

LEG. FINANCE - BILLS 1977 - 1978 653
hb 56 cont., thru HB 58 & HB 59

1 (4) "new mining business operation [OPERATIONS]" means a
2 mining operation [OPERATIONS] which began production after January 1,
3 1953, and which has not acquired the ownership or property of another
4 mining business which has previously received an exemption certificate
5 under sec. 10 of this chapter [OR WHICH HAVE NOT BEEN LIABLE TO PAY A
6 MINING LICENSE TAX UNDER THIS CHAPTER ON NET INCOME SINCE JANUARY 1,
7 1948];

8 * Sec. 7. AS 43.65.060 is amended by adding new paragraphs to read:

9 (7) "business of mining" means a business operation for the
10 extraction of minerals from the earth or water of the state , operated
11 by a person

12 (A) who (i) owns and operates, (ii) works, or (iii)
13 develops a mineral property, whether or not that property is
14 currently producing a marketable product;

15 (B) who leases a mineral property and operates that
16 property, whether or not it is producing a marketable product;

17 (C) who leases a mineral property and pays royalties,
18 rents or other payments to the owner of the property; or

19 (D) who has an interest in a lease, concession, joint
20 venture, or other agreement for the exploration or development,
21 or extraction of a mineral property if royalties, rents, or other
22 payments are to be paid for that interest;

23 (8) "department" means the Department of Revenue;

24 (9) "minerals" means asbestos, coal, sulphur, iron ore,
25 lead, zinc, mercury, tin, chromite, bauxite, copper, gold, silver,
26 platinum, potash, clay, stone, sand, gravel, and other valuable
27 metals, ores and marketable earth or stone but not including oil and
28 gas.

29 * Sec. 8. AS 43.65.050 and 43.65.060(1) - (3) are repealed.

1 * Sec. 9. This Act is retroactive to January 1, 1977.

2 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
3 10.070(c).

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HB 56

January 14, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to the Alaska mining license tax.

This bill amends the mining license tax law in several respects to achieve a more effective taxing system than we presently have in Alaska.

The bill would impose the tax on the net proceeds of a mining business. It would be calculated using the total gross receipts from the business less certain specified direct expenses of mining. The bill also insures that all mining businesses would be subject to the tax regardless of the form of business or the nature of the operation. The bill also clarifies several ambiguous areas of the present law which serve as loopholes for some mining businesses. In addition, the bill expands and strengthens tax penalties.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 56
 Title Alaska Mining License Tax
 Requested by Budget & Management Date _____

II. FISCAL DETAIL
 Agency Affected _____ Revenue _____
 Program Category Affected _____ Audit Division _____
 Budget Request Unit(s) Affected _____ None _____

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
TOTAL		NONE	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS N/A

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 12/20/76 PREPARED BY
 AGENCY Revenue
 PHONE 2300
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 56

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to the Alaska Mining License Tax; and providing for an effective date."

Mining license tax.

Introduced in the House 1-14, 1977

HISTORY IN THE HOUSE

19 77

Jan. 14

Read first time and referred to Committee on Resources and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused
Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused
Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:

Failed to concur in Senate amendment; asked Sen. to recede

Senate receded from amendment

Senate failed to recede from amendment

FCC appointed by House

FCC appointed by Senate

FCC adopted

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

HB 56

January 14, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to the Alaska mining license tax.

This bill amends the mining license tax law in several respects to achieve a more effective taxing system than we presently have in Alaska.

The bill would impose the tax on the net proceeds of a mining business. It would be calculated using the total gross receipts from the business less certain specified direct expenses of mining. The bill also insures that all mining businesses would be subject to the tax regardless of the form of business or the nature of the operation. The bill also clarifies several ambiguous areas of the present law which serve as loopholes for some mining businesses. In addition, the bill expands and strengthens tax penalties.

Sincerely,

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Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

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 Bill/Resolution No. HB 56
 Title Alaska Mining License Tax
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II. FISCAL DETAIL
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 Budget Request Unit(s) Affected None

EXPENDITURES (Thousands of Dollars)

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100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	NONE	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS N/A

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 12/20/76 PREPARED BY [Signature]
 AGENCY Revenue
 PHONE 2300
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsor: Rules Committee by
request of the Governor

Offered: 3/7/77
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 56

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Alaska mining license tax;
and providing for an effective date."

7

8

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

9

* Section 1. AS 43.65.010 is repealed and re-enacted to read:

10

Sec. 43.65.010. MINING LICENSE AND TAX. (a) For the privilege
of engaging in the business of mining in the state, a person shall first
apply for and obtain a license from the department. The license fee is
\$25, which must accompany the application for a license.

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(b) There is also levied an annual license tax on each person
engaging in the business of mining in the state computed on the net
proceeds of the taxpayer from the mining business. The license tax
shall be computed according to the following table:

18

If the net proceeds are:

Then the tax is:

19

Over \$50,000 but not over

3 per cent of the excess over

20

\$100,000

\$50,000

21

Over \$100,000

\$1,500 plus 5 per cent of the

22

excess over \$100,000

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(c) Upon application and receipt of an exemption certificate, a
new mining business operation is exempt from the license tax levied by
this chapter for three and one-half years after production from the
mining business operation begins. The tax exemption granted to new
mining business operations does not apply to the business of mining
sand and gravel. The Department of Natural Resources shall certify to
the department the date upon which production began from the mining

1 business operation, and the department shall issue a certificate of
2 exemption to the applicant after this certification. A person must
3 apply for an exemption certificate in the first year of production from
4 the mining business operation in order to qualify for the exemption under
5 this section.

6 (d) If mining business operations not qualifying for tax exemption
7 under sec. 10(c) of this chapter are conducted in two or more places in
8 the state by one person, those operations may, at the person's option,
9 be considered as one mining business, and the tax shall be computed upon
10 the net proceeds of all those mining business operations.

11 * Sec. 2. AS 43.65 is amended by adding new sections to read:

12 Sec. 43.65.015. NET PROCEEDS. (a) In this chapter, "net proceeds"
13 means the total gross receipts from the mining business less the following
14 deductions:

15 (1) all expenses incurred directly in the extraction of
16 minerals in the state;

17 (2) all expenses incurred in transporting the minerals from
18 the point of extraction to any further processing plant where only
19 necessary treatment processes are applied to obtain a commercially
20 marketable product;

21 (3) all expenses directly related to the production, smelting
22 and refining, crushing, screening or other necessary process incurred
23 to make a commercially marketable product;

24 (4) the actual selling expenses incurred in marketing the
25 product;

26 (5) all expenses incurred in transporting the marketable
27 product to a buyer;

28 (6) depreciation of the mining business equipment, works,
29 plant and facilities used directly in the extraction, transportation

1 and processing phases of the mining business, in accordance with sec.
2 167 of the Internal Revenue Code (26 U.S.C. sec. 1976);

3 (7) amortization of exploration and mining development costs
4 not included in (6) of this subsection;

5 (8) an allowance for depletion on a cost or percentage basis
6 at the rates set out in secs. 611 - 614 of the Internal Revenue Code (26
7 U.S.C. secs. 611 - 614) except that the allowance for depletion may not
8 exceed 50 per cent of the taxpayer's net proceeds calculated before the
9 allowance for depletion;

10 (9) net operating losses allowable under the Internal Revenue
11 Code.

12 (b) If the taxpayer has expenses in the state other than those
13 specified in (a) of this section, such as general overhead expenses,
14 relating to the business of mining or to the business of mining and
15 other business activities, the deductions shall be apportioned in the
16 ratio which the direct expenses of the mining business in the state
17 under (a) of this section bear to the total direct expenses of all
18 business activities of that taxpayer in the state.

19 (c) Except for wages paid during temporary travel out of the state
20 by an employee who is domiciled in the state, the deductions allowed in
21 (a) and (b) of this section do not include wages or other payments for
22 services not performed in the state.

23 (d) If a person is engaged in the business of mining and the only
24 receipts from the business are royalties, the net proceeds of the
25 mining business are the royalties received less the depletion allowance
26 under (a)(8) of this section.

27 Sec. 43.65.017. GROSS RECEIPTS. (a) In this chapter, "gross
28 receipts" means all revenue received, including royalties, rental pay-
29 ments, and all other compensation from the business of mining. Gross

1 receipts include the actual amount received during the year for the
2 sale of minerals whether or not the minerals were actually extracted
3 during that year.

4 (b) If minerals are sold or transferred at a price other than the
5 true market price, such as when a wholly owned subsidiary transfers or
6 sells the mineral to its parent at a price less than market value, gross
7 receipts are the true market price or average market price per ton or
8 other measurable unit of the mineral multiplied by the total units of the
9 mineral sold or transferred during the year.

10 (c) Gross receipts from the business of mining sand and gravel
11 include:

12 (1) receipts from the sale to customers directly from the
13 pit or mine;

14 (2) receipts from the sale to customers at their place of
15 business or their business site, including receipts relating to the
16 delivery of the sand and gravel; and

17 (3) the average market value of sand and gravel from inter-
18 company transfers of the minerals calculated immediately before the
19 transfer, including intercompany transfers of sand and gravel to a
20 ready-mix or concrete plant.

21 * Sec. 3. AS 43.65.020 is amended to read:

22 Sec. 43.65.020. TAXPAYER'S DUTIES. (a) A person subject to tax
23 under this chapter shall make a return stating specifically the items
24 of gross receipts [INCOME] from the business [PROPERTY], including
25 royalty received and the deductions [AND CREDITS] allowed by this chapter
26 and other information for carrying out this chapter which the department
27 [DEPARTMENT OF REVENUE] prescribes. The return shall show the mining
28 license number and shall be signed by the taxpayer or his authorized
29 agent, under penalty of perjury. If receivers, trustees, or assigns are

1 operating the mining [PROPERTY OR] business, they shall make returns for
2 the person engaged in the mining business [, OR THE RECIPIENT OF ROYALTY
3 IN CONNECTION WITH MINING PROPERTY]. The tax due on the basis of the
4 returns shall be collected in the same manner as if collected from the
5 person of whose business they have custody and control.

6 (b) A return made on the basis of the calendar year shall be
7 filed [MADE] before March 15 [MAY 1] of the next year. A return made on
8 the basis of a fiscal year shall be filed [MADE] before the 15th [FIRST]
9 day of the third [FIFTH] month of the next fiscal year.

10 (c) The department [DEPARTMENT OF REVENUE] may grant a reasonable
11 extension of time for filing returns, under regulations adopted [PRE-
12 SCRIBED] by it. Except in the case of a taxpayer going abroad, no
13 extension may be granted [MADE] for more than six months.

14 (d) A [TAXPAYER'S] return shall be filed with [MADE TO] the
15 department using the same tax year as the person uses in filing his
16 federal income tax return [DEPARTMENT OF REVENUE AT JUNEAU. A TAXPAYER
17 SHALL MAKE HIS RETURN EITHER ON A CALENDAR YEAR OR FISCAL YEAR BASIS,
18 IN CONFORMANCE WITH THE BASIS USED IN MAKING HIS RETURN FOR FEDERAL IN-
19 COME TAX PURPOSES].

20 (e) The total amount of tax imposed by this chapter shall be paid
21 on or before the due date of the tax return required under this section
22 [THE 30TH DAY OF APRIL OF THE NEXT CALENDAR YEAR, OR, IF THE RETURN IS
23 MADE ON THE BASIS OF THE FISCAL YEAR, THEN ON THE LAST DAY OF THE FOURTH
24 MONTH OF THE NEXT FISCAL YEAR].

25 (f) [EVERY PERSON PROSECUTING OR ATTEMPTING TO PROSECUTE OR
26 ENGAGING IN THE BUSINESS OF MINING IN THE STATE SHALL COMPLY WITH THE
27 DEPARTMENT'S REGULATIONS AND SHALL KEEP SUCH RECORDS, GIVE SUCH STATEMENTS
28 UNDER OATH, AND MAKE SUCH RETURNS AS THE DEPARTMENT OF REVENUE PRE-
29 SCRIBES.]

1 (3) When the department considers it necessary, it may require a
2 person, by notice served upon him, to make a return, give statements
3 under oath, or keep records as it considers sufficient to show whether
4 or not the person is liable for the [TO] tax under this chapter. If a
5 person fails to file a return at the time prescribed by law or regula-
6 tion, or makes, wilfully or otherwise, a false or fraudulent return,
7 the department shall make the return from its own knowledge and from
8 such information as it can obtain [THROUGH TESTIMONY OR OTHERWISE]. A
9 return so made and subscribed by the department is prima facie good and
10 sufficient for all legal purposes.

11 * Sec. 4. AS 43.65.030 is amended to read:

12 Sec. 43.65.030. APPLICATION FOR RENEWALS. A person engaged in the
13 business of mining shall apply [APPLICATION] for renewal of a mining
14 license each year [SHALL BE MADE] before the 30th day of the first month
15 of the person's tax year [MAY 1 OF EACH YEAR].

16 * Sec. 5. AS 43.65 is amended by adding new sections to read:

17 Sec. 43.65.051. PENALTIES AND INTEREST. (a) If part of a de-
18 ficiency in the tax is due to fraud with intent to evade the tax, then
19 50 per cent of the total amount of the deficiency, in addition to the
20 deficiency, shall be assessed and collected. If this penalty is
21 assessed, then the penalty in AS 43.05.220 does not apply.

22 (b) A person who is required under this chapter to pay the tax,
23 make a return, keep records, or supply information who wilfully fails
24 to pay the tax, make the return, keep the records, or supply the infor-
25 mation, at the time required by law or regulations, is, in addition to
26 other penalties provided by this chapter, guilty of a misdemeanor and
27 upon conviction is punishable by a fine of not more than \$1,000, or by
28 imprisonment for not more than one year, or by both.

29 (c) In this section, "person" includes an officer or employee of

1 a corporation or a member or employee of a partnership who is under duty
2 to perform the act in respect to which the violation occurs.

3 (d) A person who wilfully attempts to evade the tax imposed by
4 this chapter is, in addition to other penalties provided by this chapter,
5 guilty of a felony and upon conviction is punishable by a fine of not
6 more than \$5,000, or by imprisonment for not more than five years, or
7 by both.

8 (e) A person who wilfully makes and subscribes a return, statement,
9 or other document required under this chapter which he does not believe
10 to be true and correct as to every material matter and which contains or
11 is verified by a written declaration that it is made under the penalties
12 of perjury is, in addition to other penalties provided by this chapter,
13 guilty of a felony and upon conviction is punishable by a fine of not
14 more than \$5,000, or by imprisonment for not more than three years, or
15 by both.

16 (f) A person who wilfully or knowingly aids, procures, or counsels
17 the preparation or presentation in connection with any matter arising
18 under this chapter of a return, affidavit, claim or other document,
19 which is fraudulent or is false as to any material matter is guilty of a
20 felony whether or not the falsity or fraud is with the knowledge or
21 consent of the person required to present the return, affidavit, claim,
22 or document, and upon conviction is punishable by a fine of not more
23 than \$5,000, or by imprisonment for not more than three years, or by
24 both.

25 (g) A person who wilfully delivers or discloses to the department
26 under this chapter any list, return, account, statement, or other docu-
27 ment, known by him to be fraudulent or to be false as to any material
28 matter, upon conviction is punishable by a fine of not more than \$1,000,
29 or by imprisonment for not more than one year, or by both.

1 Sec. 43.65.055. REFERENCES TO INTERNAL REVENUE CODE. When the
2 Internal Revenue Code is referred to in this chapter the reference is to
3 the Internal Revenue Code in effect on the effective date of this Act,
4 and as subsequently amended.

5 * Sec. 6. AS 43.65.060(4) is amended to read:

6 (4) "new mining business operation [OPERATIONS]" means a
7 mining operation [OPERATIONS] which began production after January 1,
8 1953, and which has not acquired the ownership or property of another
9 mining business which has previously received an exemption certificate
10 under sec. 10 of this chapter [OR WHICH HAVE NOT BEEN LIABLE TO PAY A
11 MINING LICENSE TAX UNDER THIS CHAPTER ON NET INCOME SINCE JANUARY 1,
12 1948];

13 * Sec. 7. AS 43.65.060 is amended by adding new paragraphs to read:

14 (7) "business of mining" means a business operation for the
15 extraction of minerals from the earth or water of the state, operated by
16 a person

17 (A) who (i) owns and operates, (ii) works, or (iii)
18 develops a mineral property, whether or not that property is
19 currently producing a marketable product;

20 (B) who leases a mineral property and operates that
21 property, whether or not it is producing a marketable product;

22 (C) who leases a mineral property and pays royalties,
23 rents or other payments to the owner of the property; or

24 (D) who has an interest in a lease, concession, joint
25 venture, or other agreement for the exploration or development, or
26 extraction of a mineral property if royalties, rents, or other
27 payments are to be paid for that interest;

28 (8) "department" means the Department of Revenue;

29 (9) "minerals" means asbestos, coal, sulphur, iron ore, lead,

1 zinc, mercury, tin, chromite, bauxite, copper, gold, silver, platinum,
2 potash, clay, stone, sand, gravel, and other valuable metals, ores and
3 marketable earth or stone but not including oil and gas.

4 * Sec. 8. AS 43.65.050 and 43.65.060(1) - (3) are repealed.

5 * Sec. 9. This Act is retroactive to January 1, 1977.

6 * Sec. 10. This Act takes effect immediately in accordance with AS 01.10.
7 070(c).

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Introduced: 1/14/77
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 56

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Mining License Tax;
7 and providing for an effective date."

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

9 * Section 1. AS 43.65.010 is repealed and re-enacted to read:

10 Sec. 43.65.010. MINING LICENSE AND TAX. (a) For the privilege
11 of engaging in the business of mining in the state, a person shall
12 first apply for and obtain a license from the department. The license
13 fee is \$25, which must accompany the application for a license.

14 (b) There is also levied an annual license tax on each person
15 engaging in the business of mining in the state computed on the net
16 proceeds of the taxpayer from the mining business. The license tax
17 shall be computed according to the following table:

18 If the net proceeds are:	Then the tax is:
19 Over \$40,000 but not over	3 per cent of the excess over
20 \$50,000	\$40,000
21 Over \$50,000 but not over	\$300 plus 5 per cent of the
22 \$100,000	excess over \$50,000
23 Over \$100,000	\$2,800 plus 7 per cent of the
24	excess over \$100,000

25 (c) Upon application and receipt of an exemption certificate, a
26 new mining business operation is exempt from the license tax levied by
27 this chapter for three and one-half years after production from the
28 mining business operation begins. The tax exemption granted to new
29 mining business operations does not apply to the business of mining

1 the department the date upon which production began from the mining
2 business operation, and the department shall issue a certificate of
3 exemption to the applicant after this certification. A person must
4 apply for an exemption certificate in the first year of production
5 from the mining business operation in order to qualify for the exemption
6 under this section.

7 (d) If mining business operations are conducted in two or more
8 places within the state by one person, those operations are considered
9 as one mining business, and the tax shall be computed upon the net
10 proceeds of all those mining business operations.

11 * Sec. 2. AS 43.65 is amended by adding new sections to read:

12 Sec. 43.65.015. NET PROCEEDS. (a) In this chapter, "net pro-
13 ceeds" means the total gross receipts from the mining business less
14 the following deductions incurred during the taxable year:

15 (1) all expenses incurred directly in the extraction of
16 minerals in the state;

17 (2) all expenses incurred in transporting the minerals from
18 the point of extraction to any further processing plant where only
19 necessary treatment processes are applied to obtain a commercially
20 marketable product;

21 (3) all expenses directly related to the production, re-
22 fining, crushing, screening or other necessary process incurred to
23 make a commercially marketable product;

24 (4) the actual selling expenses incurred in marketing the
25 product;

26 (5) all expenses incurred in transporting the marketable
27 product to a buyer;

28 (6) depreciator of the mining business equipment, works,
29 plant and facilities used directly in the extraction, transportation

1 and processing phases of the mining business, in accordance with sec.
2 167 of the Internal Revenue Code (26 U.S.C. sec. 1976);

3 (7) amortization of mining development costs not included
4 in (6) of this subsection;

5 (8) an allowance for depletion on a cost or percentage
6 basis at the rates set out in secs. 611 - 614 of the Internal Revenue
7 Code as amended (26 U.S.C. secs. 611 - 614) except that the allowance
8 for depletion may not exceed 50 per cent of the taxpayer's net proceeds
9 calculated before the allowance for depletion.

10 (b) If the taxpayer has expenses within the state other than
11 those specified in (a) of this section, such as general overhead
12 expenses, relating to the business of mining or to the business of
13 mining and other business activities, the deductions shall be appor-
14 tioned in the ratio which the direct expenses of the mining business
15 within the state under (a) of this section bear to the total direct
16 expenses of all business activities of that taxpayer in the state.

17 (c) Except for wages paid during temporary travel out of the
18 state by an employee who is domiciled in the state, the deductions
19 allowed in (a) and (b) of this section do not include wages or other
20 payments for services not performed in the state.

21 (d) If a person is engaged in the business of mining and the
22 only receipts from the business are royalties, the net proceeds of the
23 mining business are the royalties received less the depletion allowance
24 under sec. 15(a)(8) of this chapter.

25 Sec. 43.65.017. GROSS RECEIPTS. (a) In this chapter, "gross
26 receipts" means all revenue received, including royalties, rental pay-
27 ments, and all other compensation from the business of mining. Gross
28 receipts include the actual amount received during the year for the
29 sale of minerals whether or not the minerals were actually extracted

1 during that year.

2 (b) If minerals are sold or transferred at a price other than
3 the true market price, such as when a wholly owned subsidiary transfers
4 or sells the mineral to its parent at a price less than market value,
5 gross receipts are the true market price or average market price per
6 ton or other measurable unit of the mineral multiplied by the total
7 units of the mineral sold or transferred during the year.

8 (c) Gross receipts from the business of mining sand and gravel
9 include:

10 (1) receipts from the sale to customers directly from the
11 pit or mine;

12 (2) receipts from the sale to customers at their place of
13 business or their business site, including receipts relating to the
14 delivery of the sand and gravel; and

15 (3) the average market value of sand and gravel from inter-
16 company transfers of the minerals calculated immediately before the
17 transfer, including intercompany transfers of sand and gravel to a
18 ready-mix or concrete plant.

19 * Sec. 3. AS 43.65.020 is amended to read:

20 Sec. 43.65.020. TAXPAYER'S DUTIES. (a) A person subject to tax
21 under this chapter shall make a return stating specifically the items
22 of gross receipts [INCOME] from the business [PROPERTY], including
23 royalty received and the deductions [AND CREDITS] allowed by this
24 chapter, and other information for carrying out this chapter which the
25 department [DEPARTMENT OF REVENUE] prescribes. The return shall show
26 the mining license number and shall be signed by the taxpayer or his
27 authorized agent, under penalty of perjury. If receivers, trustees,
28 or assigns are operating the mining [PROPERTY OR] business, they shall
29 make returns for the person engaged in the mining business [, OR THE

1 RECIPIENT OF ROYALTY IN CONNECTION WITH MINING PROPERTY]. The tax due
2 on the basis of the returns shall be collected in the same manner as
3 if collected from the person of whose business they have custody and
4 control.

5 (b) A return made on the basis of the calendar year shall be
6 filed [MADE] before March 15 [MAY 1] of the next year. A return made
7 on the basis of a fiscal year shall be filed [MADE] before the fif-
8 teenth [FIRST] day of the third [FIFTH] month of the next fiscal year.

9 (c) The department [DEPARTMENT OF REVENUE] may grant a reasonable
10 extension of time for filing returns, under regulations adopted
11 [PRESCRIBED] by it. Except in the case of a taxpayer going abroad, no
12 extension may be granted [MADE] for more than six months.

13 (d) A [TAXPAYER'S] return shall be filed with [MADE TO] the
14 department [DEPARTMENT OF REVENUE AT JUNEAU] using the same tax year
15 as the person uses in filing his federal income tax return. [A TAX-
16 PAYER SHALL MAKE HIS RETURN EITHER ON A CALENDAR YEAR OR FISCAL YEAR
17 BASIS, IN CONFORMANCE WITH THE BASIS USED IN MAKING HIS RETURN FOR
18 FEDERAL INCOME TAX PURPOSES.]

19 (e) The total amount of tax imposed by this chapter shall be
20 paid on or before the due date of the tax return required under this
21 section [THE 30TH DAY OF APRIL OF THE NEXT CALENDAR YEAR, OR, IF THE
22 RETURN IS MADE ON THE BASIS OF THE FISCAL YEAR, THEN ON THE LAST DAY
23 OF THE FOURTH MONTH OF THE NEXT FISCAL YEAR].

24 (f) [EVERY PERSON PROSECUTING OR ATTEMPTING TO PROSECUTE OR
25 ENGAGING IN THE BUSINESS OF MINING IN THE STATE SHALL COMPLY WITH THE
26 DEPARTMENT'S REGULATIONS AND SHALL KEEP SUCH RECORDS, GIVE SUCH STATE-
27 MENTS UNDER OATH, AND MAKE SUCH RETURNS AS THE DEPARTMENT OF REVENUE
28 PRESCRIBES.]

29 (g) When the department considers it necessary, it may require a

1 person, by notice served upon him, to make a return, give statements
2 under oath, or keep records as it considers sufficient to show whether
3 or not the person is liable for the [TO] tax under this chapter. If a
4 person fails to file a return at the time prescribed by law or regula-
5 tion, or makes, wilfully or otherwise, a false or fraudulent return,
6 the department shall make the return from its own knowledge and from
7 such information as it can obtain [THROUGH TESTIMONY OR OTHERWISE]. A
8 return so made and subscribed by the department is prima facie good
9 and sufficient for all legal purposes.

10 * Sec. 4. AS 43.65.030 is amended to read:

11 Sec. 43.65.030. APPLICATION FOR RENEWALS. A person engaged in
12 the business of mining shall apply [APPLICATION] for a renewal of a
13 mining license each year [SHALL BE MADE] before the 30th day of the
14 first month of the person's tax year [MAY 1 OF EACH YEAR].

15 * Sec. 5. AS 43.65 is amended by adding a new section to read:

16 Sec. 43.65.051. PENALTIES AND INTEREST. (a) If part of a
17 deficiency in the tax is due to fraud with intent to evade the tax,
18 then 50 per cent of the total amount of the deficiency, in addition to
19 the deficiency, shall be assessed and collected. If this penalty is
20 assessed, then the penalty in AS 43.05.220 does not apply.

21 (b) A person who is required under this chapter to pay the tax,
22 make a return, keep records, or supply information who wilfully fails
23 to pay the tax, make the return, keep the records, or supply the
24 information, at the time required by law or regulations, is, in
25 addition to other penalties provided by this chapter, guilty of a
26 misdemeanor, and upon conviction is punishable by a fine of not more
27 than \$1,000, or by imprisonment for not more than one year, or by
28 both.

29 (c) In this section, "person" includes an officer or employee of

1 a corporation or a member or employee of a partnership who is under
2 duty to perform the act in respect to which the violation occurs.

3 (d) A person who wilfully attempts to evade the tax imposed by
4 this chapter is, in addition to other penalties provided by this
5 chapter, guilty of a felony and, upon conviction, shall be fined not
6 more than \$5,000, or imprisoned for not more than five years, or both.

7 (e) A person who wilfully makes and subscribes a return, state-
8 ment, or other document required under this chapter which contains or
9 is verified by a written declaration that it is made under the penal-
10 ties of perjury which he does not believe to be true and correct as to
11 every material matter is, in addition to other penalties provided by
12 this chapter, guilty of a felony and, upon conviction, shall be fined
13 not more than \$5,000, or imprisoned for not more than three years, or
14 both.

15 (f) A person who wilfully or knowingly aids, procures, or
16 counsels the preparation or presentation in connection with any
17 matter arising under this chapter of a return, affidavit, claim or
18 other document, which is fraudulent or is false as to any material
19 matter is guilty of a felony; whether or not the falsity or fraud is
20 with the knowledge or consent of the person required to present the
21 return, affidavit, claim, or document, and, upon conviction, shall be
22 fined not more than \$5,000, or imprisoned for not more than three
23 years, or both.

24 (g) A person who wilfully delivers or discloses to the depart-
25 ment under this chapter any list, return, account, statement, or other
26 document, known by him to be fraudulent or to be false as to any
27 material matter shall be fined not more than \$1,000, or imprisoned for
28 not more than one year, or both.

29 * Sec. 6. AS 43.65.060(4) is amended to read:

1 (4) "new mining business operation [OPERATIONS]" means a
2 mining operation [OPERATIONS] which began production after January 1,
3 1953, and which has not acquired the ownership or property of another
4 mining business which has previously received an exemption certificate
5 under sec. 10 of this chapter [OR WHICH HAVE NOT BEEN LIABLE TO PAY A
6 MINING LICENSE TAX UNDER THIS CHAPTER ON NET INCOME SINCE JANUARY 1,
7 1948];

8 * Sec. 7. AS 43.65.060 is amended by adding new paragraphs to read:

9 (7) "business of mining" means a business operation for the
10 extraction of minerals from the earth or water of the state , operated
11 by a person

12 (A) who (i) owns and operates, (ii) works, or (iii)
13 develops a mineral property, whether or not that property is
14 currently producing a marketable product;

15 (B) who leases a mineral property and operates that
16 property, whether or not it is producing a marketable product;

17 (C) who leases a mineral property and pays royalties,
18 rents or other payments to the owner of the property; or

19 (D) who has an interest in a lease, concession, joint
20 venture, or other agreement for the exploration or development,
21 or extraction of a mineral property if royalties, rents, or other
22 payments are to be paid for that interest;

23 (8) "department" means the Department of Revenue;

24 (9) "minerals" means asbestos, coal, sulphur, iron ore,
25 lead, zinc, mercury, tin, chromite, bauxite, copper, gold, silver,
26 platinum, potash, clay, stone, sand, gravel, and other valuable
27 metals, ores and marketable earth or stone but not including oil and
28 gas.

29 * Sec. 8. AS 43.65.050 and 43.65.060(1) - (3) are repealed.

1 * Sec. 9. This Act is retroactive to January 1, 1977.

2 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
3 10.070(c).

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RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

2/8/90
Date

"An Act relating to risk management and loss prevention in state government; and providing for an effective date."

COMMITTEE REPORT

2-2-77

HOUSE

_____ Date

Mr. Speaker:

The Committee on FINANCE has had HB 57 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____	recommends:	_____
_____	recommends:	_____
_____	recommends:	_____

_____ Chairman

"An Act relating to risk management and loss prevention in state government; and providing for an effective date."

1-14-77

COMMITTEE REPORT

FINANCE

HOUSE

January 27, 1977 Date

Mr. Speaker:

The Committee on JUDICIARY has had HB 57 under consideration. A ~~majority~~ ^{and} of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for HB 57 (same title) and that CS for _____ ~~do pass~~
- (and) recommends it be referred to the _____ committee
- reports it back without ^{individual} recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Terry Gardiner - Do Pass

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

[Signature] recommends: DO NOT PASS

[Signature] recommends: No Rec

Ed Dankworth recommends: No Rec

Terry Gardiner
Chairman

Original sponsor: By the Rules Committee
by request of the Governor

Offered: 2/2/77
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 57

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to risk management and loss prevention
7 in state government; and providing for an effective
8 date."

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

10 * Section 1. AS 44.21 is amended by adding a new section to read:

11 Sec. 44.21.070. RISK MANAGEMENT AND LOSS PREVENTION. (a) The
12 Department of Administration shall initiate and implement a risk manage-
13 ment and loss prevention program for all state departments, agencies,
14 boards and commissions for the purpose of reducing risks, accidents and
15 losses. All state departments, agencies, boards and commissions shall
16 render the necessary cooperation and assistance to the Department of
17 Administration in the initiation, implementation and operation of the
18 risk management and loss prevention program. Nothing in this section
19 relieves other agencies from their statutory responsibilities for safety
20 and loss prevention enforcement and training.

21 (b) There is established a risk management fund, to be adminis-
22 tered by the Department of Administration for the payment of insurance
23 premiums, uninsured losses, deductibles, advance payments of insured
24 losses and other purposes related to insurance and risk management and
25 considered proper by the commissioner of administration. The department
26 shall report to the legislature annually all activities and balances of
27 the fund and the total of any anticipated claims against the fund.

28 (c) The amount of money received by the state from litigation or
29 settlement of claims for damages relating to insured or uninsured losses

1 of the type paid by the risk management fund, and from interest and
2 other returns from investment of the fund, shall be deposited into the
3 general fund at the end of the fiscal year.

4 (d) Money appropriated to the risk management fund is a one-year
5 appropriation under AS 37.25.010.

6 * Sec. 2. This Act takes effect July 1, 1977.
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Introduced: 1/14/77
Referred: Judiciary and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 57

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to risk management and loss preven-
7 tion in state government; and providing for an
8 effective day."

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

10 * Section 1. AS 44.21 is amended by adding a new section to read:

11 Sec. 44.21.060. RISK MANAGEMENT AND LOSS PREVENTION. (a) The
12 Department of Administration shall initiate and implement a risk
13 management and loss prevention program for all state departments,
14 agencies, boards and commissions for the purpose of reducing risks,
15 accidents and losses. All state departments, agencies, boards and
16 commissions shall render the necessary cooperation and assistance to
17 the Department of Administration in the initiation, implementation and
18 operation of the risk management and loss prevention program. Nothing
19 in this section relieves other agencies from their statutory respon-
20 sibilities for safety and loss prevention enforcement and training.

21 (b) There is established a risk management fund, to be administered
22 by the Department of Administration for the payment of insurance
23 premiums, uninsured losses, deductibles, advance payments of insured
24 losses and other purposes considered proper by the commissioner of
25 administration. The department shall report to the legislature twice
26 annually all activities and balances of the fund.

27 (c) The amount of money received by the state from litigation or
28 settlement of claims for damages relating to insured or uninsured
29 losses of the type paid by the risk management fund, and from interest

1 and other returns from investment of the fund, may be appropriated to
2 the fund, for the purposes of this section. In addition, the legis-
3 lature may appropriate any other amounts necessary to implement this
4 section, including premium and program operational costs.

5 (d) Unless otherwise expressly provided, money appropriated to
6 the risk management fund is not a one-year appropriation under AS
7 37.25.010, and any amount which is appropriated but not required for
8 the purposes of the fund in a particular fiscal year remains available
9 for expenditure in succeeding fiscal years.

10 * Sec. 2. This Act takes effect July 1, 1977.

HB 57

January 14, 1977

The Honorable Hugh Malone

Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to risk management and loss prevention. The Department of Administration has requested this measure to allow it to deal more effectively with the insurance coverage demanded by state programs and institutions.

The approach sought here would allow the state to assume higher "deductibles" on insurance coverage if the state's loss experience allows the accumulation of funds in the risk management fund established by the bill. Since higher deductibles result in less insurance risk put out to bid, the result will be a savings to the state. The bill provides for legislative review of fund administration twice a year.

The fund concept is an alternative to a program, also with higher deductibles, in which the state "insures itself" and recoups unexpectedly high losses (as in disaster situations) out of general fund appropriations.

A result of the approach proposed by the Department of Administration will be the elimination of the need for individual agencies to absorb deductibles out of their own program funds; it also will allow the state to replace lost facilities before settlement of insured claims.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 57
 Title An Act Relating Risk Management and Loss Prevention in State Government
 Requested by Governor Date 5/7/75, 12/28/76

II. FISCAL DETAIL

Agency Affected Administration
 Program Category Affected General Government
 Budget Request Unit(s) Affected Risk Management

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE November 24, 1976 PREPARED BY Richard Winchell (12/28)
 AGENCY General Services & Supply
 PHONE 465-2250

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Richard Frazee
 GOVERNOR'S OFFICE (FROM NUMBER)

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 57

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to risk management and loss prevention in state government; and providing for an effective date."

Risk mgmt. and loss prevention

Introduced in the House 1-14, 1977

HISTORY IN THE HOUSE

19 77	Read first time and referred to Committee on												
Jan. 14	Judiciary and Finance												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
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PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed												
	Signed by Speaker												
	Sent to Senate												
	CHIEF CLERK OF THE HOUSE												

HISTORY IN THE SENATE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
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Absent	Absent												
Excused	Excused												
	Reported correctly engrossed												
	Signed by President												
	Returned to House												
	SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.

HB 57

January 14, 1977

The Honorable Hugh Malone

Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to risk management and loss prevention. The Department of Administration has requested this measure to allow it to deal more effectively with the insurance coverage demanded by state programs and institutions.

The approach sought here would allow the state to assume higher "deductibles" on insurance coverage if the state's loss experience allows the accumulation of funds in the risk management fund established by the bill. Since higher deductibles result in less insurance risk put out to bid, the result will be a savings to the state. The bill provides for legislative review of fund administration twice a year.

The fund concept is an alternative to a program, also with higher deductibles, in which the state "insures itself" and recoups unexpectedly high losses (as in disaster situations) out of general fund appropriations.

A result of the approach proposed by the Department of Administration will be the elimination of the need for individual agencies to absorb deductibles out of their own program funds; it also will allow the state to replace lost facilities before settlement of insured claims.

Sincerely,

Jay S. Hammond
Governor

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C - JUNEAU 99811

JAY S. HAMMOND, GOVERNOR

January 19, 1978

Honorable Steve Cowper
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Risk Management Program & Fund CS H.B. 57

Dear Representative Cowper:

It is important that this bill receive priority treatment for the following reasons:

1. To provide clarification of risk management and loss prevention functions in order to effectively preserve and protect the assets of the State by avoiding, reducing, preventing and controlling losses.
2. A fund is required to effectively accomplish the Risk Management objective of reducing the costs of risk through aggressive claims management after a loss has occurred. The current system has built in delays in obtaining funds which creates a hardship for the agency suffering the loss. Usually the operating budget is tapped to cover emergency costs which should properly be provided from a previously appropriated Risk Management budget. Certainly, the short construction season in many of our areas, require that reconstruction and repair decisions be made promptly and funds are required immediately following a fire, flood, or other disaster to provide for: Life Safety requirements, debris removal, security of the building and design and architectural fees. This lack of available funds has been an acute problem in recent years with REAA School fires. The Noorvik/Kotzebue problem is a case in point.

In addition to reconstruction costs, this fund will:

- a. Pay for losses occurring within the State's deductible or retention in a timely manner to achieve a fair but not excessive settlement for the State and for third party claimants.
- b. Promptly settle Workers Compensation and Jones Act Claims by State and contract employees.

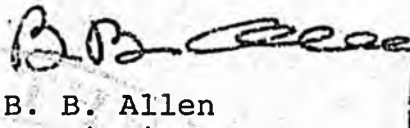
January 19, 1978

c. Promptly pay Risk Management financial obligations such as Insurance Premiums and Broker fees and commissions at terms most favorable to the State.

d. Provide a means of reporting annually to the Legislature all disbursements, pending obligations and current status of the fund. This provides for a more effective measure of control for this important area.

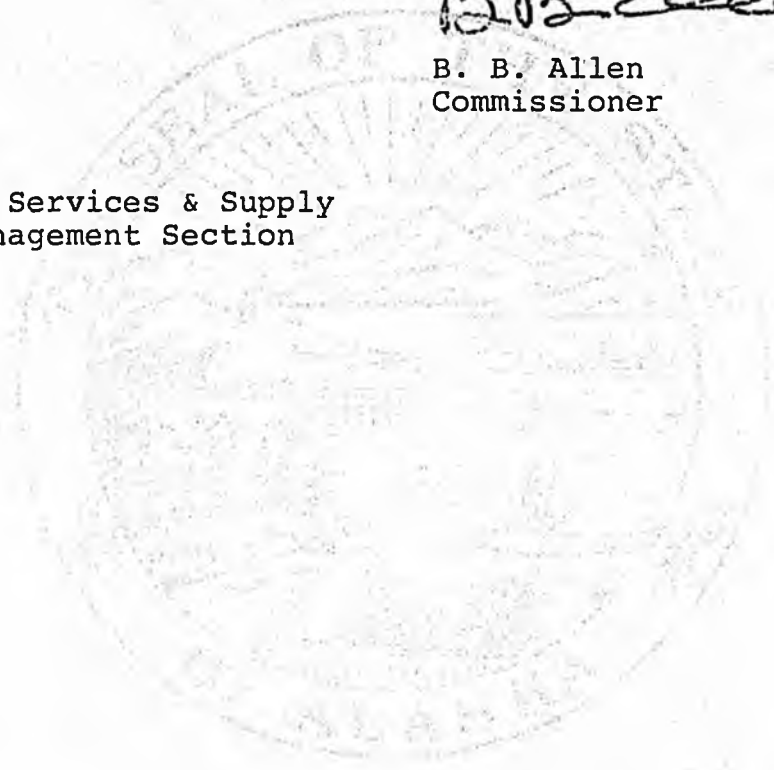
Although the original bill called for a Revolving Fund, we believe that this Committee Substitute substantially meets our requirements by providing funds when needed to meet the State's obligations. I would appreciate your assistance in expediting this bill and John Haywood, the State's Risk Manager, is available to provide additional information as required.

Sincerely,



B. B. Allen
Commissioner

cc: General Services & Supply
Risk Management Section



Original sponsor: By the Rules Committee
by request of the Governor

Offered: 2/2/77
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 57

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to risk management and loss prevention
7 in state government; and providing for an effective
8 date."

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

10 * Section 1. AS 44.21 is amended by adding a new section to read:

11 Sec. 44.21.070. RISK MANAGEMENT AND LOSS PREVENTION. (a) The
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13 ment and loss prevention program for all state departments, agencies,
14 boards and commissions for the purpose of reducing risks, accidents and
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17 Administration in the initiation, implementation and operation of the
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19 relieves other agencies from their statutory responsibilities for safety
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27 the fund and the total of any anticipated claims against the fund.

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3 general fund at the end of the fiscal year.

4 (d) Money appropriated to the risk management fund is a one-year
5 appropriation under AS 37.25.010.

6 * Sec. 2. This Act takes effect July 1, 1977.

Introduced: 1/14/77
Referred: Judiciary and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 57

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16 commissions shall render the necessary cooperation and assistance to
17 the Department of Administration in the initiation, implementation and
18 operation of the risk management and loss prevention program. Nothing
19 in this section relieves other agencies from their statutory respon-
20 sibilities for safety and loss prevention enforcement and training.

21 (b) There is established a risk management fund, to be administered
22 by the Department of Administration for the payment of insurance
23 premiums, uninsured losses, deductibles, advance payments of insured
24 losses and other purposes considered proper by the commissioner of
25 administration. The department shall report to the legislature twice
26 annually all activities and balances of the fund.

27 (c) The amount of money received by the state from litigation or
28 settlement of claims for damages relating to insured or uninsured
29 losses of the type paid by the risk management fund, and from interest

1 and other returns from investment of the fund, may be appropriated to
2 the fund, for the purposes of this section. In addition, the legis-
3 lature may appropriate any other amounts necessary to implement this
4 section, including premium and program operational costs.

5 (d) Unless otherwise expressly provided, money appropriated to
6 the risk management fund is not a one-year appropriation under AS
7 37.25.010, and any amount which is appropriated but not required for
8 the purposes of the fund in a particular fiscal year remains available
9 for expenditure in succeeding fiscal years.

10 * Sec. 2. This Act takes effect July 1, 1977.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 57
 Title An Act Relating Risk Management and Loss Prevention in State Government
 Requested by Governor Date 5/7/75, 12/28/76

II. FISCAL DETAIL
 Agency Affected Administration
 Program Category Affected General Government
 Budget Request Unit(s) Affected Risk Management

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE November 24, 1976 PREPARED BY Richard Winchell
 AGENCY General Services & Supply PHONE 465-2250

Original: Legislative-Finance
 cc: Budget and Management

✓ Prime Sponsor (First Legislator Named) Richard Winchell
 ✓ Richard Winchell

COMMITTEE REPORT

HOUSE

Mr. Speaker:

Date _____

The Committee on Finance has had HB 58

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

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

() recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

1-14-77

COMMITTEE REPORT

FINANCE

HOUSE

1-24-77 Date

Mr. Speaker:

The Committee on HESS has had HB 58

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Special Report</u>	<u>DO Pass</u>	<u>Charles Han</u>
<u>[Signature]</u>	<u>" "</u>	<u>Wesley Baird</u>
<u>[Signature]</u>	<u>" "</u>	<u>Paul E. Phillips</u>
<u>[Signature]</u>	<u>" "</u>	

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

[Signature] recommends: _____

_____ recommends: _____

_____ recommends: _____

Charles Han
Chairman

Introduced: 1/14/77
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 58

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Village Safe Water Act."

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

8 * Section 1. AS 46.07.080(2) is amended to read:

9 (2) "village" means an incorporated or unincorporated
10 community which has between 25 and 600 people residing within a two-
11 mile radius [, OR A SECOND CLASS CITY].

14B58

January 14, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting to you a bill to amend the eligibility coverage for the Village Safe Water Act (AS 46.07).

The Village Safe Water Act currently authorizes grants for water supply and sewerage treatment facilities for villages of between 25 and 600 people and for second class cities. The grant program is designed to provide centralized sanitation facilities in only the smallest villages, where conventional water supply and sewerage systems are impracticable. Systems funded under this Act are unconventional in nature and are designed to provide only the most rudimentary forms of sanitation.

As originally enacted, the Act's benefits extended only to villages of up to 600 people, and fourth class cities. (sec. 1, ch. 186 SLA 1970.) However, when Alaska's municipal law was comprehensively revised in 1972, the fourth class city classification was abolished. (See sec. 2, ch. 118, SLA 1972 and AS 29.-08.030.) All former fourth class cities were statutorily reclassified as second class cities (AS 29.-08.050(b)), and a revisor-of-statutes bill implemented the reclassification throughout the Alaska Statutes (ch. 53 SLA 1973, specifically sec. 53).

HB 58

Under AS 29.08.040, a second class city may petition for an upward reclassification if its population reaches 400. However, as with former fourth class cities, there is no provision for mandatory reclassification, regardless of the population rise which the community may experience. (Also see AS 29.18.020.) Whether this would have created problems under former law is problematical; prior statutes did describe fourth class cities only in terms of small villages. (See sec. 2, ch. 150 SLA 1957.) However, there exist certain second class cities, such as Bethel and Kotzebue, which have not sought reclassification despite having populations significantly in excess of the 400-person threshold for becoming first class cities (AS 29.08.040 and 29.18.010), and well in excess of the otherwise applicable 600-person maximum for participation in the village safe water program. These cities are inappropriately covered under the Village Safe Water Act.

Not only is the village safe water program inappropriate for these larger communities, but a grant to such large communities sufficient to meet the full population's needs would severely impair the program's limited budget.

Therefore, I urge passage of this bill to assure that the Village Safe Water Act serves its basic purpose.

Sincerely,

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

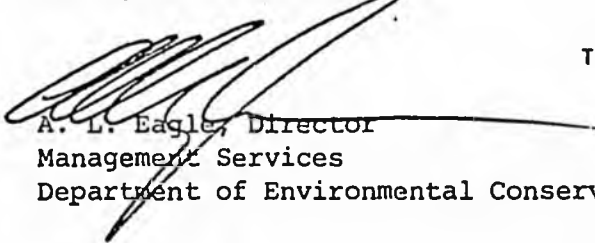
HB 58

TO: Fran Ulmer
Legislative Assistant
Office of the Governor

DATE: December 1, 1976

FILE NO:

TELEPHONE NO: 465-2604

FROM:  A. L. Eagle, Director
Management Services
Department of Environmental Conservation

SUBJECT: Fiscal Note
VSW Clarification Bill

The subject Bill clarifies which classifications of cities are eligible for assistance under the Department's Village Safe Water program. The effect is to exclude certain second class cities which have not sought reclassification from second class to first class status, even though their populations have well exceeded the 400 population reclassification threshold (and in some cases, the 600 population Village Safe Water ceiling). While this Bill might exclude a few large cities inappropriately covered under the Village Safe Water Act, other construction grant assistance programs are available to them. While there might be some saving of Village Safe Water construction funds due to the Bill, there is no tangible impact on the Department's operating budget.

Enclosure

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

I. REQUEST
 Bill No. 14B 58
 Title: Village Safe Water
 Requested by: Governor Date: 12/01/76
 Return Date Requested: ASAP
 Agency: Environmental Conservation Program: NRM&EC

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		\$0.	\$0.	\$0.	\$0.	\$0.

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

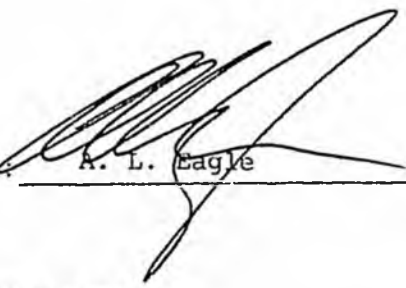
C. POSITIONS:

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

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

See Attached Memorandum.

IV. ATTACHMENTS

V. DATE: 12/01/76 PREPARED BY:  A. L. Eagle

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

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 58

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to the Village Safe Water Act."

Village Safe Water

Introduced in the House 1-14, 1977

HISTORY IN THE HOUSE

19 77	Read first time and referred to Committee on										
Jan. 14	HESS and Finance										
	Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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Nays	Nays										
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Excused	Excused										
	Reconsideration										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed										
	Signed by Speaker										
	Sent to Senate										
CHIEF CLERK OF THE HOUSE											

HISTORY IN THE SENATE

19	Read first time and referred to Committee on										
	Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
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PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed										
	Signed by President										
	Returned to House										
SECRETARY OF THE SENATE											

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.

Introduced: 1/14/77
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 58

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Village Safe Water Act."

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

8 * Section 1. AS 46.07.080(2) is amended to read:

9 (2) "village" means an incorporated or unincorporated
10 community which has between 25 and 600 people residing within a two-
11 mile radius [, OR A SECOND CLASS CITY].

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14358

January 14, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting to you a bill to amend the eligibility coverage for the Village Safe Water Act (AS 45.07).

The Village Safe Water Act currently authorizes grants for water supply and sewerage treatment facilities for villages of between 25 and 600 people and for second class cities. The grant program is designed to provide centralized sanitation facilities in only the smallest villages, where conventional water supply and sewerage systems are impracticable. Systems funded under this Act are unconventional in nature and are designed to provide only the most rudimentary forms of sanitation.

As originally enacted, the Act's benefits extended only to villages of up to 600 people, and fourth class cities. (sec. 1, ch. 186 SLA 1970.) However, when Alaska's municipal law was comprehensively revised in 1972, the fourth class city classification was abolished. (See sec. 2, ch. 118, SLA 1972 and AS 29.-08.030.) All former fourth class cities were statutorily reclassified as second class cities (AS 29.-08.050(b)), and a revisor-of-statutes bill implemented the reclassification throughout the Alaska Statutes (ch. 53 SLA 1973, specifically sec. 53).

HB 58

Under AS 29.03.040, a second class city may petition for an upward reclassification if its population reaches 400. However, as with former fourth class cities, there is no provision for mandatory reclassification, regardless of the population rise which the community may experience. (Also see AS 29.18.020.) Whether this would have created problems under former law is problematical; prior statutes did describe fourth class cities only in terms of small villages. (See sec. 2, ch. 150 SLA 1957.) However, there exist certain second class cities, such as Bethel and Kotzebue, which have not sought reclassification despite having populations significantly in excess of the 400-person threshold for becoming first class cities (AS 29.08.040 and 29.18.010), and well in excess of the otherwise applicable 600-person maximum for participation in the village safe water program. These cities are inappropriately covered under the Village Safe Water Act.

Not only is the village safe water program inappropriate for these larger communities, but a grant to such large communities sufficient to meet the full population's needs would severely impair the program's limited budget.

Therefore, I urge passage of this bill to assure that the Village Safe Water Act serves its basic purpose.

Sincerely,

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

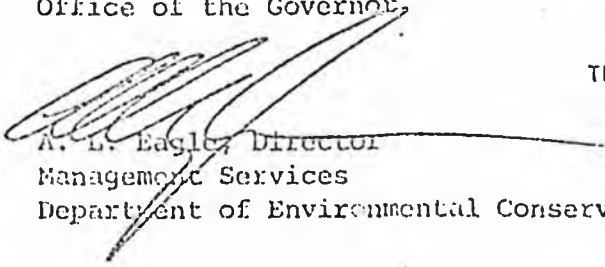
HB 58

TO: Fran Ulmer
Legislative Assistant
Office of the Governor

DATE: December 1, 1976

FILE NO:

TELEPHONE NO: 465-2604

FROM:  A. L. Eagle, Director
Management Services
Department of Environmental Conservation

SUBJECT: Fiscal Note
VSW Clarification Bill

The subject Bill clarifies which classifications of cities are eligible for assistance under the Department's Village Safe Water program. The effect is to exclude certain second class cities which have not sought reclassification from second class to first class status, even though their populations have well exceeded the 400 population reclassification threshold (and in some cases, the 600 population Village Safe Water ceiling). While this Bill might exclude a few large cities inappropriately covered under the Village Safe Water Act, other construction grant assistance programs are available to them. While there might be some saving of Village Safe Water construction funds due to the Bill, there is no tangible impact on the Department's operating budget.

Enclosure

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

I. REQUEST
 Bill No. HB 58
 Title: Village Safe Water
 Requested by: Governor Date: 12/01/76
 Return Date Requested: ASAP
 Agency: Environmental Conservation Program: NR/SEC

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		\$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 Attached Memorandum.

IV. ATTACHMENTS

V. DATE: 12/01/76 PREPARED BY: L. L. Eagle

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

COMMITTEE REPORT
SENATE

2/7/77

January 10, 1978 Date

Mr. President:

The Committee on FINANCE has had HB 59 am
relating to handicapped individuals
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Holman _____

McCall _____

Mr. [unclear] _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

[Signature]
Chairman

Introduced: 1/14/77
Referred: Health, Education &
Social Services

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 59 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 * Section 1. AS 23.15.060(a) is amended to read:

10 (a) The board acting through the division of vocational rehabili-
11 tation may enter into necessary agreements on behalf of the state with
12 the Secretary of Health, Education and Welfare to carry out the pro-
13 visions of the federal Social Security Act, as amended, and as it is
14 subsequently amended, relating to the making of determinations of
15 disability under Title II and Title XVI of that Act.

16 * Sec. 2. AS 23.15.080(b) is repealed and re-enacted to read:

17 (b) In determining the types and extent of vocational rehabilita-
18 tion services to be provided to a handicapped individual, the division
19 shall take into consideration any similar benefits which may be avail-
20 able to the individual under other programs. However, the division
21 will not take other benefits into consideration when doing so would
22 significantly delay the provision of needed services to the handicapped
23 individual. The division need not take other benefits into consideration
24 when they are for:

25 (1) diagnostic and related services (including transportation
26 and subsistence in connection with those services);

27 (2) counseling, guidance, and referral;

28 (3) training, including personal and vocational adjustment
29 training, and necessary training materials;

1 (4) services to members of families of handicapped indivi-
2 duals;

3 (5) job placement; and

4 (6) services necessary to assist handicapped individuals to
5 maintain suitable employment.

6 * Sec. 3. AS 23.15.210(4) is amended to read:

7 (4) "handicapped individual" means an individual having
8 [UNDER] a physical or mental disability which for that individual
9 constitutes or results in a substantial handicap to employment and who
10 can [,BUT WHICH IS OF SUCH A NATURE THAT VOCATIONAL REHABILITATION
11 SERVICES MAY] reasonably be expected to benefit in terms of employ-
12 ability from the provision of vocational rehabilitation services
13 [RENDER HIM FIT TO ENGAGE IN A REMUNERATIVE OCCUPATION];

14 * Sec. 4. AS 23.15.210(5) is amended to read:

15 (5) "individual having [WHO IS UNDER] a physical or mental
16 disability" means an individual who has a physical or mental condition
17 which materially limits, contributes to limiting, or, if not corrected,
18 will probably result in limiting his activities or functioning;

19 * Sec. 5. AS 23.15.210(6) is amended to read:

20 (6) "vocational rehabilitation service" means goods and
21 services, including diagnostic and related services, necessary to
22 enable [RENDER] a handicapped individual [FIT] to engage in gainful
23 employment [A REMUNERATIVE OCCUPATION];

24 * Sec. 6. AS 23.15.210(7) is amended to read:

25 (7) "workshop" means a rehabilitation facility engaged in a
26 production or service operation [PLACE WHERE MANUFACTURE OR HANDIWORK
27 IS CARRIED ON, AND] which is operated for the primary purpose of pro-
28 viding gainful [REMUNERATIVE] employment or professional services to
29 the handicapped [TO SEVERELY HANDICAPPED INDIVIDUALS (A)] as an interim

1 step in the rehabilitation process for those who cannot readily be
2 absorbed in the competitive labor market or [(B)] during times [A
3 TIME] when employment opportunities for them in the competitive labor
4 market do not exist.

5 * Sec 7. AS 23.15.270 is amended to read:

6 ARTICLE 2. GOVERNOR'S COMMITTEE ON EMPLOYMENT
7 OF [PHYSICALLY] HANDICAPPED

8 Sec. 23.15.270. COOPERATION WITH OTHER COMMITTEES AND AGENCIES.

9 The committee shall work in close cooperation with local committees
10 and with the President's Committee on Employment of the [PHYSICALLY]
11 Handicapped to carry out the purpose of secs. 220 - 320 of this chapter
12 more effectively, and with state and federal agencies having responsi-
13 bilities for employment and rehabilitation of the handicapped.

14 * Sec. 8. AS 23.15.290 is amended to read:

15 Sec. 23.15.290. EMPLOY THE [PHYSICALLY] HANDICAPPED WEEK. Each
16 year the governor shall issue a proclamation designating the first
17 full week in May [OCTOBER] as Alaska [NATIONAL] Employ the [PHYSICALLY]
18 Handicapped Week. During this week, appropriate ceremonies shall be
19 held throughout the state for the purpose of enlisting public support
20 for, and interest in the employment of, the [PHYSICALLY] handicapped.
21 The mayors of cities, and heads of government instrumentalities, and
22 leaders of industry and business, educational and religious groups,
23 labor, veterans, women, farm, scientific and professional, and all
24 other interested organizations and individuals shall be invited to
25 participate.

26 * Sec. 9. This Act takes effect immediately in accordance with AS
27 01.10.070(c).
28
29

HB 59

January 14, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to handicapped individuals. The bill makes certain changes to those portions of AS 23.15 dealing with vocational rehabilitation and with the Governor's Committee on Employment of the Physically Handicapped.

Section 1 of the bill would authorize the division of vocational rehabilitation of the Department of Education to make disability determinations under Title XVI (supplemental security income) of the Social Security Act, as well as Title II (old age, survivors, and disability insurance benefits) as is currently authorized under AS 23.15.060(a).

Section 2 of the bill repeals and re-enacts AS 23.-15.080(b) to bring the state into conformity with certain federal requirements by removing the present implication that some vocational rehabilitation services may only be provided to handicapped individuals who satisfy a "means" or "needs" test. The new subsection still calls for the division to take into account other benefits available to a handicapped individual, but would not require this to be done with respect to certain enumerated benefits or where doing so would significantly delay provision of service to the individual.

Sections 3, 4, 5, and 6 amend some of the definitions of terms which are used in AS 23.15.010 - 23.15.210 to make them more consistent with federal requirements.

Sections 7 and 8 would amend portions of AS 23.15.220 - 23.15.320 dealing with the Governor's Committee on Employment of Physically Handicapped by eliminating

References to physical handicaps so that the committee and the statutes would address both mental and physical handicaps. Section 8 would also change the official Employ the Handicapped Week in Alaska from October to May. It is felt that May is more appropriate in Alaska since it is at about that time that the economy starts its normal yearly expansion, whereas in October layoffs have begun and employment has started tightening up for the winter months.

Sincerely,

Jay S. Hammond
Governor

Introduced: 1/14/77
Referred: Health, Education &
Social Services

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 59

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 * Section 1. AS 23.15.060(a) is amended to read:

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11 tation may enter into necessary agreements on behalf of the state with
12 the Secretary of Health, Education and Welfare to carry out the pro-
13 visions of the federal Social Security Act, as amended, and as it is
14 subsequently amended, relating to the making of determinations of
15 disability under Title II and Title XVI of that Act.

16 * Sec. 2. AS 23.15.080(b) is repealed and re-enacted to read:

17 (b) In determining the types and extent of vocational rehabilita-
18 tion services to be provided to a handicapped individual, the division
19 shall take into consideration any similar benefits which may be avail-
20 able to the individual under other programs. However, the division
21 need not take other benefits into consideration when doing so would
22 significantly delay the provision of needed services to the handicapped
23 individual or when they are for:

24 (1) diagnostic and related services (including transportation
25 and subsistence in connection with those services);

26 (2) counseling, guidance, and referral;

27 (3) training, including personal and vocational adjustment
28 training, and necessary training materials;

29 (4) services to members of families of handicapped indivi-

1 duals;

2 (5) job placement; and

3 (6) services necessary to assist handicapped individuals to
4 maintain suitable employment.

5 * Sec. 3. AS 23.15.210(4) is amended to read:

6 (4) "handicapped individual" means an individual having
7 [UNDER] a physical or mental disability which for that individual
8 constitutes or results in a substantial handicap to employment and who
9 can [,BUT WHICH IS OF SUCH A NATURE THAT VOCATIONAL REHABILITATION
10 SERVICES MAY] reasonably be expected to benefit in terms of employ-
11 ability from the provision of vocational rehabilitation services
12 [RENDER HIM FIT TO ENGAGE IN A REMUNERATIVE OCCUPATION];

13 * Sec. 4. AS 23.15.210(5) is amended to read:

14 (5) "individual having [WHO IS UNDER] a physical or mental
15 disability" means an individual who has a physical or mental condition
16 which materially limits, contributes to limiting or, if not corrected,
17 will probably result in limiting his activities or functioning;

18 * Sec. 5. AS 23.15.210(6) is amended to read:

19 (6) "vocational rehabilitation service" means goods and
20 services, including diagnostic and related services, necessary to
21 enable [RENDER] a handicapped individual [FIT] to engage in gainful
22 employment [A REMUNERATIVE OCCUPATION];

23 * Sec. 6. AS 23.15.210(7) is amended to read:

24 (7) "workshop" means a rehabilitation facility engaged in a
25 production or service operation [PLACE WHERE MANUFACTURE OR HANDIWORK
26 IS CARRIED ON, AND] which is operated for the primary purpose of pro-
27 viding gainful [REMUNERATIVE] employment or professional services to
28 the handicapped [TO SEVERELY HANDICAPPED INDIVIDUALS (A)] as an interim
29 step in the rehabilitation process for those who cannot readily be

1 absorbed in the competitive labor market or [(B)] during times [A
2 TIME] when employment opportunities for them in the competitive labor
3 market do not exist.

4 * Sec 7. AS 23.15.270 is amended to read:

5 ARTICLE 2. GOVERNOR'S COMMITTEE ON EMPLOYMENT
6 OF [PHYSICALLY] HANDICAPPED

7 Sec. 23.15.270. COOPERATION WITH OTHER COMMITTEES AND AGENCIES.

8 The committee shall work in close cooperation with local committees
9 and with the President's Committee on Employment of the [PHYSICALLY]
10 Handicapped to carry out the purpose of secs. 220 - 320 of this chapter
11 more effectively, and with state and federal agencies having responsi-
12 bilities for employment and rehabilitation of the handicapped.

13 * Sec. 8. AS 23.15.290 is amended to read:

14 Sec. 23.15.290. EMPLOY THE [PHYSICALLY] HANDICAPPED WEEK. Each
15 year the governor shall issue a proclamation designating the first
16 full week in May [OCTOBER] as Alaska [NATIONAL] Employ the [PHYSICALLY]
17 Handicapped Week. During this week, appropriate ceremonies shall be
18 held throughout the state for the purpose of enlisting public support
19 for, and interest in the employment of, the [PHYSICALLY] handicapped.
20 The mayors of cities, and heads of government instrumentalities, and
21 leaders of industry and business, educational and religious groups,
22 labor, veterans, women, farm, scientific and professional, and all
23 other interested organizations and individuals shall be invited to
24 participate.

25 * Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-
26 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 59
 Title "Relating to handicapped individuals"
 Requested by Office of the Governor Date Dec. 14, 1976

II. FISCAL DETAIL
 Agency Affected Education
 Program Category Affected Social Services
 Budget Request Unit(s) Affected Vocational Rehabilitation

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-		

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE Dec. 14, 1976 PREPARED BY Wm. D. Thomson, Dir. Mgm. Law & Finance
 AGENCY Education
 PHONE 465-2800
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)