing and racing in Alaska, and restore interest among the Native villages, where dog teams were virtually disappearing.

Should you want additional information or substantiation of any facts, please contact us, or others who have been involved in this project. Some of the people who have been involved, or familiar with, the situation include Miss Louise Kellogg of Palmer, Attorney Paul Robison of Anchorage, Senator Jan Koslosky, Jalmar Kerttula, Roy Robinson (manager of KFQD), Bob Fleming (manager of KYAK), our Mat-Su Borough Chairman Bob Vroman, Assembly president Harold Newcomb, as well as those we have already mentioned. Our beloved "Governor Bill" was also a participant in the early part of our campaign to raise funds for the big race and for restoration and preservation of the historic Iditarod Trail. I have seriously considered asking his advice about our present problem, but realize it would be unfair to burden him with our trouble on top of the tremendous problems he already faces.

Sorry for this lengthy and disjointed account, but it is a rather complicated problem to explain in one letter, and with time running out! We hope, with the information you already have, it may make some sense. Thank you again for your interest and attention. That alone has given us some hope of a possible solution short of giving up the home and property we worked so hard to establish.

Very sincerely yours,

Mrs. Joe Redington, Sr.,
Knik Road,
Wasilla, Alaska, 99687

Copy

March 30, 1972

Repr. Jalmar M. Kerttula
Pouch V
Juneau, Alaska 99801

Dear Mr. Kerttula;

Enclosed please find copies of letters and information exchanged with Mr. Eben Hopson during last years' legislative session.

It has taken me some time to gather enough courage to approach you with our problem. but since we have heard nothing further from Mr. Hopson, I'm getting a little desperate, and decided to ask for your help. Joe recently spoke with another legislator, and he was quite sympathetic to our cause, but suggested we contact you first, as he was out of our district. However, he did say this matter had been introduced before the ~~last~~ House last session but it was too late for any action to be taken.

I am writing to Mr. Hopson today, too, and hope he will contact you, and then take some action on this, as the Tyonek's are still threatening foreclosure on our property.

Will you please advise us if there is any way you can help us in this problem?

Incidentally, we appreciate receiving your newsletters, and thank you for your interest.

Sincerely,

Mrs. Joe Redington, Sr.
Knik Road - Box 168
Wasilla, Alaska 99687