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1 title;

2 (5) general administrative costs of an amount equal to 25  
3 cents per barrel.

4 Sec. 43.59.030. COMPUTATION OF SURTAX BASE. Surtax under this  
5 chapter is imposed on the amount by which the value of the oil at the  
6 point of first sale, or the refinery to which it is delivered, whichever  
7 is less, exceeds 125 per cent of the allowable costs set out in sec.  
8 20(1) - (5) of this chapter.

9 Sec. 43.59.040. EXPLORATION COST DEDUCTIONS. (a) Exploration  
10 cost deductions shall be limited to

11 (1) the cost attributable to oil of geophysical and geologi-  
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13 the investigations are carried out on government land in the state;

14 (2) that part of the payments for the right to extract oil  
15 and gas from government land in Alaska that is attributable to oil;

16 (3) the cost attributable to oil of drilling for oil and gas  
17 on government land in Alaska.

18 (b) The percentage of total costs and payments that is attri-  
19 butable to oil shall be equal to the percentage accounted for by oil in  
20 the total value at the wellhead of oil and gas produced in the state  
21 during the calendar year preceding that in which the cost is incurred or  
22 the payment made, i.e.,

23 
$$C_o = C_{o+g} \cdot WV_o / WV_{o+g}, \text{ where}$$

24  $C_o$  = an oil producer's deductible costs and payments attributable  
25 to oil during a given calendar year;

26  $C_{o+g}$  = the total costs incurred and payments made by the taxpayer  
27 in that year in exploring for oil and gas on government land;

28  $WV_o$  = the wellhead value of all oil produced in the state during  
29 the preceding year;



1 tion basis.

2 (c) No development cost incurred before January 1, 1970 shall be  
3 included in calculating allowable deductions, and in the case of facili-  
4 ties in operation before the effective date of this Act, the carrying  
5 forward of depreciation accruing before the effective date of this Act  
6 shall not be permitted.

7 (d) Interest not to exceed nine per cent per annum on funds used  
8 during and in the construction of facilities used and useful in the  
9 production of a field may be capitalized.

10 Sec. 43.59.060. VARIABLE PRODUCTION COST DEDUCTIONS. (a) Deduc-  
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12 would not be incurred if production were to cease, and may be carried  
13 forward only under the conditions specified in sec. 80 of this chapter.

14 (b) Production costs allocable to oil shall be determined each  
15 year by multiplying aggregate production costs in the field for oil and  
16 gas by the fraction of the value of the field's production accounted for  
17 by oil.

18 Sec. 43.59.070. TRANSPORTATION COST DEDUCTIONS. When the commis-  
19 sioner of revenue determines that transportation tariffs or charges may  
20 not accurately represent the true costs and that transportation charges  
21 are being paid to an entity affiliated with an oil producer taxpayer,  
22 he may, after promulgation of regulations governing the determination by  
23 him of the fair transportation costs, and public hearing, make a deter-  
24 mination of the deductible transportation cost for the purposes of com-  
25 puting the taxes due under this chapter. No producer affected by this  
26 determination shall be allowed transportation cost deductions in excess  
27 of the amounts determined by the commissioner to be fair and deductible.

28 Sec. 43.59.080. LOSS CARRY FORWARD. Development and production  
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1 exceed the total value of the oil at the point of value determination  
2 for this tax, less transportation costs from the field; they may be  
3 carried beyond any succeeding year only if no tax was due in that year.

4 Sec. 43.59.090. ROYALTY OIL. The tax imposed by this chapter is  
5 upon the value of the total production of all oil removed or sold from  
6 each lease or property, less any part the ownership or right to which  
7 is exempt from taxation. In making settlement with a royalty owner  
8 the producer may deduct the amount of the tax paid on royalty oil, or  
9 may deduct royalty oil equivalent in value to the amount of tax paid,  
10 at the time the tax becomes due.

11 Sec. 43.59.100. PAYMENT OF TAX. (a) The oil production income  
12 tax shall be paid annually. The tax is due on April 15 on oil or gas  
13 removed or sold from each lease or property during the preceding calen-  
14 dar year.

15 (b) Every producer whose income is subject to the tax imposed by  
16 this chapter shall file annually by February 1 of each year, with the  
17 department, a statement showing the value of oil as specified in sec. 20  
18 of this chapter, and shall under the penalty of perjury furnish all the  
19 information the Department of Revenue prescribes on a form supplied by  
20 the department.

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23 fair market value of the oil at the point of first sale or at the  
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25 (1) the seller and purchaser are affiliated persons;

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27 length transaction or is not representative of competitive market value;  
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29 (3) there is no competitive market at the refinery for oil of

1 similar kind and quality.

2 Sec. 43.59.120. ADMINISTRATION OF TAX. AS 43.55.040, 43.55.050,  
3 43.55.070, 43.55.090, and 43.55.110 apply with respect to this chapter.

4 Sec. 43.59.130. NONPAYMENT OF TAX. The provisions for civil  
5 penalty, interest and remedy established in AS 43.58.120, 43.58.130,  
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7 Sec. 43.59.140. REGULATIONS. The department may adopt regulations  
8 in accordance with the Administrative Procedure Act (AS 44.62) as appro-  
9 priate to administer and enforce this chapter.

10 Sec. 43.59.150. DEPOSIT OF REVENUE. (a) The department shall  
11 deposit the money collected under this chapter in the general fund.

12 (b) Sixty per cent of the money deposited in the general fund  
13 under this chapter shall be placed in a special "permanent fund account"  
14 in the general fund.

15 Sec. 43.59.160. PRIVATE LAND INCENTIVE EXEMPTION. The provisions  
16 of this chapter are not applicable to oil produced from nongovernmen-  
17 tally owned mineral fee interests.

18 Sec. 43.59.170. PAYMENT TO ALASKA NATIVE FUND. When the tax  
19 levied under this chapter is payable, an amount equivalent to not less  
20 than two per cent of the tax shall be paid by the state from oil and gas  
21 royalties, bonuses and rentals into the Alaska Native fund established  
22 by sec. 6 of the Alaska Native Claims Settlement Act (P.L. 92-203; 85  
23 Stat. 688; 43 U.S.C. 1601 et seq.) until all payments made into the fund  
24 equal \$500,000,000.

25 Sec. 43.59.180. DEFINITIONS. In this chapter "department" means  
26 the Department of Revenue, and oil and gas are as defined in AS 43.55.-  
27 140.

28 \* Sec. 2. This Act takes effect January 1, 1977.  
29

Introduced: 3/17/76  
Referred: Resources and Finance

BY COWPER, BRADLEY, BROWN, DUNCAN,  
GARDINER, GRUENING, KELLEY, MCKINNON,  
MALONE, MILLER, NAUGHTON, PARKER,  
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1 IN THE HOUSE

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 803

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for an oil production income tax; and  
7 providing for an effective date."

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

9 \* Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 59. OIL PRODUCTION INCOME TAX.

11 Sec. 43.59.010. TAX IMPOSED. There is imposed for each taxable  
12 year upon an oil producer deriving income from oil production in the  
13 state a tax consisting of a normal tax equal to 10 per cent of the  
14 amount computed under sec. 20 of this chapter and a surtax equal to 40  
15 per cent of the amount computed under sec. 30 of this chapter.

16 Sec. 43.59.020. COMPUTATION OF NORMAL TAX BASE. Normal tax under  
17 this chapter is imposed on that portion of the value of the oil at the  
18 point of first sale or its value at the refinery, whichever is less,  
19 which exceeds the sum of the following allowable costs, but is less than  
20 125 per cent of the sum:

21 (1) exploration costs attributable to oil, including bonus  
22 payments, as computed under sec. 40 of this chapter;

23 (2) those field development costs and variable production  
24 costs that are attributable to oil, as computed under secs. 50 and 60 of  
25 this chapter;

26 (3) cost of transport of the oil from the field in which it  
27 was produced to the refinery or the point of first sale, whichever is  
28 the base for the value determination for the computation of the tax;

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$$C_o = C_{o+g} \cdot WV_o / WV_{o+g}, \text{ where}$$

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25 to oil during a given calendar year;

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29 the preceding year;



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2 (c) No development cost incurred before January 1, 1970 shall be  
3 included in calculating allowable deductions, and in the case of facili-  
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5 forward of depreciation accruing before the effective date of this Act  
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11 tible production costs are limited to those costs allocable to oil which  
12 would not be incurred if production were to cease, and may be carried  
13 forward only under the conditions specified in sec. 80 of this chapter.

14 (b) Production costs allocable to oil shall be determined each  
15 year by multiplying aggregate production costs in the field for oil and  
16 gas by the fraction of the value of the field's production accounted for  
17 by oil.

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- 25 (1) the seller and purchaser are affiliated persons;  
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27 length transaction or is not representative of competitive market value;  
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14 in the general fund.

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19 levied under this chapter is payable, an amount equivalent to not less  
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21 royalties, bonuses and rentals into the Alaska Native fund established  
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23 Stat. 688; 43 U.S.C. 1601 et seq.) until all payments made into the fund  
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25 Sec. 43.59.180. DEFINITIONS. In this chapter "department" means  
26 the Department of Revenue, and oil and gas are as defined in AS 43.55.-  
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28 \* Sec. 2. This Act takes effect January 1, 1977.  
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Referred: Resources and Finance

BY COWPER, BRADLEY, BROWN, DUNCAN,  
GARDINER, GRUENING, KELLEY, MCKINNON,  
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1 IN THE HOUSE

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 803

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for an oil production income tax; and  
7 providing for an effective date."

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

9 \* Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 59. OIL PRODUCTION INCOME TAX.

11 Sec. 43.59.010. TAX IMPOSED. There is imposed for each taxable  
12 year upon an oil producer deriving income from oil production in the  
13 state a tax consisting of a normal tax equal to 10 per cent of the  
14 amount computed under sec. 20 of this chapter and a surtax equal to 40  
15 per cent of the amount computed under sec. 30 of this chapter.

16 Sec. 43.59.020. COMPUTATION OF NORMAL TAX BASE. Normal tax under  
17 this chapter is imposed on that portion of the value of the oil at the  
18 point of first sale or its value at the refinery, whichever is less,  
19 which exceeds the sum of the following allowable costs, but is less than  
20 125 per cent of the sum:

21 (1) exploration costs attributable to oil, including bonus  
22 payments, as computed under sec. 40 of this chapter;

23 (2) those field development costs and variable production  
24 costs that are attributable to oil, as computed under secs. 50 and 50 of  
25 this chapter;

26 (3) cost of transport of the oil from the field in which it  
27 was produced to the refinery or the point of first sale, whichever is  
28 the base for the value determination for the computation of the tax;

29 severance taxes imposed under chs. 55 and 57 of this

1 title;

2 (5) general administrative costs of an amount equal to 25  
3 cents per barrel.

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6 point of first sale, or the refinery to which it is delivered, whichever  
7 is less, exceeds 125 per cent of the allowable costs set out in sec.  
8 20(1) - (5) of this chapter.

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10 cost deductions shall be limited to

11 (1) the cost attributable to oil of geophysical and geologi-  
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13 the investigations are carried out on government land in the state;

14 (2) that part of the payments for the right to extract oil  
15 and gas from government land in Alaska that is attributable to oil;

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17 on government land in Alaska.

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19 butable to oil shall be equal to the percentage accounted for by oil in  
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3            (c) No costs paid for services or any portion of services used or  
4            provided outside Alaska, salaries or wages not subject to the withhold-  
5            ing of state income tax under AS 43.20.170, or payments for materials or  
6            supplies not physically located or consumed in Alaska may be deducted as  
7            an exploration cost.

8            (d) No costs incurred more than three years before the effective  
9            date of this Act may be deducted as an exploration cost.

10           (e) No more than 20 per cent of the exploration costs incurred in  
11           any calendar year may be deductible for that calendar year, or for any  
12           succeeding calendar year.

13           (f) Exploration costs may be carried forward for purposes of com-  
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19           or the useful life of the facility to which they are attributable,  
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25           (b) Field development costs shall be limited to the costs of goods  
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25 this chapter;

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4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for an oil production income tax; and  
7 providing for an effective date."

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

9 \* Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 59. OIL PRODUCTION INCOME TAX.

11 Sec. 43.59.010. TAX IMPOSED. There is imposed for each taxable  
12 year upon an oil producer deriving income from oil production in the  
13 state a tax consisting of a normal tax equal to 10 per cent of the  
14 amount computed under sec. 20 of this chapter and a surtax equal to 40  
15 per cent of the amount computed under sec. 30 of this chapter.

16 Sec. 43.59.020. COMPUTATION OF NORMAL TAX BASE. Normal tax under  
17 this chapter is imposed on that portion of the value of the oil at the  
18 point of first sale or its value at the refinery, whichever is less,  
19 which exceeds the sum of the following allowable costs, but is less than  
20 125 per cent of the sum:

21 (1) exploration costs attributable to oil, including bonus  
22 payments, as computed under sec. 40 of this chapter;

23 (2) those field development costs and variable production  
24 costs that are attributable to oil, as computed under secs. 50 and 60 of  
25 this chapter;

26 (3) cost of transport of the oil from the field in which it  
27 was produced to the refinery or the point of first sale, whichever is  
28 the base for the value determination for the computation of the tax;

29 (4) severance taxes imposed under chs. 55 and 57 of this

1 title;

2 (5) general administrative costs of an amount equal to 25  
3 cents per barrel.

4 Sec. 43.59.030. COMPUTATION OF SURTAX BASE. Surtax under this  
5 chapter is imposed on the amount by which the value of the oil at the  
6 point of first sale, or the refinery to which it is delivered, whichever  
7 is less, exceeds 125 per cent of the allowable costs : out in sec.  
8 20(1) - (5) of this chapter.

9 Sec. 43.59.040. EXPLORATION COST DEDUCTIONS. (a) Exploration  
10 cost deductions shall be limited to

11 (1) the cost attributable to oil of geophysical and geologi-  
12 cal investigations incurred for the purpose of finding oil and gas, if  
13 the investigations are carried out on government land in the state;

14 (2) that part of the payments for the right to extract oil  
15 and gas from government land in Alaska that is attributable to oil;

16 (3) the cost attributable to oil of drilling for oil and gas  
17 on government land in Alaska.

18 (b) The percentage of total costs and payments that is attri-  
19 butable to oil shall be equal to the percentage accounted for by oil in  
20 the total value at the wellhead of oil and gas produced in the state  
21 during the calendar year preceding that in which the cost is incurred or  
22 the payment made, i.e.,

23 
$$C_o = C_{o+g} \cdot WV_o / WV_{o+g}, \text{ where}$$

24  $C_o$  = an oil producer's deductible costs and payments attributable  
25 to oil during a given calendar year;

26  $C_{o+g}$  = the total costs incurred and payments made by the taxpayer  
27 in that year in exploring for oil and gas on government land;

28  $WV_o$  = the wellhead value of all oil produced in the state during  
29 the preceding year;



1 tion basis.

2 (c) No development cost incurred before January 1, 1970 shall be  
3 included in calculating allowable deductions, and in the case of facili-  
4 ties in operation before the effective date of this Act, the carrying  
5 forward of depreciation accruing before the effective date of this Act  
6 shall not be permitted.

7 (d) Interest not to exceed nine per cent per annum on funds used  
8 during and in the construction of facilities used and useful in the  
9 production of a field may be capitalized.

10 Sec. 43.59.060. VARIABLE PRODUCTION COST DEDUCTIONS. (a) Deduc-  
11 tible production costs are limited to those costs allocable to oil which  
12 would not be incurred if production were to cease, and may be carried  
13 forward only under the conditions specified in sec. 80 of this chapter.

14 (b) Production costs allocable to oil shall be determined each  
15 year by multiplying aggregate production costs in the field for oil and  
16 gas by the fraction of the value of the field's production accounted for  
17 by oil.

18 Sec. 43.59.070. TRANSPORTATION COST DEDUCTIONS. When the commis-  
19 sioner of revenue determines that transportation tariffs or charges may  
20 not accurately represent the true costs and that transportation charges  
21 are being paid to an entity affiliated with an oil producer taxpayer,  
22 he may, after promulgation of regulations governing the determination by  
23 him of the fair transportation costs, and public hearing, make a deter-  
24 mination of the deductible transportation cost for the purposes of com-  
25 puting the taxes due under this chapter. No producer affected by this  
26 determination shall be allowed transportation cost deductions in excess  
27 of the amounts determined by the commissioner to be fair and deductible.

28 Sec. 43.59.080. LOSS CARRY FORWARD. Development and production  
29 cost deductions may be carried forward only to the extent that they

1 exceed the total value of the oil at the point of value determination  
2 for this tax, less transportation costs from the field; they may be  
3 carried beyond any succeeding year only if no tax was due in that year.

4 Sec. 43.59.090. ROYALTY OIL. The tax imposed by this chapter is  
5 upon the value of the total production of all oil removed or sold from  
6 each lease or property, less any part the ownership or right to which  
7 is exempt from taxation. In making settlement with a royalty owner  
8 the producer may deduct the amount of the tax paid on royalty oil, or  
9 may deduct royalty oil equivalent in value to the amount of tax paid,  
10 at the time the tax becomes due.

11 Sec. 43.59.100. PAYMENT OF TAX. (a) The oil production income  
12 tax shall be paid annually. The tax is due on April 15 on oil or gas  
13 removed or sold from each lease or property during the preceding calen-  
14 dar year.

15 (b) Every producer whose income is subject to the tax imposed by  
16 this chapter shall file annually by February 1 of each year, with the  
17 department, a statement showing the value of oil as specified in sec. 20  
18 of this chapter, and shall under the penalty of perjury furnish all the  
19 information the Department of Revenue prescribes on a form supplied by  
20 the department.

21 Sec. 43.59.110. VALUE MAY BE DETERMINED BY DEPARTMENT. The de-  
22 partment may, under regulations promulgated in advance, determine the  
23 fair market value of the oil at the point of first sale or at the  
24 refinery when

- 25 (1) the seller and purchaser are affiliated persons;  
26 (2) the sale and purchase of the production is not an arm's  
27 length transaction or is not representative of competitive market value;  
28 or  
29 (3) there is no competitive market at the refinery for oil of

1 similar kind and quality.

2 Sec. 43.59.120. ADMINISTRATION OF TAX. AS 43.55.040, 43.55.050,  
3 43.55.070, 43.55.090, and 43.55.110 apply with respect to this chapter.

4 Sec. 43.59.130. NONPAYMENT OF TAX. The provisions for civil  
5 penalty, interest and remedy established in AS 43.58.120, 43.58.130,  
6 and 43.58.150 apply to this chapter.

7 Sec. 43.59.140. REGULATIONS. The department may adopt regulations  
8 in accordance with the Administrative Procedure Act (AS 44.62) as appro-  
9 priate to administer and enforce this chapter.

10 Sec. 43.59.150. DEPOSIT OF REVENUE. (a) The department shall  
11 deposit the money collected under this chapter in the general fund.

12 (b) Sixty per cent of the money deposited in the general fund  
13 under this chapter shall be placed in a special "permanent fund account"  
14 in the general fund.

15 Sec. 43.59.160. PRIVATE LAND INCENTIVE EXEMPTION. The provisions  
16 of this chapter are not applicable to oil produced from nongovernmen-  
17 tally owned mineral fee interests.

18 Sec. 43.59.170. PAYMENT TO ALASKA NATIVE FUND. When the tax  
19 levied under this chapter is payable, an amount equivalent to not less  
20 than two per cent of the tax shall be paid by the state from oil and gas  
21 royalties, bonuses and rentals into the Alaska Native fund established  
22 by sec. 6 of the Alaska Native Claims Settlement Act (P.L. 92-203; 85  
23 Stat. 688; 43 U.S.C. 1601 et seq.) until all payments made into the fund  
24 equal \$500,000,000.

25 Sec. 43.59.180. DEFINITIONS. In this chapter "department" means  
26 the Department of Revenue, and oil and gas are as defined in AS 43.55.-  
27 140.

28 \* Sec. 2. This Act takes effect January 1, 1977.  
29



# RECORDS CERTIFICATION



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

James O. Smith  
Signature of Camera Operator

2/6/90  
Date

COMMITTEE REPORT

3/5/76

HOUSE

Mr. Speaker:

Date March 31, 1976  
March 13, 1976

The Committee on FINANCE has had HB 805

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(x) recommends it BE REPLACED WITH CS FOR HB 805 AND THAT  
CS FOR HB 805 DO PASS

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

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

[Signature] \_\_\_\_\_  
[Signature] \_\_\_\_\_  
[Signature] \_\_\_\_\_  
[Signature] \_\_\_\_\_

Members NOT concurring in the Majority report:

[Signature] recommends: no  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:

[Signature] Chairman

Original sponsor: Kelley, Anderson,  
H. Beirne, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 805

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 senior citizen housing development."

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

8 \* Section 1. AS 18.100 is amended by adding a new section to read:

9  
10 Sec. 18.100.070. SENIOR CITIZEN HOUSING DEVELOPMENT. (a) There is  
11 created within the Department of Community and Regional Affairs a senior  
12 citizens housing development fund. Subject to direct appropriation or  
13 through proceeds of a bonding issue the department shall make grants or  
14 loans to municipalities or to corporations eligible for loans under sec.  
15 50 of this chapter for the purpose of developing senior citizen housing.

16 (b) Application for a grant or loan under (a) of this section  
17 shall be in the form prescribed by the department. The application  
18 shall demonstrate the need for senior citizen housing in the area to be  
19 served, the feasibility of the proposed project, and an adequate manage-  
20 ment plan which shall demonstrate the ability of the eligible recipient  
21 to sustain the proposed project.

22 (c) The department shall promulgate regulations to carry out the  
23 purposes of this section. The provisions of the Administrative Proce-  
24 dure Act (AS 44.62) apply to regulations adopted under this section.

25 (d) In this section "senior citizen housing" means a specific work  
26 or improvement undertaken primarily to provide dwelling accommodations  
27 for persons 60 years of age or older, including the acquisition, con-  
28 struction or rehabilitation of land, buildings and improvements and  
29 other nonhousing facilities that are incidental or appurtenant to the  
housing.

BY KELLEY, ANDERSON, H. BEIRNE, BRADLEY,  
BRADNER, BROWN, BUCHHOLDT, COWPER, DUNCAN,  
ELIASON, M. BEIRNE, FREEMAN, GARDINER,  
GRUENING, GUY, HACKNEY, HUNTINGTON, ITTA,  
MCKINNON, MALONE, MILLER, NAUGHTON, OSE,  
OSTERBACK, OSTROSKY, PARKER, PARR, RHODE,  
RUDD, SMITH, SULLIVAN, SWANSON, URION AND

WALLIS

1 IN THE HOUSE

2 HOUSE BILL NO. 805

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 senior citizen housing development  
7 grants."

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

9 \* Section 1. AS 18.100 is amended by adding a new section to read:

10 Sec. 18.100.070. SENIOR CITIZEN HOUSING DEVELOPMENT GRANTS. (a)

11 There is created within the Department of Community and Regional Affairs  
12 a senior citizens housing development grant fund. Subject to direct  
13 appropriation or through proceeds of a bonding issue the department  
14 shall make grants to municipalities or to corporations eligible for  
15 loans under sec. 50 of this chapter for the purpose of developing senior  
16 citizen housing.

17 (b) Application for a grant under (a) of this section shall be in  
18 the form prescribed by the department. The application shall demonstrate  
19 the need for senior citizen housing in the area to be served, the feasi-  
20 bility of the proposed project and an adequate management plan for the  
21 proposed project.

22 (c) The department shall promulgate regulations to carry out the  
23 purposes of this section. The provisions of the Administrative Proce-  
24 dure Act (AS 44.62) apply to regulations adopted under this section.

25 (d) In this section "senior citizen housing" means a specific  
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27 tions for persons 60 years of age or older, including the acquisition,  
28 construction or rehabilitation of land, buildings and improvements and  
29 other nonhousing facilities that are incidental or appurtenant to the

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housing.

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: House C&RA

To: \_\_\_\_\_ HOUSE BILL No. 805

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

PAGE: One

LINE: \_\_\_\_\_

Line 7 delete "grants"

Line 12 delete "grant"

Line 14 add "or loans" between "grants" and "to municipalities"

Line 17 add "or loan " between "grant" and "under (a)"

Line 20 after "plan" insert "which shall demonstrate the ability of the eligible recipient to sustain the proposed project."

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

I. REQUEST

Bill No. HB 805/as amended by House CRA Committee (revises fiscal note of 2/25/76)  
 Title: "An Act relating to senior citizen housing development"  
 Requested by: House Finance Date: 3/18/76  
 Return Date Requested: \_\_\_\_\_  
 Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Community Planning

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		43.7	101.0	111.1	122.2	134.5
200 TRAVEL		3.3	7.0	7.7	8.5	9.3
300 CONTRACTUAL		6.3	10.0	11.1	1.2	13.3
400 COMMODITIES		.6	1.2	1.2	1.3	1.6
500 EQUIPMENT		2.3	-	-	-	-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		56.2	119.2	131.1	144.2	158.7

B. FUNDING: (Thousands of dollars)

GENERAL FUND		56.2	119.2	131.1	144.2	158.7
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	3.5 /	3.5 /	3.5 /	3.5 /
MAN MONTHS (P./T.)	/	20 /	42 /	42 /	42 /	42 /

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

See attachment.

IV. ATTACHMENTS

V. DATE: 3/18/76

PREPARED BY: Kevin Waring

Kevin Waring, Director  
Division of Community Planning

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

III. ANALYSIS

- A. Assumption - that House Bill 806 becomes law and the bonds are authorized by the qualified voters of the State and/or House Bill 805 (this bill) is funded through a direct appropriation.
- B. Program Summary. This legislation would establish a grant and loan fund in the Department "to provide dwelling accommodations for persons sixty years of age or older, including the acquisition, construction or rehabilitation of land, buildings and improvements and other nonhousing facilities that are incidental or appurtenant to the housing."

In order to expedite program development during the initial year, the Department requests three positions, as budgeted below: (1) a Housing Development Specialist (Range 21 - 7 months) to supervise program development, including preparation of necessary regulations, coordination with federal and private finance sources, etc.; (2) a Loan Specialist (Range 19 - 6 months) to develop loan and grant application procedures and to evaluate, process and monitor applications; and (3) a Clerk-Typist III (Range 8 - 7 months). The Department anticipates that accounting services will have to be budgeted for in subsequent years.

	Housing Development Specialist - 7 mo. <u>Range 21</u>	Loan Specialist 6 mo. <u>Range 19</u>	Clerk-Typist III 7 mo. <u>Range 8</u>	<u>Total</u>
100	20.2	15.0	8.5	43.7
200	1.8	1.5	-	3.3
300	3.0	2.5	.8	6.3
400	.2	.2	.2	.6
500	.7	.8	.8	2.3
	<u>25.9</u>	<u>20.0</u>	<u>10.3</u>	<u>56.2</u>



REGION X  
Arcade Plaza Building  
1321 Second Avenue  
Seattle, Washington 98101

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
FEDERAL HOUSING ADMINISTRATION  
ANCHORAGE INSURING OFFICE  
334 WEST FIFTH AVENUE  
ANCHORAGE, ALASKA 99501

March 11, 1976

IN REPLY REFER TO:

10.3S

Honorable Ramona Kelley  
Alaska State House of Representatives  
Assembly Building - Room 110  
Pouch V  
Juneau, Alaska 99811

Dear Ms. Kelley:

Subject: Alaska State House Bill No. 806 - Supplemental  
Grant Money for Elderly Housing Projects

There is an urgent need for elderly housing throughout Alaska, including locations in many of the smaller villages. Economic studies by this office have indicated this need in excess of a thousand units.

Under the Federal Government programs administered by the Department of HUD, there is a gap in funds available for construction, and expected cost at the time a building is available for occupancy. This has been the result of unnatural cost acceleration. Federal statutes control prototype cost ceilings which, at the present, do not permit construction of elderly housing within cost ceilings.

House Bill 806 would allow grant-in-aid of elderly housing construction. Rental payments for occupants of elderly housing could receive subsidy under the HUD Section 8 program, where an occupant would be required to only pay 1/3 or 25 percent of his total income for housing. The remaining 75 percent would be paid by the Federal Government. To illustrate: a unit of elderly designed apartment, having an individual space rental of \$460 per month, occupied by an elderly couple whose total income was only \$400 per month, would pay \$100 per month rent, with the Federal Government paying the owner of the apartment house the required balance of \$360, thereby allowing the owner of the apartment building to amortize his investment while, at the same time, the elderly couple are receiving new, decent, safe, and sanitary housing.

In the little town of Point Hope, there is a need of only 12 units. The elderly of Point Hope wish to stay in a town where they can take care of each other and not have their existence relegated to a Pioneer Home such as that in Fairbanks.

The \$6,000,000 grant proposed by HB 806 is estimated to be able to provide at least 500 units of elderly housing when coupled with other financing means. Under Section 8, this would generate rent subsidy funds in the approximate amount of \$1,800,000 per year coming into Alaska. The entire \$6,000,000 grant would be returned in approximately 3-1/2 years through benefits to the Alaskan elderly.

A copy of HB 806 is attached for your easy reference.

Elderly housing is presently planned for the following communities: Barrow, Point Hope, Kodiak, Fairbanks, Anchorage, Juneau, and Ketchikan. Additional units are presently being planned in smaller communities by the Native Local Housing Authorities.

I urgently recommend passage and solicit your full support of HB 806 for its general benefit to all of Alaska.

Sincerely,



Roger A. Riddell  
Director

Attachment



# 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

2/6/90  
Date

COMMITTEE REPORT

5/4/76

SENATE

Mr. President:

Date 5/25/76

The Committee on Finance has had CSHB 805 (R1s) am senior citizen housing development grants under consideration. A Majority of the members of the Committee

- ( ) recommends it DO PASS
- ( ) recommends it DO NOT PASS
- ( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- (X) recommends it BE REPLACED WITH CS FOR CSHB 805 AND THAT CS FOR CSHB 805 DO PASS
- ( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_ COMMITTEE
- ( ) reports it back WITHOUT RECOMMENDATION
- ( ) "other"

Members signing the Majority report:

Bill Kray \_\_\_\_\_

Steve Chaves \_\_\_\_\_

Paul Forward \_\_\_\_\_

\_\_\_\_\_

Members NOT concurring in the Majority report:

Bill Kray recommends: No Rec.

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

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

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

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

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

Bill Kray Chairman

Original sponsor: Kelley, Anderson,  
H. Beirne, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 805

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 senior citizen housing development."  
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 \* Section 1. AS 18.100 is amended by adding a new section to read:

9 Sec. 18.100.070. SENIOR CITIZEN HOUSING DEVELOPMENT. (a) There is  
10 created within the Department of Community and Regional Affairs a senior  
11 citizens housing development fund. Subject to direct appropriation or  
12 through proceeds of a bonding issue the department shall make grants or  
13 loans to municipalities or to corporations eligible for loans under sec.  
14 50 of this chapter for the purpose of developing senior citizen housing.  
15 A grant from the proceeds of a bond issue may be made only to munic-  
16 palities.

17 (b) Application for a grant or loan under (a) of this section  
18 shall be in the form prescribed by the department. The application  
19 shall demonstrate the need for senior citizen housing in the area to be  
20 served, the feasibility of the proposed project, and an adequate manage-  
21 ment plan which shall demonstrate the ability of the eligible recipient  
22 to sustain the proposed project.

23 (c) All projects under this section shall be in accordance with  
24 facility procurement policies developed under AS 35.10.060 - 35.10.200  
25 and are public facilities under those sections.

26 (d) The department shall promulgate regulations to carry out the  
27 purposes of this section. The provisions of the Administrative Proce-  
28 dure Act (AS 44.62) apply to regulations adopted under this section.

29 (e) In this section "senior citizen housing" means a specific work

Original sponsor: Kelley, Anderson,  
H. Beirne, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 805

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 senior citizen housing development."

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8 \* Section 1. AS 18.100 is amended by adding a new section to read:

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1 or improvement undertaken primarily to provide dwelling accommodations  
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5 housing.

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Original sponsor: Kelley, Anderson,  
H. Beirne, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 805  
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 . . . or citizen housing development."

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

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12 through proceeds of a bonding issue the department shall make grants or  
13 loans to municipalities or to corporations eligible for loans under sec.  
14 50 of this chapter for the purpose of developing senior citizen housing.  
15 A grant from the proceeds of a bond issue may be made only to munici-  
16 palities.

17 (b) Application for a grant or loan under (a) of this section  
18 shall be in the form prescribed by the department. The application  
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20 served, the feasibility of the proposed project, and an adequate manage-  
21 ment plan which shall demonstrate the ability of the eligible recipient  
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23 (c) All projects under this section shall be in accordance with  
24 facility procurement policies developed under AS 35.10.060 - 35.10.200  
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26 (d) The department shall promulgate regulations to carry out the  
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or improvement undertaken primarily to provide dwelling accommodations for persons 60 years of age or older, including the acquisition, construction or rehabilitation of land, buildings and improvements and other nonhousing facilities that are incidental or appurtenant to the housing.

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

I. REQUEST  
 Bill No. HB 805/as amended by House CRA Committee (revises fiscal note of 2/25/76)  
 Title: "An Act relating to senior citizen housing development."  
 Requested by: House Finance Date: 3/18/76  
 Return Date Requested:  
 Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL  
 Budget Request Unit(s) Affected: Community Planning

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		43.7	101.0	111.1	122.2	134.5
200 TRAVEL		3.3	7.0	7.7	8.5	9.3
300 CONTRACTUAL		6.3	10.0	11.1	1.2	13.3
400 COMMODITIES		.6	1.2	1.2	1.3	1.6
500 EQUIPMENT		2.3	-	-	-	-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		56.2	119.2	131.1	144.2	158.7

B. FUNDING: (Thousands of dollars)

GENERAL FUND		56.2	119.2	131.1	144.2	158.7
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	3.5 /	3.5 /	3.5 /	3.5 /
MAN MONTHS (P./T.)	/	20 /	42 /	42 /	42 /	42 /

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

See attachment.

IV. ATTACHMENTS

V. DATE: 3/18/76 PREPARED BY: Kevin Waring

Kevin Waring, Director  
 Division of Community Planning

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

III. ANALYSIS

- A. Assumption - that House Bill 806 becomes law and the bonds are authorized by the qualified voters of the State and/or House Bill 805 (this bill) is funded through a direct appropriation.
- B. Program Summary. This legislation would establish a grant and loan fund in the Department "to provide dwelling accommodations for persons sixty years of age or older, including the acquisition, construction or rehabilitation of land, buildings and improvements and other nonhousing facilities that are incidental or appurtenant to the housing."

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	Housing Development Specialist - 7 mo. Range 21	Loan Specialist 6 mo. Range 19	Clerk-Typist III 7 mo. Range 8	Total
100	20.2	15.0	8.5	43.7
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300	3.0	2.5	.8	6.3
400	.2	.2	.2	.6
500	.7	.8	.8	2.3
	<u>25.9</u>	<u>20.0</u>	<u>10.3</u>	<u>56.2</u>

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. HB 805/as amended by House CRA Committee (revises fiscal note of 2/25/76)

Title: "An Act relating to senior citizen housing development"

Requested by: House Finance Date: 3/18/76

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

Agency: Community & Regional Affairs Program: Development

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GENERAL FUND		56.2	119.2	131.1	144.2	158.7
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	3.5 /	3.5 /	3.5 /	3.5 /
MAN MONTHS (P./T.)	/	20 /	42 /	42 /	42 /	42 /

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

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IV. ATTACHMENTS

V. DATE: 3/18/76

PREPARED BY: Kevin Waring

Kevin Waring, Director  
Division of Community Planning

Original: Legislative Finance  
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	<u>25.9</u>	<u>20.0</u>	<u>10.3</u>	<u>56.2</u>

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

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Budget Request Unit(s) Affected: Community Planning

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POSITIONS:

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See attachment.

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V. DATE: 3/18/76 PREPARED BY: Kevin Waring

Kevin Waring, Director  
Division of Community Planning

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THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

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

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

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FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	3.5 /	3.5 /	3.5 /	3.5 /
MAN MONTHS (P./T.)	/	20 /	42 /	42 /	42 /	42 /

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

See attachment.

IV. ATTACHMENTS

V. DATE: 3/18/76

PREPARED BY: Kevin Waring

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Original: Legislative Finance  
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	<u>25.9</u>	<u>20.0</u>	<u>10.3</u>	<u>56.2</u>

Original sponsor: Kelley, Anderson,  
H. Beirne, et al

Offered: 4/29/76  
For Today's Calendar

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 805 (Rules) am

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 senior citizen housing development."

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

8 \* Section 1. AS 18.100 is amended by adding a new section to read:

9 Sec. 18.100.070. SENIOR CITIZEN HOUSING DEVELOPMENT. (a) There is  
10 created within the Department of Community and Regional Affairs a senior  
11 citizens housing development fund. Subject to direct appropriation or  
12 through proceeds of a bonding issue the department shall make grants or  
13 loans to municipalities, political subdivisions of the state, or to  
14 corporations eligible for loans under sec. 50 of this chapter for the  
15 purpose of developing senior citizen housing. A grant from the proceeds  
16 of a bond issue may be made only to municipalities or to political sub-  
17 divisions of the state.

18 (b) Application for a grant or loan under (a) of this section  
19 shall be in the form prescribed by the department. The application  
20 shall demonstrate the need for senior citizen housing in the area to be  
21 served, the feasibility of the proposed project, and an adequate manage-  
22 ment plan which shall demonstrate the ability of the eligible recipient  
23 to sustain the proposed project.

24 (c) The department shall promulgate regulations to carry out the  
25 purposes of this section. The provisions of the Administrative Proce-  
26 dure Act (AS 44.62) apply to regulations adopted under this section.

27 (d) In this section "senior citizen housing" means a specific work  
28 or improvement undertaken primarily to provide dwelling accommodations  
29 for persons 60 years of age or older, including the acquisition, con-

1        construction or rehabilitation of land, buildings and improvements and  
2        other nonhousing facilities that are incidental or appurtenant to the  
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Original sponsor: Kelley, Anderson,  
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Offered: 4/29/76  
For Today's Calendar

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BY THE RULES COMMITTEE

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Original sponsor: Kelley, Anderson,  
H. Beirne, et al

Offered: 4/2/76  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 805

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

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Original sponsor: Kelley, Anderson,  
H. Beirne, et al

Offered: 4/7/76  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 805

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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BY KELLEY, ANDERSON, H. BELKNE, BRADLEY,  
BRADNER, BROWN, BUCHHOLDT, COWPER, DUNCAN,  
ELIASON, M. BEIRNE, FREEMAN, GARDINER,  
GRUENING, GUY, HACKNEY, HUNTINGTON, ITTA,  
MCKINNON, MALONE, MILLER, NAUGHTON, OSE,  
OSTERBACK, OSTROSKY, PARKER, PARR, RHODE,  
RUDD, SMITH, SULLIVAN, SWANSON, URION AND  
WALLIS

1 IN THE HOUSE

2 HOUSE BILL NO. 805

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

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housing.

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RUDD, SMITH, SULLIVAN, SWANSON, URION AND  
WALLIS

1 IN THE HOUSE

2 HOUSE BILL NO. 805

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 senior citizen housing development  
7 grants."

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

9 \* Section 1. AS 18.100 is amended by adding a new section to read:

10 Sec. 18.100.070. SENIOR CITIZEN HOUSING DEVELOPMENT GRANTS. (a)

11 There is created within the Department of Community and Regional Affairs  
12 a senior citizens housing development grant fund. Subject to direct  
13 appropriation or through proceeds of a bonding issue the department  
14 shall make grants to municipalities or to corporations eligible for  
15 loans under sec. 50 of this chapter for the purpose of developing senior  
16 citizen housing.

17 (b) Application for a grant under (a) of this section shall be in  
18 the form prescribed by the department. The application shall demonstrate  
19 the need for senior citizen housing in the area to be served, the feasi-  
20 bility of the proposed project and an adequate management plan for the  
21 proposed project.

22 (c) The department shall promulgate regulations to carry out the  
23 purposes of this section. The provisions of the Administrative Proce-  
24 dure Act (AS 44.62) apply to regulations adopted under this section.

25 (d) In this section "senior citizen housing" means a specific  
26 work or improvement undertaken primarily to provide dwelling accommoda-  
27 tions for persons 60 years of age or older, including the acquisition,  
28 construction or rehabilitation of land, buildings and improvements and  
29 other nonhousing facilities that are incidental or appurtenant to the

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