

LEG. FINANCE - BILLS 1975 - 1976 427

HB 569 thru HB 580

427



# 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 J. Smith  
Signature of Camera Operator

11/31/90  
Date

# COMMITTEE REPORT

## SENATE

Mr. President:

Date 3/10/76

The Committee on Finance has had HR 559  
Participation in the Public Employees Retirement System  
under consideration. A Majority of the members of the Committee

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

Members signing the Majority report:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Members NOT concurring in the Majority report:

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

\_\_\_\_\_  
Chairman



TELEPHONES  
1907 586-1325  
586-6526

204 N. FRANKLIN ST.  
JUNEAU, ALASKA 99801

April 7, 1976

The Honorable Bill Ray  
Chairman, Senate Finance Committee

Dear Mr. Chairman:

You ask that I remind you one more time of the social security bill we would like to have reported out of your Committee. So here goes - it is HB 569.

As a refresher, I am enclosing herewith a copy of our letter of March 23 on the same subject. I am also taking the liberty of enclosing a very pertinent and interesting article from the April 5, 1976 edition of Time Magazine.

Thanks again for your help.

Sincerely,

A handwritten signature in cursive script, which appears to read "Don M. Berry".

Don M. Berry  
Executive Director

ermen look brighter. The unilateral extension of U.S. jurisdiction to 200 miles will inevitably prompt other nations to follow suit, causing sweeping changes in traditional fishing patterns. (The United Nations Law of the Sea Conference has yet to take any multilateral action.) Nations with short coastlines, like Poland and East Germany, could find themselves sharply restricted as to where they can fish, and new markets for U.S.-caught fish could open up.

## SOCIAL SECURITY

### Big Apple Bye-Bye

For most Americans the Social Security tax is one that cannot be evaded or even reduced. Not so for state and local governments; unlike private businesses, they are free to pull themselves and their employees out of Social Security if they choose. In the past two years 138 cities, counties and other jurisdictions, including Alaska, have given up their memberships in the Social Security system, and another 207 government units have declared their intention to do so. Last week Mayor Abraham Beame announced that New York City, the biggest local government of all, would join the dropouts, and New Jersey's fiscal affairs office recommended that the state consider a pullout.

Since by law state and local governments are immune from federal taxation, the ones that participate in Social Security join voluntarily. They may quit after ten years by declaring their intent two years in advance and may change their minds during the notice period. The roster of dropouts is growing because Social Security taxes are mounting—employer and employee shares have each reached a maximum \$895.05 a year—and are likely to keep climbing. Private pension plans often turn out to be a better investment, especially since the 1974 Employee Retirement Security Act ensures that workers whose private pension plans collapse will be paid with federal funds.

The Metropolitan Washington Council of Governments, for example, which includes various communities near the District of Columbia, found it could enter into a private pension plan and pay no more than it paid to Social Security, but employees could retire at age 60 instead of 65, with no loss in benefits. In San Jose, Calif., which left the system last year, city workers now contribute 3% less than they did under Social Security and enjoy benefits that average 25% higher.

**Starting the Clock.** New York City has a more urgent motive for quitting: the need to balance its books after its close brush with bankruptcy. Columbia University Professor Raymond Horton, staff director of a commission on city finances, concluded that New York could save as much as \$183 million a

year by leaving the Social Security system for two years and setting up its own program to provide death and disability benefits. But a temporary pullout would require permission from Congress, so Beame decided to "start the clock running" on the two-year notice period for a permanent defection.

For the time being, only workers under direct control of the mayor's office—112,000 of the city's 250,000 employees—stand to be affected. If New York does abandon Social Security in 1978, these people will take home considerably more money—up to \$895.05 a year if today's tax rate still applies. Of course, the city would have to join a private plan or set up one of its own to cover employees who are not vested and supplement the benefits of those who are.

Leaders of New York's municipal unions headed by Victor Gotbaum, executive director of the State, County and Municipal Employees Union, were out-



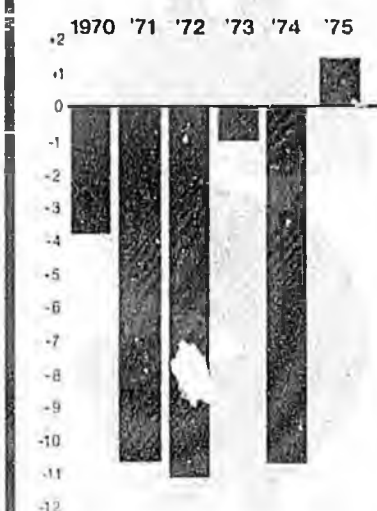
NEW YORK'S GOTBAUM  
*Countdown to pullout.*

raged and threatened to go to court to block the dropout. City officials may seek concessions from the unions in upcoming negotiations in return for sticking with Social Security. Elsewhere, employees have favored quitting. In March 1975, 14 of the 15 bargaining units representing the employees of Sacramento County, Calif., asked the board of supervisors to study alternatives to Social Security; three months later the county filed its intent to withdraw.

Social Security Administration officials do not consider the defections ominous—yet. As employment by local governments grows, they point out, more municipal employees are coming into the system than are leaving it. But the gap is narrowing. In 1974, 7,845 local-government employees left, while 25,000 came in; last year there were 18,000 exits and 25,000 entrances. With the addition of New York, some 170,000 more workers may leave in the next two years.

# U.S. Balance of Payments

Basic balance (Billions of dollars)



FIVE CHART The Chartmakers, Inc.

## TRADE

### Speeding Up a Snail

Even for multinational economic negotiations, the trade talks among 93 nations sponsored by the General Agreement on Tariffs and Trade have been proceeding at a snail's pace. Negotiations were launched 30 months ago, and so far have accomplished next to nothing—mostly because the U.S. first had to get a law passed giving the President authority to offer concessions, then conduct Government-industry-labor consultations on its negotiating position. Last week, however, Chief U.S. Negotiator William N. Walker finally presented the first major U.S. proposal: all industrial nations should cut tariffs 50% to 60%. With that, the GATT talks in Geneva can finally get down to hard bargaining.

Results will not be lightning fast even now. The negotiators have given themselves until the end of next year to wrap up an agreement, and they will need the time. The tariff problem is only the first that must be resolved. In the past, the U.S. has advocated "linear" tariff cuts (reducing all tariffs by the same percentage); Europeans have wanted "harmonization" (extra-deep cuts in the highest tariffs). Even though tariffs in both the U.S. and the Common Market average between 9% and 10%, Europeans argue that U.S. duties are unevenly distributed between very high and very low rates, while theirs tend to cluster within a narrower range.

Another difficulty: the U.S. insists that its tariff-cutting formula be applied to agriculture as well as factory products so that American farmers can sell more food in the E.C. The Europeans

consider their protectionist Common Agricultural Policy (CAP) a cornerstone of European unity and are reluctant to tamper with it. Even so, some sort of basic agreement on a tariff-cutting formula should be possible by this fall.

**Tackling Barriers.** At the same time, delegates must tackle an even tougher issue: nontariff barriers (NTBs), which have taken on increased importance as countries cut duties. NTBs include export subsidies, safety standards, customs procedures, packing and labeling regulations, import quotas and other means by which governments can bar imports. GATT experts have drawn up a list of 850 NTBs to be discussed, but no one expects that the negotiators will be able to eliminate more than a few.

For the U.S., the discussions might seem less urgent than they did when Richard Nixon proposed them in 1972. Nixon was seeking a way to stop what was then a hemorrhage of dollars out of the U.S. But last week the Government reported that the 1975 U.S. "basic" balance of payments (current transactions plus long-term capital movements) showed a surplus for the first time in the 15 years these figures have been recorded. Main reason for the improvement: higher sales of U.S. goods abroad as a result of previous dollar devaluations. Still, the GATT talks are hugely important to world prosperity. The volume of international trade last year dropped by 6%, to \$731 billion.

## FISHING

### Repelling Foreigners

Posters plastered all over the picturesque fishing port of New Bedford, Mass., proclaim: THE SOVIET FISHING FLEET IS TWELVE MILES OFF OUR COAST AND SUCKING UP EVERYTHING THAT SWIMS, CRAWLS OR HIDES IN THE SAND. Beneath ominous-looking silhouettes of Russian trawlers, the posters urge: SUPPORT THE 200-MILE FISHING LIMIT. Congress is now getting the message. This week both House and Senate are expected to pass a bill extending U.S. jurisdiction over coastal waters from its present twelve miles to 200 miles; President Ford's signature is likely. Under the bill, which will take effect next March, the Government will enforce quotas on how many fish can be caught, and by whom, within the 200-mile "resource zone." U.S. fishermen will net as much of the quota as they physically can; foreign vessels will be licensed to catch only the remainder. TIME Correspondent David Wood, who has covered the fishing industry dockside and at sea, reports:

The bill's progress has caused a surge of optimism in the ailing East Coast fishing industry, especially in New England ports. Fishermen there have long blamed foreign competition, par-

March 23, 1976

The Honorable Bill Ray  
Chairman, Senate Finance Committee

Dear Mr. Chairman:

On March 10, 1976, HB 569 was referred to your Committee after having received a "do pass" recommendation from the Senate Community and Regional Affairs Committee.

Very briefly, HB 569 would eliminate the requirement in present law that a political subdivision must provide social security coverage to be eligible to participate in the Public Employees Retirement System.

The Alaska Municipal League strongly supports this bill but finds itself in somewhat of a dilemma due to previous legislative action on the measure. For your information here is the history of that action:

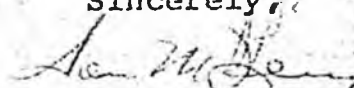
SB 551, an identical bill, was introduced at the request of the Governor and subsequently passed the Senate, 19-0 on February 11, 1976. The bill was referred to the House Community and Regional Affairs and Finance Committees but, as yet, has not moved out of the first referral Committee.

HB 569, introduced by Representatives Parker and Gruening, passed the House, 35-0 on February 17, 1976.

I discussed my problem with Senate President Croft and he agreed to ask the Senate to go ahead and consider HB 569. Consequently, the bill moved out of Community and Regional Affairs and into your Committee. Since identical legislation has passed both branches of the Legislature without a dissenting vote, I hope you can see your way clear to giving the bill favorable consideration and moving it to Rules.

We certainly want to thank you for your courteous consideration in this matter and for your help in solving our somewhat unusual dilemma.

Sincerely,

  
Don M. Berry  
Executive Director

*Alaska*  
**MUNICIPAL**  
*League*

TELEPHONES  
586-1325  
(907) 586-6526

204 N. FRANKLIN ST.  
JUNEAU, ALASKA 99801

March 23, 1976

The Honorable Bill Ray  
Chairman, Senate Finance Committee

Dear Mr. Chairman:

On March 10, 1976, HB 569 was referred to your Committee after having received a "do pass" recommendation from the Senate Community and Regional Affairs Committee.

Very briefly, HB 569 would eliminate the requirement in present law that a political subdivision must provide social security coverage to be eligible to participate in the Public Employees Retirement System.

The Alaska Municipal League strongly supports this bill but finds itself in somewhat of a dilemma due to previous legislative action on the measure. For your information here is the history of that action:

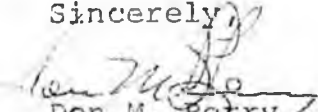
SB 551, an identical bill, was introduced at the request of the Governor and subsequently passed the Senate, 19-0 on February 11, 1976. The bill was referred to the House Community and Regional Affairs and Finance Committees but, as yet, has not moved out of the first referral Committee.

HB 569, introduced by Representatives Parker and Gruening, passed the House, 35-0 on February 17, 1976.

I discussed my problem with Senate President Croft and he agreed to ask the Senate to go ahead and consider HB 569. Consequently, the bill moved out of Community and Regional Affairs and into your Committee. Since identical legislation has passed both branches of the Legislature without a dissenting vote, I hope you can see your way clear to giving the bill favorable consideration and moving it to Rules.

We certainly want to thank you for your courteous consideration in this matter and for your help in solving our somewhat unusual dilemma.

Sincerely,

  
Don M. Betry  
Executive Director

Introduced: 1/15/76  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY PARKER AND GRUENING

2 HOUSE BILL NO. 569

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to participation in the Public Employ-  
7 ees Retirement System; and providing for an effective  
8 date."

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

10 \* Section 1. AS 39.35.550 is amended to read:

11 Sec. 39.35.550. REQUEST BY POLITICAL SUBDIVISION TO PARTICIPATE  
12 AND ADOPTION OF RESOLUTION. A municipality or other political subdivi-  
13 sion of the state [WHICH PROVIDES COVERAGE FOR ITS EMPLOYEES UNDER  
14 TITLE II OF THE FEDERAL SOCIAL SECURITY ACT] may request to become a  
15 participating employer in this system. The request shall be made after  
16 adoption of a resolution by the legislative body of the political sub-  
17 division and after approval of the resolution by the person required by  
18 law to approve the resolution. A certified copy of the resolution shall  
19 be filed with the Department of Administration. If the commissioner of  
20 administration approves the request for participation, the political sub-  
21 division is a participating employer.

22 \* Sec. 2. AS 39.35.560 is amended to read:

23 Sec. 39.35.560. REQUEST BY PUBLIC ORGANIZATION TO PARTICIPATE AND  
24 ADOPTION OF RESOLUTION. A public or quasi-public organization created  
25 wholly or partly by, or deriving its powers from, the legislature of the  
26 state[, WHICH PROVIDES COVERAGE FOR ITS EMPLOYEES UNDER TITLE II OF THE  
27 FEDERAL SOCIAL SECURITY ACT,] may request to become a participating  
28 employer in this system. The request shall be made after adoption of a  
29 resolution by the governing body of the public organization. A certified

1 copy of the resolution shall be filed with the Department of Administra-  
2 tion. If the commissioner of administration approves the request for  
3 participation, the public organization is a participating employer.

4 \* Sec. 3. This Act takes effect July 1, 1976.  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Introduced: 1/15/76  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY PARKER AND GRUENING

2 HOUSE BILL NO. 569

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to participation in the Public Employ-  
7 ees Retirement System; and providing for an effective  
8 date."

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

10 \* Section 1. AS 39.35.550 is amended to read:

11 Sec. 39.35.550. REQUEST BY POLITICAL SUBDIVISION TO PARTICIPATE  
12 AND ADOPTION OF RESOLUTION. A municipality or other political subdi-  
13 vision of the state [WHICH PROVIDES COVERAGE FOR ITS EMPLOYEES UNDER  
14 TITLE II OF THE FEDERAL SOCIAL SECURITY ACT] may request to become a  
15 participating employer in this system. The request shall be made after  
16 adoption of a resolution by the legislative body of the political sub-  
17 division and after approval of the resolution by the person required by  
18 law to approve the resolution. A certified copy of the resolution shall  
19 be filed with the Department of Administration. If the commissioner of  
20 administration approves the request for participation, the political sub-  
21 division is a participating employer.

22 \* Sec. 2. AS 39.35.560 is amended to read:

23 Sec. 39.35.560. REQUEST BY PUBLIC ORGANIZATION TO PARTICIPATE AND  
24 ADOPTION OF RESOLUTION. A public or quasi-public organization created  
25 wholly or partly by, or deriving its powers from, the legislature of the  
26 state[, WHICH PROVIDES COVERAGE FOR ITS EMPLOYEES UNDER TITLE II OF THE  
27 FEDERAL SOCIAL SECURITY ACT,] may request to become a participating  
28 employer in this system. The request shall be made after adoption of a  
29 resolution by the governing body of the public organization. A certified

1 copy of the resolution shall be filed with the Department of Administra-  
2 tion. If the commissioner of administration approves the request for  
3 participation, the public organization is a participating employer.

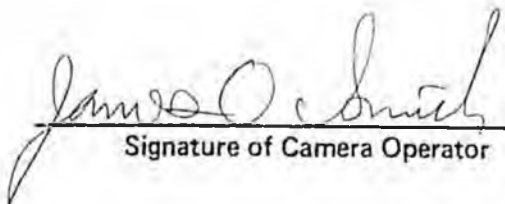
4 \* Sec. 3. This Act takes effect July 1, 1976.  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

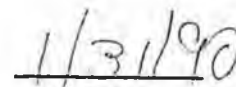


# RECORDS CERTIFICATION



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

## For Further Information

Additional information concerning other State and Federal loan programs may be obtained from:

Director  
Division of Economic Enterprise  
Department of Economic Development  
Pouch EE  
Juneau, Alaska 99801  
Telephone: (907) 465-2020

or  
Manager  
Anchorage Field Office  
Department of Economic Development  
7th Floor McKay Bldg.  
338 Denali Street  
Anchorage, Alaska 99501  
Telephone: (907) 277-1936

# State of Alaska Business Loan Program

## Commercial Fishing



### Prepared By

Division of Economic Enterprise  
Department of Economic Development  
State of Alaska



## Purpose

The Commercial Fishing Loan Fund, created in 1972 (AS 16.10.370), is designed to provide funds in order to promote the development and continued maintenance of commercial fishing gear and vessels throughout the state, by means of long-term low interest loans.

The objective of this fund is to provide aid in upgrading existing vessels and gear engaged in the fishing industry of Alaska.

## Eligibility

Individual commercial fishermen who have been state residents for a continuous period of five years and have had a commercial fishing license for three years may apply under this program for the purchase of new vessels or for the repair, restoration or upgrading of existing vessels and gear or construction of a new vessel.

## Benefits

Loans of up to \$100,000 may be obtained under this program and shall be secured by acceptable collateral not exceeding 75 percent of the appraised value of the collateral offered. Interest rates are limited to a maximum of seven percent, and repayment periods may run as long as fifteen years. In certain cases repayment plans may include extensions for poor fishing seasons.

Participation by a financial institution is not required, however, the Department may enter into agreements with private lending institutions to carry out the purposes of this program.

## Funding

Appropriations have been approved by the legislature for the funding of this program. Repayment funds may be used for additional loans. The fiscal responsibility for the program lies with the Department of Commerce.

## Application Procedure

The Alaska Department of Commerce, through the Division of Business Loans, is responsible for administering this program. Requests for application forms or answers to specific questions should be referred to:

Director  
Division of Business Loans  
Department of Commerce  
State of Alaska  
Pouch DB  
Juneau, Alaska 99801  
Telephone: (907) 465-2510

An outline of required information needed before processing loan applications is presented below:

1. Letter of intent
2. Business Resume
3. Personal Resume
4. Year End Financial Statements
5. Collateral
6. Appraisal of Collateral
7. Pro Forma Financial Statement
8. Tax Returns
9. Proof of Vessel and Gear Licenses

## Related Programs

State:

Small Business Revolving Loan Fund

Federal:

National Marine Fisheries Service  
Farm Credit Administration

# COMMITTEE REPORT

HOUSE

1/30/77

Mr. Speaker:

Date 7-30-78

The Committee on STIMSON has had SB 571

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 RESOURCES SB 571 AND THAT

CS FOR SB 571 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>

Members NOT concurring in the Majority report:

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

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

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

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

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

[Signature] Chairman

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. HB-571  
 Title: An Act relating to the Commercial Fishing Revolving Loan Fund  
 Requested by: \_\_\_\_\_ Date: January 20, 1976  
 Return Date Requested: \_\_\_\_\_  
 Agency: Commerce & Ec. Development Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Division of Business Loans

A. EXPENDITURES: (Thousands of dollars)

OBJECT	<u>NONE</u>					
	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars) NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS: NONE

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

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

This fund has \$150,000 in uncommitted funds. With passage of this legislation we can continue making commercial fishing loans with our present staff. If this legislation does not pass, and we do not receive additional funding to make loans, the present staff could be reduced by two positions.

IV. ATTACHMENTS

V. DATE: 1-20-76 PREPARED BY: Paul Jones Director

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

Original sponsor: Miller, Duncan  
and Gardiner

Offered: 1/30/76  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 571

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the commercial fishing revolving  
7 loan fund; and providing for an effective date."

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

9 \* Section 1. AS 16.10.330(b) is amended to read:

10 (b) The commissioner of commerce may sell or transfer at par value  
11 to the Department of Revenue the mortgages, bonds and notes held by the  
12 Department of Commerce as security for loans made under this chapter.  
13 However, the commissioner of commerce may not transfer an interest in a  
14 vessel documented under the laws of the United States to the Department  
15 of Revenue, except as permitted by the Ship Mortgage Act of 1920 (46  
16 U.S.C. secs. 911 - 984; 41 Stat. 1000), as amended, and the Shipping Act  
17 of 1916 (46 U.S.C. secs. 801 - 842; 39 Stat. 728), as amended, so long  
18 as those two Acts remain ambiguous with respect to whether or not a  
19 state or state agency qualifies as a citizen of the United States for  
20 purposes of those two Acts. The Department of Revenue, for the fiscal  
21 year ending June 30, 1976, shall purchase all the mortgages, bonds and  
22 notes offered until the current principal amount of all the mortgages,  
23 bonds and notes purchased and held by the Department of Revenue equals  
24 \$7,000,000. The Department of Revenue, for the fiscal year ending  
25 June 30, 1977, shall purchase all the mortgages, bonds and notes offered  
26 until the current principal amount of all the mortgages, bonds and notes  
27 purchased and held by the Department of Revenue equals \$9,000,000.  
28 After June 30, 1977, the Department of Revenue shall purchase all the  
29 mortgages, bonds and notes offered [\$5,000,000].

1 \* Sec. 2. AS 16.10.340 is amended to read:

2       Sec. 16.10.340. CREATION OF FUND. There is a commercial fishing  
3 revolving loan fund [WHICH SHALL NOT EXCEED \$1,000,000] to carry out the  
4 purpose of secs. 300 - 370 of this chapter.

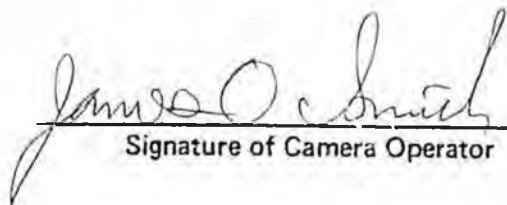
5 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
6 070(c,.

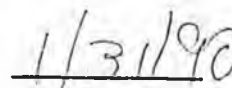


# RECORDS CERTIFICATION



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

4/29/76

Mr. President:

Date 3/25/76

The Committee on Finance has had CSHB 571  
~~relating to the commercial fishing revolving loan 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>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

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

[Signature] Chairman

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. HB-571  
 Title: An Act relating to the Commercial Fishing Revolving Loan Fund  
 Requested by: \_\_\_\_\_ Date: January 20, 1976  
 Return Date Requested: \_\_\_\_\_  
 Agency: Commerce & Ec. Development Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Division of Business Loans

A. EXPENDITURES: (Thousands of dollars)

OBJECT	<u>NONE</u>					
	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>						

B. FUNDING: (Thousands of dollars) NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS: NONE

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

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

This fund has \$150,000 in uncommitted funds. With passage of this legislation we can continue making commercial fishing loans with our present staff. If this legislation does not pass, and we do not receive additional funding to make loans, the present staff could be reduced by two positions.

IV. ATTACHMENTS

V. DATE: 1-20-76 PREPARED BY: Pete Jones Director

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

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
Second Session - Ninth Legislature

I. REQUEST

Bill No. HR-571  
 Title: An Act relating to the Commercial Fishing Revolving Loan Fund  
 Requested by: \_\_\_\_\_ Date: January 20, 1976  
 Return Date Requested: \_\_\_\_\_  
 Agency: Commerce & Ec. Development Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Division of Business Loans

A. EXPENDITURES: (Thousands of dollars)

OBJECT	NONE					
	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars) NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS: NONE

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

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

This fund has \$150,000 in uncommitted funds. With passage of this legislation we can continue making commercial fishing loans with our present staff. If this legislation does not pass, and we do not receive additional funding to make loans, the present staff could be reduced by two positions.

IV. ATTACHMENTS

V. DATE: 1-20-76 PREPARED BY: Patricia J. Durocher

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

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
 Second Session - Ninth Legislature

I. REQUEST

Bill No. HB-571  
 Title: An Act relating to the Commercial Fishing Revolving Loan Fund  
 Requested by: \_\_\_\_\_ Date: January 20, 1975  
 Return Date Requested: \_\_\_\_\_  
 Agency: Commerce & Ec. Development Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Division of Business Loans

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	<u>NONE</u>				
		FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAUSES, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

NONE

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

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

This fund has \$150,000 in uncommitted funds. With passage of this legislation we can continue making commercial fishing loans with our present staff. If this legislation does not pass, and we do not receive additional funding to make loans, the present staff could be reduced by two positions.

IV. ATTACHMENTS

V. DATE: 1-20-75

PREPARED BY: Pete J. [Signature]

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

Original sponsor: Miller, Duncan  
and Gardiner

Offered: 1/30/76  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 571

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the commercial fishing revolving  
7 loan fund; and providing for an effective date."

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

9 \* Section 1. AS 16.10.330(b) is amended to read:

10 (b) The commissioner of commerce may sell or transfer at par value  
11 to the Department of Revenue the mortgages, bonds and notes held by the  
12 Department of Commerce as security for loans made under this chapter.  
13 However, the commissioner of commerce may not transfer an interest in a  
14 vessel documented under the laws of the United States to the Department  
15 of Revenue, except as permitted by the Ship Mortgage Act of 1920 (46  
16 U.S.C. secs. 911 - 984; 41 Stat. 1000), as amended, and the Shipping Act  
17 of 1916 (46 U.S.C. secs. 801 - 842; 39 Stat. 728), as amended, so long  
18 as those two Acts remain ambiguous with respect to whether or not a  
19 state or state agency qualifies as a citizen of the United States for  
20 purposes of those two Acts. The Department of Revenue, for the fiscal  
21 year ending June 30, 1976, shall purchase all the mortgages, bonds and  
22 notes offered until the current principal amount of all the mortgages,  
23 bonds and notes purchased and held by the Department of Revenue equals  
24 \$7,000,000. The Department of Revenue, for the fiscal year ending  
25 June 30, 1977, shall purchase all the mortgages, bonds and notes offered  
26 until the current principal amount of all the mortgages, bonds and notes  
27 purchased and held by the Department of Revenue equals \$9,000,000.  
28 After June 30, 1977, the Department of Revenue shall purchase all the  
29 mortgages, bonds and notes offered [\$5,000,000].

1 \* Sec. 2. AS 16.10.340 is amended to read:

2       Sec. 16.10.340. CREATION OF FUND. There is a commercial fishing  
3 revolving loan fund [WHICH SHALL NOT EXCEED \$1,000,000] to carry out the  
4 purpose of secs. 300 - 370 of this chapter.

5 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
6 070(c).

Original sponsor: Miller, Duncan  
and Gardiner

Offered: 1/30/76  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 571

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the commercial fishing revolving  
7 loan fund; and providing for an effective date."

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

9 \* Section 1. AS 16.10.330(b) is amended to read:

10 (b) The commissioner of commerce may sell or transfer at par value  
11 to the Department of Revenue the mortgages, bonds and notes held by the  
12 Department of Commerce as security for loans made under this chapter.  
13 However, the commissioner of commerce may not transfer an interest in a  
14 vessel documented under the laws of the United States to the Department  
15 of Revenue, except as permitted by the Ship Mortgage Act of 1920 (46  
16 U.S.C. secs. 911 - 984; 41 Stat. 1000), as amended, and the Shipping Act  
17 of 1916 (46 U.S.C. secs. 801 - 842; 39 Stat. 728), as amended, so long  
18 as those two Acts remain ambiguous with respect to whether or not a  
19 state or state agency qualifies as a citizen of the United States for  
20 purposes of those two Acts. The Department of Revenue, for the fiscal  
21 year ending June 30, 1976, shall purchase all the mortgages, bonds and  
22 notes offered until the current principal amount of all the mortgages,  
23 bonds and notes purchased and held by the Department of Revenue equals  
24 \$7,000,000. The Department of Revenue, for the fiscal year ending  
25 June 30, 1977, shall purchase all the mortgages, bonds and notes offered  
26 until the current principal amount of all the mortgages, bonds and notes  
27 purchased and held by the Department of Revenue equals \$9,000,000.  
28 After June 30, 1977, the Department of Revenue shall purchase all the  
29 mortgages, bonds and notes offered [\$5,000,000].

1 \* Sec. 2. AS 16.10.340 is amended to read:

2       Sec. 16.10.340. CREATION OF FUND. There is a commercial fishing  
3 revolving loan fund [WHICH SHALL NOT EXCEED \$1,000,000] to carry out the  
4 purpose of secs. 300 - 370 of this chapter.

5 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
6 070(c).

Original sponsor: Miller, Duncan  
and Gardiner

Offered: 1/30/76  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 571

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the commercial fishing revolving  
7 loan fund; and providing for an effective date."

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

9 \* Section 1. AS 16.10.330(b) is amended to read:

10 (b) The commissioner of commerce may sell or transfer at par value  
11 to the Department of Revenue the mortgages, bonds and notes held by the  
12 Department of Commerce as security for loans made under this chapter.  
13 However, the commissioner of commerce may not transfer an interest in a  
14 vessel documented under the laws of the United States to the Department  
15 of Revenue, except as permitted by the Ship Mortgage Act of 1920 (46  
16 U.S.C. secs. 911 - 984; 41 Stat. 1000), as amended, and the Shipping Act  
17 of 1916 (46 U.S.C. secs. 801 - 842; 39 Stat. 728), as amended, so long  
18 as those two Acts remain ambiguous with respect to whether or not a  
19 state or state agency qualifies as a citizen of the United States for  
20 purposes of those two Acts. The Department of Revenue, for the fiscal  
21 year ending June 30, 1976, shall purchase all the mortgages, bonds and  
22 notes offered until the current principal amount of all the mortgages,  
23 bonds and notes purchased and held by the Department of Revenue equals  
24 \$7,000,000. The Department of Revenue, for the fiscal year ending  
25 June 30, 1977, shall purchase all the mortgages, bonds and notes offered  
26 until the current principal amount of all the mortgages, bonds and notes  
27 purchased and held by the Department of Revenue equals \$9,000,000.  
28 After June 30, 1977, the Department of Revenue shall purchase all the  
29 mortgages, bonds and notes offered [\$5,000,000].

1 \* Sec. 2. AS 16.10.340 is amended to read:

2           Sec. 16.10.340. CREATION OF FUND. There is a commercial fishing  
3 revolving loan fund [WHICH SHALL NOT EXCEED \$1,000,000] to carry out the  
4 purpose of secs. 300 - 370 of this chapter.

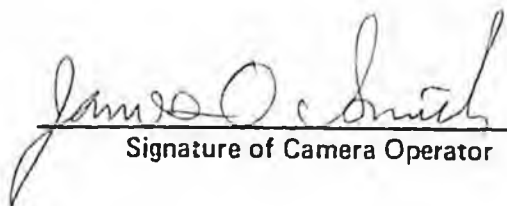
5 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
6 070(c).

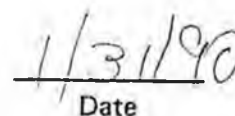


# RECORDS CERTIFICATION



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

HOUSE

Mr. Speaker:

Date 2-17-76

The Committee on FINANCE has had NO. 573

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 NO. 576 AND THAT

BE CS FOR \_\_\_\_\_ DO PASS WITH ATTACHED AMENDMENTS

"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>	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

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

[Signature] Chairman

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Finance Committee

To: COMMENCE CE FOR HOUSE BILL No. 570

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 12

Delete the word "only"

After the word "carriers" insert the word "only"

JAN 15 1976

14B 576

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 to make miscellaneous amendments to AS 04.10, which relates to the licensing of those involved in the sale of alcoholic beverages, and to establish a possession and importation quota.

Sections 1 and 2 of the bill amend the act by adding new provisions creating a new class of liquor license to cover the activities of in-flight caterers. At the present time, there is no category of license which fits the situation.

Section 3 of the bill amends AS 04.10.300 by substituting the more inclusive term "municipality" for the word "city". (See AS 29.78.010(2)). This will make the protest provisions uniform for all local governments.

Section 4 of the bill amends AS 04.10.310 and adopts for unincorporated areas in the unorganized borough the two-mile petition-and-approval radius described in AS 04.10.300. The present standard radius of five miles from the nearest United States Post Office has proved largely unworkable in practice.

Section 5 of the bill amends AS 04.10.330(b) to enable the Alcoholic Beverage Control Board to establish reasonable policies in regard to the determination of which debts should be paid before the transfer of ownership of a liquor license. At the present time, all debts must be paid before a transfer will be approved. This practice has proved cumbersome and has put the board in the unnecessary position of a collection agency.

Section 6 amends AS 04.10.350(c)(4)(A) to allow licensees a period of only 30 days to reinstate a license instead of six months. This will aid efficient administration.

Section 7 adds a new section to AS 04.15, limiting the amount of alcoholic beverages which can be possessed by

unlicensed persons and provides a criminal penalty for its violation. Presently the State has no prohibition on this practice.

Section 8 repeals AS 04.10.440 which conflicts and overlaps the provision in Section 4 in setting out a uniform petition-and-approval radius for unorganized areas in the unorganized borough.

Sincerely,

Jay S. Hammond  
Governor





JUNEAU ALASKA

# Alaska State Legislature

## House

January 29, 1976

### MEMORANDUM

TO: Representative Hugh Malone  
Chairman, Finance Committee

FROM: Representative Bob Bradley  
Chairman, Commerce Committee *RB*

SUBJECT: Committee Substitute for HB 576

The following is an excerpt from the Commerce Committee meeting on the Committee Substitute for HB 576. It was recommended that this be forwarded to your committee for consideration when reviewing the CS for HB 576.

"Representative Rudd questioned the change made in the Committee Substitute for House Bill 576 on page 1, beginning with line 10.

The sentence reads as follows:

'Sec. 04.10.135. IN-FLIGHT CATERING LICENSE. The holder of an in-flight catering license may sell intoxicating liquors in the original package and wine in bulk only to certificated domestic and international air carriers.'

Representative Rudd felt that the committee's intent was to restrict the licensee to selling intoxicating liquors to the air carriers only, not to restrict them from also selling meals to the air carriers. She felt that the CS as worded above would restrict them from selling meals. It was her feeling that the line should read:

'Sec. 04.10.135. IN-FLIGHT CATERING LICENSE. The holder of an in-flight catering license may sell intoxicating liquors in the original package and wine in bulk to certificated domestic and international air carriers only.'

Discussion followed. Representative Freeman asked if the bill had another referral. Chairman Bradley confirmed that the bill was to be referred to Finance Committee. Representative Freeman asked that a memo be attached to the bill expressing Representative Rudd's concerns. Chairman Bradley so ordered."

Original Sponsor: Rules Committee  
By Request of the Governor

Offered: 1/30/76  
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 576

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 \* Section 1. AS 04.10 is amended by adding a new section to read:

10 Sec. 04.10.135. IN-FLIGHT CATERING LICENSE. The holder of an  
11 in-flight catering license may sell intoxicating liquors in the original  
12 package and wine in bulk only to certificated domestic and international  
13 air carriers. The holder of an in-flight catering license may not sell  
14 to a consumer and must purchase intoxicating liquor, wine and beer from  
15 a wholesaler licensed under sec. 110 of this chapter. The in-flight  
16 catering license fee is \$600.

17 \* Sec. 2. AS 04.10.020 is amended by adding a new subsection to read:

18 (c) in-flight catering license.

19 \* Sec. 3. AS 04.10.300 is amended to read:

20 Sec. 04.10.300. PROTEST OF ISSUANCE. A resident of an area out-  
21 side the incorporated boundaries of a municipality [AN INCORPORATED  
22 CITY] who desires to protest the issuance of a license in the voting  
23 area in which he resides, shall serve upon the applicant and the board  
24 a written statement of the reasons for his protest. Upon the receipt  
25 of the protest, the board shall [MAY] give notice and hold a hearing, in  
26 the voting precinct in which the protestant resides, at which all persons  
27 interested may be heard. If at the hearing it appears that the majority  
28 of the citizens over the age of 19 years, residing within two miles of  
29 the place for which a license is sought, object to the issuance of the

1 license, the board shall refuse to issue the license.

2 \* Sec. 4. AS 04.10.310 is amended to read:

3 Sec. 04.10.310. PUBLIC APPROVAL FOR LICENSES IN REMOTE AREAS.

4 No license for the sale of intoxicating liquor may be issued in any  
5 area outside [, WHICH IS 50 MILES OR MORE FROM] the incorporated  
6 boundaries of a municipality, unless a petition containing the signa-  
7 tures of two-thirds of the bona fide residents, 19 years of age or  
8 over, residing within two miles of the place where intoxicating liquor  
9 is to be sold [A RADIUS OF FIVE MILES OF THE NEAREST UNITED STATES  
10 POST OFFICE STATION], is filed with the board asking that a license be  
11 issued within the area. [IF THERE ARE TWO OR MORE UNITED STATES POST  
12 OFFICE STATIONS WITHIN THE VICINITY OF THE PLACE WHERE INTOXICATING  
13 LIQUOR IS TO BE SOLD, THE NEAREST STATION TO SUCH PLACE CONSTITUTES  
14 THE POINT OF BEGINNING.] A petition is not necessary for a reissuance  
15 of any license granted under this section. [IF NO POST OFFICE STATION  
16 EXISTS WITHIN A RADIUS OF FIVE MILES OF THE PLACE WHERE INTOXICATING  
17 LIQUOR IS TO BE SOLD THEN SEC. 440 OF THIS CHAPTER APPLIES.]

18 \* Sec. 5. AS 04.10.330(L) is amended to read:

19 (b) Application for the transfer of ownership of an existing  
20 license shall be accompanied by a statement, under oath, executed  
21 by the transferor in which he lists all [DEBTS AND THE AMOUNTS WHICH  
22 HE OWES TO A CREDITOR OF THE BUSINESS AND] taxes due. The board shall  
23 promptly inform each creditor of the application and of the amount  
24 owed that creditor. The board shall not approve the application for  
25 transfer unless all [OF THE DEBTS AND] taxes are paid, or the trans-  
26 feror gives security for the payment of them satisfactory to the  
27 [CREDITOR OR] taxing authority prior to approval of the application.

28 \* Sec. 6. AS 04.10.350(c)(4)(A) is amended to read:

29 (A) upon application filed during the 30-day [SIX-

1 MONTH] period beginning with February 28;

2 \* Sec. 7. AS 04.15 is amended by adding a new section to read:

3 Sec. 04.15.095. POSSESSION OF ALCOHOLIC BEVERAGES. A person who  
4 possesses or brings into the state without a license intoxicating  
5 liquor for commercial purposes in excess of 20 wine gallons is guilty  
6 of a misdemeanor and upon conviction is punishable by imprisonment of  
7 not more than one year, or by a fine of not more than \$500, or by  
8 both.

9 \* Sec. 8. AS 04.10.440 is repealed.

10 \* Sec. 9. AS 43.60.010(b) is repealed.

11 \* Sec. 10. For the purpose of this Act an inventory of intoxicating  
12 liquors subject to the excise tax under AS 43.60 shall be taken in accordance  
13 with AS 43.60.020(a) on the first day of the month following the month in  
14 which this Act becomes law. The inventory required by this section shall be  
15 taken by a certified public accountant. The excise tax is due and payable on  
16 the first day of the following month in accordance with AS 43.60.020(b). "In  
17 transit" merchandise is taxable on the effective date of this Act.

18 \* Sec. 11. This Act takes effect immediately in accordance with AS 01.10.  
19 070(c).

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars) NONE

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

IV. ATTACHMENTS

V. DATE: 1/6/76

PREPARED BY: *John O. Cook*

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. CS HB 576  
 Title: An Act relating to alcoholic beverages; and providing for an effective date  
 Requested by: Jim Rhode Date: 2/2/76  
 Return Date Requested: 2/9/76  
 Agency: Revenue Program: Alcoholic Beverage Control Board & Audit Division

II. FISCAL DETAIL

Budget Request Unit(s) Affected: NONE

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	NONE	NONE	NONE	NONE	NONE	NONE

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						


C. POSITIONS: NONE

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

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

N/A

IV. ATTACHMENTS See memo dated 2/9/76 attached.

V. DATE: 2-16-76 PREPARED BY: 

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

## MEMORANDUM

State of Alaska

TO: Mr. R. D. Stevenson  
Special Assistant to the Commissioner  
Department of Revenue

DATE: February 10, 1976

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: Committee Substitute  
for House Bill 576

Among some other very minor changes, Committee Substitute for House Bill 576 provides that the election allowed liquor distributors to pay the tax either at the time the liquor was shipped into this State or was sold out of a warehouse shall be repealed. If this proposed repealer is enacted, the tax will be payable on all liquor, at the time of shipment into the State.

Based on the credits which were taken in the year that the bill was enacted allowing the change to the sales method of reporting and projecting for the total amount of potential volume of liquor sales in Alaska for the current fiscal year, it would appear that the impact of this would be to cause those wholesalers reporting on a sales basis to pay an additional \$600,000 in liquor taxes to the State of Alaska on their inventories in the state.

The major advantage from an audit point of view would be to reduce the amount of detail auditing that must be performed to currently audit alcoholic beverage returns filed with the State. We are currently forced to rely heavily on the records maintained by the distributors which are not necessarily accurate.

Regarding the establishment of the inflight catering liquor license, this is merely a technical correction in the law which is needed, and will not have any financial effects.

GLJ/lam

Original Sponsor: Rules Committee  
By Request of the Governor

Offered: 1/30/76  
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 576

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 \* Section 1. AS 04.10 is amended by adding a new section to read:

10 Sec. 04.10.135. IN-FLIGHT CATERING LICENSE. The holder of an  
11 in-flight catering license may sell intoxicating liquors in the original  
12 package and wine in bulk only to certificated domestic and international  
13 air carriers. The holder of an in-flight catering license may not sell  
14 to a consumer and must purchase intoxicating liquor, wine and beer from  
15 a wholesaler licensed under sec. 110 of this chapter. The in-flight  
16 catering license fee is \$600.

17 \* Sec. 2. AS 04.10.020 is amended by adding a new subsection to read:

18 (o) in-flight catering license.

19 \* Sec. 3. AS 04.10.300 is amended to read:

20 Sec. 04.10.300. PROTEST OF ISSUANCE. A resident of an area out-  
21 side the incorporated boundaries of a municipality [AN INCORPORATED  
22 CITY] who desires to protest the issuance of a license in the voting  
23 area in which he resides, shall serve upon the applicant and the board  
24 a written statement of the reasons for his protest. Upon the receipt  
25 of the protest, the board shall [MAY] give notice and hold a hearing, in  
26 the voting precinct in which the protestant resides, at which all persons  
27 interested may be heard. If at the hearing it appears that the majority  
28 of the citizens over the age of 19 years, residing within two miles of  
29 the place for which a license is sought, object to the issuance of the

1 license, the board shall refuse to issue the license.

2 \* Sec. 4. AS 04.10.310 is amended to read:

3 Sec. 04.10.310. PUBLIC APPROVAL FOR LICENSES IN REMOTE AREAS.

4 No license for the sale of intoxicating liquor may be issued in any  
5 area outside [, WHICH IS 50 MILES OR MORE FROM] the incorporated  
6 boundaries of a municipality, unless a petition containing the signa-  
7 tures of two-thirds of the bona fide residents, 19 years of age or  
8 over, residing within two miles of the place where intoxicating liquor  
9 is to be sold [A RADIUS OF FIVE MILES OF THE NEAREST UNITED STATES  
10 POST OFFICE STATION], is filed with the board asking that a license be  
11 issued within the area. [IF THERE ARE TWO OR MORE UNITED STATES POST  
12 OFFICE STATIONS WITHIN THE VICINITY OF THE PLACE WHERE INTOXICATING  
13 LIQUOR IS TO BE SOLD, THE NEAREST STATION TO SUCH PLACE CONSTITUTES  
14 THE POINT OF BEGINNING.] A petition is not necessary for a reissuance  
15 of any license granted under this section. [IF NO POST OFFICE STATION  
16 EXISTS WITHIN A RADIUS OF FIVE MILES OF THE PLACE WHERE INTOXICATING  
17 LIQUOR IS TO BE SOLD THEN SEC. 440 OF THIS CHAPTER APPLIES.]

18 \* Sec. 5. AS 04.10.330(b) is amended to read:

19 (b) Application for the transfer of ownership of an existing  
20 license shall be accompanied by a statement, under oath, executed  
21 by the transferor in which he lists all [DEBTS AND THE AMOUNTS WHICH  
22 HE OWES TO A CREDITOR OF THE BUSINESS AND] taxes due. The board shall  
23 promptly inform each creditor of the application and of the amount  
24 owed that creditor. The board shall not approve the application for  
25 transfer unless all [OF THE DEBTS AND] taxes are paid, or the trans-  
26 feror gives security for the payment of them satisfactory to the  
27 [CREDITOR OR] taxing authority prior to approval of the application.

28 \* Sec. 6. AS 04.10.350(c)(4)(A) is amended to read:

29 (A) upon application filed during the 30-day [SIX-

1 MONTH] period beginning with February 28;

2 \* Sec. 7. AS 04.15 is amended by adding a new section to read:

3 Sec. 04.15.095. POSSESSION OF ALCOHOLIC BEVERAGES. A person who  
4 possesses or brings into the state without a license intoxicating  
5 liquor for commercial purposes in excess of 20 wine gallons is guilty  
6 of a misdemeanor and upon conviction is punishable by imprisonment of  
7 not more than one year, or by a fine of not more than \$500, or by  
8 both.

9 \* Sec. 8. AS 04.10.440 is repealed.

10 \* Sec. 9. AS 43.60.010(b) is repealed.

11 \* Sec. 10. For the purpose of this Act an inventory of intoxicating  
12 liquors subject to the excise tax under AS 43.60 shall be taken in accordance  
13 with AS 43.60.020(a) on the last day of the month following the month in  
14 which this Act becomes law. The inventory required by this section shall be  
15 taken by a certified public accountant. The excise tax is due and payable on  
16 the last day of the following month in accordance with AS 43.60.020(b). "In  
17 transit" merchandise is taxable on the effective date of this Act.

18 \* Sec. 11. This Act takes effect immediately in accordance with AS 01.10.  
19 070(c).



# 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

11/31/90  
Date

COMMITTEE REPORT

3/11/76

SENATE

Mr. President:

Date 3/11/76

The Committee on FINANCE has had HB 477 relating to interest rate on general obligations bonds under consideration. A Majority of the members of the Committee

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

Members signing the Majority report:

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

Members NOT concurring in the Majority report:

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

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

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

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

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

[Signature] Chairman

Introduced: 1/15/76  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 577

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to interest rate on general obliga-  
7 tion bonds."  
8

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

10 \* Section 1. AS 37.15.030 is amended to read:

11 Sec. 37.15.030. INTEREST RATE AND MATURITY. Each issue or  
12 series of bonds shall bear interest at an effective rate over the life  
13 of the bonds not to exceed eight [SEVEN] per cent a year. The bonds  
14 shall mature in not more than 30 years from date of issue, unless a  
15 longer period is specifically authorized by statute.  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Introduced: 1/15/76  
Referred: Finance

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

HOUSE BILL NO. 577

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to interest rate on general obligation bonds."

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

\* Section 1. AS 37.15.030 is amended to read:

Sec. 37.15.030. INTEREST RATE AND MATURITY. Each issue or series of bonds shall bear interest at an effective rate over the life of the bonds not to exceed eight [SEVEN] per cent a year. The bonds shall mature in not more than 30 years from date of issue, unless a longer period is specifically authorized by statute.



# 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

# COMMITTEE REPORT

1/15/76

## HOUSE

Mr. Speaker:

Date 2-15-76

The Committee on FINANCE has had HR 577

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

Introduced: 1/15/76  
Referred: Finance

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

HOUSE BILL NO. 577

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to interest rate on general obligation bonds."

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

\* Section 1. AS 37.15.030 is amended to read:

Sec. 37.15.030. INTEREST RATE AND MATURITY. Each issue or series of bonds shall bear interest at an effective rate over the life of the bonds not to exceed eight [SEVEN] per cent a year. The bonds shall mature in not more than 30 years from date of issue, unless a longer period is specifically authorized by statute.

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill: HB 577  
 Title: Interest Rate on General Obligation Bonds  
 Requested by: House Finance Committee Date: 1/21/76  
 Return Date Requested: 1/26/76  
 Agency: Revenue Program: Treasury

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Financial Impact not able to be assessed. This measure will allow the sale of authorized general obligation bonds under condition in the tax exempt securities market requiring an interest payment greater than the present 7% ceiling will allow. However, whether such conditions will actually exist is uncertain and any forecast of expenses would be entirely speculative given the recent volatility in this market.

If a decision is made to issue bonds at an interest cost greater than 7%, then the additional interest cost could certainly be considered an expense. However, there could also be a cost associated with a delay in a project or a termination should bonds not be able to be issued. Some of these costs may be very large under conditions of sustained inflation.

IV. ATTACHMENTS

V. DATE: January 23, 1976 PREPARED BY:

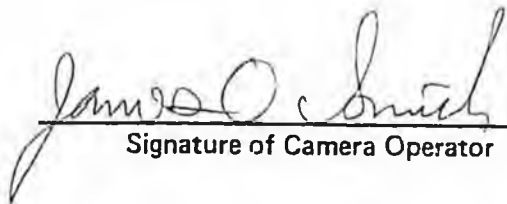
*[Signature]*  
DEPUTY COMMISSIONER, TREASURY

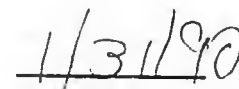
Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)



# RECORDS CERTIFICATION

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

  
Signature of Camera Operator

  
Date

# COMMITTEE REPORT

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had HB 580

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: <u>no rec</u>
_____	recommends: <u>no rec</u>
_____	recommends: _____
_____	recommends: _____
_____	recommends: _____

5-14

Rep Smith carried to clerk.

\_\_\_\_\_ Chairman

Introduced: 1/15/76  
Referred: Resources and  
Finance

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

HOUSE BILL NO. 580

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act Establishing the Talkeetna Mountains State  
Park."

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

\* Section 1. AS 41.20 is amended by adding new sections to read:

ARTICLE 12. TALKEETNA MOUNTAINS STATE PARK

Sec. 41.20.420. DECLARATION OF PURPOSE. The purpose of secs.  
420--445 of this chapter is to establish the land and water described  
in sec. 425 of this chapter as the Talkeetna Mountains State Park.  
The land and water in sec. 425(a) of this chapter are closed to  
multiple-use management in conformity with AS 38.05.300. The land and  
water described in sec. 425(b) of this chapter, to be known as a  
"recreation zone", are to be managed under a principle of restricted  
multiple-use, in conformance with sec. 430(b) of this chapter.

Sec. 41.20.425. DESIGNATED STATE LANDS AND WATERS RESTRICTED TO  
USE AS A STATE PARK. (a) The following land and water within the  
Talkeetna Mountains State Park are subject to the use and restrictions  
specified in sec. 430(a) of this chapter: Beginning at the SW corner,  
Section 30, T20N, R2W, S.M.; thence northerly along the section line  
to the NW corner, Section 6, T20N, R2W, S.M.; thence westerly along  
section line to the SW corner, Section 31, T21N, R2W, S.M.; thence  
northerly along the section line to the NW corner, Section 30, T22N,  
R2W, S.M.; thence westerly along the section line to the SW corner, SE  
1/4, SW 1/4, Section 20, T22N, R3W, S.M.; thence northerly to the NW

1 corner, SE 1/4, SW 1/4, Section 5, T22N, R3W, S.M.; thence north-  
2 easterly along a straight line to the SW corner, SE 1/4, SW 1/4,  
3 Section 22, T23N, R3W, S.M.; thence east northeasterly along a straight  
4 line to approximately the NW corner, SW 1/4, SE 1/4, Section 17, T23N,  
5 R2W, S.M.; said point being the top of the ridge between the north  
6 fork Kashwitna River and the Sheep Creek drainage; thence easterly  
7 along said ridgeline a distance of 21 miles, more or less, to the  
8 approximate center of Section 21, T23N, R2E, S.M.; thence southeasterly  
9 along said ridgeline a distance of 23 miles, more or less, to the SE  
10 corner, Section 27, T21N, R4E, S.M.; thence southwesterly along said  
11 ridgeline a distance of nine and one-half miles, more or less, to the  
12 SE corner, SE 1/4, SW 1/4, Section 31, T20N, R4E, S.M.; thence westerly  
13 along the section line to the SW corner of Section 31, T20N, R4E,  
14 S.M.; thence southerly along the section line to the SE corner, NE  
15 1/4, Section 12, T19N, R3E, S.M.; thence westerly to the NW corner of  
16 the SE 1/4, SW 1/4, thence northerly to the NW corner, NE 1/4, SW 1/4  
17 of said Section 12; thence westerly to the center of Section 11, T19N,  
18 R3E, S.M.; thence southerly along the centerline of said section to  
19 the SE corner, NW 1/4, SW 1/4 of said Section 11; thence westerly to  
20 the SW corner, NW 1/4, SE 1/4, Section 9, T19N, R3E, S.M.; thence  
21 northerly to the center of Section 9; thence westerly to the W 1/4  
22 corner of Section 7, T19N, R2E, S.M.; thence southerly to the SE  
23 corner, NE 1/4, SE 1/4 of said Section 12; thence westerly to the NE  
24 corner, NW 1/4, SE 1/4, SE 1/4, Section 11, T19N, R2E, S.M.; thence  
25 southerly to the SE corner, NW 1/4, SE 1/4, SE 1/4 of said Section 11;  
26 thence westerly to the NE corner, SW 1/4 SW 1/4, SE 1/4 of said Section  
27 11; thence southerly to the SE corner, SW 1/4, NW 1/4, SE 1/4, Section  
28 14, T19N, R2E, S.M.; thence westerly to the SW corner, NW 1/4, SE 1/4,  
29 of said Section 14; thence southerly to the south 1/4 corner of said

1 Section 14; thence easterly to the NE corner, NW 1/4, NW 1/4, NW 1/4,  
2 NE 1/4, Section 23, T19N, R2E, S.M.; thence southerly to the SE corner,  
3 SW 1/4, NE 1/4, Section 23, T19N, R2E, S.M.; thence westerly to the E  
4 1/4, Section 22, T19N, R2E, S.M.; thence northerly to the SE corner of  
5 Section 15, T19N, R2E, S.M.; thence westerly to the SW corner, Section  
6 16, T19N, R2E, S.M.; thence southerly along the section line to the SE  
7 corner, Section 20, T19N, R2E, S.M.; thence westerly to the SW corner,  
8 Section 24, T19N, R1E, S.M.; thence northerly along the section line  
9 to the intersection of the ridgeline delineating the Little Susitna  
10 River drainage, including its tributaries, occurring at approximately  
11 the SE corner, NE 1/4, SE 1/4, Section 14, T19N, R1E, S.M.; thence  
12 northeasterly along said ridgeline a distance of five and one-half  
13 miles, more or less to a point at the approximate center of the NE  
14 1/4, SW 1/4, NE 1/4, Section 3, T19N, R2E, S.M.; thence northerly  
15 along said ridgeline a distance of nine miles, more or less, to the  
16 top of Montana Peak; thence southwesterly along said ridgeline and a  
17 distance of 11 miles, more or less, and along the ridgeline between  
18 Purches and Willow Creeks a distance of four miles, more or less, to  
19 the intersection of the east section line, Section 26, T20N, R1W,  
20 S.M.; thence westerly along the ridgeline between Purches and Willow  
21 Creeks a distance of four and one-quarter miles, more or less, to the  
22 intersection of the east section line, Section 30, T20N, R1W, S.M.;  
23 thence southerly along the section line a distance of five-eighths of a  
24 mile, more or less to the SE corner, Section 30, T20N, R1W, S.M.;  
25 thence westerly along the section line to the SW corner, Section 30,  
26 T20N, R2W, S.M., said corner being the point of beginning.

27 (b) The following land and water within the Talkeetna Mountains  
28 State Park are subject to the use and restrictions specified in sec.  
29 430(b) of this chapter: Beginning at the SW corner of Section 30,

1 T20N, R2W, S.M.; thence easterly along the section line to the SE  
2 corner, Section 30, T20N, R1W, S.M.; thence northerly along the section  
3 line a distance of five-eighths of a mile, more or less, to a point on  
4 the ridgeline between Purches and Willow Creeks; thence easterly along  
5 said ridgeline a distance of four and one-quarter miles, more or less,  
6 to the intersection of the east section line, Section 26, T20N, R1W,  
7 S.M.; thence northeasterly along said ridgeline a distance of four  
8 miles, more or less, and along a ridgeline delineating the Little  
9 Susitna River drainage, including its tributaries, a distance of 11  
10 miles, more or less, to the top of Montana Peak; thence southerly  
11 along the ridgeline delineating the Little Susitna River drainage,  
12 including its tributaries, a distance of nine miles, more or less to a  
13 point at the approximate center of the NE 1/4, SW 1/4, NE 1/4, Section  
14 3, T19N, R2E, S.M.; thence southwesterly along said ridgeline a distance  
15 of five and one-half miles, more or less, to the intersection of the  
16 section line occurring at approximately the SE corner, NE 1/4, SE 1/4,  
17 Section 14, T19N, R1E, S.M.; thence southerly along the section line  
18 to the SE corner, Section 23, T19N, R1E, S.M.; thence westerly along  
19 the section line to the SW corner, Section 23, T19N, R1E, S.M.; thence  
20 southerly along the section line to the SW corner, NW 1/4, NW 1/4,  
21 Section 26, T19N, R1E, S.M.; thence easterly along the north 1/4 line  
22 to the SE corner, NW 1/4, NW 1/4, Section 26, T19N, R1E, S.M.; thence  
23 southerly along the west 1/4 line to the SE corner, SW 1/4, SW 1/4,  
24 Section 26, T19N, R1E, S.M.; thence westerly along the section line to  
25 the NE corner, Section 31, T19N, R1E, S.M.; thence southerly along the  
26 section line to the SE corner, Section 31, T19N, R1E, S.M.; thence  
27 westerly along the section line to the SW corner, Section 31, T19N,  
28 R2W, thence northerly along the section line to the SW corner, Section  
29 30, T20N, R2W, S.M., said corner being the point of beginning.

1           Sec. 41.20.430. USES PERMITTED AND RESTRICTED. (a) Within the  
2 portion of Talkeetna Mountains State Park which is closed to multiple-  
3 use management under sec. 425(a) of this chapter, private land, valid  
4 leases and mineral entries are restricted to the type of uses to which  
5 they were put before January 1, 1976. With the exception of boats  
6 with motors, motorized vehicles are prohibited on land and water  
7 described in sec. 425(a) of this chapter. No more than one aircraft  
8 landing strip may be established upon the land described in sec.  
9 425(a) of this chapter, the landing strip to provide for park management  
10 requirements and visitor access.

11           (b) Within the portion of Talkeetna Mountains State Park open to  
12 restricted multiple-use management under sec. 425(b) of this chapter,  
13 the commissioner shall designate by regulation those uses of land and  
14 water which are compatible with recreation. All state land and water  
15 described in sec. 425(b) of this chapter are to be managed under a  
16 land-use plan prepared by representatives of the division of parks,  
17 division of lands, division of agriculture, division of geological and  
18 geophysical surveys, Department of Fish and Game and Department of  
19 Highways. The plan must be approved by the commissioner of the Depart-  
20 ment of Natural Resources, and shall be revised as necessary every  
21 five years by representatives of the agencies specified in this sub-  
22 section. Grazing leases may be renewed as provided by law. Other  
23 agricultural activity may be permitted if compatible with recreation.  
24 Use of motorized vehicles may be permitted at the discretion of the  
25 commissioner in areas designated by him for that purpose.

26           Sec. 41.20.435. DESIGNATION OF MANAGEMENT AUTHORITY. (a) The  
27 management of recreational uses of state land and water described in  
28 sec. 425(b) of this chapter is the responsibility of the division of  
29 parks. The management of resources other than recreation is the

1 responsibility of the division of lands subject to (e) of this section.

2 (b) The Department of Highways is responsible for the repair and  
3 maintenance of the routes known as the Fishhook-Willow Road and the  
4 Craigie Creek Road. The costs of road maintenance and repair are to  
5 be borne by Department of Highway funds.

6 (c) The Department of Fish and Game is responsible for the  
7 management of fish and wildlife resources in the areas described in  
8 sec. 425 of this chapter; however, it shall consult with the Department  
9 of Natural Resources before adopting regulations concerning fish and  
10 wildlife management.

11 (d) The division of parks shall consult with the Department of  
12 Fish and Game before adoption of regulations concerning the use and  
13 control of firearms in the areas described in sec. 425 of this chapter.

14 (e) The division of lands must receive the approval of the  
15 director of the division of parks before leasing any land or permitting  
16 any land uses within the recreation zone described in sec. 425(b) of  
17 this chapter.

18 Sec. 41.20.445. BOUNDARY MODIFICATIONS. If, in the exercise of  
19 management responsibility under secs. 420--445 of this chapter, conflicts  
20 of land ownership, jurisdiction, or authority are unreconcilable or  
21 unmanageable at reasonable cost to the state, the commissioner may  
22 modify the boundaries of the Talkeetna Mountains State Park, not to  
23 exceed a 20 per cent diminution of the total acreage described in sec.  
24 425 of this chapter. The commissioner may also add adjacent land  
25 found to be desirable but not included in the description in sec. 425  
26 of this chapter. Boundary modifications under this section shall be  
27 made by regulation adopted under the Administrative Procedure Act (AS  
28 44.62) and are subject to annulment by the legislature under AS  
29 44.62.320(a).

JAN 15 1975

HB 580

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 to establish a Talkeetna Mountains State Park and urge its prompt enactment. The bill is a substantially revised version of the legislation introduced last year as SB 327.

The proposed Talkeetna Mountains State Park has been called one of Alaska's most scenic public resources. The area, known by most visitors as "Hatcher Pass", offers a unique combination of road-access, rugged mountains, alpine valleys and relics of past gold mining activities. Today this area has become a de facto recreation area, even though many multiple uses such as mining and livestock grazing also take place here. The Fishhook-Willow road, which traverses the proposed State park, receives heavy summer use by wheeled motor vehicles, and heavy winter use by snowmachines and cross country skiers. Planners have estimated that over 200,000 people visit this proposed State park each year.

Recreational activities common in the Talkeetna Mountains include hang-gliding, hiking, camping, snowmobiling and cross country skiing. This winter, helicopter-borne alpine skiing is taking place, and one group of enterprising Palmer residents is developing a plan to construct a bobsled run near Hatcher Pass itself. This kind of pressure creates a need for recreation facilities and management; patrol and visitor safety programs by park rangers, construction of sanitary facilities, campgrounds, trails and picnic areas.

Even with the emphasis on recreation management, which this legislation would create, planners in the Department of Natural Resources recognize that other uses are well-suited to the drainages of the Little Susitna River and Willow Creek. Thus, a unique concept in park management has been written into this proposed legislation.

A legally-defined zone, which will be subject to restricted multiple use management, is contained within the boundary of

the proposed Talkeetna Mountains State Park. This zone will be the subject of a multiple-use planning effort by members of the Department of Natural Resources' Divisions of Geological and Geophysical Survey, Lands, Parks, and Agriculture. In addition, there will be representatives on this planning team from the Departments of Fish and Game and Highways. Their final product must be approved by the Commissioner of Natural Resources. It is through this process that these land uses other than recreation can be protected.

Though the legislation's wording makes this area subject to less restrictive protection than our other State parks, we feel that it is the only logical management approach which can insure that traditional land uses which have taken place here can continue in reasonable consonance.

Sincerely,

Jay S. Hammond  
Governor

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. \_\_\_\_\_  
Title: Taikeetna Mountains State Park  
Requested by: \_\_\_\_\_ Date: \_\_\_\_\_  
Return Date Requested: \_\_\_\_\_  
Agency: Division of Parks Program: Park & Recreation

II. FISCAL DETAIL

Budget Request Unit(s) Affected: District Operations (10.46.7.02.00.00)

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	37.0	37.0	50.0	50.0	75.0	135.0
200 TRAVEL	1.5	2.0	2.0	2.5	3.0	4.0
300 COMMODITIES	6.0	9.0	12.0	12.0	20.0	30.0
400 COMMODITIES	1.0	2.0	2.5	3.5	4.0	7.0
500 EQUIPMENT	12.3	5.0	10.0	10.0	10.0	20.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	57.8	55.0	76.5	78.0	112.0	191.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	FEDERAL FUNDS	OTHER
57.8		
55.0		
76.5		
78.0		
112.0		
191.0		

C. POSITIONS:

PERMANENT/TEMPORARY	1 / 1	1 / 1	2 / 1	2 / 1	2 / 3	3 / 3
MAN MONTHS (P./T.)	12 / 0	12 / 6	24 / 6	24 / 6	24 / 18	55 / 18

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

Assumes minimal visitor safety and park resource protection for first year of operation. Staffing by park rangers and equipment operators; refuse collection via contract. Snow-machines for patrol, highway vehicles, radio communications equipment, aircraft charter time will all be necessary for effective park management. During FY's 79 and 80, it is assumed that capital bonds will be available for recreation facility development. In addition to increasing public use, said recreation facilities will increase staffing needs for FY 81.

IV. ATTACHMENTS Note: Park acreage: 499,000. Estimated 1975 visitation: 199,500.

V. DATE: 12/23/75

PREPARED BY:

*Russell W. Cahill*  
Russell W. Cahill

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (Direct Legislator NAMED)

*Revised*

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
Second Session - Ninth Legislature

I. REQUEST  
 Bill No. HB 580  
 Title: Talkeetna Mountains State Park  
 Requested by: \_\_\_\_\_ Date: 3/11/1976  
 Return Date Requested: \_\_\_\_\_  
 Agency: Division of Parks Program: Park & Recreation

II. FISCAL DETAIL  
 Budget Request Unit(s) Affected: District Operations (10.46.7.02.00.00)  
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	37.0	37.0	50.0	50.0	75.0	130.0
200 TRAVEL	1.5	2.0	2.0	2.5	3.0	4.0
300 CONTRACTUAL	6.0	9.0	12.0	12.0	20.0	30.0
400 COMMODITIES	1.0	2.0	2.5	3.5	4.0	7.0
500 EQUIPMENT	12.3	5.0	10.0	10.0	10.0	20.0
600 LAND & STRUCTURES			150.0	350.0	200.0	
700 GRANTS, CLAIMS, ETC.						
TOTAL	57.8	55.0	226.5	428.0	312.0	191.0

B. FUNDING: (Thousands of dollars)

	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
GENERAL FUND	57.8	55.0	76.5	78.0	112.0	191.0
FEDERAL FUNDS			75.0	175.0	100.0	
OTHER (G.O. Bonds)			75.0	175.0	100.0	

C. POSITIONS:

PERMANENT/TEMPORARY	1 / 1	1 / 1	2 / 1	2 / 1	2 / 3	3 / 3
MAN MONTHS (P./T.)	12 / 6	12 / 6	24 / 6	24 / 6	24 / 18	36 / 18

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

Assumes minimal visitor safety and park resource protection for first year of operation. Staffing by park rangers and equipment operators; refuse collection via contract. Snowmachines for patrol, highway vehicles, radio communications equipment, aircraft charter time will all be necessary for effective park management. During FY's 78, 79 and 80, it is assumed that capital bonds will be available for recreation facility development. In addition to increasing public use, said recreation facilities will increase staffing needs for FY 81.

IV. ATTACHMENTS

V. DATE: 3/11/1976 PREPARED BY: Russell W Cahill

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

STATEMENT OF DEE FRANKFOURTH

REGARDING THE PROPOSED  
TALKEETHNA MOUNTAINS STATE PARK  
(HB 580 and HB 664)

House Finance Committee  
Juneau, Alaska  
March 13, 1976

Testifying for:

Alaska Center for the Environment  
Eagle River Sportsman's Game Preservation Assoc.  
Mountaineering Club of Alaska  
PARC of Anchorage  
Sierra Club, Alaska Chapter  
Upper Cook Inlet Chapter/Alaska Conservation Society

My name is Dee Frankfourth, and I live in Anchorage. I am here this morning to testify in support of the Talkeetna Mountains State Park (HB 580). I am representing the Alaska Center for the Environment, the Eagle River Sportsman's Game Preservation Association, the Mountaineering Club of Alaska, PARC of Anchorage, the Alaska Chapter of the Sierra Club, and the Upper Cook Inlet Chapter of the Alaska Conservation Society.

I want to convince you of the importance of creating a Talkeetna Mountains State Park. It has been called many things in five years of being tossed around in the Legislature -- Hatcher Pass State Recreation Area, Garret Heinie Snider State Recreation Area, Talkeetna Mountains State Park, Talkeetna Mountains State Agricultural Reserve. However you refer to it, it is still a section of the Talkeetna Mountains that is heavily used by recreationists.

It is an area of 450,000 acres, 30 miles north, as the raven flies, from Anchorage. It has a long history of various uses. From 1900-1942 it was commonly known as the Willow Creek Mining District. During these four decades there were six major gold mines in the area. In 1942 a presidential order closed the mines to divert manpower to military defense. The mines have never resumed this peak level of activity.

As the Matanuska Valley colonists began to settle in the late 30's more and more lands were used for grazing. Some of these lands were within what is now proposed park. Grazing lands began to be leased in 1939.

As population in southcentral Alaska began to increase in the 1950's and has continued through the '70's, so did recreation in the area now known as Hatcher Pass. It became a popular ski tour to start at the Little Su Roadhouse, ski up to Hatcher Pass, and then down the other side to Willow on the snow-covered Willow-Fishhook Road. (The road is not plowed in the winter.) Exploring the ruins of the old mines attracted some. Picnicking and hiking among the alpine hills of the Little Susitna River, Reed Creek and the Willow Creek drainages became popular to others. Just taking a summer drive over the Pass is a pleasant way to spend a Sunday afternoon. Snowmobiles and motorcycles have become common sights in the area.

So, there is a history of various, oftentimes conflicting, uses in this portion of the Talkeetna Mountains. At different times in history it has had different predominant uses. Now, and for the last ten years that use has been recreation. That isn't to say that recreation should prevail to the exclusion of other historic uses. Indeed, it should not. In the bill before you now (HB 580) all the aforementioned activities would be allowed. Mining will be allowed to continue on the valid existing claims. Grazing leases, in both the park and recreation zones, will continue with the option to be renewed.

The activities are so diverse, the users so varied, that some type of planning and regulation needs to be introduced into this area. Better management would protect everyone's interests. HB 580 would enable that protection.

The creation of a park in the Talkeetna Mountains is not a new, just-this-year idea. There has been a lot of time put in by a lot of interested citizens. We have worked and talked and had meetings. We have made concessions to all factions. We have reached impasses, and we have gone back to the drawing board. More meetings, more work. And, now a bill that has been drafted by the Administration and received input from all interested parties is before you.

It is not perfect, but we think it is as close as it ever can be. This is the year to begin better management of 450,000 acres of the Talkeetna Mountains, and HB 580 is the way to do it. The pressures on the Matanuska Valley are increasing -- land speculation, possible capital site location, a rapidly growing population. These must be anticipated and planned for before tremendous pressures create a situation that no factions wish to see.

Thank you.

MEMORANDUM

3-24-76)

HB 580

TO:  Honorable Hugh Malone  
State House of Representatives  
Alaska State Legislature

DATE : March 1, 1976

FROM: *CRK* Chris Roust  
Facilities Coordinator  
Department of Education

SUBJECT: School Construction  
Projects

The following is submitted in reply to a request by your Aide, Jim Rhode, for a list of recent school construction projects which have had cost overruns. Most of the projects listed are in Chapter 142 SLA 1974 (1974 General Obligation Bonds) as they are the most recent authorizations.

Please be aware that not all cost overruns must be covered by additional funds. Many of the negotiated items to bring a project within the available funds do not affect the functional use of the facility, which may have been overdesigned. At times, a readjustment of the budget for design, administration and inspection has added many dollars to a construction budget. Equipment funds are often used to finance an award, and at the end of a project are sometimes partially replenished from the contingency budget for that project, or are supplemented by operating funds. Another source of funds to supplement an original authorization is to seek the Governor's authority to reallocate funds from projects within a bond issue which have been awarded for less than the budget authorized to them. An example was the award of Kongiganak School by use of excess funds from four other projects. Generally, however, with present bidding techniques used by the Department of Public Works, there are more funds in the overrun column than in the excess column. We estimate that the schools with asterisks will need additional funds, but the actual amounts may be different from the negotiated amounts. Also, we may be able to cover some of the overruns with excess funds from other projects yet to be bid under Chapter 142.

<u>School</u>	<u>Construction Budget</u>	<u>Low Base Bid Award (No Alternates)</u>	<u>Amount Negotiated</u>	<u>Amount to Complete Program As Designed</u>
-Already Bid & Awarded-				
Kivalina	1,796,000	1,869,500	73,500	
*Shungnak	2,188,000	2,225,000	37,000	
*Shishmaref	1,946,000	2,078,000	132,000	
Kongiganak	1,720,000	2,034,400	314,400	
Fort Yukon	666,500	691,600	25,100	
*Tanana	339,000	396,000	57,000	
Dot Lake	388,000	327,044	60,956	
Tri-Valley (Healy)	1,122,000	1,235,000	113,000	
Delta	1,017,000	1,322,092	305,092	
*Angoon	562,000	621,000	59,000	
Mentasta Lake	198,500	211,651	13,151	
*Prince of Wales (Craig)	793,000	829,000	36,000	642,573
*Hydaburg	446,790	433,565	-0-	436,900
-To be Bid-				
*Kipnuk	767,000			
*Akiak	508,000			
*Gambell	1,092,200			
*Savoonga	1,249,000			
*Manokovak	304,000			

upon the 150 square feet and other standard design features would then be developed in each prioritized village, and the final budget would be established at the time of construction contract award. In this way, each school would be adequate and yet not "gold plated," as can happen if excess funds are allocated to a specific project.

A multiplier per REAA is being developed which can help to reduce the area differentials, but the other factors listed above will have a significant effect on how much of a facility will be provided at each location. I fear that many villages will be coming back to the state in 1978 with requests to make their schools adequate based upon what the villages in other REAA's received. An example may be that all the projects in one REAA are large, with foundation problems and the need for complete utility systems, which results in an overall lower number of square feet per student. With 21 REAA's, it will be difficult to average the cost of various site situations over the smaller regions which have only a couple of projects to average.

A village will expect to receive whatever an architect designs. The State-Operated Schools System encountered difficult problems by allowing the architects freedom to design much more space than the budget would cover. We hope that the REAA's or the Department of Public Works will have sufficient professional staff to control the development of the building programs, rather than face the difficulties which SOS and the North Slope Borough have faced recently in their school building programs. It seems that everyone would be happier if the control was on the program space rather than on the budget per project. The cost of a project cannot be adequately estimated until a complete program, site selection, utility inventory, and bidding techniques are established. We feel that the decisions should be made locally, but the Legislature must make the overall decision of the funding level for a specific budget year, and therefore must ultimately decide which schools will be built. It seems that the Department of Education is best equipped to recommend the priorities from the total requested by the REAA's. REAA priority lists should not be altered. We do feel, however, that the REAA's should follow guidelines as to the emergency, health and safety projects, plus the amount of space and quality of that space (not the budget), which will qualify for state funding. It should be realized that this method of space rather than fund allocation must face at least one program review, as the facility could be designed to virtually eliminate operating expense by increasing the construction cost. Since we are dealing with state-financed and state-owned facilities, we feel that the funds must be wisely spent for facilities to house educational programs on an equitable basis.

cc: Glen K. Vernon

Many other projects are undoubtedly under funded. The architects sometimes realized this and simply reduced the program space to meet the budget. Such schools will be over crowded and will not be able to offer complete curricula. Some villages will be vocal and request or demand more space, while others will silently suffer the results of such inequity, with nothing to which to compare their school.

The amount of funds needed to complete a project is difficult to estimate. A contractor will seldom hold his bid prices for longer than 30 days, which indicates his uncertainty as to future material and labor costs. Also, with no clear guidelines of program to evaluate, it is difficult to support or disagree with the amount of space in the architect's design. We do not have sufficient information in this office to determine the cost of the space or equipment which may be needed to provide adequate space at each project location.

It should be noted that in the next bond issue, funds are currently allocated by site or REAA. However, the figure of \$200 per square foot was proposed by the Department of Education as a statewide average cost of construction using the present bidding system over the 1977-1978 construction seasons. Each project will vary significantly in square foot costs, depending upon the following factors:

1. Location of and transportation to the site.
2. Size of the project.
3. Amount of specialized space such as science space, kitchens, water safety (swimming) tanks.
4. Need for utility systems--Does the village have a sewage disposal system, water system, electrical power, or will the school supply the village.
5. Remodeling existing space can be much less costly.
6. Bidding techniques can vary the costs of construction in excess of 30%.

The Department of Education assumed the construction function of state-operated schools in July 1975. There was not sufficient time to estimate the individual project costs for over 100 villages for the FY 1977 budget, so we proposed a grant fund based on the total number of unhoused secondary students, multiplied by 150 square feet per student, multiplied by \$200 per square foot. Programs based