

LEG. FINANCE - BILLS 1977 - 1978 658  
IB 93 thru HB 106



# 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 the construction and leasing of public buildings; effective date."

# COMMITTEE REPORT

1/28/77

HOUSE

Mr. Speaker:

Date 2-10-77

The Committee on FINANCE has had HW 02

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) (AS AMENDED BY STATE AFFAIRS COMMITTEE) AND THAT

CS FOR \_\_\_\_\_ DO PASS

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

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

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

Members NOT concurring in the Majority report:

Meekins recommends: no recommendation

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

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

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

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

[Signature] Chairman

AMENDMENT #1

OFFERED IN THE HOUSE:

BY: STATE AFFAIRS

To: \_\_\_\_\_ HOUSE BILL No. 93

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

PAGE: 3

LINES 9

Omit section (10).

Introduced: 1/21/77  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY MILES, BEIRNE, NAKAK,  
OSTERBACK AND SWANSON

2 HOUSE BILL NO. 93

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 construction and leasing of  
7 public buildings; and providing for an effective date."

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

9 \* Section 1. AS 18.55.010 is amended to read:

10 Sec. 18.55.010. PURPOSE OF SECS. 10 - 290 OF THIS CHAPTER. The  
11 purpose of secs. 10 - 290 of this chapter is to remedy the acute  
12 housing shortage that exists in certain localities of the state by  
13 undertaking slum clearance, low-cost housing projects, housing for per-  
14 sons and their families engaged in national defense activities in the  
15 state, and housing projects and housing for veterans [OF WORLD WAR II]  
16 and other citizens of the state [AND TO REMEDY THE SHORT SUPPLY OF  
17 NECESSARY PUBLIC BUILDINGS BY PROVIDING FOR THE FINANCING, CONSTRUCTION  
18 AND ACQUISITION OF PUBLIC BUILDINGS FOR LEASE TO THE STATE].

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20 Sec. 18.55.080. MEMBERS OR EMPLOYEES PROHIBITED FROM ACQUIRING  
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25 ee owns or controls an interest, he shall immediately disclose the  
26 interest in writing to the authority. Failure to make disclosure con-  
27 stitutes misconduct in office.

28 \* Sec. 3. AS 18.55.100(a)(7) is amended to read:

29 (7) to provide, subject to the applicable planning, zoning,

1 sanitary and building laws, ordinances, and regulations for the con-  
2 struction, improvement, alteration, or repair of a housing [OR PUBLIC  
3 BUILDING] project or any part of a housing [OR PUBLIC BUILDING] project,  
4 and also, subject to the same restrictions, to provide for the construc-  
5 tion, improvement, alteration, repair, planning, financing, and interim  
6 operation of a sewer or water system, or part of such system, to foster,  
7 encourage, and permit the development of housing projects by private and  
8 public developers and builders;

9 \* Sec. 4. AS 18.55.150 is amended to read:

10 Sec. 18.55.150. SECURITY FOR BONDS. The authority may issue bonds  
11 including but not limited to bonds on which the principal and interest  
12 are payable (1) exclusively from the income and revenue of the housing  
13 project financed with the proceeds of the bonds, (2) exclusively from  
14 the income and revenue of designated housing projects whether or not  
15 they are financed in whole or in part with the proceeds of the bonds,  
16 (3) from its revenue generally [OR (4) EXCLUSIVELY FROM RENTS COLLECTED  
17 ON PUBLIC BUILDINGS]. Bonds may be additionally secured by a pledge of  
18 a grant or contribution from the federal government or from another  
19 source, or by a pledge of income or revenue of the authority, or by a  
20 mortgage of a housing project or other property of the authority.

21 \* Sec. 5. AS 18.55.180 is amended to read:

22 Sec. 18.55.180. ISSUANCE AND SALE OF BONDS. Bonds of the au-  
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25 privilege, rank or priority, execution, terms of redemption, medium and  
26 place of payment. Bonds may be sold at public or private sale at not  
27 less than par. Each bond is negotiable. The signature of a member or  
28 an officer upon a bond or coupon is not invalidated by his ceasing to  
29 hold office before the delivery of the bond. The recitation of a bond

1 that it has been issued in the financing of a housing [OR PUBLIC BUILD-  
2 ING] project under secs. 10 - 290 of this chapter is conclusive as to  
3 the issuance of the bond and the character of the project in a challenge  
4 of the validity of the bond or the security for it.

5 \* Sec. 6. AS 18.55.200(4), (10) and (15) are amended to read:

6 (4) covenant with respect to limitations on its right to  
7 sell, lease or otherwise dispose of a housing [OR PUBLIC BUILDING] pro-  
8 ject or a part of a housing [OR PUBLIC BUILDING] project;

9 (10) covenant subject to the limitations contained in secs.  
10 10 - 290 of this chapter as to the rents and fees to be charged in the  
11 operation of a housing [OR PUBLIC BUILDING] project, the amount to be  
12 raised each year or other period of time by rents, fees and other  
13 revenues, and as to the use and disposition of these revenues;

14 (15) vest in one or more trustees the right, in the event of  
15 a default by the authority, to take possession of a housing [OR PUBLIC  
16 BUILDING] project or a part of the project, and so long as the authority  
17 continues in default to retain possession and to use, operate and manage  
18 the project, and to collect the rents and revenues from the project, and  
19 to dispose of the money according to the agreement between the authority  
20 and the trustees;

21 \* Sec. 7. AS 18.55.220(1) and (2) are amended to read:

22 (1) to have possession of a housing [OR PUBLIC BUILDING]  
23 project or part of one surrendered to the obligee, with possession  
24 retained by the obligee as long as the authority continues in default;

25 (2) to obtain the appointment of a receiver of a housing [OR  
26 PUBLIC BUILDING] project or part of one and its rents and profits, who  
27 may enter, take possession and for the duration of the default operate  
28 and maintain it, collect and receive all fees, rents, revenues or other  
29 charges thereafter arising, and keep the money in a separate account or

1 accounts to be applied in accordance with the obligations of the au-  
2 thority as the court directs;

3 \* Sec. 8. AS 18.55.240 is amended to read:

4 Sec. 18.55.240. POWER OF AUTHORITY TO OBTAIN FEDERAL AID AND  
5 COOPERATION. The authority may borrow, accept contributions, grants or  
6 other financial assistance from the federal government in aid of any  
7 housing [OR PUBLIC BUILDING] project and for this purpose may comply  
8 with conditions and enter into the mortgages, trust indentures, leases  
9 or agreements that are necessary, convenient or desirable in order to  
10 obtain financial aid or cooperation from the federal government in the  
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14 Sec. 18.55.250. EXEMPTION FROM TAXES AND ASSESSMENTS. The prop-  
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16 governmental purposes and this property and the authority are exempt  
17 from all taxes and special assessments of a municipality, the state or a  
18 political subdivision of the state. However, instead of taxes, the  
19 authority may make payments to the municipality or political subdivision  
20 for improvements, services and facilities furnished by it for the ben-  
21 efit of a housing [OR PUBLIC BUILDING] project.

22 \* Sec. 10. AS 37.05.280 is amended to read:

23 Sec. 37.05.280. LEASES. The department shall lease necessary  
24 space, and contract for the lease of space for the use of the state or  
25 an agency of the state, wherever it is necessary and feasible, subject  
26 to compliance with the requirements of secs. 220 - 280 of this chapter.  
27 No lease or contract for a lease may provide for a period of occupancy  
28 greater than 25 [40] years. An agency of the state requiring office,  
29 warehouse or other space shall lease the space through the department.

1 [NO CONTRACT OR LEASE EXECUTED AFTER JANUARY 1, 1966, WHICH PROVIDES FOR  
2 A PAYMENT OR PAYMENTS BY THE STATE IN EXCESS OF \$12,000 ANNUALLY IS  
3 VALID UNLESS THE USE OF THE SPACE TO BE PROVIDED FOR BY SUCH CONTRACT OR  
4 LEASE HAS BEEN EXPRESSLY APPROVED BY THE LEGISLATURE BY CONCURRENT  
5 RESOLUTION.]

6 \* Sec. 11. AS 18.55.100(a)(15) and 18.55.288(2) are repealed.

7 \* Sec. 12. The amendments and repeals made by this Act do not affect  
8 leases or other contracts concerning public buildings which are completed,  
9 which are under construction, or for which bonds have been issued as of the  
10 effective date of this Act.

11 \* Sec. 13. This Act takes effect immediately in accordance with AS 01.10.-  
12 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 93  
 Title Relating to construction & leasing of public buildings  
 Requested by House State Affairs Date 1/27/77

II. FISCAL DETAIL

Agency Affected: Alaska State Housing Authority  
 Program Category: Affected Development  
 Budget Request Unit(s) Affected N/A

EXPENDITURES (Thousands of Dollars)

NONE

	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.						
<b>TOTAL</b>						

FUNDING (Thousands of Dollars)

NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE: 1/27/77 PREPARED BY *[Signature]*  
 AGENCY Commerce & Economic Development  
 PHONE 465-2505  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Introduced: 1/21/77  
Referred: State Affairs and  
Finance

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BY MILES, BEIRNE, NAKAK,  
OSTERBACK AND SWANSON

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James O. Smith  
Signature of Camera Operator

2/8/90  
Date

# COMMITTEE REPORT

## SENATE

3/9/77

\_\_\_\_\_ Date

Mr. President:

The Committee on FINANCE has had HB 95  
bonds of the Alaska State Housing Authority  
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: 1/21/77  
Referred: State Affairs and  
Finance

BY MILES, BEIRNE, MCKINNON,  
MALONE, MEEKINS, NAKAK,  
OSTERBACK, SMITH AND SWANSON

1 IN THE HOUSE

2 HOUSE BILL NO. 95

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 bonds of the Alaska State Housing  
7 Authority; and providing for an effective date."

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

9 \* Section 1. AS 18.55.190 is repealed.

10 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
11 070(c).

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# Alaska State Legislature

LEGISLATIVE ADDRESS

POUCH V  
JUNEAU, ALASKA 99811  
TELEPHONE (907) 465.3734  
465.3779



HOME ADDRESS

4603 SAN ROBERTO  
ANCHORAGE, ALASKA 99504  
TELEPHONE (907) 337-7942

REPRESENTATIVE BILL MILES

3/11

Judy:

Sen. Sorensen asked I suppose you will back-up for HB 95, an act repealing the interest ceiling on ASNA bonds. Attached is such data.

- #1 - Summary of bill, background & house action
- #2 - Memo from Comm. Matley to Rep. Bradley in support of bill.
- #3 - letter from bond counsel re: this states
- #4 - letter from me to For Ulmer (when I was director of ASNA) on issue.
- #5 - "0" fiscal note.

If you need any thing else or have questions, let me know.

Bill Miles

MEMO

# 1

TO: Senator Ed Willis

FROM: Representative Bill Miles *BMM*

DATE: March 10, 1977

RE: HB 95, an act relating to the bonds of the Alaska State Housing Authority.

The one line bill repeals the 7% statutory limitation on interest rates for ASHA bonds. By repealing this section of law, there would, in effect, be no limitation as to the interest ASHA could pay for its bonds.

This is the third bill in an "ASHA package" I introduced. At the present time, it is impossible to create revenue for our housing projects with a 7% limitation; quite simply, the money isn't available at that low rate.

The recent statistics available (the Daily Bond Buyer) show that 31 states have no limitation on this type of bond. Only one state in 50 has a lower limitation...and it, too, is in the same position we are; that is, money is not available with an arbitrarily low limitation.

The current trend, obviously, is to go to no limitation; supportive documentation is available at your request.

At the present time, similar Alaskan agencies, i.e. the Alaska Housing Finance Corporation and the Alaska Municipal Bond Bank, have no ceilings.

A parallel might be drawn to the Alaska Housing Finance Corporation. On December 6, 1975, the Alaska Housing Finance Corporation bonds sold at 8.51%. That was considered a good rate.

In support of removal of the ceiling, the following persons testified or sent statements in support of the bill: bond counsel for Alaska State Housing Authority, the Commissioner of Commerce, the Commissioner of Revenue, Roger Lange, the ASHA Board, the ASHA Executive Director. The bill passed the House overwhelmingly and received no negative testimony during its committee hearings in the House.

If you would like additional information, please let me know.

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

POUCH D - JUNEAU 9311

JAY S. HAMMOND, GOVERNOR

January 28, 1977

TO: The Honorable Bob Bradley ✓  
Chairman  
House State Affairs Committee

The Honorable Steve Cowper  
Chairman  
House Finance Committee

FROM: Langhorne A. Motley *Langhorne*  
Commissioner  
Department of Commerce and  
Economic Development

SUBJECT: House Bills 93, 94, and 95

On behalf of the Alaska State Housing Authority Board and as confirmation of Phil Hubbard's testimony on January 25, I submit the following comment on the above subject.

I

### HOUSE BILL NO. 93

This bill deletes the statutory authority of the Alaska State Housing Authority (ASHA) to further participate in the State Building Program which was first promulgated in 1965 as Chapter 99 SLA 1965. This program was devised by the legislature in 1965 to permit the financing and construction of public facilities, e.g., court houses, state office buildings, etc., without obtaining the approval of the citizenry for commitment of such financing. Under this program, ASHA issued bonds totalling \$106,150,000 for which the citizenry is obligated to pay off through tax dollars for lease payments. It is a program that promotes distrust of the citizenry in government.

Additionally, it is a program that exposes ASHA to all sorts of liability without any right of control or supervision.

The Honorable Bob Bradley  
The Honorable Steve Cowper  
January 28, 1977  
Page Two

The ASHA Board by Resolution No. 2184 dated April 13, 1976 unilaterally announced a policy that ASHA would no longer, beyond the commitments presently made, participate in the program.

The ASHA Board supports House Bill No. 93.

II

HOUSE BILL NO. 94

This bill is the result of policy expressed by the ASHA Board at a Regular Board Meeting held on October 22, 1976. The purpose of this bill is to strengthen the concept of regional housing authorities who, in many instances, are better able than ASHA to resolve local housing problems. Additionally, this bill formalizes a practice that ASHA has begun in dealing with certain regional housing authorities where ASHA and a local housing authority were competing for and utilizing the same scarce public housing dollar to develop the same housing.

The ASHA Board supports House Bill No. 94.

III

HOUSE BILL NO. 95

This bill eliminates the entire section set forth in Title 18, Chapter 55, that establishes a maximum interest rate that may be paid on any bonds issued by ASHA to finance its activities. The elimination of this section is desirable in that the section serves no real benefit. Since ASHA is a separate corporate body, the debts of ASHA are not the debts of the State of Alaska. Its ability to govern its own financial activities should be a matter resolved by the ASHA Board and the money market. In addition, the existing maximum limit of 7% is unrealistic under certain conditions that may exist in the money market. As such, the maximum figure of 7% sometimes precludes or hinders ASHA from carrying out its statutory obligations to provide public housing. Additionally, the section is ambiguous, i.e., does the section merely govern the maximum rate at which ASHA bonds may be marketed or does it govern the maximum rate that ASHA may pay in borrowing money other than through the issuance of bonds?

The ASHA Board supports House Bill No. 95.

SAN FRANCISCO  
LOS ANGELES

DEAN WITTER & CO.  
INCORPORATED  
MEMBER • NEW YORK STOCK EXCHANGE, INC.

45 MONTGOMERY STREET • SAN FRANCISCO, CALIFORNIA 94106  
TELEPHONE (415) 392-7211

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December 9, 1975

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Mr. Bill Miles  
Executive Director  
Alaska State Housing Authority  
903 West Northern Lights Boulevard  
Anchorage, Alaska 99503

Dear Bill:

Eric Wohlforth has advised me that you are trying to get the interest rate ceiling on Alaska State Housing Authority bonds either raised or eliminated. For your information, we are enclosing a copy of a compilation of interest rate ceilings that appeared in the Daily Bond Buyer on September 4, 1975. The table shows that 31 states have no limits while 15 do. Four states fall into a miscellaneous category. Of the 15 states with limits, three are at 10%, one at 9%, three at 8%, one at 7-1/2%, six at 7% (including Alaska) and one at 6%.

Also enclosed is a copy of the same table that appeared in 1972. It shows 28 states with no limits and 18 with limits and the same four states in the miscellaneous category. Thus, over the past three years, three states have gone to no limit from a limit. Those states are: Michigan from 6% to no limit; New Jersey from 6% to no limit and Utah from 7% to no limit.

During this same three year period, three states raised their limits. They are: Mississippi from 6% to 7%, Nevada from 8% to 9% and Oregon from 8% to 10%.

In summary, since 1972 six states changed their interest rate ceilings. Three raised the limits and three went to no limits. Presently 67% of those 46 states where rate limits are applicable have no rate limit.

I hope the information will be of some assistance to you. If there is anything else we can do for you, do not hesitate to ask.

Sincerely yours,

A handwritten signature in cursive script that reads "Tom".

R. Thomas Westhoff  
Vice President  
Municipal Investment Banking

cc: Mr. Eric Wohlforth  
Mr. Frank Roppell

RTW:df

# Statutory Interest Rate Ceilings on State and Local Bonds

	State GO (%)	State Revenue (%)	State Agency (%)	State Notes (%)	Local GO (%)	Local Revenue (%)	Local Agency (%)	Local Notes (%)	Urban Renewal Notes (%)	Low-Rent Housing Notes (%)
ALABAMA <sup>1</sup>	Y	U	Y	U	Y	Y	Y	Y	8	8
ALASKA	0	8	Y	7	0	0	0	0	0	7
ARIZONA <sup>2</sup>	0	0	0	0	0	0	0	0	0	0
ARKANSAS <sup>3</sup>	U	U	Y	Y	6	V	Y	V	8	8
CALIFORNIA <sup>4</sup>	7	Y	7	7	7	0	7	7	7	7
COLORADO <sup>5</sup>	0	0	0	0	0	0	V	0	0	0
CONNECTICUT	0	0	0	0	0	0	U	0	0	0
DELAWARE	0	0	6	0	Y	Y	Y	Y	6	6
FLORIDA <sup>6</sup>	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½
GEORGIA	0	0	0	0	0	8	9	0	8	8
HAWAII <sup>7</sup>	8	0	N	8	7	7	N	7	6	8
IDAHO	7	U	U	U	0	0	U	U	0	0
ILLINOIS <sup>8</sup>	0	0	Y	N	V	Y	V	Y	7	6
INDIANA <sup>9</sup>	N	N	0	N	0	0	0	0	0	0
IOWA	7	7	U	U	7	7	7	7	7	7
KANSAS <sup>10</sup>	N	5½	8	U	7	8	8	U	8	8
KENTUCKY	0	0	0	0	0	0	0	N	0	0
LOUISIANA <sup>11</sup>	0	0	8	0	6	6	6	0	8	8
MAINE	0	0	0	0	0	0	0	0	0	0
MARYLAND	0	V	V	0	V	V	V	V	0	0
MASSACHUSETTS	0	0	0	0	0	0	0	0	0	0
MICHIGAN <sup>12</sup>	6	8	8	0	8	8	8	8	8	8
MINNESOTA <sup>13</sup>	0	U	U	0	7	0	0	0	7	7
MISSISSIPPI <sup>14</sup>	6	6	6	U	6	6	6	U	6	6
MISSOURI <sup>15</sup>	8	8	8	U	8	8	8	U	8	8
MONTANA	0	0	6	U	7	9	7	U	7	6
NEBRASKA <sup>16</sup>	0	0	0	0	0	0	0	0	0	0
NEVADA	8	8	N	8	8	8	0	8	8	8
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	6	6
NEW JERSEY <sup>17</sup>	6	6	0	N	0	0	U	0	6	8
NEW MEXICO	8	8	8	U	8	8	8	U	8	8
NEW YORK <sup>18</sup>	0	N	8	0	0	N	8	0	0	0
NORTH CAROLINA	0	0	8	0	0	0	0	0	8	8
NORTH DAKOTA <sup>19</sup>	0	0	0	0	0	0	0	0	8	8
OHIO	0	0	0	0	8	U	8	8	8	8
OKLAHOMA <sup>20</sup>	6	7½	Y	6	7½	7½	N	U	8	7½
OREGON	8	U	U	N	8	U	U	N	8	8
PENNSYLVANIA <sup>21</sup>	0	0	6	5	6	0	6	6	0	6
RHODE ISLAND	0	0	0	0	0	U	0	0	0	0
SOUTH CAROLINA	7	7	7	7	7	7	7	7	7	7
SOUTH DAKOTA	0	U	6	U	8	U	6	U	6	6
TENNESSEE <sup>22</sup>	10	10	10	10	10	10	V	10	8	8
TEXAS <sup>23</sup>	10	10	10	U	10	10	10	U	0	0
UTAH	7	7	7	7	8	8	8	8	6	6
VERMONT	0	U	0	0	0	0	U	0	0	0
VIRGINIA <sup>24</sup>	0	0	0	0	0	0	0	0	6	6
WASHINGTON	0	0	0	U	0	0	0	U	0	0
WEST VIRGINIA	0	7	7	0	0	7	7	0	6	6
WISCONSIN <sup>25</sup>	0	U	0	0	8	8	8	7	6	6
WYOMING	0	0	0	0	0	0	0	0	6	N

0 = none; U = none issued; N = none authorized; Y = various.

<sup>1</sup>Alabama: Sect. 6 of Title 9 of Alabama code sets 8% statutory ceiling, but respective statutes authorizing particular bonds set various limits, i.e., 2% on sinking fund bonds and rates up to 15% on loans of \$100,000 or more by non-profit corporations, the State Board of Education and trustees of State educational institutions. While bonds of local agencies are subject to 8% statutory usury limitation, bonds of local industrial development boards and medical clinic boards are exempt and may bear unlimited rates.

<sup>2</sup>Arizona: Maximum interest rate must be specified on ballot. If political subdivision has authority to issue bonds without an election, there is 0% ceiling. There is \$100,000 ceiling on amount of bonded indebtedness State may incur.

<sup>3</sup>Arkansas: School district bonds have 7% ceiling. About 20 types of bonds for street and parking facilities, public building corporations formed to construct municipal facilities, municipally sponsored bonds for waterworks, sewer, parks, recreation agencies, convention centers, and construction and refunding bonds for eight state-sponsored colleges and universities, and county and municipal bonds for hospitals, nursing and rest homes may be issued for 8%. County and municipal industrial development revenue bonds, airport revenue bonds for cities, metropolitan (multi-jurisdictional) port revenue bonds may be issued at 10%. Municipal Improvement Districts may issue bonds for, among other purposes, drainage with a ceiling of 8%.

<sup>4</sup>California: Any rate permitted on specific issue approved by two-thirds vote of each house of Legislature and by Governor.

<sup>5</sup>Colorado: Maximum interest rate must be part of proposal submitted to voters along with amount of authorization.

<sup>6</sup>Florida: Some local, county, municipal authority bond authorizations have an interest rate above 7½% or no interest ceiling.

<sup>7</sup>Hawaii: 8% limitation for State bonds effective until April, 1971; 8% limitation for counties expired on July 10, 1971, and reverted to 7%.

<sup>8</sup>Illinois: Ceiling is 6% or 8% depending upon issuer and 7% for revenue bonds issued by a joint municipal public water commission, by a township in connection with a waterworks and/or sewage system, and by a county in connection with a water works and/or sewage system.

<sup>9</sup>Indiana: Certain loan bonds, Everett Law assessment bonds and grade separation taxing district bonds have 6% ceiling; airport au-

thorities except Indianapolis have 7% ceiling; school bus notes and security agreements have 5% ceiling.

<sup>10</sup>Kansas: Interest on universities and colleges limited to best comparable bid rate in lieu of statutory rate.

<sup>11</sup>Louisiana: Most local bond issues have constitutional ceilings of 6%, although statutory ceiling is 8%.

<sup>12</sup>Michigan: 8% ceiling is effective until June 30, 1973, when it reverts to 6%.

<sup>13</sup>Minnesota: Highway bonds have constitutionally fixed ceiling of 8%.

<sup>14</sup>Mississippi: Local GOs issued for industrial purposes have 7% ceiling until March 31, 1973, when it reverts to 6%. Local industrial revenue bonds have 8% limit.

<sup>15</sup>Missouri: Bonds cannot be sold less than 95% of par. Negotiated sales cannot exceed 6%, except industrial aid bonds which have 8% ceiling.

<sup>16</sup>Nebraska: No State public debt.

<sup>17</sup>New Jersey: 6% ceiling suspended through June 30, 1973 for counties, municipalities, school districts, State agencies and other public authorities and agencies.

<sup>18</sup>New York: 5% ceilings suspended for state and local bonds and notes until July 1, 1973. Public authority obligation ceiling is 8% to July 1, 1973, except housing authority obligations on which there is no interest limitation until June 30, 1973.

<sup>19</sup>North Dakota: Obligations sold privately are subject to 8% ceiling.

<sup>20</sup>Oklahoma: Some State agencies such as boards of regents for colleges have no interest ceiling. Ceiling on turnpike bonds is 7½% until March 1, 1972 when it will revert to 6%. Industrial development bonds have 6% ceiling.

<sup>21</sup>Pennsylvania: 6% ceiling on obligations of state and local governments, or their authorities, suspended until June 30, 1971. Philadelphia does not come under Municipal Borrowing Act and thus has no ceiling on interest costs, except for 6% limitation on port, transit and street bonds.

<sup>22</sup>Tennessee: Local utility districts are limited to 8%. All others have 10% ceiling.

<sup>23</sup>Texas: Bonds sold by Water Development Board have 8% ceiling. Veterans Land Development, Park Development and Wildlife bonds have 4½% ceiling on SIC.

<sup>24</sup>Virginia: Ceiling reverts to 6% after June 30, 1971.

<sup>25</sup>Wisconsin: Local notes can run for 10 years.

# Statutory Interest Rate Ceilings on State and Local Bonds

	State GO (?)	State Revenue (?)	State Agency (?)	State Notes (?)	Local GO (?)	Local Revenue (?)	Local Agency (?)	Local Notes (?)	Urban Renewal Notes (?)	Low-Rent Housing Notes (?)
ALABAMA <sup>1</sup> .....	Y	U	V	U	V	V	V	V	0	0
ALASKA <sup>2</sup> .....	7	S	V	V	0	0	0	0	0	0
ARIZONA <sup>3</sup> .....	0	0	0	0	0	0	0	0	0	0
ARKANSAS <sup>4</sup> .....	U	U	V	V	6	V	V	V	S	S
CALIFORNIA <sup>5</sup> .....	7	0	V	7	S	V	S	0	0	0
COLORADO <sup>6</sup> .....	0	0	0	0	0	0	U	0	0	0
CONNECTICUT .....	0	0	0	0	0	0	U	0	0	0
DELAWARE .....	0	0	0	0	Y	V	V	V	0	0
FLORIDA <sup>7</sup> .....	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½
GEORGIA .....	0	0	0	0	0	0	0	0	0	0
HAWAII <sup>8</sup> .....	S	0	N	S	7	7	N	7	6	6
IDAHO .....	7	U	0	6	0	U	0	6	0	0
ILLINOIS <sup>9</sup> .....	0	0	V	N	0	V	0	0	0	0
INDIANA <sup>10</sup> .....	0	N	N	N	0	0	0	0	0	0
IOWA .....	0	U	U	U	7	7	7	7	7	7
KANSAS <sup>11</sup> .....	N	0	0	U	S	9	N	U	0	0
KENTUCKY .....	0	0	0	0	8	9	8	0	0	0
LOUISIANA <sup>12</sup> .....	0	0	V	0	8	9	8	0	0	0
MAINE .....	0	0	V	0	0	0	V	0	0	0
MARYLAND .....	0	Y	0	0	V	V	V	V	6	6
MASSACHUSETTS .....	7	0	0	0	0	0	0	0	10	10
MICHIGAN <sup>13</sup> .....	0	10	10	0	10	10	10	10	10	10
MINNESOTA <sup>14</sup> .....	0	U	0	N	7	7	7	7	7	7
MISSISSIPPI <sup>15</sup> .....	7	7	7	U	7	8	7	U	S	S
MISSOURI <sup>16</sup> .....	S	S	S	U	8	9	7	U	0	0
MONTANA .....	0	0	0	U	7	0	0	0	0	0
NEBRASKA <sup>17</sup> .....	0	0	0	0	0	0	0	0	0	0
NEVADA .....	9	9	N	9	9	9	0	9	0	0
NEW HAMPSHIRE .....	0	0	0	0	0	0	U	0	0	0
NEW JERSEY <sup>18</sup> .....	0	0	0	N	0	0	0	0	0	0
NEW MEXICO .....	S	S	S	U	S	S	S	U	S	S
NEW YORK <sup>19</sup> .....	0	N	S	0	0	N	0	0	0	0
NORTH CAROLINA .....	0	0	0	0	0	0	0	0	0	0
NORTH DAKOTA <sup>20</sup> .....	0	0	0	0	0	0	0	0	0	0
OHIO <sup>21</sup> .....	0	0	0	0	S	0	S	S	S	7½
OKLAHOMA <sup>22</sup> .....	6	S	V	U	7½	N	U	N	0	0
OREGON .....	10	U	U	5	10	0	6	0	0	6
PENNSYLVANIA <sup>23</sup> .....	0	0	0	0	0	U	0	7	0	7
RHODE ISLAND .....	0	0	0	0	7	8	8	U	S	S
SOUTH CAROLINA .....	7	7	7	7	8	8	8	U	0	0
SOUTH DAKOTA .....	0	U	0	U	0	0	0	0	0	0
TENNESSEE <sup>24</sup> .....	10	10	10	10	10	10	V	10	6	6
TEXAS <sup>25</sup> .....	10	10	10	U	10	10	10	U	0	0
UTAH .....	0	0	9	S	0	0	0	0	0	0
VERMONT .....	0	U	0	0	0	0	U	0	0	0
VIRGINIA <sup>26</sup> .....	0	0	0	0	0	0	0	0	0	0
WASHINGTON .....	0	0	0	U	0	0	0	U	0	0
WEST VIRGINIA .....	0	7	7	0	8	7	7	0	0	0
WISCONSIN <sup>27</sup> .....	0	U	0	0	0	0	0	V	0	0
WASHINGTON <sup>28</sup> .....	0	0	0	0	0	0	0	0	10	0

0 = none; U = none issued; N = none authorized; V = various.

<sup>1</sup> Alabama: Sect. 60 of Title 9 of Alabama code sets 8% statutory ceiling, but respective statutes authorizing particular bonds set various limits, i.e., 2% on sinking fund bonds and rates up to 15% on loans of \$100,000 or more by non-profit corporations, the State Board of Education and trustees of State educational institutions. While bonds of local agencies are subject to 8% statutory usury limitation, bonds of local industrial development boards and medical clinic boards are exempt and may bear unlimited rates.

<sup>2</sup> Alaska: Ceiling on state bond anticipation notes is 7%; there is no limit on state revenue anticipation notes. No municipal bond or note may bear interest exceeding the legal usury rate which is fixed at four percentage points above the discount rate of the 12th Federal Reserve District. A contract or loan commitment in which the principal amount exceeds \$100,000 is exempt from this limitation.

<sup>3</sup> Arizona: Maximum interest rate must be specified on ballot. If political subdivision has authority to issue bonds without an election, there is 9% ceiling. There is \$100,000 ceiling on amount of bonded indebtedness State may incur. On urban renewal notes, the interest is set by each local authority. All authorities have set a limit of 8% or the loan and grant contract rate whichever is higher.

<sup>4</sup> Arkansas: School district bonds have 7% ceiling. About 20 types of bonds for street and parking facilities, public building corporations formed to construct municipal facilities, municipally sponsored bonds for waterworks, sewer, parks, recreation agencies, convention centers, and construction and refunding bonds for eight State-sponsored colleges and universities, and county and municipal bonds for hospitals, nursing and rest homes may be issued for 10%. County and municipal industrial development revenue bonds, airport revenue bonds for cities, metropolitan (multi-jurisdictional) port revenue bonds may be issued at 10%. Municipal Improvement Districts may issue bonds for, among other purposes, drainage with a ceiling of 10%.

<sup>5</sup> California: Any rate permitted on specific issue approved by two-thirds vote of each house of Legislature and by Governor. Municipalities' GOs have 8% limit in some instances.

<sup>6</sup> Colorado: Maximum interest rate must be part of proposal submitted to voters along with amount of authorization.

<sup>7</sup> Florida: Some local, county, municipal authority bond authorizations set an interest rate above 7½% or no interest ceiling. Upon request of issuing unit, State Board of Administration may authorize a rate of interest in excess of maximum rate set by law.

<sup>8</sup> Hawaii: 8% limitation for state bonds effective until April 1, 1958 at which time it will revert to 7%. Counties with population in excess of 100,000 have 7% limit; counties under 100,000 have 8% limit. On urban renewal notes, State Attorney General says interest ceiling does not apply to borrowing from Federal Government for direct loans. Limit on housing notes reverts to 6% on May 16, 1956.

<sup>9</sup> Illinois: Municipal, school and district bonds, except for isolated instances, have 7% limit. When bonds are voted, ballot is permitted to set a maximum rate within the 7% rate. Home rule units may establish a maximum, but may not exceed 8% usury rate — not to be confused with 9½% home mortgage ceiling.

<sup>10</sup> Indiana: Certain Iowa bonds, Better Law assessment bonds and 4th State Normal University district bonds have 6% ceiling; airport and water bonds, except Indianapolis have 7% ceiling; school bus notes and water bonds have 8% ceiling.

<sup>11</sup> Kansas: Interest on waterworks and other limited to local companies and rate in lieu of statutory rate.

<sup>12</sup> Louisiana: Certain state agencies' interest rate limit, while others have a ceiling of 6%.

<sup>13</sup> Michigan: 10% limitation on port bonds. On state bonds the

ceiling is set at the time voters approve the individual authorizations. Currently there is no ceiling on state GO bonds or operating notes with the exception of authorized and unissued water resources and recreation bonds voted with a 6% ceiling. State Housing Finance Agency and state college and university bonds have no rate ceiling.

<sup>14</sup> Minnesota: 7% under a statute superseding all lower limits by any law or charter, but not affecting laws or charters authorizing the issuer to fix higher rates. Laws authorizing the issuer to fix rates apply to state bonds (except highway bonds constitutionally limited to 5%); to virtually all bonds now authorized to be issued by state agencies (Housing Finance Agency, Higher Education Facilities Authority and Higher Education Coordinating Commission, but not the Armory Building Commission); and to municipal industrial revenue bonds.

<sup>15</sup> Mississippi: Interest rates on state and local bonds revert to 6% on March 31, 1956, except for local hospital revenue bonds which will remain at 7%. State park improvement and water pollution abatement GO bonds have 6% ceiling. Local industrial revenue bonds have 8% limit. Under 1953 statute, public building bonds have 7% ceiling.

<sup>16</sup> Missouri: Bonds cannot be sold less than 95% of par. Negotiated sales cannot exceed 6%, except industrial aid bonds which have 8% ceiling.

<sup>17</sup> Nebraska: No state general obligation public debt. As of Aug. 27, 1953, the usury limitation changed from 9% to 11%. This limitation does not apply to obligations of all issuers. A few types of local bonds are governed by specific rate limitations.

<sup>18</sup> New Jersey: 6% ceiling suspended through June 30, 1958 for counties, cities, municipalities, school districts, State agencies and other public authorities and agencies. State GOs have 6% limit except those sold under Recreation and Conservation Development Act of 1954 which have 8% limit.

<sup>19</sup> New York: 5% ceilings suspended for state and local bonds and notes until July 1, 1956. Public authority obligation ceiling is 8% until July 1, 1956 except housing authority obligations on which there is no ceiling until July 1, 1956.

<sup>20</sup> North Dakota: Obligations sold privately are restricted to net interest cost rate of 8½% sales at up to 7% discount reduce coupon rates accordingly.

<sup>21</sup> Ohio: Some state agencies, such as the Ohio Turpentine Commission and State Underground Parking Commission have 8% limit. Urban renewal project notes, if GO, have 8% limit. Low rent housing notes have 8% limit.

<sup>22</sup> Oklahoma: Some state agencies such as public trusts have no interest ceiling. Ceiling on turpentine bonds is 6%. Local industrial development bonds have 6% ceiling and state industrial development bonds have 6½% ceiling.

<sup>23</sup> Pennsylvania: 6% ceiling on obligations of state and local authorities suspended until June 30, 1956. Philadelphia is excluded from provisions of Local Government Civil Debt Act of 1952 and thus has no ceiling on interest costs, except for 6% limitation on port, transit and street bonds. Urban renewal note ceiling reverts to 6% on June 30, 1956.

<sup>24</sup> Tennessee: Local utility districts are limited to 8%. All others have 10% ceiling.

<sup>25</sup> Texas: Bonds sold by Water Development Board, Veterans Land Development, Park Development and Wildlife bonds have a weighted average annual interest rate ceiling of 6%.

<sup>26</sup> Virginia: Ceiling reverts to 6% after June 30, 1954.

<sup>27</sup> Wisconsin: Local notes can run for 10 years. Local professional notes for vocational, technical and adult education school districts have 7% limit.

Alaska STATE HOUSING AUTHORITY

December 12, 1975

Ms. Fran Ulzer  
Legislative Assistant  
Office of the Governor  
Pouch A  
Juneau, Alaska 99811

Dear Fran:

You have asked for comments concerning the interest rate for ASHA bonds. I have also received a copy of a memo from Attorney General Gross to Governor Hammond and a draft of a transmittal letter.

I realize ASHA's position on the method of raising its statutory bond limitation has been modified over the past couple of months. I can only apologize and say that ASHA has been undergoing some substantial personnel, as well as administrative and policy changes. However, it appears that we are now moving toward a more consistent policy, at least insofar as this matter is concerned. (Be advised that Aldous Huxley once said of consistency, "the only completely consistent people are the dead.")

The trend in other states appears to be complete removal of any statutory limitations on bonds. Presently, 31 states have no ceiling whatsoever, according to the September 4, 1975 Bond Buyer. Three states have a 10 percent limit; one has a nine percent limit; three have eight percent limits; one has a seven and one-half percent limit; six (including Alaska) have seven percent limits; one has a six percent limit. Four states are unknown.

Presently, similar bonds are selling between eight and three-quarters percent and nine percent. On December 6, 1975, Alaska Housing Finance Corporation bonds (\$3 million) sold at 8.51%. Thus, you can clearly see the Housing Authority is virtually out of business without some change (as are a few other states, which, I presume, are proposing precisely the same legislative modification).

I contacted Sterling Callagher, Commissioner of Revenue, and Eric Wohlforth, Bond Counsel, to solicit their opinions. They are in total agreement that removing a statutory maximum is by far the most

Alaska STATE HOUSING AUTHORITY

Ms. Fran Ulmer

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December 12, 1975

preferable way of going. Neither the Alaska Housing Finance Corporation nor the Alaska Municipal Bond Bank Authority have ceilings. Hence, we would ask that AS 18.55.190 be repealed to effectuate this change.

Should you wish additional information on this matter, please let me know.

Best personal regards,

ALASKA STATE HOUSING AUTHORITY

Bill Miles  
Executive Director

BH:axn

cc: Averun Cross  
Pan Knoda  
Eric Wohlforth  
Sterling Gallagher

FISCAL NOTE

#5

I. REQUEST

Bill Resolution No. HB 95  
relating to bonds of the Alaska State Housing Authority  
 Requested by House State Affairs Date 1/27/77

II. FISCAL DETAIL

Agency Affected Alaska State Housing Authority  
 Program Category Affected Development  
 Budget Request Unit(s) Affected N/A

EXPENDITURES (Thousands of Dollars)

NONE

	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						

FUNDING (Thousands of Dollars)

NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 1/27/77

PREPARED BY *Don J. Cook*  
 AGENCY Commerce & Economic Development  
 PHONE 465-2505

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

of the authority are not a debt, indebtedness or the borrowing of money within the meaning of any limitation or restriction on the issuance of bonds contained in the constitution or laws of the state. (§ 40-7-10 ACLA 1949)

**Sec. 18.55.170. Exemption from taxes.** Bonds and other obligations of the authority are declared to be issued for an essential public and governmental purpose and are public instrumentalities and, together with interest on them and income from them, are exempt from taxes. (§ 40-7-10 ACLA 1949; am § 1 ch 23 SLA 1966)

**Effect of amendment.** — The 1966 amendment inserted "and other obligations" near the beginning of this section. **Legislative committee report.** — For report on ch. 23, SLA 1966, see 1966 House Journal, pp. 224, 225.

**Sec. 18.55.180. Issuance and sale of bonds.** Bonds of the authority are authorized by adoption of a resolution prescribing the date of issuance and maturity, interest rate, denomination, form, conversion privilege, rank or priority, execution, terms of redemption, medium and place of payment. Bonds may be sold at public or private sale at not less than par. Each bond is negotiable. The signature of a member or an officer upon a bond or coupon is not invalidated by his ceasing to hold office before the delivery of the bond. The recitation of a bond that it has been issued in the financing of a housing or public building project under §§ 10 — 290 of this chapter is conclusive as to the issuance of the bond and the character of the project in a challenge of the validity of the bond or the security for it. (§ 40-7-11 ACLA 1949; am § 6 ch 99 SLA 1965)

**Effect of amendment.** — The 1965 amendment inserted "housing or public building" in the last sentence.

**Sec. 18.55.185. Prohibited bidding on bonds and notes.** (a) No person who provides financial programming or marketing assistance to the authority in connection with the issuance or sale of bonds or bond anticipation notes of the authority under any section of this chapter may bid on the bonds or notes if offered at public sale, or negotiate for their purchase, if sold at a private sale.

(b) The sale of bonds or notes of the authority to a person who is prohibited from bidding on the bonds or notes under (a) of this section is against public policy and the sale is void.

(c) In this section "person" means an individual, firm, agent, factor, intermediary, partnership, corporation, association, bond house, stockbroker or bond broker. (§ 3 ch 102 SLA 1974)

**Sec. 18.55.190. Maximum interest rate.** The interest rate on bonds of the authority may not exceed seven per cent a year. (§ 40-7-11 ACLA 1949; am § 1 ch 64 SLA 1970)

**Effect of amendment.** — The 1970 amendment substituted "seven per cent" for "six per cent."

Introduced: 1/21/77  
Referred: State Affairs and  
Finance

BY MILES, BEIRNE, MCKINNON,  
MALONE, MEEKINS, NAKAK,  
OSTERBACK, SMITH AND SWANSON

1 IN THE HOUSE

2 HOUSE BILL NO. 95

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 bonds of the Alaska State Housing  
7 Authority; and providing for an effective date."

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

9 \* Section 1. AS 18.55.190 is repealed.

10 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
11 070(c).

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HB-95

*Alaska* STATE HOUSING AUTHORITY

February 6, 1976

The Honorable Robert H. Ziegler  
Alaska State Senate  
Pouch "V"  
State Capitol Building  
Juneau, Alaska 99811

Dear Senator Ziegler:

Enclosed is a draft copy of a bill to repeal the existing statutory 7% limitation on bonds that ASHA may need to sell in the future to finance low income or elderly housing. I certainly appreciate your help on this bill.

The trend in other states appears to be complete removal of any statutory limitations on bonds. Presently, 31 states have no ceiling whatsoever, according to the September 4, 1975 Bond Buyer. Three states have a 10 percent limit; one has a nine percent limit; three have eight percent limits; one has a seven and one-half percent limit; six (including Alaska) have seven percent limits; one has a six percent limit. Four states are unknown.

Presently, similar bonds are selling between eight and three-quarters percent and nine percent. On December 6, 1975, Alaska Housing Finance Corporation bonds (\$5 million) sold at 8.51%. Thus, you can clearly see the Housing Authority is virtually out of business without some change (as are a few other states, which, I presume, are proposing precisely the same legislative modification).

SAN FRANCISCO 500  
L-3 ANCHORAGE

DEAN WITTER & CO. (C)  
INCORPORATED  
MEMBER - NEW YORK STOCK EXCHANGE, INC.

RECEIVED  
ASIA

45 MONTGOMERY STREET • SAN FRANCISCO, CALIFORNIA 94106

TELEPHONE (415) 392-7211

DEC 19 75

HB 95

Route	21
Route	
Route	
File	

December 9, 1975

Mr. Bill Miles  
Executive Director  
Alaska State Housing Authority  
903 West Northern Lights Boulevard  
Anchorage, Alaska 99503

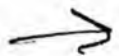
Dear Bill:

Eric Wohlforth has advised me that you are trying to get the interest rate ceiling on Alaska State Housing Authority bonds either raised or eliminated. For your information, we are enclosing a copy of a compilation of interest rate ceilings that appeared in the Daily Bond Buyer on September 4, 1975. The table shows that 31 states have no limits while 15 do. Four states fall into a miscellaneous category. Of the 15 states with limits, three are at 10%, one at 9%, three at 8%, one at 7-1/2%, six at 7% (including Alaska) and one at 6%.

Also enclosed is a copy of the same table that appeared in 1972. It shows 28 states with no limits and 18 with limits and the same four states in the miscellaneous category. Thus, over the past three years, three states have gone to no limit from a limit. Those states are: Michigan from 6% to no limit; New Jersey from 6% to no limit and Utah from 7% to no limit.

During this same three year period, three states raised their limits. They are: Mississippi from 6% to 7%, Nevada from 8% to 9% and Oregon from 8% to 10%.

In summary, since 1972 six states changed their interest rate ceilings. Three raised the limits and three went to no limits. Presently 67% of those 46 states where rate limits are applicable have no rate limit.



HB-95

*Alaska* STATE HOUSING AUTHORITY

February 6, 1976

The Honorable Robert H. Ziegler  
Alaska State Senate  
Pouch "V"  
State Capitol Building  
Juneau, Alaska 99811

Dear Senator Ziegler:

Enclosed is a draft copy of a bill to repeal the existing statutory 7% limitation on bonds that ASHA may need to sell in the future to finance low income or elderly housing. I certainly appreciate your help on this bill.

The trend in other states appears to be complete removal of any statutory limitations on bonds. Presently, 31 states have no ceiling whatsoever, according to the September 4, 1975 Bond Buyer. Three states have a 10 percent limit; one has a nine percent limit; three have eight percent limits; one has a seven and one-half percent limit; six (including Alaska) have seven percent limits; one has a six percent limit. Four states are unknown.

Presently, similar bonds are selling between eight and three-quarters percent and nine percent. On December 6, 1975, Alaska Housing Finance Corporation bonds (\$5 million) sold at 8.51%. Thus, you can clearly see the Housing Authority is virtually out of business without some change (as are a few other states, which, I presume, are proposing precisely the same legislative modification).

I contacted Sterling Gallagher, Commissioner of Revenue, and Eric Wohlforth, Bond Counsel, to solicit their opinions. They are in total agreement that removing a statutory maximum is by far the most preferable way of going. Neither the Alaska Housing Finance Corporation nor the Alaska Municipal Bond Bank Authority have ceilings. Hence, we would ask that AS 13.55.190 be repealed to effectuate this change.

Should you wish additional information on this matter, please let me know.

Best personal regards,



F. C. Roppel  
Chairman of the Board

FCR:le

cc: Avrum Gross  
Pam Knode  
Eric Wohlforth ✓  
Sterling Gallagher  
Bill Miles  
Tony Motley

SAN FRANCISCO  
LOS ANGELES

# DEAN WITTER & CO. (

INCORPORATED

MEMBER - NEW YORK STOCK EXCHANGE, INC.

45 MONTGOMERY STREET • SAN FRANCISCO, CALIFORNIA 94106

TELEPHONE (415) 392-7211

RECEIVED  
ASIA

DEC 19 75

HB 95

December 9, 1975

Route	211
Route	
Route	
File	

Mr. Bill Miles  
 Executive Director  
 Alaska State Housing Authority  
 903 West Northern Lights Boulevard  
 Anchorage, Alaska 99503

Dear Bill:

Eric Wohlforth has advised me that you are trying to get the interest rate ceiling on Alaska State Housing Authority bonds either raised or eliminated. For your information, we are enclosing a copy of a compilation of interest rate ceilings that appeared in the Daily Bond Buyer on September 4, 1975. The table shows that 31 states have no limits while 15 do. Four states fall into a miscellaneous category. Of the 15 states with limits, three are at 10%, one at 9%, three at 8%, one at 7-1/2%, six at 7% (including Alaska) and one at 6%.

Also enclosed is a copy of the same table that appeared in 1972. It shows 28 states with no limits and 18 with limits and the same four states in the miscellaneous category. Thus, over the past three years, three states have gone to no limit from a limit. Those states are: Michigan from 6% to no limit; New Jersey from 6% to no limit and Utah from 7% to no limit.

During this same three year period, three states raised their limits. They are: Mississippi from 6% to 7%, Nevada from 8% to 9% and Oregon from 8% to 10%.

In summary, since 1972 six states changed their interest rate ceilings. Three raised the limits and three went to no limits. Presently 67% of those 46 states where rate limits are applicable have no rate limit.

↘

I hope this information will be of some assistance to you. If there is anything else we can do for you, do not hesitate to ask.

Sincerely yours,

A handwritten signature in cursive script that reads "Tom".

R. Thomas Westhoff  
Vice President  
Municipal Investment Banking

cc: Mr. Eric Wohlforth  
Mr. Frank Roppell

RTW:df

St. G. - 6:45 pm  
Fin - all deposits  
HB 95 - 0 - fiscal  
Bonds  
HB 95 -  
North  
Comm. Sec.  
Comm. Comm.  
Rogersburg

File: AK. State Housing  
North  
Comm. Sec.  
Comm. Comm.  
Rogersburg

AS 18.55.190: is the 7% statutory limit for an interest rate on ASHA bonds. I apologize to the committee. The most recent figures I have are December 9, 1975, bond buyer figures. At that time, the Daily Bond Buyer showed 31 states had no limit on these types of bonds; 15 states had limits; 4 states fell into a miscellaneous category. Out of the 15 states that had limits at that time, 3 were at 10%, 1 at 9%, 3 at 8%, 1 at 7 1/2%, 6 at 7% including Alaska and 1 at 6%. I have the supportative data to show you the sharp transition from a specified limit to no limit if the committee is interested... that is showing the trend from limitations to no limitations. Briefly, I'll just say that this is the way people seem to go.

Additionally, neither the Alaska Housing Finance Corporation nor the Alaskan Municipal Bond Bank has ceilings.

On December 6, 1975, has a parallel, Alaska Housing Finance Corporation Bonds (5,000,000) sold at 8.51%. Bond counsel for state housing authority, Commissioner of Revenue, Department of Commerce support lifting the ceiling. Last years' bill was HB 629.

I present for the committee a 36 page report which gives a full summary of the state building program. A historic document never before put together. I understand the division of buildings has indicated it is an accurate summary. Should anyone request it. I'll have a copy in my office.



# 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 bonds of the Alaska State Housing Authority; effective date."

COMMITTEE REPORT

1/27/77

HOUSE

Mr. Speaker:

Date 2-10-77

The Committee on FINANCE has had HR 05

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>Freeman</u>	<u>Thurston</u>	_____
<u>Rhoads</u>	<u>Thurston</u>	_____
<u>Thurston</u>	<u>Thurston</u>	_____
<u>Thurston</u>	<u>Thurston</u>	_____

Members NOT concurring in the Majority report:

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

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

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

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

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

Freeman Chairman

Introduced: 1/21/77  
Referred: State Affairs and  
Finance

BY MILES, BEIRNE, MCKINNON,  
MALONE, MEEKINS, NAKAK,  
OSTERBACK, SMITH AND SWANSON

1 IN THE HOUSE

2 HOUSE BILL NO. 95

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 bonds of the Alaska State Housing  
7 Authority; and providing for an effective date."

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

9 \* Section 1. AS 18.55.190 is repealed.

10 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
11 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 95  
 Title relating to bonds of the Alaska State Housing Authority  
 Requested by House State Affairs Date 1/27/77

II. FISCAL DETAIL

Agency Affected Alaska State Housing Authority  
 Program Category Affected Development  
 Budget Request Unit(s) Affected N/A

EXPENDITURES (Thousands of Dollars) NONE

	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						

FUNDING (Thousands of Dollars) NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 1/27/77 PREPARED BY *Jan J. Cook*  
 AGENCY Commerce & Economic Development  
 PHON 465-2505  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Introduced: 1/21/77  
Referred: State Affairs and  
Finance

BY MILES, BEIRNE, MCKINNON,  
MALONE, MEEKINS, NAKAK,  
OSTERBACK, SMITH AND SWANSON

1 IN THE HOUSE

2 HOUSE BILL NO. 95

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

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# RECORDS CERTIFICATION



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James O. Smith  
Signature of Camera Operator

2/8/90  
Date

# COMMITTEE REPORT

## HOUSE

2/28/77

4-27-77

Date

Mr. Speaker:

The Committee on FINANCE has had HR 99

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: 1/21/77  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 99

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 liability for expense of hospita-  
7 lization of mentally ill individuals; and providing  
8 for an effective date."

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

10 \* Section 1. AS 47.30.270(a) is repealed and re-enacted to read:

11 (a) A patient, or his legal representative acting in a represen-  
12 tative capacity, or his spouse, or his parents if the person is under  
13 the age of 18, shall pay or contribute to the payment of the charges  
14 for the care or treatment of the patient when hospitalized under secs.  
15 10 - 340 of this chapter. The charges may not exceed the actual cost  
16 of the care and treatment as determined by the department. The depart-  
17 ment may order payment of charges by the patient or by the person re-  
18 sponsible for payment of the charges for the patient's care and  
19 treatment under this subsection, according to ability to provide for  
20 payment. The department may make necessary investigations to determine  
21 the ability to provide for payment and may require sworn statements of  
22 income by the patient, or his legal representative acting in a repre-  
23 sentative capacity, or his spouse or parent. In the exercise of his  
24 discretion, the commissioner may impose full liability for the patient's  
25 actual cost of care and treatment on the patient, legal representative,  
26 spouse or parent for refusal to supply a sworn statement of income.  
27 An order for payment of charges shall be issued by the department  
28 within six months after the date on which the charge was incurred.  
29 The order shall remain in full force and effect unless modified by

1 subsequent court or department order. Liability under this subsection  
2 shall be determined as follows:

3 (1) a patient hospitalized under secs. 10 - 340 of this  
4 chapter who is mentally deficient and severely mentally retarded, or  
5 the person responsible for payment of charges for such a patient under  
6 this subsection, may not be required to pay more than \$50 a month  
7 toward the charges for the care and treatment of the patient;

8 (2) a patient hospitalized under secs. 10 - 340 of this  
9 chapter, other than one covered by (1) of this subsection, or the  
10 person responsible for payment of charges for such a patient, may be  
11 required to pay according to his ability to provide for payment, as  
12 determined by the department, and in the manner and proportion which  
13 the department finds is not detrimental to the patient's rehabilita-  
14 tion; however, after the patient has been hospitalized under secs.  
15 10 - 340 of this chapter for an aggregate period of 12 months, the  
16 patient or person responsible for payment may not be required to pay  
17 more than \$50 a month toward the charges for the care and treatment of  
18 the patient.

19 \* Sec. 2. AS 47.30.270(d) is amended to read:

20 (d) The amount of liability for care and treatment which is  
21 ordered by the department to be paid and which is not paid for by the  
22 patient or by his legal representative acting in a representative  
23 capacity or by his spouse or parent constitutes a lien in favor of  
24 this state against all property of the patient. The unpaid amount of  
25 liability is a debt to the state and is a first, prior and preferred  
26 claim against the estate of the patient after death, and after ex-  
27 penses of administration and all just claims for medical care of last  
28 illness and burial expenses have been paid. The claim based upon  
29 information submitted by the department shall be prepared and filed by

1 the attorney general. The amount of liability for care and treatment  
2 which is ordered by the department to be paid and which is not paid by  
3 the spouse or parent before the spouse's or parent's death, shall be  
4 discharged or collected from the patient. No claim lies against the  
5 assets or estate of the deceased spouse or parent.

6 \* Sec. 3. AS 47.30.270(f) is amended to read:

7 (f) If an order of payment is entered by the department under  
8 this section, and delinquency in the payment of any amount due the  
9 state under the order continues for a period of more than 30 days  
10 after the notification of the patient or the legal representative,  
11 spouse, or parent of the patient by the department, the state may  
12 proceed to collect the amounts due by appropriate proceedings.  
13 Actions to enforce the collection of payments may only be brought  
14 within three years after the date of notification of a delinquent  
15 payment.

16 \* Sec. 4. The orders of the department issued under AS 47.30.270, as  
17 amended by this Act, shall relate only to charges incurred after the effec-  
18 tive date of this Act.

19 \* Sec. 5. This Act takes effect immediately in accordance with AS  
20 01.10.070(c).

14899

January 21, 1977

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 liability for expenses of hospitalization of mentally ill persons admitted to hospitals under AS 47.30.

AS 47.30.270 now imposes liability on the patient, his legal representative when acting in a representative capacity, and his parent if the patient is under 18. Before the 1974 amendments to AS 47.30.270, liable persons were the patient, his spouse, his parents, and his adult children. While agreeing that the relation between adult children and their parents is often too tenuous to provide socially justifiable grounds for liability in this situation, the Department of Health and Social Services believes that it is reasonable to reinstate spousal liability for expenses of hospitalized mental patients. The bill therefore adds spouses to the persons liable for patients' expenses of hospitalization.

The bill removes the general \$50-per-month ceiling on parental liability for minor children which was added to the statute in 1974. In its place, the bill establishes two classes of patients to whom the \$50 monthly ceiling applies: (1) mentally deficient and severely mentally retarded patients hospitalized under AS 47.30, effective from the beginning of their hospitalization or institutionalization; (2) other mentally ill patients when their hospitalization lasts for more than an aggregate period of 12 months. The term "mentally deficient and severely mentally retarded" is chosen because it is part of the definition of "mentally ill individual" in AS 47.30.340(10). For

patients who are not severely mentally retarded and for whom hospitalization lasts less than an aggregate period of 12 months, liability is determined on the basis of the ability of the patient or responsible person to provide for payment and the non-detrimental effect of such payments on the rehabilitation of the patient.

The phrase "ability to pay" in the current statute is changed to "ability to provide for payment" in order to specifically include an individual's applicable insurance coverage in determining his ability to pay the cost of care.

The statute formerly required that orders of payment addressed to parents be prospective in effect and relate only to charges incurred after the order. Rather than extending this prospective treatment to spouses as well as parents, the provision for the prospective order is removed and parents and spouses are treated in the same manner as a patient or his legal representative in the current statute: an order of payment must be issued against any of them within six months after the date on which the charge was incurred. The single method of issuing orders of payment is intended to simplify administration.

The bill attempts to balance the state's interest in reimbursement for short-term hospitalization (i.e., less than an aggregate period of 12 months) when the ability to pay exists -- usually through family-plan insurance policies, many of which now cover mental illness -- and the parents' interest in freedom from enormous liabilities for children who are receiving long-term care in hospitals or institutions.

The bill also permits the commissioner, in his discretion, to impose full liability for the patient's actual cost of care on the patient or legal representative or spouse or parent who refuses to provide income information to assist the Department of Health and Social Services in its determination of ability to pay. The department has experienced problems in this area without having any available sanctions for non-cooperation.

The bill provides for an immediate effective date.

Sincerely,

Jay S. Hammond  
Governor

523

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. 1LB 99  
Title LIABILITY FOR EXPENSE OF HOSPITALIZATION AND TRANSPORTATION (M1 PAT)  
Requested by BUDGET & MANAGEMENT Date 12/13/76

II. FISCAL DETAIL

Agency Affected HEALTH & SOCIAL SERVICES  
Program Category Affected SOCIAL SERVICES  
Budget Request Unit(s) Affected QUALITY CONTROL

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)

GENERAL FUND	(100.0)	(105.0)	(110.2)	(115.8)	(121.6)	(127.6)
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The determination for ability to pay for mental health services is currently an operating procedure. The effect of increasing the liability limits for the responsible parties will be increased revenues into the State for services provided. There is no incremental workload increase anticipated, therefore, no State expenditure increases are projected if this bill is enacted.

It is estimated that receipts for mental health services could be increased by as much as \$100,000 per year, and prevent the possible loss of revenues from insurance carriers by as much as \$300,000 per year.

IV. DATE December 14, 1976

PREPARED BY *Roger C. Lange*  
AGENCY Quality Control/Collection Agency  
PHONE 465-3331

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



# RECORDS CERTIFICATION



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James O. Smith  
Signature of Camera Operator

2/8/90  
Date

COMMITTEE REPORT  
SENATE

FURTHER: None

2/8/78

Date: June 7, 1978

Mr. President:

The Committee on FINANCE has had CSHR 102  
certificates of residency

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                      ( ) recommends it do not pass
- ( ) recommends it do pass with attached amendment(s)
- ( ) recommends it be replaced with CS for CSHR 104

and SCSIS 104 ( ) new title              ( ) same title

- ( ) AND attaches a Letter of Intent              ( ) New Fiscal Note
- ( ) reports it back without recommendation
- ( ) and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]

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[Signature]  
Chairman

Original sponsor: Rules Committee by  
request of the Governor

IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 104  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to certificates of residency; and  
providing for an effective date."

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

\* Section 1. AS 23.05 is amended by adding new sections in article 1 to  
read:

Sec. 23.05.132. CERTIFICATES OF RESIDENCY. The department may  
issue certificates of residency to bona fide Alaska residents for the  
purposes of sec. 130 of this chapter, AS 36, and AS 38.40. As partial  
reimbursement for the cost of processing applications for certificates,  
the department may prescribe by regulation an application fee not ex-  
ceeding \$5.

Sec. 23.05.134. UNLAWFUL USE AND PRODUCTION OF CERTIFICATES OF  
RESIDENCY. (a) It is a misdemeanor punishable by imprisonment for not  
more than one year, or by a fine of not more than \$1,000, or by both,  
for a person

(1) to display, or cause or permit to be displayed, for the  
purposes of gaining employment, a cancelled, revoked, fraudulently  
obtained or altered, forged or counterfeited certificate of residency;

(2) to fail or refuse to surrender to the department upon its  
lawful demand a certificate of residency which is expired, cancelled,  
revoked or declared to be fraudulent or fictitious by the department;

(3) to use a false or fictitious name in an application for a  
certificate of residency, or to knowingly make a false statement, or to  
knowingly conceal a material fact or otherwise commit a fraud in an

1  
2 application;

3 (4) to permit unlawful use of a certificate of residency  
4 issued to him; or

5 (5) to display or represent as one's own a certificate of  
6 residency not issued to him by the department.

7 (b) It is a felony punishable by imprisonment for not less than  
8 one year nor more than 10 years for a person knowingly to

9 (1) make, alter, forge, or counterfeit a certificate of  
10 residency issued by the department; or

11 (2) offer or publish for sale a false, altered, forged, or  
12 counterfeited certificate of residency.

13 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
14 070(c).  
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THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS for CS House Bill No. 104  
 Title Bill relating to certificate of residency  
 Requested by Governor's Office Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Labor  
 Program Category Affected Justice  
 Budget Request Unit(s) Affected Wage and Hour Division

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	0	21.4	22.4	23.5	24.7	25.9
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	58.6	61.5	64.6	67.9	71.4
400 COMMODITIES	0	0.5	0.5	0.5	0.6	0.6
500 EQUIPMENT	0	4.5	0	0	0	0
600 LAND & STRUCTURES	0					
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>0</b>	<b>85.0</b>	<b>84.4</b>	<b>88.6</b>	<b>93.2</b>	<b>97.9</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	0	85.0	84.4	88.6	93.2	97.9
FEDERAL FUNDS						
OTHER (Specify)						

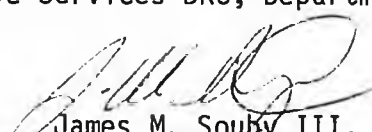
POSITIONS <sup>1</sup>

FULL TIME	0	3	3	3	3	3
PART TIME						
TEMPORARY						

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

(See attachment)

1 Two positions located in Administrative Services BRU, Department of Labor, Commissioner's Office.

IV. DATE June 9, 1978 PREPARED BY  James M. Souby III, Comptroller  
 AGENCY Labor  
 Original: Legislative Finance PHONE 465-2793  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Many Alaskans employed on Public Works Projects are already certified residents under AS 38.40. However, the criteria defining a resident under AS 36.95.010(5) is not consistent with AS 38.40. While we have no problem with residents certified under AS 38.40 meeting resident requirements of Title 36, it may be possible for individuals to be certified under that title but not qualified as residents under the more stringent definition in Title 38.

Under AS 38.40 the Department is presently processing applications for renewal of resident cards for those who will have held the certificate of residency for two years or more. Processing of renewals are averaging 1,000 per month and in addition there are about 700 new applications for resident certification monthly.

To meet the needs of an expanded certification program and to maintain fiscal responsibility related to "fee charging" will require additional staffing to perform these obligations. To handle the accounting of fee receipts and maintain the related records, it will be necessary to employ an Accountant II and an Accounting Clerk to provide fiscal management and necessary supporting back up functions. Work loads related to additional certification activity under Title 36 will require the services of one new Wage and Hour Technician.

The accounting positions will be located in the agency Administrative Services BRU and funded through a Reimbursable Services Agreement.

A. Assumption: 5% inflation rate in personal services and contractual costs.

B. Program Summary

1. Positions:

	<u>Title</u>	<u>Rge</u>	<u>Mo. Sal.</u>	
1	Accountant II	14	1,477	Juneau
1	Accounting Clerk II	9	1,069	Anchorage
1	Wage & Hour Tech.	12	<u>1,293</u>	Juneau
			3,839 x 12 =	46,068
	FICA		17,700	
			12,828	
			<u>15,516</u>	
			46,044 x .0605 =	2,786
	PS Benefits (Sal. x 25.5%) =			11,747
	Health Ins. (3 x 12 x 82.18) =			<u>2,958</u>
	Total			63,559

(Note: 42.2 are in contractual.)

2. Other Costs:

a. Indirect costs at 24.4% of direct salary (15,516 x .244 = 3,786)

b. Office rent = 5,652

- c. Office equipment rent, communications, etc. = 6,780 per year
- d. New equipment for 3 positions @ 1,500 each = 4,500

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

Offered: 2/24/77  
Referred: Rules

1 IN THE HOUSE

BY THE LABOR AND  
MANAGEMENT COMMITTEE

2 CS FOR HOUSE BILL NO. 104

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 certificates of residency; and  
7 providing for an effective date."

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

9 \* Section 1. AS 23.05 is amended by adding new sections in article 1 to  
10 read:

11 Sec. 23.05.132. CERTIFICATES OF RESIDENCY. In issuing certifi-  
12 cates of residency under AS 38.40.030(b) the department may prescribe by  
13 regulation an application fee not exceeding \$5, but shall provide by  
14 regulation for waivers in hardship cases.

15 Sec. 23.05.134. UNLAWFUL USE AND PRODUCTION OF CERTIFICATES OF  
16 RESIDENCY. (a) It is a misdemeanor punishable by imprisonment for not  
17 more than one year, or by a fine of not more than \$1,000, or by both,  
18 for a person

19 (1) to display, or cause or permit to be displayed, for the  
20 purposes of gaining employment, a cancelled, revoked, fraudulently  
21 obtained or altered, forged or counterfeited certificate of residency;

22 (2) to fail or refuse to surrender to the department upon its  
23 lawful demand a certificate of residency which is expired, cancelled,  
24 revoked or declared to be fraudulent or fictitious by the department;

25 (3) to use a false or fictitious name in an application for a  
26 certificate of residency, or to knowingly make a false statement, or to  
27 knowingly conceal a material fact or otherwise commit a fraud in an  
28 application;

29 (4) to permit unlawful use of a certificate of residency

1 issued to him; or

2 (5) to display or represent as one's own a certificate of  
3 residency not issued to him by the department.

4 (b) It is a felony punishable by imprisonment for not less than  
5 two years nor more than 20 years for a person knowingly to

6 (1) make, alter, forge, or counterfeit a certificate of  
7 residency issued by the department; or

8 (2) offer or publish for sale a false, altered, forged, or  
9 counterfeited certificate of residency.

10 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
11 070(c).

*Title 36 - Public works, Exempted*

*95% now: Withheld funds if  
Not Complying*

Introduced: 1/24/77  
Referred: Labor & Management

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 104

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 certificates of residency; and  
7 providing for an effective date."

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

9 \* Section 1. AS 23.05 is amended by adding new sections in article 1 to  
10 read:

11 Sec. 23.05.132. CERTIFICATES OF RESIDENCY. (a) The department  
12 may issue certificates of residency to bona fide Alaska residents for  
13 the purposes of sec. 130 of this chapter, AS 36 and AS 38.40. As  
14 partial reimbursement for the cost of processing applications for  
15 certificates, the department may prescribe by regulation an application  
16 fee not exceeding \$10.

17 (b) The department shall provide by regulation for the effective  
18 period of certificates of residency issued by it, for a procedure for  
19 the cancellation or revocation of certificates issued to persons who  
20 are no longer, or never were, bona fide residents of the state under  
21 AS 36 or AS 38.40, and for a procedure for the declaration of fraudulent  
22 or fictitious certificates.

23 Sec. 23.05.134. UNLAWFUL USE AND PRODUCTION OF CERTIFICATES OF  
24 RESIDENCY. (a) It is a misdemeanor punishable by imprisonment for  
25 not less than 10 days nor more than one year or by a fine of not more  
26 than \$1,000, or by both, for a person:

27 (1) to display or cause or permit to be displayed or have  
28 in his possession an expired, cancelled, revoked, or fraudulent or  
29 fictitious certificate of residency;

1 (2) to fail or refuse to surrender to the department upon  
2 its lawful demand a certificate of residency which is expired, cancelled,  
3 revoked or declared to be fraudulent or fictitious by the department;

4 (3) to use a false or fictitious name in an application for  
5 a certificate of residency, or to knowingly make a false statement, or  
6 to knowingly conceal a material fact or otherwise commit a fraud in an  
7 application;

8 (4) to permit unlawful use of a certificate of residency  
9 issued to him; or

10 (5) to display or represent as one's own a certificate of  
11 residency not issued to him by the department.

12 (b) It is a felony punishable by imprisonment for not less than  
13 one year nor more than 20 years or by a fine of not more than \$10,000,  
14 or by both, for a person knowingly to:

15 (1) make, alter, forge, or counterfeit a certificate of  
16 residency issued by the department; or

17 (2) offer or publish for sale a false, altered, forged, or  
18 counterfeited certificate of residency.

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

HB 104

January 24, 1977

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

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to certificates of residency. The bill would amend AS 23.05, which deals generally with the Department of Labor, to add two new sections. The first section would give the department the authority to issue certificates of residency to bona fide residents of the state for the purposes of assisting them in obtaining employment preferences in public contracts (AS 36), on employment arising from state oil and gas leases (AS 38.40), or otherwise. Under this section the department would also have the authority to adopt regulations providing for the effective period of certificates and for procedures for revoking or suspending certificates or declaring a certificate fraudulent or fictitious.

The second new section would provide criminal penalties, either misdemeanor or felony depending on the violation, for the misuse of certificates of residency, including knowingly making false statements on certificate applications, selling certificates, and counterfeiting certificates.

Sincerely,

Jay S. Hammond  
Governor

TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 104  
 Title Bill relating to certificates of residency  
 Requested by Governor's Office Date January 14, 1977

II. FISCAL DETAIL  
 Agency Affected LABOR  
 Program Category Affected Justice  
 Budget Request Unit(s) Affected Wage & Hour Division

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)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

ASSUMPTIONS:

Approximately 7,000 certified residents are due to renewal between March 1, 1977, and June 30, 1977, which would provide \$35,000 in revenue return in FY 1977.

Minimum projection ofr Resident Hire service during FY 1978 assumes that 75 per cent of residents certified during FY 1976 will be due for renewal in FY 1978 and a minimum of 12,000 new applications will be processed.

EXAMPLE:

Renewal - 75 per cent of 24,904 = 18,678 x \$5	\$ 93,390
Original applications filed FY 1978 - 12,000 x \$5	60,000
TOTAL REVENUE: FY 1978	\$ 153,390

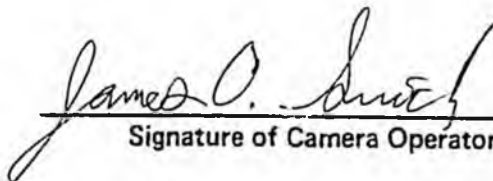
IV. DATE January 14, 1977 PREPARED BY Tom Haas, Finance Officer  
 AGENCY LABOR  
 Original: Legislative Finance PHONE 465-2720  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

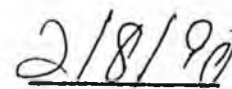


# RECORDS CERTIFICATION



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

  
Signature of Camera Operator

  
Date

# COMMITTEE REPORT

2-23-77

## HOUSE

April 24 1977 Date

Mr. Speaker:

The Committee on FINANCE has had HB 106

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 HD 106 and that

CS for HD 106 do pass

(and) recommends it be referred to the \_\_\_\_\_ committee

reports it back without recommendation

AND attaches a report of its intent

(other) with fiscal note of 3-6-77

### MEMBERS SIGNING THE MAJORITY REPORT:

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

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: [Signature]

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

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

[Signature]  
Chairman

[Signature]  
Vice

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

CSHB 106

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CSHB 106  
 Title Act relating to the Alaska Business License Act  
 Requested by House Finance Committee Date 2/25/77

ii. FISCAL DETAIL  
 Agency Affected Revenue  
 Program Category Affected Community Development  
 Budget Request Unit(s) Affected Shared Taxes

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.	10,500.0	10,500.0	10,500.0	8,400.0	8,400.0	6,300.0
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	10,500.0	10,500.0	10,500.0	8,400.0	8,400.0	6,300.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

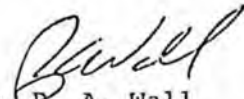
FULL TIME						
PART TIME						
TEMPORARY						

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

FY 77 income from the tax is estimated at \$20,430,000. About 85% or \$17,365,000 of the total will be collected from gross receipts within municipal boundaries and 60% of the \$17,365,000 is shared.

FY 78 income from the tax is estimated at \$17,400,000. About 85% or \$14,790,000 of the total will be collected from gross receipts within municipal boundaries and 60% of the \$14,790,000, or \$8,874,000, would have been shared in FY 78 if the tax had remained as it was. A net loss of \$1,626,000 to the General Fund in FY 78.

No income will receipt to the General Fund beginning FY 79, but, the sharing will continue as shown before.

IV. DATE March 6, 1977 PREPARED BY  P. A. Wall  
 AGENCY Revenue  
 PHONE 465-2313  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Original sponsors: Bradley, Gardiner,  
Buchholdt, et al

Offered: 2/23/77  
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 106

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

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

8

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

9

\* Section 1. AS 43.70.030(a) is amended to read:

10

(a) The license fee for each business is \$25 [PLUS A SUM EQUAL TO  
11 ONE-HALF OF ONE PER CENT OF THE GROSS RECEIPTS IN EXCESS OF \$20,000 FROM  
12 THE BUSINESS DURING THE YEAR FOR WHICH THE LICENSE IS ISSUED, EXCEPT  
13 THAT ALL GROSS VOLUME IN EXCESS OF \$100,000 A YEAR IS TAXED AT THE RATE  
14 OF ONE-QUARTER OF ONE PER CENT]. The annual license fee paid by a  
15 professional person to his professional board shall be credited against  
16 the initial fee required under this chapter.

17

\* Sec. 2. AS 43.70.030(c) is amended to read:

18

(c) The license for the privilege of taking orders through use of  
19 catalogs and by mail order offices in the state is the same as set out  
20 in this chapter for business generally [AND GROSS VOLUME OF BUSINESS OF  
21 THOSE OFFICES INCLUDES ALL ORDERS TAKEN AT THEM WHETHER DELIVERY OF THE  
22 MERCHANDISE IS MADE THROUGH THE OFFICES OR NOT].

23

\* Sec. 3. AS 43.70.030(d) is amended to read:

24

(d) The initial fee of \$25 applies to all of the provisions of  
25 this section, and shall accompany the application. The balance under  
26 sec. 30(b) of this chapter is due and payable on December 31st of each  
27 year and shall be paid before the first day of March following, except  
28 that the department may extend the time until the 30th of the following  
29 April upon application showing that the extension is necessary to enable

1 the applicant to ascertain the amount of license money due. To enable  
2 accurate determination of the balance of the tax due at the end of each  
3 year, each person to whom this chapter applies shall keep records, give  
4 statements under oath, and make returns which the department requires.  
5 Returns are made under penalty of perjury.

6 \* Sec. 4. AS 43.70.040(a) is amended to read:

7 (a) As soon as practicable after the final payment of the tax  
8 under sec. 30(b) of this chapter, the department shall examine the  
9 return and determine the correct amount of the tax and, if an error is  
10 found, shall notify the taxpayer of the error and examine the taxpayer's  
11 records as authorized in AS 43.05.040, and take other proper steps to  
12 determine the amount due.

13 \* Sec. 5. AS 43.70.010, 43.70.070, and 43.70.110(2) and (3) are repealed.

14 \* Sec. 6. AS 43.18 is amended by adding a new section to read:

15 Sec. 43.18.090. ADDITIONAL GRANTS TO REPLACE LOST REVENUES. In  
16 addition to revenue sharing payable to municipalities under secs. 10 -  
17 45 of this chapter, the state shall pay to a municipality each fiscal  
18 year a percentage of the amount of business license tax receipts which  
19 the municipality was entitled to receive under AS 43.70.080 for the  
20 state fiscal year ending June 30, 1977. The applicable percentage  
21 payable under this section is

22 (1) 100 per cent for the fiscal years ending June 30, 1978  
23 and June 30, 1979:

24 (2) 80 per cent for the fiscal years ending June 30, 1980 and  
25 June 30, 1981;

26 (3) 60 per cent for the fiscal years ending June 30, 1982 and  
27 June 30, 1983;

28 (4) 40 per cent for the fiscal years ending June 30, 1984 and  
29 June 30, 1985; and

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(5) 20 per cent for the fiscal years ending June 30, 1986 and  
June 30, 1987.

\* Sec. 7. This Act takes effect January 1, 1978.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 106  
 Title Act relating to the Alaska Business License Act  
 Requested by House Finance Committee Date 2/25/77

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected General Government  
 Budget Request Unit(s) Affected Audit

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES				(19.8)		
200 TRAVEL						
300 CONTRACTUAL				( 3.0)		
400 COMMODITIES				( .3)		
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	(23.1)	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND				(23.1)		
FEDERAL FUNDS						
OTHER (Specify)						


POSITIONS

FULL TIME				(1)		
PART TIME						
TEMPORARY						

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

No additional cost is associated with this Bill.

A cost decrease will occur when the total gross receipts impact ends. This will not occur until at least a year after the tax is abolished as final returns must be received, audited, and shared.

IV. DATE March 6, 1977 PREPARED BY  P. A. Wall  
 AGENCY Revenue  
 Original: Legislative Finance PHONE 465-2313  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 106  
 Title Act relating to the Alaska Business License Act  
 Requested by House Finance Committee Date 2/25/77

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected General Government  
 Budget Request Unit(s) Affected Administration and Support

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)

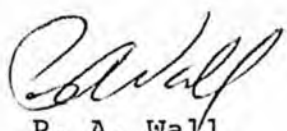
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No additional cost is associated with this Bill.

IV. DATE March 6, 1977 PREPARED BY  P. A. Wall  
 AGENCY Revenue  
 Original: Legislative Finance PHONE 465-2313  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 106  
 Title Act Relating to the Alaska Business License Act  
 Requested by House Commerce Committee Date January 26, 1977

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected Community Development  
 Budget Request Unit(s) Affected Shared Taxes

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.	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
FEDERAL FUNDS						
OTHER (Specify)						

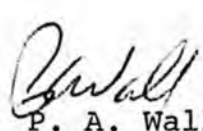
POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

If the effective date of 1/1/78 is realized, Gross Receipts tax revenues will not continue after 12/31/77. The continued revenue sharing provision of this act will require an additional authorization of \$5,000,000 from the General Fund for FY 78 and \$10,000,000 thereafter. The tax on banks (\$1,800,000 in 1975) will continue to be shared under the act.

\$9,200,000 of Annual Gross Receipts tax income to the General Fund (income not shared) will be eliminated.

IV. DATE January 31, 1977 PREPARED BY  P. A. Wall  
 AGENCY Revenue  
 PHONE 465-2313  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 106  
 Title Act Relating to the Alaska Business License Act  
 Requested by House Commerce Committee Date January 26, 1977

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected General Government  
 Budget Request Unit(s) Affected Administration and Support

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						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

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

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

No additional cost is associated with this Act.



IV. DATE January 31, 1977 PREPARED BY P. A. Wall  
 AGENCY Revenue  
 PHONE 465-2313  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 106  
 Title Act Relating to the Alaska Business License Act  
 Requested by House Commerce Committee Date January 26, 1977

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected General Government  
 Budget Request Unit(s) Affected Audit

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)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

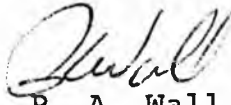
POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

A cost decrease will occur when the total Gross Receipts tax impact ends. This will not occur for at least a year after the tax is abolished as final returns must be received, audited and shared. Decrease will consist of 1 position, forms and postage costs.

Recommend that on page 1, line 26, after the word "payable" that the remainder of the sentence be deleted and the following inserted, "at the same time and under the same conditions as the federal tax."

IV. DATE January 31, 1977 PREPARED BY  P. A. Wall  
 AGENCY Revenue  
 Original: Legislative Finance PHONE 465-2313  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

Original sponsors: Bradley, Gardiner,  
Buchholdt, et al

Offered: 2/23/77  
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 106

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 \* Section 1. AS 43.70.030(a) is amended to read:

10 (a) The license fee for each business is \$25 [PLUS A SUM EQUAL TO  
11 ONE-HALF OF ONE PER CENT OF THE GROSS RECEIPTS IN EXCESS OF \$20,000 FROM  
12 THE BUSINESS DURING THE YEAR FOR WHICH THE LICENSE IS ISSUED, EXCEPT  
13 THAT ALL GROSS VOLUME IN EXCESS OF \$100,000 A YEAR IS TAXED AT THE RATE  
14 OF ONE-QUARTER OF ONE PER CENT]. The annual license fee paid by a  
15 professional person to his professional board shall be credited against  
16 the initial fee required under this chapter.

17 \* Sec. 2. AS 43.70.030(c) is amended to read:

18 (c) The license for the privilege of taking orders through use of  
19 catalogs and by mail order offices in the state is the same as set out  
20 in this chapter for business generally [AND GROSS VOLUME OF BUSINESS OF  
21 THOSE OFFICES INCLUDES ALL ORDERS TAKEN AT THEM WHETHER DELIVERY OF THE  
22 MERCHANDISE IS MADE THROUGH THE OFFICES OR NOT].

23 \* Sec. 3. AS 43.70.030(d) is amended to read:

24 (d) The initial fee of \$25 applies to all of the provisions of  
25 this section, and shall accompany the application. The balance under  
26 sec. 30(b) of this chapter is due and payable on December 31st of each  
27 year and shall be paid before the first day of March following, except  
28 that the department may extend the time until the 30th of the following  
29 April upon application showing that the extension is necessary to enable

1 the applicant to ascertain the amount of license money due. To enable  
2 accurate determination of the balance of the tax due at the end of each  
3 year, each person to whom this chapter applies shall keep records, give  
4 statements under oath, and make returns which the department requires.  
5 Returns are made under penalty of perjury.

6 \* Sec. 4. AS 43.70.040(a) is amended to read:

7 (a) As soon as practicable after the final payment of the tax  
8 under sec. 30(b) of this chapter, the department shall examine the  
9 return and determine the correct amount of the tax and, if an error is  
10 found, shall notify the taxpayer of the error and examine the taxpayer's  
11 records as authorized in AS 43.05.040, and take other proper steps to  
12 determine the amount due.

13 \* Sec. 5. AS 43.70.010, 43.70.070, and 43.70.110(2) and (3) are repealed.

14 \* Sec. 6. AS 43.18 is amended by adding a new section to read:

15 Sec. 43.18.090. ADDITIONAL GRANTS TO REPLACE LOST REVENUES. In  
16 addition to revenue sharing payable to municipalities under secs. 10 -  
17 45 of this chapter, the state shall pay to a municipality each fiscal  
18 year a percentage of the amount of business license tax receipts which  
19 the municipality was entitled to receive under AS 43.70.080 for the  
20 state fiscal year ending June 30, 1977. The applicable percentage  
21 payable under this section is

22 (1) 100 per cent for the fiscal years ending June 30, 1978  
23 and June 30, 1979:

24 (2) 80 per cent for the fiscal years ending June 30, 1980 and  
25 June 30, 1981;

26 (3) 60 per cent for the fiscal years ending June 30, 1982 and  
27 June 30, 1983;

28 (4) 40 per cent for the fiscal years ending June 30, 1984 and  
29 June 30, 1985; and

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(5) 20 per cent for the fiscal years ending June 30, 1986 and  
June 30, 1987.  
\* Sec. 7. This Act takes effect January 1, 1978.

#

Introduced: 1/25/77  
Referred: Commerce and  
Finance

BY BRADLEY, GARDINER, BUCHHOLDT,  
COTTEN, DUNCAN, FREEMAN, MCKINNON,  
MALONE, MEEKINS, MILES AND MILLER

1 IN THE HOUSE

2 HOUSE BILL NO. 106

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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13 EXCEPT THAT ALL GROSS VOLUME IN EXCESS OF \$100,000 A YEAR IS TAXED AT  
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16 addition to revenue sharing payable to municipalities under secs. 10 -  
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18 year an amount equal to the amount of business license tax receipts  
19 which the municipality was entitled to receive under AS 43.70.080 for  
20 the state fiscal year ending June 30, 1976.

21 \* Sec. 7. This Act takes effect January 1, 1978.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CSHB 106  
 Title An Act relating to the Alaska Business License Act  
 Requested by House Commerce Committee Date February 22, 1977

II. FISCAL DETAIL  
 Agency Affected Revenue  
 Program Category Affected Community Development  
 Budget Request Unit(s) Affected Shared Taxes

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.	10,500.0	10,500.0	10,500.0	8,400.0	8,400.0	6,300.0
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	10,500.0	10,500.0	10,500.0	8,400.0	8,400.0	6,300.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The revised estimate of revenues to be collected under the Business License Tax in FY77 is \$20,430,000. Roughly 85%, or \$17,370,000, of that amount is collected from within the boundaries of local governments. 60% of that amount is shared with the local governments (rounded to the next highest half-million, that is \$10,500,000).

*Joe McKinnon*

IV. DATE February 22, 1977 PREPARED BY Joe McKinnon, Chairman  
 AGENCY House Commerce Committee  
 PHONE 465-3889  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 106  
 Title Act relating to the Alaska Business License Act  
 Requested by House Finance Committee Date 2/25/77

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected Community Development  
 Budget Request Unit(s) Affected Shared Taxes

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.	10,500.0	10,500.0	10,500.0	8,400.0	8,400.0	6,300.0

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND	10,500.0	10,500.0	10,500.0	8,400.0	8,400.0	6,300.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

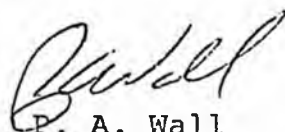
FULL TIME						
PART TIME						
TEMPORARY						

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

FY 77 income from the tax is estimated at \$20,430,000. About 85% or \$17,365,000 of the total will be collected from gross receipts within municipal boundaries and 60% of the \$17,365,000 is shared.

FY 78 income from the tax is estimated at \$17,400,000. About 85% or \$14,790,000 of the total will be collected from gross receipts within municipal boundaries and 60% of the \$14,790,000, or \$8,874,000, would have been shared in FY 78 if the tax had remained as it was. A net loss of \$1,626,000 to the General Fund in FY 78.

No income will receipt to the General Fund beginning FY 79, but, the sharing will continue as shown before.

IV. DATE March 6, 1977 PREPARED BY  P. A. Wall  
 AGENCY Revenue  
 PHONE 465-2313

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