

LEG. FINANCE - BILLS 1977 - 1978 626

Fiscal Notes cont. , 626

1 land. The amount realized is the full actual consideration paid or to
2 be paid under the sale or exchange, including the amount of any liens or
3 encumbrances on the land existing before the sale or exchange and not
4 removed by it, and is the gross amount realized minus any expenses of
5 sale and commissions.

6 (b) The basis (tax cost) of the land sold or exchanged shall be
7 determined according to the provisions of the federal Internal Revenue
8 Code of 1954, as amended, Title 26, Chapter 1, Subchapters O and P. If
9 land is sold or exchanged together with buildings, structures, or other
10 physical improvements, or together with land included in exemptions
11 accorded under sec. 30 of this chapter, the basis (tax cost) shall be
12 allocated among the land and the improvements or exempted land on a fair
13 market basis, in accordance with regulations prescribed by the depart-
14 ment.

15 (c) The land sold or exchanged shall be considered to have been
16 held as determined under the federal Internal Revenue Code. However, as
17 to a person whose holding period is claimed by the seller or transferor,
18 the holding period may not exceed the time for which the person has had
19 actual and recorded title in his own name to the land sold or exchanged,
20 and shall include the time the land was so held before the effective
21 date of this chapter. If a husband and wife are tenants by the entirety
22 there may be added to the holding period the amount of time the land was
23 held by one spouse alone before that spouse created the tenancy by the
24 entirety. Notwithstanding a provision to the contrary under the federal
25 Internal Revenue Code, if a tenancy by the entirety is dissolved by
26 reason of death, the holding period during the tenancy by the entirety
27 will be added to the holding period of the surviving spouse owning the
28 property in his or her own name.

29 (d) In the case of a gift, the holding period of the donee shall

1 include the time that actual and recorded title was held by the donor.

2 (e) In the case of a lease-purchase agreement under which any part
3 of the rental payments constitute a portion of the purchase price of the
4 land, the end of the holding period with respect to the sale or exchange
5 shall be determined as of the date of the agreement.

6 (f) No gain may be recognized under this chapter where gain is not
7 recognized under the federal Internal Revenue Code in relation to the
8 sale or exchange of capital assets.

9 (g) The taxable gain under this chapter shall not be reduced by
10 any losses incurred in other transactions.

11 Sec. 34.12.030. EXEMPTIONS. (a) A sale or exchange of the
12 following land is exempt from the tax levied under this chapter:

13 (1) land sold or exchanged before the effective date of this
14 chapter;

15 (2) land exempt to the seller or transferor from all state or
16 local taxation under other provisions of law;

17 (3) land in a contiguous ownership of 20 or more acres
18 devoted primarily to the production of livestock or agricultural com-
19 modities for commercial purposes by the seller or transferor for at
20 least three years in the aggregate before the sale or exchange while in
21 the ownership of the seller or transferor;

22 (4) a parcel of land five acres or more but less than 20
23 acres devoted primarily to agricultural uses, which has produced a gross
24 income to the seller or transferor from agricultural uses of \$50 or more
25 per acre per year for at least three years in the aggregate before the
26 sale or exchange while in the ownership of the seller or transferor;

27 (5) a parcel of land less than five acres devoted primarily
28 to agricultural uses which has produced a gross income to the seller of
29 \$500 or more per year for at least three years in the aggregate before

1 the sale or exchange while in the ownership of the seller or transferor;

2 (6) land, not exceeding five acres, necessary for a dwelling
3 to be used as the principal dwelling of the person acquiring the land by
4 the sale or exchange and whose domicile is or will be established in the
5 state, subject to (b) of this section.

6 (b) If, under (a)(6) of this section, there is not on the land a
7 dwelling completed or fit for occupancy as the principal residence of
8 the person acquiring the land at the time of transfer of title to the
9 land, the person acquiring the land shall certify that construction of
10 the dwelling shall commence within three years of the date of transfer
11 of title to the land, and that it will be completed and occupied within
12 five years of the date of transfer. The deed or other transfer instru-
13 ment shall state that the amount of tax which would otherwise have been
14 due from the transferor is a lien running with the land in favor of the
15 state until either (1) the person acquiring the land has filed with the
16 commissioner a statement under penalties of perjury that the dwelling
17 was constructed and occupied within the terms and conditions previously
18 certified, or (2) the amount of tax has been paid by the person acquir-
19 ing the land. If the commissioner determines that certifications under
20 this section were untrue, he shall collect from the person acquiring the
21 land the tax upon the gain attributable to the sale or exchange of the
22 land.

23 Sec. 34.12.040. PAYMENT OF TAX AND WITHHOLDING OF CONSIDERATION TO
24 PAY TAX. (a) The tax levied under this chapter is payable to the
25 department on a return and in a manner prescribed by the department,
26 consistent with the provisions of (b) - (i) of this section.

27 (b) Except as provided in (e) - (f) of this section with respect
28 to sale or exchange of land held by the seller or transferor for less
29 than six years, if the sale or exchange of land giving rise to the tax

1 is financed by a mortgage, deed of trust, or other financing arrangement
2 in which the seller or other transferor is paid in full on the date of
3 the sale or exchange, the tax is payable in full by the seller or
4 transferor within 30 days of the date of the sale or exchange or in
5 installments at the times and under conditions the department may by
6 regulation require.

7 (c) Except as provided in (e) - (f) of this section with respect
8 to sale or exchange of land held by the seller or transferor for less
9 than six years, the tax on an installment sale (as defined in sec.
10 110(3) of this chapter) shall be due from the seller or transferor
11 within 30 days of the date of payment of each installment paid to the
12 seller or transferor.

13 (d) In an installment sale the total amount of taxes due under this
14 chapter shall be the amount that would have been due had the total pur-
15 chase price been paid on the date the sale or exchange took place. The
16 amount of taxes due on each separate installment, including the first
17 installment, shall bear the same proportion to the total amount of taxes
18 due as the amount of that installment bears to the total consideration.

19 (e) The buyer or transferee of land held by the seller or trans-
20 feror for less than six years shall withhold 10 per cent of all con-
21 sideration paid to the seller or transferor for the land, including 10
22 per cent of all partial payments made under installment sales. At the
23 time a payment is made to the seller or transferor, the amounts withheld
24 shall be remitted by the buyer or transferee to the commissioner.

25 (f) Within 30 days of the sale or exchange of land for which
26 withholding is required under this section, the seller or transferor
27 shall file a return with the commissioner setting out the amount of the
28 tax due and the amount withheld by the buyer or transferee under (e) of
29 this section. The seller shall either remit with the return the balance

1 of the tax due or make claim for a refund. A refund not made by the
2 commissioner within 15 days of receipt by him of a valid claim shall
3 accrue interest at the rate of one-half of one per cent per month.

4 (g) The provisions of (e) or (f) of this section notwithstanding,
5 the seller or transferor may, in advance of the sale or exchange, pay
6 the tax levied in this chapter or obtain a written ruling from the
7 commissioner that no tax is due under this chapter. In either case the
8 commissioner shall certify to the seller or transferor that the payment
9 has been made or that no tax is due. Upon receipt by the buyer or
10 transferee of such certification from the seller or transferor, the
11 buyer or transferee shall not be required to withhold under (e) of this
12 section.

13 (h) For good cause shown and upon conditions set by him, the
14 commissioner may extend the time for filing the return and paying the
15 tax as required in this section.

16 (i) Nothing in this section prevents the department from providing
17 by regulation for the voluntary prepayment of taxes other than as pro-
18 vided in (g) of this section.

19 Sec. 34.12.050. PENALTY. Five per cent shall be added to the tax
20 to be paid or withheld under this chapter for each 30-day period or
21 fraction of that period during which a return or payment required under
22 this chapter is not filed or a portion or a deficiency of a payment due
23 as finally determined by the department and required by this chapter is
24 not made or paid, unless it is shown that the failure is due to a
25 reasonable cause and not to wilful neglect. The penalty may not exceed
26 25 per cent in the aggregate. The penalty shall be collected at the
27 same time, in the same manner and as a part of the original tax to be
28 paid or withheld, but if the original tax is paid, or tax withheld is
29 remitted, before the neglect is discovered, the penalty shall be col-

1 lected in the same manner as the original tax to be paid or withheld.
2 The department shall prescribe by regulation circumstances which consti-
3 tute reasonable cause for purposes of this section.

4 Sec. 34.12.060. INTEREST. When the tax to be paid or withheld
5 under this chapter becomes delinquent, it bears interest at the rate of
6 eight per cent a year.

7 Sec. 34.12.070. ENFORCEMENT OF TAX. (a) The tax required to be
8 paid or withheld under this chapter, together with penalty and interest,
9 constitutes a personal debt of the person liable to pay or withhold the
10 tax. The amount of the tax, with penalty and interest, may be collected
11 in a personal action brought by the state.

12 (b) The tax required to be paid or withheld under this chapter,
13 together with penalty and interest, is a lien in favor of the state upon
14 property and interests in property, whether real or personal, belonging
15 to the person liable to pay or withhold the tax. The lien is prior and
16 paramount to all other liens and encumbrances against the property
17 except liens for other taxes. Enforcement of the lien shall be carried
18 out in the same manner and with the same effect as provided for enforce-
19 ment of property tax liens under AS 34.10.070 - 34.10.220.

20 (c) The remedy of distraint of property set out in AS 43.20.270
21 applies to the tax, with penalty and interest, required to be paid or
22 withheld under this chapter.

23 Sec. 34.12.080. PROCEEDS OF TAX. The department shall deposit
24 money collected by it under this chapter in a special land gains tax
25 account in the general fund. There is authorized to be appropriated
26 each fiscal year for allocation to municipalities having power to levy
27 real property taxes an amount equal to 75 per cent of the amount of
28 money in the account. A sum appropriated shall be allocated to a
29 municipality according to the ratio which the tax, penalty and interest

1 collected under this chapter in the prior fiscal year from gains on land
2 located in the municipality bears to the total amount of money collected
3 under this chapter in that year.

4 Sec. 34.12.090. REGULATIONS. The department may adopt regulations
5 it considers necessary and appropriate to administer and enforce this
6 chapter.

7 Sec. 34.12.100. VIOLATIONS AND PENALTIES. (a) A person who
8 wilfully defeats or evades, or attempts to defeat or evade, the tax
9 levied in this chapter is guilty of a misdemeanor and upon conviction is
10 punishable by a fine of not more than \$10,000 or five times the amount
11 of the tax defeated or evaded or attempted to be defeated or evaded,
12 whichever is larger, or by imprisonment for not more than one year, or
13 by both. A corporation or other taxable entity which is not a natural
14 person is subject to the fine provided by this section.

15 (b) An officer, employee, director, trustee or other responsible
16 person of a corporation or other taxable entity, and any other person
17 who counsels, aids, abets, participates in, or conceals the defeat or
18 evasion of the tax, or the attempted defeat or evasion of the tax, is
19 subject to the penalties of (a) of this section.

20 (c) Returns and other forms for payment of the tax under this
21 chapter shall set out in large type the penalties provided by this
22 section.

23 Sec. 34.12.110. DEFINITIONS. In this chapter

24 (1) "commissioner" means the commissioner of revenue;

25 (2) "department" means the Department of Revenue;

26 (3) "installment sale" means a sale or exchange of land for
27 which the total tax due under this chapter is greater than \$2,000 and in
28 which the parties agree in advance that payments shall be received by
29 the seller or transferor in more than one installment on a date other

1 than the date of closing; the term excludes a sale financed by a mort-
2 gage, deed of trust, or other financing arrangement in which the seller
3 or transferor is paid in full on the date of the sale or exchange; the
4 term includes but is not limited to a lease-purchase agreement under
5 which any part of the rental payments constitute a portion of the
6 purchase price of the land;

7 (4) "land" includes improved and unimproved land, but does
8 not include buildings, structures or other physical improvements;

9 (5) "sale or exchange" means, for a consideration, any
10 transfer of title conveying a fee estate or fractional interest in real
11 estate other than solely to provide or release security for a debt or
12 obligation; the term includes but is not limited to

13 (A) transfer of an option for sale or exchange of land;

14 (B) sale or exchange of shares in a corporation or other
15 entity, or of comparable rights or property interests in another
16 form of organization or legal entity, which effectively entitles
17 the purchaser or transferee to the use or occupancy of land;

18 (C) contracts for the sale or exchange of land, but only
19 at such time as some consideration has passed under the contract to
20 or for the benefit of the seller or transferor; the sale or ex-
21 change is considered to take place at the time any consideration
22 whatsoever, of whatever nature, first passes under the contract,
23 but a mere promise to purchase, and amounts paid as earnest money,
24 or amounts paid in deposit or amounts paid in escrow to which the
25 seller or transferor has no immediate right, do not constitute the
26 passing of consideration which results in a sale or exchange under
27 this paragraph.

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

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. 753

Title: Day Care

Requested by: Senator Ferguson

Date: April 23, 1976

Return Date Requested: April 26, 1976

Agency: Community and Regional Affairs Program: Child Assistance

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Day Care 02.22.11.00.00

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		62.2	68.4	unk	unk	unk
200 TRAVEL		10.0	11.0	unk	unk	unk
300 CONTRACTUAL		607.8	668.5	unk	unk	unk
400 COMMODITIES		0.5	0.6	unk	unk	unk
500 EQUIPMENT		2.6	2.9	unk	unk	unk
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		683.1	751.4	unk	unk	unk

B. FUNDING: (Thousands of dollars)

GENERAL FUND		683.1	751.4	unk	unk	unk
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

- A. All families eligible for Aid to Families with Dependent Children will be funded by this program.
- B. With local communities empowered to license Day Care providers, the number of locations and licensed child care slots will increase markedly during both FY 77 and FY 78.
- C. Day Care funding will be dispersed on a contractual basis similar to the day care program currently operating under the authority of AS 44.47 (SIA 1975).
- D. Additional professional and clerical staff required to monitor and provide assistance to local day care programs will be located in Anchorage. The professional staff will be qualified to provide technical assistance and to assist, when requested, in establishing programs in centers and day care homes that will enhance emotional, cognitive, and motor skills in young children. (continued on next page)

IV. ATTACHMENTS

V. DATE: 4-26-76 PREPARED BY: F. Narvey

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

E. Since time is insufficient for a thorough needs assessment by this Department, the data used to develop the child care payments portion of this fiscal note was developed by the Department of Health and Social Services in it's budget for FY 77.

F. Operating expenses were developed as follows:

1. Personal Services

Community Services Field Representative 2 each @ range 16A, general government unit located in Anchorage	\$39,120	
Clerk Typist III, general government unit located in Anchorage	<u>11,485</u>	
Sub total	\$50,605	
merit increase @ 1.5%	759	
Sub total	<u>\$51,364</u>	
benefits @ 21%	<u>10,786</u>	
TOTAL		\$ 62,150

2. Travel

Field monitoring and to provide technical assistance where requested		10,000
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3. Contractual

Telephone	\$ 3,000	
Reproduction	500	
Office space	3,000	
Transportation for new hire	2,000	
Professional services/day care payments	<u>599,300</u>	
TOTAL		607,800

4. Commodities

Office supplies		500
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5. Equipment

3 desks @ \$240 each	\$ 720	
3 chairs @ \$140 each	420	
2 calculators @ \$400	800	
2 bookcases @ \$140	280	
2 file cabinets @ \$140	<u>280</u>	
TOTAL		<u>2,640</u>

GRAND TOTAL

\$683,090

- F125 -
STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C-JUNEAU 99801

JAY S. HAMMOND, Governor

February 24, 1976

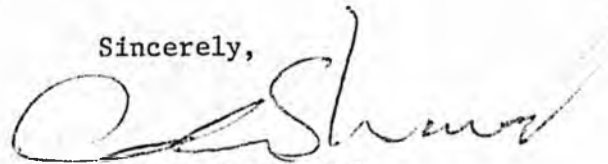
Honorable Bill Ray
Chairman, Senate Finance Committee
Alaska State Legislature
State Capitol - Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

House Bill 661 requested an FY 76 general fund appropriation of \$5,203,600 for salary and cost of living increases for executive branch employees including \$3,656,600 for the University of Alaska. This request was based on the assumption that the calendar 1975 CPI increase for Anchorage would exceed 14%. The actual increase for the year was 11.13% which reduces the amount required in the bill to \$3,526,100 of which \$2,477,800 is for the University of Alaska. I am requesting that House Bill 661 be ammended to reflect this reduced appropriation.

CSSB 499 is the enabling legislation for the salary increases for the executive branch and also contains the provisions for similar increases for the legislative and judicial branch employees. The current fiscal note for CSSB 499 indicates costs of \$6,092,200 for FY 76 and \$6,850,700 for FY 77. These should now be adjusted since the CPI for Anchorage is known. The new amounts are \$4,128,100 for FY 76 and \$4,656,500 for FY 77. A fiscal note indicating the adjustments is attached.

Sincerely,



Andrew S. Warwick
Commissioner

ASW/RL/lw
attachments

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

FILE COPY

I. REQUEST

Bill No. CSSB 499
 Title: Compensating State Officers and Employees
 Requested by: Senate State Affairs Date: 1/29/76
 Return Date Requested: 1/30/76
 Agency: Administration Program: Statewide

II. FISCAL DETAIL

Budget Request Unit(s) Affected: All containing positions affected by this bill

A. EXPENDITURES: (Thousands of dollars)

Changed to reflect actual CPI increase of 11.13% in CAL 1975

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	6,092.2	6,850.7	7,193.2	7,552.9	7,930.5	8,327.1
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	<i>4738.1</i> 6,092.2	<i>4654.5</i> 6,850.7	<i>4881.3</i> 7,193.2	<i>5133.8</i> 7,552.9	<i>5390.5</i> 7,930.5	<i>5660.0</i> 8,327.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND	6,092.2	6,850.7	7,193.2	7,552.9	7,930.5	8,327.1
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Assume actual payments for period July - December 1975 is representative of 1/2 of FY 76.
 Assume CPI for calendar 1975 of 14% (10.1% in first 3/4 of year)
 Assume growth into FY 77 of 1.5% merit increase, 3.8% new positions and 1% reduction in vacancy rates; 4.5% cost of extending 9% on January 1, 1976 to a full fiscal year + 2% benefit change
 Assume growth after FY 77 at 5%

IV. ATTACHMENTS

Cost Calculations: FY 76 U of A \$3,656.6 2477.8
 FY 76 Executive Branch \$1,547.0 1048.3
 FY 76 Legislature and Judicial Branch \$ 888.6 692.0

V. DATE: 1/30/76

PREPARED BY: *Ronald B. Lind*

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

Ronald B. Lind

JUDICIAL AND LEGISLATIVE BRANCH

6 months actual salary costs July - December 1975			
Legislature	\$ 806.3		
Judicial	<u>2,967.9</u>		\$3,774.2
		+	<u>6</u>
Assume average monthly salary			\$ 629.0
Increase in schedule		x	<u>9%</u>
Monthly increased cost			\$ 56.6
		x	<u>6</u>
Cost of 9% salary: 1/1 - 6/30/76			\$ 339.6
Benefits @ 21%			<u>71.3</u>
Cost Section 17, CSSB 499			\$ 410.9
Cost of assumed CPI increase in Anchorage of 14% which equates to a 5% adjustment, section 19, CSSB 499			
Monthly salary July 1 - December 31			\$ 629.0
		x	<u>5%</u>
Monthly cost of adjustment			\$ 31.5
		x	<u>6</u>
Salary Cost			\$ 189.0
Benefits @ 21%			<u>39.7</u>
Cost of adjustment July - December 1975			\$ 228.7
Monthly cost January 1 - June 30 (629.0 x 1.09)			\$ 685.6
		x	<u>5%</u>
Monthly cost of adjustment			\$ 34.3
		x	<u>6</u>
Salary Cost			\$ 205.8
Benefits @ 21%			<u>43.2</u>
Cost of adjustment January - June			\$ 249.0
Total cost of COLA	191.1	= .4 X	\$ 477.7
Cost of Base			<u>410.9</u>
	602.0		\$ 888.6

PROPOSED CHANGE IN AS 39.27.010
and Cost of Living Adjustments

The proposed legislation provides an adjustment in salaries for non-covered executive branch employees which is equal to the adjustments provided for the General Government Bargaining Unit. Chapter 138, SLA 1975 provided a 9% increase for these employees as the first phase of bringing them into agreement with the General Government Unit. The increase being requested with the new legislation is to complete the process of bringing the non-covered employees up to the FY 76 level of contract.

The increase being requested is a 9% increase in base pay and a cost of living adjustment for increases in the CPI in Anchorage in excess of 9% for calendar 1975.

Funding requested in this bill is based upon a 14% increase in the Consumer Price Index which is a very liberal estimate. The purpose of making a high estimate is to provide funding estimates for the maximum level anticipated. If the CPI does not increase to that level, reductions in funding should be made.

<u>COSTS</u>		<i>Cost after COLA Kusow</i>
Non-Covered Executive Branch Employees		
9% base adjustment	\$ 715,800	<i>715,800</i>
CPI adjustment of + 5%	831,200	<i>332,500</i>
University of Alaska Employees		
9% base adjustment	\$1,692,000	<i>1,692,000</i>
CPI adjustment of + 5%	<u>1,964,600</u>	<i>785,800</i>
Total Cost - State General Fund	\$5,203,600	<i>3,526,100</i>

NON COVERED EMPLOYEES

Calculated Costs for 9% Increase and
Estimated Cost of Living Increase
(\$'s in 000's)

6 months actual salary costs July - December 1975.		\$6,569.8	
	+	<u>6</u>	
Assume Average Monthly salaries applicable to FY 76		\$1,095.0	
Increase contained in salary schedule effective 1/1/76	x	<u>9%</u>	
Monthly increased costs		\$ 98.6	
	x	<u>6</u>	
January 1 - June 30, 1976		\$ 591.6	
Benefits at 21%		<u>124.2</u>	
Cost of 9% increase for executive branch employees		\$ 715.8	
Cost of assumed CPI increase in Anchorage of 14% which equates to a 5% adjustment for FY 76 (no adjustment make for terminations)			
Monthly salary July 1 - December 31		\$1,095.0	
	x	<u>5%</u>	
Monthly cost of adjustment		\$ 54.8	
	x	<u>6</u>	
Cost for period - salary		\$ 328.8	
Benefits at 21%		<u>69.0</u>	
Total cost July - December 31 (This is main item that would be adjusted because of terminations)		\$ 397.8	X.4
Monthly salary cost January - June (1,095.0 x 1.09)		\$1,193.6	
	x	<u>5%</u>	
Cost per month		\$ 59.7	
	x	<u>6</u>	
Cost for period salary		\$ 358.2	
Benefits at 21%		<u>75.2</u>	
Total cost January - June		\$ 433.4	X.4
Total cost of projected CPI adjustment		\$ 831.2	X.4 = 332
Total cost of 9% adjustment		<u>715.8</u>	<u>715.</u>
Total FY 76 Cost		<u>\$1,547.0</u>	1048.

UNIVERSITY OF ALASKA

Cost of Non-Covered Employee Increase
General Fund Only
(\$'s in 000's)

FY 76 Authorization including benefits of salaries paid by the general fund (from U. of A.)		\$37,600.0	
Increased base effective 1/1/76 to approximate 1/2 year for the employee	x	9%	
		\$ 3,384.0	
	÷	2	
Cost for period January - June, 1976		\$ 1,692.0	
Assume CPI increase for Anchorage of 14% which equates a 5% increase for FY 76			
Base personal services		\$37,600.0	
	÷	2	
1/2 year cost		\$18,800.0	
Cost of 5% for July - December, 1975	x	5%	
		\$ 940.0	x.4
Base personal services adjustment for 9% increase adjusted base		\$18,800.0	
	x	1.09	
Cost of 5% January - June		\$ 1,024.6	x.4
Total cost of CPI increase of 5%		\$ 1,964.6	x.4 = 785.8
Total Cost of Proposal		<u>\$ 3,656.6</u>	2477.8

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

I. REQUEST

Bill No. H.B. 708 and 709
 Title: An Act establishing the Alaska Community Service Internship Program
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: _____ Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Alaska Commission on Postsecondary Education

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	-0-	48.9	53.3	58.1	63.3	69.0
200 TRAVEL	-0-	3.2	4.0	4.3	4.6	4.9
300 CONTRACTUAL	-0-	1.0	1.1	1.2	1.3	1.4
400 COMMODITIES	-0-	.5	.5	.5	.5	.5
500 EQUIPMENT	-0-	1.6	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	194.8	214.3	235.7	259.3	285.2
TOTAL	-0-	250.0	273.2	299.8	329.0	361.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	250.0	273.2	299.8	329.0	361.0
FEDERAL FUNDS						
OTHER	-0-	250.0	273.2	299.8	329.0	361.0

C. POSITIONS:

PERMANENT/TEMPORARY	/	2.0/	2.0/	2.0/	2.0/	2.0/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

100. Includes 1.0 Education Administrator I (21-A) \$27.7
 1.0 Secretary I (10-A) 12.7
 \$40.4 plus 21% equals 48.9

500. Equipment includes one-time furnishing requirements.

Additional years' expenditures include a 9% cost-of-living factor for personal services, and a 10% growth factor for grants.

IV. ATTACHMENTS

V. DATE: February 20, 1976 PREPARED BY: Kerry G. Romesburg

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

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - 41st Legislature

I. REQUEST
 Bill No. H.B. 715
 Title: Act relating to the scholarship loan program
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: _____ Program: _____

II. FISCAL DETAIL
 Budget Request Unit(s) Affected: Division of Student Financial Aid
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	-0-	38.7	40.7	42.7	44.8	47.1
200 TRAVEL	-0-	1.8	1.9	2.0	2.1	2.2
300 CONTRACTUAL	-0-	.8	.8	.9	.9	1.1
400 COMMODITIES	-0-	.2	.2	.2	.2	.2
500 EQUIPMENT	-0-	1.6	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	43.1	43.6	45.8	48.0	50.6

B. FUNDING: (Thousands of dollars)

GENERAL FUND		43.1	43.6	45.8	48.0	50.6
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

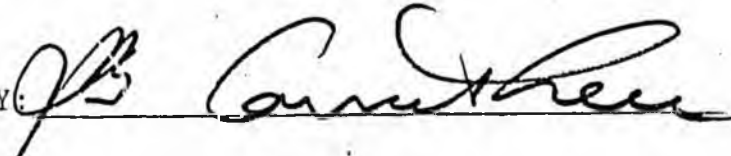
PERMANENT/TEMPORARY	2/	2/	2/	2/	2/	2/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

Bill requires that a judgmental decision be made in that it must be determined whether course offerings in-state are adequate to meet the educational needs or objectives of the individual student.

To do this an additional professional educator with clerical support would be necessary. In addition to the extra time and paperwork in the initial award cycle there would be the necessity of policing change of major and/or schools throughout the school year. A heavy load of correspondence concerning decisions is to be expected.

IV. ATTACHMENTS

V. DATE: February 19, 1976 PREPARED BY: 

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

-BRW-

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER / POUCH C - JUNEAU 99811

February 23, 1976

Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol - Pouch V
Juneau, Alaska 99811

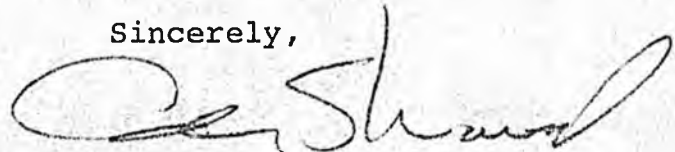
Dear Senator Ray:

We are requesting that you amend House Bill 590 a supplemental appropriation for the Department of Military Affairs, Alaska National Guard to provide construction funds for hangars at Bethel and Nome, to include \$134,000 in general funds to allow funding for a sewer hookup for the Nome Armory. Construction of the sewer hookup would be much less expensive this season since a contractor will already be on location in Nome doing other sewer construction.

The existing drain field for the armory has frozen and is often out of order in winter months. Completion of this sewer hookup would save \$15,000 per year the amount that will be spent this fiscal year for sewer pumping. In nine years, discounting inflation, the project will in effect pay for itself.

Your attention to this problem and recommended solution is appreciated. Attached for further detail are capital budget project justification forms. Representatives of the Department of Military Affairs are available for testimony regarding the details of this request.

Sincerely,



Andrew S. Warwick
Chairman
Budget Review Committee

ASW/MC/mjc
Attachments

25 Capital Budget Proposed Project

Form 26 MUST BE COMPLETED AND ATTACHED WITH EACH PROPOSED PROJECT REQUEST

TITLE Sewer & Water Connect			OPERATING BUDGET BRU State Armories		
PRIORITY 76-1	STARTING DATE 6-1-76	COMPLETION DATE 9-1-76	TOTAL PROJECT COST 134.0		
LOCATION Nome		AREA SERVED Northern	ELECTION DISTRICT		
SOURCE OF COST ESTIMATE Division of Buildings			DATE OF ESTIMATE 2-5-76		
DESCRIPTION Provide mains, lateral, and lift station required to connect the Nome Armory to the city water and sewer system.					

PROJECT TYPE		
BUILDING CONSTRUCTION		EQUIPMENT
OTHER IMPROVEMENT	X	LAND

PROJECT PURPOSE	
Major Maintenance (Rehab)	<input checked="" type="checkbox"/>
Improvement of Services	<input type="checkbox"/>
Accommodation of Increased Demand	<input type="checkbox"/>
New Program or Service Accommodation	<input type="checkbox"/>
Supplement Previously Authorized Funds	<input type="checkbox"/>
Preliminary Feasibility or Cost Studies	<input type="checkbox"/>
Other	<input type="checkbox"/>

PROJECT EXPENDITURES	TOTAL	BUDGET YEAR	BUDGET YEAR PLUS 1	BUDGET YEAR PLUS 2	REMAINING COST
TOTAL ANNUAL EXPENDITURE (Capital Cost)	134.0	134.0			
PLANNING AND ENGINEERING	4.0	4.0			
LAND					
CONSTRUCTION	115.0	115.0			
EQUIPMENT					
ADMINISTRATION AND OTHER	15.0	15.0			

APPROPRIATION REQUEST	
Federal Receipts	
Required General Fund Matching	
Other General Fund	134.0
G. O. Bonds	
ASHA Bonds	
Inter-Agency Transfers	
Other	
TOTAL	134.0

OPERATIONAL COST AND NO. PERSONNEL INCREASE (DECREASE)		ULTIMATE ANNUAL	BUDGET YEAR	BUDGET YEAR PLUS 1	BUDGET YEAR PLUS 2
FUNDING SOURCE	OTHER SOURCES				
	GENERAL FUND				
TOTAL ANNUAL OPERATIONAL COST		(12.0)	(12.0)	(12.0)	(12.0)
POSITIONS	FULL-TIME EQUIVALENTS	-0-	-0-	-0-	-0-

AGENCY Military Affairs PROGRAM Public Protection PROJECT & PRIORITY NO Nome Sewer 76-1

25 CAPITAL BUDGET PROPOSED PROJECT

26 Capital Budget Project Justification

STATE GOAL:

Personal and Economic Security for all Alaskans

PLANNING OBJECTIVE:

Increase Armory Serviceability, Decrease Operations Cost

Justify the project using the four headings below in the order they appear. Expand upon each section as required. Repeat heading when commencing response. Submit justification for each project listed in first two columns of Form 27. Attach feasibility studies, reports, or other documentation available. Use Form 23 as continuation sheet.

- I. DOCUMENTATION OF NEED (Cite quantitative and measurable need.) III. DOCUMENTATION OF ESTIMATED CAPITAL COST (Discuss degree of reliability.)
- II. ANALYSIS IMPACT ON OPERATIONAL EXPENSE (Estimate and justify.) IV. IDENTIFICATION OF ALTERNATIVES CONSIDERED (State why rejected.)

I. Documentation of Need: The Nome Armory currently uses a septic/drain field for waste disposal, and purchases water which is stored in tanks totaling 4000 gallons in capacity. The septic/drain field are inoperative during the winter months, requiring that the entire system be pumped clean monthly at a tremendous cost. Also, the drain field is now on private property beneath a private structure, and is inaccessible for maintenance. The property owner may choose to begin charging us for use of the field, or could attempt to terminate our use entirely.

The city of Nome hauls water to the Armory for our use, but has recently terminated that service on weekends, and has raised their rates claiming the service was losing money. Nome has forewarned us that they may discontinue the service altogether, turning the operation over to private enterprise.

Under the above conditions the use of the Armory has become costly and unreliable. The local commander has been forced to restrict use of the Armory in order to lesson pumping frequency and lower costs. This restriction has lowered the training ability and readiness of the 1st Scout Battalion, and has decreased the local public image of the guard in Nome.

The Armory in Nome is consistently used for the following functions:

1. Work Headquarters for 22 NG Technicians
2. All Training classes for more than 400 Scouts of the 1st Battalion
3. Disaster Operations & Communications
4. Civic Functions
5. Youth Organized Athletics

II. Analysis Impact on Operational Expense: This project will amortize in nine years or less based on the projected costs of pumping the system and hauling water versus construction costs and future water/sewer monthly rates projected by the city. This year we will pay 15.0 for sewer pumping. Our water costs will be about 1.7 for the year. Under the proposed system our water costs will remain about the same with an additional 3% for sewer use, or 1.8 total per year. The real savings will result from the ceased requirement to pump the system. Discounting inflation, in nine years that pumping would cost 135.0.

AGENCY Military Affairs

PROGRAM Public Protection

PROJECT & PRIORITY NO. Nome Sewer 76-1

26 CAPITAL BUDGET
PROJECT JUSTIFICATION



Explanation

II. Analysis Impact on Operations Expense (Con't):

This project can only be considered cost effective if it is accomplished during the next construction season, as a suitable contractor will be in Nome performing similar sewer and water contracts. The contractor's presence will save the State more than half the cost of this project. Note that a year ago Division of Buildings estimated this project at 280.0 based on no contractor being present. Under similar circumstances the cost of the project would be 308.0 this summer and 346.0 the following summer making amortization impossible when considering the life expectancy of the building.

III. Documentation of Estimated Capital Costs: The estimate is considered very accurate, as it agrees with an independent cost forecast compiled by the city of Nome.

IV. Identification of Alternatives Considered: There are no plausible alternatives to the scope of the project or the source of funding. This is a one time chance to accomplish the project at approximately 1/3 of its actual cost.

BRU Military Affairs BRU CODE Public Protection REVISED Nome Sewer 76-1

26-A

EXPLANATION

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. HB 539

Title: ... municipal revenue sharing

Requested by: Legislative Finance Division Date: 1-8-76

Return Date Requested: 1-13-76

Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL

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

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		19.7				
200 TRAVEL		1.1				
300 CONTRACTUAL		3.0				
400 COMMODITIES		-0-				
500 EQUIPMENT		.9				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		5,801.4				
TOTAL		5,826.1				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		5,826.1				
FEDERAL FUNDS		-0-				
OTHER		-0-				

C. POSITIONS:

PERMANENT/TEMPORARY	/	1 / 0	/	/	/	/
MAN MONTHS (P./T.)	/	12 / 0	/	/	/	/

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

Based on the following assumptions, the total costs of the grant portion of HB 539 is estimated to be \$20,915,000.

- All eligible volunteer fire departments and municipalities will properly apply for funds.
- No funds were budgeted for assumption of additional new services under the minimum grants section (Sec. 43.17.020) or under the basic grants section (Sec. 43.17.030).
- Volunteer fire departments shall receive a cost of living allowance in the same manner as municipalities.
- Basis for change in program costs are the marginal increases in cost over FY'77 budget submission.
- For purposes of this bill, military population is included for full level of

IV. ATTACHMENTS

Such population in existing legislation is allowed 1/2 of standard rate for Police Protection and Transportation and 1/4 for Parks and Recreation.

V. DATE: 1-14-76

PREPARED BY: Bruce Aronson

Bruce Aronson
Local Government Specialist

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

The bill provides minimum levels of State support (\$25,000) to smaller municipalities as well as providing funding to them for assistance when selected services are assumed. Also, the transportation category has been separated into three categories (small boat harbor or port, airport, and mass transit). Solid waste disposal is a new category.

An administrative assistant position is required to help review and process applications. Also, the local government specialist would be freed to accomplish performance audits (as required by the bill). The local government specialist position is up-graded from a range 19F to 21C to reflect the added supervisory and auditing responsibilities of the program.

Personal Services

Salary	
Administrative Assistant (12-B)	\$14,940
Upgrade Local Government Specialist	1,044
Benefits @ 23%	<u>3,676</u>
Total Personal Services	\$19,660

Travel

Additional travel required to conduct performance audits (5 cities)	<u>\$ 1,100</u>
Total Travel	\$ 1,100

Contractual

Mag-card typewriter	<u>\$ 3,000</u>
Total Contractual	\$ 3,000

Equipment

Desk & chair	\$ 445
Calculator	<u>\$ 440</u>
Total Equipment	\$ 885

Total Administrative	\$24,645
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THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

I. REQUEST
 Bill No. H.B. 552
 Title: _____
 Requested by: _____ Date: 1-20-76
 Return Date Requested: _____
 Agency: _____ Program: _____

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						

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: 1-20-76 PREPARED BY: [Signature]

Original: Legislative Finance 1
 cc: Budget and Management 2
 Prime Sponsor (First Legislator Named) 1 H.F. [Signature]
 Commissioner's Office 1

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

I. REQUEST

Bill No. HR 553
 Title: _____
 Requested by: _____ Date: 1-20-76
 Return Date Requested: _____
 Agency: _____ Program: _____

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						

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: 1-20-76 PREPARED BY: [Signature]

Original: Legislative Finance 1
 cc: Budget and Management 2
 Prime Sponsor (First Legislator Named) 1 N B Jim Noble
 COMMISSIONER'S OFFICE 1

- JIM -

TO: SENATOR BILL RAY, REPRESENTATIVE MIKE MILLER AND REPRESENTATIVE JIM DUNCAN

The following teachers and certified staff members at Juneau-Douglas High School support the passage of house bill 521:

Anne Meeker
J. Eldon Dennis
Russell C. McDowell
Mary D. Nutt
Lemuel Peterson
John A. Peterson
Thomas A. Kallin
David Klumpp
Karyn Price
Barbara Strandberg
Linda M. Jackson
Louise Campbell
Anna Andrews
~~Edith L. Long~~
Ethel Nayudu
Jim Carroll
Lee A. Hemrickson
William Potter

Ron Metzger
Bill Brand
Alice Branton
Michael Dishner
Raymond J. Maloney
Helm R. Hall
Ken Koelch
Michael B. Elliott
P. Andie Lamp
Sheila Gooding
C. Ed Lirrell
James L. Barrow
May McFarris
Marge Schmiege
Kay Martin
Bernard P. Anderson

-JIM-

TO: SENATOR BILL RAY, REPRESENTATIVE MIKE MILLER AND REPRESENTATIVE JIM DUNCAN

The following teachers and certified staff members at Juneau-Douglas High School support the passage of house bill 521:

Anne Meeker
J. Eldon Dennis
Russell C. McDowell
Mary D. V. St
Leonard Peterson
John A. Peterson
Thomas A. Kallin
David Neumann
Karyn Price
Barbara Strandberg
Linda M. Jackson
Louise Campbell
Anna Andrews
~~Edith D. Long~~
Ethel Nayudu
Jim Carroll
Lo. A. Hennrichson
William Potter

Ron Metzger
Bill Brant
C. Lise Branton
Michael Dishman
Raymond J. Maloney
Helm R. Hall
Ken Koelch
Michael B. Elliott
P. Andrei Lapan
Sheila Gooding
C. Ed Lurrell
James L. Barrow
May McJewis
Marge Schmiege
Kay Martin
Bernard P. Anderson

- JIM -

TO: SENATOR BILL RAY, REPRESENTATIVE MIKE MILLER AND REPRESENTATIVE JIM DUNCAN

The following teachers and certified staff members at Juneau-Douglas High School support the passage of house bill 521:

Ann Meeker
 J. Eldon Drums
 Russell C. McDowell
 Mary D. V. St
 Leonard Peterson
 John A. Peterson
 Thomas A. Kallin
 David Neumann
 Karyn Price
 Barbara Strandberg
 Linda M. Jackson
 Louise Campbell
 Anna Andrews
~~Edith D. Long~~
 Ethel Naguden
 Jim Carroll
 L. A. Hennrichson
 William Potter

Ron Metzger
 Bill Brant
 Alice J. Branton
 Michael Dishman
 Raymond J. Walsby
 Helen R. Hall
 Ken Koelbeck
 Michael B. Elliott
 P. Ancher Lapan
 Sheila Gooding
 C. Ed Ferrell
 James L. Barrow
 Mary M. Lewis
 Marge Schmiege
 Kay Masters
 Bernard P. Anderson

JIM

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Jim Carroll
Lee A. Hennichson
William Petter

Ron Metzger
Bill Brand
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Michael Dishner
Raymond J. Malaby
Helm B. Hall
Ken Koelch
Michael B. Elliott
P. Andrei Lajal
Sheila Gooding
C. Ed Lirrell
James L. Barron
May McJewis
Marge Schmiege
Kay Masters
Bernard P. Anderson

- Jim -

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 William Potter

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 Michael Dishman
 Raymond J. Malaby
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 Ken Koelch
 Michael B. Elliott
 P. Annie Lapan
 Sheila Gooding
 C. Ed Lirrell
 James L. Barron
 May McFarris
 Marge Schmiege
 Kay Masters
 Bernard P. Andrews

JIM -

TO: SENATOR BILL RAY, REPRESENTATIVE MIKE MILLER AND REPRESENTATIVE JIM DUNCAN

The following teachers and certified staff members at Juneau-Douglas High School support the passage of house bill 521:

Anne Mueker	Ron Metzger
J. Eldon Dennis	Bill Brand
Russell C. McDowell	Cilice Branton
Mary D. Witt	Michael Dishner
Thomas Peterson	Raymond J. Maloney
John A. Peterson	Helm R. Hall
Thomas A. Kallin	Ken Koelch
David Neumann	Michael B. Elliott
Karyn Price	P. Anicie Langel
Barbara Strandberg	Sheila Gooding
Linda M. Jackson	C. Ed Lurrell
Louise Campbell	James L. Barrow
Anna Andrews	May McFarris
Dolly D. Love	Marge Schmiege
Ethel Nayudu	Kay Masters
Jim Carroll	Bernard P. Anderson
Lee A. Hennrichson	
William Potter	

JIM -

TO: SENATOR BILL RAY, REPRESENTATIVE MIKE MILLER AND REPRESENTATIVE JIM DUNCAN

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 Lea A. Hennrichson
 William Petter

Ron Metzger
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 Cilice Branton
 Michael Dishner
 Raymond J. Malaley
 Helm R. Hase
 Ken Koelch
 Michael B. Elliott
 P. Andrei Lampal
 Sheila Gooding
 C. Ed Lirrell
 James L. Barrow
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 Marge Schmiede
 Kay Martin
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-JIM-

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 L. A. Hemmichson
 William Potter

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 Bill Braden
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 Michael Dishner
 Raymond J. Walsby
 Nelson R. Hall
 Ken Koelich
 Michael B. Elliott
 P. Andrei Lampal
 Sheila Gooding
 C. Ed. Lirrell
 James L. Barrow
 Mary M. Lewis
 Marge Schmiege
 Kay Master
 Bernard P. Handcock

-JIM-

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 P. Anseli Lampal
 Sheila Gooding
 C. Ed Lirrell
 James L. Barron
 Mary McFarris
 Marge Schmiege
 Kay Masters
 Bernard P. Anderson

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

I. REQUEST

Bill Identification: CSHB 174
 Title: An Act relating to the licensing of plumbers and electricians
 Requested by: _____ Date: 1-29-76
 Return Date Requested: _____
 Agency: Commerce Program: Licensing Professions

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Regulating and Licensing of Professions

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		145.7	160.3	176.3	194.0	213.4
200 TRAVEL		10.2	11.2	12.3	13.6	14.9
300 CONTRACTUAL		26.3	28.9	31.8	35.0	38.5
400 COMMODITIES		5.5	6.1	6.7	7.4	8.1
500 EQUIPMENT		21.0	.0	.0	.0	.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		208.7	206.5	227.1	250.0	274.9

B. FUNDING: (Thousands of dollars)

GENERAL FUND		208.7	206.5	227.1	250.0	274.9
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	7/	7/	7/	7/	7/
MAN MONTHS (P./T.)	/	84/	84/	84/	84/	84/

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

Assumes effective date of July 1, 1976. Assumes Board expenditures for four meetings each, per year plus three public hearings per board the first year to promulgate regulations. Department of Labor estimates indicate approximately 7,000 are now employed in Alaska as electricians and plumbers. Licensing examiners employed by the Department achieve peak work-load capacity at approximately 2,500 licensees. On this basis our clerical staffing will need to be increased by three persons. The Department will require four full time examiner positions based on the Department of Labor's current staffing for the Certificate of

IV. ATTACHMENTS

Fitness Program established by AS 18.62.

V. DATE: January 29, 1976

PREPARED BY: Sharon Andrew, Director

REVIEWED BY: [Signature]

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. House Concurrent Resolution No. 103

Title: Relating to eligibility for admission to Pioneers' Homes

Requested by: Kellus Sewell, Admin. Officer Date: 2/25/76

Return Date Requested: February 26, 1976

Agency: Department of Administration Program: Division of Pioneers' Benefits

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Pioneers' Homes-Div. of Pioneers' Benefits

A. EXPENDITURES: (Thousands of dollars)

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

B. FUNDING: (Thousands of dollars)

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

C. POSITIONS:

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

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

It would not be feasible to open admittance to the Pioneers' Homes to all persons eligible to receive assistance under AS47.070.010-47.070.080 and 47.25.430-47.25.970. The Homes are at near capacity at this time with 69 vacancies and 138 on the waiting list. The Department of Health and Social Services estimates 4,241 eligible persons will probably come under this coverage in 1977 with 4,368 in 1978 with a corresponding 2 per cent increase annually. It would seem to serve no purpose to allow persons receiving public assistance entrance to the Pioneers' Homes as they could not accommodate them with present facilities.

As the Pioneers' Homes do not have space to accommodate persons under AS47.25.430-47.25.970 funds for these programs could not be provided to the Pioneers' Homes.

IV. ATTACHMENTS

V. DATE: February 25, 1976 PREPARED BY: Frank C. Sisson

Frank C. Sisson

Original: Legislative Finance
cc: Budget and Management (2)
Prime Sponsor (First Legislator Named) *Rep. OSTROSKY*
House FINANCE
OFFICE OF THE COMMISSIONER

Total Adult Public Assistance Recipients By Category By Year

COLUMN - WRITE

	1	2	3	4	5	6
	FY73 Estimated Actuals	FY74 Actuals	FY75 Actuals	FY76 Projected	FY77 Projected	FY78 Projected
1						
2	OAA	2540	2260	2153	2375	2222
3						
4	AR	Unknown	100	85	114	90
5						
6	AD	1200	1910	1906	2438	1929
7						
8						
9	TOTAL	Unknown	4270	4144	4927	4241
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12						
13	* Assumes FY74/FY75 turnover rate is applicable to these years.					
14	** Based on current authorization					
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R. D. Smith
2/23/76

REVISED MARCH 12, 1976

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

I. REQUEST

Bill No. SB 533
 Title: An Act relating to the Alaska Longevity Bonus Program
 Requested by: HESS/Dani Bowman Date: 1/20/76
 Return Date Requested: 1/22/76
 Agency: Administration Program: Pioneers' Benefits

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Longevity Bonus

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.		\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1
TOTAL		\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND		\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

SEE ATTACHMENT ONE

IV. ATTACHMENTS

SEE ATTACHMENT ONE

V. DATE: 1/22/76 PREPARED BY: Vernon L. Perry

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

ATTACHMENT ONE

III. ANALYSIS

Section 1. The proposed bill would expand eligibility for the longevity bonus to include pioneers in Alaska who have maintained a domicile in the territory or State a total of 30 years in addition to the currently required 25 continuous years.

The amount of annual expenditures can only be approximated as no records are available that indicate length of residence in Alaska of persons 65 years of age or older. However, in the past fiscal year approximately 150 persons who have applied for the longevity bonus program have been refused. Reasons for ineligibility are not recorded. It is estimated 50% (75) were due to lack of 25 years continuous residence in the State. It is also estimated approximately another 75 have not applied to the program knowing they do not meet present residency requirements.

Thus: $75 + 75 = 150 \times \$111 = \$16,650 \times 12 = \underline{\$199,800}$

Section 2. The Consumer Price Index (C.P.I.) for Anchorage Alaska in 1973 was 5.9% above the previous year. In 1974 the increase was 13.1% over 1973 and 12.4% in 1975. This one year trend would indicate the cost-of-living may be leveling off. Therefore, an increase of 11% is used for each year following FY 77. Should the C.P.I. escalate again as dramatically as the period between 1973 and 1974 the cost would correspondingly increase. Should a decline in the rate of increase be experienced the increase in costs would be less.

$\$6,603,100$ (Est. FY 78 cost) $\times 11\% = \$726,341$

Sec. 3 & 4. No expected cost.

Total added cost FY 78 = $\$926,141$

Assume 5% increase for FY 79 - 81.

Bill -
STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

JAY S. HAMMOND, GOVERNOR

OFFICE OF THE COMMISSIONER

POUCH C - JUNEAU 99811

April 9, 1976

Honorable Bill Ray
Chairman, Senate Finance Committee
Alaska State Legislature
State Capitol - Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

Please amend CS for HB 661 by adding another section to appropriate \$960,000 to the University of Alaska to cover salary increases from recent arbitration on the current Community College Faculty Contract, concerning cost-of-living adjustments and to cover the increase in salaries resulting from the transfer of positions from the Fairbanks senior college to the Tanana Valley Community College.

The total request is broken down as follows:

\$860,000 for COLA increases, and \$100,000 for the positions transfer to Tanana Valley Community College.

Backup information is attached.

Sincerely,



Andrew S. Warwick
Chairman
Budget Review Committee

ASW/DD/co
Attachments

Original sponsor: Rules Committee by
request of the Governor

Offered: 3/19/76
Referred: Rules

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IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 661

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a supplemental appropriation to the Department of Administration for cost-of-living adjustments and salary increases for certain state employees ~~not covered by a~~ collective bargaining agreement; and providing for an effective date."

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

* Section 1. The sum of \$4,291,400 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 1976 to pay for cost-of-living adjustments and salary increases for employees of the executive and judicial branches of the state and of the University of Alaska ~~who are not covered by a~~ collective bargaining agreement, and for the permanent employees of the legislative branch. This appropriation shall be allocated as follows:

University of Alaska	\$2,477,800
Other executive branch agencies	1,048,300
Judicial branch agencies	475,000
Legislative branch agencies	<u>290,300</u>
	\$4,291,400

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

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Introduced: 1/27/76
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 661

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Administration for cost-of-living
8 adjustments and salary increases for certain state
9 employees not covered by a collective bargaining
10 agreement; and providing for an effective date."

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

12 * Section 1. The sum of \$5,203,600 is appropriated from the general
13 fund to the Department of Administration for the fiscal year ending
14 June 30, 1976, to pay for cost-of-living adjustments and salary increases
15 for employees of the executive branch of the state and of the University of
16 Alaska, who are not covered by a collective bargaining agreement. This
17 appropriation shall be allocated as follows: no more than \$3,656,600 to
18 the University of Alaska and the remainder to the Department of Admini-
19 stration.

20 * Sec. 2. This Act takes effect immediately in accordance with AS
21 01.10.070(c).

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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S - JUNEAU 99811

May 3, 1976

The Honorable Kathryn Poland
Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Re: Senate Bill No. 709

Dear Senator Poland:

Senate Bill No. 709, an Act relating to state taxation was introduced in the Senate on March 7, 1976 and was referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing a copy of a Fiscal Note prepared by Thomas K. Williams, Director, Petroleum Revenue Division, Department of Revenue, Anchorage, Alaska advising of no additional administrative costs and furnishing an estimate of additional revenues to be obtained.

If you or any members of the Senate Resources Committee have any questions on the material submitted, please telephone the writer and I will contact Mr. Williams in Anchorage for additional information.

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Ray
Chairman
Senate Finance Committee

The Honorable John Huber
Chairman
Senate State Affairs Committee



"1776-A TRIBUTE FROM OUR STATE TO OUR NATION-1976"



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

I. REQUEST

Bill No. SB 709
 Title: Act relating to state taxation
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Revenue Program: Petroleum Revenue Division

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Petroleum Revenue

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:

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

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

The Bill would tax gas at 1/48th of a cent per Mcf of gas removed or sold. Gas production volume is already closely monitored for the gas production tax (AS 43.55). Present staff could probably perform the additional work required to administer this Bill. Receipts under the tax are estimated to be about \$26,000 annually until Prudhoe Bay gas sales begin in the early or mid 1980s; then about \$180,000 annually.

IV. ATTACHMENTS

V. DATE: April 30, 1976 PREPARED BY: Thomas K. Williams, Director
 Petroleum Revenue Division

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

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

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE BILL NO. 709

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 state taxation; and providing for
7 an effective date."

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

9 * Section 1. AS 43.57.010(a) is amended to read:

10 (a) There is levied upon the producer of oil a tax of one-eighth
11 of one cent on each barrel of oil and 1/48th of one cent on each MCF
12 of gas removed or sold from each lease or property in the state, less
13 any part the ownership or right to which is exempt from taxation.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. Draft SCS CSHB 687
 Title: State Aid to Unified Municipalities
 Requested by: Senator Rodey Date: May 5, 1976
 Return Date Requested: May 6, 1976
 Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL

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

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.	-0-	387,500	391,250	395,000	398,750	402,500
TOTAL	-0-	387,500	391,250	395,000	398,750	402,500

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	387,500	391,250	395,000	398,750	402,500
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

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

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

Population was established after talking with Municipality of Anchorage Planning Department

MUNICIPAL SERVICES	RATE		POPULATION	=	ENTITLEMENT
Transportation	\$5.00	X	68,500	=	\$ 342,500
Military Trans.	\$2.50	X	18,000	=	45,000
					\$ 387,500

Program Summary: The value of the bill would be \$387,500 required to pay the Municipality of Anchorage based upon the transportation services provided by the City of Anchorage and the Greater Anchorage Area Borough prior to unification.

IV. ATTACHMENTS

Attached you will find a draft of SCS CSHB 687 relating to State Aid for a unified municipality.

V. DATE: May 5 1976 PREPARED BY: Earl J. Simpson

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

Fiscal Estimate to accompany SCS CSHB 627, relating to
state aid to unified municipalities...

The additional money required to meet the cost of the amendment for FY 77 is \$ 385,000, representing the sum which the State would have been required to pay to the former City of Anchorage for certain transportation services provided by it (i.e. operation of the Port of Anchorage and Merrill Field) prior to unification.

The transportation category is the only one in which entitlements are payable, under the current revenue sharing program, in which municipalities could lose support in the event of unification, merger or consolidation. The category includes four separate services -- mass transit, airports, small boat harbors, and port operations; under current administrative interpretation by the Department of Community and Regional Affairs, payment is made to support the first of the four services undertaken by a municipality, but no additional support is extended for subsequent services provided by the local government.

During FY 76, the two major municipalities within metropolitan Anchorage each received assistance in the general category of transportation: the former City, for its port and airport operations, the Borough for the mass transit services. The City's entitlement was protected against proration by the administering agency by the Opinion of the Attorney General of February 18, 1976 (copy attached), though that document cautioned that the conclusion reached applied only to the factual situation described for the year of unification.

For FY 77, the administration's submission recognizes only the first five dollars per capita due and payable to the Municipality of Anchorage for its areawide mass transit service. Support previously payable for the port operation and Merrill Field is not otherwise protected. The estimate herein is based on a city service area population of 68,000 (at \$ 5. per capita) and an additional military population of 18,000 (at \$ 2.50 per capita).

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S - JUNEAU 99811

May 10, 1976

The Honorable Kathryn Poland
Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Re: Committee Substitute for House Bill No. 410 am

Dear Senator Poland:

Committee Substitute for House Bill No. 410 am, an Act relating to the sale of oil or gas obtained by the state as a royalty, was introduced in the Senate on March 16, 1976 and was referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing a copy of a memorandum prepared by Thomas K. Williams, Director, Petroleum Revenue Division, Department of Revenue, Anchorage, Alaska concerning the proposed legislation.

If you or any members of the Senate Resources Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Williams in Anchorage for further information.

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Ray
Chairman
Senate Finance Committee

Thomas K. Williams
Director, Petroleum Revenue Division
Department of Revenue
Anchorage, Alaska



"1776-A TRIBUTE FROM OUR STATE TO OUR NATION-1976"



002326

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: April 30, 1976

FILE NO:

TELEPHONE NO:

FROM: Thomas K. Williams *TKW*
Director
Petroleum Revenue Division

SUBJECT: CSHB 410 am

In response to your research request concerning Committee Substitute for HB 410, amended, the following is offered:

The Department of Natural Resources still holds to its objections to the change from permissive ("may") to mandatory language ("shall") under the Bill.

It seems to me that with the amendment to the Committee Substitute, the Bill seems to be primarily a semantic exercise and I see nothing substantive that it would achieve that the present statute doesn't accomplish already.

I concur with Mr. Gilbreth's memorandum regarding the earlier versions (HB 410 and CSHB 410) of the Bill.

Effects on Treasury, if any, are speculative and problematic at this time. The requirement to refine or process State royalties in Alaska would tend to reduce the number of would-be purchasers, but no one can state exactly what it would or might do to the price the remaining purchasers might offer.

TKW:dh

Original sponsors: Swanson, Anderson,
Bowman, et al

Offered: 3/5/76
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 410 am

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

. NINTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to the sale of oil or gas obtained

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by the state as a royalty."

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

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* Section 1. AS 38.06.070(b) is amended to read:

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(b) When it is economically feasible and in the best interest of

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the state, the board shall [MAY] require, as a condition of the sale of

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oil or gas obtained by the state as royalty, that the oil or gas be

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refined or processed in the state [AND MAY, WHEN IT IS FEASIBLE AND IN

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THE BEST INTERESTS OF THE STATE TO DO SO, PROVIDE FOR PROCESSING OR

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REFINING OF THE OIL OR GAS] under a contract entered into by competitive

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bidding for [BEFORE] the sale of the oil or gas.

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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S - JUNEAU 99811

May 14, 1976

The Honorable Kathryn Poland
Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Re: Senate Bill No. 699

Dear Senator Poland:

Senate Bill No. 699, an Act relating to the exemptions under the oil and gas reserves ad valorem tax, was introduced in the Senate on March 12, 1976 and was referred to the Senate Resources and Finance Committees.

For the records of the Senate Resources Committee, I am enclosing a copy of testimony given by Thomas K. Williams, Director, Petroleum Revenue Division, Department of Revenue, Anchorage, Alaska before the Senate Resources Committee on May 12, 1976 along with a copy of a memorandum from Mr. Williams to Frederick F. Boetsch, Deputy Commissioner, Department of Revenue concerning Senate Bill No. 699.

If you or any members of the Senate Resources Committee have any further questions on the testimony given on May 12, 1976 or on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Williams in Anchorage for further information.

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Ray
Chairman
Senate Finance Committee

Thomas K. Williams
Director, Petroleum Revenue Division
Department of Revenue
Anchorage, Alaska

1776-A TRIBUTE FROM OUR STATE TO OUR NATION-1976"



001355

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: May 12, 1976

FILE NO:

TELEPHONE NO:

FROM: Thomas K. Williams *TKW*
Director
Petroleum Revenue Division

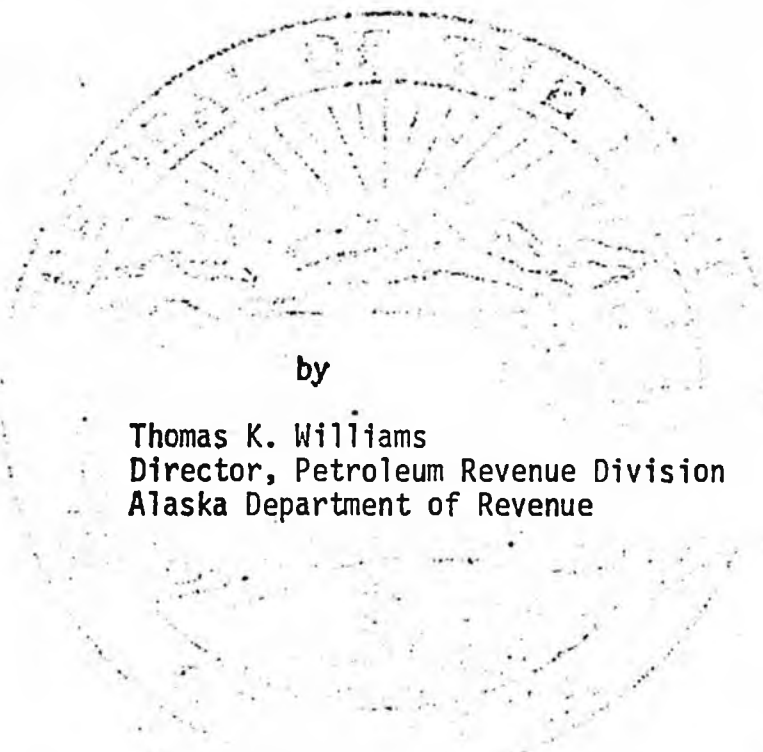
SUBJECT: SB 699

In response to your earlier request for a review of SB 699, please find attached a copy of my memorandum of April 29, 1976 to Frederick P. Boetsch and a copy of my testimony of May 12, 1976 to the Senate Resources Committee regarding this Bill.

Attachments

TKW:tw

TESTIMONY
BEFORE
THE SENATE RESOURCES COMMITTEE
CONCERNING
SENATE BILL 699



by

Thomas K. Williams
Director, Petroleum Revenue Division
Alaska Department of Revenue

May 12, 1976

Madame Chairman, Members of the Committee:

Thank you for the opportunity to testify to you today about Senate Bill 699. For the record let me first state that my name is Thomas K. Williams and that I am the director of the Petroleum Revenue Division, Alaska Department of Revenue.

SB 699 seeks to exempt from reserves tax all oil or gas reserves committed to a public utility regulated by the Alaska Public Utilities Commission. It has been prompted by Alaska Gas and Service Company (AGAS), the gas utility serving Anchorage, as a measure to "protect" the utility from the effects of the reserves tax. I have discussed these effects several times with representatives of AGAS. Frankly, this Bill is an over-reaction to an exaggerated problem, and I am whole-heartedly opposed to it.

I have been told by both AGAS and members of the Public Utilities Commission that the Commission will allow AGAS and other utilities (such as the one for the City of Kenai) to pass their full reserves tax costs on to their customers through rate increases. Thus the utility will not itself absorb any of the actual tax. Its only problem, if it may be called that, will be the minor bookkeeping necessary to keep track of the credit against production tax that accrues from reserves tax payments. The cost of the production tax is already largely passed through to the gas customer (all but the first one percent), so AGAS would be monitoring this credit in order to know when to seek a rate increase to reflect the rise in production tax from half to its full amount when the credit from the reserves tax payments is depleted.

Moreover, the cost passed through to the consumer will be very small. We estimate that a net reserves tax of approximately \$1,077,000 will be paid this year for all taxable gas reserves in the Kenai gas field, the source of the gas for AGAS and the Kenai utility. Assuming the reserves

tax will be passed on to the utilities in proportion to the percentage of taxable gas reserves of the field that are committed to them respectively, then 23.92% of the net reserves tax (or \$257,600) would pass through to AGAS and thence to Anchorage consumers. Similarly, 1.43% of the tax (or \$15,400) would be passed on to consumers in the City of Kenai. The contract for AGAS's supply has a "take or pay" provision for 26.28 million Mcf of gas annually through 1985. Assuming this volume is delivered to AGAS, the cost of the 1976 reserves tax is only 0.98 cent per Mcf. The average residential user in Anchorage buys 200 to 230 Mcf per year, so the annual cost during the two-year life of the reserves tax would be \$1.96 to \$2.25. The cost to Kenai gas users would be 3.21 cents per Mcf.

By contrast it should be noted that AGAS has been authorized by the Public Utilities Commission over the last two years to raise its rates by more than 20-1/2 cents per Mcf, and it has sought but been denied even greater increases. Compared to these, the reserves tax is a small cost. And of course, Alaska residents (not temporaries) would eventually recover even these modest costs of the reserves tax through lower utility rates during the time the accrued credit is applied against production taxes.

Since all gas not committed to utilities goes Outside (either as LNG or fertilizer), the Bill could subject the reserves tax to constitutional challenge either as discriminating against interstate and foreign commerce or as violating the Equal Protection Clause.

Inasmuch as the "problem" involved is largely illusory and the reserves tax is indispensable to the State's financial solvency in Fiscal Year 1977, it is clear to me that any benefit that SB 699 may have to offer is greatly outweighed by the risks it carries. Therefore, I am opposed to this Bill and urge the Legislature not to seek its enactment.

Thank you.

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner, Taxation
Department of Revenue

DATE: April 29, 1976

FILE NO:

TELEPHONE NO:

FROM: Thomas K. Williams
Director
Petroleum Revenue Division

SUBJECT: SB 699
(amending the reserves tax)

SB 699 would exempt from reserves tax all gas reserves committed for purchase by a utility. It has been introduced at the request of the Anchorage gas utility to "protect" the utility from the effects of the tax. Frankly, this bill is an overreaction to an exaggerated problem.

It is my understanding that the Public Utilities Commission will allow the utilities to pass the reserves tax cost through to their customers. Thus the utility will not itself absorb any of the tax.

The cost passed through to the consumer will be very small. We estimate a net reserves tax of approximately \$1,077,000 will be paid this year for all taxable gas reserves in the Kenai gas field (the source of gas for the Anchorage and Kenai gas utilities). Assuming the reserves tax will be passed on to the utility in proportion to the percentage of taxable gas reserves of the field that are committed to the utility, 23.92% of the tax (or \$257,600) would pass through to Anchorage gas consumers and 1.43% (or \$15,400) to Kenai gas consumers. The Anchorage utility's contract has a "take or pay" provision for 26.28 million Mcf of gas annually through 1985. Assuming this volume is delivered to the utility, the annual cost of the 1976 reserves tax that is passed on to Anchorage gas users is 0.98 cent per Mcf. The average residential user in Anchorage buys 200 to 230 Mcf per year, so the annual cost during the 2 year life of the tax would be \$1.96 to \$2.25. About 480,000 Mcf a year are sold to the City of Kenai's utility, so the passed-through reserves tax is a cost of 3.21 cents per Mcf (\$6.42 to \$7.38 annually) to Kenai users.

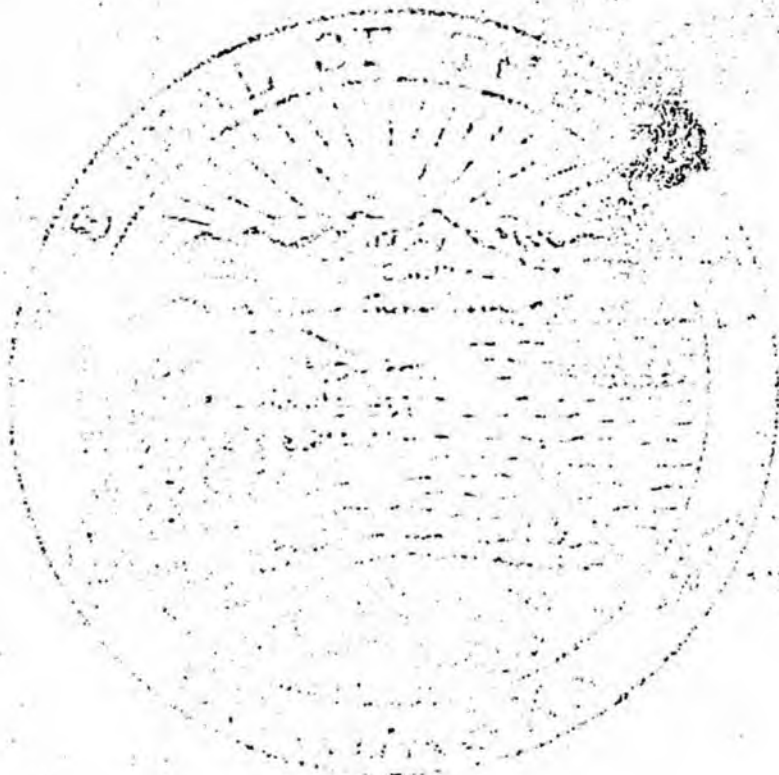
By contrast it should be noted that the Anchorage gas utility has been authorized to raise its rates by over 20 cents per Mcf over the last two years (\$40 to \$46 annually to the residential user in Anchorage), and it has sought but been denied even greater increases. Compared to these the reserves tax cost is slight. And of course Alaska residents would recover even the modest cost of the reserves tax because of the credit against future years' production tax which is also passed through.

OFFICE OF THE
COMPTROLLER

STATE OF TEXAS

Since all gas not committed to utilities goes Outside (either as LNG or fertilizer), the bill could subject the reserves tax to constitutional challenge either as discriminating against interstate and foreign commerce or as violating the Equal Protection clause. Since the "problem" from taxing the reserves committed to utilities is largely illusory and since the reserves tax is indispensable to the State's solvency in FY77, it seems clear to me that any benefit SB 699 may have to offer is greatly outweighed by the risks it carries.

TKW:dh



Introduced: 3/12/76
Referred: Resources and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST

2 SENATE BILL NO. 699

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 exemptions under the oil and
7 gas reserves ad valorem tax."

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

9 * Section 1. AS 43.58.020 is amended by adding a new paragraph to read:
10 (5) any oil or gas reserves committed to or produced for use
11 or resale by public utilities which are regulated by the Alaska Public
12 Utilities Commission.
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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S - JUNEAU 99811

May 18, 1976

The Honorable Kathryn Poland
Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Re: Senate Bill No. 755

Dear Senator Poland:

Senate Bill No. 755, an Act relating to the oil and gas reserves ad valorem tax, was introduced in the Senate on May 7, 1976 and was referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing a copy of a memorandum prepared by Thomas K. Williams, Director, Petroleum Revenue Division, Department of Revenue, Anchorage, Alaska regarding effect on revenues concerning the proposed legislation.

If you or any members of the Senate Resources Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Williams in Anchorage for further information.

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Ray
Chairman
Senate Finance Committee

Thomas K. Williams
Director, Petroleum Revenue Division
Department of Revenue
Anchorage, Alaska



"1776-A TRIBUTE FROM OUR STATE TO OUR NATION-1976"



MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: May 13, 1976

FILE NO:

TELEPHONE NO:

FROM: Thomas K. Williams
Director
Petroleum Revenue Division

SUBJECT: SB 755

SB 755 would set the millage rate for the reserves tax next year at 21 mills. The Governor has proposed legislation setting it at 20 mills. At 20 mills, we project reserves tax receipts in FY 77 of \$258 million. SB 755 would collect 5 percent more, or \$270.9 million based on our estimate.

TKW:lgh

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE BILL NO. 755

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 oil and gas reserves ad
7 valorem tax."

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

9 * Section 1. AS 43.58.010(b) is amended to read:

10 (b) The rate of levy for the tax year beginning

11 (1) January 1, 1976 is 20 mills;

12 (2) January 1, 1977 is 21 mills.

13 * Sec. 2. AS 43.58.010(d) is amended to read:

14 (d) The rate of levy may not exceed 30 [20] mills.

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The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Dill No. SB #93
 Title: Relating to evaluation and planning in the Dept. of Education
 Requested by: Senate HESS Committee Date: 2/3/75
 Return Date Requested: ASAP
 Agency: Education Program: Pre-elementary and Secondary education

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Executive Administration
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	-0-	627.3	677.9	732.2	790.8	854.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	627.3	677.9	732.2	790.8	845.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	627.3	677.9	732.2	790.8	845.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Assumption: That program evaluations would be conducted on individual program basis which are short term in nature, thus not requiring additional personnel in the DOE. Existing personnel would coordinate and conduct long-range planning.

300 Contractual Services
 380 Professional Services \$627.3

Formula: DOE FY 75 authorized budget \$125,545.4 x .05 = \$627.3
 Assume 8% growth in DOE operating budget for succeeding fiscal years.

IV. ATTACHMENTS

V. DATE: 2/3/75 PREPARED BY: William D. Thomas

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

DEPARTMENT OF EDUCATION

AGENCY COMMENTS

SB #93

BACKGROUND

Under AS 14.07.020, Duties of the Department of Education, the Department is directed to "study the conditions and needs of the public schools of the state and adopt or recommend plans for the improvement of education". However, until the advent of significant federal funding for state departments of education in the late 1960's, the Department had no internal planning and research capabilities through which it could fulfill this duty.

In the early years of the Research and Planning Section of the Department, funding for personnel and auxiliary services directed toward research and planning activities was totally supplied from federal sources. As late as Fiscal Year 1972, the budget of the section, which totalled \$302.4, was primarily federally-funded, with only \$23.4 of the total supplied from state funds.

Since FY 72, the state's share of the resources allocated to educational planning and research has steadily increased, until, in the FY 75 budget of \$352,200, total, \$208,960 is general fund. Of the general fund contribution, however, \$200,000 was earmarked for a special research and planning project in statewide student skill level assessment.

DISCUSSION

Over the past five years, several movements on both the national and state level have had considerable impact on the direction of the Department of Education. The nationwide thrust for educational accountability -- that is, accountability by professional educators for the results of educational programs -- puts tremendous pressure on the state departments of education both to describe the present status of their educational programs, and to develop plans to move education from where it is to where it should be, in terms of results. The Department's student assessment program addresses the first need, that is, the need to get an accurate description, in terms of student achievement, of the present educational program. The second charge, to design educational programs which achieve or approximate the results desired by the state for its citizens, has not yet been fully addressed in Alaska. Nor will significant steps be taken to improve educational programs until the planning and development functions are recognized and sufficient resources allocated to such functions.

Statewide, the problems of SOS decentralization, expanded secondary programs, continuing education for adults, and educational uses of an operational satellite system are areas which require careful analysis and planning if the solutions to these problems are to be more successful than present practice. Again, within the limits of the present DOE budget for research and planning, such planning and analysis cannot occur on an organized and effective basis.

The strategy outlined in SB #93 appears a reasonable approach to the problem of inadequate resources. It follows a commonly accepted practice in private industry, that of expending a stable percentage of the agency's total operating resources on research, planning and development functions directed toward product improvement.

RECOMMENDATIONS

The agency recommends that SB #93 be passed as submitted, with the planning and development monies authorized being placed in the budget of the Office of the Commissioner and with reports on planning, research and development activities within the Department made annually to the Legislature.

Name: 

Title: Special Assistant to the Commissioner

Date: February 7, 1975

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. SB # 94

Title: Relating to the Public School Foundation Program

Requested by: Senate HESS Committee Date: 2/3/75

Return Date Requested: ASAP

Agency: Education Program: Pre-elementary and
Secondary Education

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Financial Support Programs

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	89,006.2	104,648.4	115,113.2	126,624.5	139,287.0	153,215.7
TOTAL	89,006.2	104,648.4	115,113.2	126,624.5	139,287.0	153,215.7

B. FUNDING: (Thousands of dollars)

GENERAL FUND	89,006.2	104,648.4	115,113.2	126,624.5	139,287.0	153,215.7
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

See attached

Assume 10% growth in succeeding fiscal years.

IV. ATTACHMENTS

V. DATE: 2/3/75

PREPARED BY: William R. ...

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

	Inst. Units	% Diff.	Basic Need @ 23250 X % Diff.	% Entitlement @ 90-100%	State Aid Entitlement @ 23250
Anchorage	1918	-	44593500	90.0000	40134150
Bristol Bay	25	26.25	733828	90.0000	660445
Chugiak-Eagle River	164	-	3813000	94.0875	3587556
Cordova	44	15.00	1176450	94.0217	1106118
Craig	17	-	395250	96.6768	382115
Dillingham	28	26.25	821888	95.8817	788040
Fairbanks	584	11.25	15105525	90.7865	13713777
Galena	16	33.75	497550	98.8380	491768
Haines	36	7.50	899775	92.5923	833122
Hoonah	24	7.50	599850	98.6564	591790
Hydaburg	10	-	232500	98.3986	228777
Juneau	276	-	6417000	91.8126	5891615
Take	18	3.75	434194	98.8836	429347
Kenai	383	7.50	9572606	90.0000	8615345
Ketchikan	183	-	4254750	90.0000	3829275
King Cove	15	26.25	440297	98.3986	433246
Klawock	6	3.75	144731	98.3626	142361
Kodiak	163	7.50	4073981	93.3234	3801978
Matanuska-Susitna	205	3.75	4944984	90.0000	4450486
Nenana	21	33.75	653034	98.1068	640671
Nome	66	26.25	1937306	98.0165	1898880
North Slope	97	33.75	3016397	90.0000	2714757
Pelican	7	7.50	174956	95.2025	166562
Petersburg	47	3.75	1133728	93.8663	1064189
Selawik	19	33.75	590841	99.3734	586781
Sitka	125	3.75	3015234	91.4830	2758427
Skagway	20	7.50	499875	90.0000	449888
St. Mary's	11	33.75	342066	99.5687	340591
Unalaska	14	26.25	410944	93.9494	386079
Valdez	83	15.00	2219213	90.0000	1997292
Wrangell	48	3.75	1157850	96.0568	1112194
Yakutat	17	7.50	424894	99.0246	420750
TOTALS	4690		114727997		104648372

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. SB #95

Title: Relating to public education in the unorganized borough.

Requested by: Senate HESS Committee Date: 2/3/75

Return Date Requested: ASAP

Agency: Education Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

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)

See Fiscal Note SB #35

IV. ATTACHMENTS

V. DATE: 2/7/75 PREPARED BY: William R. [Signature]

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

FILE WITH  JUNEAU STATE EMPLOYEES FEDERAL
credit union

114 SOUTH FRANKLIN, ROOM 100
JUNEAU, ALASKA 99801
Phone (907) 586-2370

March 18, 1975

The Honorable Frank Ferguson, Chairman
Senate State Affairs Committee
Alaska State Senate
Pouch V
Juneau, AK 99802

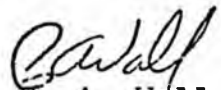
Dear Senator Ferguson:

The Executive Board has asked that I write you in support of Senate Bill 150. We believe that passage of this bill would create another responsible investment option for public employees retirement system monies and would also make available to Credit Unions such as ours another valuable fiscal option.

Our Credit Union is dedicated to providing responsible fiscal services for our fellow employees in Southeast Alaska.

We appreciate your consideration of our position. I have included our current financial statement.

Sincerely,


P. A. Wall
President

PAW:es

Enclosure

cc: Jalmar Kerttula
Bill Ray

JUNEAU STATE EMPLOYEES Federal Credit Union

Statement of Financial Condition

As of February 28, 19 75

Acct. No.	Assets	End of this Period	
700	Loans:		
701	Loans	\$ 719,832	92
712	Loans purchased from liq. credit unions (Net)		
	Total	\$ 719,832	92
719	Less: Allowance for loan losses	3,500	00
	Net	\$ 716,332	92
730	Cash:		
731	Cash	65,705	88
738	Petty Cash	15	00
739	Change Fund	44	64
740	Investments:		
750	Accrued Income:		
760	Prepaid and Deferred Expenses:		
765	Shares Insurance	379	64
769	Other	494	55
770	Fixed Assets: (Net)		
774	Furniture and Equipment	650	19
790	Other Assets:		
729	Accts/ Receivable	183	10
799	Other	62	23
	Total Assets	\$ 783,868	45

Acct. No.	Liabilities and Equity	End of this Period	
800	Accounts Payable:		
801	Accounts Payable	\$ 2,404	06
803	Undist. P/R Deductions	65,000	00
812	Notes Payable	102,000	00
818	Accrued Int. Payable	3,990	97
820	Dividends Payable		
840	Taxes Payable:		
842	State W/H Tax	125	23
848	E.S.D.	118	84
860	Other Liabilities:		
	Total Liabilities	\$ 173,639	10
900	Shares:		
901	Shares	577,304	31
931	Regular Reserve	23,167	16
933	Contingencies	3,440	59
940	Undivided Earnings	95	48
960	Net Income (Loss)	6,221	51
	Total Equity	610,229	35
	Total Liabilities and Equity	783,868	45

We certify, to the best of our knowledge and belief, this statement and the related statements are true and correct and present fairly the financial position and the results of operations for the periods covered.

Treasurer: _____

Officer: _____

Statement of Income
For the Period Ending February 28, 1975

Acct. No.		This Period From 2/1/75 To Date	Year To Date
100	Operating Income:		
111	Interest on Loans	\$ 6,737 90	\$ 13,448 61
113	Income from Loans of Liq. Credit Unions		
	Total	\$ 6,737 90	\$ 13,448 61
119	Less — Interest Refund		
	Net	\$ 6,737 90	\$ 13,448 61
121	Income from Investments		
131	Fees and Charges		
151	Miscellaneous Operating Income		
	Total Operating Income	\$ 6,737 90	\$ 13,448 61
200	Operating Expenses:		
210	Compensation	\$ 1,684 99	\$ 3,300 86
220	Employee Benefits	149 06	334 13
230	Travel and Conference Expenses		
240	Association Dues	31 84	31 84
250	Office Occupancy Expenses	97 76	195 52
260	Office Operations Expenses	203 44	505 56
270	Educational and Promotional Expenses		
280	Loan Servicing Expenses	24 00	66 00
290	Professional and Outside Services	10 00	10 00
300	Provision for Loan Losses		
310	Members' Insurance	682 91	1,351 53
320	Federal Supervision and Examination Expenses		139 75
330	Cash Over and Short		
340	Interest on Borrowed Money	590 22	1,180 84
350	Annual Meeting Expense		96 91
360	Miscellaneous Operating Expenses	4 32	14 16
	Total Operating Expenses	\$ 3,478 04	\$ 7,227 10
	Income (Loss) From Operations	\$ 3,259 86	\$ 6,221 51
400	Non-Operating Gains (Losses):		
420	Gain (Loss) on Investments	\$	\$
430	Gain (Loss) on Disposition of Assets		
	Total Non-Operating Gains (Losses)	\$	\$
	Income (Loss) Before Dividends	\$ 3,259 86	\$ 6,221 51
380	Dividends		
	Net Income (Loss)	\$ 3,259 86	\$ 6,221 51

FILE WITH BILL

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH S—JUNEAU 99801

March 7, 1975

The Honorable Kathryn Poland
Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Senator Poland:

re Senate Bill No. 178

Senate Bill No. 178 was introduced on February 18, 1975 and was referred to the Senate Resources and Finance Committees.

As the Department of Revenue is responsible for the statewide issuance of sports fishing and hunting licenses with accounting headquarters in Juneau, I have asked Robert Pilcher, Manager of the Fish and Game Licensing Section to review the legislation with respect to effect on Treasury; administrative problems, costs and comments on an effective date.

Attached is a copy of a memorandum from Mr. Pilcher dated February 27, 1975 concerning the proposed legislation.

If you or any members of the Senate Resources Committee have any questions on the material submitted, please contact the writer at 465-2397 and I will arrange to have Mr. Pilcher available for Committee discussion.

Respectfully yours,

R. D. Stevenson
Special Assistant

RDS:sp
Attachment

cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Robert Pilcher
Department of Revenue

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: February 27, 1975

FILE NO:

TELEPHONE NO: 586-1870

FROM: R. H. Pilcher
Manager
Juneau Field Office

SUBJECT: Review of Senate Bill No. 178 -
Fish & Game License Requirements

Present law grants exemption from sport fishing, hunting and trapping license requirements to persons 60 years of age or more who have been residents for 30 consecutive years or more, as long as they remain residents.

Passage of SB 178 will extend this exemption to those 65 years of age or more who have been residents for 10 consecutive years or more.

Office of Aging statistics indicate there are 8,295 residents 65 years of age or more presently in Alaska, however there is no data available on the number who have been residents for 10 consecutive years or more. Department of Fish and Game statistics indicate approximately 3,300 permanent Identification cards have been issued to date under present law.

Estimating that approximately 75% of those 65 years of age or more have been residents for more than 10 years and are therefore eligible to benefit by passage of this amendment, and that approximately 50% of those eligible now purchase licenses, and that approximately 25% already hold permanent ID cards, approximately 2,350 residents would be exempted by this amendment.

Annual gross revenue loss is calculated to be approximately \$12,102.00 for fiscal year 1976. There would also be the loss of Federal Aid Matching Funds on the ratio of 3 to 1 to be considered. The Office of Aging forecasts an increase of approximately 335 residents 65 years of age or more each year through 1980. This means a corresponding loss of revenue of approximately \$1,725.00 plus Federal Aid Matching Funds each year. However it is believed the Office of Aging has not taken into consideration the effect recent legislation, such as, the longevity bonus, the 25% Cost of Living Allowance based on Social Security Benefits, Real Property tax exemption, free passage on Government Operated Ferry and Transit Systems, plus enactment of proposed legislation such as payment of water and sewer assessments, will have on retaining the elderly in Alaska.

There is no effective date on the bill. An effective date of January 1, 1976 should be requested to give Fish and Game time to implement the program.

Since this is a license exemption, there would be no administrative costs to licensing, however there would be increased costs to Fish and Game for additional ID cards, personnel to process applications, and mailing costs.

The bill gives no indication of a method to effectively enforce the program and no funds are allocated to administer the program. Under present law Fish and Game only processes the applications as they come in and issues permanent numbered ID cards.

Introduced: 2/18/75
Referred: Resources and
Finance

1 IN THE SENATE

BY BRADLEY, ORSINI,
RODEY AND WILLIS

2 SENATE BILL NO. 178

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fish and game license requirements."

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

8 * Section 1. AS 16.05.400(b) is repealed and re-enacted to read:

9 (b) A sport fishing, hunting or trapping license is not required
10 of a resident who is

11 (1) between the ages of 60 and 65 if he has been a resident
12 for 30 consecutive years or more, as long as he remains a resident; or

13 (2) 65 years of age or more if he has been a resident for
14 10 consecutive years or more, as long as he remains a resident.

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STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99811

February 5, 1976

The Honorable Kay Poland
Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99811

Re: Senate Bill No. 186
CS for Senate Bill No. 186

Dear Senator Poland:

The Senate Journal of February 4, 1976 indicates that Senate Bill No. 186, an Act relating to taxable property under the oil and gas exploration, production and pipeline transportation tax upon consideration by the Senate was referred to the Senate Resources Committee for one week.

For the consideration of the Senate Resources Committee, I am enclosing a copy of a memorandum and schedule prepared on March 4, 1975 prepared by Gerald D. Heier, Director, Property Tax Division, Department of Revenue covering estimated revenues that would accrue to the State for the fiscal years 1977 through 1981 and costs of administration, relative to Senate Bill No. 186.

For the Resources Committee's further consideration, I am enclosing a copy of a memorandum dated February 5, 1976 from Gerald D. Heier, Petroleum Property Assessor, Petroleum Revenue Division, Anchorage Alaska covering estimated revenues that would accrue to the State for the fiscal years 1978 through 1981 and costs of administration, relative to Committee Substitute for Senate Bill No. 186.

If you or any members of the Senate Resources Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Heier in Anchorage for further information.

Very truly yours,

R. D. Stevenson
Special Assistant

SB 186
HB 127

cc: The Honorable Bill Ray
Chairman
Senate Finance Committee

The Honorable Pat Rodey
Prime Sponsor - Senate Bill No. 136

Gerald D. Heier
Petroleum Property Assessor
Petroleum Revenue Division
Anchorage, Alaska



MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue
Juneau

DATE: February 5, 1976

FILE NO:

TELEPHONE NO:

FROM: Gerald D. Heier
Petroleum Property Assessor
Petroleum Revenue Division

SUBJECT: Committee Substitute for
Senate Bill No. 186

As per your request I have reviewed Committee Substitute for Senate Bill No. 186.

I have made the assumption that the bill would in effect provide for an initial assessment date of 1/1/77 and that the current payment date of September 30 would still be applicable.

At the present time in Alaska there are two refineries, one LNG plant and one ammonia-urea plant. The refineries would be taxable as of the effective date of the bill, while the other two plants are currently covered by the Industrial Incentive Act through 1978, which exempts them from an ad valorem tax until FY 80.

It is anticipated that an additional refinery will be built in the Fairbanks North Star Borough starting in 1976 and that Carbon Collier Chemical Corporation will expand their ammonia-urea plant starting in 1976, (this expansion would not be exempt). It is further anticipated that Pacific Alaska L.N.G. will start construction of a new LNG complex in 1977. Their original commencement date having been extended one year due to F.P.C. hearings, which have not as yet been scheduled.

Costs of administration for FY 78 are estimated to be \$11,000 based on 30 days consultant fees for a qualified industrial property appraiser at \$300 per day plus \$2,000 for travel and per diem.

GDH:dh

1976
revised
Admin. costs

X

ESTIMATED VALUATION AND NET STATE REVENUES (in thousands)

	FY78	FY79	FY80	FY81
Socal Refinery	9,500	9,000	8,500	8,000
Tesoro Refinery	19,000	18,000	17,000	16,000
Fairbanks Refinery	10,000	30,000	30,000	30,000
Kenai LNG			30,000	30,000
Pacific Alaska LNG		50,000	200,000	400,000
Collier Carbon Chem. Corp.	<u>30,000</u>	<u>130,000</u>	<u>230,000</u>	<u>230,000</u>
Total Valuation	68,500	237,000	515,500	714,000
*10 mills net to state	<u>x10</u>	<u>x10</u>	<u>x10</u>	<u>x10</u>
Net State Revenue	<u>685</u>	<u>2,370</u>	<u>5,155</u>	<u>7,140</u>

* Since all properties are located within a municipality a ten mill local levy has been estimated against each property.

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 168 SB 218

Title: Property tax reimbursement payments to a Senior Citizen who rents

Requested by: House HESS/Senate C&RA Date: February 12, 1975

Return Date Requested: _____

Agency: Community & Regional Affairs Program: Social Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Senior Citizens Property Tax Exemptions

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		37.7	30.6			
200 TRAVEL		6.0	6.3			
300 CONTRACTUAL		5.0	4.8			
400 COMMODITIES		3	3			
500 EQUIPMENT		2.1				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			620.4			
TOTAL		51.1	671.4			

B. FUNDING: (Thousands of dollars)

GENERAL FUND		51.1	671.4			
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

ASSUMPTIONS

- 1.) Statewide population in 1976 will approximate 365,000.
- 2.) The increase in property values or average tax per application of 11% will continue for the next few years.
- 3.) Residential property owned by the Senior Citizen is generally of a higher quality than can be afforded by a tenant. To reflect this difference, a 25% discount in average tax per application is used for tenant occupied housing.

IV. ATTACHMENTS

ANALYSIS

V. DATE: February 19, 1975

PREPARED BY: Robert Dozier

Robert Dozier, State Assessor
Local Government Assistance Division

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

The 1970 census indicated that 1.3% of the State population are Senior Citizen "Heads of Households". By deducting the projected number of Senior Citizen property owner in 1976, leaves a balance of 1,995 Senior Citizens to whom the benefits of this program would be extended under this bill. The projected average reimbursement per participant in 1976, discounted by 25% (assumption #3) equals \$311.

$$1,995 \times \$311 = \$620,445$$

The bill places the responsibility for administering this portion of the Tax Exemption program on the Department which includes verifying applications and determining the tax attributable to exemption for a Senior Citizen living in a multi-purpose building, condominium, duplex or apartment. This will require the services of an appraiser who will also develop regulations, prepare the necessary application forms, and instruction manual. The incumbent will travel to municipalities where Senior Citizens apply for rental exemption for the purposes of examining the tax roles and actual field appraisals. An existing research assistant position would be up-graded to a research analyst to take on the additional responsibilities of the initial screening process of applications, review of rental receipts upon submission and program follow-up through correspondence with landlords and tenant Senior Citizens. A Clerk Typist II position would provide clerical support.

The administrative costs are estimated at \$51,106 and are detailed as follows:

Personal Services

Appraiser III (Range 19)	\$20,136	
Clerk Typist II (Range 7)	9,192	
Up-grade Research Assistant to Research Analyst (Range 10 to 13)	2,652	
Benefits @ 18%	<u>5,756</u>	\$37,736

Travel

Review of assessment roles and field inspection of multi-purpose and multi-resident buildings		\$ 6,000
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Contractual

Telephone and long distance	\$ 1,600	
Postage	500	
Printing and advertising - hearing notices, application forms and manual	1,500	
Office Rent - 150 sq.ft. @ .50/sq./ft.	900	
Machine Rental and Xerox	<u>500</u>	\$ 5,000

Commodities

Reference materials and office supplies		\$ 300
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Equipment

Executive desk	\$ 270	
Secretarial desk	300	
Two chairs	190	
Typewriter	570	
Calculator	600	
Filing Cabinet	<u>140</u>	
		<u>\$ 2,070</u>
Total Administrative		<u><u>\$51,106</u></u>

The State Assessor is available to provide any additional information or discuss alternative proposals.

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill 267
 Title: An Act relating to the Department of Environmental Conservation
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Environmental Conservation Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

B. FUNDING: (Thousands of dollars)

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

C. POSITIONS:

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

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

Senate Bill 267 is basically a "housekeeping" bill. The changes contained in it do not require any additional commitments of manpower or State General Funds.

IV. ATTACHMENTS

V. DATE: April 2, 1975

PREPARED BY: _____

Jerry Reinwand
Jerry Reinwand

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

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH 5 — JUNEAU 99801

March 24, 1975

The Honorable Kathryn Poland
Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska 99811

Dear Senator Poland:

re Senate Bill No. 276

Senate Bill No. 276, an Act relating to the oil and gas reserves ad valorem tax and its relationship to other oil and gas taxation was introduced on March 14, 1975 and referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing a copy of a memorandum dated March 18, 1975 from Frederick P. Boetsch, Deputy Commissioner of the Department of Revenue addressed to Sterling Gallagher, Commissioner of Revenue advising of projected increases in revenues for the fiscal years 1976 and 1977 and setting forth costs of administration.

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

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp
Enclosure

cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

MEMORANDUM

TO: Sterling Gallagher
Commissioner
Department of Revenue

DATE : March 18, 1975

FROM:

Frederick P. Boetsch *FPB*
Deputy Commissioner for Taxation
Department of RevenueSUBJECT: SB 276 - Tax on Reserve
of Oil and Gas

This Bill would place a tax on the value of an interest in the proven reserves of an oil or gas property. The value would be measured by the present value of the future income to be received from the production of oil and gas from a particular field. The incidence of this tax would fall on the holders of leases on or owners of oil and gas reserves in the state. The largest incidence, of course, would be on the holders of the leases in the Prudhoe Bay area.

The bill would call for the higher of the severance tax in the case of a producing field or this tax to be paid with a provision for credits to accumulate to the extent that the tax is paid. These credits would then be taken as a credit against severance taxes at a later date.

The primary administrative problem connected with this bill is that assumptions must be made about all of the variables related to determining value. In order to make reasonable and defensible assumptions, we will need the expertise of established petroleum valuation engineers on a contractual basis.

The costs of administration for this bill are approximately \$100,000 per year, the details of which are broken down in the attached Fiscal Note. This represents less than 1/2 mill per \$1.00 of tax collected - probably the least cost of any tax, anywhere. Although we hope the legal services provided for will not be necessary, we certainly should be ready if a legal challenge occurs.

The projected revenues from this bill for FY 76 and 77 are as follows:

Projected Increases in Revenues
(\$000 omitted)

FY 76	FY 77
<u>230300.0</u>	<u>286600.0</u>

FPB:gd

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill No. 276
 Title: Oil and Gas Reserves Ad Valorem Tax
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Department of Revenue Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL		5.0	5.3			
300 CONTRACTUAL		88.0	93.0			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		93.0	98.3			

B. FUNDING: (Thousands of dollars)

GENERAL FUND		93.0	98.3			
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill No. 276
 Title: Oil and Gas Reserves Ad Valorem Tax
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Department of Revenue Program: _____

II. FISCAL DETAIL

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

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL		5.0	5.3			
300 CONTRACTUAL		88.0	93.0			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		93.0	98.3			

B. FUNDING: (Thousands of dollars)

GENERAL FUND		93.0	98.3			
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Per attached breakdown adjusted for 5.5% inflation in
FY 1977

IV. ATTACHMENTS

V. DATE: March 18, 1975 PREPARED BY: Frederick H. Borchert

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