

Leg. Finance - House & Senate Finance Comte Files (1973-74)	8879
SB 405 cont. ; 407, 423, 424, 425	303 303

Original sponsor: Health, Education and
Social Services Committee by request of the
Interim Committee on Pre-Higher Education

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 405

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 schools on military reservations;
7 and providing for an effective date."

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

9 * Section 1. AS 14.12.020(a) is amended to read:

10 (a) Operation of the state-operated school district is under the
11 management and control of the board of the state-operated schools. The
12 board of the state-operated schools manages and controls schools on
13 military reservations located within an organized borough until the
14 military mission [RESERVATION STATUS] is terminated or [AND, THEREAFTER,
15 so long as management and control by the state-operated schools is
16 approved by the Department of Education. However, operation of the
17 military reservation schools by a city or borough school district may be
18 required by the Department of Education under AS 14.14.110.

19 * Sec. 2. AS 14.14.110 is amended by adding a new subsection to read:

20 (b) The department may prescribe the terms and conditions of any
21 contract entered into under (a) of this section.

22 * Sec. 3. AS 14.14.170(a) is amended to read:

23 (a) There is established an advisory school board in each community
24 or military reservation served by a school [AND] operated by the state
25 or by a city or borough school district by contract with the state. If
26 the state-operated school has an average daily membership of less than
27 251 pupils, the advisory school board consists of three members. If the
28 average daily membership is more than 250 pupils, the advisory school
29 board consists of five members.

1 * Sec. 4. AS 14.14.170(b) is amended to read:

2 (b) Voters qualified under sec. 180 of this chapter, at an
3 election, may create an on-base advisory school board which may be
4 advisory to the governing body of the school district that operates
5 the on-base schools. The date of election for on-base advisory school
6 board members, where the schools are operated by a city or borough
7 school district by contract, shall be the same as that for the regular
8 municipal election in the contracting city or borough.

9 * Sec. 5. AS 14.14.180(a)(4) is repealed.

10 * Sec. 6. AS 29.33.050 is amended to read:

11 Sec. 29.33.050. EDUCATION. Each borough constitutes a borough
12 school district and establishes, maintains, and operates a system of
13 public schools on an areawide basis as provided in AS 14.14.060. A
14 military reservation within an organized borough is not part of the
15 borough school district until the military mission [RESERVATION STATUS]
16 is terminated or [AND, THEREAFTER,] until inclusion in the borough
17 school district is approved by the Department of Education. However,
18 operation of the military reservation schools by the borough school
19 district may be required by the Department of Education under AS 14.14.-
20 110.

21 * Sec. 7. AS 29.41.010(a) is amended to read:

22 (a) A third class borough shall exercise the areawide powers of
23 education and tax assessment and collection in the manner provided for
24 second class boroughs. Provisions of law relative to first and second
25 class organized boroughs apply with respect to third class boroughs
26 only to the extent they are consistent with this chapter. A military
27 reservation within an organized borough is not part of the borough
28 school district until the military mission [RESERVATION STATUS] is ter-
29 minated or [AND, THEREAFTER,] until inclusion in the borough school

1 district is approved by the Department of Education. However, opera-
2 tion of the military reservation schools by the borough school district
3 may be required by the Department of Education under AS 14.14.110.

4 * Sec. 8. AS 29.68.020 is amended to read:

5 Sec. 29.68.020. ANNEXATION OF MILITARY RESERVATIONS. A [NOTWITH-
6 STANDING THE PROVISIONS OF SEC. 3(d), CH. 52, SLA 1963, A] military
7 reservation may be annexed to a city or borough in the same manner as
8 prescribed for any other territory under sec. 10 of this chapter. If a
9 city within an organized borough annexes a military reservation under
10 this section, the territory encompassing the military reservation auto-
11 matically is annexed to the borough of which the city is a part.

12 * Sec. 9. The term of office of a member of the Board of Directors for
13 State-Operated Schools who is a resident of a military reservation whose
14 schools are operated by a city or borough school district in accordance with
15 a contract entered into under AS 14.14.110 by direction of the Department
16 of Education shall be terminated on the effective date of the contract.

17 * Sec. 10. When on-base schools are operated by a city or borough school
18 district by contract, the terms of office of those members of the on-base
19 advisory school board that would expire during the transitional period shall
20 be extended until the next regular municipal election provided for by
21 AS 14.14.170(b), as amended by sec. 4 of this Act.

22 * Sec. 11. Section 3(d), ch. 52, SLA 1963, is repealed.

23 * Sec. 12. This Act takes effect on the day after its passage and approval
24 or on the day it becomes law without approval.
25
26
27
28
29



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

4/26/89
Date

Committee Report

S E N A T E

2/21/74

_____ Date

Mr. President:

The Committee on FINANCE has had SB 407
g.o. bonds - Inst. of Marine Science
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

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

I. REQUEST

Bill Identification: All G.O. Bond Authorization Bills
 Title: _____
 Requested by: Jay Hogan Date: 2-20-74
 Return Date Requested: ASAP
 Agency: Administration Program: Debt Service

II. FISCAL DETAIL

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

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 Debt Service				15.0	45.0	60.0
TOTAL	--	--	--	15.0	45.0	60.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND				15.0	45.0	60.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Dollars above are per \$1 million. If, for instance, a \$30 million bond issue is being considered, the above amounts should be multiplied by 30.

IV. ATTACHMENTS

Assumptions and schedule for additional years

V. DATE: 2-26-74 PREPARED BY: M. R. Charney

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

MEMORANDUM

State of Alaska

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

DATE: February 22, 1974

FILE NO:

TELEPHONE NO:

FROM: Murray D. Snyder, Capital Planner
 Division of Budget and Management
 Department of Administration

SUBJECT: Future Year Cost Per 1.0
 Million New G.O. Bond
 Authorization

The effect of approval in FY 75 per each 1.0 million in new General Obligation Bond authorization on the debt amortization cost is approximately as follows:¹

Amount of Interest
 and Principal Due
 Per LM (in thousands)

FY 75	00.0
FY 76 (Interest only assuming 25% authorization issued)	15.0
FY 77 (Interest only assuming 75% auth. had been issued)	45.0
FY 78 (Interest only assuming 100% auth. had been issued)	60.0
FY 79 (Interest and principal payment)	64.7 ²
FY 80 (Interest and principal payment)	73.8
FY 81 (Interest and principal payment)	77.6
FY 82 (Interest and principal payment)	79.5
FY 83 (Interest and principal payment)	84.2
FY 84 (Interest and principal payment)	85.4
FY 85 (Interest and principal payment)	83.4
FY 86 (Interest and principal payment)	80.4
FY 87 - 95 (not computed)	

1. Assumed interest rate of 6%
2. Principal repayment amounts based on recent experience

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

I. REQUEST

Bill Identification: Senate Bill No. 407
 Title: Bonds for Capital Improvements for Marine Resources
 Requested by: SENATORS AND I. RAEBER Date: 2-21-74
 Return Date Requested: _____
 Agency: Education Program: University of Alaska

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Organized Research (Institute of Marine Science)
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES	1707.4	1781.5	2171.4	2637.5	3026.5	4097.6
200 TRAVEL	111.8	114.8	139.6	167.7	193.9	283.2
300 CONTRACTUAL	239.2	238.6	315.9	408.3	470.8	655.3
400 COMMODITIES	207.5	216.4	254.0	333.4	410.9	651.9
500 EQUIPMENT	189.8	193.5	238.1	374.6	398.4	353.2
OVERHEAD	350.0	371.5	440.0	513.0	607.1	753.5
Redistributed Overhead	108.0	108.0	111.4	132.0	153.9	194.1
Miscellaneous	76.4	82.8	102.7	114.4	125.7	142.5
TOTAL	2990.1	3107.1	3783.0	4681.0	5392.2	7151.4

B. FUNDING: (Thousands of dollars)

GENERAL FUND	507.9	531.0	702.0	1133.0	1317.7	1292.6
FEDERAL FUNDS & Industrial/1995.0	2063.5	2471.0	2838.0	3248.4	4852.2	
OTHER Overhead & Sales	487.2	512.6	610.0	710.0	826.1	1006.6

C. POSITIONS:

PERMANENT/TEMPORARY	100 / 2	100 / 2	100 / 2	109 / 2	117 / 2	141 / 2
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

See attachments.

IV. ATTACHMENTS

V. DATE: 28 February 1974

PREPARED BY: 

K.M. Rae
 Vice President for Research

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

UNIVERSITY OF ALASKA

Fiscal Note; Senate Bill No. 407

III. ANALYSIS:

The numbers entered under Fiscal Detail represent current and projected total expenditures on operations by the Institute of Marine Science (State appropriation, overhead recoveries and restricted funds) throughout the State. The work conducted at the facilities will be integral parts of the Statewide marine resource program and to separate the logistic costs of the facilities without respect to research program costs might be misleading.

The following assumptions are made in developing the projections: a) the Seward facility will be operational by July 1, 1976, b) the Petersburg facility will be operational by July 1, 1977, c) a large oceanographic research vessel, acquired and supported by federal funds, will be based at Seward by July 1, 1978, and d) 50% of program and logistic costs at the facilities will be found from non-State sources after the first year.

The scientific program to be carried out at each of these facilities is described in "A Brief On Coastal Marine Facilities for the University of Alaska." A document giving much greater detail is available on request.

To carry out these scientific and administrative functions the following new positions are projected:

Title	SEWARD		Year Starting	PETERSBURG	
	Personnel Costs	Year Starting		Title	Personnel Costs
Professor (Marine Biologist)	34,500	76	Professor (Station Director)	34,500	76
Asst. Prof. (Mar. Geneticist)	22,060	76	Assoc. Prof. (Aquacult. Biol)	27,600	77
Asst. Prof. (Mar. Biologist)	22,060	76	Asst. Prof. (Bio-chemist)	22,060	77
Technician (Chemist)	16,215	76	Technician (Biologist)	16,215	77
Technician (Biologist)	16,215	76	Technician (Chemist)	16,215	77
Laboratory Asst.	10,452	76	Laboratory Asst.	10,452	77
Personal Secretary	10,452	76	Support Engineer	16,839	77
Boat Operator	16,839	76	Administrative Secretary	10,835	77
Vessel Crew (24 Positions) (Restricted)		79	Boat Operator	16,839	77

Other costs include equipment for laboratories, (FY77 100.0, FY78 100.0) station operations costs (approx. 43.0 per year per station) and boat operation costs (approx. 30.5 per vessel per year). Scientific costs are figured at \$4.3 per year per scientific position.

A BRIEF ON
COASTAL MARINE FACILITIES FOR THE UNIVERSITY OF ALASKA

The University of Alaska is in need of coastal marine facilities to carry out its programs in oceanography, marine biology, aquaculture, marine resources development and marine affairs. The general obligation bonds under consideration in Senate Bill No. 407 would be used to develop high priority facilities needed in Seward for oceanography and marine biological investigations and needed in Petersburg for aquaculture experimentation and development.

The programs of the University that these facilities will support are: (1) oceanographic research and training in physical, chemical, biological and geological oceanography with emphasis on the Alaskan continental shelves; (2) effects of pollutants on marine life; (3) development of technology for waste utilization in producing commercial products including fish food for aquaculture; (4) marine biological studies on growth, and pathology of potentially commercial fish, shellfish and marine plants; (5) marine genetic studies leading to improved animal and plant characteristics for aquaculture development and traditional fisheries; (6) nutritional studies related to hatchery and saltwater rearing technology; (7) studies on clam toxicity including development of a chemical assay procedure and (8) studies of natural marine products leading to commercial utilization.

The facilities to be provided by Senate Bill No. 407 for Seward are: (a) a 260 ft deep water dock - \$600,000; (b) acquisition of 5 acres of land - \$55,000; (c) a 10,000 ft² research-teaching laboratory building - \$1,000,000; (d) a 65 ft research-fishing vessel - \$100,000; (e) living facilities for 12 transient faculty and students - \$145,000; (f) a 3,000 ft² portable laboratory complex - \$100,000. The total cost of facilities at Seward is \$2,000,000.

Petersburg facilities are: (a) a laboratory building complex 10,000 ft² - \$1,000,000; (b) renovation of existing building at the Petersburg Fur Farm site - \$80,000; (c) construction of a running seawater system - \$40,000; (d) a 65 ft research-fishing vessel - \$100,000; (e) a laboratory-field culturing system consisting of tanks, gravel hatcheries and rearing pens for marine species - \$70,000; (f) a dock for the research-fishing vessel and smaller craft - \$60,000; (g) an impoundment in Pybus Bay and associated living and laboratory facilities - \$400,000. The total cost of the facilities at Petersburg is \$1,750,000.

SUMMARY BUDGET FOR PHASES I & II AT SEWARD AND PETERSBURG

Seward.

Phase I

Dock (260 ft)	\$ 600,000
Research Laboratory (10,000 ft ²)	1,000,000
Land Acquisition (5 acres, Lt. 5, Blks. 1, 2, & 3)	55,000
Research-Fishing Vessel (65 ft)	100,000
Living Facilities (12 persons)	145,000
Portable Laboratory (3,000 ft ²)	100,000
	<hr/>
Phase I Total	\$2,000,000

Petersburg

Phase I

Laboratory Building Complex (10,000 ft)	\$1,000,000
Renovation of Existing Facilities	80,000
Seawater System (pumps, filters, and 2,000 ft of 4" line)	40,000
Research-Fishing Boat (65 ft)	100,000
Laboratory-Field Culturing System	70,000
Shore-Side Dock Facility (for 65 ft boat and small craft)	60,000
Pybus Bay Impoundment Site & Facilities	400,000
	<hr/>
Total	\$1,750,000

Seward

Phase II

Research Aquarium Building	
a. Styrene Dome	\$ 100,000
b. Support Wall and Basement	500,000
c. Aquarium Tanks and Machinery	500,000
	<hr/>
	\$1,100,000
Additional Living Facilities	290,000
	<hr/>
Total	\$1,390,000

Introduced: 2/21/74
Referred: Finance

1 IN THE SENATE

BY KERTTULA AND T. MILLER

2 SENATE BILL NO. 407

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$3,750,000 for the purpose
8 of paying the cost of capital improvements for research
9 in the development, management, and protection of
10 marine resources; and providing for an effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for research in the development, management, and protection of marine
14 resources, general obligation bonds of the state in the principal amount of
15 not more than \$3,750,000 shall be issued and sold. The full faith, credit
16 and resources of the state are pledged to the payment of the principal of
17 and interest and redemption premium, if any, on these bonds. These bonds
18 shall be issued under the provisions of AS 37.15 as those provisions read
19 at the time of issuance.

20 * Sec. 2. If the issuance of these bonds is authorized by the qualified
21 voters of the state, a special fund of the state to be known as the "1974
22 Marine Resources Research Fund" shall be established, to which shall be
23 credited the proceeds of the sale of the bonds described in sec. 1 of this
24 Act except for the accrued interest and premiums. There is appropriated
25 from the "1974 Marine Resources Research Fund" to the Department of Public
26 Works the sum of \$3,750,000. The proceeds of these bonds shall be allocated
27 as follows:

28 (1) acquiring, constructing, and equipping a marine station at
29 Seward: \$2,000,000;

1 (2) acquiring, constructing, and equipping a marine station in
2 Southeast Alaska: \$1,750,000.

3 * Sec. 3. If the issuance of these bonds is authorized by the qualified
4 voters of the state, the amount of \$13,125 or as much of that amount as is
5 found necessary is appropriated from the general fund of the state to the
6 state bond committee to carry out the provisions of this Act and to pay
7 expenses incident to the sale and issuance of the bonds authorized in this
8 Act. The amounts expended from the appropriation authorized by this section
9 shall be reimbursed to the general fund from the proceeds of the sale of
10 the bonds authorized by this Act.

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

14 Proposition

15 State General Obligation Marine Resources

16 Research Bonds \$3,750,000

17 Shall the State of Alaska issue its general obligation bonds
18 in the principal amount of not more than \$3,750,000 for the
19 purpose of paying the cost of capital improvements for
20 research in the development, management, and protection of
21 marine resources?

22 Bonds Yes []

23 Bonds No []

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

Introduced: 2/21/74
Referred: Finance

1 IN THE SENATE

BY KERTTULA AND T. MILLER

2 SENATE BILL NO. 407

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obligation
7 bonds in the amount of \$3,750,000 for the purpose
8 of paying the cost of capital improvements for research
9 in the development, management, and protection of
10 marine resources; and providing for an effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for research in the development, management, and protection of marine
14 resources, general obligation bonds of the state in the principal amount of
15 not more than \$3,750,000 shall be issued and sold. The full faith, credit
16 and resources of the state are pledged to the payment of the principal of
17 and interest and redemption premium, if any, on these bonds. These bonds
18 shall be issued under the provisions of AS 37.15 as those provisions read
19 at the time of issuance.

20 * Sec. 2. If the issuance of these bonds is authorized by the qualified
21 voters of the state, a special fund of the state to be known as the "1974
22 Marine Resources Research Fund" shall be established, to which shall be
23 credited the proceeds of the sale of the bonds described in sec. 1 of this
24 Act except for the accrued interest and premiums. There is appropriated
25 from the "1974 Marine Resources Research Fund" to the Department of Public
26 Works the sum of \$3,750,000. The proceeds of these bonds shall be allocated
27 as follows:

28 (1) acquiring, constructing, and equipping a marine station at
29 Seward: \$2,000,000;

COMMITTEE COPY

1 (2) acquiring, constructing, and equipping a marine station in
2 Southeast Alaska: \$1,750,000.

3 * Sec. 3. If the issuance of these bonds is authorized by the qualified
4 voters of the state, the amount of \$13,125 or as much of that amount as is
5 found necessary is appropriated from the general fund of the state to the
6 state bond committee to carry out the provisions of this Act and to pay
7 expenses incident to the sale and issuance of the bonds authorized in this
8 Act. The amounts expended from the appropriation authorized by this section
9 shall be reimbursed to the general fund from the proceeds of the sale of
10 the bonds authorized by this Act.

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

14 Proposition

15 State General Obligation Marine Resources

16 Research Bonds \$3,750,000

17 Shall the State of Alaska issue its general obligation bonds
18 in the principal amount of not more than \$3,750,000 for the
19 purpose of paying the cost of capital improvements for
20 research in the development, management, and protection of
21 marine resources?

22 Bonds Yes []

23 Bonds No []

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

Ker Hale

ABSTRACT OF

A prospectus for the
SEWARD MARINE STATION

and its relationship to the
Programs and Goals
of the
Institute of Marine Science

February 1974

Prepared by Faculty and Staff
Institute of Marine Science
University of Alaska, Fairbanks

In this prospectus we members of the staff of the Institute of Marine Science wish to state our conceptual plan for a marine station calculated to provide support for our present and proposed programs of oceanic research, both in pursuit of new basic knowledge of the seas and of that which seeks answers to practical problems, and for expression of that new understanding in a more effective educational program. It is our conviction that the development of an expanded shore marine station at Seward will fully justify its cost in the return of enhanced oceanographic capability, improved training for local and national needs and in the generation of new research programs in fields of enterprise which command our attention. The new facility will complement our headquarters base on the Fairbanks campus which, because of the geography of the state and the demand for endeavors on all our shores, as well as our need for interaction with our colleagues, must remain at the site of major university research commitment.

As an institute dedicated to the marine sciences, the most productive thrust of our activities requires deep involvement in interdisciplinary programs which are physical, chemical, geological and biological in nature. All of these aspects of our activities need the support obtainable only from reliable operation at sea aboard oceanographic ships. Our present ship base at Seward has at that site a hospitable and convenient harbor for its operations, but the docking and shore-side facilities at our station are in an unuseable state of disrepair resulting from the earthquake of ten years ago. Our ship ACONA is a superb and efficient research vessel for

coastal work, but it is not up to the task of operating effectively at all seasons in the rough seas of the Gulf of Alaska, and for seasonal work in the Bering, Chukchi and Beaufort Seas, including limited sea ice capability. We wish to prepare our station for the adequate docking of ACONA as well as for operations with oceanographic ships from visiting institutions and for our own future bigger ships.

The new dock will complete the ship support facilities, warehouse and shop, which already exist at Seward and will accordingly much improve our ability to sustain the essential ocean-going activities of the institute. The laboratories of the proposed new shore station, while not excluding other disciplines when their dock-side laboratory work requires appropriate space, will be devoted primarily to marine biology. In this capacity they can serve as shore-side laboratories for other branches of the university and will be available for use by state agencies as needed. Particularly this laboratory can serve as a base for new university enterprises in the fields of fisheries and mariculture.

The State of Alaska is unique among the states of the Union in the richness of the living marine resources along its coasts and in its offshore waters. Those resources, which could be perpetually renewable and a source of economic plenty forever if soundly and scientifically managed, are today facing a crisis of overuse, abuse and decline. The reasons for the present condition and its further predictable sequel are many and complex. Some will require resolution at international conference tables. Others have their origin in our lack of knowledge and understanding of the fundamental biology of the species sought and of the vital inter-relationships of those species with others in the marine web of life.

Other immediate problems which relate to marine biology and which demand our attention are those associated with impact on the marine environment. These include petroleum and mineral exploitation, management of fishery and industrial waste products and the protection of recreational resources.

We hope to convince the State of Alaska of the wisdom of initiating a major expansion in its programs for the development and management of its valuable marine resources. We believe that goal can be achieved in part through support of the Institute of Marine Science in its development of these facilities which will utilize the scientific competence within the Institute, the University, the State and Federal agencies.

The total cost of the projected long-range capital improvements at Seward would be 4.7 million dollars. The Institute of Marine Science initially seeks two million dollars for that development. The immediate needs are: improved dock facilities, a research building, living accommodations, a mobile laboratory and a ^{RESEARCH} fishing boat. We further request 1.75 million dollars for aquaculture development in Southeast Alaska.

We recommend a bill with the title "Capital improvements for research in the development, management, and protection of ~~marine~~ marine resources" to provide general obligation bonds in the extent of 2 million dollars for Seward and 1.75 million dollars for Southeast Alaska. The short title of the bill could be "Marine Facilities".

BUDGET

PHASE I, New Facilities at Seward Marine Station - 2 Million Dollars

dock improvements, road, research building, living quarters for graduate assistants, mobile laboratory, and a research fishing boat

PHASE II, New Facilities at Seward Marine Station - 2.7 Million Dollars

research aquarium, additional living quarters, additional mobile laboratories, and a larger research vessel

PHASE I, Aquaculture Facilities in Southeast Alaska - 1.75 Million Dollars

detail being developed

*Est. 900,000 additional dock roads for state use -
might be attached to Algea's bond bill - Spending
should work on this*

ALASKA STATE LEGISLATURE

THIRTIETH Legislature SECOND Session

SENATE BILL..... NO. 407...

By ...BERTHOLD AND T. MILLER...

"An Act providing for the issuance of general obligations bonds in the amount of \$3,750,000 for the purpose of paying the cost of capital improvements for research development, management, and protection of marine resources; and providing for an effective date."

G.O. bonds Inst. Marine Science

Introduced in the Senate .. 2/21, 1974.

HISTORY IN THE SENATE

19	74	Read first time and referred to Committee on Finance
2	21	Reported back with recommendation that
		Read second time and
		Read third time and
		PASS : Yeas : Nays : Absent : Excused
		Effective Date
		PASS : Yeas : Nays : Absent : Excused
		Reported correctly engrossed Signed by President 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

Introduced: 2/25/74
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY CROFT, HENSLEY, SACKETT,
T. MILLER AND THOMAS

2 SENATE BILL NO. 423

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 grants-in-aid for alcoholic
7 rehabilitation and prevention."

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

9 * Section 1. AS 47.30.475(c) is amended to read:

10 (c) Grants shall be awarded in a ratio of 90 [75] per cent state
11 money to 10 [25] per cent community money for the purpose of providing
12 staff, and in the ratio of 90 [25] per cent state money and 10 [25] per
13 cent community money for the purposes of providing limited improvement,
14 renovation or new construction of facilities for alcoholic detoxifica-
15 tion, rehabilitation or "half-way house" care. [NO GRANT FOR IMPROVING,
16 RENOVATING OR CONSTRUCTING MAY EXCEED \$50,000 EXCEPT WHEN THERE IS A
17 LACK OF APPLICANTS FOR AVAILABLE MONEY AND THEN ONLY WITH THE APPROVAL
18 OF THE ADVISORY BOARD ON ALCOHOLISM.] The department is not required
19 to award all money available under this program, or the full percentage
20 specified in this subsection, when another source of money is available
21 or could reasonably be made available to the applicant.

22

23

24

25

26

27

28

29

Introduced: 2/25/74
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY CROFT, HENSLEY, SACKETT,
T. MILLER AND THOMAS

2 SENATE BILL NO. 423

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 grants-in-aid for alcoholic
7 rehabilitation and prevention."

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

9 * Section 1. AS 47.30.475(c) is amended to read:

10 (c) Grants shall be awarded in a ratio of 90 [75] per cent state
11 money to 10 [25] per cent community money for the purpose of providing
12 staff, and in the ratio of 90 [25] per cent state money and 10 [25] per
13 cent community money for the purposes of providing limited improvement,
14 renovation or new construction of facilities for alcoholic detoxifica-
15 tion, rehabilitation or "half-way house" care. [NO GRANT FOR IMPROVING,
16 RENOVATING OR CONSTRUCTING MAY EXCEED \$50,000 EXCEPT WHEN THERE IS A
17 LACK OF APPLICANTS FOR AVAILABLE MONEY AND THEN ONLY WITH THE APPROVAL
18 OF THE ADVISORY BOARD ON ALCOHOLISM.] The department is not required
19 to award all money available under this program, or the full percentage
20 specified in this subsection, when another source of money is available
21 or could reasonably be made available to the applicant.
22
23
24
25
26
27
28
29

ALASKA STATE LEGISLATURE

EIGHTH Legislature SECOND Session

SENATE BILL..... NO. 423...

By CROFT, HENSLEY AND SACKETT,
T. MILLER AND THOMAS

"An Act relating to grants-in-aid for alcoholic rehabilitation and prevention."

grants alcoholism

Introduced in the Senate .. 2/25, 19 74

HISTORY IN THE SENATE

19 74

2

25

Read first time and referred to Committee on

Health, Education and Social Services and Finance

Reported back with recommendation that *Hess*

7 forward

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.

COMMITTEE REPORT

SENATE

3/6/74

Mr. President:

Date _____

The Committee on FINANCE has had SB 423
grants-in-aid for alcoholic rehabilitation and prevention
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

S E N A T E

FINANCE

2/25/74

3-6-74

Date

Mr. President:

The Committee on HESS has had SB 423
grants-in-aid for alcoholic rehabilitation and prevention
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:

Stanley D. [Signature] _____
John [Signature] _____
W. [Signature] _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

L. Thomas recommends: Pass only if SB-424 passes
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

L. Thomas
CHAIRMAN



RECORDS



CERTIFICATION

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

James O. Smith
Signature of Camera Operator

4/26/89
Date

COMMITTEE REPORT

3/19/74

SENATE

Mr. President:

Date _____

The Committee on FINANCE has had SB 424
EXCISE TAX ON INTOXICATING LIQUORS
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

S E N A T E

FINANCE

2/25/74

March 18, 1974 Date

Mr. President:

The Committee on STATE AFFAIRS has had SB 424
excise tax on intoxicating liquors
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 SB 424 and that
CS for SB 424 do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

*new title
(aff date
added)*

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Jess Harris</u>	<u>DO PASS</u>	_____
<u>Bill Kay</u>	<u>NO REC</u>	_____
<u>Rich Reddy</u>	<u>Do pass</u>	_____
<u>Ken Hurl</u>	<u>NO REC</u>	_____
<u>Keith H. Miller</u>	<u>Do Pass</u>	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

Keith H. Miller
CHAIRMAN

Offered: 3/19/74
Referred: Finance

Original sponsor: K Miller by request

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 424

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 the excise tax on intoxicating
7 liquors; and providing for an effective date."

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

9 * Section 1. AS 43.60.010(a) is amended to read:

10 [(a)] Every brewer, distiller, bottler, jobber, retailer, whole-
11 saler, [OR] manufacturer or other consignor who sells intoxicating
12 liquors in the state or who consigns shipments of intoxicating liquors
13 into the state, whether or not the liquors are brewed, distilled,
14 bottled, or manufactured in the state, shall pay on all malt beverages
15 (alcoholic content of one per cent or more by volume), wines, and hard
16 or distilled liquors, the following taxes: (1) malt beverages at the
17 rate of 25 cents a gallon or fraction of a gallon; (2) wine or other
18 liquor of 21 per cent alcohol by volume or less, at the rate of 60 cents
19 a gallon or fraction of a gallon; and (3) other liquors having a content
20 of more than 21 per cent alcohol by volume at the rate of \$4 a gallon.

21 * Sec. 2. AS 43.60.010(b) is repealed.

22 * Sec. 3. AS 43.60.020 is amended by adding new subsections to read:

23 (c) Each brewer, distiller, bottler, jobber, wholesaler, manu-
24 facturer, or other consignor is entitled to a credit for excise taxes
25 paid on alcoholic beverages which have been sold and delivered to a
26 United States government operated vessel for ship's stores, ship's
27 service stores, and to a post exchange, officers club, noncommissioned
28 officers club, or club maintained for enlisted personnel, and to other
29 authorized beverage dispensers on a military, naval, air force or

1 governmental reservation in the state upon furnishing proof in the form
2 of signed and certified invoices evidencing sales to a military, naval,
3 air force or governmental liquor dispensary. If the alcoholic beverages
4 are sold and delivered directly to a governmental agency or instrumen-
5 tality set out in this subsection without going through a warehouse
6 located in this state, then a bill of lading shall be attached to the
7 invoices.

8 (d) Upon receipt of the monthly statement, the department shall
9 promptly allow credit to the account of, and issue a notice showing
10 the amount of credit allowed to, the brewer, distiller, bottler,
11 jobber, wholesaler, manufacturer, or other consignor for that portion
12 of the excise taxes which have been paid on sales which are exempted
13 under (c) of this section.

14 (e) To obtain the excise tax credit provided for in this section,
15 the claimant shall certify in the monthly statement as to the truth-
16 fulness of the invoice and quantities upon which the claim to the
17 credit is based. No credit may be claimed or allowed on account of
18 sales made to civilian clubs or stores located on military, naval, air
19 force, or governmental reservations.

20 * Sec. 4. AS 43.60.040(a) is amended to read:

21 (a) Each brewer, distiller, bottler, jobber, wholesaler, or manu-
22 facturer is primarily liable for the payment of the excise taxes on
23 liquors sold, and shall furnish a good and sufficient surety bond of
24 \$25,000 payable to the Department of Revenue and approved by the
25 Department of Law. If a wholesaler fails to pay the tax to the state
26 he forfeits the bond and his license shall be revoked. The department,
27 in its discretion, may issue permits in place of bonds to resident
28 holders of general wholesale, or wholesale malt beverage [,] and wine
29 licenses doing business wholly in the state who pay the tax before

1 * Sec. 5. For the purpose of this Act the inventory of intoxicating
2 liquors subject to the excise tax under AS 43.60 shall be taken in
3 accordance with AS 43.60.020(a) on the last day of the month in which the
4 Act is passed and approved, or on the last day of the month in which the
5 Act becomes law without approval. The inventory required by this section
6 shall be taken by a certified public accountant. The excise tax is due
7 and payable on the last day of the following month in accordance with
8 AS 43.60.020(b). "In transit" merchandise is taxable on the effective date
9 of this Act.

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

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Introduced: 2/25/74
Referred: State Affairs and
Finance

1 IN THE SENATE

BY K. MILLER BY REQUEST

2 SENATE BILL NO. 424

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 the excise tax on intoxicating
7 liquors."

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

9 * Section 1. AS 43.60.010(b) is amended to read:

10 (b) The tax imposed in (a) of this section may not be levied on
11 consigned shipments of intoxicating liquors into the state if the
12 consignments are to bonded warehouses in this state until the intoxi-
13 cating liquor is removed from the bonded warehouse for sale or con-
14 signment to retailers.

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

I. REQUEST

Bill Identification: CSSB 424
 Title: Excise Tax on Intoxicating Liquors
 Requested by: Jay Hogan Date: March 20, 1974
 Return Date Requested: March 28, 1974
 Agency: Revenue Program: Excise Taxes

II. FISCAL DETAIL

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

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES		27.4	29.7	31.5	33.4	35.1
200 TRAVEL		2.7	2.9	2.9	3.0	3.0
300 CONTRACTUAL		1.5	1.6	1.6	1.7	1.7
400 COMMODITIES		.2	.2	.3	.3	.3
500 EQUIPMENT		1.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		33.3	34.4	36.3	38.4	40.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND		33.3	34.4	36.3	38.4	40.1
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT	EMPORARY					
MAN MONTHS	(P./T.)	/	2 /	2 /	2 /	2 /
		/	24 /	24 /	24 /	24 /

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

See Memo Attached

IV. ATTACHMENTS

See Schedule Attached

V. DATE: March 28, 1974

PREPARED BY: 

R. D. Stevenson
Commissioner of Revenue

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

CS FOR SENATE BILL NO. 424, an Act relating to the excise tax on intoxicating liquors

Section 1

Will clarify and broaden the definition of persons or firms liable for payment of the alcoholic beverage excise tax.

Section 2

Would repeal AS 43.60.010(b) which presently permits payment of the alcoholic beverage excise taxes at the time of sale or consignment from Alaskan warehouses to retailers.

This optional method of payment of the tax could be commonly called the "sales basis" as opposed to a tax payable at the time of shipment or consignment into the state.

Of the 31 license states (as opposed to the monopoly states such as the State of Washington) 16 states and the District of Columbia provide for payment of the alcoholic beverage excise tax after sale in the state rather than requiring payment upon receipt in the state, which may include requiring stamps to be affixed to the bottles at the bottling plant. Please refer to the attached letter from the State and Local Tax Manager of the National Distillers and Chemical Corporation listing the states that employ the "sales basis" of liquor tax collection.

At present the State of Alaska receives Alcoholic Beverage Excise Tax revenue from the major wholesalers as follows:

<u>Name of Wholesaler</u>	<u>Warehouse Locations</u>	<u>Method of Reporting Tax</u>
Alaska Distributors Co.	Seattle Anchorage Fairbanks	Sales basis out of Alaska Warehouses with pre- payment on drop shipments from Seattle (Per Ch. 61, SLA 1971 - effective July 1, 1971) change from shipment basis made January 1, 1972
K & L Distributors, Inc.	Bellevue Anchorage Fairbanks Soldotna Juneau (Beer only)	Sales basis out of Alaska Warehouses with pre- payment on drop shipments from Bellevue (Per Ch. 61, SLA 1971 - effective July 1, 1971 change from shipment basis July 1, 1971

West Coast Distributors, Inc.	Seattle Anchorage Fairbanks Juneau (Beer only)	Sales basis out of Alaska Warehouses with pre- payment on drop shipments from Seattle (Per Ch. 61, SLA 1971 - effective July 1, 1971) change from shipment basis March 1, 1972
Odom Company	Seattle Anchorage Fairbanks Juneau (Beer only)	Shipment basis out of Seattle Warehouse
Service Transfer, Inc.	Sitka (Beer only)	Shipment basis
West Coast Grocery Co.	Ketchikan (Beer only)	Shipment basis

The three distributors that opted to pay on the basis of sales or consignments from Alaskan warehouses to retailers still continue to make pre-payment on drop shipments to Alaska retailers. An example of this type of transaction would be direct shipments of liquor to southeastern Alaska retailers and to remote areas in which cases Alaska liquor warehouses are not maintained.

It was brought to the attention of the joint Senate and House State Affairs Committee at the hearing held on March 12, 1974 that the "sales basis" which permits, in part, wholesalers to pay the tax on sales rather than imports that several direct advantages accrue to the state and its political subdivisions as a result of adopting the sales basis as an alternate method of payment of the alcoholic beverage excise taxes. They are as follows:

1. Larger inventories in warehouses in the state opposed to those carried in the State of Washington would increase employment and payroll in Alaska subject to the Alaska Net Income Tax. Payroll in Alaska for the three wholesalers who opted to pay on the sales basis increased from \$809,000 in 1970 to \$976,000 in 1972.

2. Larger inventories in Alaska warehouses and a larger payroll in Alaska affects the computation of the corporation income tax liabilities of firms that do business both within and without Alaska. The State of Washington does not levy income taxes.

- A. A three factor formula consisting of ratios of (a) sales within Alaska to total sales; (2) property and inventories within Alaska to total property and inventories, and (3) payroll within Alaska to total payroll is used in determining a final percentage ratio to be applied against the total net income of corporations doing business both within and without Alaska.

B. Higher ratios of inventory and warehouse properties in Alaska and higher ratios of payroll in Alaska increase the corporation income tax payable to the State of Alaska. Again, it is to be pointed out that the State of Washington does not levy an income tax.

C. Attached is a copy of a memorandum dated March 12, 1974 from Frederick P. Boetsch, Director, Audit Division, concerning the aforementioned apportionment of taxable income in Alaska's Wholesale Liquor Distributor Industry.

3. On the local level certain political subdivisions levy a personal property tax on inventories - increased inventories maintained in Alaska warehouses would increase local personal property tax revenues.

During the March 12, 1974 meeting of the joint Senate and House State Affairs Committee, the writer and Steffen Andersen, Director, Excise Tax Division of the Department of Revenue, were originally requested to appear for a review of Senate Bill No. 424, copy of which is attached, relating to bonded warehouses.

After a short discussion on the original bill upon which the joint Committees were advised that no state of the 31 license states employed bonded warehouses from the advice of the Distilled Spirits Institute, discussion then lead to the first draft of CS for Senate Bill No. 424 which provided for a repeal of AS 43.60.010(b) and a re-establishment of credits for sales of intoxicating beverages to the military.

A number of questions arose during the meeting concerning statistics and narrative contained in pages 1 and 2 of the document entitled "Revenue Sources - Alaska 1973-79" as related to the implementation and operation of the provisions of Chapter 61, SLA 1971 which permitted the "sales basis" as an optional method of payment of the alcoholic beverage excise tax.

Attached are copies of letters addressed to the Honorable Edward F. Naughton, and the Honorable John Huber, both members of the House State Affairs Committee in replies to their requests for specific information related to gallonage statistics, revenue collections and tax payments made by the industry as a whole. The material contained along with necessary schedules should clarify or answer similar questions that might be raised by the Senate Finance Committee.

In the way of general review of other Excise Taxes, the Excise Tax on Highway Fuel, Aviation Fuel and Marine Fuel, which amounted to \$12,400,000 during the fiscal year 1972-73, were paid on a sales basis by the major oil companies. This has always been the case.

In 1964 the original Cigarette Tax Act, AS 43.50.010 - 43.50.190 was amended by Chapter 47, SLA 1964 to provide for a wholesaler distributor license wherein cigarette wholesalers in Alaska could pay the Cigarette Tax on sales rather acquired basis PROVIDED that the wholesaler-distributor furnished the Department of Revenue a good and sufficient surety bond in an amount equal to twice the average monthly return and in no case less than \$5,000.

We advised the members of the joint meeting of the Senate and House Finance Committee at the March 12, 1974 hearing that because of the recent incident regarding the illegal importation by an independent trucker of Coors beer into Alaska and an in house report from a Revenue Auditor in the Excise Tax Division who is assigned to administering and auditing the Alcoholic Beverage Excise Tax returns as to our present audit capability and surveillance that we were preparing a revised budget request for the Excise Tax Division to be submitted for consideration to the House and Senate Finance Committees. Such revised budget request was to permit the hiring of two additional Revenue Auditors for field work to periodically inspect inventories of all warehouses located in Alaska and Seattle and to check on seastore liquors purchased in Seattle where possible resale infractions might occur in Alaska and also to check valuable cargo manifests in Seattle for unauthorized shipments.

The Department of Revenue with certain few exceptions had been operating in the past two years on maintenance level budgets but has offered, along with the aforementioned, other revenue intensive audit and enforcement programs in its 1975 budget request.

Revised budget requests for the Excise Tax Division were transmitted to the Senate and House Finance Committees on March 14, 1974 for additional Revenue Auditors for the Alcoholic Beverage Excise Tax section.

If AS 43.60.010(b) was repealed the state would from a Treasurer's standpoint receive its payment of the Alcoholic Beverage Excise Tax upon shipment or consignment into Alaska in advance of sales, much like the Alaska Income Tax which is withheld from wages or estimated by self employed individuals in advance of the final computation of the actual tax due. The auditing problems considering the bill as a whole to include the reestablishment of the credits allowed for sales to the military would not appreciably diminish as will be covered in a review of Section 3 of the bill, and in the fiscal note.

There would be a one time windfall tax of up to \$468,000 dependent upon the size of inventories of intoxicating beverages maintained in Alaska warehouses for which tax had not been paid pursuant to Section 5 of the bill. This will be covered in a review of Section 5 of the bill.

Revenues from the alcoholic beverage excise tax collected during the fiscal year, not including liquor licenses or liquor license fees, amounted to \$5,234,678.10 during the fiscal year 1972-73 as compared with \$4,837,000 collected during the fiscal year 1971-72 for an increase of \$397,000 or a percentage gain of 8.20%.

During the fiscal year 1972-73 net collections of all taxes and license fees collected by the Department of Revenue amounted to \$104,984,243.15, as compared with \$97,500,620.88 collected during the fiscal year 1971-72, or a percentage gain overall of 7.68%.

During the first eight months of fiscal year 1973-74 revenues from the alcoholic beverage excise tax amounted to \$4,042,000 as compared with \$3,766,000 collected during the first eight months of fiscal year 1972-73, a gain of \$276,000 or a percentage gain of 7.32%.

During the first eight months of fiscal year 1973-74 net collections of all taxes and license fees collected by the Department of Revenue amounted to \$73,546,935.30 as compared with \$71,100,162.95 collected during the first eight months of fiscal year 1972-73, a gain of \$2,446,772.35, or a percentage gain overall of 3.44%.

From these statistics it would appear that the employment of the "sales basis" as an optional method of taxation of alcoholic beverages has been in line with the general growth in overall revenues.

The reenactment of the "shipment basis" of taxation vs. the optional "sales basis" will have to be weighed by the legislature in light of narrative to this point and to be covered in Section 5 of the bill.

Section 3

Provides for reestablishment of the credit allowed for sales to the military that was repealed by Chapter 72, SLA 1971. Such legislation was passed in 1971 after receiving a letter dated October 9, 1967 from Colonel Frank O. House USAF, Staff Judge Advocate, Headquarters, Alaskan Command which declined the Department of Revenue's request to permit audit of the federal instrumentalities involved with certain minor exceptions. A copy of such letter is attached.

During the period up through 1967 the Department of Revenue was permitted by Military and Naval Commanders to visit all bases in Alaska and verify the receipt and payment therefor of all sales to the military for which excise tax had been claimed by Alaskan wholesalers.

After passage of the bill, court decisions in the Supreme Courts of other states held in general that states could not impose the alcoholic beverage tax on clubs on military bases by the decision that the 21st amendment of the federal constitution, which was passed to repeal prohibition and to permit importation of liquor into a state under its state's laws, was subordinate to the constitutional provision that the federal government is immune from taxation by the state.

The Department of Law of the State of Alaska advised by letter dated December 15, 1971 to Eric E. Wohlforth, Commissioner of Revenue, that in general purchases by the military which involve no direct connection with Alaska will escape the tax imposed by Chapter 72, SLA 1971. The result then was to by-pass in most cases the Alaskan wholesalers in their purchases.

Since the courts have held in the case of the United States of America vs. the State Tax Commission of the State of Mississippi, et al, that states cannot tax the sales to the military, Section 3 should be enacted to reestablish the military credit formerly allowed in order that Alaskan wholesalers may receive some of the business formerly enjoyed that created payroll in Alaska.

Noting our former problem with the verification of the credits allowed for sales to the military in Alaska, I directed a Revenue Auditor from the Excise Tax Division to travel this week to Fairbanks and Anchorage and make contacts with the military as to permissiveness of audits on bases to allow for final comment on Section 3 of the bill. The auditor was furnished with a copy of the bill as well as a copy of Colonel House's letter of an earlier date.

I have been informed by telephone that our Revenue Auditor conferred with Capt. Karl Kristoff, Assistant to Colonel King D. Simon, Judge Advocate General at the Elmendorf Air Force Base near Anchorage, inquiring as to whether Lt. General James Sherrill, Commanding General, Alaskan Command, would agree to the Department of Revenue's annual visitation and inspection of records maintained on the Air Force and Army bases located in Alaska.

Revenue Auditor John Mawson of the Department of Revenue advised by telephone that verbal agreement was in order and that in the near future a written agreement would be addressed to the Department of Revenue permitting audits of records maintained on military bases in Alaska to verify the accuracy of credits claimed by wholesalers to the military.

Passage of Section 3 of the bill would appear to be in order considering the state's inability to tax military sales as described in the bill. The fiscal note that is attached to the front of this lengthy memorandum provides for two auditors to augment our present staff assigned to administering the Excise Tax on Alcoholic Beverages in the event the bill were to pass. It will be necessary to conduct detailed audits on the military bases in Alaska and to audit at the point of origin of shipment.

In the event that the Department of Revenue's revised request for two auditors for the Excise Tax Division that was submitted to the Senate and House Finance Committees on March 14, 1974 is approved, the funds requested in the fiscal note attached would not additionally be needed.

Section 4

Section 4 clarifies language that is consistent to description of actual wholesale licenses described and defined in AS 04.10.110 and as issued by the Alcoholic Beverage Control Board. On line 29 of page 2 of the bill the word "shipment" which should appear after the word before seems to have been omitted.

Section 5

Section 5 will provide for a one time taxation of alcoholic beverages that are located or in transit to Alaskan warehouses upon which the alcoholic beverage excise tax has not been paid. This would cause an inventory of all alcoholic beverages at a fixed date that are located in Alaska warehouses where the wholesaler has opted to or currently is making tax payment upon a "sales basis" and a payment of tax covering inventories upon which tax had not previously been paid.

Dependent upon inventories maintained on the last day of the month in which the Act is passed and approved, or on the last day of the month in which the Act becomes law without approval, the state would receive in the following month a one shot windfall tax which could amount to approximately \$468,000 if the inventories were approximately the same as they were during fiscal year 1971-72 when credits were allowed for inventories of tax paid beverages during the implementation period of Chapter 61, SLA 1971 as described in the attached letter dated March 27, 1974 to the Honorable Edward F. Naughton, Member, House State Affairs Committee.

Fiscal Note
CSSB 424, Excise Tax on Intoxicating Liquors

Schedule of Attachments

1. Letter dated March 13, 1974 from R. J. Linley, Manager, State and Local Taxes, National Distillers and Chemical Corporation, listing the states that employ the "sales basis" of liquor tax collection.

2. Copy of a memorandum dated March 12, 1974 from Frederick P. Boetsch, Director, Audit Division, concerning apportionment of taxable income in Alaska's wholesale liquor distributor industry.

3. Copy of Senate Bill No. 424 relating to bonded warehouses.

4. Letter dated March 27, 1974 to Representative Edward F. Naughton, together with statistical references.

5. Letter dated March 22, 1974 to Representative John Huber, together with statistics concerning state taxes paid by wholesalers of alcoholic beverages.

6. Letter dated October 9, 1968 from Colonel Frank O. House USAF, Staff Judge Advocate, Headquarters Alaskan Command, regarding permission to audit books of federal instrumentalities.

NATIONAL DISTILLERS AND CHEMICAL CORPORATION

EXECUTIVE OFFICES • 99 PARK AVENUE • NEW YORK, N. Y. 10016

AIR MAIL

March 13, 1974

Mr. Robert Stevenson
Commissioner of Revenue
Alaska Office Bldg.
Juneau, Alaska 99801

PERSONAL

Dear Mr. Stevenson:

As requested, we made a quick review of liquor tax collection methods employed by the thirty one license states. It appears that the states listed below provide for paying of such tax after sale in the state rather than requiring payment upon receipt in the state, which includes requiring stamps to be affixed to the bottles at the bottling plant.

Alaska	Illinois	New Jersey
California	Louisiana	New York
Colorado	Maryland	New Mexico
Connecticut	Massachusetts	North Dakota
District of Columbia	Minnesota	Tennessee
Florida	Nebraska	

I trust the foregoing is adequate for your purpose.

Very truly yours,



R. J. Linley, Manager
State and Local Taxes

RJL/sb
Enc.

STATE
of ALASKA

MEMORANDUM

TO:

R. D. Stevenson
Commissioner
Department of Revenue

DATE : March 12, 1974

FROM: Frederick P. Boetsch
Director
Audit Division

SUBJECT: Apportionment of Taxable Income
in Alaska's Wholesale Liquor
Distributor Industry

You have asked me to review the effects of a possible change in the Alcohol Tax laws or the Alaska Net Income Tax revenues.

The law was changed in 1971 to allow distributors to pay the taxes when the sale is made rather than when shipped into the State. The effect of this should be to encourage distributors to establish warehouses within the State for more efficient handling of merchandise and to expedite the filling of orders. Additional warehouses would mean additional inventory and other property and payroll in Alaska. This in turn could increase the Alaska Net Income Tax by increasing the Alaska apportionment factor.

Under the Multistate Tax Compact (AS 43.19) income from companies doing business in several states is apportioned on the basis of three factors: property, payroll, and sales. The factors are calculated on the basis of the amount within the state compared with amounts everywhere. Thus, for example, if sales in State "A" are \$100,000 and the total company sales are \$1,000,000, then the sales factor for State "A" would be 10%. The three factors are averaged to come up with the factor to apply to the total taxable income of the corporation.

Obviously, as inventories, warehouses, and payroll increase in a particular state in relation to total inventories, etc., then the apportionment factor for that state (and its income tax receipts from that company) would increase. We would expect this to be the case with the Liquor Wholesales in Alaska since the change in application of the Alcohol Tax to a sales basis. In addition, the extra payrolls would produce an increase in the Individual Income Tax Receipts.

FPB:jf

Introduced: 2/25/74
Referred: State Affairs and
Finance

1 IN THE SENATE

BY K. MILLER BY REQUEST

2 SENATE BILL NO. 424

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 the excise tax on intoxicating
7 liquors."

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

9 * Section 1. AS 43.60.010(b) is amended to read:

10 (b) The tax imposed in (a) of this section may not be levied on
11 consigned shipments of intoxicating liquors into the state if the
12 consignments are to bonded warehouses in this state until the intoxi-
13 cating liquor is removed from the bonded warehouse for sale or con-
14 signment to retailers.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH 5 — JUNEAU 99801

March 27, 1974

The Honorable Edward F. Naughton
Member, House State Affairs Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

In Re: CS for Senate Bill No. 424, an Act relating to
the excise tax on intoxicating liquors

Dear Representative Naughton:

During the March 12, 1974 meeting of the joint Senate and House State Affairs Committee, the writer and Steffen Andersen, Director, Excise Tax Division of the Department of Revenue, were originally requested to appear for a review of Senate Bill No. 424, an Act relating to the excise tax on intoxicating beverages, copy of which is attached, concerning bonded warehouses.

After a short discussion on the original bill upon which the joint Committees were advised that no state of the 31 license states employed bonded warehouses from advice of the Distilled Spirits Institute, discussion then lead to the first draft of CS for Senate Bill No. 424 which provided for a repeal of AS 43.60.010(b) and a reestablishment of credits for sales of intoxicating beverages to the military.

Reference was made to the gallonage statistics and collection statistics that appear on page 1 of the document entitled REVENUE SOURCES - ALASKA - Fiscal Years 1973-79 as concerns the Alcoholic Beverage Excise Tax.

You noted by reference to the gallonage statistics, a copy of which is attached, concerning "Liquor Gallons" that the net taxable gallons on Shipment and Sales Basis started with 685,362 for FY 1967-68; then rose to 712,560 for FY 1968-69; then increased to 792,560 for FY 1969-70; then increased to 903,483 for FY 1970-71; then decreased to 876,781 for FY 1971-72 and then increased to 895,675 for FY 1972-73. By your graphing you had questions regarding the steady increase from FY 1967-68 through FY 1970-71 then a decrease in FY 1971-72 in "Liquor Gallons".

The Honorable Edward F. Naughton
Member, House State Affairs Committee

March 27, 1974
-2-

Since the meeting I have had the opportunity to review annual reports that are prepared for each fiscal year by the Excise Tax Division on Alcoholic Beverages Shipped Into or Sold from Alaska Warehouses Plus Direct Shipments to Retailers. These reports are broken down on a monthly basis for distilled spirits, wine and beer for each fiscal year. Revenue statistics (tax collections) shown on these annual reports will not coincide with Net Collections shown on page 1 of the document entitled REVENUE SOURCES - ALASKA - Fiscal Years 1973-79 for the reason that the reports showing monthly shipments or sales cover the actual month of shipment or sales while tax collections for each month are due on the last day of the month following the month of the shipments or sales.

Enclosed are copies of the annual reports (broken down by month) of Alcoholic Beverages Shipped Into or Sold from Alaska Warehouses Plus Direct Shipments to Retailers for the fiscal years ending June 30, 1969; June 30, 1970; June 30, 1971 and June 30, 1972.

By referring to the report labeled "Alcoholic Beverages Shipped Into Alaska - Fiscal Year Ended June 30, 1971", it is to be noted that for the month of June 1971 distilled spirits - taxable gallons amounted to 112,364 or in effect 12.44% of the total gallonage for the fiscal year; while wine - taxable gallons amounted to 64,816 gallons or 13.41% of the total gallonage for the fiscal year; and beer - taxable gallons amounted to 737,046 gallons or 15.24% of the total gallonage for the fiscal year.

For each category the month of June represented the largest single month of shipments as compared with the other eleven months in the fiscal year ended June 30, 1971. I am advised by personnel of the Excise Tax Division that the well over average shipments experienced in June of 1971 were made to avoid the results of a pending maritime strike. Alcoholic beverage excise taxes on the June 1971 shipments were payable on the shipment basis (not sales basis) and were received in the next fiscal year.

By way of comparison during the fiscal year ended June 30, 1969 shipments of distilled spirits in June of 1969 amounted to 61,749 gallons; while during the fiscal year ended June 30, 1970 shipments of distilled spirits in June of 1970 amounted to 60,445 gallons, and during the fiscal year ended June 30, 1972 shipments or sales of distilled spirits in June of 1972 amounted to 81,477 gallons.

The Honorable Edward F. Naughton
Member, House State Affairs Committee

March 27, 1974

-3-

June 1971 shipments of distilled spirits in amount of 112,364 gallons as compared to June 1970 shipments of distilled spirits in amount of 60,445 show an increase for the one month of 51,919 gallons or an 85.89% increase for the one month.

All of this information and statistics are transmitted only to show a one time distortion that caused total distilled spirit gallonage to rise from 792,560 gallons in fiscal year 1969-70 to 903,483 gallons in fiscal year 1970-71.

As was explained during the March 12 1974 joint meeting of the Senate and House State Affairs Committee in considering Senate Bill No. 424 and CS for Senate Bill No. 424, there was a temporary decline in alcoholic beverage excise tax revenues experienced during the fiscal year 1971-72 as compared to the fiscal year 1970-71. Revenues declined \$98,600 or 2% during FY 1971-72 as compared to FY 1970-71.

This was due to the implementation of Chapter 61, SLA 1971. During the fiscal year 1971-72 three wholesalers opted at various times during such period to pay the tax on the sales basis rather than the import or shipment basis. In each event an inventory was conducted at each warehouse in Alaska involved under the supervision of a certified public accounting firm to determine the amount of tax paid gallonage of liquor, beer and wine that were physically present in each warehouse as the starting point. Credits were allowed the wholesalers to account for all merchandise that tax had been paid on previously (under the shipment basis) so that when that merchandise was sold from warehouses in Alaska it wouldn't be taxed twice. The credits were absorbed on future monthly returns reported on the sales basis.

Considering that the total of the certified credits amounted to approximately \$468,000 and were absorbed or taken entirely during the fiscal year 1971-72 the final resultant decrease in revenues from the alcoholic beverage excise taxes of \$98,600 shown for the fiscal year ended June 30, 1972 as compared with revenues shown for the fiscal year ended June 10, 1971 is understandable.

Knowing of your interest in the field of taxation of alcoholic beverages, I am also forwarding a copy of a letter addressed to the Honorable John Huber, Member, House State Affairs Committee along with a schedule requested by Representative Huber showing state taxes paid by Wholesalers of Alcoholic Beverages. The statistics do not include payroll taxes paid by the industry nor do they include real or personal property taxes paid to political subdivisions on warehouses or inventories located in Alaska warehouses.

The Honorable Edward F. Naughton
Member, House State Affairs Committee

March 27, 1974

-4-

Trusting that the information so transmitted will clarify some of the questions that were raised during the discussion of the first draft of CS for Senate Bill No. 424, I remain,

Very truly yours,

R. D. Stevenson
Commissioner

RDS: agm
Enclosures

cc: The Honorable Keith H. Miller
Chairman, Senate State Affairs Committee

The Honorable Helen M. Fischer
Chairman, House State Affairs Committee

The Honorable Clifford J. Groh
Chairman, Senate Finance Committee

Section I.

Description of Principal Revenue Sources

T A X E S

Revenue
Code 101 Alcoholic Beverage Excise Tax

RATE;

Malt Beverages - 1% or more alcohol \$.25 per gallon
Wine - 21% or less alcohol .60 per gallon
Hard Liquor - 21% or over alcohol 4.00 per gallon

ALLOCATION:

Revenues from Alcoholic Beverage Excise Tax are paid into the General Fund.

CITATION:

AS 43.60.010-040

BASIS FOR REVENUE ESTIMATE:

A review of net collections for the first five months of FY 1973-74 discloses an 8.5% gain in revenues. Net collections for FY 1972-73 as compared to FY 1971-72 also indicated an increase in revenues of 8.2% as the following tables will disclose:

Net Taxable Gallons - On Shipment and Sales Basis

<u>Fiscal Year</u>	<u>Liquor Gallons</u>	<u>Wine Gallons</u>	<u>Beer Gallons</u>
1972-73	895,675	590,835	5,815,721
1971-72	876,781	558,856	5,357,425
1970-71	903,483	483,170	5,031,724
1969-70	792,560	358,043	4,671,760
1968-69	712,382	298,006	4,083,664
1967-68	685,362	274,118	3,682,447

Net revenues of the Alcoholic Beverage Excise Tax for the past six fiscal years are as follows:

<u>Fiscal Year</u>	<u>Net Collections</u>	<u>\$ Increase or Decrease Over Prior Year</u>	<u>% Increase or Decrease Over Prior Year</u>	<u>% of Estimate Realized</u>
1972-73	\$5,234,678	\$396,888	8.20	102.16
1971-72	4,837,790	(98,609)	(2.00)	91.39
1970-71	4,936,399	511,479	11.56	101.38
1969-70	4,424,920	481,814	12.22	103.89
1968-69	3,943,106	202,412	5.41	97.83
1967-68	3,740,694	Base Year	Base Year	104.43

Estimates of revenue shown were computed for fiscal years 1975, 1976 and 1977 with an average normal growth rate of 7% each year plus an additional 10% each year based on the assumption of a start of pipeline construction by July 1, 1974. Fiscal years 1978 and 1979 were computed to allow for a 5% normal growth rate after exodus of transient workers. From gallonage statistics shown above it is noted that hard liquor increased 30.69% in a five year period for an average annual gain of about 6%; wine increased 115.54% during the same period for an average annual gain of about 23% while beer increased 57.93% during the same period for an average annual gain of about 11%.

Revenue

Code 102-103

Cigarette Tax

RATE:

A tax of 4 mills is levied on each cigarette imported or acquired in the State. This amounts to a tax of 8¢ on a package of 20 cigarettes. Alaska's tax rate of 8¢ per package is the 11th lowest of the 50 states and the District of Columbia, as of November 1, 1972. 1½ mills of the total tax levied on each cigarette is paid to the general fund while the balance, or 2½ mills, and the license fees are deposited into a special school fund to be used for rehabilitation, construction, insurance and repair of Alaska school facilities. Approximately 85% of the amount deposited to the special school fund is distributed to school districts in accordance with a formula established by the State Board of Education. Additional license fees are as follows:

Manufacturers	\$ 5.00
Vending Machine Operator	25.00
Direct-Buying Retailer	25.00
Buyer	25.00
Distributor	50.00

CITATION:

AS 43.50.010-190

BASIS FOR REVENUE ESTIMATE:

Due to the Surgeon General's and other following reports on the incidence of lung cancer as related to cigarette smoking and the required printing on all packages of cigarettes indicating "Warning: The Surgeon General has Determined that Cigarette Smoking is Dangerous to Your Health", cigarette consumption in Alaska and in all the other 49 states since 1964 has not in all cases followed overall population increases or growth in economy. Alaska per capita consumption of cigarettes for persons 18 years or over for calendar 1972 was the 8th highest of the 50 states and the District of Columbia, but a decrease of 3.8% from calendar 1971 according to the Tax Administrator's News publication of July, 1973.

Collection of the cigarette tax for the past four preceding fiscal years is as follows:

	<u>FY 1972-73</u>	<u>1971-72</u>	<u>1970-71</u>	<u>1969-70</u>
Receipt Code 102 (1½ mills per cigarette)	\$1,216,112	\$1,209,184	\$1,112,798	\$1,016,721
Receipt Code 103 (2½ mills per cigarette)	<u>2,028,303</u>	<u>2,015,308</u>	<u>1,854,664</u>	<u>1,694,535</u>
Total Cigarette Tax Collections	\$3,244,415	\$3,224,492	\$2,967,462	\$2,711,256

ALCOHOLIC BEVERAGES SHIPPED INTO ALASKA

Fiscal Year Ended June 30, 1969

Month	DISTILLED SPIRITS			Wine			BEER		
	Taxable Gallons	Military Gallons	Total Gallons	Taxable Gallons	Military Gallons	Total Gallons	Taxable Gallons	Military Gallons	Total Gallons
July 1968	51,346	9,640	60,986	19,683	2,034	21,717	480,499	47,665	528,164
August 1968	66,355	8,739	75,094	22,890	2,263	25,153	416,856	18,204	435,060
September 1968	59,725	9,388	69,113	19,939	1,670	21,609	305,700	36,888	342,588
October 1968	71,418	16,062	87,480	25,034	4,708	29,742	300,411	37,229	337,640
November 1968	76,163	13,699	89,862	20,511	3,692	24,203	179,619	21,815	201,434
December 1968	39,428	10,912	50,340	19,271	3,113	22,384	203,327	4,487	207,814
January 1969	55,415	6,095	61,510	28,506	1,510	30,016	256,245	47,861	304,106
February 1969	41,428	7,234	48,662	19,499	2,064	21,563	246,562	16,641	263,203
March 1969	54,251	9,748	63,999	24,814	2,335	27,149	286,582	42,061	328,643
April 1969	63,338	8,282	71,620	39,758	1,892	41,650	466,807	49,111	515,918
May 1969	71,766	8,051	79,817	35,564	2,683	38,247	500,252	34,545	534,797
June 1969	61,749	7,694	69,443	22,537	2,576	25,113	440,804	*55,368	496,172
Total Gallons	<u>712,382</u>	<u>115,544</u>	<u>827,926</u>	<u>298,006</u>	<u>30,540</u>	<u>328,546</u>	<u>4,083,664</u>	<u>411,875</u>	<u>4,495,539</u>
Tax Rates	@ \$4.00 per gallon			@ \$0.60 per gallon			@ \$0.25 per gallon		
Tax Amounts	<u>\$2,849,528</u>	<u>\$462,176</u>	<u>\$3,311,704</u>	<u>\$178,804</u>	<u>\$18,324</u>	<u>\$197,128</u>	<u>\$1,020,916</u>	<u>\$102,969</u>	<u>\$1,123,885</u>

Summary of Total
Military Credits
on Sales Allowed:

Distilled Spirits	\$462,176
Wine	18,324
Beer	<u>102,969</u>
Total Credits	\$583,469

*Includes 11,399 gallons
shipped into Alaska in
the month of March.

ALCOHOLIC BEVERAGES SHIPPED INTO ALASKA

Alaska's Fiscal Year Ended June 30, 1970

		DISTILLED SPIRITS			WINE			BEER		
		Taxable Gallons	Military Gallons	Total Gallons	Taxable Gallons	Military Gallons	Total Gallons	Taxable Gallons	Military Gallons	Total Gallons
July	1969	66,468	11,319	77,787	24,185	2,683	26,868	505,654	20,794	526,448
August	1969	63,991	12,125	76,116	27,818	3,492	31,310	407,987	33,524	441,511
September	1969	73,775	19,121	92,896	31,638	3,469	35,107	343,229	*115,486	458,715
October	1969	74,322	10,760	85,082	32,749	3,836	36,585	287,343	37,307	324,650
November	1969	99,451	18,342	117,793	32,128	4,771	36,899	275,520	7,396	282,916
December	1969	44,367	8,538	52,905	20,921	2,552	23,473	224,337	** (22,247)	202,090
January	1970	58,677	9,987	68,664	29,289	2,822	32,111	343,993	6,581	350,574
February	1970	39,750	5,646	45,396	21,696	2,007	23,703	289,092	11,486	300,578
March	1970	50,522	7,344	57,866	33,791	2,999	36,790	300,395	81,909	382,304
April	1970	72,946	8,362	81,308	37,567	3,303	40,870	513,862	44,735	558,597
May	1970	87,846	8,415	96,261	38,394	2,498	40,892	650,290	47,775	698,065
June	1970	60,445	9,935	70,380	27,867	3,155	31,022	530,058	***114,390	644,448
Total Gallons		<u>792,560</u>	<u>129,894</u>	<u>922,454</u>	<u>358,043</u>	<u>37,587</u>	<u>395,630</u>	<u>4,671,760</u>	<u>499,136</u>	<u>5,170,896</u>
Tax Rates		@ \$4.00 per gallon			@ \$.60 per gallon			@ \$.25 per gallon		
Tax Amounts		<u>\$3,170,240</u>	<u>\$519,576</u>	<u>\$3,689,816</u>	<u>\$214,826</u>	<u>\$22,552</u>	<u>\$237,378</u>	<u>\$1,167,940</u>	<u>\$124,784</u>	<u>\$1,292,724</u>

Summary of Total Credits Allowed on Military Sales:

Distilled Spirits	\$ 519,576
Wine	22,552
Beer	124,784
Total Credits	<u>\$ 666,912</u>

* Includes July, August & September 1969 direct shipments made by Anheuser-Busch.

** May 1969 Shipments diverted to Seattle by Anheuser-Busch.

*** Includes 99,446 gallons for December 1969, January, March, April, May & June 1970 direct shipments made by Jos. Schlitz Brewing Co.

ALCOHOLIC BEVERAGES SHIPPED INTO ALASKA

Fiscal Year Ended June 30, 1971

Month	DISTILLED SPIRITS			WINE			BEER		
	Taxable Gallons	Military Gallons	Total Gallons	Taxable Gallons	Military Gallons	Total Gallons	Taxable Gallons	Military Gallons	Total Gallons
July 1970	73,308	9,208	82,516	33,798	3,247	37,045	465,870	50,547	516,417
August 1970	69,081	8,812	77,893	36,518	2,360	38,878	418,277	67,010	485,287
September	78,445	10,872	89,317	42,389	3,334	45,723	433,408	47,182	480,590
October 1970	86,586	11,002	97,588	42,222	3,744	45,966	307,143	15,951	323,094
November 1970	90,195	17,282	107,477	50,566	5,810	56,376	232,642	89,808	322,450
December 1970	56,738	13,197	69,935	29,405	5,186	34,591	262,338	*50,565	312,903
January 1971	44,638	7,658	52,296	29,328	1,998	31,326	275,472	36,240	311,712
February 1971	54,877	7,804	62,681	29,147	2,499	31,646	378,547	40,180	418,727
March 1971	71,367	10,061	81,928	43,544	4,501	48,045	508,325	100,738	609,063
April 1971	84,615	10,585	95,200	45,175	5,747	50,922	473,407	73,761	547,168
May 1971	80,769	14,889	95,658	36,262	3,788	40,050	539,249	109,304	648,553
June 1971	<u>112,364</u>	<u>616</u>	<u>112,980</u>	<u>64,816</u>	<u>12</u>	<u>64,828</u>	<u>737,046</u>	<u>**2,700</u>	<u>739,746</u>
Total Gallons	<u>903,483</u>	<u>121,986</u>	<u>1,025,469</u>	<u>483,170</u>	<u>42,226</u>	<u>525,396</u>	<u>5,031,724</u>	<u>683,986</u>	<u>5,715,710</u>
Tax Rates	@ \$4.00 per gallon			@ \$.60 per gallon			@ \$.25 per gallon		
Tax Amounts	<u>\$3,613,932</u>	<u>\$487,944</u>	<u>\$4,101,876</u>	<u>\$289,902</u>	<u>\$25,336</u>	<u>\$315,238</u>	<u>\$1,257,931</u>	<u>\$170,997</u>	<u>\$1,428,928</u>

Summary of Total Credits Allowed on Military Sales:

Distilled Spirits	\$487,944
Wine	25,336
Beer	<u>170,997</u>
Total Credits	<u>\$684,277</u>

* Includes 25,164 gallons shipped direct by Anheuser-Busch in October 1970.

** Shipped in May 1971 by Miller Brewing Company.

ALCOHOLIC BEVERAGES SHIPPED INTO OR SOLD FROM ALASKA WAREHOUSES
PLUS DIRECT SHIPMENTS TO RETAILERS AND MILITARY

Fiscal Year Ended June 30, 1972

Month	DISTILLED SPIRITS			WINE			BEER		
	Taxable Gallons	Military Credit	Total Gallons	Taxable Gallons	Military Credit	Total Gallons	Taxable Gallons	Military Credit	Total Gallons
July 1971	83,056	90	83,146	45,253	-0-	45,253	520,756	-0-	520,756
August 1971	84,608	2,087	86,695	54,464	592	55,056	560,173	4,320	564,493
September 1971	77,682	68	77,750	41,781	149	41,930	474,073	9,765	483,838
October 1971	77,854	375	78,229	44,844	-0-	44,844	298,326	149,407	447,733
November 1971	96,313	7,699	104,012	54,062	2,829	56,891	300,974	142,004	442,978
December 1971	81,629	14,536	96,165	57,802	6,998	64,800	430,807	462	431,269
January 1972	35,375	6,922	42,297	40,197	1,923	42,120	253,193	970	254,163
February 1972	45,617	13,210	58,827	21,544	4,152	25,696	341,391	44,341	385,732
March 1972	66,881	10,652	77,533	42,271	5,845	48,116	433,641	3,289	436,930
April 1972	72,975	8,183	81,158	43,636	5,640	49,276	469,034	46,150	515,184
May 1972	73,313	5,300	78,613	56,198	3,767	59,965	665,198	43,643	708,841
June 1972	81,477	5,351	86,828	56,803	3,703	60,506	613,860	26,923	640,783
Total Gallons	876,780	74,473	951,253	558,855	35,598	594,453	*5,361,426	**471,274	5,832,700

Tax Rates	@ \$4.00 per gallon			@ \$.60 per gallon			@ \$.25 per gallon		
Tax Amounts	\$3,507,120	\$297,892	\$3,805,012	\$335,313	\$21,359	\$356,672	\$1,340,357	\$117,818	\$1,458,175

Summary of Total Credits
Allowed on Military Sales:

Distilled Spirits	\$ 297,892
Wine	21,359
Beer	117,818
	<u>\$ 437,069</u>

*Direct refunds to breweries on military sales lower taxable gallons to 5,230,960 (48,694 in November and 81,772 in December) and the tax amount for that category to \$1,307,740.

**The above mentioned refunds would raise military credit gallons to 601,740 (48,694 in November and 81,772 in December) and the tax amount to \$150,435.

March 22, 1974

The Honorable John Huber, Member
House State Affairs Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

In Re: Committee Substitute for Senate Bill No. 424

Dear Representative Huber:

During the March 12, 1974 joint meeting of the Senate and House State Affairs Committee concerning CSSB 424, an Act relating to the excise tax on intoxicating liquors, you requested statistics concerning the corporation income tax paid by wholesalers of alcoholic beverages doing business in the State of Alaska.

Due to the statute of limitations relative to our individual and corporation income tax statutes, our records in archives provide for a maintenance of returns for the calendar years 1968 and forward.

Attached, at your request, is a schedule disclosing payments of the alcoholic beverage excise tax; the general wholesale liquor fees and the wholesale malt beverage and wine license fees for the fiscal years June 30, 1960 through June 30, 1973.

The corporation income tax figures that are included in the statistics are for the periods from June 30, 1969 through June 30, 1973 and cover corporation income tax payments for the calendar years 1968 through 1972.

**The Honorable John Huber, Member
House State Affairs Committee**

March 22, 1974

-2-

**Two distortions which are marked by an asterisk have been
described on the attached schedule.**

Very truly yours,

**R. D. Stevenson
Commissioner**

RDS: agm

Attachment

**cc: The Honorable Keith H. Miller
Chairman, Senate State Affairs Committee**

**The Honorable Helen M. Fischer
Chairman, House State Affairs Committee**

**The Honorable Clifford H. Groh
Chairman, Senate Finance Committee**

**The Honorable Oral Freeman
Chairman, House Finance Committee**

STATE TAXES PAID BY WHOLESALERS
OF ALCOHOLIC BEVERAGES

<u>Fiscal Year Ended</u>	<u>Alcoholic Beverage Excise Tax</u>	<u>General Wholesale Liquor License Fees</u>	<u>Wholesale Malt Beverage and Wine License Fees</u>	<u>Corporation Income Tax</u>	<u>Total Taxes</u>
6/30/73	\$5,234,678	\$ 73,050	\$ 8,500	\$ 114,655	\$5,430,883
6/30/72	4,837,790	71,500	8,950	134,570*	5,052,810
6/30/71	4,936,399	71,500	9,200	92,349	5,109,448
6/30/70	4,424,920	70,000	10,650	72,460	4,578,030
6/30/69	3,943,106	69,500	9,000	63,084	4,084,690
6/30/68	3,740,694	67,250	8,650	N/A	3,816,594
6/30/67	3,401,474	80,500**	7,600	N/A	3,489,574
6/30/66	3,354,254	67,750	8,300	N/A	3,430,304
6/30/65	3,139,077	67,350	9,300	N/A	3,215,727
6/30/64	2,853,110	65,250	8,500	N/A	2,926,860
6/30/63	2,751,052	65,000	8,750	N/A	2,824,802
6/30/62	2,498,366	64,250	9,800	N/A	2,572,416
6/30/61	2,338,506	67,250	13,600	N/A	2,419,356
6/30/60	2,187,731	66,250	12,650	N/A	2,266,631

* Includes tax of \$21,014 on income not related to wholesale sales of intoxicating beverages.

** Reflects audit adjustments and collections relative to interpretation of statutes governing tax schedules and distributing points.

HEADQUARTERS, ALASKAN COMMAND

APO SEATTLE 98742



IN REPLY
REFER TO.

RECEIVED
DEPARTMENT OF REVENUE
9 OCT 1968

Mr. R. D. Stevenson
Chief, Excise Tax Section
Department of Revenue, State of Alaska
Pouch SA, Juneau, Alaska 99801

Dear Mr. Stevenson

This is in response to your letter of 24 September 1968 outlining the difficulties your Department would have in verifying the tax credits claimed by Alaska liquor wholesalers if you were not permitted to audit the records of our open messes. You accordingly ask that the Commander in Chief, Alaskan Command, reconsider his decision of 19 August 1968.

Your request has been given very careful consideration. It appears that if the Alaska wholesalers were required to strictly comply with Section 43.60.020(c), Alaska Statutes, there would be no need for your Department to examine the records of our military facilities. The statute requires that you be furnished signed and certified invoices evidencing sales to military facilities before the wholesaler may be awarded the tax credit. The burden would seem to be on the wholesaler to provide these necessary documents. While we must respectfully decline to permit the audit of the books of the federal instrumentalities involved, the Commander in Chief, Alaskan Command has authorized me to reaffirm his offer to furnish a copy of the purchase order or invoice concerning any specific transaction which you should question.

Similarly, if you desire to occasionally forward a copy of an invoice for verification to insure that the goods were actually received, we will be pleased to respond.

Sincerely

A handwritten signature in cursive script, reading "Frank O. House", is written over the typed name.

FRANK O. HOUSE
Colonel, USAF
Staff Judge Advocate

Offered: 3/19/74
Referred: Finance

Original sponsor: K. Miller by request

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 424

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 the excise tax on intoxicating
7 liquors; and providing for an effective date."

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

9 * Section 1. AS 43.60.010(a) is amended to read:

10 [(a)] Every brewer, distiller, bottler, jobber, retailer, whole-
11 saler, [OR] manufacturer or other consignor who sells intoxicating
12 liquors in the state or who consigns shipments of intoxicating liquors
13 into the state, whether or not the liquors are brewed, distilled,
14 bottled, or manufactured in the state, shall pay on all malt beverages
15 (alcoholic content of one per cent or more by volume), wines, and hard
16 or distilled liquors, the following taxes: (1) malt beverages at the
17 rate of 25 cents a gallon or fraction of a gallon; (2) wine or other
18 liquor of 21 per cent alcohol by volume or less, at the rate of 60 cents
19 a gallon or fraction of a gallon; and (3) other liquors having a content
20 of more than 21 per cent alcohol by volume at the rate of \$4 a gallon.

21 * Sec. 2. AS 43.60.010(b) is repealed.

22 * Sec. 3. AS 43.60.020 is amended by adding new subsections to read:

23 (c) Each brewer, distiller, bottler, jobber, wholesaler, manu-
24 facturer, or other consignor is entitled to a credit for excise taxes
25 paid on alcoholic beverages which have been sold and delivered to a
26 United States government operated vessel for ship's stores, ship's
27 service stores, and to a post exchange, officers club, noncommissioned
28 officers club, or club maintained for enlisted personnel, and to other
29 authorized beverage dispensers on a military, naval, air force or

1 governmental reservation in the state upon furnishing proof in the form
2 of signed and certified invoices evidencing sales to a military, naval,
3 air force or governmental liquor dispensary. If the alcoholic beverages
4 are sold and delivered directly to a governmental agency or instrumen-
5 tality set out in this subsection without going through a warehouse
6 located in this state, then a bill of lading shall be attached to the
7 invoices.

8 (d) Upon receipt of the monthly statement, the department shall
9 promptly allow credit to the account of, and issue a notice showing
10 the amount of credit allowed to, the brewer, distiller, bottler,
11 jobber, wholesaler, manufacturer, or other consignor for that portion
12 of the excise taxes which have been paid on sales which are exempted
13 under (c) of this section.

14 (e) To obtain the excise tax credit provided for in this section,
15 the claimant shall certify in the monthly statement as to the truth-
16 fulness of the invoice and quantities upon which the claim to the
17 credit is based. No credit may be claimed or allowed on account of
18 sales made to civilian clubs or stores located on military, naval, air
19 force, or governmental reservations.

20 * Sec. 4. AS 43.60.040(a) is amended to read:

21 (a) Each brewer, distiller, bottler, jobber, wholesaler, or manu-
22 facturer is primarily liable for the payment of the excise taxes on
23 liquors sold, and shall furnish a good and sufficient surety bond of
24 \$25,000 payable to the Department of Revenue and approved by the
25 Department of Law. If a wholesaler fails to pay the tax to the state
26 he forfeits the bond and his license shall be revoked. The department,
27 in its discretion, may issue permits in place of bonds to resident
28 holders of general wholesale, or ~~wholesale~~ malt beverage [,] and wine
29 licenses doing business wholly in the state who pay the tax before

1 * Sec. 5. For the purpose of this Act the inventory of intoxicating
2 liquors subject to the excise tax under AS 43.60 shall be taken in
3 accordance with AS 43.60.020(a) on the last day of the month in which the
4 Act is passed and approved, or on the last day of the month in which the
5 Act becomes law without approval. The inventory required by this section
6 shall be taken by a certified public accountant. The excise tax is due
7 and payable on the last day of the following month in accordance with
8 AS 43.60.020(b). "In transit" merchandise is taxable on the effective date
9 of this Act.

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

Introduced: 2/25/74
Referred: State Affairs and
Finance

1 IN THE SENATE

BY K. MILLER BY REQUEST

2 SENATE BILL NO. 424

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 the excise tax on intoxicating
7 liquors."

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

9 * Section 1. AS 43.60.010(b) is amended to read:

10 (b) The tax imposed in (a) of this section may not be levied on
11 consigned shipments of intoxicating liquors into the state if the
12 consignments are to bonded warehouses in this state until the intoxi-
13 cating liquor is removed from the bonded warehouse for sale or con-
14 signment to retailers.

ALASKA STATE LEGISLATURE

EIGHTH... Legislature SECOND. Session

SENATE BILL..... NO. 424...

By K: MILLER BY REQUEST.....

"An Act relating to the excise tax on intoxicating liquors."

excise tax/liquors

Introduced in the Senate 2/25, 1974

HISTORY IN THE SENATE

19 74

Read first time and referred to Committee on

2 25 State Affairs and Finance

3 19 Reported back with recommendation that *replace 4/25 + do pass 2 w/ 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

S E N A T E

2/25/74

_____ Date

Mr. President:

The Committee on FINANCE has had SB 425
g.o. bonds - constructing alcoholic treatment facilities
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

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

I. REQUEST

Bill Identification: All G.O. Bond Authorization Bills
 Title: _____
 Requested by: Jay Logan Date: 2-20-74
 Return Date Requested: ASAP
 Agency: Administration Program: Debt Service

II. FISCAL DETAIL

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

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 Debt Service				15.0	45.0	60.0
TOTAL	--	--	--	15.0	45.0	60.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND				15.0	45.0	60.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Dollars above are per \$1 million. If, for instance, a \$30 million bond issue is being considered, the above amounts should be multiplied by 30.

IV. ATTACHMENTS

Assumptions and schedule for additional years

V. DATE: 2-26-74 PREPARED BY: M. P. Chauncey

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

MEMORANDUM

State of Alaska

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

DATE: February 22, 1974

FILE NO:

TELEPHONE NO:

FROM: Murray D. Snyder, Capital Planner
 Division of Budget and Management
 Department of Administration

SUBJECT: Future Year Cost Per 1.0
 Million New G.O. Bond
 Authorization

The effect of approval in FY 75 per each 1.0 million in new General Obligation Bond authorization on the debt amortization cost is approximately as follows:¹

Amount of Interest
 and Principal Due
 Per 1M (in thousands)

FY 75	00.0
FY 76 (Interest only assuming 25% authorization issued)	15.0
FY 77 (Interest only assuming 75% auth. had been issued)	45.0
FY 78 (Interest only assuming 100% auth. had been issued)	60.0
FY 79 (Interest and principal payment)	64.7 ²
FY 80 (Interest and principal payment)	73.8
FY 81 (Interest and principal payment)	77.6
FY 82 (Interest and principal payment)	79.5
FY 83 (Interest and principal payment)	84.2
FY 84 (Interest and principal payment)	85.4
FY 85 (Interest and principal payment)	83.4
FY 86 (Interest and principal payment)	80.4
FY 87 - 95 (not computed)	

1. Assumed interest rate of 6%
2. Principal repayment amounts based on recent experience

Introduced: 2/25/74
Referred: Finance

1 IN THE SENATE

BY CROFT, HENSLEY,
SACKETT AND THOMAS

2 SENATE BILL NO. 425

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$5,000,000 for the purpose
8 of paying the cost of constructing alcoholic treatment
9 facilities; and providing for an effective date."

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

11 * Section 1. For the purpose of paying the cost of constructing alcoholic
12 treatment facilities, general obligation bonds of the state in the principal
13 amount of not more than \$5,000,000 shall be issued and sold. The full faith,
14 credit and resources of the state are pledged to the payment of the principal
15 of and interest and redemption premium, if any, on these bonds. These bonds
16 shall be issued under the provisions of AS 37.15 as those provisions read
17 at the time of issuance.

18 * Sec. 2. If the issuance of these bonds is authorized by the qualified
19 voters of the state, a special fund of the state to be known as the "Alcoholi:
20 Treatment Facility Fund" shall be established, to which shall be credited the
21 proceeds of the sale of the bonds described in sec. 1 of this Act except for
22 the accrued interest and premiums. There is appropriated from the "Alcoholic
23 Treatment Facility Fund" to the Department of Health and Social Services
24 the sum of \$5,000,000.

25 * Sec. 3. If the issuance of these bonds is authorized by the qualified
26 voters of the state, the amount of \$17,500 or as much of that amount as is
27 found necessary is appropriated from the general fund of the state to the
28 state bond committee to carry out the provisions of this Act and to pay
29 expenses incident to the sale and issuance of the bonds authorized in this