

Leg. Finance - House & Senate Finance Comte Files (1973-74)	8879
SB 382 cont., 383, 384, 385, 386, 390	300

1 under AS 29.68;

2 (3) "operating expenditures" means personal services, contractual
3 services, travel, commodities, and up to \$20,000 per item of equipment,
4 except that the term does not include any of these items if part of a capital
5 improvement expenditure;

6 (4) "population" means nonmilitary population as determined by the
7 department;

8 (5) "quarter" means a period beginning January 1, April 1, July 1
9 and October 1 of a calendar year.

10 * Sec. 8. TERMINATION DATE FOR APPLICATIONS. The department may not
11 approve an application for a grant or loan under this Act after midnight of
12 June 30, 1975.

13 * Sec. 9. EFFECTIVE DATE. This Act takes effect on the day after its
14 passage and approval or on the day it becomes law without approval.
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Introduced: 2/15/74
Referred: Community and
Regional Affairs and
Finance

BY THE RULES COMMITTEE
BY REQUEST OF THE
SPECIAL PETROLEUM
IMPACT COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 382

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Pipeline Impact Agency; and
7 providing for an effective date."

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

9 * Section 1. AS 44.19 is amended by adding new sections to read:

10 ARTICLE 8. PIPELINE IMPACT AGENCY.

11 Sec. 44.19.581. PURPOSE. The legislature finds that construction
12 of the trans-Alaska pipeline, from its commencement to completion over
13 a period of approximately three years, will impose severe to mild
14 strains on local and state governmental services and facilities. While
15 the pipeline construction indubitably will, in the long run, mean
16 immense growth and development to the communities and areas along the
17 pipeline route, and to those areas coming under direct pipeline con-
18 struction influence, the legislature further finds that localities most
19 affected will be unable to cope with the probable impact on facilities
20 and services brought about by the anticipated overwhelming and sudden
21 increases in numbers of citizens to be served. The legislature finds,
22 also, that communities while likely to be impacted are willing and
23 ready via local taxation to do all possible themselves to meet impact
24 requirements, even to the full limits of local taxation tolerance,
25 nevertheless, recognizing the state will be the prime beneficiary of
26 pipeline construction via realization of enormous oil development
27 revenues for the total state, the legislature finds that local impact
28 financial burdens logically should be borne by the state as its invest-
29 ment in those future revenues. It is, therefore, the intent of the

1 legislature, in this measure, to provide a means of quickly and deci-
2 sively determining specific impact problems and, additionally, for
3 moving quickly and decisively to provide funds, facilities, personnel
4 or other means for quick solutions. Finally, the legislature intends
5 via this legislation to meet local and state pipeline construction impact
6 problems as quickly and efficiently as possible in manners similar to
7 the handling of disaster impact problems. The legislature finds, too,
8 that revenue-sharing formulas on per capita or percentage per capita
9 increase basis are less desirable, less effective, and more costly than
10 the case-by-case approach intended in the legislation. Under the
11 formula approach, provision would have to be made for all probable as
12 well as all possible impact contingencies, some of which may never
13 develop.

14 Sec. 44.19.583. PIPELINE IMPACT AGENCY. There is created in the
15 office of the governor the Pipeline Impact Agency.

16 Sec. 44.19.585. DIRECTOR. The Pipeline Impact Agency is adminis-
17 tered by a director of pipeline impact. The director is appointed by
18 the governor and serves at the pleasure of the governor. The appoint-
19 ment of the director is subject to confirmation by a majority of the
20 members of the legislature in joint session.

21 Sec. 44.19.587. PROGRAM TO ASSIST MUNICIPALITIES DURING PIPELINE
22 CONSTRUCTION. The Pipeline Impact Agency shall administer a state
23 program to provide assistance to municipalities which are adversely
24 affected, economically and socially, by pipeline construction.

25 Sec. 44.19.589. POWERS AND DUTIES. (a) The director shall

26 (1) advise and assist the governor in developing planning
27 assumptions and a broad preparedness plan with respect to the economic
28 and social impact that will accompany pipeline construction;

29 (2) advise and assist the governor in developing policies,

1 programs and control systems designed to alleviate the economic and
2 social impact resulting from pipeline construction; and

3 (3) advise and assist the governor with respect to resolving
4 issues related to pipeline construction impact preparedness responsi-
5 bilities of state agencies which arise concerning two or more of those
6 agencies.

7 (b) The director, with the approval of the Special Legislative
8 Pipeline Impact Review Committee (as provided for in secs. 595 - 605
9 of this chapter), may

10 (1) make loans and grants and purchase evidences of indebted-
11 ness with funds from the pipeline impact fund to municipalities economi-
12 cally or socially adversely affected by pipeline construction;

13 (2) guarantee municipal bonds when a municipality needs to
14 undertake a capital improvement program on an accelerated basis; and

15 (3) pay (for not more than three years) from the pipeline
16 impact fund a portion of the debt service or interest or both incurred
17 by a municipality for undertaking capital improvements made necessary
18 by pipeline construction.

19 (c) Grants under (b)(1) of this section shall be made on the
20 basis of percentage increase in population and not on the basis of
21 per capita increase in population. Applications for grants shall be
22 made in a form prescribed by the director. A grant shall be allotted
23 according to an agreement made between the director on behalf of the
24 state and the municipality receiving the grant. The agreement may
25 include any provision agreed upon by the parties and shall include in
26 substance the following provisions:

27 (1) a schedule of grant disbursements, if, as determined
28 by the director, a grant is to be disbursed other than in one sum;

29 (2) agreement by the municipality to

1 (A) proceed with and complete the proposed project
2 or program expeditiously;

3 (B) not discontinue operation or dispose of all or
4 part of the project or program for which it receives a grant with-
5 out the approval of the director;

6 (C) apply for, and make reasonable efforts to secure,
7 federal assistance which may be available for the project or
8 program, subject to any conditions the agency may require in
9 order to maximize the amounts of that assistance received or to
10 be received for all projects or programs in the state;

11 (3) agreement by the municipality that, if federal assistance
12 for a project or program becomes available to the municipality which
13 was not included in the calculation of the amount of a grant authorized
14 and disbursed under this section, the value of the federal assistance
15 shall be ascertained and subtracted from the total value of the project
16 or program and the balance shall be proportionately divided between
17 the state and municipality;

18 (4) provision for alteration or modification of an approved
19 project or program and for remedies in case of failure to perform the
20 agreement between the parties or noncompliance with regulations promul-
21 gated by the director under this section.

22 (d) If funds appropriated by the legislature to provide loans and
23 grants and purchase evidences of indebtedness under this section are
24 not adequate to satisfy amounts required by approved grant applications,
25 funds shall be allocated on the basis of priority established by the
26 director by regulations promulgated to carry out the provisions of this
27 section.

28 (e) The director shall provide a quarterly report to the legisla-
29 ture with respect to grants made under this section.

1 (f) The director shall determine the terms and conditions for
2 making a loan and purchasing an evidence of indebtedness under this
3 section.

4 Sec. 44.19.591. AUTHORITY TO ACCEPT SERVICE, GIFTS, GRANTS, AND
5 LOANS. When the federal government or an agency or officer of the
6 federal government offers to the state, or through the state to a
7 municipality, services, equipment, supplies, materials, or funds by
8 way of gift, grant, or loan, for the purpose of alleviating the social
9 or economic impact resulting from pipeline construction, the state
10 acting through the director, or the municipality acting through its
11 executive officer or governing body, may accept the offer subject to
12 the terms of the offer and the rules and regulations of the agency
13 making the offer.

14 Sec. 44.19.593. PIPELINE IMPACT FUND. There is the pipeline
15 impact fund created for the purpose of carrying out the provisions of
16 sec. 587(b) of this chapter. The fund consists of all money made
17 available by appropriations of the state legislature, and from other
18 appropriated funds, all contributions from whatever source, and income
19 and interest derived from the investment of money.

20 Sec. 44.19.595. SPECIAL LEGISLATIVE PIPELINE IMPACT REVIEW COM-
21 MITTEE. There is established the Special Legislative Pipeline Impact
22 Review Committee composed of three members of the senate appointed by
23 the president of the senate and three members of the house of represen-
24 tatives appointed by the speaker of the house. The committee shall
25 select its own chairman.

26 Sec. 44.19.597. TERM OF MEMBERSHIP. The committee shall be
27 organized within 15 days after the organization of each legislature.
28 Members serve for the duration of the legislature during which they
29 are appointed. If they are reelected or their term of office extends

1 into the next succeeding legislature, they continue to serve until
2 reappointed or the appointment of their successor.

3 Sec. 44.19.599. VACANCIES. When a vacancy occurs in the member-
4 ship of the committee, the presiding officer of the house incurring
5 the vacancy shall choose a successor. If the office of the president
6 of the senate or speaker of the house of representatives becomes
7 vacant and a vacancy from the affected house occurs among the member-
8 ship of the committee, the remaining committee members from the house
9 incurring the vacancy shall appoint a new member.

10 Sec. 44.19.601. MEETINGS. (a) The committee may meet during
11 sessions of the legislature and during the interim between sessions at
12 such times and places in the state as the chairman may determine.
13 Members may receive, for the minimum time required to get to and from
14 meetings and for the period while attending meetings, the same travel
15 and per diem allowances provided by law for members of the legislature
16 when attending sessions, except that members of the committee receive
17 no per diem during legislative sessions other than the per diem allow-
18 ance paid to other members of the legislature.

19 (b) The members of the committee can validly conduct a meeting
20 and vote by communicating simultaneously with each other by means of
21 conference telephones or similar communications equipment.

22 (c) A majority of the members of the committee constitute a
23 quorum for the purpose of carrying out its duties under sec. 603 of
24 this chapter.

25 Sec. 44.19.603. DUTIES OF COMMITTEE. The committee shall review
26 and approve or disapprove, in whole or in part, the decisions made
27 by the Pipeline Impact Agency under sec. 589(b) of this chapter.

28 Sec. 44.19.605. DIVISION OF LEGISLATIVE FINANCE ASSISTANCE. The
29 division of legislative finance shall cooperate with the committee and

1 shall furnish technical assistance and personnel, if available, upon
2 request.

3 * Sec. 2. This Act takes effect on the day after its passage and approval
4 or on the day it becomes law without approval.
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The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Eighth Legislature

I. REQUEST

Bill Identification: CSSB 382
 Title: Act relating to assisting pipeline impacted municipalities
 Requested by: Legislative Finance Date: April 2, 1974
 Return Date Requested: _____
 Agency: Community and Regional Affairs Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Local Government Assistance

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES	3.7	81.8				
200 TRAVEL	.5	11.0				
300 CONTRACTUAL	.2	7.6				
400 COMMODITIES		.5				
500 EQUIPMENT	.3	2.3				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	4.7	103.2				

B. FUNDING: (Thousands of dollars)

GENERAL FUND	4.7	103.2				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	1/6/	5/	/	/	/	/
MAN MONTHS (P./T.)	2/	60/	/	/	/	/

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

The above funds are requested for the Division of Local Government Assistance to fund (a) a Local Government Specialist II position for two months in FY 74 and for FY 75 to administer the Grant programs; (b) a Municipal Finance Analyst, a Loan Examiner II, an Accountant II and a Clerk Typist III for FY 75 to administer the Capital Improvement Loan program. Functions and duties of these positions are outlined in the attached correspondence to Mr. Jay Hogan.

IV. ATTACHMENTS

Schedules A and B

V. DATE: April 2, 1974

PREPARED BY: _____

Don Argetsinger
Deputy Commissioner

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

CSSB 382

Section 2 and 3 FORMULA GRANTS AND DISCRETIONARY GRANTS

Personal Services

Local Government Specialist II	16,344	
Benefits 16%	<u>2,615</u>	
	18,959	18,959

Travel

Providing technical assistance to Municipalities (will allow LGS II to spend approximately 15% of his time in the field)	3,000	3,000
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Contractual

Phone @ 14.90/month	180	
Long Distance @ \$60/month	720	
Xeroxing, postage and Advertising of position vacancy	<u>250</u>	
Transportation of new employee's personal goods	1,000	
	<u>2,150</u>	2,150

Commodities

Office Supplies and Reference materials	200	200
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Equipment

One desk	170	
One chair	<u>50</u>	
	220	<u>220</u>
		24,529

Schedule B

CSSB 382

Section 4 CAPITAL IMPROVEMENT LOANS

Personal Services

Municipal Financial Analyst	18,948	
Loan Examiner II	16,344	
Accountant II	11,316	
Clerk Typist III	7,548	
	<u>54,156</u>	
Benefits 16%	8,664	
	<u>62,820</u>	62,820

Travel

Municipal Financial Analyst	5,000	
Loan Examiner II	3,000	
	<u>8,000</u>	8,000

Contractual

Four phones @ 14.90/phone	715	
Long Distance @ \$80/month professional position	1,920	
Printing and Advertising of position vacancies	500	
Xeroxing and postage	<u>300</u>	
Transportation of new employee's personal goods	2,000	
	<u>5,435</u>	5,435

Commodities

Office supplies and Reference materials	300	300
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Equipment

4 desks @ \$170,	680	
4 chairs @ \$50	200	
1 typewriter	570	
1 calculator	600	
	<u>2,050</u>	2,050
		<u>78,605</u>

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

SB382

I. REQUEST

Bill Identification: CSSB 382
 Title: Act relating to assisting pipeline impacted municipalities
 Requested by: Legislative Finance Date: April 19, 1974
 Return Date Requested: _____
 Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Local Government Assistance

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES	9.1	54.4				
200 TRAVEL	1.3	8.0				
300 CONTRACTUAL	.5	5.5				
400 COMMODITIES	.1	.5				
500 EQUIPMENT		1.8				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	11.0	70.1				

B. FUNDING: (Thousands of dollars)

GENERAL FUND	11.0	70.1				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	3 /	3 /	/	/	/	/
MAN MONTHS (P./T.)	6 /	36 /	/	/	/	/

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

The above funds are requested for the Division of Local Government Assistance to fund a Local Government Specialist II, a Municipal Financial Analyst, and a Clerk Typist III for two months in FY 74 and a full twelve month in FY 75. These positions will administer the Grant Programs and the Capital Improvement Loan Program. Functions and duties of these positions are outlined in the attached correspondence to Senator Clifford Groh.

IV. ATTACHMENTS

See Schedules A & B

V. DATE: April 19, 1974

PREPARED BY:

Jack Chenoweth
 Jack Chenoweth, Director
 Division of Local Government
 Assistance

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

CSSB 382
Formula Grants, Discretionary Grants and
Capital Improvement Loans

Personal Services

* Municipal Financial Analyst	3,158
** Local Government Specialist II	3,102
** Clerk Typist III	1,554
Benefits at 16%	<u>1,250</u>
	9,064

Travel

Local Government Specialist II	500
Municipal Financial Analyst	<u>833</u>
	1,333

Contractual

3 phones @ 14.90/phone	89
Long Distance @ 80/mo/position	320
Xeroxing and postage	<u>50</u>
	459

Commodities

Office Supplies and Reference	66
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TOTAL PROJECTED COST	<u>10,922</u>
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Personal Services

* Municipal Financial Analyst 21-A	Current Salary Scale	7/16/71
** Local Government Specialist II	19-A	Effective General Government Unit
** Clerk Typist III	8-C	Effective General Government Unit

CSSB 382
Formula Grants, Discretionary Grants and
Capital Improvement Loans

Personal Services

* Municipal Financial Analyst	18,948
** Local Government Specialist II	18,612
** Clerk Typist III	9,324
Benefits at 16%	<u>7,501</u>
	54,385

Travel

Local Government Specialist II-approx. 15% of time in the Field	3,000
Municipal Financial Analyst	<u>5,000</u>
	8,000

Contractual

3 phones @ 14.90/phone	536
Long Distance @ 80/mo/position	1,920
Printing and Advertising of position vacancies	750
Xeroxing and Postage	300
Transportation of new employees personal affects	<u>2,000</u>
	5,506

Commodities

Office Supplies and Reference Materials	400
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Equipment

3 desks @ 170 ea.	510
3 chairs @ 50 ea.	150
1 typewriter	570
1 calculator	<u>600</u>
	1,830

<u>TOTAL PROJECTED COSTS</u>	<u>70,121</u>
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Personal Services

* Municipal Financial Analyst 21-A Current Salary Scale 7/16/71
 ** Local Government Specialist II 19-A Effective General Government Unit
 ** Clerk Typist III 8-C Effective General Government Unit

WILLIAM A. EGAN
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 18, 1974

The Honorable Tom Fink
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Speaker:

I have reviewed the provisions of HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 382 relating to assisting "oil-development impacted" municipalities. After careful review and study of the provisions in this bill, I am compelled to veto this bill for the reasons contained in this letter.

As you know, the bill provides that the Department of Community and Regional Affairs may make grants to an "oil-development impacted municipality demonstrating extraordinary municipal operating and educational expenditures which are beyond its reasonable capability to meet from growth in receipts from current revenue sources." No further standard or formula for distribution is involved. The decision to make a grant must be reviewed and approved or disapproved, in whole or in part, by the "Special Legislative Oil-Impact Review Committee" composed of six members of the legislature (three members to be appointed from each house by the respective presiding officer), before any final action may be taken by the Department of Community and Regional Affairs.

Section 1 of the bill requires that the special oil development review committee be organized "within 15 days after the organization of each legislature." This means that the first committee cannot be properly constituted under the precise terms of the bill until after the next legislature has been organized--sometime in January of 1975. Under this reading of the section, no grant decisions of the Department of Community and Regional Affairs could be "approved" or "disapproved" until that time. The terms of the bill provide that no grants may be approved after June 30, 1975. Since no grants may be approved after that date, it is possible that the grants made, if any, under this bill must be made within less than six months.

Investigation reveals that language earlier appeared in the bill providing for appointment of the special legislative pipeline impact

The Honorable Tom Fink

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May 18, 1974

committee this year. However, prior to the time the bill was voted on in final passage by the legislature, that earlier appointment provision had been removed.

Therefore, the legislature has rendered it impossible for the state to furnish additional oil-development impact assistance to Alaskan municipalities under the terms of this bill until next year at the earliest. We all know that more oil-development impact funds will likely be needed by these communities prior to that time and therefore the action of the legislature in limiting the time frame within which this impact assistance can be provided can result in the imposition of serious hardship on some of the Alaskan municipalities that will be impacted by oil development. As Governor, I believe it is my obligation to insure a legal means for providing impact funds as soon as possible to communities needing them in order to assist them in meeting the challenges that will confront them as a result of pipeline construction getting underway. I therefore find this provision to be unacceptable and not in the best interests of the residents of the many Alaskan cities affected by this bill. (In order to avoid confusion, let me point out that this bill has no effect on \$10,000,000 in impact funds to be distributed to Valdez, Fairbanks, Anchorage, Barrow and North Slope, North Pole and Big Delta, as set out on Page 19 of Free Conference Committee Substitute for Senate Committee Substitute for Committee Substitute for House Bill No. 465. That money will be distributed to various communities immediately following approval of the budget bill, before the end of May.)

In addition, I believe that a substantial constitutional problem is presented by the provisions of House Committee Substitute for Committee Substitute for Senate Bill No. 382 which requires the approval of a special committee composed of legislators before final action may be taken by the Department of Community and Regional Affairs. This deep involvement of the legislature in the execution of the grant program is an attempt to confer a purely executive function upon members of the legislature in violation of the constitutional principle of the separation of powers. Of course, the doctrine of the separation of powers is fundamental to both federal and state government in this country, and over the years a number of state courts have struck down statutes involving legislative intrusion into executive branch responsibilities.

The United States Supreme Court summarized the basic theory of legislative power as follows:

Legislative power, as distinguished from executive power, is the authority to make laws, but not to

The Honorable Tom Fink

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May 18, 1974

enforce them or appoint the agents charged with the duty of such enforcement. The latter are executive functions.

Here, it is clear to me that the special legislative committee is involved in the execution and implementation of the grant program. No grants may be made without committee approval and the Department of Community and Regional Affairs, a principal department of the executive branch, is reduced to no more than a mere processing agency. The legislature has made the law and the legislature through this special committee now seeks to administer the law. But however reasonable a decision of the department might be, the decision is subject to rejection or alteration by a committee of legislators.

I find this an unconscionable infringement upon the authority of the chief executive of the state to administer the laws consistent with appropriate standards set by the legislature. I believe this committee constitutes an unwarranted intrusion into that executive authority. I am convinced that this special committee and the authority it has been given by the legislature violates the separation of powers spelled out in the Alaska Constitution.

Even if the responsibilities of the special committee were found to be legislative rather than executive in nature, the provision would still present a serious constitutional defect because it delegates the legislative power to itemize appropriations to a few members of the legislature. In a well reasoned case dealing with a statute similar in form to House Committee Substitute for Committee Substitute for Senate Bill No. 382, the Court of Appeals at New York expressed succinctly the principle involved as follows:

The Legislature cannot secure relief from its duties or responsibilities by a general delegation of legislative power to someone else. . . . The power to itemize legislative appropriations is a legislative power which it may exercise if it sees fit as long as the matter is in its hands.

Therefore, I find that the legislature itself has acted beyond the scope of its constitutional responsibilities through the creation of this special committee.

In view of the importance of this legislation to many communities in this state because of the impact of construction of the trans-Alaska oil pipeline,

WILLIAM A. EGAN
GOVERNOR

The Honorable Tom Fink

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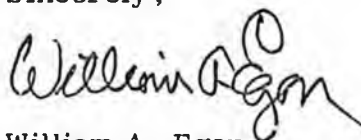
May 18, 1974

I believe it is incumbent upon me as chief executive to call a special session of the legislature for the purpose of the passage of remedial legislation to insure that all Alaskan municipalities eligible for the assistance program spelled out in this bill can have immediate access to those funds prior to the convening of the next legislature. In addition, the remedial legislation would provide the opportunity to correct the basic constitutional defects I find in this legislation.

The decision to call a special legislative session was made with great reluctance. However, in addition to the legislative omission, this bill presents a fundamental constitutional problem that must be addressed and remedied.

Working together with the legislature, I am confident that we can, in this special session, pass meaningful legislation consistent with our respective constitutional responsibilities that will provide the relief so desperately needed by many Alaskan municipalities as a result of pipeline construction impact.

Sincerely,



William A. Egan
Governor



*Rec file
only*

Alaska State Legislature

Senate

JUNEAU, ALASKA

SENATE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS
CS FOR SENATE BILL NO. 382

COMMITTEE REPORT
by
Senator John Rader, Chairman

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 - D. Section 4. CAPITAL IMPROVEMENT LOANS
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 - F. Section 6. REGULATIONS
 - G. Section 7. DEFINITIONS
 - H. Section 8. TERMINATION DATE FOR APPLICATIONS
- III. FUNDING

I. BACKGROUND AND GENERAL PURPOSE

The legislature in the past has expressed endorsement for the construction of the Trans-Alaska Pipeline as opposed to a Canadian line. Significant among the arguments favoring the Alaskan route were those that the economic activity, jobs, purchases of material and supplies and the creation of the increased tax base resulting from the pipeline and related facilities would be of benefit to the state. Presumably, those communities most impacted by the economic activity generated would be benefitted the greatest. This is

particularly true when it is coupled with the fact that pipeline corridor communities pursuant to legislation passed in the 1973 Special Session are given the right to tax the line. None the less, we now propose to appropriate funds to these communities.

A further anomaly may occur on the completion of pipeline construction: when the construction ceases, the economic activity ceases and the jobs cease to exist, there will be another impact on pipeline corridor communities.

With some misgivings, we have adopted the argument that the pipeline corridor communities are only temporarily impacted adversely, that the long-range benefit to the communities will exceed the temporary detriment, but that in the interim, the State should render assistance.

The committee has heard testimony as to the cost of supplying municipal services to pipeline related persons and activity, none of the municipalities involved have testified to any projected benefit to the municipality from taxation or otherwise. Certainly sales tax receipts will be increased, providing sales taxes are collected. Property values will be enhanced in many communities making available substantially more revenues to the local governments, providing they assess and collect adequate property taxes. We believe that there will be benefits to the communities and, therefore, are not recommending a funding level as high as some have requested.

It is for these reasons and because we do not believe that we can adequately predict the nature of detriment or benefit to the pipeline corridor communities that we have framed a bill which is limited to three basic programs:

- 1) Formula Grants: Formula grants which will be made to pipeline impacted communities are based on unusual population growth.
- 2) Discretionary Grants: Discretionary grants will be based upon whatever other factors a community may be able to show to entitle them to State funds for local purposes.
- 3) Capital Improvement Loans: A long-term loan program will permit pipeline impacted communities to borrow for capital improvements to service pipeline related activities and persons prior to substantial receipt of revenues by the local government involved.

II. SECTIONAL ANALYSIS

*Section 1. PURPOSE. No municipality will be eligible for funds under any of the three programs unless it can show that it comes within the purposes of the legislation. A municipality must show that it needs temporary and emergency financial assistance in order to meet extraordinary expenditures resulting from pipeline construction.

*Section 2. FORMULA GRANTS. It is assumed that a great deal of the impact from pipeline activities cannot be ascertained immediately. It is also believed that the communities involved can much better meet the impact expected if some funds are available in advance of actual impact--in advance of their actual ability to show an existing need. The formula grants are intended to make funds available immediately to the communities which we expect to be impacted. The amount any community is to receive is to be based upon its expected growth in excess of its normal growth.

#SECTION 3. DISCRETIONARY GRANTS. We recognize that many communities may be impacted and that the extent of this impact will not accurately be reflected by population changes. A notable example of such a situation is Anatumak Pass through which great truck caravans will pass creating substantial impact on that community but altering the population little. It is also felt that the larger pipeline corridor communities which will receive substantial amounts of formula grants based on population increases may have actual impact not measured adequately by the population formula.

Discretionary grants are to be used only for operating expenses. The committee was impressed with the findings of the Pipeline Impact Committee chaired by Senator Rettig, and therefore, to a large extent adopted that committee position relating to the unforeseeability of the actual impact on the communities involved.

#SECTION 4. CAPITAL IMPROVEMENT LOANS. Any capital improvements should come from loans and not grants. Capital improvements which do not have a long-term feasibility should not be made. We recognize, however, that time may be of essence and that the normal municipal bonding procedures may be too slow and cumbersome to meet pressing needs of pipeline corridor communities. For that reason we feel that although the municipality involved will have to comply with constitutional requirements as to voter approval of general obligation capital improvement bonds, still the immediate availability of the funds from

the State upon meeting the constitutional requirements should be of substantial assistance.

*Section 5. LEGISLATIVE BUDGET AND AUDIT COMMITTEE APPROVAL. This section provides that no funds can be disbursed under any program except after the review and approval of the Legislative Budget and Audit Committee.

*Section 6. REGULATIONS. We intend that the bill be broadly construed to permit the widest range of discretion in the promulgation of regulations to carry out the act. Some have urged that we write more detail into the statute. We have declined, however, because we believe in dealing with emergency legislation calculated to apply to unusual and unanticipated problems, the broadest grant of authority and discretion possible is desirable. Detailing programs may tend to defeat rather than enhance the implementation of the legislative will.

*Section 7. DEFINITIONS. We have not defined the characteristics of a "pipeline impacted" municipality. It is relatively easy to see that a community such as Valdez will have a substantial impact from the positive activity resulting from construction. And it is the intent of the bill to provide for this positive type of impact. We recognize that other communities may have what we can term "negative impact". That is, they may be impacted by a loss of citizens, job holders and economic activity in general. For example, the argument can be made that Kodiak will be adversely impacted if the competent diesel mechanics of that community so vital

to the fishing industry should quit their jobs in Kodiak and take up employment on the North Slope. We feel that this type of "negative impact" is too nebulous and not within the intent of this legislation.

*Section 8. TERMINATION DATE FOR APPLICATIONS. We intend that the authority contained in this act should be temporary only. The criteria for disbursing State funds under this act in no way meet the broad needs of the State as a general revenue-sharing measure. For that reason, no applications under any program will be approved beyond the end of the coming fiscal year unless, of course, the Legislature should act during its 1975 session to the contrary. Certainly, the Legislature should re-examine the situation at that time.

III. FUNDING

Senate Committee on Community and Regional Affairs believes that Formula Grants should be funded at a level of \$5,000,000; Discretionary Grants at a level of \$10,000,000 and Loans in the amount of \$25,000,000. It is understood under the suggestions of the committee that only the \$5,000,000 Formula Grants will be disbursed as a certainty. Attached hereto and made a part of this report is a projection of approximate probable distributions of the Formula Grants computed by the Department of Community and Regional Affairs (Exhibit A).

All funds disbursed are subject to the careful scrutiny of the executive branch of the government and also the Budget and Audit Committee. The possibility exists that no funds in excess of the Formula Grants will be expended.

Attached hereto and made a part of this report (Exhibit B) is an analysis of the Governor's budget requests prepared by the Director of State Planning and Research relating to pipeline impact on State operations--including unincorporated areas in which the State supplies what few government services are available.

DATED March 14, 1974

Respectfully Submitted,

Senator John Rader, Chairman
Senate Committee on Community &
Regional Affairs

Senator William L. Hensley
Vice-Chairman

Senator George Hohman

Senator Lowell Thomas, Jr.

"EXHIBIT A"

(Excerpt from letter from Commissioner Mallett of Department of Community and Regional Affairs to Senator John Rader dated March 14, 1974)

"Based on the local governments' own population estimates and financial data, which this Department has previously supplied to the Committee, we project that the prepayment amounts for which the major pipeline-impacted municipalities would qualify would be as follows:

Anchorage City	\$ 662,500
Delta Junction	8,520
Fairbanks City	753,500
Fairbanks North Star Borough	487,500
Gr. Anchorage Area Borough	1,093,000
North Pole	27,375
North Slope Borough	114,520
Valdez	851,200
	<hr/>
	\$3,998,115

We would like to stress that the above prepayment amounts are estimates based on presently available data. It is possible that additional municipalities may claim eligibility and apply for prepayment grants. Also, since the introduction of impact legislation designed to provide financial assistance in proportion to actual growth, a number of municipalities have informed us that they believe their present growth estimates were perhaps high and are subject to downward revision. Actual prepayments should, of course, be calculated with the most current data and estimates.

With regard to the residual appropriated sum of about \$1 million, we may presume it would ultimately be disbursed pro rata in similar proportion as the prepayments, subject to confirmation of actual population growth."

WILLIAM A. EGAN, GOVERNOR

OFFICE OF THE GOVERNOR

STATE PLANNING AND RESEARCH POUCH NO. — JUNEAU 99301
PHONE 533-5335

February 26, 1974

Senator John Rader, Chairman
Committee on Community and
Regional Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Mr. Chairman:

Pursuant to your request at a meeting with the Committee last week, we have prepared a descriptive summary of the "Pipeline Impact Budget" submitted by Governor Egan to cover extraordinary State expenses for public services. The appropriation bill on this matter was introduced on January 28, 1974 in the House as House Bill 466, and has been referred to the House Finance Committee.

As Commissioner Mallet and I explained to the committee last week, the Governor's Pipeline Impact "package" includes bills covering municipal financial assistance (HB 505, 506), a revolving loan fund to assist communities in capital improvements planning and design (HB 508), a bill establishing a coordinated land use planning and regulation effort in the unincorporated areas of the pipeline "corridor" (HB 520) and the supplemental appropriations for the beefing-up of state agency capabilities to provide services to Alaskans in response to the accelerated growth brought on by the construction of the Trans-Alaska Pipeline (HB 466).

The appropriation is in the sum of \$38,288,100, which includes \$16.18 million from the General Fund, \$17.02 million federal program receipts, \$2.48 million in program receipts, \$1.29 million from the International Airport Revenue Fund, and \$1.31 million in interagency receipts.

The appropriation is allocated to the specified program categories for the following purposes: (all figures in thousands)

PUBLIC PROTECTION CATEGORY - \$804.5

Department of Law - Increased consumer protection activities.

Department of Labor - Administration of expanded occupational safety program.

Department of Commerce - Administrative Licensing boards, increased weights and measures enforcement on Glenn, Richardson and Alaska highways, pipeline communication regulation by the Public Utility Commission and increased regulatory responsibilities of the Alaska Transportation Commission.

Department of Public Safety - Driver licensing.

DEVELOPMENT CATEGORY - \$595.4

Department of Community and Regional Affairs - Increased municipal services revenue sharing, local governmental and planning assistance.

ADMINISTRATION OF JUSTICE CATEGORY - \$2,767.4

Office of the Governor - Increased capability of public defender's office.

Department of Law - Prosecution services.

Department of Health and Social Services - Increased capabilities of the Division of Corrections including the operation of the Anchorage State Jail, the construction of "portable" jails, increased clientele for adult rehabilitation, projected case increases in juvenile confinement, anticipated growth in probation and parole, and the area of administration and support.

Department of Public Safety - Increased capabilities of trooper detachments and the criminal investigation bureau, equipment and mobile homes for additional troopers, insurance and judicial services and administration.

Alaska Court System - Anticipated increase in caseloads.

Department of Labor - Increased activity in the wage and hour and workmen's compensation functions.

GENERAL GOVERNMENT CATEGORY - \$1,388.7

Office of the Governor - Pipeline liaison office operations.

Department of Administration - Increased workload in personnel, purchasing, and data processing divisions.

Department of Law - Increases in the provision of legal services.

Department of Revenue - Surveillance and enforcement in the fields of individual and business taxes, excise taxes, motor vehicle registrations, collection of delinquent taxes, Tok Border Inspection station and administration and support.

Department of Public Works - Increased activity with respect to communication services to state agencies.

SOCIAL SERVICES CATEGORY - \$20,093.1

Department of Education - MDTA and vocational education are two vital components in the Alaska State Manpower Utilization Plan.

Department of Health and Social Services - Increased assistance payments (AFDC, AB, AD, and OAA programs and general relief), program services, social services, food stamp eligibility program, and drug abuse as well as participation in the Alaska State Manpower Utilization Plan.

Department of Labor - Employment security, manpower training and administration . . . all in connection with the operation of the Alaska State Manpower Utilization Plan.

NATURAL RESOURCES MANAGEMENT AND ENVIRONMENTAL

CONSERVATION - \$2,470.4

Department of Natural Resources - Anticipated increases in the use of state parks, monitoring of expected renewed drilling activity on the North Slope.

Department of Environmental Conservation - Staff for plan review, permit issuance, and on-site pipeline construction monitoring and for related environmental problems in the vicinity of the pipeline (all funds to be reimbursed by Alyeska program receipts).

Department of Fish and Game - Staff for direct pipeline monitoring by Habitat Section to minimize fish and wildlife problems during construction (these expenditures are to be funded by program receipts from Alyeska).

TRANSPORTATION CATEGORY - \$2,012.1

Department of Public Works - Purchase of mechanized equipment and increased operation expenditures at Anchorage and Fairbanks International Airports, increased maintenance and operating programs at trunk and secondary airports.

HEALTH CATEGORY - \$842.7

Department of Health and Social Services - Increasing capabilities in nursing, environmental health, laboratories and community health sections, as well as increased general relief medical assistance.

EDUCATION CATEGORY - \$7,207.8

Department of Education - To fund anticipated enrollment increases in district schools through the Foundation Program as well as in the State Operated Schools through interagency transfers.

Senator John Rader

-4-

February 26, 1974

Mr. Chairman, the foregoing material is a summary of the State program activity anticipated in response to the construction of the pipeline. I trust that you will find it responsive to your questions.

Respectfully,

A handwritten signature in cursive script, appearing to read "R. W. Pavitt", with a horizontal line extending to the right from the end of the signature.

R. W. Pavitt, AIP
Director



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 relating to early service credit under the public employees' retirement systems and providing for an effective date."

COMMITTEE REPORT

3/19/74

HOUSE

Mr. Speaker:

Date 3/19/74

The Committee on FINANCE has had SB 283

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

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends: <u>No Rec.</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

[Signature] Chairman

Introduced: 2/15/74
Referred: State Affairs

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 383

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to early service credit under the
7 public employees' retirement system; and providing for
8 an effective date."

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

10 * Section 1. AS 39.35.360(a) is amended to read:

11 (a) An employee who completes three years of service with the
12 state after January 1, 1961, for which he makes contributions required
13 by this chapter is entitled to service credit for employment rendered
14 to the State and former Territory of Alaska before January 1, 1961,
15 regardless of the office, department, division, or agency of the state
16 or territory in which he was employed, including the United States
17 District Court and the United States Commissioner's Court serving the
18 Territory and State of Alaska succeeded to by the Alaska court system,
19 and persons employed as United States marshals, United States deputy
20 marshals, and Federal Aviation Agency security guards. The retirement
21 benefits payable to an employee under this section which are attri-
22 butable to employment rendered to the State and former Territory of
23 Alaska before January 1, 1961, shall be reduced by the amount of the
24 retirement pension benefits paid to him by the United States government
25 for the same period of prior service.

26 * Sec. 2. AS 39.35.360(d) is repealed.

27 * Sec. 3. This Act takes effect on the day after its passage and approval
28 or on the day it becomes law without approval.
29

day

The following bills now under consideration should be amended to include the following additional wording:

Bill	Change Suggested
HB 289	Add " <u>service as a commissioned officer of the United States Public Health Service</u> " on line 16 following the word <u>including</u> and preceding the word <u>the</u> at the beginning of line 17
SB 378	Add " <u>service as a commissioned officer of the United States Public Health Service</u> " on line 17 following the word <u>including</u> and preceding the word <u>the</u> .
SB 383	Add " <u>service as a commissioned officer of the United States Public Health Service</u> " on line 16 following the word <u>including</u> and preceding the word <u>the</u> .
HB 639	Add " <u>service as a commissioned officer of the United States Public Health Service</u> " on line 16 following the word <u>including</u> and preceding the word <u>the</u> .

Your favorable consideration of the above action and support to enact this provision into law will be appreciated.

Amos J. Alter, Box 1581, Fairbanks, Alaska 99707
Telephone 456-7908

STATEMENT

I, AMOS J. ALTER OF POST OFFICE BOX 1581, (RESIDING AT 2015 HILTON AVENUE, FAIRBANKS, ALASKA) FAIRBANKS, ALASKA 99707 SERVED THE TERRITORY OF ALASKA AS AN EMPLOYEE OF THE ALASKA TERRITORIAL DEPARTMENT OF HEALTH, STATIONED AT JUNEAU, ALASKA AND KETCHIKAN, ALASKA, AND WORKING UNDER THE GENERAL SUPERVICION OF DR. C. C. CARTER, COMMISSIONER OF HEALTH AND UNDER THE DIRECT SUPERVICION OF MR. RICHARD S. GREEN, SUPERVISOR OF SANITATION AND ENGINEERING WORK FOR THE TERRITORIAL DEPARTMENT OF HEALTH DURING THE PERIOD FEBRUARY 24, 1944 THROUGH FEBRUARY 28, 1946. AS AN EMPLOYEE OF THE TERRITORIAL DEPARTMENT OF HEALTH AND THEREBY AN EMPLOYEE OF THE TERRITORY OF ALAKSA , I BELIEVE I AM ENTITLED TO PRIOR SERVICE CREDIT FOR THIS PERIOD OF TIME UNDER PROVISIONS OF THE ALASKA PUBLIC EMPLOYEES RETIREMENT SYSTEM. I SHALL RECEIVE NO RETIREMENT FROM OTHER SOURCES AS A RESULT OF MY EMPLOYMENT DURING THE ABOVE MENTIONED PERIOD OF TIME AND I WAS TOLD BOTH BY THE U. S. PUBLIC HEALTH SERVICE AND THE TERRITORY OF ALASKA THAT FOR ALL BENEFITS OTHER THAN ACTUAL RECEIPT OF MONTHLY SALARY CHECK I WAS SERVING AS AN EMPLOYEE OF ALASKA. MY LEAVE, WORK ASSIGNMENTS, TRAVEL ARRANGEMENTS AND ENTIRE SUPERVISION WAS BY THE TERRITORY OF ALASKA. I WAS PROVIDED WITH AN IDENTIFICATION PAPER WHICH STATED THAT I WAS AN OFFICER OF THE ALASKA TERRITORIAL GOVERNMENT

MY ASSIGNMENT TO THE TERRITORIAL DEPARTMENT OF HEALTH TO SERVE AS AN EMPLOYEE OF THE TERRITORY OF ALASKA ALTHOUGH I HELD ACTIVE COMMISSION STATUS IN THE RESERVE COPRS OF THE U. S. PUBLIC HEALTH SERVICE WAS THE RESULT OF A SPECIAL EMERGENCY HEALTH AND SANITATION ACTIVITIES FUNCTION PROVIDED BY CONGRESS THROUGH THE U. S. PUBLIC HEALTH SERVICE TO ASSURE STAFFING OF ESSENTIAL CIVIL HEALTH POSITIONS SUCH AS THOSE IN THE ALASKA TERRITORIAL DEPARTMENT OF HEALTH. AS A RESULT OF THE FEDERAL SOCIAL SECURITY LEGISLATION OF THE MID THIRTIES, CERTAIN MONEY GRANTS WERE MADE TO STATES AND TERRITORIES OF THE UNITED STATES TO PROVIDE HEALTH SERVICES BUT THIS WAS NOT ADEQUATE DURING THE EMERGENCIES OF WORLD WAR II IN PARTICULARLY CRITICAL AREAS SUCH AS ALASKA. ALTHOUGH MONEY WAS AVAILABLE, PEROPLE WERE NOT AVAILABLE AND THE COMMISSIONING IN THE RESERVE AND PAYMENT OF SALARIES FROM EMERGENCY HEALTH AND SANITATION SOURCES MADE IT POSSIBLE TO STAFF CIVIL PROGRAMS DEEMED ESSENTIAL SUCH AS THE ONE IN WHICH I SERVED AND WORKED AS AN EMPLOYEE OF THE TERRITORIAL DEPARTMENT OF HEALTH.

DATE 11 TH DAY OF FEBRUARY 1974

SIGNED

Amos J. Alter

WITNESS

Richard H. Britt

Introduced: 2/15/74
Referred: State Affairs

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 383

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to early service credit under the
7 public employees' retirement system; and providing for
8 an effective date."

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

10 * Section 1. AS 39.35.360(a) is amended to read:

11 (a) An employee who completes three years of service with the
12 state after January 1, 1961, for which he makes contributions required
13 by this chapter is entitled to service credit for employment rendered
14 to the State and former Territory of Alaska before January 1, 1961,
15 regardless of the office, department, division, or agency of the state
16 or territory in which he was employed, including the United States
17 District Court and the United States Commissioner's Court serving the
18 Territory and State of Alaska succeeded to by the Alaska court system,
19 and persons employed as United States marshals, United States deputy
20 marshals, and Federal Aviation Agency security guards. The retirement
21 benefits payable to an employee under this section which are attri-
22 butable to employment rendered to the State and former Territory of
23 Alaska before January 1, 1961, shall be reduced by the amount of the
24 retirement pension benefits paid to him by the United States government
25 for the same period of prior service.

26 * Sec. 2. AS 39.35.360(d) is repealed.

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

29



RECORDS CERTIFICATION

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

James O. Smith
Signature of Camera Operator

4/26/89
Date

COMMITTEE REPORT

SENATE

3/4/74

Mr. President:

Date 3/24/74

The Committee on FINANCE has had SB 383
~~early service credit under the public employee's retirement system~~
under consideration. A Majority of the members of the Committee

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

Members signing the Majority report:

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

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF ADMINISTRATIVE SERVICES
PUBLIC EMPLOYEES' RETIREMENT SYSTEM & TEACHERS' RETIREMENT SYSTEM,
HEALTH INSURANCE PROGRAM, GOVERNMENT SOCIAL SECURITY PROGRAM

POUCH C — JUNEAU 99801

March 5, 1974

Mr. J. H. Hogan, Director
Legislative Finance
State Capitol, Room 425
Pouch WF
Juneau, Alaska 99801

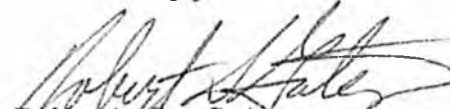
re: Senate Bill 383

Dear Mr. Hogan:

I have reviewed Senate Bill 383 in an effort to determine the cost of including these provisions in the Public Employees' Retirement System. The purpose of this legislation is to grant prior service credit to United States Marshals, United States Deputy Marshals, and Federal Aviation Agency Security Guards.

Our actuary advises me that until we are able to determine the total number of individuals falling into these job classifications and the length of their prior service, it will be impossible to determine the funding requirements. If you are aware of a source where information can be obtained concerning these classifications of people, I would appreciate hearing from you.

Sincerely,


Robert S. Gates
Benefits Administrator



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

Committee Report

S E N A T E

3/7/74

_____ Date

Mr. President:

The Committee on FINANCE has had SB 384 relating to teachers' retirement 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

COMMITTEE REPORT

FINANCE

2/15/74

SENATE

Mr. President:

Date 3-1-74

The Committee on HESS has had SB 384 relating to teachers' retirement 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>DO PASS</u>	_____
<u>W. Hensley</u>	<u>DO PASS</u>	_____
<u>Jess Harris</u>	<u>NO REC.</u>	_____

Members NOT concurring in the Majority report:

- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:

[Signature] Chairman

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

8

I. REQUEST

Bill Identification: Senate Bill 384
 Title: An act relating to Teachers' Retirement and providing for an effective date.
 Requested by: Legislative Finance Date: 3/8/74
 Return Date Requested: As soon as possible
 Agency: Retirement Section Program: Teachers' Retirement

II. FISCAL DETAIL

Budget Request Unit(s) Affected TRS Match, SOS, U of A, Dept of Ed.

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	0	730.2	766.7	805.0	845.2	887.5
TOTAL	0	730.2	766.7	805.0	845.2	887.5

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	700.2	735.2	772.0	810.6	851.1
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	30.0	31.5	33.1	34.7	36.5

C. POSITIONS:

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

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

Total cost of SB 384 for FY 75 = \$1,072,000
 Total cost to local school districts = \$ 343,608
 Total cost to state for FY 75 = \$ 730,158

IV. ATTACHMENTS

Exhibit A

Financial Breakdown

V. DATE: 3/8/74

PREPARED BY: Robert S. Gates

Robert S. Gates
 Benefits Administrator

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

EXHIBIT A

Cost of SB 384 is based upon the following:

1. Total estimated FY 75 payroll for persons covered under TRS is \$96,600,000.

This payroll is distributed as follows:

Department of Education	\$ 1,300,000
State Operated Schools	\$20,000,000
University of Alaska	\$13,500,000
Individual School Districts	\$61,800,000

2. SB 384 will cost an additional 1.11% of payroll

$$1.11 \times \$96,600,000 = \$1,072,2600$$

The State of Alaska pays 50% of the contribution rate to match the local school districts.

3. If SB 384 is passed, appropriations should be made to the following budgets:

Department of Education	\$ 14,430.00
State Operated Schools	\$222,000.00
University of Alaska	\$ 75,060.00
Teachers' Retirement System	\$418,668.00

Introduced. 2/15/74
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY THOMAS AND SACKETT

2 SENATE BILL NO. 384

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to teachers' retirement; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 14.25.110(a) is amended to read:

10 (a) A teacher is eligible for normal retirement if he has
11 completed either (1) at least 15 years of creditable service, the last
12 five of which have been membership service, and has attained the age
13 of 55 [60] years, or (2) at least eight years of membership service
14 and has attained the age of 55 [60] years, or (3) at least 25 [30]
15 years of creditable service, the last five of which have been member-
16 ship service.

17 * Sec. 2. AS 14.25.220(23)(c) is amended to read:

18 (C) completing at least 25 [30] years of creditable
19 service, the last five of which are membership service;

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

ALASKA STATE LEGISLATURE

EIGHTH Legislature SECOND Session

SENATE BILL..... NO. 394..

By THOMAS AND SACKETT.....

"An Act relating to teachers' retirement; and providing for an effective date."

teachers' retirement

Introduced in the Senate 2/15, 19 74

HISTORY IN THE SENATE

19 74

2 15

3 7

Read first time and referred to Committee on Health, Education and Social Services and Finance

Reported back with recommendation that *Rec'd 11-20-74 to Finance*

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
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

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 Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

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

COMMITTEE REPORT

SENATE

4/5/74

Mr. President:

Date _____

The Committee on FINANCE has had SB 385
state aid - alternate method of receiving payments for cities
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

COMMITTEE REPORT

FINANCE

SENATE

2/15/74

Mr. President:

Date 4-5-74

The Committee on Comm. & Reg. Affairs has had SB 385 state aid/alternative method of receiving payments for cities under consideration. A Majority of the members of the Committee

- (X) 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:

Handwritten signatures: J. L. Rod, W. Hensley, Holman

Members NOT concurring in the Majority report:

L. Thomas recommends: NO REC.
recommends:
recommends:
recommends:
recommends:

J. L. Rod Chairman

Introduced: 2/15/74
Referred: Community and
Regional Affairs and
Finance

1 IN THE SENATE

BY HENSLEY AND SACKETT

2 SENATE BILL NO. 385

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an optional basic grant to
7 cities as an alternative method of receiving payments
8 of state aid for miscellaneous municipal purposes; and
9 providing for an effective date."

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

11 * Section 1. AS 43.18 is amended by adding a new section to read:

12 Sec. 43.18.015. OPTIONAL BASIC GRANT. (a) During each fiscal
13 year, at the election of the governing body of a first or second class
14 city, as an alternative to receiving a state payment under sec. 10(a)
15 and (b) of this chapter, the state shall pay to a first or second class
16 city the sum of \$10,000 plus \$27 per capita as an optional basic grant
17 for miscellaneous municipal services, subject to the following limita-
18 tion: if a military reservation is located within a first or second
19 class city, the city is limited in its per capita entitlement portion
20 of the optional basic grant to 50 per cent of the population residing
21 on the military reservation.

22 (b) For the purpose of (a) of this section, population shall be
23 determined in the manner prescribed in sec. 10(c) of this chapter,

24 * Sec. 2. AS 43.18.020(b) is amended to read:

25 (b) The special municipal services account is established. Funds
26 to carry out the provisions of secs. [SEC.] 10 and 20 of this chapter
27 may be appropriated annually by the legislature to the account. If
28 amounts in the account are insufficient for the purpose of each local
29 government's share authorized under secs. [SEC.] 10 and 20 of this

COMMITTEE COPY

1 chapter, such funds as are available shall be distributed pro rata among
2 eligible local governments.

3 * Sec. 3. AS 43.18.030(b) is amended to read:

4 (b) The governing body shall furnish the following notice with
5 tax statements mailed for the fiscal year for which aid is received
6 under this chapter:

7 "NOTICE TO TAXPAYER

8 For the current fiscal year the (city) (borough) has been
9 allocated the following amount of state aid for school and
10 municipal purposes under the Public School Foundation Program
11 (Alaska Statutes 14.17) and the revenue-sharing provisions
12 of Alaska Statutes 43.18:

13 SCHOOL AID \$

14 AID BASED ON MUNICIPAL SERVICES FURNISHED \$

15 (fire protection, police protection, air
16 or water pollution control, land use
17 planning, road maintenance, parks and
18 recreation, transportation facilities and
19 services, hospital operation); or

20 OPTIONAL BASIC GRANT

21 Total Aid \$

22 The millage equivalent of this state aid, based on the
23 present dollar value of a mill in the municipality, is
24 _____ mills."

25 * Sec. 4. This Act takes effect July 1, 1974.
26
27
28
29

ALASKA STATE LEGISLATURE

EIGHTH Legislature **SECOND** Session

SENATE BILL **NO. 385**
 By **HENSLEY AND SACKETT**

"An Act establishing an optional basic grant to cities as an alternative method of receiving payments of state aid for miscellaneous municipal purposes; and providing for an effective date."

alternate method/stateaid

Introduced in the Senate 2/15, 19 74

HISTORY IN THE SENATE

19 74

Read first time and referred to Committee on

2 15 Community & Regional Affairs and Finance

4.5 Reported back with recommendation that *CAIRDC*
pass - To Finance

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
 Sent to House

SECRETARY OF THE SENATE

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 Nays
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Effective Date

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 : Absent
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Reported correctly engrossed
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 Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

Introduced: 2/15/74
Referred: Community and
Regional Affairs and
Finance

1 IN THE SENATE

BY HENSLEY AND SACKETT

2 SENATE BILL NO. 385

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

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15 and (b) of this chapter, the state shall pay to a first or second class
16 city the sum of \$10,000 plus \$27 per capita as an optional basic grant
17 for miscellaneous municipal services, subject to the following limita-
18 tion: if a military reservation is located within a first or second
19 class city, the city is limited in its per capita entitlement portion
20 of the optional basic grant to 50 per cent of the population residing
21 on the military reservation.

22 (b) For the purpose of (a) of this section, population shall be
23 determined in the manner prescribed in sec. 10(c) of this chapter.

24 * Sec. 2. AS 43.16.020(b) is amended to read:

25 (b) The special municipal services account is established. Funds
26 to carry out the provisions of secs. [SEC.] 10 and 20 of this chapter
27 may be appropriated annually by the legislature to the account. If
28 amounts in the account are insufficient for the purpose of each local
29 government's share authorized under secs. [SEC.] 10 and 20 of this

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

2

I. REQUEST

Bill Identification: SB 385
 Title: Revenue Sharing Optional Basic Grant
 Requested by: Legislative Finance Date: April 9, 1974
 Return Date Requested: _____
 Agency: Community and Regional Affairs Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Municipal Service Revenue Sharing

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1,160.2				
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1,160.2				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

A review of the first and second class cities eligible to receive revenue sharing entitlements in FY 74 revealed 95 municipalities would benefit by electing the optional basic grant method. An additional 10 municipalities will incorporate during FY 74. The populations were adjusted to estimate growth during FY 74. Each municipality was examined to determine if newly qualifying services would change the method used in calculating entitlements. The summary results are attached indicating the estimated cost of SB 385 in FY 75.

IV. ATTACHMENTS

Estimated Cost SB 385 Fiscal Year 1975

V. DATE: April 9, 1974 PREPARED BY: Don Argetsinger

Don Argetsinger
 Deputy Commissioner

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

CORRECTION

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

Introduced: 2/15/74
Referred: Community and
Regional Affairs and
Finance

1 IN THE SENATE

BY HENSLEY AND SACKETT

2 SENATE BILL NO. 385

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an optional basic grant to
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12 Sec. 43.18.015. OPTIONAL BASIC GRANT. (a) During each fiscal
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15 and (b) of this chapter, the state shall pay to a first or second class
16 city the sum of \$10,000 plus \$27 per capita as an optional basic grant
17 for miscellaneous municipal services, subject to the following limita-
18 tion: if a military reservation is located within a first or second
19 class city, the city is limited in its per capita entitlement portion
20 of the optional basic grant to 50 per cent of the population residing
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25 (b) The special municipal services account is established. Funds
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27 may be appropriated annually by the legislature to the account. If
28 amounts in the account are insufficient for the purpose of each local
29 government's share authorized under secs. [SEC.] 10 and 20 of this

1 chapter, such funds as are available shall be distributed pro rata among
2 eligible local governments.

3 * Sec. 3. AS 43.18.030(b) is amended to read:

4 (b) The governing body shall furnish the following notice with
5 tax statements mailed for the fiscal year for which aid is received
6 under this chapter:

7 "NOTICE TO TAXPAYER

8 For the current fiscal year the (city) (borough) has been
9 allocated the following amount of state aid for school and
10 municipal purposes under the Public School Foundation Program
11 (Alaska Statutes 14.17) and the revenue-sharing provisions
12 of Alaska Statutes 43.18:

13	SCHOOL AID	\$
14	AID BASED ON MUNICIPAL SERVICES FURNISHED	\$
15	(fire protection, police protection, air	
16	or water pollution control, land use	
17	planning, road maintenance, parks and	
18	recreation, transportation facilities and	
19	services, hospital operation); <u>or</u>	
20	<u>OPTIONAL BASIC GRANT</u>	

21 Total Aid \$

22 The millage equivalent of this state aid, based on the
23 present dollar value of a mill in the municipality, is
24 _____ mills."

25 * Sec. 4. This Act takes effect July 1, 1974.
26
27
28
29

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

2

I. REQUEST

Bill Identification: SB 385
 Title: Revenue Sharing Optional Basic Grant
 Requested by: Legislative Finance Date: April 9, 1974
 Return Date Requested: _____
 Agency: Community and Regional Affairs Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Municipal Service Revenue Sharing

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1,160.2				
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1,160.2				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

A review of the first and second class cities eligible to receive revenue sharing entitlements in FY 74 revealed 95 municipalities would benefit by electing the optional basic grant method. An additional 10 municipalities will incorporate during FY 74. The populations were adjusted to estimate growth during FY 74. Each municipality was examined to determine if newly qualifying services would change the method used in calculating entitlements. The summary results are attached indicating the estimated cost of SB 385 in FY 75.

IV. ATTACHMENTS

Estimated Cost SB 385 Fiscal Year 1975

V. DATE: April 9, 1974

PREPARED BY: Don Argetsinger

Don Argetsinger
Deputy Commissioner

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

ESTIMATED COST SB 385
FISCAL YEAR 1975

Qualifying Services FY 74

89 Municipalities x \$10,000= 890,000

Application Submitted After Deadline

2 Municipalities x \$10,000= 20,000

No Application Submitted FY 74

4 Municipalities x \$10,000= 40,000

New Incorporations FY 74

10 Municipalities x \$10,000= 100,000

Population Growth-105 Municipalities

56,982 x 1.02%=58,122 x \$27= 1,515,294

Estimated Entitlements Optional Method FY 75 \$2,565,294

Less Estimated Entitlements Present Provision FY 75 \$1,405,072
(As 43.18.010 (a) (b))

Estimated Cost SB 385 FY 75 \$1,160,222



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

COMMITTEE REPORT

3/12/74

HOUSE

Mr. Speaker:

Date 3/15/74

The Committee on FINANCE has had SB 386 am

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)

(x) recommends it BE REPLACED WITH CS FOR SB 386 am AND THAT

CS FOR SB 386 am DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>McCormack</u>	<u>W. J. ...</u>	_____
<u>W. J. ...</u>	<u>...</u>	_____
<u>...</u>	_____	_____
<u>Haugen</u>	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

W. J. McCormack Chairman

Copy

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

I. REQUEST

Bill Identification: ~~SB 386~~ HCSSB 386 am H (FCC) (e. date added)
Title: ACT RELATING TO VETERANS LOANS
Requested by: MR. WILSON Date: APRIL 9, 1974
Return Date Requested: APRIL 9, 1974
Agency: DEPARTMENT OF COMMERCE Program: VETERANS' AFFAIRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: VETERANS' AFFAIRS

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES		38.0	43.0	47.0	52.0	55.5
200 TRAVEL		4.0	5.0	5.0	5.5	5.5
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		42.0	48.0	52.0	57.5	61.0

B. FUNDING: (Thousands of dollars)

FUND	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
GENERAL FUND						
FEDERAL FUNDS						
OTHER VA REVOLVING		42.0	48.0	52.0	57.5	61.0

C. POSITIONS:

PERMANENT/TEMPORARY	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
MAN MONTHS (P./T.)	/	2 /	2 /	2 /	2 /	2 /
	/	24 /	24 /	24 /	24 /	24 /

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

INCREASE IN LOAN AMOUNTS

IV. ATTACHMENTS

(SEE ATTACHED)

V. DATE: 4-9-74 PREPARED BY: James J. Brunette

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

Increase in Loan Amounts requires more detailed scrutiny in applications of the following types.

Home: Increase from \$40,000 to \$55,000

- (a) Home Construction and Repair: Specifications of materials used must be more detailed where veterans equity will be in lesser ratio to loan amount. Homes under repair and construction must be inspected regularly to show quality and progress before funds are released. Contractors and subcontractors must meet compliance of building codes as well as specifications accompanying contracts.
- (b) New Purchases: Regular appraisal checks must be made to insure proper value to secure loan and avoid excessive appraisal that may be made to satisfy loan requirements.
- (c) We have approximately 150 construction loans in progress at this time.

Business: Increase from \$60,000 to \$100,000

- (a) Purchasing a business may include inventory and/or equipment. Transfers of this type of property require processing under Bulk Sale Act to insure clear title and freedom from outstanding debt. Under old loan limits generally only Real Estate purchase was involved. Compliance with Bulk Sales Act, Bill of Sales and Real Estate is more involved and requires close inspection of security and business financial statements.

General: The increase of loans that qualify under the higher limits is expected in increase all applications by 25%.

The present volume requires preparations and audit of loan applications by General Office before loan committee action.

An increase of applications from 400 per year to over 600 per year is a modest estimate.

Conclusion: At least 2 compliance inspectors are necessary unless we obtain the one requested and approved in the governor's budget, there would be a need for only one additional field man to cover the area other than Anchorage district. Considerable travel would be involved.

A loan specialist knowledgeable in closing procedures and requirements to meet lien protection prior to closing for specific instruction to Regional Offices after loan approval and to review documents after closing is required to relieve the load of loan processing.

Introduced: 2/15/74
Referred: Commerce

BY HENSLEY, T. MILLER, HARRIS, HOHMAN,
KERTTULA, LEWIS, MELAND, K. MILLER,
POLAND, SACKETT, SILIDES AND THOMAS

1 IN THE SENATE

2 SENATE BILL NO. 386

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veteran loans."

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

8 * Section 1. AS 26.15.040(a) is amended to read:

9 (a) The commissioner of commerce may, under rules, regulations,
10 and policies adopted by him, make the following loans:

11 (1) Personal loans may be made for educational, domestic,
12 remote area family housing and other personal purposes, not exceeding
13 \$5,000. The loans shall be secured by acceptable collateral when
14 available but if not available the commissioner may make loans on the
15 basis of good character. The rate of interest may not exceed eight
16 per cent a year on the unpaid balance.

17 (2) Farm and home loans not exceeding \$50,000 [~~\$40,000~~] may
18 be made to purchase, remodel, repair, build, furnish, refinance or
19 equip homes or farms in the state, including the clearing and drainage
20 for farms. The loans may not exceed 90 per cent of the appraised
21 value when made for the purchase or construction of a home unless
22 additional amounts are secured by acceptable collateral as determined by
23 the commissioner of commerce in conformity with established minimum
24 requirements. The rate of interest may not exceed the interest rate
25 which is charged for Federal Veterans Administration loans at the time
26 a state loan is granted.

27 (3) Business loans not exceeding \$100,000 [~~\$60,000~~] may be made
28 to acquire, finance or refinance or equip businesses, including mining
29 and fishing but not including farming, if the loan applicant has had

1 three or more years of general business experience. [IF THE BUSI-
2 NESSES HAVE THREE OR MORE YEARS OF OPERATING HISTORY IN ALASKA.] The
3 loans shall be secured by acceptable collateral and may not exceed 75
4 per cent of the appraised value of the collateral offered as security.
5 The rate of interest may not exceed the interest rate which is charged
6 for Federal Veterans Administration loans at the time a state loan is
7 granted.

8 (4) Multiple dwelling loans not exceeding \$75,000 [\$60,000]
9 may be made to purchase, remodel, repair, build, furnish, refinance or
10 equip multiple dwellings. The loans shall be secured by acceptable
11 collateral and may not exceed 75 per cent of the appraised value of
12 the collateral offered as security. The rate of interest may not
13 exceed the interest rate which is charged for Federal Veterans Admini-
14 stration loans at the time a state loan is granted.

15 * Sec. 2. As 26.15.040(c) is amended to read:

16 (c) No loans authorized by (a)(2), (3) and (4) of this section
17 may be made unless the commissioner of commerce is satisfied that
18 money at a comparable rate of interest is not available to the appli-
19 cant from private lending institutions on a guaranteed basis as set
20 out in (b) of this section. An applicant is eligible for more than
21 one type of loan, but the total may not exceed \$75,000 [\$60,000] at
22 any one time.
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BY HENSLEY, T. MILLER, HARRIS, HOHMAN,
KERTTULA, LEWIS, MELAND, K. MILLER,
POLAND, SACKETT, SILIDES AND THOMAS

1 IN THE SENATE

2 SENATE BILL NO. 386

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13 \$5,000. The loans shall be secured by acceptable collateral when
14 available but if not available the commissioner may make loans on the
15 basis of good character. The rate of interest may not exceed eight
16 per cent a year on the unpaid balance.

17 (2) Farm and home loans not exceeding \$50,000 [~~\$40,000~~] may
18 be made to purchase, remodel, repair, build, furnish, refinance or
19 equip homes or farms in the state, including the clearing and drainage
20 for farms. The loans may not exceed 90 per cent of the appraised
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22 additional amounts are secured by acceptable collateral as determined by
23 the commissioner of commerce in conformity with established minimum
24 requirements. The rate of interest may not exceed the interest rate
25 which is charged for Federal Veterans Administration loans at the time
26 a state loan is granted.

27 (3) Business loans not exceeding \$75,000 [~~\$60,000~~] may be made
28 to acquire, finance or refinance or equip businesses, including mining
29 and fishing but not including farming [, IF THE BUSINESSES HAVE THREE

1 OR MORE YEARS OF OPERATING HISTORY IN ALASKA]. The loans shall be
2 secured by acceptable collateral and may not exceed 75 per cent of the
3 appraised value of the collateral offered as security. The rate of
4 interest may not exceed the interest rate which is charged for Federal
5 Veterans Administration loans at the time a state loan is granted.

6 (4) Multiple dwelling loans not exceeding \$75,000 [\$60,000]
7 may be made to purchase, remodel, repair, build, furnish, refinance or
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10 collateral offered as security. The rate of interest may not exceed
11 the interest rate which is charged for Federal Veterans Administration
12 loans at the time a state loan is granted.

13 * Sec. 2. AS 26.15.040(c) is amended to read:

14 (c) No loans authorized by (a)(2), (3) and (4) of this section
15 may be made unless the commissioner of commerce is satisfied that money
16 at a comparable rate of interest is not available to the applicant from
17 private lending institutions on a guaranteed basis as set out in (b)
18 of this section. An applicant is eligible for more than one type of
19 loan, but the total may not exceed \$75,000 [\$60,000] at any one time.
20
21
22
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29



RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

4/26/89
Date

COMMITTEE REPORT

3/15/74

SENATE

Mr. President:

Date

4/15/74

The Committee on FINANCE has had SB 390 relating to the sale of public bonds under consideration. A Majority of the members of the Committee

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

Members signing the Majority report:

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

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

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DEPARTMENT OF REVENUE
STATE OF ALASKA
JUNEAU

RECAP OF ACTIVITIES OF THREE MAJOR UNDERWRITERS
(Issues Managed or Co-Managed by Each Firm)

<u>Year</u>	<u>JOHN NUVEEN & CO. (INC.)</u>		<u>Bank of America, N.T. & S.A.</u>		<u>Blyth & Co., Inc.</u>	
	<u>Par Value</u>	<u>No. of Issues</u>	<u>Par Value</u>	<u>No. of Issues</u>	<u>Par Value</u>	<u>No. of Issues</u>
1970	\$ 56,640,000	8	\$30,456,000	6	\$ -0-	0
1969	17,900,000	5	14,250,000	2	10,615,000	3
1968	29,590,000	8	10,500,000	1	15,500,000	1
1967	25,535,000	6	16,500,000	1	15,700,000	3
1966	<u>10,135,000</u>	<u>3</u>	<u>-0-</u>	<u>0</u>	<u>5,400,000</u>	<u>2</u>
1966-1970	<u>\$139,800,000</u>	<u>30</u>	<u>\$71,706,000</u>	<u>10</u>	<u>\$47,215,000</u>	<u>9</u>

SCHEDULE OF BONDS UNDERWRITTEN IN ALASKA FOR THE YEARS 1966-1970, INCLUSIVE

<u>Date of Sale</u>	<u>Amount</u>	<u>Issuer and Purpose</u>	<u>Managing Underwriter(s)</u>
12/8/70	\$ 3,500,000	CITY OF ANCHORAGE Telephone Revenue Bonds	JOHN NUVEEN & CO. (INC.)
11/11/70	5,000,000	CITY OF ANCHORAGE Electric Utility Revenue, 1970A	JOHN NUVEEN & CO. (INC.)
10/15/70	3,750,000	GREATER ANCHORAGE AREA BOROUGH School, 1970 First Series	JOHN NUVEEN & CO. (INC.) Franklin National Bank
	2,780,000	GREATER ANCHORAGE AREA BOROUGH Sewer and Road, 1970 Series	JOHN NUVEEN & CO. (INC.) Franklin National Bank
10/7/70	29,095,000	ALASKA STATE HOUSING AUTHORITY State Lease Revenue, 1970 Project	JOHN NUVEEN & CO. (INC.) Merrill Lynch, Pierce, Fenner & Smith Lehman Brothers Phelps, Fenn & Co. Franklin National Bank
9/21/70	2,365,000	KETCHIKAN GATEWAY BOROUGH School Construction, Series 1970-A	Bank of America, N.T. & S.A. Merrill Lynch, Pierce, Fenner & Smith
9/16/70	4,000,000	CITY OF FAIRBANKS Municipal Utilities Revenue Improvements Series 1970A	duPont Glore Forgan Municipals, Inc. Piper, Jaffray & Hopwood, Incorporated
9/15/70	3,000,000	KENAI PENINSULA BOROUGH School-1970	Bank of America, N.T. & S.A. ✓ First Boston Corp. Merrill Lynch, Pierce, Fenner & Smith Kidder, Peabody & Co., Incorporated First National Bank of Denver
9/9/70	11,325,000	STATE OF ALASKA 1970, Series C	First National Bank of Anchorage (alone)
9/3/70	512,000 500,000 1,188,000	ANCHORAGE PUBLIC BUILDING CORPORATION 1970 Bonds (Private Placement) 1970 Bonds (Private Placement) 1970 Bonds (Private Placement)	National Bank of Alaska JOHN NUVEEN & CO. (INC.) Allstate Insurance Company

<u>Date of Sale</u>	<u>Amount</u>	<u>Issuer and Purpose</u>	<u>Managing Underwriter(s)</u>
8/11/70	\$10,000,000	GREATER ANCHORAGE AREA BOROUGH General Obligation School	JOHN NUVEEN & CO. (INC.)
8/4/70	260,000	CITY OF SITKA Fire Hall General Obligation	Marshall & Meyer, Inc.
	340,000	CITY OF SITKA Municipal Utilities Revenue	Marshall & Meyer, Inc.
6/17/70	12,900,000	STATE OF ALASKA 1970, Series B	The Chemical Bank, New York Seattle-First National Bank
6/9/70	2,000,000	CITY OF ANCHORAGE Water Revenue, 1970	JOHN NUVEEN & CO. (INC.)
6/5/70	275,000	CITY OF KENAI Electric Light and Power Revenue	Marshall & Meyer, Inc.
5/12/70	4,840,000	CITY OF ANCHORAGE General Purpose, 1970B	Bank of America, N.T. & S.A. ✓
4/14/70	6,000,000	CITY OF ANCHORAGE Telephone Revenue, Series 1970-A	Smith, Barney & Co., Inc. Halsey, Stuart & Co., Inc. Phelps, Fenn & Co., Inc.
3/11/70	2,000,000	GREATER SITKA BOROUGH School Building, 1970	Bank of America, N.T. & S.A. ✓
3/4/70	11,501,000	STATE OF ALASKA 1970, Series A	Bank of America, N.T. & S.A. ✓
3/2/70	2,635,000	KETCHIKAN GATEWAY BOROUGH School Construction, 1970	Foster & Marshall, Inc.
2/24/70	6,750,000	CITY OF ANCHORAGE General Purpose, 1970A	Bank of America, N.T. & S.A. ✓
12/9/69	3,000,000	CITY OF ANCHORAGE Electric Utility Revenue, 1970	JOHN NUVEEN & CO. (INC.)

<u>Date of Sale</u>	<u>Amount</u>	<u>Issuer and Purpose</u>	<u>Managing Underwriter(s)</u>
11/24/69	\$ 6,000,000	GREATER ANCHORAGE AREA BOROUGH School-1969 Second Issue, First Series	JOHN NUVEEN & CO. (INC.)
	3,000,000	GREATER ANCHORAGE AREA BOROUGH Sewer, 1969, Second Issue	Bank of the Commonwealth (alone)
	200,000	GREATER ANCHORAGE AREA BOROUGH Road, Series 1969	Kirchner, Moore & Co. (alone)
10/28/69	3,000,000	CITY OF ANCHORAGE Telephone Revenue, Series 1969	JOHN NUVEEN & CO. (INC.)
10/21/69	170,000	CITY OF SELDOVIA Sewer-1966	DIUD
10/15/69	900,000	GREATER JUNEAU BOROUGH Hospital	DIUD
9/17/69	8,200,000	STATE OF ALASKA 1969, Series C	First National Bank of Anchorage (alone)
	2,030,000	STATE OF ALASKA Series D	Commissioner of Education
7/1/69	10,500,000	STATE OF ALASKA Series B	Lehman Brothers Phelps, Fenn & Co. Franklin National Bank
6/3/69	2,900,000	CITY OF ANCHORAGE Water Revenue, Series C-1969	JOHN NUVEEN & CO. (INC.)
5/28/69	2,225,000	STATE OF ALASKA International Airports Revenue, Series B	White, Weld & Co.
5/26/69	4,000,000	GREATER ANCHORAGE AREA BOROUGH School, 1969, First Series	Blyth & Co., Inc. Seattle-First National Bank
	2,000,000	GREATER ANCHORAGE AREA BOROUGH Sewer, 1969, First Series	Blyth & Co., Inc. Seattle-First National Bank

<u>Date of Sale</u>	<u>Amount</u>	<u>Issuer and Purpose</u>	<u>Managing Underwriter(s)</u>
5/20/69	\$ 4,615,000	CITY OF ANCHORAGE General Purpose, 1969	Blyth & Co., Inc.
4/ /69	250,000	CITY OF SITKA Airport Terminal Building	Foster & Marshall, Inc.
4/2/69	8,500,000	STATE OF ALASKA 1969 Series A	Bank of America, N.T. & S.A.
2/27/69	5,750,000	ALASKA STATE HOUSING AUTHORITY State Lease Revenue (Courthouse Acquisition Project)	Bank of America, N.T. & S.A. Piper, Jaffray & Hopwood Kirchner, Moore & Co.
2/4/69	3,000,000	KENAI PENINSULA BOROUGH School-1969	Foster & Marshall, Inc. Franklin National Bank JOHN NUVEEN & CO. (INC.)
12/17/68	2,500,000	CITY OF ANCHORAGE Telephone Revenue, Series B	JOHN NUVEEN & CO. (INC.)
12/9/68	4,000,000	GREATER ANCHORAGE AREA BOROUGH Sewer, 1968 Second Series	JOHN NUVEEN & CO. (INC.) Franklin National Bank
11/26/68	4,940,000	ALASKA STATE HOUSING AUTHORITY State Lease Revenue (1968 Project)	JOHN NUVEEN & CO. (INC.)
11/26/68	1,000,000	CITY OF ANCHORAGE Water Revenue, Series B	DHUD
10/9/68	10,500,000	STATE OF ALASKA Improvement-1968, Series B	Bank of America, N.T. & S.A.
10/1/68	1,800,000	FAIRBANKS NORTH STAR BOROUGH School, Series B	Franklin National Bank Foster & Marshall, Inc.
9/25/68	3,650,000	GREATER ANCHORAGE AREA BOROUGH School, 1968 First Series	JOHN NUVEEN & CO. (INC.) Franklin National Bank
9/20/68	620,000	CITY OF KODIAK G.O.	Foster & Marshall, Inc.

<u>Date of Sale</u>	<u>Amount</u>	<u>Issuer and Purpose</u>	<u>Managing Underwriter(s)</u>
9/5/68	\$ 2,000,000	CITY OF KETCHIKAN Carlanna Sewer and Street Improvement, 1968	JOHN NUVEEN & CO. (INC.)
8/13/68	2,500,000	CITY OF ANCHORAGE Electric Utility Revenue	JOHN NUVEEN & CO. (INC.)
7/30/68	1,000,000	GREATER ANCHORAGE AREA BOROUGH Sewer, 1968 First Series	Dean Witter & Co. Merrill Lynch, Pierce, Fenner & Smith Stone & Youngberg
7/16/68	3,000,000	KENAI PENINSULA BOROUGH School-1968	Foster & Marshall, Inc. Franklin National Bank JOHN NUVEEN & CO. (INC.)
6/24/68	131,000	CITY OF HOMER Water System Extension	E.D.A.
6/17/68	72,000	CITY OF WRANGELL Hospital	E.D.A.
6/13/68	2,250,000	CITY OF FAIRBANKS Water & Sewer of 1968	Miller & Schroeder, Inc.
5/9/68	7,000,000	STATE OF ALASKA International Airports, Revenue, Series A	JOHN NUVEEN & CO. (INC.)
4/ /68	1,200,000	CITY OF PETERSBURG School, Series May 1, 1968	Boettcher and Company
4/16/68	1,790,000	CITY OF ANCHORAGE General Purpose, 1968	Ebin, Robertson & Co., Inc. Wm. R. Hough & Co., Inc. United Municipal Investment Corp. Miller & Schroeder, Inc.
3/27/68	15,500,000	STATE OF ALASKA 1968, Series A	First National City Bank Blyth & Co., Inc. First National Bank of Chicago Smith, Barney & Co., Inc.
3/6/68	2,200,000	GREATER JUNEAU BOROUGH School Construction-1968	Ebin, Robertson & Co., Inc. William R. Hough & Co., Inc.