

Leg. Finance - House & Senate Finance Comte Files (1973-74) 191

HB 4, 7, 8



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

4/26/89
Date



JUNEAU ALASKA

Alaska State Legislature
House

FINANCE COMMITTEE BILL ASSIGNMENT

TO: Rep. Warwick

DATE: March 7, 1973

FROM: Earl D. Hillstrand
Chairman
House Finance Committee

BILL NO.: HB 4

TITLE: An Act providing for state chartered credit unions.

COMMENTS: This bill has been referred to you for your review and research and eventual presentation to the committee for their consideration.

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST

Bill Identification: House Bill 4
 Title: "An Act providing for state chartered credit unions."
 Requested by: House Commerce Committee Date: March 1, 1973
 Return Date Requested: _____
 Agency: Department of Commerce Program: C Regulations of bus. & prof.

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Banking and Securities

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74**	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES		120	175	184	193	202
200 TRAVEL		40	53	56	58	60
300 CONTRACTUAL		25	27	28	30	32
400 COMMODITIES		5	5	5	5	5
500 EQUIPMENT		14	2	2	2	2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		204	262	275	288	301

**Partial program year. See Appendix "B."

B. FUNDING: (Thousands of dollars)

GENERAL FUND		204	262	275	288	301
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	10/	10/	10/	10/	10/
MAN MONTHS (P./T.)	/	80/	120/	120/	120/	120/

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

Projection is based on 5% inflationary cost per statewide planning assumptions less initial equipment expenditures and major portion of moving expenses.

IV. ATTACHMENTS

1. Appendix "A" Schedule of Expenditures During FY 75....
2. Appendix "B" Explanation of Projections

V. DATE: March 1, 1973 PREPARED BY: Division of Banking
DEPARTMENT OF COMMERCE

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

SCHEDULE OF EXPENDITURES DURING FY 75
FIRST FULL YEAR OF PROGRAM OPERATION UNDER PROPOSED ALASKA CREDIT UNION ACT

Appendix "A"

Projected on Basis of Eighty Credit Unions in Operation at End of FY 74

	Range	Monthly Rate	Yearly Rate	Benefits 20%	Total Salaries	Other Object Accounts				Total
						200	300	400	500	
Assistant Bank Director	23	1,898	22,776	4,554	27,330	7,600	3,310	600		38,840
Credit Union Examiner II	21	1,699	20,388	4,076	24,464	7,600	3,274	600		35,938
Credit Union Examiner I	19	1,413	16,955	3,391	20,347	8,200	3,274	600		32,421
Credit Union Examiner I	19	1,413	16,956	3,391	20,347	8,200	3,274	600		32,421
Credit Union Examiner I	19	1,413	16,956	3,391	20,347	8,200	3,274	600		32,421
Credit Union Examiner I	19	1,413	16,956	3,391	20,347	8,200	3,274	600		32,421
Accountant I	12	844	10,128	2,026	12,154	-0-	1,230	400		13,784
Secretary I	10	756	9,072	1,814	10,886	-0-	3,630	400		14,916
Clerk Typist III	8	652	7,824	1,565	9,389	-0-	1,230	300		10,919
Clerk Typist III	8	652	7,824	1,565	9,389	-0-	1,230	300		10,919
			<u>145,836</u>	<u>29,164</u>	<u>175,000</u>	<u>48,000</u>	<u>27,000</u>	<u>5,000</u>		<u>255,000</u>
Credit Union Advisory Board						5,000				5,000
Equipment								2,000		2,000
			<u>145,836</u>	<u>29,164</u>	<u>175,000</u>	<u>53,000</u>	<u>27,000</u>	<u>5,000</u>	<u>2,000*</u>	<u>262,000</u>

*In FY 74 the estimated cost of equipment would be 14,000 because of initial requirements.

APPENDIX "B"

EXPLANATION OF PROJECTIONS

The subject of this fiscal note is the proposed Alaska Credit Union Act. Projections assume 80 credit unions to be regulated.

Each Examiner I will examine 20 credit unions. The estimated time per examination and preparation of examination report will be two weeks or more.

The Assistant Bank Director provided for in Section 130 (Page 9 Line 2) will perform administrative duties and function in a supervisory capacity relative to state chartered credit unions. The Credit Union Examiner II will review examination write-ups, participate in training programs and supervisory conferences in addition to examining credit unions as required.

This fiscal note has been prepared on a conservative basis with provision for only one Examiner II. In the second year it is probable that a second Examiner II would be needed with consequent additional fiscal impact.

Personal services are estimated in FY 74 to be approximately \$120,000 on the assumption personnel will have to be recruited and will not be available immediately. The expenditure for moving expenses is limited to \$9,000 but after two years an additional amount would have to be budgeted in anticipation of turnover.

Travel expenditures for FY 74 should not exceed \$40,000. However, in FY 75, expenditures are projected at \$53,000 because of anticipated work-load increase. The statutory Credit Union Advisory Board's expense has been extended into the travel account.

The Contractual, Commodities, and Equipment accounts are expected to reach full cost levels during FY 74 because of immediate program requirements. Commodity procurement cost is estimated at \$5,000 per annum due to need for extensive reference materials.

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST

Bill Identification: House Bill 4
 Title: "An Act providing for state chartered credit unions."
 Requested by: House Commerce Committee Date: March 1, 1973
 Return Date Requested: _____
 Agency: Department of Commerce Program: C Regulations of bus. & prof.

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Banking and Securities

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74**	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES		120	175	184	193	202
200 TRAVEL		40	53	56	58	60
300 CONTRACTUAL		25	27	28	30	32
400 COMMODITIES		5	5	5	5	5
500 EQUIPMENT		14	2	2	2	2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		204	262	275	288	301

**Partial program year. See Appendix "B."

B. FUNDING: (Thousands of dollars)

GENERAL FUND		204	262	275	288	301
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	10/	10/	10/	10/	10/
MAN MONTHS (P./T.)	/	80/	120/	120/	120/	120/

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

Projection is based on 5% inflationary cost per statewide planning assumptions less initial equipment expenditures and major portion of moving expenses.

IV. ATTACHMENTS

1. Appendix "A" Schedule of Expenditures During FY 75....
2. Appendix "B" Explanation of Projections

V. DATE: March 1, 1973 PREPARED BY: Division of Banking
DEPARTMENT OF COMMERCE

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

Appendix "A"

SCHEDULE OF EXPENDITURES DURING FY 75
 FIRST FULL YEAR OF PROGRAM OPERATION UNDER PROPOSED ALASKA CREDIT UNION ACT

Projected on Basis of Eighty Credit Unions in Operation at End of FY 74

	Range	Monthly Rate	Yearly Rate	Benefits 20%	Total Salaries	Other Object Accounts				Total
						200	300	400	500	
Assistant Bank Director	23	1,898	22,776	4,554	27,330	7,600	3,310	600		38,840
Credit Union Examiner II	21	1,699	20,388	4,076	24,464	7,600	3,274	600		35,938
Credit Union Examiner I	19	1,413	16,956	3,391	20,347	8,200	3,274	600		32,421
Credit Union Examiner I	19	1,413	16,956	3,391	20,347	8,200	3,274	600		32,421
Credit Union Examiner I	19	1,413	16,956	3,391	20,347	8,200	3,274	600		32,421
Credit Union Examiner I	19	1,413	16,956	3,391	20,347	8,200	3,274	600		32,421
Accountant I	12	844	10,128	2,026	12,154	-0-	1,230	400		13,784
Secretary I	10	756	9,072	1,814	10,886	-0-	3,630	400		14,916
Clerk Typist III	8	652	7,824	1,565	9,389	-0-	1,230	300		10,919
Clerk Typist III	8	652	7,824	1,565	9,389	-0-	1,230	300		10,919
			<u>145,836</u>	<u>29,164</u>	<u>175,000</u>	<u>48,000</u>	<u>27,000</u>	<u>5,000</u>		<u>255,000</u>
Credit Union Advisory Board						5,000				5,000
Equipment									2,000	2,000
			<u>145,836</u>	<u>29,164</u>	<u>175,000</u>	<u>53,000</u>	<u>27,000</u>	<u>5,000</u>	<u>2,000*</u>	<u>262,000</u>

*In FY 74 the estimated cost of equipment would be 14,000 because of initial requirements.

APPENDIX "B"

EXPLANATION OF PROJECTIONS

The subject of this fiscal note is the proposed Alaska Credit Union Act. Projections assume 80 credit unions to be regulated.

Each Examiner I will examine 20 credit unions. The estimated time per examination and preparation of examination report will be two weeks or more.

The Assistant Bank Director provided for in Section 130 (Page 9 Line 2) will perform administrative duties and function in a supervisory capacity relative to state chartered credit unions. The Credit Union Examiner II will review examination write-ups, participate in training programs and supervisory conferences in addition to examining credit unions as required.

This fiscal note has been prepared on a conservative basis with provision for only one Examiner II. In the second year it is probable that a second Examiner II would be needed with consequent additional fiscal impact.

Personal services are estimated in FY 74 to be approximately \$120,000 on the assumption personnel will have to be recruited and will not be available immediately. The expenditure for moving expenses is limited to \$9,000 but after two years an additional amount would have to be budgeted in anticipation of turnover.

Travel expenditures for FY 74 should not exceed \$40,000. However, in FY 75, expenditures are projected at \$53,000 because of anticipated work-load increase. The statutory Credit Union Advisory Board's expense has been extended into the travel account.

The Contractual, Commodities, and Equipment accounts are expected to reach full cost levels during FY 74 because of immediate program requirements. Commodity procurement cost is estimated at \$5,000 per annum due to need for extensive reference materials.

1 IN THE HOUSE

BY RANDOLPH

2 HOUSE BILL NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for state chartered credit unions."

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

8 * Section 1. AS 6 is amended by adding a new chapter to read:

9 CHAPTER 40. ALASKA CREDIT UNION ACT.

10 ARTICLE 1. FORMATION AND MANAGEMENT OF CREDIT UNIONS.

11 Sec. 06.40.010. FORMATION OF CREDIT UNION. (a) A credit union
12 may be formed by seven or more residents of this state who meet the
13 requirement of common interest contained in sec. 60 of this chapter
14 by subscribing for shares of the credit union in the aggregate amount
15 of \$200 and executing two copies of articles of incorporation and
16 bylaws of the credit union consistent with the provisions of this
17 chapter and regulations of the commissioner of commerce. The term
18 "commissioner" shall be used throughout this chapter to mean the
19 commissioner of commerce.

20 (b) The incorporators shall forward the articles of incorporation
21 bylaws and required fees to the commissioner. If the commissioner
22 finds that they conform to law, he shall within 30 days issue a certi-
23 ficate of approval and return a copy of the articles of incorporation,
24 certificate and bylaws to the incorporators to be preserved in the
25 permanent files of the credit union. No credit union may transact
26 business until formal approval of the charter has been received.

27 Sec. 06.40.020. ARTICLES OF INCORPORATION. (a) The articles
28 of incorporation shall state the name of the credit union; the term
29 of existence; the par value of its shares, which shall be in \$5

1 multiples, not less than \$5 nor more than \$25; and the names and
2 addresses of the incorporators.

3 (b) Amendments to the articles of incorporation shall be sub-
4 mitted to the commissioner and shall be effective upon written approval
5 of the commissioner. No fee may be charged for the approval of
6 amendments.

7 Sec. 06.40.030. BYLAWS. The incorporators shall adopt the
8 initial bylaws of the credit union. The members of the credit union
9 may alter, amend or repeal the bylaws or adopt new bylaws. Bylaws
10 may contain provisions for the regulation and management of the affairs
11 of the credit union not inconsistent with the law or the articles of
12 incorporation.

13 Sec. 06.40.040. NAME. (a) The name of a credit union chartered
14 under this chapter shall include the words "credit union" and the
15 name of the city in which the credit union is to have its principal
16 place of business. A credit union may not adopt the same name as that
17 of any other existing credit union.

18 (b) It shall be a misdemeanor for any person, except corporations
19 formed under the provisions of this chapter or another credit union
20 law, or an association of credit unions and its chapters, to conduct
21 business under a name or title which contains the words "credit union"
22 or a derivation of them, or to represent himself in his advertising
23 or otherwise as conducting business as a credit union.

24 Sec. 06.40.050. INITIAL DIRECTORS AND COMMITTEES. The incorpora-
25 tors shall select at least five persons to serve on the board of
26 directors, three persons to serve on the supervisory committee, and
27 persons to serve on other committees required by the articles or by-
28 laws. The selected persons will serve in these capacities until the
29 first annual meeting of the members and the election of their successors.

1 Sec. 06.40.060. MEMBERSHIP. (a) The membership of a credit
2 union shall be limited to persons having an identifiable common inter-
3 est who have met the requirements stated in the articles of incorpora-
4 tion and the bylaws. Identifiable common interests include, but are
5 ~~not limited to~~, similar occupation, employment or association, or
6 residence in an identifiable community or rural area.

7 (b) Societies and associations composed of individuals who are
8 eligible for membership may be admitted to membership in the same
9 manner and under the same conditions as individuals.

10 (c) Existing credit unions may admit as members low-income
11 persons, as defined by the commissioner, for whom credit union services
12 are otherwise unavailable.

13 (d) An individual who leaves the field of membership may retain
14 his membership at the discretion of the board of directors.

15 Sec. 06.40.070. POWERS. A credit union may

16 (1) have perpetual succession by its corporate name unless
17 its duration is limited by its articles of incorporation;

18 (2) adopt and use a seal, which may be altered at pleasure;

19 (3) sue and be sued, complain and defend, in its corporate
20 name;

21 (4) make contracts, purchase, hold and dispose of property
22 necessary or incidental to its operations;

23 (5) require the payment of an entrance fee or annual member-
24 ship fee;

25 (6) receive from its members payments on shares, deposits
26 or special purpose thrift accounts;

27 (7) lend its funds to its members and invest surplus funds
28 as provided in this chapter;

29 (8) borrow from any source, in an aggregate amount not

1 exceeding 50 per cent of its paid in and unimpaired capital and surplus,
2 and to discount or sell any eligible obligations, subject to regulations
3 prescribed by the commissioner;

4 (9) make deposits in banks chartered by this state or the
5 federal government, in trust companies and in central credit unions;

6 (10) hold membership in other credit unions organized under
7 this chapter and in organizations composed of credit unions;

8 (11) declare dividends, pay interest on deposits and pay
9 interest refunds to borrowers as provided in this chapter;

10 (12) assess charges to members in accordance with the bylaws
11 for failure to meet their obligations to the credit union;

12 (13) sell travelers checks, money orders and other money-type
13 instruments;

14 (14) act as fiscal agents for and to receive deposits from
15 this state, the federal government or political subdivisions of either;

16 (15) perform trust services for its members, including the
17 trust estates of deceased members, and to act as a custodian of quali-
18 fied pension funds of self-employed individuals under the provisions
19 of P.L. 89-809;

20 (16) sell all or a part of its assets or purchase all or a
21 part of the assets of another credit union, subject to the approval of
22 the commissioner;

23 (17) exercise the incidental powers necessary to enable it
24 to carry out effectively the business and purposes for which it is
25 incorporated, including the inherent powers generally implied for
26 general corporations organized under the laws of this state.

27 Sec. 06.40.080. MEMBERS MEETINGS. The annual meeting and special
28 meetings of the members of the credit union shall be held at the time,
29 place and in the manner prescribed in the bylaws. At the meetings

1 a member shall have only one vote, irrespective of his shareholdings.
2 No member may vote by proxy, but a society, association, partnership
3 or corporation, having membership in the credit union, may be repre-
4 sented and vote by one of its members or shareholders who has been
5 duly authorized by its governing body.

6 Sec. 06.40.090. BOARD OF DIRECTORS. (a) The business affairs,
7 funds and records of the credit union shall be directed by a board of
8 directors, of an odd number not less than five, to be elected at the
9 annual members meeting by and from the members. All members of the
10 board shall hold office for the term provided in the bylaws. The
11 board of directors shall fill vacancies occurring in the board, until
12 successors elected at the next annual members meeting have been
13 qualified. The board shall appoint the members of the supervisory
14 committee and other committees required by the bylaws and shall fill
15 vacancies occurring in these committees.

16 (b) The board of directors shall meet as often as necessary,
17 but not less than once each month. The board may appoint from its
18 members an executive committee of not less than three directors who
19 may be authorized to act for the board in all respects, subject to
20 conditions and limitations prescribed by the board.

21 (c) No member or the board or any committee may be compensated
22 for his service, but reasonable life, health, accident and similar
23 insurance protection for a director is not considered compensation
24 within the meaning of this section. A member, while on official
25 business of the credit union authorized by the board of directors may
26 be reimbursed for necessary expenses incidental to the performance
27 of the business.

28 (d) It is the duty of the directors to

29 (1) act upon applications for membership or to appoint one

1 or more membership officers other than the treasurer, assistant
2 treasurer, or loan officer, to act on membership applications under
3 procedures established by the board;

4 (2) purchase a blanket fidelity bond, in accordance with
5 the regulations of the commissioner, covering the officers, employees,
6 members of official committees, and agents of the credit union;

7 (3) determine the interest rate to be charged on loans and
8 to be paid on deposits, to authorize an interest refund to members
9 from income earned and received in proportion to the interest paid
10 by them, and to declare dividends on shares as provided in the bylaws;

11 (4) limit the number of shares and the amount of deposits
12 which may be owned by a member, and to fix the maximum amount which
13 may be loaned to an individual member;

14 (5) direct the investment of surplus funds, except that the
15 board may designate a committee of its number or a qualified individual
16 to have charge of making investments under rules and procedures
17 established by the board;

18 (6) authorize the employment of persons necessary to carry
19 on the business of the credit union and to establish the compensation
20 of employees, the treasurer and loan officers;

21 (7) designate a depository or depositories for the funds
22 of the credit union, authorize the conveyance of property, and borrow
23 or lend money to carry on the functions of the credit union;

24 (8) perform or authorize any action consistent with this
25 chapter not specifically reserved by the bylaws for the members.

26 Sec. 06.40.100. EXECUTIVE OFFICERS. (a) At the organization
27 meeting and within 30 days following each annual meeting of the
28 members, the directors shall elect from their own number an executive
29 officer, who may be designated as chairman of the board or president;

1 a vice-chairman of the board or one or more vice-presidents; a
2 treasurer; and a secretary, of whom the last two may be the same
3 individual. The persons elected shall be the executive officers of
4 the corporation. No executive officer, except the treasurer, shall
5 be compensated for his service. The terms of officers shall be one
6 year or until their successors have been chosen and duly qualified.

7 (b) The board of directors may employ an officer in charge of
8 operations whose title shall be either president or general manager
9 or may designate the treasurer or an assistant treasurer to act as
10 general manager and be in active charge of the affairs of the credit
11 union. The duties of the officers shall be as determined by the
12 bylaws.

13 (c) Before the officer in charge of operations may enter upon
14 his duties he shall give bond with good and sufficient surety, in an
15 amount and character to be determined by the board in compliance with
16 regulations prescribed by the commissioner.

17 Sec. 06.40.110. CREDIT COMMITTEE. (a) The board of directors
18 shall appoint a credit committee consisting of an odd number of members
19 of the credit union, no less than three, or, if provided in the bylaws,
20 appoint one or more loan officers empowered to approve loans under
21 the conditions prescribed by the board. No loan may be made unless
22 approved by the loan officer or credit committee.

23 (b) If a credit committee is provided for in the bylaws, it shall
24 hold meetings as often as the business of the credit union may require,
25 but not less frequently than once a month. Loans must be approved by
26 a majority of the committee who are present at the meeting at which
27 the application is considered. The credit committee may appoint one
28 or more loan officers, and delegate to him or them the power to approve
29 loans. Not more than one member of the credit committee may be

1 appointed as loan officer or assistant loan officer.

2 (c) No individual may disburse funds of the credit union for any
3 loan which has been approved by him in his capacity as a loan officer.

4 Sec. 06.40.120. SUPERVISORY COMMITTEE. (a) The supervisory
5 committee shall make a semiannual audit of the credit union and shall
6 submit a report of the audit to the board of directors and a summary
7 of that report to the members. The committee shall provide for
8 supplementary audits which it considers necessary or which may be
9 required by the commissioner, and submit reports of these supplementary
10 audits to the board of directors. The supervisory committee shall
11 also provide for verification of the passbooks and accounts of the
12 members with the records of the treasurer at least once every two years.

13 (b) The supervisory committee may by a unanimous vote suspend
14 any officer of the credit union or any member of the credit committee
15 or of the board of directors, until the next members meeting, which
16 shall be held not less than 7 nor more than 14 days after the suspen-
17 sion, at which meeting the suspension shall be acted on by the members.

18 (c) The supervisory committee may by a majority vote call a
19 special meeting of the members to consider a violation of this chapter,
20 the charter or the bylaws, or a practice of the credit union considered
21 by the supervisory committee to be unsafe or unauthorized.

22 (d) A member of the supervisory committee may be suspended by a
23 majority vote of the board of directors. The members of the credit
24 union shall decide, at a meeting held not less than 7 nor more than
25 14 days after the suspension, whether the suspended committee member
26 shall be removed from or restored to the supervisory committee.

27 ARTICLE 2. SUPERVISION AND REGULATION OF CREDIT UNIONS.

28 Sec. 06.40.130. SUPERVISION BY COMMISSIONER OF COMMERCE. (a)
29 The commissioner of commerce has general supervision of credit unions,

1 subject to the provisions of this chapter, and shall appoint an assis-
2 tant director within the division of banking, securities, small loans
3 and corporations to supervise credit unions.

4 (b) The commissioner shall promulgate regulations for the adminis-
5 tration of this chapter, and prescribe the minimum amount of surety
6 bond coverage required of credit unions in relation to their assets,
7 and may establish chartering, supervisory and examination fees. The
8 commissioner shall prepare and supply without charge a form of articles
9 of incorporation and of bylaws which may be used by credit union
10 incorporators.

11 (c) In promulgating regulations, the commissioner shall consult
12 with the Credit Union Advisory Board established in this chapter.

13 Sec. 06.40.140. EXAMINATIONS. (a) The commissioner or his
14 representative shall conduct an annual examination of each credit
15 union established under this chapter. A report of the examination
16 will be forwarded to the credit union within 30 days after completion
17 of the examination. The report shall contain comments on the general
18 condition of the assets and the management of the credit union. A
19 general meeting of the directors and committeemen shall be called
20 within 30 days after receipt to consider the report, and copies of
21 the report shall be made available to all members of the credit union.

22 (b) A credit union, its officers and agents are required to
23 give the commissioner full access to all books, papers, securities,
24 records and other sources of information under their control. For
25 purposes of examination, the commissioner shall have the power to
26 subpoena witnesses, administer oaths, compel the giving of testimony
27 and require the submission of documents.

28 (c) The commissioner may accept, in lieu of examination by his
29 agency, the audit of a registered public accountant licensed in this

1 state, provided the cost of the audit is borne by the credit union
2 and the scope of the audit is equivalent to the examination made by
3 the commissioner.

4 Sec. 06.40.150. ANNUAL REPORTS. Credit unions organized under
5 this chapter shall submit annual reports to the commissioner on forms
6 supplied by him for that purpose, which reports shall be due on or
7 before February 1. A credit union failing to file by February 15
8 shall be levied a fine of \$5 per day until the report is filed.

9 Sec. 06.40.160. CREDIT UNION ADVISORY BOARD. (a) There is
10 established the Credit Union Advisory Board to consult with, advise
11 and make recommendations to the commissioner in matters pertaining
12 to credit unions. The board consists of five persons of tested credit
13 union experience appointed by the governor. Appointments to the
14 board shall be for terms of two years, except that initial appointments
15 shall be two members for terms of one year and three members for terms
16 of two years. The chairman of the board shall be elected annually by
17 and from the members of the board.

18 (b) Members shall serve until their successors have been appointed
19 and qualified. If a vacancy occurs, the appointment to fill the vacancy
20 shall be made in the manner of the original appointment, but only for
21 the unexpired term.

22 (c) The first meeting of the board shall be called by the commis-
23 sioner and subsequent regular meetings shall be held at times and
24 places determined by the chairman and the commissioner, but at least
25 once every six months. Special meetings may be called by either the
26 chairman or the commissioner. The commissioner shall reimburse the
27 board members for their actual and necessary travel and subsistence
28 expenses.

29 Sec. 06.40.170. CENTRAL CREDIT UNION. (a) A central credit

1 union may be organized and operated under the provisions of this chapter
2 and subject to all provisions not inconsistent with this section.

3 This credit union shall be known as the Alaska Central Credit Union.

4 Membership in the central credit union shall be limited to

5 (1) credit unions organized and operating under the provi-
6 sions of this chapter or operating in this state under the provisions
7 of the Federal Credit Union Act;

8 (2) officers, directors and committee members and employees
9 of credit unions, employees of the central credit union, employees of
10 an association of Alaska credit unions, and resident employees of
11 federal or state government agencies responsible for the supervision
12 of credit unions in this state;

13 (3) organizations or associations of these persons;

14 (4) employees of a common employer with insufficient numbers
15 to form or conduct the affairs of a separate credit union, upon approval
16 of the commissioner; and

17 (5) persons who are members of credit unions in this state
18 that have entered into or are about to enter into voluntary or involun-
19 tary dissolution proceedings under the provisions of sec. 340 of this
20 chapter or credit unions in this state which have entered into or are
21 about to enter into voluntary or involuntary dissolution proceedings
22 under the provisions of Chapter 14 of Title XII of the U.S. Code.

23 (b) The board of directors of a credit union becoming a member
24 of the central credit union shall designate one person to be its
25 voting representative. The voting representative shall be eligible
26 to hold office in the central credit union as if that person were
27 himself a member of the central credit union.

28 (c) The central credit union shall have all the rights and powers
29 of any other credit union organized under this chapter and shall in

1 addition have the power to obtain or acquire the assets and liabilities
2 of a credit union operating in this state which enters into liquidation

3 (d) The central credit union shall have the authority to make
4 loans to other credit unions and to purchase shares of and make deposits
5 in other credit unions. It shall have the power to invest in and
6 grant loans to associations of credit unions, central funds of credit
7 unions or organizations chartered to provide exclusive service to
8 credit unions; to borrow money from any source, not to exceed the
9 amount of its unimpaired capital and surplus; and to issue notes or
10 debentures.

11 ARTICLE 3. FINANCIAL PRACTICES.

12 Sec. 06.40.180. SHARES. (a) Shares may be subscribed to, paid
13 for and transferred in the manner prescribed in the bylaws. No
14 certificate may be issued to denote ownership of a share in a credit
15 union.

16 (b) The credit union shall have and may impress a lien on the
17 shares, deposits and accumulated dividends or interest of a member
18 in his individual, joint or trust account for any sum due the credit
19 union from the member or for any loan endorsed by him.

20 (c) When the losses of a credit union, resulting from a deprecia-
21 tion in value of its loans or investments or otherwise, exceed its
22 undivided earnings and reserve fund so that the estimated value of
23 its assets is less than the total amount due the shareholders, the
24 credit union may by a majority vote of the entire membership order a
25 reduction in the shares of each of its shareholders to divide the
26 loss proportionately among its members. If the credit union realizes
27 from the assets a greater amount than was fixed by the order of
28 reduction, the excess shall be divided among the shareholders whose
29 assets were reduced, but only to the extent of the reduction.

1 Sec. 06.40.190. DEPOSITS. A credit union may receive savings
2 deposits from its members, subject to the conditions and the return
3 established by the board of directors. Christmas clubs, vacation clubs,
4 and other thrift accounts may be operated in accordance with the provi-
5 sions of the bylaws.

6 Sec. 06.40.200. MULTIPLE PARTY ACCOUNTS. (a) A credit union may
7 enter into multiple party accounts to the same extent that they may
8 enter into single party accounts. A multiple party account is an account
9 in the name of two or more persons, one or more of whom may make with-
10 drawals. At least one party to a multiple party account must be a
11 member of the credit union in which the account is established. The
12 account may be created with any person designated by the credit union
13 member, but a nonmember shall not be permitted to vote, obtain loans,
14 or hold office.

15 (b) Accounts established for deposit of funds of a partnership,
16 joint venture or other association or accounts controlled by two or
17 more persons as the duly authorized agents or trustees for a corporation
18 unincorporated association, charitable or civic organization or any
19 trust, except trusts of deposits evidenced only by the form of the
20 deposit, are excluded from the meaning of the term and from the provi-
21 sions of this chapter relating to multiple party accounts.

22 (c) Unless the terms of the account expressly stipulate that joint
23 signatures are required, a multiple party account may be paid on demand
24 to any one or more of the parties to the account, without regard to
25 whether any other party is incompetent or deceased at the time the pay-
26 ment is demanded. If the account is one presumed to be a survivorship
27 account, payment may not be made to the personal representative or heirs
28 of a deceased party unless proofs of death are presented to the credit
29 union showing that the decedent was the last surviving party. A credit

1 union is not required to inquire as to the source of funds received for
2 deposit or the proposed application of any sum withdrawn from the
3 account.

4 (d) During the lifetime of all parties, a multiple party account
5 which provides that the sums on deposit or in shares may be paid on
6 demand of either of two or more parties is presumed to belong to the
7 parties in proportion to the net contributions by each party to the
8 sums on deposit. In the absence of satisfactory proof of net contribu-
9 tions, the parties shall be presumed to own a multiple party account in
10 equal undivided interests.

11 (e) The death of a party to a multiple party account shall have no
12 effect on the beneficial ownership of the account, other than to transfer
13 the decedent's right to his estate, unless the account is a survivorship
14 account or trust account, as provided in secs. 210 - 220 of this
15 chapter.

16 (f) Without qualifying any other statutory right to set-off or
17 lien and subject to any contractual provision, when a party to a multiple
18 party account is indebted to a credit union, the credit union has a
19 right to set-off against the entire amount of the account.

20 Sec. 06.40.210. SURVIVORSHIP ACCOUNTS. A multiple party account
21 payable to two or more persons, jointly or severally, which does not
22 expressly provide that there is no right of survivorship, is presumed
23 to be a survivorship account. At the death of a party, sums on deposit
24 in a survivorship account belong to the surviving party or parties as
25 against the estate of the decedent. Where there are two or more sur-
26 vivors, their respective ownership shall be in proportion to their
27 previous net contributions augmented by an equal share for each survivor
28 of any interest the decedent may have owned in the account immediately
29 before his death, plus the proceeds of insurance on decedent's life

1 paid to the account. The right of survivorship continues between sur-
2 vivors.

3 Sec. 06.40.220. TRUST ACCOUNTS. (a) An account which states
4 that a party is a trustee for one or more other identified persons,
5 including but not limited to minors, is a trust account. Except where
6 there is evidence of a trust other than as provided by the form of the
7 account, the account and any sums withdrawn from it are presumed to
8 belong beneficially to the trustee until his death. At the death of
9 the trustee or surviving trustee any sums remaining on deposit are
10 presumed to belong to the person or persons named as beneficiaries, if
11 living, or the survivor of them if one or more died before the trustee.
12 The subsequent death of a beneficiary has no effect on the equal owner-
13 ship of all who survived the trustee, as no right of survivorship is
14 presumed to attend the relationship of beneficiaries who survive a
15 trustee. If no beneficiary survives the trustee, the sums are presumed
16 to belong to the estate of the last trustee to die. If two or more
17 parties are named as trustees on the account, and there is no evidence
18 of trust except as provided by the form of the account, the account is
19 presumed to be a survivorship account as between the trustees.

20 (b) An account payable to a trustee for another person may be
21 paid on demand to the trustee. Unless the credit union has received
22 written notice of the terms of a trust other than the form of the
23 account, payment may be made to the personal representative or heirs
24 of a deceased trustee if proof of death is presented to the credit
25 union showing that his decedent was the survivor of all other persons
26 named on the account either as trustee or beneficiary; and payment
27 may be made, on demand, to the beneficiary upon presentation to the
28 credit union of proof of death showing that the beneficiary or bene-
29 ficiaries survived all persons named as trustees.

1 Sec. 06.40.230. PRESUMPTIONS REBUTTABLE. The presumptions created
2 by secs. 200 - 220 concerning beneficial ownership as between parties,
3 or as between parties and beneficiaries, of multiple party accounts are
4 relevant only to controversies between these persons or their creditors
5 or other successors, and shall have no bearing on the rights of with-
6 drawal of these persons as determined by the terms of the account
7 contracts. These presumptions are based upon inferences of the intention
8 of parties to multiple party accounts and the usual expectations of
9 persons using these accounts and are rebuttable by clear and convincing
10 evidence of a different intention. The presumptions of survivorship are
11 not subject to change by will, but may be rebutted by a written order
12 received by the credit union to change the form of the account or direc-
13 ting that payment not be made in accordance with the account which is
14 signed by a party and is received by the credit union during the party's
15 lifetime. If not rebutted by contrary evidence, the presumptions pro-
16 vided in this chapter are effective to establish beneficial ownership.
17 Transfers resulting from the application of these presumptions are
18 effective by reason of the account contracts and are not to be considered
19 as testamentary.

20 Sec. 06.40.240. PAYMENTS BY CREDIT UNION. Payment made in accor-
21 dance with secs. 200 - 220 of this chapter discharges the credit union
22 from all claims for amounts so paid whether or not the payment is con-
23 sistent with the beneficial ownership of the account as between parties,
24 or beneficiaries or their successors. The protection given does not
25 extend to payments made after a credit union has received written
26 notice from a party who has a present right of withdrawal that with-
27 drawals in accordance with the terms of the account should not be per-
28 mitted. Unless the notice is withdrawn by the person giving it, the
29

1 death of any party after notice has no effect on withdrawal rights,
2 and the personal representative or heirs of the decedent must concur
3 in any demand for withdrawal if the credit union is to be protected
4 under this section. No other notice or information shown to have been
5 available to a credit union shall affect its right to the protection
6 provided here. This protection shall have no bearing on the rights
7 of parties in disputes between themselves or their successors con-
8 cerning the beneficial ownership of funds in, or withdrawn from,
9 multiple party accounts.

10 Sec. 06.40.250. MINORS. Shares may be issued to and deposits
11 received from a minor who may withdraw the shares and deposits, includ-
12 ing dividends and interest. Deposits and share investments made by a
13 minor and withdrawals of them by the minor shall be valid in all
14 respects. For these purposes a minor is considered of full age.

15 Sec. 06.40.260. INACTIVE ACCOUNTS. If a credit union is unable
16 to contact a member, beneficiary or other person by first class mail
17 at the last address shown on the records of the credit union, and if
18 this inability continues for a period of more than five years, all
19 shares, deposits, accounts, dividends, interest and other sums due to
20 or standing in the name of that person may, by the action of the board
21 of directors, be credited to the reserve fund of the credit union, and
22 no further dividends or interest will accrue on them. The member
23 shall have the right to claim these sums by proper judicial proceedings
24 commenced within an additional 10 years after the action of the board
25 of directors. This provision shall not apply to sums due to or standing
26 in the name of two or more persons unless the credit union is unable
27 to contact any of these persons in the manner and during the period
28 specified in this section.

29 Sec. 06.40.270. DIVIDENDS. After provision for the required

1 reserves, the board of directors may, at intervals determined by them,
2 declare a dividend to be paid from the remaining net earning at a rate
3 and upon the classes of shares determined by the board. The dividends
4 shall be paid on all paid-up shares outstanding at the close of the
5 period for which the dividend is declared. Shares which become fully
6 paid up during a dividend period are entitled to a proportional part
7 of the dividend. Dividend credit for a month may be accrued on shares
8 which are or become fully paid up during the first 15 days of that
9 month.

10 Sec. 06.40.280. LOANS. (a) A credit union may make loans to
11 its members upon the terms and conditions provided in the bylaws and
12 approved by the credit committee or loan officer. The rate of interest
13 may not exceed one and one-half per cent per month on the unpaid
14 balance, inclusive of all charges incident to making the loan. Every
15 application for a loan shall be made in writing upon a form approved
16 by the board of directors, and shall state the purpose for which the
17 loan is desired, and the security, if any, offered. Every loan shall
18 be evidenced by a written statement. In addition to generally accepted
19 types of security, the endorsement of a note by a guarantor or assign-
20 ment of shares or wages, in a manner consistent with the laws of this
21 state, shall be considered security within the meaning of this chapter.
22 The adequacy of all securities shall be within the determination of the
23 credit committee or loan officer, subject to the provisions of this
24 chapter and the bylaws.

25 (b) The credit committee or loan officer may approve in advance
26 upon their own motion or upon application by a member, an extension of
27 credit, and loans may be granted to the member within the limit of the
28 extension of credit. When an extension of credit has been approved,
29 applications for loans need no further consideration as long as the

1 aggregate obligation does not exceed the limit of the extension of
2 credit. The credit committee or loan officer shall, at least once a
3 year, review all extensions of credit and an extension of credit shall
4 expire if the member becomes more than 90 days delinquent in his
5 obligations to the credit union.

6 (c) No loan or extension of credit may be made to a member in
7 an aggregate in excess of \$200 or 10 per cent of the credit union's
8 unimpaired capital and surplus, whichever is greater.

9 (d) A credit union may make loans to its own directors or to
10 members of its supervisory or credit committee, provided that the
11 aggregate of loans to an individual director or committee member which
12 exceeds \$2,500 plus pledged shares must be approved by the board of
13 directors. A credit union may permit directors and committee members
14 to act as guarantor or endorser of loans to other members, except that
15 when the loan standing alone or when added to any outstanding loans
16 of the guarantor exceeds \$2,500, approval of the board of directors
17 is required.

18 (e) A credit union may participate with other credit unions,
19 corporations or financial institutions in making loans to credit union
20 members.

21 Sec. 06.40.290. INSURANCE. (a) A credit union may purchase
22 insurance on the lives of its members in an amount equal to their
23 respective shares, deposits and loan balances, and may enter into
24 cooperative marketing arrangements for its members covering group life
25 insurance, temporary disability coverage, health and accident plans
26 and other programs which are demonstrated to be in the interest of
27 improving the economic and social conditions of the credit union
28 members.

29 (b) A credit union may apply to the administrator of the National

1 Credit Union Administration for insurance of member accounts under
2 Title II of the Federal Credit Union Act and take all action necessary
3 to maintain the insured status. The commissioner shall make available
4 reports of condition and examination reports to the administrator and
5 may accept any report of examination made on behalf of the adminis-
6 trator. Should a credit union be closed because of bankruptcy or
7 insolvency, the commissioner may appoint the National Credit Union
8 Administrator as the liquidating agent.

9 Sec. 06.40.300. INVESTMENTS. Funds not used in making loans to
10 members may be invested in

11 (1) securities, obligations, participations, or other instru-
12 ments issued by or fully guaranteed as to principal and interest by
13 the federal government or one of its agencies or in a trust established
14 for the purpose of investing in these;

15 (2) obligations of this state or a political subdivision
16 of it;

17 (3) certificates of deposit or passbook accounts issued by
18 a state or national bank, savings and loan association or mutual
19 savings bank domiciled in this state;

20 (4) loans to or shares or deposits of other credit unions
21 or of central credit unions;

22 (5) the capital shares, obligations, or preferred stock
23 issues of any association or corporation whose members, stockholders,
24 patrons or owners are confined to credit unions or credit union
25 organizations and which is organized to service or assist credit unions
26 in accomplishing their purposes;

27 (6) shares of a cooperative society, organized under the
28 laws of this state or under a federal cooperative law, in the total
29 amount not exceeding 10 per cent of the shares, deposits and surplus

1 of the credit union.

2 Sec. 06.40.310. RESERVE ALLOCATIONS. (a) Before the payment
3 of a dividend, the gross earnings of the credit union shall be deter-
4 mined, and from this amount there shall be set aside, as a regular
5 reserve against losses on loans and against other losses specified
6 in the regulations, the following amount: 10 per cent of gross income
7 until the regular reserve equals seven and one-half per cent of the
8 total outstanding loans and risk assets; then five per cent of gross
9 income until the regular reserve equals 10 per cent of the total out-
10 standing loans and risk assets. When the regular reserve falls below
11 10 per cent or seven and one-half per cent of the total outstanding
12 loans and risk assets, it shall be replenished in the manner described
13 in this subsection.

14 (b) In addition to the regular reserve, special reserves shall
15 be established to protect the interests of the members when required
16 by regulation or when found by the commissioner, in any special case,
17 to be necessary.

18 (c) For the purpose of establishing the reserves required by
19 this section, all assets shall be considered risk assets except the
20 following:

- 21 (1) cash on hand;
- 22 (2) deposits or shares in banks, savings and loan associa-
23 tions, mutual savings banks, and credit unions;
- 24 (3) loans to other credit unions;
- 25 (4) assets which are insured by, fully guaranteed as to
26 principal and interest, or due from the federal government, its agencies,
27 or the Federal National Mortgage Association;
- 28 (5) real or personal property owned by the credit union.

29 ARTICLE 4. MERGER, CONVERSION AND LIQUIDATION.

1 Sec. 06.40.320. MERGER. (a) A credit union may, with the
2 approval of the commissioner, merge with another credit union under
3 the existing charter of the other credit union, under a plan agreed
4 upon by a majority of the board of directors of each credit union
5 joining in the merger, and approved by the affirmative vote of a
6 majority of the members of each credit union present at meetings of
7 the members duly called for this purpose.

8 (b) After agreement by the directors and approval by the members
9 of both credit unions, the president and secretary of each credit
10 union shall execute a certificate of merger, which shall set out the
11 time and place of the meeting of the board of directors at which the
12 plan was agreed upon, the vote in favor of adoption of the plan, a copy
13 of the resolution or other action by which the plan was agreed upon,
14 the time and place of the meeting of the members at which the plan
15 agreed upon was approved, and the vote by which the plan was approved
16 by the members.

17 (c) These certificates and a copy of the plan of merger shall be
18 forwarded to the commissioner, certified by him, and returned to the
19 merging credit union within 30 days.

20 (d) Upon the merger, all property, property rights, and interest
21 of the merged credit union shall vest in the surviving credit union
22 without deed, endorsement, or other instrument.

23 Sec. 06.40.330. CONVERSION OF CHARTER. A credit union chartered
24 under the laws of this state may be converted to a credit union under
25 the laws of any other state or of the United States either within or
26 outside of this state. A credit union chartered under the laws of
27 the United States or any other state may convert to a credit union
28 chartered under the laws of this state. To effect the conversion,
29 a credit union must comply with all the requirements of the authority

1 under which it was originally chartered and the requirements of the
2 commissioner, and file proof of compliance with the commissioner.

3 Sec. 06.40.340. SUSPENSION. (a) If it appears that a credit
4 union is bankrupt or insolvent, or has wilfully violated the provisions
5 of this chapter, or is operating in an unsafe or unsound manner, the
6 commissioner may issue an order temporarily suspending the credit
7 union's operations for not less than 30 nor more than 60 days. The
8 board of directors shall be given notice by registered mail of the
9 suspension, which notice shall include a list of the reasons for the
10 suspension and a list of specific violations of this chapter.

11 (b) Upon receipt of the suspension notice, the credit union shall
12 immediately cease all operations. The directors of the credit union
13 shall then file with the commissioner a reply to the suspension notice,
14 and request a hearing to present a plan of corrective actions proposed
15 if they desire to continue operations or request that the credit union
16 be declared insolvent and a liquidating agent appointed.

17 (c) If the credit union fails to answer the suspension notice
18 or request a hearing with the commissioner, he may then revoke the
19 credit union's charter, appoint a liquidating agent and liquidate the
20 credit union in accordance with sec. 350 of this chapter.

21 Sec. 06.40.350. LIQUIDATION. (a) At a meeting called to con-
22 sider the matter, a majority of the entire membership may vote to
23 dissolve the credit union, provided a copy of the notice was mailed to
24 the members of the credit union at least 10 days before the meeting.
25 A member not present at the meeting may, within the next 20 days, vote
26 in favor of the dissolution by signing a form approved by the commis-
27 sioner and his vote shall have the same force and effect as if cast
28 at the meeting. The credit union shall immediately cease to do
29 business except for the purposes of liquidation, and the president

1 and secretary shall, within five days following the meeting, notify
2 the commissioner of intention to liquidate and shall include a list
3 of the names and addresses of the directors and officers of the
4 credit union.

5 (b) If, after issuing notice of suspension and following the
6 procedures set out in sec. 330 of this chapter, the commissioner
7 rejects the credit union's plan to continue operations, he may issue
8 a notice of involuntary liquidation and appoint a liquidating agent.
9 The credit union may request a stay of execution of this action by
10 appealing to the appropriate court of the jurisdiction in which the
11 credit union is located.

12 (c) A liquidating credit union shall continue in existence for
13 the purpose of discharging its debts, collecting and distributing its
14 assets, and doing the acts required in order to wind up its business,
15 and may sue and be sued for the purpose of enforcing debts and obliga-
16 tions until its affairs are fully adjusted. The board of directors,
17 or in the case of involuntary liquidation, the liquidating agent,
18 shall use the assets of the credit union to pay, in the following
19 order, (1) expenses incidental to liquidation, including any surety
20 bond that may be required; (2) any liability due nonmembers; (3) depos-
21 its and savings club accounts as provided in this chapter. Assets
22 then remaining shall be distributed to the members proportionately to
23 the shares held on the date dissolution was voted.

24 (d) As soon as the board or the liquidating agent determines that
25 all assets from which there is a reasonable expectancy of realization
26 have been liquidated and distributed as set out in this section, they
27 shall execute a certificate of dissolution on a form prescribed by
28 the commissioner and file the certificate with the appropriate recording
29 agency within the jurisdiction of this state in which the credit union



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

4/26/89
Date

Introduced: 6/17/74
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - SECOND SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office
7 of the Governor for the lieutenant governor; and
8 providing for an effective date."

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

10 * Section 1. The sum of \$67,100 is appropriated from the general fund
11 to the Office of the Governor for the use of the lieutenant governor in
12 making those changes in the election system necessitated by the governor's
13 reapportionment proclamation of December 11, 1973.

14 * Sec. 2. The unobligated and unexpended balance of the appropriation
15 made by this Act lapses into the general fund on June 30, 1975.

16 * Sec. 3. This Act takes effect on the day after its passage and
17 approval or on the day it becomes law without approval.
18
19
20
21
22
23
24
25
26
27
28
29

MB 4

June 17, 1974

The Honorable Tom Fink
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 which appropriates \$67,100 for necessary changes in the election system resulting from reapportionment. The money will be used for the processes of redrawing precinct boundaries and for other costs associated with the changes involved in reapportionment.

Sincerely,

William A. Egan
Governor

LAW:WAE:LL:jah

ALASKA STATE LEGISLATURE

EIGHTH Legislature 2d SPECIAL Session

HOUSE BILL NO. 4

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act making a special appropriation to the Office of the Governor for the lieutenant governor; and providing for an effective date."

Spec.Appro. Lt. Governor

Introduced in the House 6/17, 19 74

HISTORY IN THE HOUSE

19 74

Jan 17

Read first time and referred to Committee on

Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas
: Nays
: Absent
: Excused

Effective Date

PASS Yeas
: Nays
: Absent
: Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas
: Nays
: Absent
: Excused

Effective Date

PASS Yeas
: Nays
: Absent
: Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Secy. State
Lt. Gov.

Chapter No. _____

"An Act making a special appropriation to the Office of the Governor for the lieutenant governor; and providing for an effective date."

COMMITTEE REPORT

6/17/74

HOUSE

Mr. Speaker:

Date 27th Sp. Sess.

The Committee on FINANCE has had HB No. 4

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

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

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

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

HOUSE BILL NO. 4

IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTH LEGISLATURE - SECOND SPECIAL SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Office of the Governor for the lieutenant governor; and providing for an effective date."

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

* Section 1. The sum of \$67,100 is appropriated from the general fund to the Office of the Governor for the use of the lieutenant governor in making those changes in the election system necessitated by the governor's reapportionment proclamation of December 11, 1973.

* Sec. 2. The unobligated and unexpended balance of the appropriation made by this Act lapses into the general fund on June 30, 1975.

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

"An Act making a special appropriation to the Office of the Governor for the lieutenant governor; and providing for an effective date."

6/19/74

COMMITTEE REPORT

HOUSE

Mr. Speaker:

Date 6-19-74

The Committee on Finance has had Senate Bill No. 4

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:

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

[Signature] Chairman



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

4/26/89
Date

1 IN THE HOUSE

BY ORSINI

2 HOUSE BILL NO. 7

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE -- FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Highways;
7 and providing for an effective date."

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

9 * Section 1. The sum of \$5,000 is appropriated from the general fund to
10 the Department of Highways to fund a study of the feasibility of a scenic-
11 historic road from Girdwood to Eagle River.

12 * Sec. 2. This Act takes effect July 1, 1973.
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Fiscal Note
HB 7

January 3, 1973
Re: 00-2506
Your inquiry of
12/20/72

Mr. Joel F. Bennett
Legislative Council
Pouch Y - State Capitol
Juneau, Alaska 99801

Dear Mr. Bennett:

In response to your inquiry relative to paving the Eagle River Road and surveying and clearing horse or snowmachine trail to Girdwood, we have the following comments:

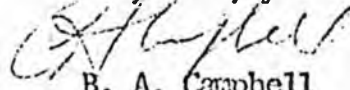
The first six miles of the Eagle River Road is now under design and is estimated to cost \$1,700,000 for construction, plus \$200,000 for right-of-way and utilities. A bicycle trail is planned to parallel this section.

The road from mile 6 to approximately 11.5 was built to low standards and a right-of-way was not acquired for the addition of a parallel trail. The next two miles, to mile 13.5, is not on the State-maintained system and was built and maintained by local residents. Without additional engineering study it is not possible to give an accurate estimate of cost from 6 to 13.5 mile. From 13.5 mile to Girdwood is approximately 26 miles in distance. A trail would have to cross Eagle River and continue through rough terrain over the pass to Girdwood. Without further study it is not possible to furnish you with an estimate which would be accurate.

We estimate that to establish a reasonably accurate cost figure for extension of the road to 13.5 mile, together with a cost estimate for building a trail from that point to Girdwood, would cost us approximately \$15,000 for a limited reconnaissance study.

I regret that I cannot answer your questions more specifically, but we do not want to mislead anyone.

Very truly yours,



B. A. Campbell
Commissioner of Highways

BAC/CSM/mtb
CC: Chief Design Engineer

COMMITTEE REPORT

3/23/73

SENATE

Mr. President:

Date _____

The Committee on FINANCE has had HB 7 appropriating to the Department of Highways FOR study of road from under consideration. A Majority of the members of the Committee Girwood to Eagle Rv.

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____ COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

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

Members NOT concurring in the Majority report:

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

_____ Chairman

Introduced: 1/10/73
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY ORSINI, HARTIG AND
URION

2 HOUSE BILL NO. 7

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Highways;
7 and providing for an effective date."

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

9 * Section 1. The sum of \$5,000 is appropriated from the general fund to
10 the Department of Highways to fund a study of the feasibility of a scenic-
11 historic road from Girdwood to Eagle River.

12 * Sec. 2. This Act takes effect July 1, 1973.

ALASKA STATE LEGISLATURE

Eighty-fourth Legislature FIRST Session

HOUSE BILL NO. 7

By ORSINI, HARTIG AND URION

"An Act appropriating to the Department of Highways; and providing for an effective date."

Dept Hwys/Girdwood/Eagle River

Introduced in the House 1/10/ 19 73

HISTORY IN THE HOUSE

19 73

Jan 10

Read first time and referred to Committee on State Affairs and Finance

Jan 10

Reported back with recommendation that State Affairs and Finance Do Pass

Mar 21

Finance Report Do Pass

Mar 22

Read second time and

Mar 22

Read third time and

Mar 22

PASS 25
Yea 25
Nays
Absent
Excused 0

Effective Date

Mar 22

PASS 31
Yea 31
Nays
Absent
Excused 0

Reported correctly engrossed
Signed by Speaker
Sent to Senate

Constance H. Paddock
CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 73

2 23

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS
Yea
Nays
Absent
Excused

Effective Date

PASS
Yea
Nays
Absent
Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Secy. State

Chapter No.



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

4/26/89
Date

"An Act appropriating to the Department of Highways, and providing for an effective date."

COMMITTEE REPORT

1-19-73

HOUSE

Mr. Speaker:

Date 3/21/73

The Committee on FINANCE has had HB 7

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

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

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Chairman

Fremont

1 IN THE HOUSE

BY ORSINI

2 HOUSE BILL NO. 7

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Highways;
7 and providing for an effective date."

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

9 * Section 1. The sum of \$5,000 is appropriated from the general fund to
10 the Department of Highways to fund a study of the feasibility of a scenic-
11 historic road from Girdwood to Eagle River.

12 * Sec. 2. This Act takes effect July 1, 1973.

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Original sponsor: Rules Committee
by request of the Governor

Offered: 10/25/73

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 7

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to common purchasers of oil,
7 and providing for an effective date."

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

9 * Section 1. AS 31 is amended by adding a new chapter to read:

10 CHAPTER 15. COMMON PURCHASERS OF OIL.

11 Sec. 31.15.010. HEARING ON QUESTION OF DISCRIMINATION. (a)

12 Upon the complaint of a person having an interest in the production
13 of oil from a field or at the commissioner's own discretion, the
14 commissioner may hold a hearing or hearings to determine if there has
15 been unjust and unreasonable discrimination in purchases of oil offered
16 for purchase, within the state,

17 (1) in favor of one or more owners of oil produced as
18 against another owner in the same field; or

19 (2) in favor of one or more fields in reasonably close
20 proximity to each other.

21 (b) In determining whether there has been unjust and un-
22 reasonable discrimination in favor of one or more owners of oil
23 produced from a field, the commissioner shall consider the kind and
24 quality of the oil, the sales prices of the oil, and other related
25 matters.

26 (c) In determining whether there has been unjust and un-
27 reasonable discrimination in favor of one or more fields in reasonably
28 close proximity to each other, the commissioner shall consider the kind
29 and quality of the oil, the sales prices of the oil, the size and

1 location of the fields, the maximum efficient rate of production from
2 the pools, the cost and mode of transporting the oil from the fields,
3 the term of the offerings, and other related matters.

4 Sec. 31.15.020. DETERMINATION OF COMMON PURCHASER. (a) Where a
5 purchaser is purchasing from a field and the commissioner finds that
6 the purchaser has unjustly and unreasonably discriminated in purchases
7 with regard to oil offered for sale in favor of one or more owners
8 of oil produced in the field, he shall order the purchaser to be
9 a common purchaser with respect to oil offered for sale from the
10 field.

11 (b) Where a purchaser is purchasing from fields in reasonably
12 close proximity to each other and the commissioner finds that the
13 purchaser has unjustly and unreasonably discriminated in purchases with
14 regard to oil offered for sale in favor of one or more of the fields,
15 he shall order the purchaser to be a common purchaser with respect to
16 oil offered for sale from each field involved.

17 (c) A purchaser cannot be ordered to be a common purchaser
18 on the basis of purchases of oil taken in kind by the United States
19 or the State of Alaska, or on the basis of the payment of royalties,
20 overriding royalties, net profits, carried interests or similar
21 interests, whether in kind or in value or on the basis of a producer
22 taking its own production.

23 Sec. 31.15.030. RESPONSIBILITY OF COMMON PURCHASER. (a) A
24 common purchaser purchasing in this state shall purchase ratably
25 without unjust and unreasonable discrimination in favor of any owner
26 or producer over any other owner or producer offering to sell oil
27 produced from a field where it is a common purchaser or from fields in
28 reasonably close proximity to each other where it is a common
29 purchaser.

1 (b) If a purchaser is a common purchaser in more than one field
2 in reasonably close proximity to each other, the commissioner may order
3 the purchaser to purchase ratably from the fields involved in propor-
4 tions which will prevent unjust and unreasonable discrimination among
5 the fields.

6 (c) The commissioner may make inquiry in each field concerning
7 the connections of the various producers and when unjust and unreason-
8 able discrimination is found to be practiced by any common purchaser as
9 defined in this chapter the commissioner shall issue an order to the
10 commo. purchaser to make reasonable extensions of their lines and
11 reasonable connections as will prevent the discrimination.

12 Sec. 31.15.040. PENALTY. A person violating an order issued
13 under this chapter shall be assessed by the commissioner a civil
14 penalty of not less than \$100 nor more than \$1,000. Each day a
15 violation continues constitutes a separate offense.

16 Sec. 31.15.050. DEFINITIONS. In this chapter

17 (1) "commissioner" means the commissioner of natural
18 resources;

19 (2) "field" means a general area which is underlain or
20 appears to be underlain by at least one pool, and includes the
21 underground reservoir containing oil or gas; and the words "pool"
22 and "field" mean the same thing when only one underground reservoir
23 is involved, but "field" unlike "pool" may relate to two or more
24 pools;

25 (3) "oil" includes crude petroleum oil and other hydro-
26 carbons regardless of gravity which are produced at the wellhead
27 in liquid form and the liquid hydrocarbons known as distillate or
28 condensate recovered or extracted from gas, other than gas produced
29 in association with oil and commonly known as casinghead gas;

1 (4) "pool" means an underground reservoir containing
2 oil; each zone of a general structure which is completely separated
3 from any other zone in the structure is covered by the term "pool";

4 (5) "purchaser" means a person who purchases oil in the
5 state.

6 * Sec. 2. AS 44.62.330(a) is amended by adding a new paragraph to
7 read:

8 (37) Department of Natural Resources, as to functions
9 relating to common purchasers under AS 31.15.

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

Fiscal Note
HB 7

January 3, 1973
Re: 00-2506
Your inquiry of
12/20/72

Mr. Joel F. Bennett
Legislative Council
Pouch Y - State Capitol
Juneau, Alaska 99801

Dear Mr. Bennett:

In response to your inquiry relative to paving the Eagle River Road and surveying and clearing horse or snowmachine trail to Girdwood, we have the following comments:

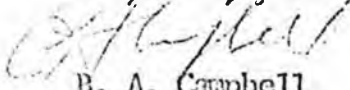
The first six miles of the Eagle River Road is now under design and is estimated to cost \$1,700,000 for construction, plus \$200,000 for right-of-way and utilities. A bicycle trail is planned to parallel this section.

The road from mile 6 to approximately 11.5 was built to low standards and right-of-way was not acquired for the addition of a parallel trail. The next two miles, to mile 13.5, is not on the State-maintained system and was built and maintained by local residents. Without additional engineering study it is not possible to give an accurate estimate of cost from 6 to 13.5 mile. From 13.5 mile to Girdwood is approximately 26 miles in distance. A trail would have to cross Eagle River and continue through rough terrain over the pass to Girdwood. Without further study it is not possible to furnish you with an estimate which would be accurate.

We estimate that to establish a reasonably accurate cost figure for extension of the road to 13.5 mile, together with a cost estimate for building a trail from that point to Girdwood, would cost us approximately \$15,000 for a limited reconnaissance study.

I regret that I cannot answer your questions more specifically, but we do not want to mislead anyone.

Very truly yours,


B. A. Campbell
Commissioner of Highways

BAC/CSM/ath
CC: Chief Design Engineer



JUNEAU ALASKA

Alaska State Legislature
House

January 23, 1973

Mr. Bruce Campbell
Commissioner
Department of Highways

Dear Mr. Campbell:

The Chairman of the House Finance Committee has assigned me the responsibility for investigation and presentation of HB 7 (copy enclosed) to the Finance Committee.

I would appreciate your comments concerning the sufficiency of the amount, approximate distance in miles of the road, any prior studies, future or present department plans, or any other pertinent facts or comments you might care to offer as assistance.

Respectfully,

Fep. Oral E. Freeman
Member
House Finance Committee

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: *Tom Johnson, Admin Dir* DATE: *1/22/73*
Highway Dept.

FROM: J. H. Hogan, Director
Legislative Finance
Room 407
Capitol Building

SUBJ: Fiscal Note Request

Please complete the attached Fiscal Note for *HB 7*,
and return it to our office by *1/26/73*.

In addition to the general instructions regarding Fiscal Note preparation (reference our memo of December 15, 1972), please observe the following:

Timely return of this information is requested. However, if additional preparation time is required, notify our office as soon as possible in order that discussion of the proposed legislation may be rescheduled to a later date.

Attachments: (1) Fiscal Note
(2) Copy of Bill Version

cc: Division of Budget and Management



JUNEAU ALASKA

Alaska State Legislature
House

FINANCE COMMITTEE BILL ASSIGNMENT

TO: Representative Freeman DATE: January 23, 1973
House Finance Committee

FROM: Earl D. Hillstrand
Chairman
House Finance Committee

BILL NO.: HOUSE BILL 7

TITLE: "An Act appropriating to the Department of Highways; and providing for an effective date."

COMMENTS: This bill has been referred to you for your review and research and eventual presentation to the committee for their consideration.



RECORDS CERTIFICATION

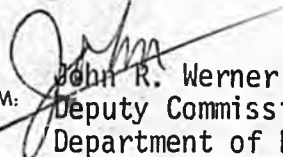


I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this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

4/26/89
Date

STATE.
of ALASKA**MEMORANDUM**TO:

FROM: 
John R. Werner
Deputy Commissioner
Department of Economic Development

DATE : January 18, 1973

SUBJECT: Civic, Convention and
Community Recreation
Center Program

Under the provisions of AS 43.18.300, Civic, Convention and Community Recreation Centers, applications from 11 communities for State aid toward feasibility studies were approved. The specifics are as follows:

<u>Community</u>	<u>Study Cost</u>	<u>State Share</u>
Anchorage	\$ 74,000	\$ 37,000
Kenai	40,000	20,000
Ketchikan	35,850	17,925
Juneau	30,000	15,000
Bethel	24,000	12,000
Kodiak	20,000	10,000
Cordova	20,000	10,000
Soldotna	20,000	10,000
Kotzebue	18,000	9,000
Petersburg	15,000	7,500
Kake	6,000	3,000
Total	\$ 302,850	\$ 151,425

To date only the City of Anchorage has completed its feasibility study. Funds amounting to \$39,300 have been disbursed by the department thus far (Anchorage, \$33,300; Kodiak, \$6,000). Funding provided by the legislature for the feasibility study phase of this program was set at \$200,000.

Contract completion dates for feasibility studies have been extended to March 3, 1973, on every community except Kotzebue, whose original contract expires on June 30, 1973. Completion dates on these contracts may be extended by mutual agreement of the State and the local government unit.

Based on present estimates, the funding necessary for the construction phase under the Civic, Convention and Community Recreation Center program is as follows:

<u>Community</u>	<u>Project Cost</u>	<u>State Share</u>
Anchorage	\$ 10,752,000	\$ 5,372,000
Juneau	6,400,000	3,200,000
Ketchikan	5,500,000	2,750,000
Kodiak	2,050,000	1,025,000
Kenai	2,400,000	1,200,000
Kotzebue	900,000	300,000
Cordova	750,000	375,000
Soldotna	750,000	375,000
Total	\$ 29,502,000	\$ 14,597,000

Page Two
January 18, 1973

It appears at this point in time that the funding level of \$11,500,000 proposed by H.B. No. 8 will be sufficient to pay the costs of the land acquisition, planning and construction phase of the Civic, Convention and Community Recreation Center Program for the foreseeable future.

Although the projected costs indicated in this memorandum reflect an overall State participation of \$14,597,000 in this program, I would like to point out several factors which affect that projection.

First, I have assumed that no community will receive Federal assistance for its project (which they are required by statute to pursue). I have assumed this because it is impossible to determine the extent of Federal aid, if any, which will be available for these projects at this point in time. If Federal funding is available for any given community, the value of that assistance will be ascertained and subtracted from the total value of the project and the balance will be equally divided between the State and the local government unit.

The estimated State share for the cost of construction of the community facilities is based on my informal conversation with the communities preparing studies and their engineering/architectural contractors, except for Anchorage, whose study we currently possess. These figures may or may not be valid at some future time when an application for construction is actually submitted by a community. Inflation in construction costs and changes in local priorities may dictate that a community abandon or substantially alter its project. In fact, no community is obligated to proceed with actual construction even though the project is found to be feasible. Further, I believe that some communities whose projects are found to be feasible may not proceed to construction for two or three years.

In light of the foregoing, it would seem prudent that the proposed bond issue be established at \$11.5 million at this time and that, contingent on future interest in the program, a subsequent issue be considered at a later date, if the need should arise.

Chapter 114
(Which Enacts AS 43.18.300)

CIVIC, CONVENTION AND COMMUNITY RECREATION CENTERS

Sec. 43.18.300. CIVIC, CONVENTION AND COMMUNITY RECREATION CENTERS. (a) Within the limits of legislative appropriations for the purpose, the state shall make matching grants to local governments or their nonprofit designee equal to 50 percent of the estimated reasonable costs of land acquisition, planning, and construction of municipal civic, convention and community recreation centers and 50 per cent of the cost of feasibility studies relating to these facilities, in accordance with the provisions of this section.

(b) Grants for only one study and one project may be awarded to a local government under this section. Applications for grants shall be made in a form prescribed by the commissioner. A grant shall be allotted according to an agreement made between the commissioner on behalf of the state and the local government receiving the grant. The agreement may include any provision agreed upon by the parties and shall include in substance the following provisions:

(1) estimates of reasonable costs of a study or project as approved by the commissioner after consultation with the Department of Public Works;

(2) a schedule of grant disbursements, if, as determined by the commissioner, a grant is to be disbursed other than in one sum;

(3) agreement by the local government to

(A) proceed with and complete the proposed study or project expeditiously;

(B) not discontinue operation or dispose of all or part of a project for which it receives a grant without the approval of the director;

(C) apply for, and make reasonable efforts to secure, federal assistance which may be available for the study or project, subject to any conditions the commissioner may require in order to maximize the amounts of that assistance received or to be received for all projects in the state;

(D) provide for payment of the local government's share of the cost of the study or project;

(4) agreement by the local government that, if federal assistance for a study or project becomes available to the local government which was not included in the calculation of the amount of a grant authorized and disbursed under this section, the value of the federal assistance shall be ascertained and subtracted from the total value of the project and the balance shall be equally divided between the state and local government;

(5) provision for alteration or modification of an approved study or project and for remedies in case of failure to perform the agreement between the parties or noncompliance with regulations promulgated by the commissioner under this section;

(6) provision for alteration or modification of an existing facility which would have qualified under this section as a civic, convention or community recreation center at the time of initial construction if this section had been in effect and provision for remedies in case of failure to perform the agreement between the parties or noncompliance with regulations promulgated by the commissioner under this section.

(c) If funds appropriated by the legislature to provide grants under this section are not adequate to satisfy amounts required by approved grant applications, funds shall be allocated on the basis of priority established by the Department of Economic Development by regulations promulgated to carry out the provisions of this section.

(d) This section does not require that a local government receiving a grant for a feasibility study under this section must proceed with construction of a project, notwithstanding the project is determined to be feasible.

(e) The commissioner shall require in the negotiations and agreements with the local government that continued maintenance of the facility is the responsibility of the local government and the local government must show the feasibility of this before authorization of state funds.

(f) The commissioner shall provide an annual report to the Legislature with respect to grants made under this section.

(g) The commissioner may promulgate regulations to carry out the purpose of this section.

(h) In this section

(1) "commissioner" means the commissioner of economic development;

(2) "local government" means a city of any class or a borough having power to implement the studies or projects for which grants are authorized in this section.

This Act takes effect July 1, 1971

TITLE 16. ECONOMIC DEVELOPMENT

CHAPTER 1. CIVIC, CONVENTION AND COMMUNITY RECREATION CENTERS

Section

- 010. Definition
- 020. Application

16 AAC 01.010. DEFINITION. Rules and regulations implementing Chapter 114, an act authorizing state aid for land acquisition, planning, construction and modification of new or existing civic, convention and community recreation centers; and providing for an effective date.

Authority: AS 43.18.300

16 AAC 01.020. APPLICATION. (a) A local government unit may apply to the State for financial assistance in connection with land acquisition, planning, construction or modification of a civic, convention and community recreation center. The State's share of the cost of the project will not exceed 50%. Contributions in-kind by the local government unit may be acceptable where there exists a need for such arrangement and where adequate management of the project and support for the costs can be shown. Application may be made on Form No. 2 (sample attached). Application shall be accompanied by a feasibility study in accordance with paragraph (c) below.

(b) A local government unit may apply to the State for financial assistance in conducting a feasibility study in connection with a proposed civic, convention and community recreation center. The State's contribution to the cost of such a study will not exceed 50%. Applications may be submitted on Form No. 1 (sample attached).

(c) Disbursement to the local government unit of the State's contribution to the cost of the project shall be made upon receipt of invoices from the local government unit covering expenditures approved by the terms of the agreement between the State and local government unit.

The local government unit may submit to the State invoices for portions of the cost of the study or project as completed up to 20% of the State's share, payable in increments of 20%, up to 80%. The remaining 20% shall be paid in two increments of 10% each. The final 10% of the State's share shall be paid upon completion of the project or study to the satisfaction of the State. If these terms impose undue hardship upon the local government unit, special arrangements may be made upon request.

The local government unit will be required to solicit proposals from more than one individual or firm in connection with feasibility studies, and from more than one individual or firm in connection with architectural plans and specifications for a project. The term "proposal" as is used here does not necessarily mean a complete project design or feasibility study, but such study as is in accordance with generally accepted professional practices and procedures. The local government unit will be required to advertise for bids for construction and supply of materials.

(d) On approval of an application relating to a feasibility study, and notification to that effect, the local government will execute an agreement with the Department of Economic Development of the State of Alaska on Form 3 (sample attached).

(e) On approval of an application in connection with actual construction of a project, the local government will execute an agreement with the Department of Economic Development of the State of Alaska on Form No. 4 (sample attached).

(f) The local government unit is under no obligation to proceed with actual construction of the project, even though the project is found to be feasible.

(g) The feasibility study shall include, without limitation:

(1) A cost analysis for the completed project, including land acquisition, installation of utilities, landscaping, roads and parking areas, architectural and engineering plans and surveys, and construction of the facility;

(2) A breakdown of the sources of funds from which the local government expects to pay its share of the cost of the project;

(3) A breakdown of the sources from which the local government unit anticipates revenue for maintenance and repair of the project;

(4) An estimate of the cost of maintenance, utilities, and other services necessary to operate and maintain the project in good repair;

(5) Diagrams, maps, and plans indicating the dimensions of the building, its location on the site and in the community;

(6) Diagrams and other explanatory materials in connection with the building itself, including dimensions and locations of the various areas within the building and the purposes for which each area is suited;

(7) A general description of the building, including, without limitation, primary building materials and architectural style;

(8) A listing and explanation of the various uses for which the building is adopted, including, without limitation, sports, dramatic presentations, social, forensic and other gatherings; and

(9) A letter which shall include a detailed description of existing facilities, or plans for facilities, in the community and within a reasonable distance from the community which serves, or could serve, any of the functions of the proposed civic, convention and community recreation center.

(h) The directors of the Travel Division and Industrial Development Division within the Department of Economic Development shall review all applications and advise the Commissioner as to priorities on the basis of:

(1) The overall benefit to the community of the project in question, including the extent of use and the variety of uses to be made of the project by the members of the community;

(2) The most favorable impact on the development of tourism in the community;

(3) The most favorable impact on the development of tourism in the State; and

(4) The ability of the local government unit to proceed to final completion of the project and to maintain the facility when completed.

(i) The Commissioner of the Department of Economic Development will evaluate all applications on the basis of the priorities advised by the directors and, after consultation with the Commissioner of Public Works, on the reasonableness of the cost of a study or project.

(j) Proposals for alternate sites of projects should include, with respect to each project, each item of information called for in sub-paragraphs (1) through (9) in paragraph (g) above.

(k) An application for State aid for land acquisition, planning, construction or modification of a project must be accompanied by a feasibility study or report complete as to the specifics outlined in paragraph (g) and properly signed by the individual or corporation conducting the study.

(l) The State will not contribute towards payment of any expenditures made prior to the execution of an agreement with the State by the local government unit.

(m) Applicants will have 45 days from the date of adoption of these rules to submit applications for funding for feasibility studies in the current fiscal year.

(n) A local government unit shall receive funds under AS 43.18.300, et sig., in accordance with these regulations, and is responsible for insuring that no aspect of the project, including parts performed by subcontractors, involves discrimination against any person on account of race, creed or national origin.

(o) A local government may, on approval of the Commissioner, conduct a feasibility study for, or construct, a facility which includes more than a civic, convention, and community recreation center. In such cases, funding under this regulation shall not cover any portion of the facility not encompassed by the definition of a civic, convention and community recreation center. The local government unit must document that portion of the total expense which is a direct result of conducting the feasibility study for, or construction of, the civic, convention, and community recreation center.

(p) Definition. As used in this regulation, a civic, convention and community recreation center means a facility which can be used for civic gatherings, conventions, and recreation for members of the community. The local government unit shall not exclude any of these uses by building designs or regulations. Civic gatherings shall include town meetings, public hearings, and gatherings for the community in general. The facilities are not to take the place of a regular administration building, such as a city hall, fire hall, police station, hospital, or jail. Library space may be included under this regulation. To fulfill the convention-use requirement, the facility must include a meeting hall large enough to accommodate a convocation of a regional group from within the State. The planned use of the facility for movies, plays, or dances, etc., would meet the recreational-use requirement. As recreational use does not necessarily mean sports, showers and locker rooms need not be included as a requirement for recreational use.

Authority: AS 43.18.300



Alaska State Legislature
House

JUNEAU ALASKA

MEMORANDUM

TO: Representative Keith Specking
House Finance Committee DATE: January 22, 1973

FROM: J. H. Hogan SUBJ: HB 3
Director Debt Service
Legislative Finance Div.

Bond Committee assumptions on new debt are as follows:

Issues will be sold for 20 year periods at 6% interest; roughly 25% of this issue will be sold the first year with 37 1/2 percent sold over each of the next two years. Thus, the debt service requirement for civic, convention and recreation centers for the next five years will be:

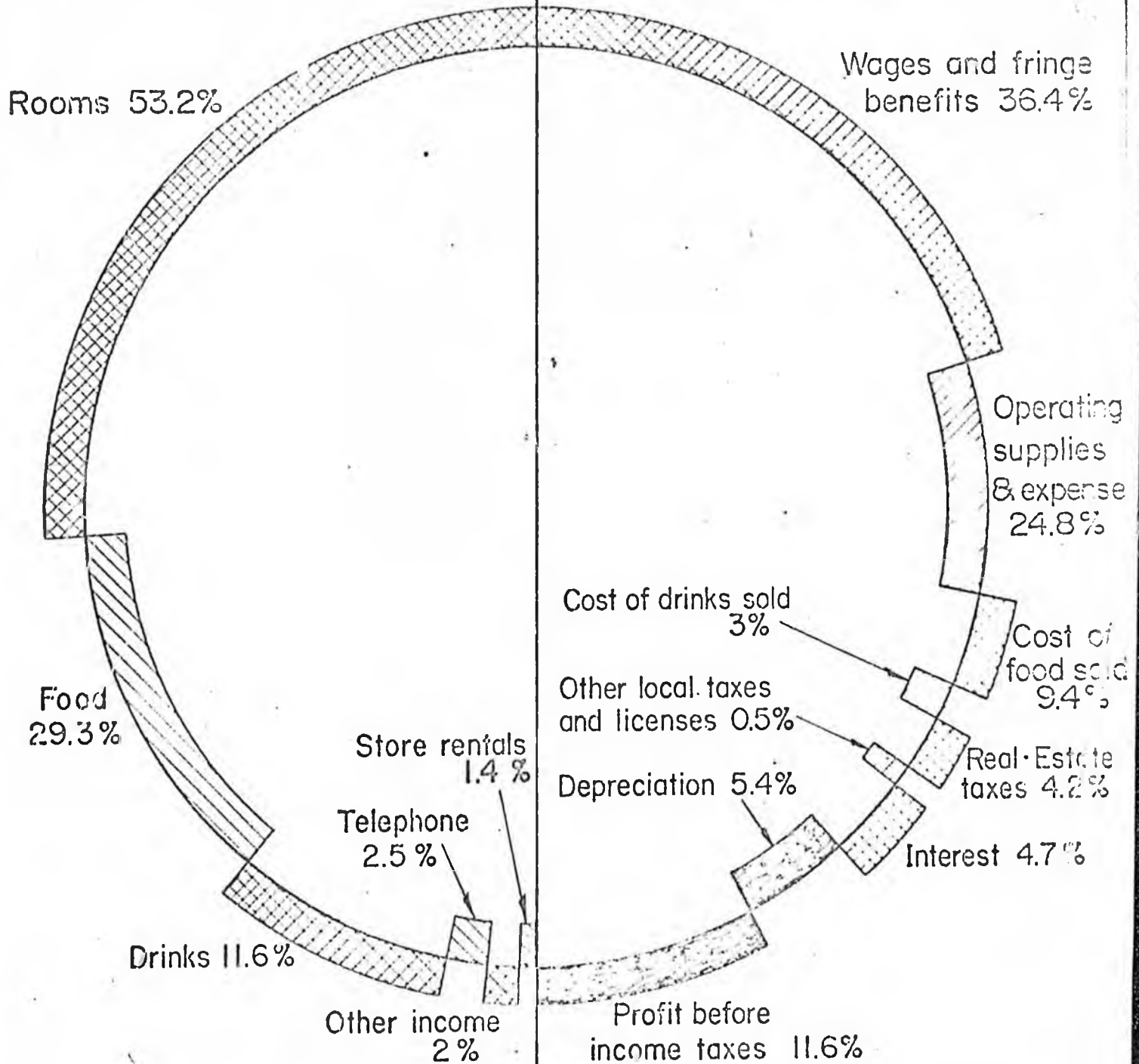
FY 74	250,600
FY 75	626,600
FY 76	1,002,600
FY 77	1,002,600
FY 78	1,002,600

JHH/sb

CONVENTIONS

WHERE THE DOLLARS
CAME FROM

WHERE THE DOLLARS
GO



14 Alaskan Communities not "Big Convention" oriented.
338 meetings, symposiums, conventions, yearly.

(Range - Debate teams - 12 - Fraternal 300+)

Simple Arithmetic

14 cities ÷ 338 - Intra-Alaska meetings

24+ meetings for each community

4 - average days

80 - average attendance

7680 - average convention attendance

\$40 - room, food, gifts, entertainment

\$307,200 - Income per community

14 - Communities

\$5,200,800 - Intra-Alaska expenditure

What is Involved ?

Cooperation between Communities.

Perfect scheduling (Utopia - ha/ha/)

September — 3 Conventions

October — 4 Conventions

November — 3 (Thanksgiving)

February — 4 Conventions

March — 4 Conventions

April — 4 Conventions

May — 2 Conventions

June, July, August - Full-Group and Individual Tourists.

1974 - Approximations

State-wide	—	—	550
Increase of 22 Attendances increase 15%			
Regional	—	—	100
Increase of 45			
National	—	—	60
Increase of 20			
International	—	—	40
Increase of 20			

The greatest impetus to Conventions in Alaska would be the construction of three convention-oriented centers, one each in Fairbanks, Anchorage and Juneau.

Alaska is incapable of hosting (correctly) any convention of our 1000 delegates. T.A. Dan.

"An Act providing for the issuance of general obligation bonds in the amount of \$11,500,000 for the purpose of paying the cost of capital improvements for civic, convention and community recreation centers; and providing for an effective date."

COMMITTEE REPORT

1-15-73

HOUSE

Mr. Speaker:

Date: 17 Jan 73

The Committee on FINANCE has had HB 8

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>Pass</u>
<u>[Signature]</u>	recommends:	<u>Do not pass</u>
<u>[Signature]</u>	recommends:	
<u>[Signature]</u>	recommends:	<u>[Signature]</u>
<u>[Signature]</u>	recommends:	

[Signature] Chairman

A M E N D M E N T

Offered in the HOUSE

By _____

To: _____ HOUSE BILL NO. 2

_____ SENATE BILL NO. _____

AMENDMENT: Page 1 Lines 25 - 26
 2 Lines 1 - 4

Delete all lines beginning with the word "There" on line 25, page 1 and ending with the word "AS 42.18.300," on line 4, page 2.

A M E N D M E N T

Offered in the HOUSE

By _____

To: _____ HOUSE BILL NO. _____

_____ SENATE BILL NO. _____

AMENDMENT: Page 1 Line 25

Delete the sentence beginning with the word "There" and ending on line 27.

1 IN THE HOUSE

BY BANFIELD AND FISCHER

2 HOUSE BILL NO. 8

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$11,500,000 for the purpose
8 of paying the cost of capital improvements for civic,
9 convention and community recreation centers; and
10 providing for an effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 under AS 43.18.300 for civic, convention and community recreation centers,
14 general obligation bonds of the state in the principal amount of not more
15 than \$11,500,000 shall be issued and sold. The full faith, credit and
16 resources of the state are pledged to the payment of the principal of and
17 interest and redemption premium, if any, on these bonds. These bonds
18 shall be issued under the provisions of AS 37.15 as those provisions read
19 at the time of issuance.

20 * Sec. 2. If the issuance of these bonds is authorized by the qualified
21 voters of the state, a special fund of the state to be known as the "Civic,
22 Convention and Community Recreation Centers Construction Fund" shall be
23 established, to which shall be credited the proceeds of the sale of the
24 bonds described in sec. 1 of this Act except for the accrued interest and
25 premiums. There is appropriated from the "Civic, Convention and Community
26 Recreation Centers Construction Fund" to the Department of Economic
27 Development and the Department of Commerce, jointly, the sum of \$11,500,000.
28 The specific uses of the proceeds of these bonds shall be determined by
29 the governor; however, 30 per cent of proceeds of these bonds shall be

1 allocated by mutual agreement of the commissioner of economic development
2 and the commissioner of commerce with the approval of the governor to carry
3 out the purposes of, and to be expended and administered in accordance with,
4 the provisions of AS 43.18.300.

5 * Sec. 3. If the issuance of these bonds is authorized by the qualified
6 voters of the state, the amount of \$40,250 or as much of that amount as is
7 found necessary is appropriated from the general fund of the state to the
8 state bond committee to carry out the provisions of this Act and to pay
9 expenses incident to the sale and issuance of the bonds authorized in this
10 Act. The amounts expended from the appropriation authorized by this section
11 shall be reimbursed to the general fund from the proceeds of the sale of
12 the bonds authorized by this Act.

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

16 Proposition

17 State General Obligation Civic, Convention
18 and Community Recreation Centers Construction
19 Bonds \$11,500,000

20 Shall the State of Alaska issue its general obligation bonds
21 in the principal amount of not more than \$11,500,000 for the
22 purpose of paying the cost of capital improvements under
23 AS 43.18.300 for civic, convention and community recreation
24 centers?

25 Bonds Yes []

26 Bonds No []

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

MEMORANDUM

State of Alaska

TO:

Representative Ferguson

DEPT. _____

DIV. _____

SEC. _____

DATE : January 19, 1973

FROM: Earl D. Hillstrand *EDH*
Chairman
House Finance Committee

SUBJECT: Federal funding

The subject of federal funding was discussed this morning in committee with reference to HB 8 (GO Bonds, \$11,500,000 for civic convention and community recreation centers). Please determine which, and if all, federal avenues for funding of state, borough, city, or other projects are known to this committee.

For file on appropriate bill



CITY OF ANCHORAGE



ALASKA

International

Polar air crossroads of the world

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99510

January 19, 1973

AB 8

Honorable Earl D. Hillstrand, Chairman
House Finance Committee
Alaska State Legislature
Juneau, Alaska 99801

Subject: Civic, Convention and Community Recreation Center
Appropriation

Dear Earl:

The City of Anchorage has applied to the Department of Economic Development for a Civic, Convention and Community Recreation project. Enclosed is a fact sheet concerning this project. The project has been broken into two phases and the City's share of Phase I funding was approved at the election held last October.

Phase I consists of the acquisition of sufficient land for the construction of both phases of the project, the banquet hall and the exhibit hall. The estimated cost of the State's share for the Phase I project is \$5,376,000. This is the minimum amount which should be included in a State bond issue for the Anchorage project. We appreciate that the total amount of State bond issues would be governed by the needs in other communities in Alaska.

I am enclosing a copy of the report prepared by Ellerbe and Associates which summarizes their study of the Civic, Convention, Community Recreation Center project along with other City public buildings which were considered in conjunction with a combined project. However, I would emphasize that we are requesting at this time only funding of the State's share of Phase I previously described.

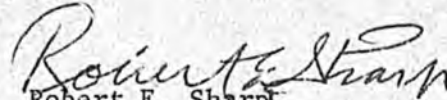


Honorable Earl D. Hillstrand
January 19, 1973
Page 2

All of our cost estimates are projected on 1973 construction costs. For that reason and for the further reason that there is a need for a Civic Center in Anchorage, we urge action by the House Finance Committee and the Legislature as soon as possible in order that a bond proposal may be placed on the ballot at the special election called for March 6, 1973. I know you are fully aware of the economic value of conventions, tourism and travel. This project would create a great deal of economic activity for Anchorage and the State of Alaska.

We understand this matter will be on the calendar Monday. We hope this material will be helpful to you then.

Sincerely yours,


Robert E. Sharp
City Manager

RES/jry
Encl.

cc: Members of the House Finance Committee (w/fact sheet)