

Leg. Finance - House & Senate Finance Comte Files (1975-76) 398

HB 311, 314, 315, 320, 323



# 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

1/31/90  
Date

"An Act relating to community mental health services; and providing for an effective date."

## COMMITTEE REPORT

3/31/75

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had HB 311

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

"An Act relating to community mental health services; and providing for an effective date."

## COMMITTEE REPORT

3/19/75

HOUSE

FINANCE

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Date 3/27/75

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Susan Sullivan Kathryn Cottrill  
Lawrence J. Blum Ludie Blum  
Steen Hadsmy Helen O. Beirne  
Alvin Astorback

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Susan Sullivan Chairman

991  
John

Introduced: 3/19/75  
Referred: Health, Education &  
Social Services and Finance

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 311

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to community mental health services;  
7 and providing for an effective date."

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

9 \* Section 1. AS 47.30 is amended by adding new sections to read:

10 ARTICLE 5. COMMUNITY MENTAL HEALTH SERVICES.

11 Sec. 47.30.520. LEGISLATIVE PURPOSE. It is the purpose of the  
12 legislature in enacting the Community Mental Health Services Act to  
13 assist local communities in planning, organizing and financing community  
14 mental health services through locally developed, administered and  
15 controlled community mental health programs. It is further intended to  
16 better utilize existing resources at both state and local levels in  
17 order to:

18 (1) develop and implement plans for initiating maximum  
19 mental health services based on demonstrated need for services in each  
20 geographical planning area, as well as regionalized comprehensive  
21 mental health services;

22 (2) improve the effectiveness of existing mental health  
23 services;

24 (3) integrate state-operated and community mental health  
25 programs into a unified mental health system;

26 (4) provide a means for participation by local communities in  
27 the determination of the need for and the allocation of mental health  
28 resources;

29 (5) establish a uniform ratio of local and state government

1 responsibility for financing mental health services;

2 (6) provide a means of allocating state mental health funds  
3 according to community needs;

4 (7) encourage the full use of all existing public or private  
5 agencies, facilities, personnel, and funds to accomplish these objec-  
6 tives; and

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8 services and expenditures.

9 Sec. 47.30.530. DUTIES OF DEPARTMENT. The department shall admin-  
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13 (2) provide fiscal and professional technical assistance in  
14 planning, organizing, developing, implementing, and administering local  
15 mental health services;

16 (3) develop budgets, receive and disburse state appropria-  
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18 this chapter;

19 (4) establish standards of education and experience for  
20 professional, technical and administrative personnel employed in com-  
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22 (5) assist the community in establishing the organization and  
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24 (6) develop a standardized system for measuring and reporting  
25 to the department the types, quantities and quality of services; and a  
26 cost accounting system which will demonstrate the cost of various levels  
27 and qualities of care;

28 (7) provide each local community planning and services  
29 delivery entity with statistics, reports, and other data relevant to

1 development of indices indicating the need for mental health services,  
2 or relevant to evaluating the effectiveness of existing services;

3 (8) review each local community plan and require each plan to  
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5 (A) an affirmative showing that the most effective and  
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7 resources in the community including careful consideration of the  
8 most effective and economic alternative forms and patterns of  
9 services;

10 (B) a five-year projection of needs, services and re-  
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12 (C) adequate provisions for review and evaluation of  
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14 (9) adopt regulations and establish priorities, after con-  
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16 state mental health advisory council, which are necessary to carry out  
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18 Sec. 47.30.540. ELIGIBLE LOCAL COMMUNITY ENTITIES. (a) A city or  
19 borough government or other political subdivision of the state, a non-  
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21 funds and administer local programs under secs. 520 - 620 of this  
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23 through the state, the department shall determine appropriate geogra-  
24 phical areas to be served by local programs in consultation with repre-  
25 sentatives of the geographical areas in question.

26 (b) The entity designated by the department in the local area as  
27 the organizational unit to receive funds under secs. 520 - 620 of this  
28 chapter and to administer the program shall insure a broad base of  
29 community support as evidenced by a governing board reasonably

1 representative of the professional, civic, and citizen groups in the  
2 community. No more than two members, or 40 per cent of the membership,  
3 whichever is greater, may be providers of services under the program.  
4 In order to receive funds under secs. 520 - 620 of this chapter, a local  
5 community entity shall agree to

6 (1) give priority to mental health programs and services that  
7 have a maximum impact on other tax funded programs;

8 (2) furnish services through a qualified staff meeting reason-  
9 able standards of experience and training;

10 (3) conform to a state cost accounting system showing the  
11 true cost of services rendered, collect fees for services according to a  
12 schedule based on an analysis of reasonable ability to pay, and provide  
13 that no person shall be refused services because of inability to pay for  
14 those services;

15 (4) maintain adequate clinical and administrative records and  
16 to furnish periodic reports to the department;

17 (5) furnish the department an annual report of the preceding  
18 fiscal year, including an evaluation of the effectiveness of the previous  
19 year's programs and their costs; and

20 (6) furnish the department each year a satisfactory annual  
21 update of a long-range planning and budget statement that describes  
22 program goals for the coming year, the steps and resources necessary to  
23 implement the goals, the projected means by which these resources will  
24 be secured and the procedures necessary to evaluate the program.

25 (c) Members of local governing boards may be reimbursed for neces-  
26 sary travel expenses incurred in the organization and operation of local  
27 programs as may be determined by the department.

28 Sec. 47.30.550. COST-SHARING FORMULA; LIMITATIONS. If the depart-  
29 ment finds that it is necessary for the purposes of secs. 520 - 620 of

1 this chapter, the department may enter into a contract with an eligible  
2 community entity under which the department purchases community mental  
3 health services from the entity in accordance with the community entity's  
4 approved plan and secs. 520 - 620 of this chapter. The department shall  
5 purchase the services by participating in 75 per cent of the eligible  
6 costs of the services to be furnished under the plan subject to the  
7 availability of state funds to the department for implementing secs.  
8 520 - 620 of this chapter. In districts designated by the department as  
9 "poverty areas", the department shall purchase the services by partici-  
10 pating in 90 per cent of the eligible costs.

11 Sec. 47.30.560. FUNDS FOR LOCAL PROGRAMS. The contracts for  
12 services provided for in secs. 520 - 620 of this chapter shall be re-  
13 viewed, revised if necessary, and approved at the expiration of each  
14 contract year. A contract shall be approved if the department finds  
15 that the community entity has complied with its plan, secs. 520 - 620 of  
16 this chapter, and any applicable regulations adopted by the department.  
17 Expenditures for the purchase of services shall be made in accordance  
18 with the approved contract, budgets and program projections.

19 Sec. 47.30.570. ELIGIBLE COSTS; MAINTENANCE OF LOCAL EFFORT. The  
20 department shall adopt regulations specifying the types of services and  
21 program costs eligible for state participation. These regulations shall  
22 include

23 (1) a provision excluding capital expenditures as eligible  
24 costs; and

25 (2) a requirement that the community entity contractor or  
26 applicant agrees as a condition of contract approval that it will not  
27 supplant existing local fund support of community mental health services  
28 with funds received under secs. 520 - 620 of this chapter and that it  
29 will continue local funding support of community mental health services,

1 in any year in which it contracts with the department, at a level that  
2 is at least equal to the local funding support in the previous year.

3 Sec. 47.30.580. COMPREHENSIVE SERVICES. Plans and regulations  
4 adopted under secs. 520 - 620 of this chapter shall allow local programs  
5 sufficient administrative and program flexibility so that local community  
6 mental health programs may be joined with other programs such as mental  
7 retardation programs, drug abuse programs, alcoholism programs and  
8 comprehensive mental health services programs.

9 Sec. 47.30.590. PATIENT RIGHTS AND THE CONFIDENTIAL NATURE OF  
10 RECORDS AND INFORMATION. The department shall adopt regulations to  
11 assure patient rights and to safeguard the confidential nature of records  
12 and information about the recipients of services provided under secs.  
13 520 - 620 of this chapter. The regulations shall require that local  
14 community entities develop and include in any plan submitted for approval  
15 adequate provisions for safeguarding confidential information. The  
16 department's regulations shall provide for disclosure of confidential  
17 information to mental health professionals providing services to a  
18 recipient and to other appropriate service agencies when it is in the  
19 defined best interests of the patient.

20 Sec. 47.30.600. APPLICABILITY TO EXISTING PROGRAMS. No local  
21 community entity existing on January 1, 1974 that received state funds  
22 for a community mental health services program in the fiscal year ending  
23 June 30, 1974 may receive less state support through the purchase of  
24 services under secs. 520 - 620 of this chapter in the fiscal year ending  
25 June 30, 1975 than it received in the preceding fiscal year. In order  
26 to assure the continuity of state support of existing programs the  
27 department may waive requirements of secs. 520 - 620 of this chapter in  
28 approving contracts with existing entities for the fiscal year ending  
29 June 30, 1975, only.

1           Sec. 47.30.605. MENTAL HEALTH ADVISORY COUNCIL. (a) There shall  
2 be a Mental Health Advisory Council appointed by the governor to advise  
3 and assist the director of the division of mental health in initiating  
4 and implementing community mental health services. The council consists  
5 of nine appointed voting members who are interested and knowledgeable in  
6 mental health. At least one but no more than two of the members shall  
7 be members of the Department of Health and Social Services Advisory  
8 Board. No more than three members should be providers of direct mental  
9 health services.

10           (b) The council shall

11                   (1) advise the division on the state mental health plans  
12 before implementation of these plans;

13                   (2) periodically review all mental health services in the  
14 state, reports of which shall be prepared and submitted to the governor,  
15 the legislature, the department and the Comprehensive Health Advisory  
16 Council;

17                   (3) conduct independent investigations and studies as may be  
18 necessary;

19                   (4) recommend rules, regulations and standards for the admin-  
20 istration of community mental health services;

21                   (5) encourage coordination on a regional basis, of community  
22 mental health services to insure nonduplication and nonfragmentation of  
23 services.  
24

25           (c) The council shall meet at the call of the chairman but shall  
26 meet at least once quarterly.

27           (d) Members of the council are not entitled to a salary, but are  
28 entitled to per diem, reimbursement for travel, and other expenses  
29 authorized by law for other boards.

          Sec. 47.30.610. DEFINITIONS. In secs. 520 - 610 of this chapter

1 "department" means the Department of Health and Social Services.

2 Sec. 47.30.620. SHORT TITLE. Sections 520 - 620 of this chapter  
3 may be cited as the Community Mental Health Services Act.

4 \* Sec. 2. This Act takes effect July 1, 1975.  
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ALASKA STATE LEGISLATURE

.....NINTH Legislature .....FIRST Session

HOUSE .....BILL..... NO. ...211..

By THE HEALTH, EDUCATION & SOCIAL SERVICES COMMITTEE

"An Act relating to community mental health services; and providing for an effective date."

Comm. mental health

Introduced in the House ..... 3/19/ 19. 75

HISTORY IN THE HOUSE

19 75	Read first time and referred to Committee on												
Mar 19	Health, Education & Social Services and Finance Reported back with recommendation that												
	Read second time and												
	Read third time and												
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	Sent to Senate												
	CHIEF CLERK OF THE HOUSE												

HISTORY IN THE SENATE

19	Read first time and referred to Committee on												
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	Signed by President												
	Returned to House												
	SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
	..... By Governor
	Filed with Lt. Governor
	Chapter No. ....

The Legislature of the State of Alaska  
FISCAL NOTE

*all*

First Session - Ninth Legislature

I. REQUEST

Bill No. HP 311

Title: Community Mental Health Services Act

Requested by: Representative Hugh Malone Date: \_\_\_\_\_

Return Date Requested: \_\_\_\_\_

Agency: Health & Social Services Program: Division of Mental Health

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Community Operated Mental Health Center

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	8.4	8.4	11.2	11.2	11.2	11.2
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	211.7	582.5	1239.2	2002.6	2782.0	3560.4
		(264.4)	(290.8)	(319.9)	(351.9)	(387.1)
<b>TOTAL</b>	<b>220.1</b>	<b>590.9</b>	<b>1250.4</b>	<b>2013.8</b>	<b>2793.2</b>	<b>3571.6</b>

B. FUNDING: (Thousands of dollars)

GENERAL FUND 90.10	220.1	590.9	1250.4	2013.8	2793.2	3571.6
FEDERAL FUNDS						
OTHER	62.2	166.9	368.7	601.5	834.3	1068.2

C. POSITIONS:

PERMANENT/TEMPORARY	3/	3/	3/	4/	4/	4/
MAN MONTHS (P./T.)	36/	36/	36/	48/	48/	48/

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

IV. ATTACHMENTS

V. DATE: 3-26-75

PREPARED BY: [Signature]

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

THE LEGISLATURE OF THE STATE OF ALASKA - FISCAL NOTE

The present matching ratio established by policy is to fund 75% of the operating budgets of Ketchikan and Kodiak. In Fiscal Year 1975, the Legislature funded Gateway Community Mental Health Center at 138.4 and Kodiak Aleutian Center at 81.7 for a total of 220.1.

The State also has regional offices in Anchorage, Juneau and Fairbanks, which operated mental health clinics. In Fiscal Year 1975 the Legislature funded Anchorage at 227.1, Juneau at 175.1, and Fairbanks at 205.3 for a total of 607.5.

In Fiscal Year 1975 a total of 827.6 General Funds were appropriated for community mental health programs in Alaska.

The largest community mental health center is in Ketchikan with an operating budget of 281.2 in Fiscal Year 1976. This center has the only community mental health program in Alaska which we feel has an adequate staff to serve the need of its catchment area (population approximately 20,000). This center has a staff of 5 professionals, 1 aide, 1 administrative assistant, and 2 clerical staff. Contrast this with the state-operated clinic in Anchorage of 5 professionals and 2 clerical personnel responsible for a catchment area population of approximately 158,000.

Although it is anticipated that projections of cost will be unique to each community dependent on its geographical locations, its available manpower, its present mental health and its needs, a rough estimate of the cost of a community mental health program resources for Alaska can be projected.

Assuming the Ketchikan program is adequate and by projecting the figures of 20,000 population and a budget of 281.2 to the entire State would indicate that Alaska could develop a state wide community mental health program for approximately 4,639.8. Using the matching formula in this Bill of 75%, the State's General Fund share would be 3,479.9. The State already has a 827.6 General Fund appropriation for community mental health services. Consequently, an additional 2,652.3 would be required. It has been brought to our attention that the 75% match would be inadequate in poverty areas and a 90% match would be more realistic. Below is a list of mental health planning areas and their designation as poverty or non-poverty areas. 13 of the planning areas are designated as poverty areas encompassing 44,000 persons or 13% of the total population (base 330,000).

Utilizing the 90% - 10% matching ratio in the 13 planning districts would increase the total estimated General Fund cost to 3,571.6 or an additional 92.1.

District	Poverty * Non-Poverty	District Center	July 1, 1973 Population Estimates by Dept. of Labor
1	Poverty	Barrow	2,814
2	"	Kotzebue	4,352
3	"	Bettles	461
4	"	Fort Yukon	934
5	"	Nome	5,682
6	"	Galena	1,862
7	Non-poverty	Fairbanks	52,074
8	Poverty	Tok	649
9	"	Bethel	11,784
10	"	Aniak	1,881
11	"	McGrath	585
12	Non-poverty	Anchorage	158,026
13	Poverty	Glenallen	1,204
14	"	Dillingham	4,858
15	Non-poverty	Kodiak	8,868
16	Poverty	Cold Bay	6,914
17	Non-poverty	Kenai	13,781
18	"	Seward	2,446
19	"	Valdez	3,903
20	"	Juneau	21,102
21	"	Sitka	11,095
22	"	Ketchikan	13,823

\*Poverty areas are determined by 15% or more of the population falling under 125% of the O. E. O. Poverty Guidelines (Per 1970 Census Data)

Introduced: 3/19/75  
Referred: Health, Education &  
Social Services and Finance

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4 In order to receive funds under secs. 520 - 620 of this chapter, a local  
5 community entity shall agree to

6 (1) give priority to mental health programs and services that  
7 have a maximum impact on other tax funded programs;

8 (2) furnish services through a qualified staff meeting reason-  
9 able standards of experience and training;

10 (3) conform to a state cost accounting system showing the  
11 true cost of services rendered, collect fees for services according to a  
12 schedule based on an analysis of reasonable ability to pay, and provide  
13 that no person shall be refused services because of inability to pay for  
14 those services;

15 (4) maintain adequate clinical and administrative records and  
16 to furnish periodic reports to the department;

17 (5) furnish the department an annual report of the preceding  
18 fiscal year, including an evaluation of the effectiveness of the previous  
19 year's programs and their costs; and

20 (6) furnish the department each year a satisfactory annual  
21 update of a long-range planning and budget statement that describes  
22 program goals for the coming year, the steps and resources necessary to  
23 implement the goals, the projected means by which these resources will  
24 be secured and the procedures necessary to evaluate the program.

25 (c) Members of local governing boards may be reimbursed for neces-  
26 sary travel expenses incurred in the organization and operation of local  
27 programs as may be determined by the department.

28 Sec. 47.30.550. COST-SHARING FORMULA; LIMITATIONS. If the depart-  
29 ment finds that it is necessary for the purposes of secs. 520 - 620 of

1 this chapter, the department may enter into a contract with an eligible  
2 community entity under which the department purchases community mental  
3 health services from the entity in accordance with the community entity's  
4 approved plan and secs. 520 - 620 of this chapter. The department shall  
5 purchase the services by participating in 75 per cent of the eligible  
6 costs of the services to be furnished under the plan subject to the  
7 availability of state funds to the department for implementing secs.  
8 520 - 620 of this chapter. In districts designated by the department as  
9 "poverty areas", the department shall purchase the services by partici-  
10 pating in 90 per cent of the eligible costs.

11 Sec. 47.30.560. FUNDS FOR LOCAL PROGRAMS. The contracts for  
12 services provided for in secs. 520 - 620 of this chapter shall be re-  
13 viewed, revised if necessary, and approved at the expiration of each  
14 contract year. A contract shall be approved if the department finds  
15 that the community entity has complied with its plan, secs. 520 - 620 of  
16 this chapter, and any applicable regulations adopted by the department.  
17 Expenditures for the purchase of services shall be made in accordance  
18 with the approved contract, budgets and program projections.

19 Sec. 47.30.570. ELIGIBLE COSTS; MAINTENANCE OF LOCAL EFFORT. The  
20 department shall adopt regulations specifying the types of services and  
21 program costs eligible for state participation. These regulations shall  
22 include

23 (1) a provision excluding capital expenditures as eligible  
24 costs; and

25 (2) a requirement that the community entity contractor or  
26 applicant agrees as a condition of contract approval that it will not  
27 supplant existing local fund support of community mental health services  
28 with funds received under secs. 520 - 620 of this chapter and that it  
29 will continue local funding support of community mental health services,

1 in any year in which it contracts with the department, at a level that  
2 is at least equal to the local funding support in the previous year.

3 Sec. 47.30.580. COMPREHENSIVE SERVICES. Plans and regulations  
4 adopted under secs. 520 - 620 of this chapter shall allow local programs  
5 sufficient administrative and program flexibility so that local community  
6 mental health programs may be joined with other programs such as mental  
7 retardation programs, drug abuse programs, alcoholism programs and  
8 comprehensive mental health services programs.

9 Sec. 47.30.590. PATIENT RIGHTS AND THE CONFIDENTIAL NATURE OF  
10 RECORDS AND INFORMATION. The department shall adopt regulations to  
11 assure patient rights and to safeguard the confidential nature of records  
12 and information about the recipients of services provided under secs.  
13 520 - 620 of this chapter. The regulations shall require that local  
14 community entities develop and include in any plan submitted for approval  
15 adequate provisions for safeguarding confidential information. The  
16 department's regulations shall provide for disclosure of confidential  
17 information to mental health professionals providing services to a  
18 recipient and to other appropriate service agencies when it is in the  
19 defined best interests of the patient.

20 Sec. 47.30.600. APPLICABILITY TO EXISTING PROGRAMS. No local  
21 community entity existing on January 1, 1974 that received state funds  
22 for a community mental health services program in the fiscal year ending  
23 June 30, 1974 may receive less state support through the purchase of  
24 services under secs. 520 - 620 of this chapter in the fiscal year ending  
25 June 30, 1975 than it received in the preceding fiscal year. In order  
26 to assure the continuity of state support of existing programs the  
27 department may waive requirements of secs. 520 - 620 of this chapter in  
28 approving contracts with existing entities for the fiscal year ending  
29 June 30, 1975, only.

1           Sec. 47.30.605. MENTAL HEALTH ADVISORY COUNCIL. (a) There shall  
2 be a Mental Health Advisory Council appointed by the governor to advise  
3 and assist the director of the division of mental health in initiating  
4 and implementing community mental health services. The council consists  
5 of nine appointed voting members who are interested and knowledgeable in  
6 mental health. At least one but no more than two of the members shall  
7 be members of the Department of Health and Social Services Advisory  
8 Board. No more than three members should be providers of direct mental  
9 health services.

10           (b) The council shall

11                 (1) advise the division on the state mental health plans  
12 before implementation of these plans;

13                 (2) periodically review all mental health services in the  
14 state, reports of which shall be prepared and submitted to the governor,  
15 the legislature, the department and the Comprehensive Health Advisory  
16 Council;

17                 (3) conduct independent investigations and studies as may be  
18 necessary;

19                 (4) recommend rules, regulations and standards for the admin-  
20 istration of community mental health services;

21                 (5) encourage coordination on a regional basis, of community  
22 mental health services to insure nonduplication and nonfragmentation of  
23 services.

24           (c) The council shall meet at the call of the chairman but shall  
25 meet at least once quarterly.

26           (d) Members of the council are not entitled to a salary, but are  
27 entitled to per diem, reimbursement for travel, and other expenses  
28 authorized by law for other boards.

29           Sec. 47.30.610. DEFINITIONS. In secs. 520 - 610 of this chapter

1 "department" means the Department of Health and Social Services.

2 Sec. 47.30.620. SHORT TITLE. Sections 520 - 620 of this chapter  
3 may be cited as the Community Mental Health Services Act.

4 \* Sec. 2. This Act takes effect July 1, 1975.  
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Alaska House of Representatives

HR 311



POUCH V  
JUNEAU  
99811

P. O. BOX 9  
KENAI  
99611

HUGH MALONE

May 2, 1975

Mr. Jack Peck, Director  
Division of Aviation  
Department of Public Works  
Pouch 6900  
Anchorage, Alaska 99502

Dear Mr. Peck:

Before taking up SB 311 (recall of \$10.6 million Alaska International Airport Revenue Bonds, Series E), the Committee requires the following information:

1. What is the latest estimate of the direct and indirect costs of the recall of these bonds (.e.g., how much more do you estimate it will cost if the construction is delayed two years? Three years?)
2. Why was the terminal not designed to the satisfaction of the carriers that were to pay for it?
3. Using a "pie" chart, show the revenue from foreign, domestic and general aviation at Anchorage International in 1959 and 1974.
4. Compare your tie-down fees at Lake Hood with those charged privately.
5. As Fairbanks International has been experiencing record traffic for some time, why are net losses of \$700,000 being projected for this year; for how many years has this airport shown net losses?
6. State your latest figures on the cost per square foot for the operation and maintenance of the Anchorage and Fairbanks terminals; compare this with the rents you now charge.
7. Is it true that you are not charging the U.S. Customs for the considerable space they occupy in the Anchorage International?
8. Why do Administration records show that your estimates for 1979 concession fees at Anchorage rose from \$1.6 million to \$6.6 million to \$10.3 million during a decline in the growth of foreign carrier traffic?

Mr. Jack Peck  
May 2, 1975  
Page 2

9. Why did you fail to list administrative overhead and equipment rentals in many of your revenue/cost projections?
10. Why did the Division wait long months to accept the warnings of its financial advisor that rates would have to be increased to permit the sale of these bonds?
11. The report of the consultant to Commissioner Harris reveals that security personnel at Fairbanks total 63 or 13 less than at Anchorage; how do you explain this large force when the field and traffic are much smaller at Fairbanks?
12. What action has been taken on the repeated requests of carriers for your support in gaining FAA approval of the use of private security firms?
13. The outcry of carriers in response to your announced rate increases raised questions as to what information they were originally given; however, Mr. Ed. Granger's letter to JAL explains that outcry, and I urge you to take this opportunity to submit your own copy of the letter.

We are looking for your response by Friday, May 9th. This may be brief as you will be able to expand on your response in the near future. Thank you for your cooperation in this matter.

Sincerely,

Hugh Malone  
Chairman  
House Finance Committee

HM:JR:rs

CC: Governor Jay Hammond  
Commissioner Don Harris  
Public Works

# Transportation Industry Sees Phenomenal Growth

## Air Freight Up 729% Comparing Jan '74 with '75

### Air Taxi Operations Up Five-fold

By Diane Simmons

"We've practically tripled our business in the last year and a half," says Robyn Sherwood of Alaska Central Air.

And the statistics show that Alaska Central Air isn't the only "air taxi" service on the upswing. According to Fairbanks International Airport, there were only 573 air taxi take-offs or landings in January of 1974. In January 1975 there were 2,902. The air taxis, smaller than the aircraft designated as air carriers, usually operate on a charter or contract basis for a specific customer.

Air carrier operations were also up, from 768 in January of 1974 to 1,336 in January of 1975, according to airport figures. The result was an 87 per cent increase in air passengers and a 729 per cent increase in air freight moved in January of '75 over January of '74.

A hearty share of the freight increases can be attributed directly to the pipeline. Alaska Construction & Oil reports that Alyeska cargo in 1974 amounted to 87,843 tons, nearly 50 per cent of the total cargo tonnage carried within the state.

To meet the demand, 135 additional aircraft were registered in 1974, raising the total to 1,108.

But in spite of the increases, there seems to be little confusion or congestion at Fairbanks International Airport, at least as far as operations go.

FAA control tower chief, Tom Hartliep compares the airport's situation to that of a traffic policeman. Suppose, says Hartliep, the policeman used to wave a car through an intersection. Then maybe he wouldn't see another car for 20 minutes. Now he doesn't ever run out of cars. But he still manages to get them all through the intersection.

"But," says Hartliep, "we're still watching it."

And although much of the air traffic has no direct connection with the pipeline, most increases seem to be related to the boom activity. Significant increases in traffic began about August of 1974 with the most radical traffic increases taking place in the winter of 1974-75.

Hartliep attributes the relative lack of confusion at the

airport to a recently constructed general aviation runway which was designed to meet the specific needs of small aircraft.

And the owners of the acres of colorful small planes which wait near the new runway seem to agree that congestion has not become a problem at the airport.

"Runways and conditions have been pretty adequate for us," says Jim Dodson of Frontier Flying Service, even though Frontier has twice as many planes to get on and off the runway as it had a year ago.

"We all have to be more alert," says Dennis Burton of Fairbanks Flying Service. "But there aren't really any problems."

And Alaska International Air (AIA), which has between 35 and 40 flights a day in and out of Fairbanks International, has felt no congestion, nor experienced undue delays. "If there were a problem," says AIA public relations director Larry Anderson, "we would probably feel it first."

If the air taxis have a common problem, it might be how to keep up with the increasing demand for service. Frontier Flying Service has gone from six aircraft in the spring of 1974 to 12 in 1975. And their planes are seeing more use. "A lot of it is pipeline," says Dodson. "A lot of it is just general increase. The villagers are traveling more than they used to."

Alaska Central Air gets much of its business from Alyeska and five of their eight aircraft are reserved for pipeline purposes. Two planes are stationed in the camps for use as shuttles between camps or into town. Alaska Central Air, which offers primarily passenger service, has tripled its capacity in the last 18 months, an increase due primarily to pipeline work but also to increased schedule of flights to villages.

More business has allowed Alaska Central Air to lease a "special" VIP plane — a Piper Cheyenne, used as an executive charter.

Another air taxi, Fairbanks Flying Service, got more than half of their work from Alyeska last winter but with the haul road completed, more and more of the freight hauling has been taken over by trucks. And now the service has turned to hauling for geophysical teams and construction outfits related to mineral or oil exploration.

Such work, says Dennis Burton, can take the planes "anywhere in Alaska, especially the North Slope. Now they're starting to explore off-shore."

AIA, which carried over a million pounds a day in 1974, is looking for a "sustained demand, at least until September or November." In 1974 the freight was mostly related directly to the pipeline — AIA carried 79,000 of the 87,843 pipeline tonnage. But AIA's Larry Ander-

son foresees other things that could keep the 24-ton-capacity Hercules busy after the oil pipeline winds down, including the possible gas pipeline and continued exploration and drilling. When the Alaska demand lets up, AIA will look to their international markets but Anderson expects "two heavy years" in Alaska.

People as well as planes are involved in the increased air activity and prospective passengers accustomed to the complicated ticket machines, maze-like lots and 10-minute parking zones at other large airports, can look forward to at least one happy surprise — there's plenty of free parking for up to three hours.

And for those flying off to the pipeline with no place to leave their cars, another bonus. For a mere 50 cents the departing traveler can leave his car in a lot near the airport and leave his keys with airport security.

Inside the airport there is a lot of activity but nothing resembling a mob scene. "People," says Dean Fouts of the airport manager's office, "have been very cooperative. And the conditions, especially during the winter, were sometimes very trying."

The airport management tries to cooperate too. Ticketed passengers are allowed to sleep in their chairs until their planes arrive. "We only draw the line," says Fouts, "at people taking up residence."

The Legislature of the State of Alaska

FISCAL NOTE

*all*

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 311

Title: Community Mental Health Services Act

Requested by: Representative Hugh Malone Date: \_\_\_\_\_

Return Date Requested: \_\_\_\_\_

Agency: Health & Social Services Program: Division of Mental Health

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Community Operated Mental Health Center

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	8.4	8.4	11.2	11.2	11.2	11.2
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	211.7	582.5	1239.2	2002.6	2782.0	3560.4
		(264.4)	(290.8)	(319.9)	(351.9)	(387.1)
TOTAL	220.1	590.9	1250.4	2013.8	2793.2	3571.6

B. FUNDING: (Thousands of dollars)

GENERAL FUND 90.10	220.1	590.9	1250.4	2013.8	2793.2	3571.6
FEDERAL FUNDS						
OTHER	2.2	166.9	368.7	601.5	834.3	1068.2

C. POSITIONS:

PERMANENT/TEMPORARY	3/	3/	3/	4/	4/	4/
MAN MONTHS (P./T.)	36/	36/	36/	48/	48/	48/

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

IV. ATTACHMENTS

V. DATE: 3-26-75

PREPARED BY: James L. Schuckler

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

THE LEGISLATURE OF THE STATE OF ALASKA - FISCAL NOTE

The present matching ratio established by policy is to fund 75% of the operating budgets of Ketchikan and Kodiak. In Fiscal Year 1975, the Legislature funded Gateway Community Mental Health Center at 138.4 and Kodiak Aleutian Center at 81.7 for a total of 220.1.

The State also has regional offices in Anchorage, Juneau and Fairbanks, which operated mental health clinics. In Fiscal Year 1975 the Legislature funded Anchorage at 227.1, Juneau at 175.1, and Fairbanks at 205.3 for a total of 607.5.

In Fiscal Year 1975 a total of 827.6 General Funds were appropriated for community mental health programs in Alaska.

The largest community mental health center is in Ketchikan with an operating budget of 281.2 in Fiscal Year 1976. This center has the only community mental health program in Alaska which we feel has an adequate staff to serve the need of its catchment area (population approximately 20,000). This center has a staff of 5 professionals, 1 aide, 1 administrative assistant, and 2 clerical staff. Contrast this with the state-operated clinic in Anchorage of 5 professionals and 2 clerical personnel responsible for a catchment area population of approximately 158,000.

Although it is anticipated that projections of cost will be unique to each community dependent on its geographical locations, its available manpower, its present mental health and its needs, a rough estimate of the cost of a community mental health program resources for Alaska can be projected.

Assuming the Ketchikan program is adequate and by projecting the figures of 20,000 population and a budget of 281.2 to the entire State would indicate that Alaska could develop a statewide community mental health program for approximately 4,639.8. Using the matching formula in this Bill of 75%, the State's General Fund share would be 3,479.9. The State already has a 827.6 General Fund appropriation for community mental health services. Consequently, an additional 2,652.3 would be required. It has been brought to our attention that the 75% match would be inadequate in poverty areas and a 90% match would be more realistic. Below is a list of mental health planning areas and their designation as poverty or non-poverty areas. 13 of the planning areas are designated as poverty areas encompassing 44,000 persons or 13% of the total population (base 330,000).

Utilizing the 90% - 10% matching ratio in the 13 planning districts would increase the total estimated General Fund cost to 3,571.6 or an additional 92.1.

District	Poverty * Non-Poverty	District Center	July 1, 1973 Population Estimates by Dept. of Labor
1	Poverty	Barrow	2,814
2	"	Korzebue	4,352
3	"	Bettles	461
4	"	Fort Yukon	934
5	"	Nome	5,682
6	"	Galena	1,862
7	Non-poverty	Fairbanks	52,074
8	Poverty	Tok	649
9	"	Bethel	13,784
10	"	Aniak	1,881
11	"	McGrath	585
12	Non-poverty	Anchorage	158,026
13	Poverty	Glenallen	1,204
14	"	Dillingham	4,858
15	Non-poverty	Kodiak	8,868
16	Poverty	Cold Bay	6,914
17	Non-poverty	Kenai	13,781
18	"	Seward	2,446
19	"	Valdez	3,903
20	"	Juneau	21,102
21	"	Sitka	11,095
22	"	Ketchikan	13,823

\*Poverty areas are determined by 15% or more of the population falling under 125% of the O. E. O. Poverty Guidelines (Per 1970 Census Data)



# 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

1/31/90  
Date



Introduced: 3/19/75  
Referred: Commerce, Judiciary  
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 314

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to outdoor advertising control; and  
7 providing for an effective date."

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

9 \* Section 1. AS 19.25.105(a) is amended by adding a new paragraph to  
10 read:

11 (3) signs determined by the state, subject to concurrence of the  
12 United States Department of Transportation, to be landmark signs,  
13 including signs on farm structures, or natural surfaces, of historic  
14 or artistic significance, the preservation of which would be consistent  
15 with the provisions of this chapter.

16 \* Sec. 2. AS 19.25.105 is amended by adding a new subsection to read:

17 (c) No outdoor advertising may be erected or maintained beyond  
18 660 feet of the nearest edge of the right-of-way of the main traveled  
19 way of the interstate, primary, <sup>or secondary</sup> ~~or secondary~~ highways in this state with  
20 the purpose of their message being read from that travel way except  
21 those outdoor advertising signs, displays or devices allowed under (a)  
22 of this section.

23 \* Sec. 3. AS 19.25.110 is amended to read:

24 Sec. 19.25.110. REMOVAL OF NONCONFORMING ADVERTISING. A sign,  
25 display or device which is lawfully in existence along the interstate  
26 system or the primary system on August 6, 1968 and which is not in  
27 conformity with secs. 80 - 180 of this chapter may not be required to  
28 be removed until July 1, 1970. A sign, display or device which is  
29 lawfully in existence along the secondary system on July 1, 1970 and

1 which is not in conformity with secs. 80 -- 180 of this chapter shall  
2 be removed by July 1, 1971. A sign, display or device which on the  
3 effective date of this Act, is lawfully in existence beyond 600 feet  
4 of the nearest edge of the right-of-way of the interstate, <sup>primary,</sup> or secondary  
5 highways and which is not in conformity with secs. 80 -- 180 of this  
6 chapter shall be removed by July 1, 1976.

7 \* Sec. 4. This act takes effect immediately in accordance with AS  
8 01.10.070(c).

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11 ( this now reads  
12 interstate, primary,  
13 or secondary )  
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on lines 17 and 28 which adds the sentence "In addition, the permittee shall assume any survey costs." Mr. Malone felt that the amendment HB260 made sense. Mr. Gruening raised question about the cost of the surveys. He said that he heard that those surveys run around \$5,000 a lot. Mr. Cowper asked if the permittee would have the right to pick a surveyor. Mr. Malone said that the land has to be surveyed before title can be transferred, and he can have it done before the state does.

Mr. Cowper moved to adopt the Resources Committee amendments in the form of a Finance Committee substitute and to report the bill out of committee. Mr. Malone asked that the question be divided. On the adoption of the Resources Committee amendments, Mr. Gruening objected. On vote, motion failed 3-4, Reps. Cowper, Malone, and Buchholdt voting in favor. Mr. Naughton objected to the motion to report the bill out of committee. On vote, motion carried, 4-3, Reps. Guy, Gruening, and Naughton voting no. MOTION

[Mr. Haugen entered the room]

The committee report was signed with individual recommendations: "Do pass", Haugen; "Do pass with amendment", Malone; "do not pass", Guy, Naughton; "No recommendation", Buchholdt, Duncan, Gruening, Cowper.

HOUSE BILL 307 (Alaska net income tax; disallowing certain credits) HB307 was brought up for consideration. Mr. Malone said that according to Department of Revenue, this is a housekeeping measure. He read from a memorandum dated April 2 from Fred Boetsch which states that the bill is to eliminate "those references to credits provided at the Federal level through the Internal Revenue Code which do not have any applicability at State level or which duplicate other provisions at the State level." Mr. Cowper moved to report HB 307 out of committee. Ms. Buchholdt objected in order to clarify. She asked if this means taxpayers would no longer get double deductions. Mr. Malone said yes, but HB 212 already reported out of committee would close that loophole anyway. Mr. Cowper noted in response to some of Ms. Buchholdt's concerns that what is involved here are credits, not deductions. After further discussion, Ms. Buchholdt removed her objection and so, no objections, motion carried. Committee report was signed a unanimous "do pass". MOTION

HOUSE BILL 314 (Relating to outdoor advertising control) was brought up for consideration. Mr. Malone said that without passage of this law, the state would not be in compliance with the federal law on the subject and the feds would exercise sanctions against the state to the extent of 10% of the federal highways funds. After brief discussion, Mr. Gruening moved to report the bill out of committee. Mr. Malone noted that there was a Commerce Committee amendment which on page 1, line 19, deleted the words "or secondary" and inserted the word "or" between "interstate" and "primary"; and on page 2, line 4, after the word "or" deleted the word "secondary", inserting "primary". Finance committee feeling seemed to be that secondary roads should MOTION

# CORRECTION

THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY

Introduced: 3/19/75  
Referred: Commerce, Judiciary  
and Finance

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on lines 17 and 28 which adds the sentence "In addition, the permittee shall assume any survey costs." Mr. Malone felt that the amendment HB260 made sense. Mr. Gruening raised question about the cost of the surveys. He said that he heard that those surveys run around \$5,000 a lot. Mr. Cowper asked if the permittee would have the right to pick a surveyor. Mr. Malone said that the land has to be surveyed before title can be transferred, and he can have it done before the state does.

Mr. Cowper moved to adopt the Resources Committee amendments in the form of a Finance Committee substitute and to report the bill out of committee. Mr. Malone asked that the question be divided. On the adoption of the Resources Committee amendments, Mr. Gruening objected. On vote, motion failed 3-4, Reps. Cowper, Malone, and Buchholdt voting in favor. Mr. Naughton objected to the motion to report the bill out of committee. On vote, motion carried, 4-3, Reps. Guy, Gruening, and Naughton voting no.

[Mr. Haugen entered the room]

The committee report was signed with individual recommendations: "Do pass", Haugen; "Do pass with amendment", Malone; "do not pass", Guy, Naughton; "No recommendation", Buchholdt, Duncan, Gruening, Cowper.

HOUSE BILL 307 (Alaska net income tax; disallowing certain credits) HB307 was brought up for consideration. Mr. Malone said that according to Department of Revenue, this is a housekeeping measure. He read from a memorandum dated April 2 from Fred Boetsch which states that the bill is to eliminate "those references to credits provided at the Federal level through the Internal Revenue Code which do not have any applicability at State level or which duplicate other provisions at the State level." Mr. Cowper moved to report HB 307 out of committee. Ms. Buchholdt objected in order to clarify. She asked if this means taxpayers would no longer get double deductions. Mr. Malone said yes, but HB 212 already reported out of committee would close that loophole anyway. Mr. Cowper noted in response to some of Ms. Buchholdt's concerns that what is involved here are credits, not deductions. After further discussion, Ms. Buchholdt removed her objection and so, no objections, motion carried. Committee report was signed a unanimous "do pass".

HOUSE BILL 314 (Relating to outdoor advertising control) was brought up for consideration. Mr. Malone said that without passage of this law, the state would not be in compliance with the federal law on the subject and the feds would exercise sanctions against the state to the extent of 10% of the federal highways funds. After brief discussion, Mr. Gruening moved to report the bill out of committee. Mr. Malone noted that there was a Commerce Committee amendment which on page 1, line 19, deleted the words "or secondary" and inserted the word "or" between "interstate" and "primary"; and on page 2, line 4, after the word "or" deleted the word "secondary", inserting "primary". Finance committee feeling seemed to be that secondary roads should

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

143 310

March 19, 1975

The Honorable Mike Bradner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060 (b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill amending certain sections of AS 19 (highways and Ferries), to make the outdoor advertising provisions of Alaska law conform to the Federal Aid Highway Amendments of 1974.

The bill removes the 660-foot limitation on the control of outdoor advertising devices and makes all signs, whose purpose is having their message read from the right-of-way of the main traveled way of state highways, except for the informational signs allowed in AS 19.25.105(a)(1) and (2), subject to removal. Nonconforming signs and devices must be removed by July 1, 1976.

This bill is designed to prevent the Federal Highway Administration from withholding federal highway funds; that is likely if the State does not enact legislation accomplishing this change by July 1, 1975.

Sincerely,

A large, stylized handwritten signature of Jay S. Hammond, written in dark ink.

Jay S. Hammond  
Governor

STATE  
OF ALASKA

## MEMORANDUM

*Hugh Malone*TO:  Hon. Terry Gardiner, Chairman  
House Judiciary Committee  
Alaska State Legislature

DATE : April 28, 1975

FROM: Walter B. Parker  
Commissioner  
Department of HighwaysSUBJECT: 00-3077  
HB 314*WBP Parker*

This is to clarify testimony offered your committee on HB 314 concerning outdoor advertising.

We have no strong feelings on the inclusion of secondary system roads under the terms of this bill. Federal law does not speak to the secondary system; it requires outdoor advertising control only on interstate and primary highways. Removing the secondary system from present law and HB 314 will not jeopardize receipt of any federal aid to highway construction. If the secondary system is included in HB 314 and left in existing statutes, funds expended for control of outdoor advertising along the secondary system will be State funds. Outdoor advertising control along the secondary system is ineligible for federal aid at this time.

I have enclosed for your distribution copies of the letter with which the Alaska Department of Highways described its sign policy last summer. I must emphasize that the sign policy described above is a stringent requirement of the Federal-Aid Highway Program and is now being rigorously enforced by the federal government.

If I may be of any further assistance, please feel free to call my office.

Enclosures

WBP/DMD/mth

July 15, 1974

RE: Political Signs  
23-2900

TO: All individuals who have filed for State or  
Statewide office with the Lieutenant Governor.

(List Attached)

Political signs placed within highway rights of way or within 600 feet of the right of way line and visible from a primary State Highway are prohibited under State law. The law is stringent in this regard and has made us responsible for enforcement. Alaska's entire Federal-aid Highway program would be jeopardized if we shirked our responsibility.

We earnestly solicit your help by instructing your campaign managers not to place signs in the prohibited areas; if such signs are presently in existence, please remove them immediately.

Political signs remaining in the prohibited areas will be removed by us and stored in our nearest maintenance yard for ninety days and then destroyed. They may be recovered any time prior to the ninety days by paying for removal and storage costs.

If you are in doubt concerning the width of the right of way in a given location, please contact the nearest district highway office for information.

Anchorage  
5700 Tudor Rd.  
Phone: 337-1511

Fairbanks  
2301 Peger Rd.  
Phone: 452-1911

Juneau  
Switzer Creek  
Box 3-1000  
Phone: 789-0841

Valdez  
Box 507  
Phone: 835-4322

Nome  
Box 220  
Phone: 443-5266

We need your help in this job and ask that you report to our nearest District Office any other known political signs within the prohibited area.

Political Signs  
July 15, 1974  
Page II

All candidates are being notified of our responsibility by this letter,  
and all prohibited political signs will be treated in the same manner.

Very truly yours,

B. A. Campbell  
Commissioner of Highways

*Jack T. Bodine*  
Jack T. Bodine  
Acting Right of Way Director

2 changes

Introduced: 3/19/75  
Referred: Commerce, Judiciary  
and Finance

*Finance*  
BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 *CS* HOUSE BILL NO. 314

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to outdoor advertising control; and  
7 providing for an effective date."

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

9 \* Section 1. AS 19.25.105(a) is amended by adding a new paragraph to  
10 read:

11 (3) signs determined by the state, subject to concurrence of the  
12 United States Department of Transportation, to be landmark signs,  
13 including signs on farm structures, or natural surfaces, of historic  
14 or artistic significance, the preservation of which would be consistent  
15 with the provisions of this chapter.

16 \* Sec. 2. AS 19.25.105 is amended by adding a new subsection to read:

17 (c) No outdoor advertising may be erected or maintained beyond  
18 600 feet of the nearest edge of the right-of-way of the main traveled  
19 way of the interstate, primary or secondary highways in this state with  
20 the purpose of their message being read from that travel way except  
21 those outdoor advertising signs, displays or devices allowed under (a)  
22 of this section.

23 \* Sec. 3. AS 19.25.110 is amended to read:

24 Sec. 19.25.110. REMOVAL OF NONCONFORMING ADVERTISING. A sign,  
25 display or device which is lawfully in existence along the interstate  
26 system or the primary system on August 6, 1968 and which is not in  
27 conformity with secs. 80 -- 180 of this chapter may not be required to  
28 be removed until July 1, 1970. A sign, display or device which is  
29 lawfully in existence along the secondary system on July 1, 1970 and



# 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

1/31/90  
Date

"An Act relating to membership and jurisdiction of the Alaska Public Utilities Commission."

## COMMITTEE REPORT

4/4/75

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had HB 315

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

"An Act relating to membership and jurisdiction of the Alaska Public Utilities Commission."

### COMMITTEE REPORT

3/20/75

HOUSE

FINANCE

Mr. Speaker:

Date 4/2/75

The Committee on Commerce has had HB 315

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 315 AND THAT

CS FOR 315 DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

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

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature] Chairman

Original sponsor: Bradley, Anderson,  
Bowman, et al

Offered: 4/11/75  
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 315

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE -- FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to membership of the Alaska Public  
7 Utilities Commission."

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

9 \* Section 1. AS 42.05.020(a) is amended to read:

10 (a) The Alaska Public Utilities Commission consists of five  
11 [THREE] members, appointed by the governor and confirmed by the legisla-  
12 ture in joint session assembled.

13 \* Sec. 2. AS 42.05.040 is amended to read:

14 Sec. 42.05.040. QUALIFICATIONS OF MEMBERS. Members shall be quali-  
15 fied as follows: one member shall be a graduate of an accredited school  
16 of law; one member shall be a graduate of an accredited university with  
17 a major in engineering; one member shall be a graduate of an accredited  
18 university with a major in finance, accounting, or business administra-  
19 tion; and two members shall be consumers.

20 \* Sec. 3. AS 42.05.071 is amended to read:

21 Sec. 42.05.071. QUORUM. Three [TWO] members of the commission  
22 constitute a quorum for the transaction of business, for the performance  
23 of a duty, or for the exercise of a power of the commission.

24 \* Sec. 4. The two consumer seats on the commission created by this Act  
25 shall be treated as vacancies and filled for a full term in the manner pre-  
26 scribed in AS 42.05.030(b).  
27  
28  
29

971  
Bill

Introduced: 3/20/75  
Referred: Commerce and  
Finance

BY BRADLEY, ANDERSON, BOWMAN,  
BRADNER, FREEMAN, GARDINER,  
MCKINNON, MILLER, PARKER, RHODE,  
SMITH AND SWANSON

1 IN THE HOUSE

2 HOUSE BILL NO. 315

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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11 [THREE] members, appointed by the governor and confirmed by the legisla-  
12 ture in joint session assembled.

13 \* Sec. 2. AS 42.05.030(b) is amended to read:

14 (b) A vacancy arising in the office of commissioner shall be  
15 filled by appointment by the governor from a list of four candidates,  
16 two submitted by the speaker of the house and two by the president of  
17 the senate, and confirmed by the legislature in joint session and an  
18 appointee selected to fill a vacancy shall hold office for the balance  
19 of the full term for which his predecessor on the commission was  
20 appointed.

21 \* Sec. 3. AS 42.05.040 is amended to read:

22 Sec. 42.05.040. QUALIFICATIONS OF MEMBERS. Members shall be quali-  
23 fied as follows: one member shall be a graduate of an accredited  
24 school of law; one member shall be a graduate of an accredited university  
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26 accredited university with a major in finance, accounting, or business  
27 administration; and tw members shall be consumers.

28 \* Sec. 4. AS 42.05.071 is amended to read:

29 Sec. 42.05.071. QUORUM Three [TWO] members of the commission

COMMITTEE COPY

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2 of a duty, or for the exercise of a power of the commission.

3 \* Sec. 5. The two consumer seats on the commission created by this Act  
4 shall be treated as vacancies and filled for a full term in the manner pre-  
5 scribed in AS 42.05.030(b).

6 \* Sec. 6. AS 42.05.141 is amended to read:

7 Sec. 42.05.141. GENERAL POWERS AND DUTIES OF THE COMMISSION. The  
8 Alaska Public Utilities Commission may

9 (1) regulate every public utility engaged or proposing to  
10 engage in such a business inside the state, [EXCEPT TO THE EXTENT EX-  
11 EMPTED BY SEC. 711 OF THIS CHAPTER] and the powers of the commission  
12 shall be liberally construed to accomplish its stated purposes;

13 (2) investigate, upon complaint or upon its own motion, the  
14 rates, classifications, rules, regulations, practices, services and  
15 facilities of a public utility and hold hearings on them;

16 (3) make or require just, fair and reasonable rates, classi-  
17 fications, regulations, practices, services and facilities for a public  
18 utility;

19 (4) prescribe the system of accounts and regulate the service  
20 and safety of operations of a public utility;

21 (5) require a public utility to file reports and other infor-  
22 mation and data.

23 \* Sec. 7. AS 42.05.771 is repealed.  
24  
25  
26  
27  
28  
29

ALASKA STATE LEGISLATURE

... 1975 Legislature ... FIRST Session

HOUSE ... BILL ... NO. ... 315

By BRADLEY, ANDERSON, BOWMAN,  
BRADNER, FREEMAN, GARDINER,  
MCKINNON, MILLER, PARKER,  
RHODE, SMITH AND SWANSON

An Act relating to membership  
and jurisdiction of the Alaska  
Public Utilities Commission.

Al. Public Utilities Comm.

Introduced in the House ... 3/20/75, 19... 75

HISTORY IN THE HOUSE

19 75

Mar 20

Read first time and referred  
to Committee on  
Commerce and Finance

Reported back with  
recommendation that

Read second time and

Read third time and

PASS            Effective Date  
Yeas            Yeas  
Nays            Nays  
Absent          Absent  
Excused        Excused

Reconsideration

PASS            Effective Date  
Yeas            Yeas  
Nays            Nays  
Absent          Absent  
Excused        Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred  
to Committee on

Reported back with  
recommendation that

Read second time and

Read third time and

PASS            Effective Date  
Yeas            Yeas  
Nays            Nays  
Absent          Absent  
Excused        Excused

Reconsideration

PASS            Effective Date  
Yeas            Yeas  
Nays            Nays  
Absent          Absent  
Excused        Excused

Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No. ....

Introduced: 3/20/75  
Referred: Commerce and  
Finance

BY BRADLEY, ANDERSON, EDWARDS,  
BRADNER, FREEMAN, GARDNER,  
MCKINNON, MILLER, PARKER, ROYER,  
SMITH AND SWANSON

1 BY THE HOUSE

2 HOUSE BILL NO. 315

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an act entitled: "An act relating to membership and jurisdiction of the  
7 Alaska Public Utilities Commission."

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12 ~~and in joint session assembled.~~

13 Section 2. AS 42.05.030(b) is amended to read:

14 (b) a vacancy arising in the office of commissioner shall be  
15 filled by appointment by the governor from a list of four candidates,  
16 two submitted by the speaker of the house and two by the president of  
17 the senate, and confirmed by the legislature in joint session and an  
18 appointed selected to fill a vacancy shall hold office for the balance  
19 of the full term for which his predecessor on the commission was  
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24 school of law; one member shall be a graduate of an accredited university  
25 with a major in engineering; one member shall be a graduate of an  
26 accredited university with a major in finance, accounting, or business  
27 administration; and two members shall be consumers.

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29 Sec. 42.05.071. QUORUM Three [TWO] members of the commission

1 constitute a quorum for the transaction of business, for the performance  
2 of a duty, or for the exercise of a power of the commission.

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7 Sec. 42.05.141. GENERAL POWERS AND DUTIES OF THE COMMISSION. The  
8 Alaska Public Utilities Commission may

9 (1) regulate every public utility engaged or proposing to  
10 engage in such a business inside the state, [EXCEPT TO THE EXTENT EX-  
11 EMPTED BY SEC. 711 OF THIS CHAPTER] and the powers of the commission  
12 shall be liberally construed to accomplish its stated purposes;

13 (2) investigate, upon complaint or upon its own motion, the  
14 rates, classifications, rules, regulations, practices, services and  
15 facilities of a public utility and hold hearings on them;

16 (3) make or require just, fair and reasonable rates, classi-  
17 fications, regulations, practices, services and facilities for a public  
18 utility;

19 (4) prescribe the system of accounts and regulate the service  
20 and safety of operations of a public utility;

21 (5) require a public utility to file reports and other infor-  
22 mation and data.

23 \* Sec. 7. AS 42.05.771 is repealed.  
24  
25  
26  
27  
28  
29

Original sponsor: Bradley, Anderson,  
Bowman, et al

Offered: 4/4/75  
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 315

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to membership of the Alaska Public  
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24 \* Sec. 4. The two consumer seats on the commission created by this Act  
25 shall be treated as vacancies and filled for a full term in the manner pre-  
26 scribed in AS 42.05.030(b).  
27  
28  
29

#

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

I. REQUEST

Bill Identification: House Bill No. 315  
 Title: Relating to membership and jurisdiction of the Alaska Public Utilities Commission  
 Requested by: House Finance Committee Date: April 9, 1975  
 Return Date Requested: Not specified.  
 Agency: Department of Commerce Program: Public Protection

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Alaska Public Utilities Commission

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES				106,636		
200 TRAVEL				10,000		
300 CONTRACTUAL				67,235		
400 COMMODITIES				1,600		
500 EQUIPMENT				11,259		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL				196,730		

B. FUNDING: (Thousands of dollars)

GENERAL FUND				196,730		
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	4	/	/
MAN MONTHS (P./T.)	/	/	/	48	/	/

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

IV. ATTACHMENTS

- No. 1 - Fiscal Breakdown by Account.
- No. 2 - Hearing Room Costs.

V. DATE: April 11, 1975

PREPARED BY: 

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

FISCAL BREAKDOWN BY ACCOUNT  
RE HOUSE BILL NO. 315 - PREPARED 4-11-75

ACCOUNT 100 - PERSONAL SERVICES = \$106,636

Commissioner

Salary	\$33,500	
18% Benefits	<u>6,030</u>	
	39,530	x 2 positions = \$79,060

Secretary

Salary	11,688	
18% Benefits	<u>2,100</u>	
	13,788	x 2 positions = <u>27,576</u>

\$106,636

ACCOUNT 200 - TRAVEL = \$10,000

Field travel (hearings), administrative, and conferences and conventions - \$5,000 x 2 positions	10,000
---	--------

ACCOUNT 300 - CONTRACTUAL = \$67,235

310 Communications

Telephone for 4 new positions	\$960	
Toll calls	600	
Postage	<u>600</u>	
		2,160

330 Office Space

Present Office Space	5,200 sq. ft.	
Commissioner 315 sq. ft. x 2 =	630 " "	
Secretary 60 sq. ft. x 2 =	120 " "	
Total Requirement	5,950 " "	@ \$1.10 x 12 mos. = \$78,540
Present Cost - \$2,002.50 per mo. x 12 mos.		<u>24,750</u>
		53,790
Parking space, reserved, @ \$20.00 per mo. x 8 positions x 12 mos.		1,920

340 Repairs, Services and Alterations

Telephone Costs, non-recurring (installation)	\$915	915
---	-------	-----

350 Transportation of Things

Move to New Offices (Drayage)	\$4,000	
Move for 2 new hires @ \$2,000	<u>4,000</u>	8,000

380 Professional Fees and Services

Contract to remove and reinstall hearing room recording system	\$450	450
--	-------	-----

ACCOUNT 400 - COMMODITIES = \$1,600

480 Office Supplies and Stationery for 4 new positions @ \$400	1,600
--	-------

FISCAL BREAKDOWN BY ACCOUNT  
RE HOUSE BILL NO. 315 - PREPARED 4-11-75

ACCOUNT 500 - EQUIPMENT = \$11,259

520 Furniture and Equipment

Commissioner

Desk, Executive	\$251.36
Chair, Executive	134.25
Bookcase	73.11
2 Side Chairs with arms	109.40
Office Table	132.78
File Cabinet	149.88
Dictating Machine	<u>575.00</u>

\$1,425.78 x 2 positions

\$ 2,852

Secretary

Desk, Secretarial	258.00
Chair, Secretarial	72.46
Side Chair without arms	29.75
Typewriter	800.00
File Cabinet	149.88
Transcriber	<u>575.00</u>

1,885.09 x 2 positions

3,770

6-hanger Costumer      \$47.00

47

Hearing Room

Commissioners' Bench (custom), 18 linear feet @ \$100	\$1,800
Commissioner Chairs @ \$160 x 2	320
Conference type Tables (wood) @ \$480 x 4	1,920
Recording System materials (cabling)	100
Replacement Tape Recorder	<u>450</u>

4,590

GRAND TOTAL

\$196,730

### HEARING ROOM COSTS

CONCEPT: Leave existing hearing room intact at present location except for recording equipment.

#### JUSTIFICATION:

1. Existing hearing room tables and bench, which were custom-made, cannot be removed without substantial disassembly and reassembly costs.
2. Commissioners' bench will not accommodate two additional Commissioners and is not particularly adaptable to expansion.
3. Total hearing room facilities in the MacKay Building are not adequate to meet satisfactorily the combined requirements of the other State building occupants.

The Legislature of the State of Alaska

FISCAL NOTE

First Session - ~~Eight~~ Legislature  
Ninth

I. REQUEST

Bill Identification: House Bill No. 315  
 Title: Relating to membership and jurisdiction of the Alaska Public Utilities Commission  
 Requested by: House Finance Committee Date: April 9, 1975  
 Return Date Requested: Not specified.  
 Agency: Department of Commerce Program: Public Protection

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Alaska Public Utilities Commission

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES				106,636		
200 TRAVEL				10,000		
300 CONTRACTUAL				67,235		
400 COMMODITIES				1,600		
500 EQUIPMENT				11,259		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL				196,730		

B. FUNDING: (Thousands of dollars)

GENERAL FUND				196,730		
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	4 /	/	/
MAN MONTHS (P./T.)	/	/	/	48 /	/	/

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

IV. ATTACHMENTS:

- No. 1 - Fiscal Breakdown by Account.
- No. 2 - Hearing Room Costs.

V. DATE: April 11, 1975

PREPARED BY: *London B. Seely*

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

FISCAL BREAKDOWN BY ACCOUNT  
RE HOUSE BILL NO. 315 - PRE-ARED 4-11-75

ACCOUNT 100 - PERSONAL SERVICES = \$106,636

Commissioner

Salary \$33,500  
 18% Benefits 6,030  
39,530 x 2 positions = \$79,060

Secretary

Salary 11,688  
 18% Benefits 2,100  
13,788 x 2 positions = 27,576

\$106,636

ACCOUNT 200 - TRAVEL = \$10,000

Field travel (hearings), administrative,  
 and conferences and conventions - \$5,000 x 2 positions 10,000

ACCOUNT 300 - CONTRACTUAL = \$67,235

310 Communications

Telephone for 4 new positions \$960  
 Toll calls 600  
 Postage 600  
 2,160

330 Office Space

Present Office Space 5,200 sq. ft.  
 Commissioner 315 sq. ft. x 2 = 630 " "  
 Secretary 60 sq. ft. x 2 = 120 " "  
 Total Requirement 5,950 " " @ \$1.10 x 12 mos. = \$78,540  
 Present Cost - \$2,062.50 per mo. x 12 mos. 24,750  
 53,790  
 Parking space, reserved, @ \$20.00 per mo. x 3 positions x 12 mos. 1,920

340 Repairs, Services and Alterations

Telephone Costs, non-recurring (installation) \$915 915

350 Transportation of Things

Move to New Offices (Drayage) \$4,000  
 Move for 2 new hires @ \$2,000 4,000  
 8,000

380 Professional Fees and Services

Contract to remove and reinstall hearing room recording system \$450 450

ACCOUNT 400 - COMMODITIES = \$1,600

480 Office Supplies and Stationery for 4 new positions @ \$400 1,600

FISCAL BREAKDOWN BY ACCOUNT  
RE HOUSE BILL NO. 315 - PREPARED 4-11-75

ACCOUNT 500 - EQUIPMENT = \$11,259

520 Furniture and Equipment

Commissioner

Desk, Executive	\$251.36
Chair, Executive	134.25
Bookcase	73.11
2 Side Chairs with arms	109.40
Office Table	132.78
File Cabinet	149.88
Dictating Machine	<u>575.00</u>

\$1,425.78 x 2 positions

\$ 2,852

Secretary

Desk, Secretarial	258.00
Chair, Secretarial	72.46
Side Chair without arms	29.75
Typewriter	800.00
File Cabinet	149.88
Transcriber	<u>575.00</u>

1,885.09 x 2 positions

3,770

6-hanger Costumer \$47.00

47

Hearing Room

Commissioners' Bench (custom), 18 linear feet @ \$100	\$1,800
Commissioner Chairs @ \$160 x 2	320
Conference type Tables (wood) @ \$480 x 4	1,920
Recording System materials (cabling)	100
Replacement Tape Recorder	<u>450</u>

4,590

GRAND TOTAL

\$196,730

HEARING ROOM COSTS

CONCEPT: Leave existing hearing room intact at present location except for recording equipment.

JUSTIFICATION:

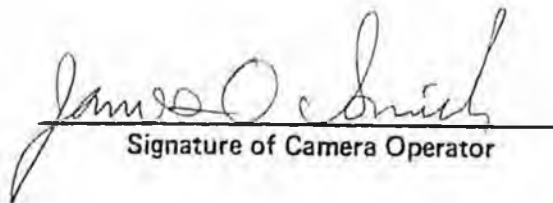
1. Existing hearing room tables and bench, which were custom-made, cannot be removed without substantial disassembly and reassembly costs.
2. Commissioners' bench will not accommodate two additional Commissioners and is not particularly adaptable to expansion.
3. Total hearing room facilities in the Mackay Building are not adequate to meet satisfactorily the combined requirements of the other State building occupants.

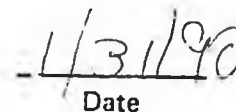


# RECORDS CERTIFICATION



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.

  
Signature of Camera Operator

  
Date

COMMITTEE REPORT

SENATE

4/24/75

Mr. President:

Date 4/23/75

The Committee on FINANCE has had HB 320 relating to withholding tax under consideration. A Majority of the members of the Committee

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

Members signing the Majority report:

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

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature] Chairman

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH 5 — JUNEAU 99801

JAY S. HAMMOND, Governor

April 25, 1975

The Honorable Bill Ray  
Chairman  
Senate Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska

Re: House Bill No. 320

Dear Senator Ray:

House Bill No. 320, an Act relating to withholding tax was introduced in the Senate on April 24, 1975 and was referred to the Senate Finance Committee.

For the consideration of the Senate Finance Committee, I am enclosing a copy of a memorandum dated April 3, 1975 from Frederick P. Boetsch, Deputy Commissioner, Department of Revenue, to the writer advising of the necessity of the proposed legislation in order to protect the State Treasury.

For the information of the Finance Committee, I am also enclosing a schedule of withholding tax collections for the past four years. The schedule will indicate that of total gross individual income tax collection: for the fiscal year ending June 30, 1974 the withholding tax amounted to 86.64 percent of the total individual income tax collections, thus being a highly effective means of collection of taxes on wages earned in Alaska.

If you or any members of the Senate Finance Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Boetsch for further material or testimony.

Very truly yours,



R. D. Stevenson  
Special Assistant

ADS:eh

cc: Frederick P. Boetsch  
Deputy Commissioner  
Department of Revenue

STATE  
of ALASKA

## MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant

DATE : April 3, 1975

FROM: Frederick P. Boetsch, C.P.A. *FPB* SUBJECT: Regulation of Withholding Tax Rates  
Deputy Commissioner, Taxation House Bill 320

This bill would amend AS 43.20.170 (a) which provides that the withholding rate for Alaska income tax purposes is 20.5 percent of the appropriate Federal withholding. Instead of specifying a percentage in the Statute, authority would be given to the Department of Revenue to publish an appropriate rate of withholding expressed as a percentage of the amount required to be withheld under the Federal tables. That percentage would be computed in such a manner to approximate the amount of tax due on the wages under the Alaska Net Income Tax Act. The purpose of this bill is to eliminate the necessity to alter the percentage by statutory amendment every time the Federal government changes its withholding.

Since the Alaska Net Income Tax rates are fixed, it makes sense that the Alaska withholding tax tables should also remain constant unless there are changes in the definition of taxable income. There should not, however, be a change in the Alaska withholding table every time the Federal tables change since those changes are often based on changes in the Federal rates. As a convenience to the employers, we have established a procedure whereby the employer need only take a certain percentage of the Federal withholding in order to compute the Alaska tax withheld. In order to make this work, it is necessary that the Alaska withholding rate be adjusted every time the Federal tables change. This happens so frequently that it creates an unnecessary burden to require that the law be changed every time the Federal withholding tables change.

For example, the President has signed into law a new tax measure which will cause Federal withholding tables to change in May and again in January of 1976. In order for us to maintain a constant rate of withholding it would be necessary to amend our current law, both now and again for January.

It is much simpler and more straightforward procedure to allow the Department to set the appropriate rate based on timely information received on changes in the Federal tables. This will allow us to more quickly respond to these changes and therefore protect the State Treasury from any sudden, and possibly costly, changes.

Although the withholding taxes are really a prepayment of income taxes and the income tax is due regardless of whether it is withheld, we believe that a drop in revenues could occur if House Bill 320 is not enacted. The withholding system is designed as a pay-as-you-go way of collecting income taxes. Since most people usually qualify for a refund at the end of the year, it has

also proven to be a very effective means of assuring compliance.

In our case, with a large transient population, the withholding system is essential to obtain good compliance with our income tax law. If a transient worker wound up owing a tax at year's end it is less likely that he would file a return than if he has a refund. Therefore, it is necessary that we be able to set the withholding tax at a rate that would result in either a small refund or small amount of tax owing at year end.

We have not estimated the effect on Treasury since we do not know how much compliance would be reduced by reduced withholding. Collections from the withholding system would drop by between \$5 million and \$6 million per year. This would be offset to some extent by payments with tax returns filed after year end.

There are no administrative costs connected with this bill.

FPB: eh

WITHHOLDING - INDIVIDUAL INCOME TAX  
1971 - 1972 - 1973 - 1974

	Collections 1971	Collections 1972	Dollar Increase Over 1971	Per Cent Increase Over 1971	Collections 1972	Collections 1973	Dollar Increase Over 1972	Per Cent Increase Over 1972	Collections 1973	Collections 1974	Dollar Increase Over 1973	Per Cent Increase Over 1973
Qtr Ending March 31	\$ 7,382,549.19	\$ 9,613,815.32	\$ 2,231,266.13	30.22%	\$ 9,613,815.32	\$10,496,745.19	\$ 882,929.87	9.18%	\$10,496,745.19	\$12,782,401.73	\$ 2,285,656.54	21.77%
Qtr Ending June 30	8,731,847.58	11,027,906.62	2,296,059.04	26.30	11,027,906.62	12,336,146.78	1,308,240.16	11.86	12,336,146.78	15,555,406.59	3,219,259.81	26.34
Qtr Ending Sept. 30	10,927,368.46	13,130,136.55	2,202,768.09	20.16	13,130,136.55	14,220,907.94	1,090,771.39	8.31	14,220,907.94	17,667,611.55	3,446,703.61	24.25
Qtr Ending Dec. 31	8,516,947.46	11,398,006.73	2,881,059.27	33.83	11,398,006.73	12,671,889.28	1,273,882.55	11.19	12,671,889.28	23,694,160.76	11,022,271.48	86.99
<b>Totals</b>	<b>\$35,558,712.69</b>	<b>\$45,169,865.22</b>	<b>\$ 9,611,152.53</b>	<b>27.03%</b>	<b>\$45,169,865.22</b>	<b>\$49,725,609.19</b>	<b>\$ 4,555,832.97</b>	<b>10.09%</b>	<b>\$49,725,609.19</b>	<b>\$75,699,580.66</b>	<b>\$25,973,971.47</b>	<b>52.23%</b>

	1971 Collections	% of Total	1972 Collections	% of Total	1973 Collections	% of Total	1974 Collections	% of Total
Qtr Ending March 31	\$ 7,382,549.19	20.76%	\$ 9,613,815.32	21.28%	\$10,496,745.19	21.11%	\$12,782,401.73	16.89%
Qtr Ending June 30	8,731,847.58	24.56	11,027,906.62	24.42	12,336,146.78	24.81	15,555,406.59	20.55
Qtr Ending Sept. 30	10,927,368.46	30.73	13,130,136.55	29.07	14,220,907.94	28.60	23,667,611.58	31.26
Qtr Ending Dec. 31	8,516,947.46	23.95	11,398,006.73	25.23	12,671,889.28	25.48	23,694,160.76	31.30
<b>Totals</b>	<b>\$35,558,712.69</b>	<b>100.00%</b>	<b>\$45,169,865.22</b>	<b>100.00%</b>	<b>\$49,725,609.19</b>	<b>100.00%</b>	<b>\$75,699,580.66</b>	<b>100.00%</b>

Analysis Individual Income  
Tax FY 6-30-74

	Amount	% of Total
Estimated Tax Payments	\$ 2,972,187.54	4.84%
Payments with Returns	5,231,117.79	8.52
Sub-Total	\$ 8,203,305.33	13.36%
Withholding Tax-Employers	53,199,870.26	66.64
<b>Total Gross Collections</b>	<b>\$61,403,175.59</b>	<b>100.00%</b>
Total Gross Collections	\$61,403,175.59	80.10%
Less: Refunds	12,218,197.45	19.90
<b>Net Collections</b>	<b>\$49,184,978.14</b>	<b>100.00%</b>

Introduced: 3/20/75  
Referred: Commerce

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 320

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to withholding tax; and providing  
7 for an effective date."

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

9 \* Section 1. AS 43.20.170(a) is repealed and re-enacted to read:

10 (a) Every employer making payment of wages or salaries shall  
11 deduct and withhold an amount of tax computed in such a manner to  
12 approximate the amount of tax due on those wages under this chapter  
13 for that year. The department shall publish the rate of withholding  
14 required by this section which shall be expressed as a percentage  
15 of the amount required to be withheld under sec. 3402 of the Internal  
16 Revenue Code of 1954. Every employer making a deduction and a with-  
17 holding shall furnish to the employee upon request a record of the  
18 amount of tax withheld from the employee on a form prescribed by  
19 the department.

20 \* Sec. 2. This Act takes effect July 1, 1975.  
21  
22  
23  
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25  
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27  
28  
29

Introduced: 3/20/75  
Referred: Commerce

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18 amount of tax withheld from the employee on a form prescribed by  
19 the department.

20 \* Sec. 2. This Act takes effect July 1, 1975.



# RECORDS CERTIFICATION



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James O. Smith  
Signature of Camera Operator

1/31/90  
Date

# COMMITTEE REPORT

## SENATE

4/25/75

Mr. President:

Date 4/25/75

The Committee on FINANCE has had HR 123  
relating to the U. of A. Anchorage Campus Student Center Revenue Fund  
under consideration. A Majority of the members of the Committee

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

Members signing the Majority report.

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

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:

[Signature] Chairman

The Legislature of the State of Alaska  
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HOUSE BILL NO. 323  
 Title: Relating to the U of A Anchorage Campus Student Revenue Fund.  
 Requested by: House Finance Committee Date: 2/21/78  
 Return Date Requested: \_\_\_\_\_  
 Agency: \_\_\_\_\_ Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: University of Alaska

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Reserve Requirement:				95.0		
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Student Fees)				95.0		

C. POSITIONS:

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

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

Current legislation authorizes the U/A to pledge up to 25% of student fees to amortize the revenue bond issue, thus providing a coverage of 125% in the most critical year (FY 78). The bonds have been rated therefore at "BAA". U/A received no bids on March 16 for these bonds. Increasing the allowable percentage of student fees available for redemption and coverage to 35% will provide coverage of 150% of maximum debt service and will cause a rate change to "A". U/A's bond counsel have stated that bonds with this rating will be readily sold in time to award construction contracts this year (April 24).

IV.

v. DATE: March 21 / 78 PREPARED BY: R. Golden

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

University of Alaska Student Union Revenue Bonds.

Existing Legislation  
(provides 25% of student fees)

<u>Projected Revenue</u>		<u>Expenditure</u>
FY 76	\$490.0	\$480.0 - interim finance
FY 77	\$562.0	\$480.0 - interim finance
FY 78*	\$659.8	\$580.0 - interim finance and reserve (\$100,000)
FY 79	\$770.1	\$580.0 - interim finance and reserve (\$100,000)

\*Coverage shortfall - \$94,200 for FY 78 only @ 125% of debt service.

Proposed Legislation  
(Provides 35% of student fees)

<u>Projected Revenue</u>		<u>Expenditure</u>
FY <del>76</del>	\$686.0	\$480.0 as above
FY 77	\$787.8	\$480.0 "
FY 78*	\$933.7	\$580.0 "
FY 79	\$1078.7	\$580.0 "

\*Coverage adequate @ 150% of debt service.

NOTE: The coverage is not encumbered or otherwise lost to U/A's general fund except in that fiscal year, but merely provides bond holders with a greater assurance of protection in case of a dramatic drop in enrollment.

Introduced: 3/21/75  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 323

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the University of Alaska Anchorage  
7 Campus Student Center Revenue Fund; and providing for  
8 an effective date."

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

10 \* Section 1. Chapter 93, sec. 1(a), SLA 1974 is amended to read:

11 (a) There is a special fund of the university to be known as the  
12 "Anchorage Campus Student Center Revenue Fund" which shall be completely  
13 segregated and set apart from all other funds of the university, which  
14 is a trust fund for the uses and purposes provided in this Act, and  
15 into which shall be paid 35 [25] per cent of all student fees, or a  
16 lesser per cent of all student fees determined by the board, and special  
17 fee assessments as determined by the board.

18 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
19 070(c).

The Legislature of the State of Alaska  
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HOUSE BILL No. 323  
 Title: FOLIOLES TO THE U OF A ANCHORAGE CAMPUS STUDENT REVENUE FUND  
 Requested by: House Finance Committee Date: 2/21/75  
 Return Date Requested: \_\_\_\_\_  
 Agency: \_\_\_\_\_ Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: University of Alaska

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Reserve Requirement				95.0		
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Student fees)				95.0		

C. POSITIONS:

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

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

Current legislation authorizes the U/A to pledge up to 25% of student fees to amortize the revenue bond issue, thus providing a coverage of 125% in the most critical year (FY 78). The bonds have been rated therefore at "BAA". U/A received no bids on March 18 for these bonds. Increasing the allowable percentage of student fees available for redemption and coverage to 35% will provide coverage of 150% of maximum debt service and will cause a rate change to "A". U/A's bond counsel have stated that bonds with this rating will be readily sold in time to award construction contracts this year (April 24).

IV.

v. DATE: March 21/75 PREPARED BY: R. Stolten

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

University of Alaska Student Union Revenue Bonds.

Existing Legislation  
(provides 25% of student fees)

<u>Projected Revenue</u>		<u>Expenditure</u>
FY 76	\$490.0	\$480.0 - interim finance
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Proposed Legislation  
(Provides 35% of student fees)

<u>Projected Revenue</u>		<u>Expenditure</u>	
FY 76	\$686.0	\$480.0	as above
FY 77	\$787.8	\$480.0	"
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NOTE: The coverage is not encumbered or otherwise lost to U/A's general fund except in that fiscal year, but merely provides bond holders with a greater assurance of protection in case of a dramatic drop in enrollment.