

LEG. FINANCE - BILLS 1977 - 1978 654
HB 61 thru HB 70



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

COMMITTEE REPORT
SENATE

5/20/77

June 9, 1978

Date

Mr. President:

The Committee on FINANCE has had HB 61
collection and deposit of public funds by Dept. of Revenue
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>Mr. [Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

[Signature]
Chairman

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

JAY S. HAMMOND, GOVERNOR

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH SB
JUNEAU, ALASKA 99811

June 7, 1978



The Honorable John Sackett
Alaska State Senator
State Capitol
Juneau, Alaska 99811

Dear Senator Sackett:

As indicated in previous conversations, an amendment may be in order to alleviate any problems concerning the consolidation of warrant redemption accounts by the Department of Revenue. The attached revision proposal should clear up the problem.

Sincerely,



Peter A. Bushre
Acting Deputy Commissioner

PAB:ge
Enclosure

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

* Section 1. AS 43 is amended as follows:

Sec. 43.05.170. PAYMENT OF WARRANTS. Upon presentation for payment the Department of Revenue shall pay all warrants drawn by the Department of Administration against the State treasury, which have been properly endorsed and have not been cancelled by law. The Commissioner of Revenue may designate one or more agents at his option for the purpose of redeeming State warrants, and he may require that such agents be used exclusively for the purpose of redeeming State warrants. Warrants made payable to two or more persons in an amount less than \$50 may be paid if endorsed by only one of the designated payees. (§ 7-1-6(c) ACLA 1949; am § 20 ch 186 SLA 1957; am § 1 ch 44 SLA 1969).

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

HB 61

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 61
 Title An Act relating to the Collection and Deposit of Public Funds by Dept. of Revenue
 Requested by The Rules Committee Date January 10 1977

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected General Government
 Budget Request Unit(s) Affected Treasury Management

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-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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

Legislation has no fiscal impact on the Department of Revenue

IV. DATE January 10, 1977

PREPARED BY *Jim Deane*
 AGENCY Department of Revenue/Treasury
 PHONE 465-2350

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

HB 61

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 24.30.050(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill which is aimed at promoting more efficient procedures relating to the collection and deposit of public funds by the commissioner of revenue.

Sections 1 and 2 of the bill amend AS 37.10.075(b) and (d), respectively. Presently, subsection (b) requires all banks which hold state funds to pay interest on those deposits. Subsection (d), however, provides for an exception to (b) and allows certain state funds to be kept in non-interest-bearing active or demand deposits. The use of the money deposited constitutes the bank's compensation for services rendered the state in cashing and clearing state warrants. The amendments proposed by this bill would accomplish two main goals. First, the Department of Revenue would be authorized to deposit these funds in non-interest-bearing time deposits. This would benefit both the state and the bank since the federal reserve deposit requirements are lower on time deposits than they are on demand deposits and this would, therefore, reduce the amount of compensating balances the state would have to maintain on deposit with a particular bank. Secondly, the decision as to the manner and amount of compensation in each case is left to the discretion of the commissioner of revenue, thus freeing him to negotiate the best deal for the state with the various depositories.

Section 3 of the bill repeals AS 43.05.100(a) which presently requires the Department of Revenue upon receipt of any state revenue to immediately issue a receipt to a taxpayer. This places an impossible administrative burden on the department and is in most cases unnecessary since the taxpayer's cancelled check constitutes sufficient evidence of payment. In addition, the department would remain willing to issue receipts in those rare instances where a particular taxpayer specifically requests one, such as when payment is tendered in cash.

Section 4 of the bill amends AS 43.05.150(a) by eliminating the requirement that the department deposit public funds in a bank physically located nearest the place where the funds are located. This requirement unduly hampers the efficient deposit and transfer of public funds to those banks more conveniently and centrally located and better equipped to handle large-scale transactions, and it restricts the state's ability to seek and obtain the highest returns for its deposits.

Sincerely,

Jay S. Hammond
Governor

In SFC 5/20/77

Introduced: 1/14/77
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 61

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 collection and deposit of
7 public funds by the Department of Revenue."

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

9 * Section 1. AS 37.10.075(b) is amended to read:

10 (b) The commissioner of revenue may require the banks in which
11 state funds are deposited under a time deposit agreement to [SHALL]
12 pay at least a minimum interest rate to be fixed by the Department of
13 Revenue, and this interest when paid shall be deposited in the general
14 fund or in the other funds which are established by law.

15 * Sec. 2. AS 37.10.075(d) is amended to read:

16 (d) The Department of Revenue may deposit funds in banks inside
17 or outside the state [IN ACTIVE ACCOUNTS OR ON DEMAND DEPOSITS] without
18 requiring those banks in which the funds [ACCOUNTS] are deposited to
19 pay interest on the deposits. It is the intention of the legislature
20 that the department may [SHALL KEEP ACTIVE DEPOSITS IN ANY BANK IT
21 CONSIDERS DESERVING, AND THAT, TO PARTIALLY] compensate the banks for
22 clearing [CASHING] state warrants in a manner determined by the
23 commissioner of revenue to be in the best interests of the state
24 [THEIR REGULAR COURSE OF BUSINESS, NO INTEREST SHALL BE PAID ON THE
25 DEPOSITS].

26 * Sec. 3. AS 43.05.100(a) is repealed.

27 * Sec. 4. AS 43.05.150(a) is amended to read:

28 (a) The Department of Revenue shall demand, sue for, collect,
29 receive, and safely keep all money of the state which is not by law

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

HB 61

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 61
 Title An Act relating to the Collection and Deposit of Public Funds by Dept. of Revenue
 Requested by The Rules Committee Date January 10, 1977

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

EXPENDITURES (Thousands of Dollars)

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POSITIONS

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PART TIME						
TEMPORARY						

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

Legislation has no fiscal impact on the Department of Revenue

IV. DATE January 10, 1977 PREPARED BY [Signature]
 AGENCY Department of Revenue/Treasury
 PHONE 465-2350
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

In SFC 5/20/77

Introduced: 1/14/77
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 61

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

HB 61

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 AGENCY Department of Revenue/Treasury
 PHONE 465-2350

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

HB 61

January 14, 1977

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

Dear Mr. Speaker:

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Sincerely,

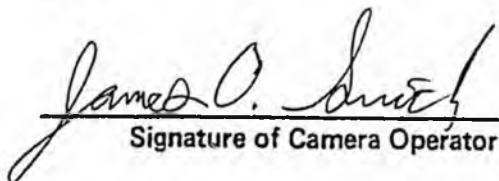
Jay S. Hammond
Governor

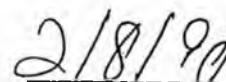


RECORDS CERTIFICATION



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Signature of Camera Operator


Date

1-14-77

COMMITTEE REPORT

HOUSE

7-27-77

Date

Mr. Speaker:

The Committee on FINANCE has had HB 61

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

Introduced: 1/14/77
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 61

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

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Introduced: 1/14/77
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 61

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

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James O. Smith
Signature of Camera Operator

2/8/90
Date

COMMITTEE REPORT

1/28/77

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HR 66

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

1-17-77

COMMITTEE REPORT

FINANCE

HOUSE

1/27/77 Date

Mr. Speaker:

The Committee on C&RA has had HB 66 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:

Eric Rudd - do pass Radell E. Phillip Do Pass
Al Ose " "
Merle H. Snider " "
Sally Smith " "

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Eric W. Fulton recommends: do not pass
Tim Reedy recommends: do not pass
 _____ recommends: _____

Eric Rudd
Chairman

AMENDMENT #1

OFFERED IN THE HOUSE:

BY: Community & Regional Aff.

To: _____ HOUSE BILL No. 66

SENATE BILL No. _____

PAGE: 1

LINE: 21

DELETE:

~~in ordinance codification and statutory interpretation~~

PAGE: 2

LINE: 13

DELETE:

~~in ordinance codification and statutory interpretation~~

Introduced: 1/17/77
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 66

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 community legal assistance
7 fund."

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

9 * Section 1. AS 44.47.200 is amended to read:

10 ARTICLE 6. COMMUNITY LEGAL ASSISTANCE [GRANTS].

11 Sec. 44.47.200. COMMUNITY LEGAL ASSISTANCE [GRANT] FUND. (a)

12 There is created in the Department of Community and Regional Affairs
13 the community legal assistance [GRANT] fund. From legislative appro-
14 priations to the fund, the department may [SHALL] make grants to
15 eligible communities and regions for the purpose of enabling them to
16 obtain legal assistance.

17 (b) All legal assistance provided under this section shall be
18 rendered by private attorneys, except that the Department of Community
19 and Regional Affairs may contract with the Department of Law to
20 provide direct legal assistance to an eligible community or region for
21 legal assistance in ordinance codification and statutory interpretation
22 when that assistance is not related to litigation in which the eligible
23 community or region is a party.

24 (c) Nothing in this section prohibits an eligible community or
25 region from using the legal assistance provided under this section in
26 proceedings in which the state is a party.

27 * Sec. 2. AS 44.47.210 is amended to read:

28 Sec. 44.47.210. ELIGIBILITY. First and second class cities and
29 unincorporated villages, and regional associations of those communities,

1 may apply to the department for legal assistance [A GRANT] under sec.
2 200 of this chapter. Legal assistance [GRANTS] shall be provided
3 [MADE] only to those communities or regions that would otherwise be
4 unable to obtain legal assistance. No regional or village corporation
5 formed under the Alaska Native Claims Settlement Act (P.L. 92-203) is
6 eligible for legal assistance [A GRANT] under sec. 200 of this chapter.
7 * Sec. 3. AS 44.47.220 is amended to read:

8 Sec. 44.47.220. COMMUNITY LEGAL ASSISTANCE [GRANTS]. Legal
9 assistance [GRANTS] provided [MADE] under sec. 200 of this chapter
10 shall be used for a single legal project and not for the provision of
11 general legal counsel, except that the Department of Community and
12 Regional Affairs may contract with the Department of Law to provide
13 legal assistance in ordinance codification and statutory interpretation
14 when that assistance is not related to litigation in which the community
15 or region receiving the assistance is a party. The Department of
16 Community and Regional Affairs [DEPARTMENT] shall assure that any
17 [THE] grant made is spent for necessary legal assistance and that
18 appropriate accounting procedures are maintained. Grants may not
19 exceed \$20,000.

20 * Sec. 4. AS 44.47.230 is amended to read:

21 Sec. 44.47.230. REGULATIONS. The department shall adopt regu-
22 lations to carry out the purpose [PURPOSES] of secs. 200 - 220 of this
23 chapter.
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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. 1LB66
 Title An Act relating to the community legal assistance fund.
 Requested by Comm & Reg Affairs, Office of the Governor Date December 15, 1976

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs, Div of Local Government Asst
 Program Category Affected Development
 Budget Request Unit(s) Affected Community Legal Assistance

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
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

FUNDING (Thousands of Dollars)

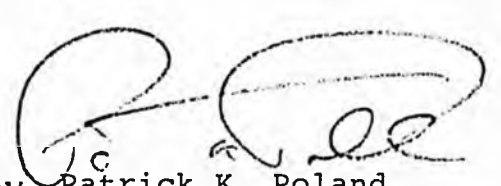
	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

Passage of the proposed amendment would allow the Department, at it's option, to contract with the Department of Law for the purposes of ordinance codification and statutory interpretation rather than making grants to communities for contracts with private attorneys to provide the same service. It is anticipated that the communities would realize a substantial savings.



IV. DATE December 28, 1976 PREPARED BY Patrick K. Poland
 AGENCY Local Government Asst, Comm & Reg Affairs
 PHONE 465-4737
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

14B66

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 community legal assistance fund (AS 44.47.200 - 44.47.230). This bill will permit the Department of Community and Regional Affairs, using funds from the community legal assistance fund, to contract directly with the Department of Law to provide direct legal assistance to eligible communities or regions in the limited areas of ordinance codification and statutory interpretation when that interpretation is not related to litigation in which the eligible community or region is a party.

The bill is designed to remedy a deficiency in the existing community legal assistance program. Existing statutes do not permit community legal assistance funds to be expended for general legal work such as ordinance codification and statutory interpretation. Review of the program during FY 1976 showed that most of the applications received requested this kind of assistance. As a result, only two applications (seeking legal costs for developing ordinances related to specific, unique situations) were approved. The amendments in this bill will permit community legal assistance funds to be used for the limited purposes of ordinance codification and statutory interpretation not related to litigation, the two areas of eligible communities' greatest need, while continuing to provide for retention of private attorneys to handle specific problems as originally contemplated.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

14B66

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 community legal assistance fund (AS 44.47.200 - 44.47.230). This bill will permit the Department of Community and Regional Affairs, using funds from the community legal assistance fund, to contract directly with the Department of Law to provide direct legal assistance to eligible communities or regions in the limited areas of ordinance codification and statutory interpretation when that interpretation is not related to litigation in which the eligible community or region is a party.

The bill is designed to remedy a deficiency in the existing community legal assistance program. Existing statutes do not permit community legal assistance funds to be expended for general legal work such as ordinance codification and statutory interpretation. Review of the program during FY 1976 showed that most of the applications received requested this kind of assistance. As a result, only two applications (seeking legal costs for developing ordinances related to specific, unique situations) were approved. The amendments in this bill will permit community legal assistance funds to be used for the limited purposes of ordinance codification and statutory interpretation not related to litigation, the two areas of eligible communities' greatest need, while continuing to provide for retention of private attorneys to handle specific problems as originally contemplated.

Under the bill, the legal assistance given in these limited areas will be rendered by the Department of Law under a standard "agreement for services" with the Department of Community and Regional Affairs. Private attorneys currently are asking approximately \$75 per hour, and cash grants from the fund to each eligible community or region for assistance in these areas would quickly exhaust the fund. The direct legal assistance rendered by the Department of Law is expressly limited to the areas of ordinance codification and statutory interpretation, and then only when it is not related to litigation in which the eligible community or region is a party. Cash grants will still be available to eligible communities and regions to retain private counsel when they are involved in litigation or require legal assistance other than ordinance codification or statutory interpretation.

The bill also provides expressly that there is no prohibition on the use of community legal assistance funds in any proceeding in which the state may also be a party.

Sincerely,

Jay S. Hammond
Governor

ALASKA STATE LEGISLATURE

TENTH. Legislature FIRST. Session

HOUSE BILL NO. 66

By THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

"An Act relating to the community
legal assistance fund."

Community legal asst. fund

Introduced in the House ... 1-17....., 19.77.

HISTORY IN THE HOUSE

19 77

Jan. 17

Read first time and referred
to Committee on
C&RA 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 amend-
ment; 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: 1/17/77
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 66

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 community legal assistance
7 fund."

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

9 * Section 1. AS 44.47.200 is amended to read:

10 ARTICLE 6. COMMUNITY LEGAL ASSISTANCE [GRANTS].

11 Sec. 44.47.200. COMMUNITY LEGAL ASSISTANCE [GRANT] FUND. (a)

12 There is created in the Department of Community and Regional Affairs
13 the community legal assistance [GRANT] fund. From legislative appro-
14 priations to the fund, the department may [SHALL] make grants to
15 eligible communities and regions for the purpose of enabling them to
16 obtain legal assistance.

17 (b) All legal assistance provided under this section shall be
18 rendered by private attorneys, except that the Department of Community
19 and Regional Affairs may contract with the Department of Law to
20 provide direct legal assistance to an eligible community or region for
21 legal assistance in ordinance codification and statutory interpretation
22 when that assistance is not related to litigation in which the eligible
23 community or region is a party.

24 (c) Nothing in this section prohibits an eligible community or
25 region from using the legal assistance provided under this section in
26 proceedings in which the state is a party.

27 * Sec. 2. AS 44.47.210 is amended to read:

28 Sec. 44.47.210. ELIGIBILITY. First and second class cities and
29 unincorporated villages, and regional associations of those communities,

1 may apply to the department for legal assistance [A GRANT] under sec.
2 200 of this chapter. Legal assistance [GRANTS] shall be provided
3 [MADE] only to those communities or regions that would otherwise be
4 unable to obtain legal assistance. No regional or village corporation
5 formed under the Alaska Native Claims Settlement Act (P.L. 92-203) is
6 eligible for legal assistance [A GRANT] under sec. 200 of this chapter.

7 * Sec. 3. AS 44.47.220 is amended to read:

8 Sec. 44.47.220. COMMUNITY LEGAL ASSISTANCE [GRANTS]. Legal
9 assistance [GRANTS] provided [MADE] under sec. 200 of this chapter
10 shall be used for a single legal project and not for the provision of
11 general legal counsel, except that the Department of Community and
12 Regional Affairs may contract with the Department of Law to provide
13 legal assistance in ordinance codification and statutory interpretation
14 when that assistance is not related to litigation in which the community
15 or region receiving the assistance is a party. The Department of
16 Community and Regional Affairs [DEPARTMENT] shall assure that any
17 [THE] grant made is spent for necessary legal assistance and that
18 appropriate accounting procedures are maintained. Grants may not
19 exceed \$20,000.

20 * Sec. 4. AS 44.47.230 is amended to read:

21 Sec. 44.47.230. REGULATIONS. The department shall adopt regu-
22 lations to carry out the purpose [PURPOSES] of secs. 200 - 220 of this
23 chapter.
24
25
26
27
28
29



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

2/8/90
Date

COMMITTEE REPORT

SENATE

5/18/77

Date _____

Mr. President:

The Committee on Finance has had CSHB 67 am
Uniform Land Sales Practices Act
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>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

Chairman

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

HB 67

DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

POUCH D - JUNEAU 99811

April 14, 1977

The Honorable Jalmar Kerttula and
The Honorable Edward Willis
Co-chairmen
Senate State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Messrs. Chairmen:

Thank you for requesting our comments on HB 67 (an Act relating to the Uniform Land Sales Practices Act).

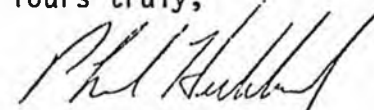
The bill would amend AS 34.55 to extend registration and disclosure requirements to sale of land located in Alaska. It also adds a new section, specifically prohibiting fraudulent practices in connection with the sale of subdivided land.

As you are aware, there have been several instances of land sales fraud in Alaska during the past years. We anticipate an increase in this activity, unless developers are subject to a degree of regulation.

I am enclosing copies of testimony and correspondence presented to the House committees by Julius Brecht, Director of Banking and Securities, which fully explain the bill and provide a section analysis.

We would urge favorable action on this legislation, and would appreciate the opportunity to testify before the committee.

Yours truly,



H. Phillip Hubbard
Commissioner

Enclosures

Testimony of Julius J. Brecht, Director
Division of Banking & Securities
Department of Commerce & Economic Development
before
House Commerce Committee
January 26, 1977

Good morning, Mr. Chairman and members of the committee. I want to thank you for allowing me to appear before you on behalf of the administration to discuss HB 67.

The bill before you proposes to amend the Uniform Land Sales Practices Act, AS 34.55, to bring Alaskan subdivisions under it. In addition, the bill strengthens the fraud provisions of the Act. However, Alaskan subdividers are expressly exempted from registration with the Department of Commerce & Economic Development under AS 34.55.

I have distributed to each of you a file containing a copy of the bill, a copy of the Act, a memorandum from me to the committee dated January 17, 1977, and a fiscal note. The memorandum outlines the provisions of HB 67.

In order to place the bill before you in the proper context, I would like briefly to discuss the purpose of the Uniform Land Sales Practices Act. In this way I believe you will be better able to see why I propose the amendments found in HB 67.

Some number of years ago, land speculators in Florida, Arizona and other sunny areas of the United States bought up large tracts of land. They then subdivided it and embarked on national advertising campaigns in cooler northern areas of the country offering a "slice of heaven on earth." What a number of the unscrupulous speculators did not tell the public in a number of cases was that the land was under water, or desert, or that there were no roads, sewers, lights, or other improvements. Furthermore, in many cases there were no plans for improvements in the near future.

Many individuals purchased lots in these subdivisions without first inspecting them, only to find out too late that they had been swindled. The federal government stepped in to regulate these operations. At the same time, a number of states enacted legislation to protect their citizens. At present there are about 42 jurisdictions that have land sales acts similar to AS 34.55.

All of these jurisdictions including Alaska require that a person who wishes to sell land located outside of a state to individuals located within that state must first apply for registration of the offering with that state. The registration process is to ensure full and fair disclosure to the investing public. That is, it is alright to offer to sell swamp land if the offeror-promoter discloses that it is swamp land.

However, while the vast majority of the 42 jurisdictions having land sale acts apply the registration procedure to subdivisions located within the state, the Alaska act does not.

MEMORANDUM

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

TO: Members of the Committee

DATE : January 17, 1977

FROM: Julius J. Brecht, Director
Division of Banking and Securities
Department of Commerce and
Economic DevelopmentSUBJECT: House Bill No. 67
Narrative Supplement
Uniform Land Sales Practices Act

The overall effect of this legislation is to bring Alaska subdivisions under strengthened fraud provisions of the Alaska Uniform Land Sales Practices Act while exempting them from the burden of duplicate registration under our act and the Federal Interstate Land Sales Disclosure Act.

The proposed legislation amends the Alaska Uniform Land Sales Practices Act (AS 34.55) in several sections. Perhaps the best way to present the purpose and scope of each amendment is to discuss them in the order that they appear on the bill now before you.

Proposed Section 34.55.006 is a new section which we feel is required to strengthen the fraud provisions of the act. Under existing law only the registered printed public offering statement is subject to the fraud provisions. This amendment will provide protection from fraudulent verbal as well as fraudulent written statements. It will make agents and salespeople responsible for willful misrepresentation regardless of whether or not there is a requirement for registration under Section .008 of the act. In other words, it will be unlawful to defraud whether or not registration is required.

Proposed Section 34.55.008 amends the existing law to bring in-state subdivisions under the registration provisions of the act provided they are not exempted by Section .042 which will be discussed in turn. The basic premise is that, unless otherwise exempted all Alaska subdivisions will be subject to the same disclosure and fair practice standards that are presently required of "out-of-state" subdivisions.

Proposed Section 34.55.022(b) is purely a housekeeping amendment and permits the direct appointment of an investigative officer without the necessity of promulgating the regulation as the occasion arises.

The existing Section .028 is repealed and reenacted in the proposed two part amendment. Proposed Section .028(a) provides for a felony penalty where there is a willful violation of Section .006 or Section .008 of the act. As previously discussed these sections deal with the selling of unregistered land, selling land without a public offering statement, and fraud and deception in representations concerning the land offered for sale.

In the recent past, there has been a dramatic increase in subdivision offerings where the land is located within the state. Unfortunately, there have been a number of developers that have been less than candid with Alaskan purchasers. Subdivisions of more than 50 lots are suppose to be registered with the U.S. Department of Housing & Urban Development. However, HUD has been, to say the least, inattentive to administering the registration of subdivisions located in Alaska.

The net effect of the loophole in the Alaska law and the lack of regulation by HUD is that the Alaskan investor is unprotected from land sale fraud and misrepresentation in his own state.

The bill before you corrects this loophole by expressly providing that it is unlawful for a person to defraud another in the sale of subdivided land. In addition, the penalties upon conviction for defrauding the public are increased to \$50,000 and/or one to five years imprisonment.

The bill does not create an additional burden on developers. No additional filings or reports are required by the bill.

The bill has undergone extensive review by the Alaska Realtors Association and the Anchorage Realtors Association. Valuable comments have been received from members of those two associations and have been folded into the bill before you. These associations fully support the bill as being a means of protecting honest realtors as well as the Alaskan investing public.

I urge the members of the committee to consider thoughtfully the provisions of HB 67.

Thank you again for the opportunity to appear before you to discuss this proposed legislation.

STATE
of ALASKA

MEMORANDUM

OPR: James L. Thompson
Security Examiner
927

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

TO: Members of the Committee

DATE: February 1, 1977

FILE NO:

TELEPHONE NO:

FROM: Julius J. Brecht, Director *AB*
Division of Banking and Securities

SUBJECT: HB 67 Proposed Amendments

Subsequent to my testimony to the House Commerce Committee regarding HB 67, members of the real estate industry have expressed concern that two areas of the bill need clarification. Upon review of this, the Division of Banking and Securities in concert with the Alaska Realtors Association is proposing to your committee two housecleaning amendments that would not change the thrust or substance of HB 67 in any way but would more completely enunciate the 50 sale exemption and the term "common promotional plan." The result of these amendments would be to clarify the language of the proposed act.

The first amendment is to add the word "subdivider" and delete the word "a person" in two places in Section 7 of HB 67. This section would then read:

Section 7. AS 34.55.042(a)(2) is amended to read: If fewer than ten separate lots, parcels, or units or interests in subdivided land located outside this state are offered by a subdivider [a person] in a period of 12 months, or if fewer than 50 separate lots, parcels, units or interests in subdivided land located within this state are offered by a subdivider in a period of 12 months.

The second amendment is to add the following language to the end of Section 8:

Section 8. AS 34.55.044(6) is amended to read: (6)..... of advertising and sale. [;] If the land is contiguous or is known, designated, or advertised as a common unit or by a common name the land shall be presumed, without regard to the number of lots covered by each individual offering, as being offered for disposition as part of a common promotional plan.

JJB/ejc 2/2

The proposed amendment to Section .030, civil remedy, merely adds the new section at .006 as cause for remedy. There are no other changes to this section.

Proposed amendment to Section .032 extends the jurisdiction of the chapter to subdivided land located in this State consistent with the provisions of the amendments as discussed in Section .006 and .008 above.

The proposed amendments and Section .042 (exemptions) constitute the meat of the proposed legislation. Section .042(a) is amended by adding the word "registration" to the exemption language, thus the enumerated exempt transactions would be exempt from the registration provisions in the act, but would still be subject to the overall fraud provisions.

The change in Section .042(a)(2) would exempt from registration the offer of less than 10 lots which are located outside the State and likewise would automatically exempt from registration the sale of fewer than 50 lots located in Alaska. In both instances, the subdividers are not exempt from the fraud provision of the act.

The proposed amendment of AS34.55.044(6) redefines subdivided land as to include two or more lots whether within or without the State for purposes of fraud and is consistent with the other provisions herein proposed.

The staff of the division remains at your disposal should you have any questions concerning this requested legislation.

TESTIMONY OF JULIUS J. BRECHT, DIRECTOR
DIVISION OF BANKING AND SECURITIES
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
BEFORE
HOUSE JUDICIARY COMMITTEE
February 4, 1977

Good morning, Mr. Chairman and members of the committee. My name is Julius J. Brecht, and I am director of the Division of Banking and Securities within the Department of Commerce and Economic Development. I want to thank you for allowing me to appear before you on behalf of the administration to discuss HB 67.

The bill before you proposes to amend the Uniform Land Sales Practices Act, AS 34.55, to bring Alaskan subdividers under it. In addition, the bill strengthens the fraud provisions of the act. However, Alaskan subdividers are expressly exempted from registration with the Department of Commerce and Economic Development under AS 34.55.

I have had distributed to each of you a file containing (1) a copy of the bill, (2) a copy of those sections of the act effected by the bill, (3) a memorandum from me to the committee dated January 17, 1977, (4) a copy of my written testimony before the House Commerce Committee dated January 26, 1977 on this bill, (5) a copy of a fiscal note prepared by the division, and (6) a memorandum from me to the committee dated February 1, 1977.

A copy of the bill should be read in conjunction with the copy of item (2) which gives the corresponding present law. The memorandum of January 17 outlines provisions of HB 67. The copy of my written testimony before the House Commerce Committee places HB 67 in the proper context. That is, it briefly discusses the purpose of the Uniform Land Sales Practices Act and the need for the amendments to the act presented in the bill.

This bill passed the House Commerce Committee 6-1. The bill has the support of the Alaska Realtors Association. However, since the House Commerce Committee hearing on the bill, members of that association have expressed concern that two areas of the bill need clarification.

The Realtors are concerned that a real estate agent acting as a real estate agent under HB 67 not be subject to the Uniform Land Sales Practices Act. The intent of the bill is to apply the provisions of the act to in-state subdividers. It is not to apply to real estate agents, except where those agents are acting as subdividers.

In this context, upon review of the two areas of concern, I have drafted amendments to HB 67 that appear in my memorandum of February 1. These amendments make clear the intent of the bill is to apply to subdividers. Mr. Al Courtney, Chairman of the Legislative Committee for the Alaska Realtors Association, has polled the membership of the association. I am told by Mr. Courtney that with the two amendments provided in my February memorandum, the association is in full support of the bill.

I urge the members of the committee to consider thoughtfully the provisions of HB 67 plus the proposed amendments.

Thank you again for the opportunity to appear before you to discuss this proposed legislation.

JJB/s13/1

The Legislature of the State of Alaska
FISCAL NOTE
 First Session - Tenth Legislature

I. REQUEST

Bill Identification: Intrastate Land Sales Offerings (C-3)
 Title: An Act Relating to the Uniform Land Sales Practices Act
 Requested by: Governor Date: _____
 Return Date Requested: _____
 Agency: Commerce-Banking & Securities Program: Land Sales

II. FISCAL DETAIL

Budget Request Unit(s) Affected: 200; 300

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL	1.8	3.6	1.8	2.0	2.2	2.5
300 CONTRACTUAL	.2	.4	.2	.2	0.2	0.2
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	2.0	4.0	2.0	2.2	2.4	2.7

B. FUNDING: (Thousands of dollars)

GENERAL FUND	2.0	4.0	2.0	2.2	2.4	2.7
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

- A. This proposal would strengthen the fraud provisions of the land sales act and would bring Alaskan subdivisions within the coverage of the act.
- B. The contractual expenses would be for telephone expenses connected with investigations.
- C. Travel expenses would be for investigative travel. The bulge in 1978 is because initially there would be concentrated investigation into the scope of in-state land sales frauds.
- D. Figures are based on investigative costs of 3 agencies on one recent in-state land sales fraud case.

V. DATE: 11/17/76 PREPARED BY: James L. Thompson, Sec. Examiner
 REVIEWED BY: Julius Brecht, Director of Banking

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

Original sponsor: Rules Committee by request
of the Governor

Offered: 3/1/77
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

CS FOR HOUSE BILL NO. 67 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 the Uniform Land Sales Practices
7 Act."

8

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

9

* Section 1. AS 34.55 is amended by adding a new section to read:

10

Sec. 34.55.006. FRAUDULENT AND PROHIBITED PRACTICES. It is

11

unlawful for a person, in connection with the offer, sale or purchase of
12 subdivided land directly or indirectly, to knowingly

13

(1) employ a device, scheme, or artifice to defraud;

14

(2) make an untrue statement of a material fact or omit a

15

statement of a material fact necessary in order to make the statements
16 made, in the light of the circumstances under which they are made, not
17 misleading; or

18

(3) engage in an act, practice, or course of business which

19

operates or would operate as a fraud or deceit upon a person.

20

* Sec. 2. AS 34.55.008 is amended to read:

21

Sec. 34.55.008. PROHIBITIONS ON DISPOSITIONS OF INTERESTS IN

22

SUBDIVISIONS. Unless the subdivided land or the transaction is exempt
23 by sec. 42 of this chapter

24

(1) no person may offer or dispose of in this state an

25

interest in subdivided land [LOCATED OUTSIDE THIS STATE] before the time
26 the subdivided land is registered in accordance with this chapter;

27

(2) no person may dispose of an interest in subdivided land

28

[LOCATED OUTSIDE THIS STATE] unless a current public offering statement
29 is delivered to the purchaser and the purchaser is afforded a reasonable

1 opportunity to examine the public offering statement before the dis-
2 position.

3 * Sec. 3. AS 34.55.022(b) is amended to read:

4 (b) For the purpose of an investigation or proceeding under this
5 chapter, the department or an officer designated by the department
6 [REGULATION] may administer oaths or affirmations, and upon its own
7 motion or upon request of any party shall subpoena witnesses, compel
8 their attendance, take evidence, and require the production of any
9 matter which is relevant to the investigation, including the existence,
10 description, nature, custody, condition, and location of books, docu-
11 ments, or other tangible things and the identity and location of persons
12 having knowledge of relevant facts or any other matter reasonably cal-
13 culated to lead to the discovery of material evidence.

14 * Sec. 4. AS 34.55.028 is repealed and re-enacted to read:

15 Sec. 34.55.028. PENALTIES. (a) A person who wilfully violates
16 secs. 6 or 8 of this chapter is, upon conviction, punishable by a fine
17 of not more than \$50,000, or by imprisonment for not less than one year
18 nor more than five years, or by both fine and imprisonment.

19 (b) Any violation of this chapter other than as provided in (a) of
20 this section or of a regulation adopted under this chapter is a mis-
21 demeanor and is punishable by a fine of not less than \$1,000 or double
22 the amount of gain from the transaction, whichever is larger but not
23 more than \$50,000, or by imprisonment for not more than six months, or
24 by both fine and imprisonment.

25 * Sec. 5. AS 34.55.030(a) is amended to read:

26 (a) A person who disposes of subdivided land in violation of
27 sec. 6 or sec. 8 of this chapter [OR WHO, IN DISPOSING OF SUBDIVIDED
28 LAND, MAKES AN UNTRUE STATEMENT OF A MATERIAL FACT REQUIRED TO BE
29 STATED IN A REGISTRATION STATEMENT OR PUBLIC OFFERING STATEMENT OR

1 NECESSARY TO MAKE THE STATEMENTS MADE NOT MISLEADING,] is liable as
2 provided in this section to the purchaser unless in the case of an
3 untruth or omission it is proved that the purchaser knew of the untruth
4 or omission or that the person offering or disposing of subdivided land
5 did not know and in the exercise of reasonable care could not have known
6 of the untruth or omission.

7 * Sec. 6. AS 34.55.032 is amended to read:

8 Sec. 34.55.032. JURISDICTION. A disposition of subdivided land is
9 subject to this chapter and the superior court of this state has juris-
10 diction in claims or causes of action arising under this chapter if

11 (1) the subdivider's principal office is located in this
12 state; [OR]

13 (2) an offer or disposition of subdivided land is made in
14 this state, whether or not the offeror or offeree is then present in
15 this state, if the offer originates in this state or is directed by the
16 offeror to a person or place in this state and received by the person or
17 at the place to which it is directed; or

18 (3) The subdivided land is located in this state.

19 * Sec. 7. AS 34.55.042(a) is amended to read:

20 (a) Unless the method of disposition is adopted for the purpose of
21 evasion of this chapter, the registration provisions of this chapter do
22 not apply to offers or dispositions of an interest in land

23 (1) by a purchaser of subdivided land for his own account in
24 a single or isolated transaction;

25 (2) if fewer than 10 separate lots, parcels, units or inter-
26 ests in subdivided land located outside this state are offered by a
27 subdivider [PERSON] in a period of 12 months, or if fewer than 50 sepa-
28 rate lots, parcels, units or interests in subdivided land located in
29 this state are offered by a subdivider in a period of 12 months;

1 (3) on which there is a residential, commercial, or indus-
2 trial building, or as to which there is a legal obligation on the part
3 of the seller to construct such a building within one year from date of
4 disposition;

5 (4) to persons who are engaged in the business of construc-
6 tion of buildings for resale, or to persons who acquire an interest in
7 subdivided land for the purpose of engaging, and do engage in the
8 business of construction of buildings for resale;

9 (5) under court order;

10 (6) by a government or government agency;

11 (7) as cemetery lots or interests;

12 (8) if the land is located in this state and is registered or
13 exempt from registration under the provisions of the federal Interstate
14 Land Sales Full Disclosure Act (15 U.S.C. 1701 et seq.).

15 * Sec. 8. AS 34.55.044(6) is amended to read:

16 (6) "subdivision" and "subdivided land" mean land [LOCATED
17 OUTSIDE THIS STATE] which is divided or is proposed to be divided for
18 the purpose of disposition into two [10] or more lots, parcels, units or
19 interests and also includes any land whether contiguous or not if two
20 [10] or more lots, parcels, units or interests are offered as a part of
21 a common promotional plan of advertising and sale; if the land is con-
22 tiguous or is known, designated, or advertised as a common unit or by a
23 common name, the land shall be presumed, without regard to the number of
24 lots covered by each individual offering, as being offered for dis-
25 position as part of a common promotional plan;

I. REQUEST

Bill/Resolution No. HB 67
 Title Intrastate Land Sale Offerings
 Requested by Office of the Governor Date 12/27/76

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development
 Program Category Affected Public Protection
 Budget Request Unit(s) Affected Banking, Securities, Small Loans and Corporations

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL	1.8	3.6	1.8	2.0	2.2	2.5
300 CONTRACTUAL	.2	.4	.2	.2	.2	.2
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	2.0	4.0	2.0	2.2	2.4	2.7

FUNDING (Thousands of Dollars)

GENERAL FUND	2.0	4.0	2.0	2.2	2.4	2.7
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

- A. This proposal would strengthen the fraud provisions of the land sales act and would bring Alaskan subdivisions within the coverage of the act.
- B. The contractual expenses would be for telephone expenses connected with investigations.
- C. Travel expenses would be for investigative travel. The bulge in 1978 is because initially there would be concentrated investigation into the scope of in-state land sales frauds.
- D. Figures are based on investigative costs of 3 agencies on one recent in-state land sales fraud case.

IV. DATE 11/17/76 PREPARED BY James L. Thompson
 AGENCY Commerce and Economic Development
 PHONE 465-2526
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

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 that amends the Uniform Land Sales Practices Act (AS 34.55) to extend the registration and reporting requirements of the Act to in-state land sales and to add a new provision prohibiting fraudulent practices in connection with the sale of subdivided land.

Section 1 of the bill adds a new section to AS 34.55 which prohibits any person in connection with an offer or sale of subdivided land from using fraudulent devices or schemes, from making untrue statements or from omitting to disclose material facts, and from engaging in any other fraudulent act or practice. Presently, the Act applies only to written misrepresentations contained in public offering statements. This provision in conjunction with the other amendments to the Act would extend the scope of the Act to cover verbal and written misrepresentations made by seller-owners and their agents or sales people concerning offerings made in Alaska of subdivided land located both inside and outside of Alaska.

Sections 2, 6 and 8 amend AS 34.55.008, AS 34.55.032 and AS 34.55.044(6), respectively, to delete references to land "located outside this state" and to insert in the jurisdictional provision an express reference to subdivided land located within the state. Together these accomplish the main purpose of the bill which is to bring certain large in-state offerings within the registration and disclosure requirements of the Act. The affirmative disclosure requirements of the Act provide an invaluable check against deceptive land

sales practices. Under present law, only sales of out-of-state land are covered by the provisions of the statute. As between the Alaska buyer and Alaska seller, the old rule of caveat emptor still prevails.

It may have originally been thought that the Alaska buyer's ability to personally inspect in-state land obviated the need for imposing the requirements of the Act on Alaska subdividers. However, even where personal inspection is made, latent defects in the land may not be revealed, and the buyer may suffer.

Beyond that, experience in Alaska's boom towns, such as Valdez, has demonstrated that the problem of local deception in land sales practices has become serious. For example, land has been sold within that city which, because of an exceedingly high water table, is unsuitable for small lot residential development without the installation of expensive community water and sewer systems. In any boom town atmosphere, all land is at a premium. This gives an unconscionable advantage to the seller, conducive to concealment and outright fraud. The object of the concealment is unlikely to be revealed if the buyer is not a prior resident of the community, or is unable to perform the necessary inspection and soils analysis to determine whether the lot, in fact, is suitable for improvement. Thus, as has happened all too often in Valdez and other communities, the buyer pays an exorbitant price for land which is not amenable to the type of development anticipated.

In addition, the Consumer Protection Section of the Attorney General's Office has recently instituted action against the owners of a large development in Anchorage alleging certain fraudulent and deceptive acts and practices. It is anticipated that problems of this sort will only increase in frequency and severity with concomitantly greater losses suffered by consumers unless developers are brought under a certain degree of regulation.

Section 3 of the bill is a housekeeping measure which would amend AS 34.55.022(b) which presently states that the department or "an officer designated by regulation" may conduct investigations under the Act. There is some ambiguity created by this language as to whether a

regulation is necessary in each case to appoint an investigating officer. If this were the case, an investigation would be unnecessarily delayed while the relevant provisions of the Administrative Procedure Act (AS 44.62) were being complied with. This bill would delete the word regulation and allow the department to appoint an officer to begin the investigation immediately.

Section 4 of the bill is designed to toughen the fraud provisions of the Act by making it a felony to willfully violate AS 34.55.006 or 34.55.008. Violations are punishable by one to five years in prison and a fine of not more than \$50,000, or by both. Many other states have provided this sort of penalty in order to deter this type of white-collar crime. All other violations of the Act or regulations adopted under it are misdemeanors as presently provided for in AS 34.-55.028.

Section 5 of the bill amends AS 34.55.030(a) which presently creates a cause of action in the defrauded buyer against the seller violations of the registration provisions. The amendment brings violations of the new fraud section within this civil remedy provision.

Section 6 merely makes clear that subdivided land within this state is covered by AS 34.55.

Section 7 of the bill amends AS 34.55.042 which defines those transactions which are exempt from the registration provisions only. AS 34.55.042(a)(2) will continue to distinguish between out-of-state and in-state subdivision, but in a slightly different way. If fewer than 10 separate lots or interests in subdivided land located outside of the state are offered for sale in the state within a period of 12 months, the seller does not have to register. On the other hand, if fewer than 50 separate lots or interests in land located inside the state are offered in a 12-month period, the seller need not register. Sellers of land located within Alaska can more readily be made subject to the jurisdiction of Alaska courts; thus the risk to the buyer or potential buyer is not quite so great.

Section 7 of the bill also exempts those developers of land located in the state from state registration if they must register with HUD or file for an exemption

with HUD under the Interstate Land Sales Full Disclosure Act (15 U.S.C. 1701 et seq.). This exemption will ease the burden of the developer from having to file duplicate documents and pursue registration procedures with both state and federal agencies. Examinations of subdivisions already examined by the federal government will not be necessary.

Section 8 of the bill amends the definition of "subdivided land" contained in AS 34.55.044(6) to include all subdivisions and common promotional schemes involving two or more lots or parcels. This change is merely aimed at extending the fraud provisions of the Act to virtually all sales of subdivided land. The registration exemptions would still apply.

Sincerely,

Jay S. Hammond
Governor



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

HB 69

Lisa Rudd thinks the title may be too wide - requests we change it to "An Act relating to Retirement of Territorial Employees of the Alaska Jail System" or something.

Bob Bradley also suggests it.

"An Act relating to earlier service retirement credit for territorial employees."

COMMITTEE REPORT

HOUSE

3/11/77

_____ Date

Mr. Speaker:

The Committee on FINANCE has had HB 69 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

1- 19-77

COMMITTEE REPORT

FINANCE

HOUSE

March 10, 1977

Date

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 69 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>B. Hills</u>	<u>- Do Pass</u>	<u>Tim Kelly</u>	<u>- Do Pass</u>
<u>Joe McKinnon</u>	<u>Do Pass</u>		
<u>Ed Danneworth</u>	<u>Do Pass</u>		
<u>Kris Hottel</u>	<u>Do Pass</u>		

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

P. Bradley recommends: NO

[Signature] recommends: DO NOT PASS

_____ recommends: _____

P. Bradley
Chairman

2970
Walter

Introduced: 1/19/77
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY RUDD, DANKWORTH AND LETHIN

2 HOUSE BILL NO. 69

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 earlier service retirement credit
7 for territorial employees."

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

9 * Section 1. AS 39.35.360(a) is amended to read:

10 (a) An employee who completes three years of service with the
11 state after January 1, 1961, for which he makes contributions required
12 by this chapter is entitled to service credit for employment rendered to
13 the State and former Territory of Alaska before January 1, 1961, regard-
14 less of the office, department, division, or agency of the state or
15 territory in which he was employed, including service as a commissioned
16 officer of the United States Public Health Service, the United States
17 District Court and the United States Commissioner's Court serving the
18 Territory and State of Alaska succeeded to by the Alaska court system,
19 persons employed as United States marshals, United States deputy mar-
20 shals, Civil Aeronautics Administration security guards and heavy equip-
21 ment operators, United States Corps of Engineers security guards, and
22 employees of the United States Fish and Wildlife Service, the Alaska
23 Road Commission, the [AND] Bureau of Public Roads and the Alaska Jail
24 System of the United States Department of Justice. The retirement
25 benefits payable to an employee under this section which are attributable
26 to employment rendered to the State and former Territory of Alaska
27 before January 1, 1961, shall be reduced by the amount of the retirement
28 pension benefits paid to him by the United States government for the
29 same period of service.

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 69
By RUDD, DANKWORTH AND LETHIN

"An Act relating to earlier service retirement credit for territorial employees."

Svc. retire. cr. - territorial

Introduced in the House Jan. 19, 1977.

HISTORY IN THE HOUSE

19 77	Read first time and referred to Committee on State Affairs and Finance												
Jan. 19	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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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												
	<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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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.

Introduced: 1/19/77
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY RUDD, DANKWORTH AND LETHIN

2 HOUSE BILL NO. 69

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 earlier service retirement credit
7 for territorial employees."

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

9 * Section 1. AS 39.35.360(a) is amended to read:

10 (a) An employee who completes three years of service with the
11 state after January 1, 1961, for which he makes contributions required
12 by this chapter is entitled to service credit for employment rendered to
13 the State and former Territory of Alaska before January 1, 1961, regard-
14 less of the office, department, division, or agency of the state or
15 territory in which he was employed, including service as a commissioned
16 officer of the United States Public Health Service, the United States
17 District Court and the United States Commissioner's Court serving the
18 Territory and State of Alaska succeeded to by the Alaska court system,
19 persons employed as United States marshals, United States deputy mar-
20 shals, Civil Aeronautics Administration security guards and heavy equip-
21 ment operators, United States Corps of Engineers security guards, and
22 employees of the United States Fish and Wildlife Service, the Alaska
23 Road Commission, the [AND] Bureau of Public Roads and the Alaska Jail
24 System of the United States Department of Justice. The retirement
25 benefits payable to an employee under this section which are attributable
26 to employment rendered to the State and former Territory of Alaska
27 before January 1, 1961, shall be reduced by the amount of the retirement
28 pension benefits paid to him by the United States government for the
29 same period of service.

#



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 municipal revenue sharing, and the Alaska Business License Act; and providing for an effective date."

COMMITTEE REPORT

2/16/77

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 70

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

1-19-77

COMMITTEE REPORT

FINANCE

HOUSE

2/15/77

Date

Mr. Speaker:

The Committee on C&RA has had HB 70

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 HB 70 (same title) and that CS for HB 70 do pass

(and) recommends it be referred to the _____ committee

reports it back without recommendation

AND attaches a report of its intent

(other) _____

*insert under
4 of 4 Pass*

MEMBERS SIGNING THE MAJORITY REPORT:

Rudd - do pass Tim Kelly Do Pass w/Amended

Al De. Do Pass

Merle H. Smith Do Pass

Andy Smith - Do Pass

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Chris W. Sullivan recommends: Do Not Pass

R. J. E. Philp recommends: Do Not Pass

_____ recommends: _____

Lisa Rudd

Chairman

*new FN att.
chairman's report*

2801
Berrii

Original sponsor: Community and Regional
Affairs Committee

Offered: 2/16/77
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 70

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 municipal revenue sharing, and the
7 Alaska Business License Act; and providing for an
8 effective date."

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

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

11 CHAPTER 17. MUNICIPAL REVENUE SHARING.

12 Sec. 43.17.010. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a)

13 This chapter may not be construed so as to create a debt of the state.

14 (b) The special municipal services account is established. The
15 legislature may annually appropriate funds to the account to carry out
16 the provisions of this chapter. If there are not enough funds in the
17 account to provide for each local government's or other recipient's
18 share authorized under this chapter, the funds which are available shall
19 be distributed in proportion among eligible local governments and other
20 recipients.

21 (c) If any money remains in the special municipal services account
22 at the end of the fiscal year for which the money is appropriated and
23 this remaining money is more than the amount required for the alloca-
24 tions authorized in this chapter, this money reverts to the general
25 fund.

26 Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A munici-
27 pality proposing to provide administrative services or a service pro-
28 vided for in sec. 30(a)(1) of this chapter may, in lieu of obtaining
29 revenue sharing money as provided in this chapter, obtain instead a

1 minimum grant of \$25,000.

2 (b) The department shall issue regulations regarding procedures
3 and time limits for making an election under this section.

4 Sec. 43.17.03G. BASIC GRANTS TO MUNICIPALITIES. (a) If a munici-
5 pality elects not to receive the grant provided for under sec. 20 of
6 this chapter, the amount of revenue sharing for which it is eligible
7 shall be $B \times P$ where

8 (1) "B" is the base revenue sharing amount of \$1 times the
9 service units for each service performed by the municipality established
10 as follows:

11	(A) police protection	12 units
12	(B) fire protection	7.5 units
13	(C) water pollution control	2 units
14	(D) land use planning	2 units
15	(E) parks and recreation	5 units
16	(F) small boat harbor or port	5 units
17	(G) mass transit	5 units
18	(H) airport	5 units
19	(I) solid waste disposal	2 units
20	(J) ambulance	2 units
21	(K) air pollution	2 units

22 (2) "P" is the population of the municipality rounded up to
23 the nearest 100.

24 (b) If a municipality provides one or more of the services in
25 (a)(1) of this section under contract to a defined area outside the
26 boundaries of the municipality, the revenue sharing amount for those
27 services shall be increased by the service units for each service times
28 the population of the area served rounded up to the nearest 100.

29 (c) If a municipality contains areas having differential rates of

1 taxation, the entitlement shall be calculated for areawide services and
2 for each area separately and totaled to reach the entitlement of the
3 municipality. Revenue sharing money for which the entitlement is based
4 upon areawide services may be used for areawide purposes only. Revenue
5 sharing money for which the entitlement is based upon service area
6 services may be used for that service area only.

7 Sec. 43.17.040. HEALTH FACILITIES AND HOSPITALS. (a) During each
8 fiscal year the state shall make payments as follows:

9 (1) \$2 per capita to a municipality which has the power to
10 provide health facilities and services and in which a hospital is
11 located;

12 (2) in addition to the payment made under (1) of this sub-
13 section

14 (A) the state shall make payments to a municipality
15 which has the power to provide hospital facilities and services and
16 which exercises the power on the basis of \$1,000 per bed for each
17 bed actually used for patient care limited to the number of beds
18 provided for in the construction design of the hospital, or \$75,000
19 a hospital for those hospitals with 10 or more beds, or \$25,000 a
20 hospital for those hospitals with less than 10 beds, as the muni-
21 cipality may elect; funds received under this subparagraph may be
22 used only for hospitals and shall be apportioned among qualifying
23 hospitals as the municipality determines;

24 (B) the state shall make payments on the basis set out
25 in (A) of this paragraph to a municipality for nonprofit hospitals
26 not operated by a municipality if the municipality first certifies
27 to the department that the hospital is in compliance with all
28 standards for hospitals which have been adopted by the munici-
29 pality; in the absence of this certification the funds which would

1 have gone to the hospital lapse into the state general fund; pay-
2 ments to the municipality shall be transferred to the hospital in
3 accord with the basis by which the entitlement was generated by the
4 hospital and shall be applied to the annual cost of operation and
5 maintenance of the hospital or for the provision of health care
6 service at the hospital as the directors of the hospital determine;

7 (C) a hospital may not receive payment under both (A)
8 and (B) of this paragraph;

9 (3) \$1,000 per bed to an organized borough or city outside an
10 organized borough in which a health facility is operated for each bed
11 actually used for patient care, limited to the number of beds provided
12 for in the construction design of the health facility, or \$4,000 for
13 each health facility as the local government may determine;

14 (4) funds received by a municipality under (1) or (3) of this
15 subsection shall be used for expenses of health services or operation
16 and maintenance of facilities as the municipality determines.

17 (b) If construction of a hospital or health facility began before
18 January 1, 1976, and state matching aid for construction approved under
19 AS 18 for payment to a municipality or other facility sponsor consti-
20 tutes less than 25 per cent of the total project cost, the state shall
21 pay to the municipality or other facility sponsor each fiscal year a sum
22 equal to \$2,500 a bed for the maximum number of beds provided for in the
23 construction design of the facility. State aid provided for in this
24 subsection shall continue until the municipality or other facility
25 sponsor has received an amount which, combined with state matching money
26 for construction of the facility approved under AS 18, equals 25 per
27 cent of the total project cost. No funds received for construction
28 shall be used for any other purpose.

29 (c) In this section

1 (1) "hospital" means a licensed hospital determined by the
2 Department of Health and Social Services to be a general hospital; the
3 term excludes facilities operated or wholly supported by the state or
4 the federal government;

5 (2) "health facility" means public health centers, maternity
6 homes and community mental health centers, facilities for the mentally
7 or physically handicapped, nursing homes and convalescent centers which
8 are licensed, when required, by the state under AS 18.20.010 - 18.20.130
9 and are owned or operated or both by a local government or by a non-
10 profit corporation or other nonprofit sponsor; the term excludes facili-
11 ties operated or wholly supported by the state or the federal government.

12 Sec. 43.17.050. VOLUNTEER FIRE DEPARTMENTS OUTSIDE MUNICIPALITIES.

13 The state shall pay to a volunteer fire department registered with the
14 state fire marshal and serving an area not in an organized borough or a
15 city a sum for protection purposes equal to \$7.50 per capita for the
16 population served by the department, as determined by the state fire
17 marshal using the latest figures of the United States Bureau of the
18 Census or other reliable data. Grants shall be made on the same basis
19 to facilitate the organization of volunteer fire departments in an area
20 not in an organized borough or a city. Payment shall be made upon
21 application by the proposed fire protection group to the department and
22 approval of the application according to standards of organization and
23 service prescribed by regulations promulgated by the department.

24 Sec. 43.17.060. AREA COST-OF-LIVING DIFFERENTIAL. (a) State
25 payments under this chapter shall reflect area cost-of-living differ-
26 ential. Amounts distributed shall be based upon the sum of the grants
27 due multiplied by the appropriate area cost-of-living differential. The
28 area cost-of-living differential shall be determined annually by elec-
29 tion district under the provisions of AS 39.27.030; however, the area

1 cost-of-living differential to be applied shall not result in an amount
2 to be distributed less than the base allocation.

3 (b) The election districts used in (a) of this section are those
4 designated by the proclamation of reapportionment and redistricting of
5 December 7, 1961, and retained for the house of representatives by
6 proclamation of the governor September 3, 1965.

7 Sec. 43.17.070. FINANCIAL REPORTS. No final payment may be
8 distributed to a municipality under this chapter unless that munici-
9 pality first submits to the department (1) a financial report for each
10 of the two fiscal years immediately preceding the fiscal year in which
11 funds are to be distributed; and (2) a budget for the municipality's
12 fiscal year in which funds are to be distributed. The department may,
13 by regulation, prescribe procedures and filing dates for submitting
14 financial reports and for obtaining all information required to deter-
15 mine the municipality's tax effort.

16 Sec. 43.17.080. POPULATION DETERMINATION. For purposes of this
17 chapter, population shall be determined by the latest figures of the
18 United States Bureau of the Census, Department of Labor estimates or
19 other population data which, in the judgment of the department, is
20 reliable. However, a municipality may not receive state shared revenue
21 based on the population residing on that portion of a military reser-
22 vation annexed to a city or borough after January 1, 1973, except as
23 provided in this section. If a military reservation is located within a
24 city or borough, the city or borough is limited in its entitlement to
25 state shared revenue under this chapter, based on the population re-
26 siding on the reservation, as follows: 50 per cent of the amount paid
27 per capita for police protection; 25 per cent of the amount paid per
28 capita for parks and recreation; 50 per cent of the amount paid per
29 capita for mass transit; 50 per cent of the amount paid per capita for

1 water pollution; and 50 per cent of the amount paid per capita for air
2 pollution.

3 Sec. 43.17.090. ADDITIONAL LIMIT. In addition to the limitations
4 on expenditure of funds contained in sec. 40 of this chapter:

5 (1) if a borough exercises the powers in sec. 30(a)(1) of
6 this chapter in the borough area outside cities only, or in a service
7 area only, the grants authorized under this section shall be based on
8 the population of the borough area outside cities or the service area
9 respectively;

10 (2) if a city within an organized borough provides police
11 protection services, the borough may not qualify for aid under sec.
12 30(a)(1)(A) of this chapter unless

13 (A) police protection services are provided in the
14 borough area outside cities, or if limited to a service area, in
15 the service area, through borough contract with a city or with the
16 state or

17 (B) the borough assumes and exercises power to provide
18 police protection services on an areawide basis in the manner
19 provided by law.

20 Sec. 43.17.100. ROAD MAINTENANCE. (a) During each fiscal year the
21 state shall pay to a city or organized borough which has and exercises
22 power to provide road maintenance \$1500 a mile for each mile of road,
23 street, or highway maintained by that local government. No payment may
24 be made for

25 (1) the official state highway system;

26 (2) roads, streets, or highways not dedicated to a public
27 use;

28 (3) roads, streets or highways maintained under the local
29 services road program;

1 (4) alleyways; or

2 (5) maintenance of roads not used by automotive equipment.

3 (b) Frozen waterways and connections from inhabited areas to the
4 waterways which may be safely used for public transportation by auto-
5 motive equipment and are so used during a portion of a year are eligible
6 for payments of \$900 per mile if the waterways and connections are
7 maintained during the period of use by a municipality or combination of
8 municipalities. The Department of Community and Regional Affairs, after
9 consultation with the Department of Highways, shall determine which
10 waterways and connections qualify and, where the waterways or connec-
11 tions lie outside the corporate limits of a municipality, which munici-
12 pality is eligible for the shared revenue unless the municipalities
13 involved have agreed in writing to a particular distribution.

14 Sec. 43.17.110. REGULATIONS. The department shall adopt regula-
15 tions necessary to carry out the purposes of this chapter. The regula-
16 tions shall include

17 (1) minimum standards of service required to qualify a muni-
18 cipality for service unit credit for each service; and

19 (2) provisions for a performance report adequate to demon-
20 strate to the department that each service for which credit was allowed
21 was actually performed by the municipality at least at the prescribed
22 minimum level.

23 Sec. 43.17.120. EXPENDITURE OF FUNDS. Funds received by a munici-
24 pality under this chapter may be expended for any public purpose for
25 which the municipality has power to expend funds except as provided in
26 sec. 40 of this chapter.

27 Sec. 43.17.130. UNIFICATION, MERGER OR CONSOLIDATION OF MUNICI-
28 PALITIES. If a borough and the cities within the borough merge, con-
29 solidate or unify in accordance with AS 29.68, the amount of revenue

1 sharing to which the successor municipality is entitled shall be com-
2 puted for the first year and each year thereafter as if the merger,
3 consolidation or unification had not occurred, and the successor muni-
4 cipality shall receive not less than the amount so computed.

5 Sec. 43.17.160. DEFINITIONS. In this chapter

6 (1) "department" means the Department of Community and
7 Regional Affairs;

8 (2) "municipality" for revenue sharing purposes means a city,
9 borough or unified municipality incorporated under the laws of the State
10 of Alaska except a second class city incorporated after the effective
11 date of this Act and lying within an organized borough.

12 * Sec. 2. AS 43.18.010 - 43.18.045 are repealed.

13 * Sec. 3. Other provisions of this Act notwithstanding, a municipality
14 which would receive less money under the provisions of this Act than it was
15 entitled to receive in fiscal year 1977 under the provisions of AS 43.18
16 repealed by this Act shall continue to receive an amount equal to that
17 authorized for fiscal year 1977 under the former provisions of AS 43.18, in
18 accordance with those provisions.

19 * Sec. 4. AS 43.70.010 is repealed.

20 * Sec. 5. AS 43.70.030(a) is amended to read:

21 (a) The license fee for each business is \$25 [PLUS A SUM EQUAL TO
22 ONE-HALF OF ONE PER CENT OF THE GROSS RECEIPTS IN EXCESS OF \$20,000 FROM
23 THE BUSINESS DURING THE YEAR FOR WHICH THE LICENSE IS ISSUED, EXCEPT
24 THAT ALL GROSS VOLUME IN EXCESS OF \$100,000 A YEAR IS TAXED AT THE RATE
25 OF ONE-QUARTER OF ONE PER CENT. THE ANNUAL LICENSE FEE PAID BY A PRO-
26 FESSIONAL PERSON TO HIS PROFESSIONAL BOARD SHALL BE CREDITED AGAINST THE
27 INITIAL FEE REQUIRED UNDER THIS CHAPTER].

28 * Sec. 6. AS 43.70.030(c) is amended to read:

29 (c) The license for the privilege of taking orders through use of

1 catalogs and by mail order offices in the state is the same as set out
2 in this chapter for business generally [AND GROSS VOLUME OF BUSINESS OF
3 THOSE OFFICES INCLUDES ALL ORDERS TAKEN AT THEM WHETHER DELIVERY OF THE
4 MERCHANDISE IS MADE THROUGH THE OFFICES OR NOT].

5 * Sec. 7. AS 43.70.030(d) is amended to read:

6 (d) The initial fee of \$25 applies to all of the provisions of
7 this section, and shall accompany the application. The balance under
8 sec. 30(b) of this chapter is due and payable on December 31st of each
9 year and shall be paid before the first day of March following, except
10 that the department may extend the time until the 30th of the following
11 April upon application showing that the extension is necessary to enable
12 the applicant to ascertain the amount of license money due. To enable
13 accurate determination of the balance of the tax due at the end of each
14 year, each person to whom this chapter applies shall keep records, give
15 statements under oath, and make returns which the department requires.
16 Returns are made under penalty of perjury.

17 * Sec. 8. AS 43.70.040 is amended to read:

18 Sec. 43.70.040. REVIEW AND DETERMINATION OF LICENSE TAX. As soon
19 as practicable after the final payment of the tax under sec. 30(b) of
20 this chapter, the department shall examine the return and determine the
21 correct amount of the tax and, if an error is found, shall notify the
22 taxpayer of the error and examine the taxpayer's records as authorized
23 in AS 43.05.040, and take other proper steps to determine the amount
24 due.

25 * Sec. 9. AS 43.70.110(2) is repealed.

26 * Sec. 10. AS 43 is amended by adding a new section to read:

27 CHAPTER 17. MUNICIPAL REVENUE SHARING.

28 Sec. 43.17.150. ADDITIONAL GRANTS TO REPLACE LOST REVENUE. In
29 addition to all other revenue sharing with municipalities, a municipi-

1 pality is entitled to and shall receive each year an amount equal to the
2 amount of money it was entitled to receive under AS 43.70.080 for the
3 year 1978.

4 * Sec. 11. Sections 1, 2 and 3 of this Act take effect July 1, 1977.

5 Sections 4, 5, 6, 7, 8, 9, and 10 of this Act take effect January 1, 1980.
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Berrier

Introduced: 1/19/77
Referred: Community & Regional
Affairs and Finance

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 70

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 municipal revenue sharing, and the
7 Alaska Business License Act; and providing for an
8 effective date."

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

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

11 CHAPTER 17. MUNICIPAL REVENUE SHARING.

12 Sec. 43.17.010. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a)

13 This chapter may not be construed so as to create a debt of the state.

14 (b) The special municipal services account is established. Funds
15 to carry out the provisions of this chapter may be appropriated annually
16 by the legislature to the account. If amounts in the account are
17 insufficient for the purpose of each local government's or other re-
18 cipient's share authorized under this chapter, such funds as are avail-
19 able shall be distributed pro rata among eligible local governments
20 and other recipients.

21 (c) Money in the special municipal services account which, at the
22 end of the fiscal year for which the money is appropriated, exceeds the
23 amount required for the allocations authorized in this chapter reverts
24 to the general fund.

25 Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A munici-
26 pality proposing to provide administrative services or a service pro-
27 vided for in sec. 30(a)(1) of this chapter may, in lieu of obtaining
28 revenue sharing money as provided in this chapter, obtain instead a
29 minimum grant of \$25,000.

1 (b) The department shall issue regulations regarding procedures
2 and time limits for making an election under this section.

3 Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) If a munici-
4 pality elects not to receive the grant provided for under sec. 20 of
5 this chapter, the amount of revenue sharing for which it is eligible
6 shall be calculated: as a result of $B \times P$ where

7 (1) B is the base revenue sharing amount of \$1 times the
8 service units for each service performed by the municipality established
9 as follows:

10 (A) police protection	12 units
11 (B) fire protection	7.5 units
12 (C) water pollution control	2 units
13 (D) land use planning	2 units
14 (E) parks and recreation	5 units
15 (F) small boat harbor or port	5 units
16 (G) mass transit	5 units
17 (H) airport	5 units
18 (I) solid waste disposal	2 units
19 (J) ambulance	2 units
20 (K) air pollution	2 units

21 (2) P is the population of the municipality rounded up to the
22 nearest 100.

23 (b) If a municipality provides one or more of the services in
24 (a)(1) of this section under contract to a defined area outside the
25 boundaries of the municipality, the revenue sharing amount for those
26 services shall be increased by the service units for that service or
27 services times the population of the area served rounded up to the
28 nearest 100.

29 (c) If a municipality contains areas having differential rates of