

LEG. FINANCE - BILLS

19175 - 19186

705

HB 328 thru HB 332

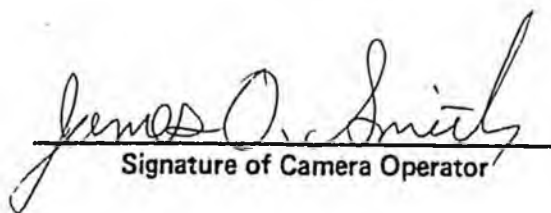
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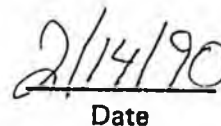


RECORDS CERTIFICATION



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


Signature of Camera Operator


Date

March 9, 1977

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

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.50.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill amending the oil and gas reserves ad valorem tax.

Section 1 of this bill proposes that the reserve tax levy be reduced from 20 mills to 12 mills this year with the condition that an additional levy will be made if there is a delay in the start-up of the Trans-Alaska Pipeline.

This amendment is proposed because the state has a budget surplus for FY 1977. This surplus is somewhat illusory, however, since the reserve tax payments may be recouped by oil and gas producers by credits against future severance tax. Accordingly, the adoption of this measure would reduce the surplus for 1977 and also reduce the amount "borrowed" from future revenues.

Section 2 provides for a contingent 1978 assessment at a rate to be determined by that year's legislature.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 328
 Title Oil and Gas Reserves ad valorem Tax
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected _____ Revenue _____
 Program Category Affected Petroleum Revenue Division
 Budget Request Unit(s) Affected _____

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						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

NONE

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

NONE

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

No additional funding is needed unless a tax is levied for the 1978 tax year.

IV. DATE March 9, 1977 PREPARED BY John Messenger
 AGENCY Department of Revenue
 PHONE 465-2301

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

John P. Zerbe

Original sponsor: Rules Committee by request
of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 328 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the oil and gas reserves ad valorem
7 tax; and providing for an effective date."

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20 year by the legislature.

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22 Sec. 43.58.170. TERMINATION OF TAX. Except as provided in sec.
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24 terminate on December 31, 1977.

25 * Sec. 4. This Act is retroactive to January 1, 1977.

26 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.
27 070(c).

Original sponsor: Rules Committee by request
of the Governor

Offered: 4/5/77
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 328

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

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Introduced: 3/9/77
Referred: Resources and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 328

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

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15 30, 1977.

16 * Sec. 2. AS 43.58.010 is amended by adding a new subsection to read:

17 (e) If, on December 15, 1977, the Trans-Alaska Pipeline is not
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24 December 31, 1977.

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26 * Sec. 5. This Act takes effect immediately in accordance with AS
27 01.10070(c).
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May 3, 1977

M E M O R A N D U M

TO: The Honorable Steve Cowper
Chairman, House Finance Committee

FROM: Milt Barker
Fiscal Analyst
Legislative Finance Division

SUBJECT: HB 328

If the severance tax rate is raised to 12.5% and the effective corporate income tax rate on oil and gas reaches 9.4%, then unrestricted revenues for FY 78 will be as great as or greater than those projected in the "Revenue Sources" booklet if Prudhoe production averages 658,000 BPD or more during FY 78.

If the reserves tax is reduced to 8 mills as proposed in HB 328, a short term revenue loss of \$114 million occurs (though later recouped through an equivalent reduction in tax credits allowed) which would not result in a lesser general fund balance than projected at the end of FY 78 as long as Prudhoe production averages 790,000 BPD or more during FY 78 owing to the severance tax and income tax increases.

MBB:pw

COMMITTEE REPORT

4-5-77

HOUSE

_____ Date

Mr. Speaker:

The Committee on FINANCE has had HB 328

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

COMMITTEE REPORT

3-9-77

HOUSE

FINANCE

4/4/77

Date

Mr. Speaker:

The Committee on RESOURCES has had HB 328 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 CS HB 328 and that CS for HB 328 do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

(same title)

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Melvin DePass</u>	<u>Do Pass</u>	<u>Alvin Osterback</u>	<u>Do Pass</u>
<u>Messie H Snider</u>	<u>DO PASS</u>	<u>Robt. Linn</u>	<u>do pass</u>
<u>Don Bennett</u>	<u>Do Pass</u>	<u>Wm. Akers</u>	<u>Do Pass</u>
<u>McKenna</u>	" "	<u>Alvin Osterback</u>	<u>DO PASS</u>

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

Alvin Osterback
Chairman

Original sponsor: Rules Committee by request
of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 328 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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Original sponsor: Rules Committee by request
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Berrier

Original sponsor: Rules Committee by request
of the Governor

Offered: 4/5/77
Referred: Finance

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Introduced: 3/9/77
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 328

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28
29 COMMITTEE COPY

March 9, 1977

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

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Section 2 provides for a contingent 1978 assessment at a rate to be determined by that year's legislature.

Sincerely,

Jay S. Hammond
Governor

ALASKA STATE LEGISLATURE	
TENTH... Legislature	FIRST... Session
HOUSE BILL	NO. 328
By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR	
"An Act amending the oil and gas reserves ad valorem tax; and providing for an effective date"	
Oil & gas ad valorem tax	
Introduced in the House3-9., 1977.	

HISTORY IN THE HOUSE																							
19 77	Read first time and referred to Committee on Resources and Finance																						
Mar. 9	Reported back with recommendation that																						
	Read second time and																						
	Read third time and																						
	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">PASS</td> <td style="text-align: center;">Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2" style="text-align: center;">Reconsideration</td> </tr> <tr> <td style="text-align: center;">PASS</td> <td style="text-align: center;">Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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	Signed by Speaker																						
	Sent to Senate																						
CHIEF CLERK OF THE HOUSE																							

HISTORY IN THE SENATE																							
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	Signed by President																						
	Returned to House																						
SECRETARY OF THE SENATE																							

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



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

2/14/90
Date

COMMITTEE REPORT

SENATE

3/23/77

Date

Mr. President:

The Committee on FINANCE has had CSHB 229 am
residential fuel and residential fuel conservation credits
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) unanimous Yes

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

[Signature]
Chairman

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 329 am
 Title An Act relating to residential fuel and residential fuel conservation credits.
 Requested by Senate Commerce Committee Date 5/11/77

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 Budget Request Unit(s) Affected Audit

EXPENDITURES (Thousands of Dollars) None

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
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500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) None

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

POSITIONS None

	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)

The original bill which provided for a residential fuel credit has been amended to increase the amount of the original proposed credit as well as to add an additional credit. The change in the basic bill was to allow a 5% rather than 2% credit on residential fuel costs. This would result in an increase in loss of revenue to the State of \$2,700,000 over that originally projected of \$2,500,000, for a total loss of \$5,200,000.

The additional credit would be equal to 10% of a taxpayer's expenses for residential fuel conservation improvements up to a maximum credit of \$200.00. The credit is very straight forward and appears to pose no particular problems of administration.

There is no way to accurately estimate the revenue loss from this credit since the amount which might be spent by taxpayers is unknown. It is anticipated that the cost to add additional insulation or reinsulate a current residence would run from \$200 to \$2,000 per house. If 10,000 taxpayers took advantage of the maximum benefits provided, the revenue loss would be \$2,000,000.

IV. DATE 5/11/77 PREPARED BY *Gay*
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsor: Rules Committee
by request of the Governor

Offered: 5/4/77
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 329 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to residential fuel and residential
7 fuel conservation credits; and providing for an effec-
8 tive date."

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

10 * Section 1. AS 43.20 is amended by adding new sections to read:

11 Sec. 43.20.038. RESIDENTIAL FUEL CREDIT. (a) An individual is
12 allowed as a credit against the tax due under this chapter five per cent
13 of his residential fuel expenses paid during the year, but not less than
14 a minimum credit of \$10. For married taxpayers filing separate returns,
15 the minimum credit is \$5 for each return. Part-year resident and non-
16 resident individual taxpayers shall prorate the credit allowed in this
17 section according to the number of months resided in the state.

18 (b) For purposes of this section, "residential fuel expenses"
19 means the actual or accrued payments by the individual taxpayer for
20 wood, coal, heating oil, gas, electricity or other fuel consumed in the
21 state for a residential housing unit.

22 Sec. 43.20.039. RESIDENTIAL FUEL CONSERVATION CREDITS. (a) An
23 individual is allowed as a credit against the tax due under this chapter
24 10 per cent of his expenses for residential fuel conservation capital
25 improvements paid or accrued during the year, subject to a maximum
26 credit of \$200. For married taxpayers filing separate returns, the
27 maximum credit is \$100 for each return.

28 (b) The provisions of this section are applicable only to a per-
29 sonal residence of the taxpayer that is located in the state.

1 (c) Part-year resident and nonresident individuals shall prorate
2 the credits provided in this section according to the number of months
3 during which the taxpayer resided in the state.

4 (d) In this section, "expenses for residential fuel conservation
5 improvements" means

6 (1) the costs of additional insulation or insulating material
7 installed in the residence of the taxpayer if the residence was in
8 existence on the effective date of this Act;

9 (2) the cost of insulating windows:

10 (3) costs of labor for the installation of the materials set
11 out in (1) and (2) of this subsection; and

12 (4) expenses of installation of alternate sources of power
13 generation not dependent on fossil fuels for energy supply, including
14 but not limited to wind, tidal, solar or geothermal sources.

15 * Sec. 3. This Act is retroactive to January 1, 1977, and relates only to
16 expenditures incurred after December 31, 1976.

17 * Sec. 4. The provisions of secs. 1 - 3 of this Act terminate on
18 December 31, 1982.

19 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

Original sponsor: Rules Committee
by request of the Governor

Offered: 5/4/77
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO: 329

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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15 the minimum credit is \$5 for each return. Part-year resident and non-
16 resident individual taxpayers shall prorate the credit allowed in this
17 section according to the number of months resided in the state.

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19 means the actual or accrued payments by the individual taxpayer for
20 wood, coal, heating oil, gas, electricity or other fuel consumed in the
21 state for a residential housing unit.

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23 individual is allowed as a credit against the tax due under this chapter
24 10 per cent of his expenses for residential fuel conservation capital
25 improvements paid or accrued during the year, subject to a maximum
26 credit of \$200. For married taxpayers filing separate returns, the
27 maximum credit is \$100 for each return.

28 (b) An individual is allowed as a credit against the tax due under
29 this chapter an amount equal to 15 per cent of the difference between

Introduced: 3/9/77
Referred: State Affairs

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 329

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 residential fuel credit; and
7 providing for an effective date."

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

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11 shall be allowed as a credit against the tax due under this chapter
12 two per cent of his residential fuel expenses paid during the year but
13 not less than a minimum credit of \$10. For married individuals
14 filing separate returns the minimum credit is \$5 for each return.
15 Part-year residents and nonresident individuals shall prorate the
16 minimum credit according to the number of months resided within the
17 state.

18 (b) For purposes of this section, "residential fuel expenses"
19 means the costs of heating oil, gas, electricity, or other fuel used
20 within the state for the taxpayer's personal residence.

21 * Sec. 2. This Act is retroactive to January 1, 1977.

22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).

Original sponsor: Rules Committee
by request of the Governor

Offered: 5/4/77
Referred: Rules

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 329
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - FIRST SESSION

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15 the minimum credit is \$5 for each return. Part-year resident and non-
16 resident individual taxpayers shall prorate the credit allowed in this
17 section according to the number of months resided in the state.

18 (b) For purposes of this section, "residential fuel expenses"
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20 wood, coal, heating oil, gas, electricity or other fuel consumed in the
21 state for a residential housing unit.

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23 individual is allowed as a credit against the tax due under this chapter
24 10 per cent of his expenses for residential fuel conservation capital
25 improvements paid or accrued during the year, subject to a maximum
26 credit of \$200. For married taxpayers filing separate returns, the
27 maximum credit is \$100 for each return.

28 (b) An individual is allowed as a credit against the tax due under
29 this chapter an amount equal to 15 per cent of the difference between

1 the individual's actual expenditure for residential fuel during the
2 prior tax year, adjusted in an amount equal to the increase in the
3 overall Consumer Price Index published at the end of the prior tax year,
4 and his actual expenditures for residential fuel during the tax year for
5 which the individual is filing the return. For married taxpayers filing
6 separate returns, the credit allowed in this subsection shall be equally
7 divided.

8 (c) The provisions of this section are applicable only to a per-
9 sonal residence of the taxpayer that is located in the state.

10 (d) Part-year resident and nonresident individuals shall prorate
11 the credits provided in this section according to the number of months
12 during which the taxpayer resided in the state.

13 (e) In this section, "expenses for residential fuel conservation
14 improvements" means

15 (1) the costs of additional insulation or insulating materials
16 installed in the residence of the taxpayer if the residence was in
17 existence on the effective date of this Act;

18 (2) the cost of insulating windows;

19 (3) costs of labor for the installation of the materials set
20 out in (1) and (2) of this subsection; and

21 (4) expenses of installation of alternate sources of power
22 generation not dependent on fossil fuels for energy supply, including
23 but not limited to wind, tidal, solar or geothermal sources.

24 * Sec. 3. This Act is retroactive to January 1, 1977, and relates only to
25 expenditures incurred after December 31, 1976.

26 * Sec. 4. The provisions of secs. 1 - 3 of this Act terminate on
27 December 31, 1982.

28 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).

Introduced: 3/9/77
Referred: State Affairs

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 329

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 residential fuel credit; and
7 providing for an effective date."

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13 not less than a minimum credit of \$10. For married individuals
14 filing separate returns the minimum credit is \$5 for each return.
15 Part-year residents and nonresident individuals shall prorate the
16 minimum credit according to the number of months resided within the
17 state.

18 (b) For purposes of this section, "residential fuel expenses"
19 means the costs of heating oil, gas, electricity, or other fuel used
20 within the state for the taxpayer's personal residence.

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22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 9, 1977

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

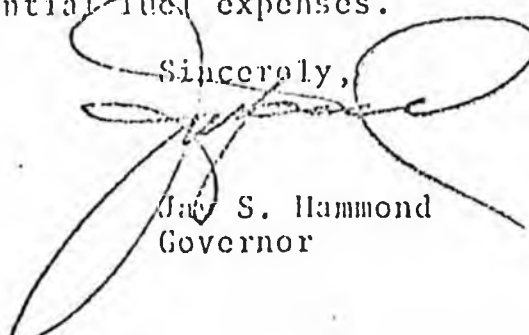
Dear Mr. Speaker:

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 which provides a residential fuel credit for individuals filing Alaska income tax returns.

The bill provides a tax credit of two percent of the taxpayer's residential fuel expense up to a minimum credit of \$10. The maximum tax credit would be \$5 for married individuals filing separate returns; part-year residents and nonresidents could prorate the maximum credit based upon the number of months they reside in the state.

The tax credit will help offset some of the increased fuel costs which have been passed on to consumers recently. The bill provides a modest tax saving for those consumers who have felt the rising costs of residential fuel expenses.

Sincerely,



Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 329 am
 Title An Act relating to residential fuel and residential fuel conservation credits.
 Requested by Senate Commerce Committee Date 5/11/77

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 Budget Request Unit(s) Affected Audit

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

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

POSITIONS None

	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)

The original bill which provided for a residential fuel credit has been amended to increase the amount of the original proposed credit as well as to add an additional credit. The change in the basic bill was to allow a 5% rather than 2% credit on residential fuel costs. This would result in an increase in loss of revenue to the State of \$2,700,000 over that originally projected of \$2,500,000, for a total loss of \$5,200,000.

The additional credit would be equal to 10% of a taxpayer's expenses for residential fuel conservation improvements up to a maximum credit of \$200.00. The credit is very straight forward and appears to pose no particular problems of administration.

There is no way to accurately estimate the revenue loss from this credit since the amount which might be spent by taxpayers is unknown. It is anticipated that the cost to add additional insulation or reinsulate a current residence would run from \$200 to \$2,000 per house. If 10,000 taxpayers took advantage of the maximum benefits provided, the revenue loss would be \$2,000,000.

IV. DATE 5/11/77 PREPARED BY *Gay A. ...*
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

Introduced: 3/9/77
Referred: State Affairs

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 329

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 residential fuel credit; and
7 providing for an effective date."

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

9 * Section 1. AS 43.20 is amended by adding a new section to read:

10 Sec. 43.20.038. RESIDENTIAL FUEL CREDIT. (a) An individual
11 shall be allowed as a credit against the tax due under this chapter
12 two per cent of his residential fuel expenses paid during the year but
13 not less than a minimum credit of \$10. For married individuals
14 filing separate returns the minimum credit is \$5 for each return.
15 Part-year residents and nonresident individuals shall prorate the
16 minimum credit according to the number of months resided within the
17 state.

18 (b) For purposes of this section, "residential fuel expenses"
19 means the costs of heating oil, gas, electricity, or other fuel used
20 within the state for the taxpayer's personal residence.

21 * Sec. 2. This Act is retroactive to January 1, 1977.

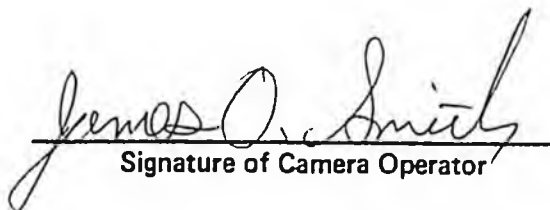
22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
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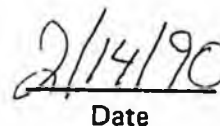


RECORDS CERTIFICATION



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


Signature of Camera Operator


Date

Introduced: 3/9/77
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE BILL NO. 331

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a New Capital City Site Planning
7 Commission; and providing for an effective date."

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

9 * Section 1. The legislature, aware of its responsibility under AS 44.06.
10 160 to provide for the planning and subdivision of a new capital city and
11 district within the bounds of the area selected and for the construction of
12 necessary state and public facilities and their administration, in this Act
13 establishes a means by which the state government and the people may obtain
14 and analyze relevant information, consider alternative proposals, provide
15 guidance and direction to and secure timely management of the critical fac-
16 tors and sequential events applicable to the process of affecting a reloca-
17 tion of the seat of government.

18 * Sec. 2. AS 44.06 is amended by adding new sections to read:

19 ARTICLE 3. PLANNING AND DEVELOPMENT OF A NEW CAPITAL CITY.

20 Sec. 44.06.200. LEGISLATIVE INTENT. It is the intent of the
21 legislature in enacting secs. 200 - 300 of this chapter that the plan-
22 ning and development process attending relocation of the seat of govern-
23 ment provide both an incentive and a means to achieve quality develop-
24 ment of a new capital city consistent with the long-term needs and
25 interests of the people of the region and the state. To that end, the
26 legislature seeks to assure that

27 (1) the process and decisions affecting the planning and
28 development of a new capital city include full opportunity for public
29 participation;

1 (2) the new capital city be accessible to a majority of the
2 residents of the state and that provision be made from the inception of
3 a relocation for adequate transportation and telecommunications facili-
4 ties in the community to assure full public participation in the process
5 of government;

6 (3) the new capital city reflect the unique qualities of the
7 state and its people;

8 (4) the state resident-hire laws be utilized to the maximum
9 extent possible in each stage of the planning, development and reloca-
10 tion process;

11 (5) in planning for the location, nature and construction of
12 public facilities in the new capital city, consideration be given to the
13 development and use of the natural resources available in the region and
14 state as the source of energy for the community;

15 (6) to the maximum extent possible, decisions and actions
16 affecting construction of public facilities, provision of public ser-
17 vices, and activities in the private sector be undertaken cooperatively
18 with officials of local governments and the residents of the area
19 adjacent to the new capital city community.

20 Sec. 44.06.210. NEW CAPITAL CITY SITE PLANNING COMMISSION. There
21 is created in the Office of the Governor the New Capital City Site Plan-
22 ning Commission.

23 Sec. 44.06.220. MEMBERSHIP. (a) Within 15 days after the effec-
24 tive date of this Act, the governor shall appoint a commission consist-
25 ing of nine members who shall be subject to confirmation by a majority
26 of the members of the legislature in joint session. Members are
27 appointed for four-year terms and may be reappointed. The commission
28 shall be composed of one member from the Northwest district, two members
29 from the Southeast district, two members from the Central district, and

1 three members from the South Central district, who shall be appointed
2 on a nonpartisan basis. The mayor of the Matanuska-Susitna Borough, or
3 his designee, shall be the ninth member of the commission.

4 (b) Members of the commission are entitled to receive \$100 a day
5 for their service on the commission, and per diem and travel expenses
6 authorized by law for other boards and commissions.

7 Sec. 44.06.230. MEETING OF THE COMMISSION. Commission members
8 shall elect a chairman and vice-chairman from among their membership.
9 The governor shall call the first meeting of the commission within 15
10 days after appointment of the members. A majority of the members con-
11 stitutes a quorum for conducting business and exercising the powers of
12 the commission. The commission shall meet at the call of the chairman,
13 at the request of a majority of the members, or at a regularly scheduled
14 time as determined by the members.

15 Sec. 44.06.240. DUTIES OF THE COMMISSION. (a) The purpose of
16 the commission is to prepare a detailed plan for development of the new
17 capital city site within the guidelines enumerated in this chapter. A
18 detailed plan for initial development shall be proposed in the context
19 of a prospective overall development plan for an entire capital city.
20 In this section, reference to "initial development" means the transfer
21 to the new capital city site of each of the following branches or
22 offices of state government, including provisions for staff necessary
23 for the support of each:

24 (1) the Office of the Governor, including the lieutenant
25 governor, and appropriate staff;

26 (2) the legislature, Legislative Affairs Agency, the divisions
27 of legislative finance and legislative audit, and temporary staff to
28 provide services necessary to support the First Session of the Twelfth
29 Alaska Legislature at the new capital city; and

1 (3) the Department of Law, exclusive of personnel of that
2 department whose presence is not clearly required for the conduct of the
3 business of the department essential to advising the governor, lieute-
4 nant governor, and the legislature during and after the First Session of
5 the Twelfth Alaska Legislature.

6 (b) The plan required in (a) of this section shall be presented in
7 two stages. A detailed plan for initial development (hereafter referred
8 to as the tentative overall plan), which includes a substantially
9 accurate outline of a proposed overall development plan shall be pre-
10 sented to the legislature no later than February 15, 1978. A finalized
11 overall development plan (hereafter referred to as the final overall
12 plan) shall be presented to the legislature no later than February 1,
13 1979. Following completion of the plans, the commission shall make
14 public presentations of each throughout the state.

15 (c) The tentative and final overall development plans shall in-
16 clude, but are not limited to, the following elements: government
17 facilities, community facilities, transportation, public utilities,
18 communications facilities, commercial and industrial development, resi-
19 dential development, resources, and environmental aspects.

20 (d) The plans shall present reasonable alternatives to development
21 including a relocation phasing analysis which offers proposals for the
22 decentralization, regionalization, and reorganization of state govern-
23 ment. These proposals shall include the offices to be moved, the number
24 of personnel employed in those offices, and the anticipated required
25 office space for that number of persons.

26 (e) In developing the tentative overall and final overall plans,
27 the commission shall

28 (1) perform physical and geotechnical site-specific analysis
29 and related mapping;

1 (2) in cooperation with officials of the Matanuska-Susitna
2 Borough, assess and evaluate, and issue a report summarizing the anti-
3 cipated resultant effects of the relocation of the seat of government
4 on the Matanuska-Susitna Borough; suggest alternatives for the exercise
5 of powers, provision of services, and construction and maintenance of
6 public facilities by the state and any local government within the new
7 capital city site boundaries and the region, including cooperation or
8 joint exercise of a power or function; and recommend to the legislature
9 the type of development entity which would be responsible for the new
10 capital city development as well as the powers and authorities which
11 would be vested in the development entity;

12 (3) provide a comprehensive assessment of the social, econo-
13 mic and environmental impact on the Matanuska-Susitna Borough and the
14 City and Borough of Juneau in accordance with generally accepted
15 standards for these procedures; the assessment shall emphasize the
16 effect of governmental relocation on all items listed in sec. 240(c) of
17 this chapter;

18 (4) investigate the possibility of using existing facilities
19 currently in the state which could serve as a construction camp and any
20 fixtures or equipment necessary to operate the camp for the construction
21 of the capital; the commission may accept the facilities, furnishings,
22 and equipment as a donation to the state or it may execute an option
23 on this property;

24 (5) determine the environmental and use permits necessary for
25 the construction of the capital and recommend to the legislature any
26 possible methods to expedite this process while protecting the environ-
27 mental quality of the area;

28 (6) investigate and recommend to the legislature alternatives
29 for the housing and attendant support facilities to be provided by the

1 private sector for those involved in the initial development.

2 (f) In conjunction with the tentative overall and final overall
3 plans, the commission shall conduct a cost analysis of potential costs
4 to the state for the move proposing construction schedules and related
5 cost studies. This analysis shall evaluate all necessary one-time costs
6 for equipment, materials and services for planning, design, construction
7 and occupation of all facilities required to be constructed by the state
8 during the initial development. The costs shall include, but not be
9 limited to, escalation for inflation, personnel moving costs, potential
10 financing costs, indemnification costs, and potential economic impact
11 costs to the Matanuska-Susitna Borough and the City and Borough of
12 Juneau. In addition, all one-time costs to the state shall be separately
13 evaluated for the overall design of a new capital city. The commission
14 shall also separately evaluate long-term costs of maintenance, operation
15 and occupancy of those state facilities contemplated under initial
16 development, including program costs and nonfacility related support
17 costs. In addition, the commission shall

18 (1) develop comparison costs on construction, operation, and
19 maintenance of existing and future facilities in Juneau; for purposes
20 of this comparison, Juneau hypothetically remains the seat of government;

21 (2) investigate the effect of capital relocation on the bonded
22 indebtedness of the City and Borough of Juneau;

23 (3) study the merits of and potential revenue to be gained
24 from the disposal by sale or lease of state land within the area of the
25 new capital city site.

26 (g) A financial plan which contains the elements outlined in (f)
27 of this section, including an investigation of funding alternatives,
28 shall be presented to the legislature along with the tentative overall
29 plan no later than February 15, 1978. Final cost analysis and financing

1 alternatives shall be presented to the legislature, along with the final
2 overall plan, no later than February 1, 1979. During fiscal year 1979,
3 the state shall also provide funding for an economic diversification
4 study in an effort to determine viable future economic alternatives for
5 the City and Borough of Juneau. This study shall be completed on or
6 before July 1, 1980.

7 (h) The commission may undertake other activities as are appro-
8 priate to carry out its functions, including but not limited to investi-
9 gating the most economical and expeditious means of procurement, construc-
10 tion methods, construction alternatives, and labor costs.

11 Sec. 44.06.250. FUNDING. The legislature shall provide funding
12 as required. The commission is subject to the Executive Budget Act
13 (AS 37.07) and funding by the legislature.

14 Sec. 44.06.260. ASSISTANCE TO THE COMMISSION. (a) The commission
15 shall use all competent professional and technical services required
16 to assist in the planning. The commission shall hire staff to provide
17 support services, and it may choose the consultants which in its judgment
18 are necessary to assist in the planning. The commission may also request
19 any information which it considers essential from any agency of the
20 state and the agency shall furnish it in an expeditious manner. Agencies
21 shall receive timely notice from the commission regarding any matters
22 substantially relevant to that agency's function.

23 (b) The commission shall develop an appropriate procedure in order
24 to select competent firms to develop the elements involved in the capital
25 site development plan within the time frame called for in sec. 240 of
26 this chapter.

27 Sec. 44.06.270. REPORTS. (a) The commission shall report on its
28 work every six months. This report shall be distributed to the governor,
29 all members of the legislature, the chief justice of the supreme court,

1 and the general public.

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3 shall clearly delineate funds projected to be provided by the state
4 general fund, state bonds, and all other state sources from funds
5 to be provided by private enterprise sources and by the federal govern-
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15 (a) In order to create, protect and preserve the right of Alaska
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20 and into leases, easements or right-of-way permits issued by the state
21 for land within the area withdrawn as "reserved use land" under AS 44.-
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23 lessee to comply with applicable laws and regulations with regard to the
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9 activity which generates the employment must take place inside the state
10 and it must take place either on the property under the control of
11 the person subject to this chapter or be directly related to activity
12 taking place on the property under his control and the activity must
13 be performed directly for the person subject to this chapter or his
14 contractor or a subcontractor of his contractor or a supplier of his
15 contractor or subcontractor.

16 * Sec. 5. AS 39.50.200(9) is amended by adding a new subparagraph to
17 read:

18 (MM) New Capital City Site Planning Commission (AS 44.-
19 06.210).

20 * Sec. 6. SEVERABILITY. If any of the provisions of this Act is held
21 invalid, the invalidity does not affect the provisions of this Act which can
22 be given effect without the invalid provisions, and to this end the provisions
23 of this Act are declared to be severable.

24 * Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

HB 337

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 27, HB 170, HB 178
Title An Act Creating the Capital Planning Commission
Requested by Various Date March 7, 1977

II. FISCAL DETAIL

Agency Affected Office of the Governor
Program Category Affected General Government
Budget Request Unit(s) Affected Capital Planning Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	37.5	154.8	159.5			
200 TRAVEL	30.0	76.4	30.0			
300 CONTRACTUAL	195.9	3672.5	913.4			
400 COMMODITIES	5.6	2.4	2.5			
500 EQUIPMENT	6.0	1.0	1.0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	275.0	3907.1	1106.4			

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	275.0	3907.1	1106.4			
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME	5	5	5			
PART TIME						
TEMPORARY						

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

FY 77 - See Attachment A

FY 78 - See Attachment B

FY 79 - Assumes 6 months funding-Professional Fees-See Attachment C
All other-Annual cost 6% inflation, 3% salary increase

IV. DATE March 7, 1977 PREPARED BY Leonard Lane
AGENCY Office of the Governor
Original: Legislative Finance PHONE 465-4860
cc: Budget and Management
Prime Sponsor (First Legislator Named)

ATTACHMENT A - FY 77

Personal Services

Executive Director	RG 30	\$3,942 mo =	\$ 11,826
Principal Planner	RG 21	2,356 mo =	7,068
Administrative Asst. III	RG 16	1,630 mo =	4,890
Administrative Asst. I	RG 12	1,270 mo =	3,810
Secretary I	RG 10	1,083 mo =	<u>3,249</u>
			\$ 30,843
		Benefits 21%	<u>6,477</u>
Permanent full-time/exempt: Effective April 1, 1977		TOTAL	<u>\$ 37,320</u>

Travel

Contingency Budget		<u>\$ 30,000</u>
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Contractual Services

Communications

Telephone	\$1,700	
Postage	<u>150</u>	
	\$1,850 per month x 3 mo =	\$ 5,550

Rent & Utilities

Office space 2,600 sq ft @ \$1.05 per sq ft		
\$2,730 per month x 3 mo =		\$ 8,190
Related utilities @ \$.40 per sq ft		
\$1,040 per month x 3 mo =		\$ 3,120

Equipment Rental

Mag Card II	\$350	
Memory	<u>170</u>	
	\$520 per month x 3 mo =	\$ 1,560
Xerox	\$675	
Postage Meter	<u>135</u>	
	\$810 per month x 3 mo =	\$ 2,430

Consultant Services - Planning Phase

Labor - Project Management (including project procedures & controls)	\$118,400
Labor - Environmental Impact Analysis	\$ 25,000
Consultant Travel	\$ 29,600
Communication	<u>\$ 2,000</u>

TOTAL	<u>\$195,850</u>
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ATTACHMENT A (continued)

Commodities

Consumable Office Supplies	\$ 600		
Stationery	<u>5,000</u>		
		TOTAL	<u>\$ 5,600</u>

Equipment

Contingency Budget			<u>\$ 6,000</u>
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ATTACHMENT B - FY 78

Personal Services

Assumes 12 mo funding - Benefits @ 25.5% \$ 154,832

Travel

Transportation Per Diem

Travel for 9 committee members and 3 staff members for a total of 16 meetings and workshops throughout the State:

5 meetings in Anchorage	\$ 5,125	\$ 6,050
2 meetings in Fairbanks	3,200	2,600
4 meetings in Juneau	8,340	8,200
1 meeting each in Kotzebue, Nome, Bethel, Palmer, Ketchikan	<u>12,465</u>	<u>7,700</u>
	\$ 29,130	\$24,550

Travel for 2 staff members on administrative and public information:

15 trips for each to Juneau	\$ 5,250	\$ 4,500
5 trips for each to Fairbanks	1,000	1,000
1 trip for each to Barrow, Bethel, Kotzebue, Nome, Palmer, Kenai, Kodiak, Cordova, Sitka, Peters- burg, Ketchikan	<u>3,250</u>	<u>3,500</u>
	\$ 9,500	\$ 9,000

Total In-State \$ 38,630 \$33,550

Six trips out-of-state to meet with consulting architects, engineers and planners:

	<u>\$ 3,000</u>	<u>\$ 1,200</u>
Total Out-State	\$ 3,000	\$ 1,200

TOTAL \$ 76,380

Contractual Services

Operational costs at continued funding
\$6,950 per month x 12 months \$ 83,400

Consultant Services - Planning Phase

Labor

Project Management (including project procedures & controls)	\$ 887,400
Government Organization Analysis	254,400
Financing Analysis	212,000
Environmental Impact Analysis	125,000
Site Exploration	514,600

ATTACHMENT B (continued)

Land Use Planning (including development of design criteria & urban design)	763,200	
Design & Construction Planning (including labor policies, resource requirements analysis, operations plan and procurement procedures)	536,400	
Consultant Travel	160,000	
Communication	<u>22,000</u>	
		\$3,475,000

Public Participation Effort

Printing of interim planning report	\$ 15,000	
Printing of one tabloid @ \$11,000 ea	11,000	
Advertising of 8 meetings and 8 workshops in newspapers & other media	6,400	
Meeting room rental for symposiums and other meetings	5,000	
Contracted statewide distribution of tabloid	2,500	
Graphic arts contract for preparation of tabloid, posters, artwork for workshops and other renderings and photography as required	25,000	
Professional services for contacting representative samples of workshop participants in 15 Alaska cities 8 @ \$2,000	16,000	
Video media contract - video taping of 16 meetings and workshops	20,000	
Video media contract - sound recording for video taping	6,000	
Public participation workshop moderator for 8 workshops	<u>7,200</u>	
		\$ 114,100

TOTAL \$3,672,500

Commodities \$ 2,400

Equipment \$ 1,000

ATTACHMENT C - FY 79

Consultant Services - Planning Phase - 1st Half FY 79

Labor

Project Management (including project procedures & controls)	\$ 328,000	
Financing Analysis	26,000	
Environmental Impact Analysis	43,800	
Site Exploration	43,800	
Land Use Planning (including development of design criteria & urban design)	131,400	
Design & Construction Planning (including labor policies, resource requirements analysis, operations plan and procurement procedures)	179,600	
Consultant Travel	60,400	
Communication	<u>12,000</u>	
	TOTAL	<u>\$ 825,000</u>

"An Act establishing a New Capital Site Planning Commission; effective date."

COMMITTEE REPORT

HOUSE

3/10/77

_____ Date

Mr. Speaker:

The Committee on FINANCE has had HB 331 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

COMMITTEE REPORT

3-9-77

FINANCE

HOUSE

3-9-77 Date

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 331 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
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MEMBERS SIGNING THE MAJORITY REPORT:

A. S. Bradley - Do Pass

Joe McKinnon - Do Pass

Joe McKinnon - Do Pass

Joe McKinnon - Do Pass

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Ed Danbworth recommends: Do Not Pass unless amended

Tim Kelly recommends: Do Not Pass unless amended

Kris W. Tetlow recommends: Do Not Pass unless amended

A. S. Bradley
Chairman

3673
Vasson

Introduced: 3/9/77
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE BILL NO. 331

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a New Capital City Site Planning
7 Commission; and providing for an effective date."

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

9 * Section 1. The legislature, aware of its responsibility under AS 44.06.-
10 160 to provide for the planning and subdivision of a new capital city and
11 district within the bounds of the area selected and for the construction of
12 necessary state and public facilities and their administration, in this Act
13 establishes a means by which the state government and the people may obtain
14 and analyze relevant information, consider alternative proposals, provide
15 guidance and direction to and secure timely management of the critical fac-
16 tors and sequential events applicable to the process of affecting a reloca-
17 tion of the seat of government.

18 * Sec. 2. AS 44.06 is amended by adding new sections to read:

19 ARTICLE 3. PLANNING AND DEVELOPMENT OF A NEW CAPITAL CITY.

20 Sec. 44.06.200. LEGISLATIVE INTENT. It is the intent of the
21 legislature in enacting secs. 200 - 300 of this chapter that the plan-
22 ning and development process attending relocation of the seat of govern-
23 ment provide both an incentive and a means to achieve quality develop-
24 ment of a new capital city consistent with the long-term needs and
25 interests of the people of the region and the state. To that end, the
26 legislature seeks to assure that

27 (1) the process and decisions affecting the planning and
28 development of a new capital city include full opportunity for public
29 participation;

1 (2) the new capital city be accessible to a majority of the
2 residents of the state and that provision be made from the inception of
3 a relocation for adequate transportation and telecommunications facili-
4 ties in the community to assure full public participation in the process
5 of government;

6 (3) the new capital city reflect the unique qualities of the
7 state and its people;

8 (4) the state resident-hire laws be utilized to the maximum
9 extent possible in each stage of the planning, development and reloca-
10 tion process;

11 (5) in planning for the location, nature and construction of
12 public facilities in the new capital city, consideration be given to the
13 development and use of the natural resources available in the region and
14 state as the source of energy for the community;

15 (6) to the maximum extent possible, decisions and actions
16 affecting construction of public facilities, provision of public ser-
17 vices, and activities in the private sector be undertaken cooperatively
18 with officials of local governments and the residents of the area
19 adjacent to the new capital city community.

20 Sec. 44.06.210. NEW CAPITAL CITY SITE PLANNING COMMISSION. There
21 is created in the Office of the Governor the New Capital City Site Plan-
22 ning Commission.

23 Sec. 44.06.220. MEMBERSHIP. (a) Within 15 days after the effec-
24 tive date of this Act, the governor shall appoint a commission consist-
25 ing of nine members who shall be subject to confirmation by a majority
26 of the members of the legislature in joint session. Members are
27 appointed for four-year terms and may be reappointed. The commission
28 shall be composed of one member from the Northwest district, two members
29 from the Southeast district, two members from the Central district, and

1 three members from the South Central district, who shall be appointed
2 on a nonpartisan basis. The mayor of the Matanuska-Susitna Borough, or
3 his designee, shall be the ninth member of the commission.

4 (b) Members of the commission are entitled to receive \$100 a day
5 for their service on the commission, and per diem and travel expenses
6 authorized by law for other boards and commissions.

7 Sec. 44.06.230. MEETING OF THE COMMISSION. Commission members
8 shall elect a chairman and vice-chairman from among their membership.
9 The governor shall call the first meeting of the commission within 15
10 days after appointment of the members. A majority of the members con-
11 stitutes a quorum for conducting business and exercising the powers of
12 the commission. The commission shall meet at the call of the chairman,
13 at the request of a majority of the members, or at a regularly scheduled
14 time as determined by the members.

15 Sec. 44.06.240. DUTIES OF THE COMMISSION. (a) The purpose of
16 the commission is to prepare a detailed plan for development of the new
17 capital city site within the guidelines enumerated in this chapter. A
18 detailed plan for initial development shall be proposed in the context
19 of a prospective overall development plan for an entire capital city.
20 In this section, reference to "initial development" means the transfer
21 to the new capital city site of each of the following branches or
22 offices of state government, including provisions for staff necessary
23 for the support of each:

24 (1) the Office of the Governor, including the lieutenant
25 governor, and appropriate staff;

26 (2) the legislature, Legislative Affairs Agency, the divisions
27 of legislative finance and legislative audit, and temporary staff to
28 provide services necessary to support the First Session of the Twelfth
29 Alaska Legislature at the new capital city; and

1 (3) the Department of Law, exclusive of personnel of that
2 department whose presence is not clearly required for the conduct of the
3 business of the department essential to advising the governor, lieute-
4 nant governor, and the legislature during and after the First Session of
5 the Twelfth Alaska Legislature.

6 (b) The plan required in (a) of this section shall be presented in
7 two stages. A detailed plan for initial development (hereafter referred
8 to as the tentative overall plan), which includes a substantially
9 accurate outline of a proposed overall development plan shall be pre-
10 sented to the legislature no later than February 15, 1978. A finalized
11 overall development plan (hereafter referred to as the final overall
12 plan) shall be presented to the legislature no later than February 1,
13 1979. Following completion of the plans, the commission shall make
14 public presentations of each throughout the state.

15 (c) The tentative and final overall development plans shall in-
16 clude, but are not limited to, the following elements: government
17 facilities, community facilities, transportation, public utilities,
18 communications facilities, commercial and industrial development, resi-
19 dential development, resources, and environmental aspects.

20 (d) The plans shall present reasonable alternatives to development
21 including a relocation phasing analysis which offers proposals for the
22 decentralization, regionalization, and reorganization of state govern-
23 ment. These proposals shall include the offices to be moved, the number
24 of personnel employed in those offices, and the anticipated required
25 office space for that number of persons.

26 (e) In developing the tentative overall and final overall plans,
27 the commission shall

28 (1) perform physical and geotechnical site-specific analysis
29 and related mapping;

1 (2) in cooperation with officials of the Matanuska-Susitna
2 Borough, assess and evaluate, and issue a report summarizing the anti-
3 cipated resultant effects of the relocation of the seat of government
4 on the Matanuska-Susitna Borough; suggest alternatives for the exercise
5 of powers, provision of services, and construction and maintenance of
6 public facilities by the state and any local government within the new
7 capital city site boundaries and the region, including cooperation or
8 joint exercise of a power or function; and recommend to the legislature
9 the type of development entity which would be responsible for the new
10 capital city development as well as the powers and authorities which
11 would be vested in the development entity;

12 (3) provide a comprehensive assessment of the social, econo-
13 mic and environmental impact on the Matanuska-Susitna Borough and the
14 City and Borough of Juneau in accordance with generally accepted
15 standards for these procedures; the assessment shall emphasize the
16 effect of governmental relocation on all items listed in sec. 240(c) of
17 this chapter;

18 (4) investigate the possibility of using existing facilities
19 currently in the state which could serve as a construction camp and any
20 fixtures or equipment necessary to operate the camp for the construction
21 of the capital; the commission may accept the facilities, furnishings,
22 and equipment as a donation to the state or it may execute an option
23 on this property;

24 (5) determine the environmental and use permits necessary for
25 the construction of the capital and recommend to the legislature any
26 possible methods to expedite this process while protecting the environ-
27 mental quality of the area;

28 (6) investigate and recommend to the legislature alternatives
29 for the housing and attendant support facilities to be provided by the

1 private sector for those involved in the initial development.

2 (f) In conjunction with the tentative overall and final overall
3 plans, the commission shall conduct a cost analysis of potential costs
4 to the state for the move proposing construction schedules and related
5 cost studies. This analysis shall evaluate all necessary one-time costs
6 for equipment, materials and services for planning, design, construction
7 and occupation of all facilities required to be constructed by the state
8 during the initial development. The costs shall include, but not be
9 limited to, escalation for inflation, personnel moving costs, potential
10 financing costs, indemnification costs, and potential economic impact
11 costs to the Matanuska-Susitna Borough and the City and Borough of
12 Juneau. In addition, all one-time costs to the state shall be separately
13 evaluated for the overall design of a new capital city. The commission
14 shall also separately evaluate long-term costs of maintenance, operation
15 and occupancy of those state facilities contemplated under initial
16 development, including program costs and nonfacility related support
17 costs. In addition, the commission shall

18 (1) develop comparison costs on construction, operation, and
19 maintenance of existing and future facilities in Juneau; for purposes
20 of this comparison, Juneau hypothetically remains the seat of government;

21 (2) investigate the effect of capital relocation on the bonded
22 indebtedness of the City and Borough of Juneau;

23 (3) study the merits of and potential revenue to be gained
24 from the disposal by sale or lease of state land within the area of the
25 new capital city site.

26 (g) A financial plan which contains the elements outlined in (f)
27 of this section, including an investigation of funding alternatives,
28 shall be presented to the legislature along with the tentative overall
29 plan no later than February 15, 1978. Final cost analysis and financing

1 alternatives shall be presented to the legislature, along with the final
2 overall plan, no later than February 1, 1979. During fiscal year 1979,
3 the state shall also provide funding for an economic diversification
4 study in an effort to determine viable future economic alternatives for
5 the City and Borough of Juneau. This study shall be completed on or
6 before July 1, 1980.

7 (h) The commission may undertake other activities as are appro-
8 priate to carry out its functions, including but not limited to investi-
9 gating the most economical and expeditious means of procurement, construc-
10 tion methods, construction alternatives, and labor costs.

11 Sec. 44.06.250. FUNDING. The legislature shall provide funding
12 as required. The commission is subject to the Executive Budget Act
13 (AS 37.07) and funding by the legislature.

14 Sec. 44.06.260. ASSISTANCE TO THE COMMISSION. (a) The commission
15 shall use all competent professional and technical services required
16 to assist in the planning. The commission shall hire staff to provide
17 support services, and it may choose the consultants which in its judgment
18 are necessary to assist in the planning. The commission may also request
19 any information which it considers essential from any agency of the
20 state and the agency shall furnish it in an expeditious manner. Agencies
21 shall receive timely notice from the commission regarding any matters
22 substantially relevant to that agency's function.

23 (b) The commission shall develop an appropriate procedure in order
24 to select competent firms to develop the elements involved in the capital
25 site development plan within the time frame called for in sec. 240 of
26 this chapter.

27 Sec. 44.06.270. REPORTS. (a) The commission shall report on its
28 work every six months. This report shall be distributed to the governor,
29 all members of the legislature, the chief justice of the supreme court,

1 and the general public.

2 (b) All financial reports, estimates, alternatives and analyses
3 shall clearly delineate funds projected to be provided by the state
4 general fund, state bonds, and all other state sources from funds
5 to be provided by private enterprise sources and by the federal govern-
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10 and it must take place either on the property under the control of
11 the person subject to this chapter or be directly related to activity
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13 be performed directly for the person subject to this chapter or his
14 contractor or a subcontractor of his contractor or a supplier of his
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18 (MM) New Capital City Site Planning Commission (AS 44.-
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24 * Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 331
By THE STATE AFFAIRS COMMITTEE

An Act establishing a New Capital City Site Planning Commission; and providing for an effective date."

New Cap. Site Planning Commis.

Introduced in the House 3-9, 1977

HISTORY IN THE HOUSE

19 77	Read first time and referred to Committee on State Affairs and Finance																						
Mar. 9	Reported back with recommendation that																						
	Read second time and																						
	Read third time and																						
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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Absent	Absent																						
Excused	Excused																						
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CHIEF CLERK OF THE HOUSE																							

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	Read second time and																						
	Read third time and																						
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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Absent	Absent																						
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	Reported correctly engrossed																						
	Signed by President																						
	Returned to House																						
SECRETARY OF THE SENATE																							

HISTORY IN THE HOUSE

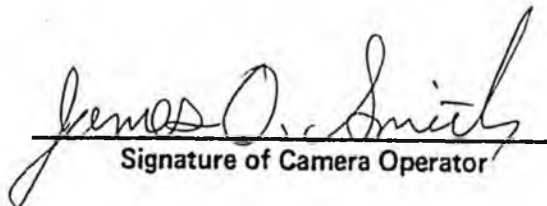
19	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled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

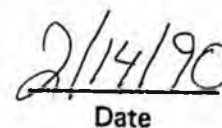


RECORDS CERTIFICATION



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

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 332
Title An Act relating to the Teachers' Retirement System
Requested by _____ Date _____

HB 332

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Retirement and Benefits (TRS)
Budget Request Unit(s) Affected Teachers' Retirement System

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) NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The majority of provisions in this bill were enacted under Chapter 128, SLA 1977.
2. The provision of HB 332 remaining to be enacted would reduce from 60 to 30 days the period of time that a person may be absent from the state without suspending his entitlement to a cost-of-living allowance.
3. The cost savings from this remaining provision would be minimal.

Paul B. Arnoldt

IV. DATE 1/23/78 PREPARED BY Paul B. Arnoldt
AGENCY Division of Retirement and Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Rules
Office of the Governor - Keith Specking

OK. *RS*

Introduced: 3/10/77
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 332

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 Teachers' Retirement System."

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

8 * Section 1. AS 14.25.050 is amended by adding a new subsection to read:

9 (b) Each teacher is entitled to receive credit for unrefunded
10 contributions paid into the retirement fund of 1945.

11 * Sec. 2. AS 14.25.055 is amended to read:

12 Sec. 14.25.055. SUPPLEMENTAL CONTRIBUTION BY TEACHERS [A TEACHER].

13 If a teacher is married or has a minor child and wishes to make his
14 spouse or minor child eligible for a spouse's pension or a survivor's
15 allowance, he may elect to make a supplemental contribution of an
16 additional one per cent of his base salary within 90 days of his entry
17 into participation in the system, [OR WITHIN 90 DAYS FOLLOWING THE
18 FIRST DAY ON WHICH HE IS ENTITLED TO MAKE THE ELECTION,] or within 90
19 days of his marriage, or within 90 days of the birth or adoption of a
20 child dependent upon him, or during any open enrollment period autho-
21 riized by the Teachers' Retirement System Board.

22 * Sec. 3. AS 14.25.060 is repealed and re-enacted to read:

23 Sec. 14.25.060. ARREARAGE INDEBTEDNESS. (a) If a member joined
24 the system before July 1, 1977 and has creditable outside service, or
25 if a member has military service or Alaska Bureau of Indian Affairs
26 (BIA) service, the member is indebted to the retirement fund as follows:

27 (1) At the time of first becoming a member of the system,
28 the arrearage indebtedness is seven per cent of the base salary mul-
29 tiplied by the total number of years of creditable outside, military

1 and Alaska BIA service. Compound interest at the rate prescribed by
2 regulation shall be added to the arrearage indebtedness beginning July
3 1, 1963, or at the time of first becoming employed as a member,
4 whichever is later, to the date of payment or the date of retirement,
5 whichever occurs first.

6 (2) If a member terminates from the system and is subsequent-
7 ly reemployed as a member, the arrearage indebtedness to the retirement
8 fund for outside, military, or Alaska BIA service accumulated in the
9 interim is seven per cent of the base salary upon reentering membership
10 service, multiplied by the number of years of interim outside, military,
11 and Alaska BIA service. Compound interest at the rate prescribed by
12 regulation shall be added to the arrearage indebtedness beginning July
13 1, 1963, or the date of reemployment as a member, whichever is later,
14 to the date of payment or the date of retirement, whichever occurs
15 first.

16 (b) If a member joined the system on or after July 1, 1977 and
17 has creditable outside service, the member may claim this service. If
18 claimed, the member is indebted to the retirement fund as follows:

19 (1) The arrearage indebtedness is the full actuarial cost
20 of providing benefits for the service being claimed. Compound interest
21 at the rate prescribed by regulation shall be added to the arrearage
22 indebtedness beginning the date the actuarial cost is established to
23 the date of payment or the date of retirement, whichever occurs first.

24 (2) If a member terminates from the system and is subse-
25 quently reemployed as a member, the arrearage indebtedness for outside
26 service during the interim is the full actuarial cost of providing
27 benefits for the interim service being claimed. Compound interest at
28 the rate prescribed by regulation shall be added to the arrearage
29 indebtedness beginning the date the actuarial cost is established to

1 the date of payment or the date of retirement, whichever occurs first.

2 (c) The total military service claimed may not exceed five
3 years. The combined total of outside and military service may not
4 exceed 10 years, except that, if entry into the armed forces is imme-
5 diately preceded by membership service and within one year after
6 discharge is continued by membership service, that service will not be
7 counted for purposes of determining the applicability of the 10 year
8 limitation on the combined total of outside and military service. The
9 combined total of outside, military, and Alaska BIA service may not
10 exceed 15 years.

11 * Sec. 4. AS 14.25 is amended by adding new sections to read:

12 Sec. 14.25.061. RETROACTIVE INDEBTEDNESS. (a) A member who was
13 not subject to the provisions of this chapter, but who becomes subject
14 to them because of a legislative change, may elect to receive credit
15 for retroactive creditable service by contributing to the retirement
16 fund an amount equal to the contributions he would have made had he
17 been subject to the provisions of this chapter for those years of
18 creditable service after June 30, 1955. Retroactive contributions are
19 not required for creditable service before July 1, 1955. Compound
20 interest at the rate prescribed by regulation shall be added to the
21 retroactive indebtedness from July 1, 1966 or the time of first becoming
22 eligible under this chapter, whichever is later, to the date of payment
23 or the date of retirement, whichever occurs first.

24 (b) If retroactive indebtedness contributions have been made for
25 creditable service before July 1, 1955, the member is entitled to a
26 refund of those retroactive indebtedness contributions.

27 (c) A refund of retroactive indebtedness contributions for re-
28 troactive service before July 1, 1955 is not subject to the repayment
29 provision of sec. 62 of this chapter.

1 Sec. 14.25.062. REINSTATEMENT INDEBTEDNESS. If a teacher who
2 has received a refund of contributions in accordance with sec. 150 of
3 this chapter is reemployed in membership service, he is indebted to
4 the retirement fund in the amount of the total refund. Compound
5 interest at the rate prescribed by regulation shall be added to the
6 reinstatement indebtedness from the date of the refund to the date of
7 repayment or the date of retirement, whichever occurs first.

8 * Sec. 5. AS 14.25.100 is amended by adding a new subsection to read:

9 (e) A teacher may not be credited with service in the armed
10 forces under this section if credit for military service was granted
11 under the Public Employees' Retirement System, AS 39.35.

12 * Sec. 6. AS 14.25.142 is repealed and re-enacted to read:

13 Sec. 14.25.142. COST-OF-LIVING ALLOWANCE. (a) While residing
14 in the state, a person receiving a benefit under this chapter is
15 entitled to receive a monthly cost-of-living allowance in addition to
16 his basic benefit. The amount of this allowance is 10 per cent of the
17 basic benefit.

18 (b) A person receiving a cost-of-living allowance under this
19 section shall notify the administrator when he expects to be absent
20 from the state for a continuous period that exceeds 30 days. After
21 that notification, the person is no longer entitled to receive the
22 monthly cost-of-living allowance. Upon his return to the state, and
23 upon notification to the administrator, the person is again entitled
24 to receive the monthly cost-of-living allowance, commencing with the
25 first monthly benefit payment made after notification of the person's
26 return.

27 (c) For purposes of this section, "residing in the state" means
28 domiciled and physically present in the State of Alaska. Being absent
29 from the state for a continuous period of 30 days or less does not

1 change a person's status as "residing in the state."

2 * Sec. 7. AS 14.25.150 is repealed and re-enacted to read:

3 Sec. 14.25.150. REFUND UPON TERMINATION. A terminated member is
4 entitled to a refund of the balance of (1) his mandatory contributions
5 and accrued interest, and (2) his indebtedness principal contributions.
6 A member is not entitled to a refund of his supplemental contributions
7 except as provided in sec. 160(a) of this chapter.

8 * Sec. 8. AS 14.25.162(a) is amended to read:

9 (a) If a teacher dies while in membership service or while
10 receiving a service or disability retirement salary [OR AFTER NORMAL
11 RETIREMENT] and leaves a minor child, his surviving spouse is entitled
12 to a survivor's allowance if the teacher has made a supplemental con-
13 tribution for at least one year before his death, but if a guardian
14 has been appointed for a minor child, the guardian is entitled to the
15 allowance. A minor child who has neither a surviving parent nor a
16 guardian is entitled to the allowance. If a minor child who is at
17 least 19 years old but less than 23 years old is out of school for
18 more than one semester, payments of his benefits terminate permanently.
19 A teacher's child who is totally and permanently disabled before he is
20 19 years old or, if he is attending school and becomes totally and
21 permanently disabled before he is 23 years old, and who is financially
22 dependent on the teacher at the time of the teacher's death is entitled
23 to the benefits under this section until he dies or is no longer
24 totally and permanently disabled. Application for the survivor's
25 allowance shall be made in writing to the administrator.

26 * Sec. 9. AS 14.25.162(b) is amended to read:

27 (b) The amount of the survivor's allowance for each minor child
28 shall be equal to [EITHER (1)] 10 per cent of the teacher's base
29 salary immediately before his death, [OR AFTER NORMAL] retirement,

1 or becoming disabled [FOR EACH MINOR CHILD, OR (2) 40 PER CENT OF THE
2 BASE SALARY, WHICHEVER IS LESS]. However, if there are five or more
3 minor children, the total amount paid to those children shall be 40
4 per cent of the teacher's base salary before his death, retirement, or
5 becoming disabled, paid in equal amounts to each child. In addition,
6 an allowance of 35 per cent of the teacher's base salary shall be paid
7 to his surviving spouse. If there is no surviving spouse, [IF THE
8 SPOUSE IS ENTITLED TO THE SURVIVOR'S ALLOWANCE AND IS NOT REMARRIED,
9 AND] an allowance of 10 per cent of the base salary shall be paid to a
10 court appointed guardian [ENTITLED TO THE SURVIVOR'S ALLOWANCE]. The
11 [NEITHER THE REMARRIAGE OF A SURVIVING SPOUSE NOR THE] adoption of a
12 minor child by a new spouse of a surviving spouse will not bar the
13 minor child from [RECEIVING OR] continuing to receive a [HIS] survivor's
14 allowance. If more than one guardian is appointed, the allowance,
15 including the 10 per cent additional allowance, shall be paid according
16 to the number of minor children assigned to each guardian.

17 * Sec. 10. AS 14.25.164(a) is repealed and re-enacted to read:

18 (a) If the death of a teacher occurs while in membership service
19 or while receiving a disability retirement salary, a spouse's pension
20 is payable under this section only if supplemental contributions under
21 sec. 55 of this chapter have been made for at least one year before
22 the teacher's death. If the death of a retired teacher or deferred
23 vested member occurs, a spouse's pension is payable under this section
24 only if supplemental contributions under sec. 55 of this chapter have
25 been made for at least five years before the teacher's retirement or
26 termination. Application for the spouse's pension shall be made in
27 writing to the administrator. Benefits are not payable under this
28 section if benefits are being paid under sec. 162 of this chapter.

29 * Sec. 11. AS 14.25.120(i) and 14.25.162(e) are repealed.

HB 332

March 9, 1977

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

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to the Teachers' Retirement System. The bill is basically a house-keeping measure designed to remove ambiguities and clarify the existing statutory provisions governing the system.

Substantively, the bill would create an open enrollment period for the system, assess interest from the date of refund rather than July 1, following re-employment for members who are rehired and wish to reinstate their previous membership service (closing a "loophole" in the current law which permits rehired employees to profit at the expense of the system), prevent credit being given for military service in both the Teachers' and the Public Employees' Retirement Systems, permit election of a survivor's option for teachers retiring under the early retirement provisions, and permit a survivor's allowance to continue if the surviving spouse remarries.

The bill would make two major changes to the current system. First, it would require members joining the system after its effective date to pay for the full actuarial cost of creditable outside service claimed, but remove the requirement that all creditable outside service be claimed. At present, all creditable outside service must be claimed and an indebtedness to the system must be established. This indebtedness is based on only a fraction of the cost to the system of the increased benefit to which the member is entitled as a result of the additional credited service. This

provision was originally made part of the system as an inducement to bring teachers to Alaska to fill what was viewed as a shortage of qualified teachers. This shortage no longer exists; indeed, there is a larger number of applications for every available teaching position in Alaska, and this costly additional benefit is no longer needed.

Second, the bill would require members to make supplemental contributions for five years before becoming eligible for a spouse's pension in case of death following termination or retirement. At present, supplemental contributions need be made for only one year, which does not begin to pay the actuarial cost of the benefit received.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 332
Title An act relating to the Teachers Retirement System (Housekeeping)
Requested by Governor Date 12/15/76

II. FISCAL DETAIL

Agency Affected Administration - Retirement
Program Category Affected Education
Budget Request Unit(s) Affected TRS MATCH, DOE, U of A

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	NO COST					

FUNDING (Thousands of Dollars)

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

POSITIONS

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

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

IV. DATE December 15, 1976 PREPARED BY *Robert L. Hester*
AGENCY Administration - Retirement
Original: Legislative Finance PHONE 465-4460
cc: Budget and Management
Prime Sponsor (First Legislator Named)

3-10-77

COMMITTEE REPORT

HOUSE

Date

Mr. Speaker:

The Committee on FINANCE has had HB 332 under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

Four horizontal lines for signing names.

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Three horizontal lines, each preceded by the word 'recommends:'.

Chairman

Introduced: 3/10/77
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 332

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 Teachers' Retirement System."
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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9 (b) Each teacher is entitled to receive credit for unrefunded
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13 If a teacher is married or has a minor child and wishes to make his
14 spouse or minor child eligible for a spouse's pension or a survivor's
15 allowance, he may elect to make a supplemental contribution of an
16 additional one per cent of his base salary within 90 days of his entry
17 into participation in the system, [OR WITHIN 90 DAYS FOLLOWING THE
18 FIRST DAY ON WHICH HE IS ENTITLED TO MAKE THE ELECTION,] or within 90
19 days of his marriage, or within 90 days of the birth or adoption of a
20 child dependent upon him, or during any open enrollment period autho-
21 riized by the Teachers' Retirement System Board.

22 * Sec. 3. AS 14.25.060 is repealed and re-enacted to read:

23 Sec. 14.25.060. ARREARAGE INDEBTEDNESS. (a) If a member joined
24 the system before July 1, 1977 and has creditable outside service, or
25 if a member has military service or Alaska Bureau of Indian Affairs
26 (BIA) service, the member is indebted to the retirement fund as follows:

27 (1) At the time of first becoming a member of the system,
28 the arrearage indebtedness is seven per cent of the base salary mul-
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1 and Alaska BIA service. Compound interest at the rate prescribed by
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3 1, 1963, or at the time of first becoming employed as a member,
4 whichever is later, to the date of payment or the date of retirement,
5 whichever occurs first.

6 (2) If a member terminates from the system and is subsequent-
7 ly reemployed as a member, the arrearage indebtedness to the retirement
8 fund for outside, military, or Alaska BIA service accumulated in the
9 interim is seven per cent of the base salary upon reentering membership
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11 and Alaska BIA service. Compound interest at the rate prescribed by
12 regulation shall be added to the arrearage indebtedness beginning July
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14 to the date of payment or the date of retirement, whichever occurs
15 first.

16 (b) If a member joined the system on or after July 1, 1977 and
17 has creditable outside service, the member may claim this service. If
18 claimed, the member is indebted to the retirement fund as follows:

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20 of providing benefits for the service being claimed. Compound interest
21 at the rate prescribed by regulation shall be added to the arrearage
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24 (2) If a member terminates from the system and is subse-
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26 service during the interim is the full actuarial cost of providing
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2 (c) The total military service claimed may not exceed five
3 years. The combined total of outside and military service may not
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16 fund an amount equal to the contributions he would have made had he
17 been subject to the provisions of this chapter for those years of
18 creditable service after June 30, 1955. Retroactive contributions are
19 not required for creditable service before July 1, 1955. Compound
20 interest at the rate prescribed by regulation shall be added to the
21 retroactive indebtedness from July 1, 1966 or the time of first becoming
22 eligible under this chapter, whichever is later, to the date of payment
23 or the date of retirement, whichever occurs first.

24 (b) If retroactive indebtedness contributions have been made for
25 creditable service before July 1, 1955, the member is entitled to a
26 refund of those retroactive indebtedness contributions.

27 (c) A refund of retroactive indebtedness contributions for re-
28 troactive service before July 1, 1955 is not subject to the repayment
29 provision of sec. 62 of this chapter.

1 Sec. 14.25.062. REINSTATEMENT INDEBTEDNESS. If a teacher who
2 has received a refund of contributions in accordance with sec. 150 of
3 this chapter is reemployed in membership service, he is indebted to
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16 his basic benefit. The amount of this allowance is 10 per cent of the
17 basic benefit.

18 (b) A person receiving a cost-of-living allowance under this
19 section shall notify the administrator when he expects to be absent
20 from the state for a continuous period that exceeds 30 days. After
21 that notification, the person is no longer entitled to receive the
22 monthly cost-of-living allowance. Upon his return to the state, and
23 upon notification to the administrator, the person is again entitled
24 to receive the monthly cost-of-living allowance, commencing with the
25 first monthly benefit payment made after notification of the person's
26 return.

27 (c) For purposes of this section, "residing in the state" means
28 domiciled and physically present in the State of Alaska. Being absent
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8 * Sec. 8. AS 14.25.162(a) is amended to read:

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18 more than one semester, payments of his benefits terminate permanently.
19 A teacher's child who is totally and permanently disabled before he is
20 19 years old or, if he is attending school and becomes totally and
21 permanently disabled before he is 23 years old, and who is financially
22 dependent on the teacher at the time of the teacher's death is entitled
23 to the benefits under this section until he dies or is no longer
24 totally and permanently disabled. Application for the survivor's
25 allowance shall be made in writing to the administrator.

26 * Sec. 9. AS 14.25.162(b) is amended to read:

27 (b) The amount of the survivor's allowance for each minor child
28 shall be equal to [EITHER (1)] 10 per cent of the teacher's base
29 salary immediately before his death, [OR AFTER NORMAL] retirement.

1 or becoming disabled [FOR EACH MINOR CHILD, OR (2) 40 PER CENT OF THE
2 BASE SALARY, WHICHEVER IS LESS]. However, if there are five or more
3 minor children, the total amount paid to those children shall be 40
4 per cent of the teacher's base salary before his death, retirement, or
5 becoming disabled, paid in equal amounts to each child. In addition,
6 an allowance of 35 per cent of the teacher's base salary shall be paid
7 to his surviving spouse. If there is no surviving spouse, [IF THE
8 SPOUSE IS ENTITLED TO THE SURVIVOR'S ALLOWANCE AND IS NOT REMARRIED,
9 AND] an allowance of 10 per cent of the base salary shall be paid to a
10 court appointed guardian [ENTITLED TO THE SURVIVOR'S ALLOWANCE]. The
11 [NEITHER THE REMARRIAGE OF A SURVIVING SPOUSE NOR THE] adoption of a
12 minor child by a new spouse of a surviving spouse will not bar the
13 minor child from [RECEIVING OR] continuing to receive a [HIS] survivor's
14 allowance. If more than one guardian is appointed, the allowance,
15 including the 10 per cent additional allowance, shall be paid according
16 to the number of minor children assigned to each guardian.

17 * Sec. 10. AS 14.25.164(a) is repealed and re-enacted to read:

18 (a) If the death of a teacher occurs while in membership service
19 or while receiving a disability retirement salary, a spouse's pension
20 is payable under this section only if supplemental contributions under
21 sec. 55 of this chapter have been made for at least one year before
22 the teacher's death. If the death of a retired teacher or deferred
23 vested member occurs, a spouse's pension is payable under this section
24 only if supplemental contributions under sec. 55 of this chapter have
25 been made for at least five years before the teacher's retirement or
26 termination. Application for the spouse's pension shall be made in
27 writing to the administrator. Benefits are not payable under this
28 section if benefits are being paid under sec. 162 of this chapter.

29 * Sec. 11. AS 14.25.120(f) and 14.25.162(e) are repealed.

HB 332

March 9, 1977

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

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to the Teachers' Retirement System. The bill is basically a house-keeping measure designed to remove ambiguities and clarify the existing statutory provisions governing the system.

Substantively, the bill would create an open enrollment period for the system, assess interest from the date of refund rather than July 1, following re-employment for members who are rehired and wish to reinstate their previous membership service (closing a "loophole" in the current law which permits rehired employees to profit at the expense of the system), prevent credit being given for military service in both the Teachers' and the Public Employees' Retirement Systems, permit election of a survivor's option for teachers retiring under the early retirement provisions, and permit a survivor's allowance to continue if the surviving spouse remarries.

The bill would make two major changes to the current system. First, it would require members joining the system after its effective date to pay for the full actuarial cost of creditable outside service claimed, but remove the requirement that all creditable outside service be claimed. At present, all creditable outside service must be claimed and an indebtedness to the system must be established. This indebtedness is based on only a fraction of the cost to the system of the increased benefit to which the member is entitled as a result of the additional credited service. This

provision was originally made part of the system as an inducement to bring teachers to Alaska to fill what was viewed as a shortage of qualified teachers. This shortage no longer exists; indeed, there is a larger number of applications for every available teaching position in Alaska, and this costly additional benefit is no longer needed.

Second, the bill would require members to make supplemental contributions for five years before becoming eligible for a spouse's pension in case of death following termination or retirement. At present, supplemental contributions need be made for only one year, which does not begin to pay the actuarial cost of the benefit received.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. NB 332
Title An act relating to the Teachers Retirement System (Housekeeping)
Requested by Governor Date 12/15/76

II. FISCAL DETAIL

Agency Affected Administration - Retirement
Program Category Affected Education
Budget Request Unit(s) Affected TRS MATCH, DOE, U of A

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	NO COST					

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

IV. DATE December 15, 1976 PREPARED BY *Robert L. [Signature]*
AGENCY Administration - Retirement
PHONE 465-4460
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 332

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to the Teachers' Retirement System."

Teachers' Retirement System

Introduced in the House 3-10-1977

HISTORY IN THE HOUSE

19 77

Mar. 10

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration	
PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration	
PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:

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

Senate receded from amendment

Senate failed to recede from amendment

FCC appointed by House

FCC appointed by Senate

FCC adopted

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.