

LEG. FINANCE - BILLS 1977 - 1978 720

CSHB 403 thru HB 406 720



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

4/18/77

_____ 1977 _____ Date

Mr. President:

The Committee on Finance has had CSHB 400
indemnification in event of decrease in property values in Juneau from Capital
under consideration. A majority of the members of the Committee relocation

- 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) Individual recommendations

MEMBERS SIGNING THE MAJORITY REPORT:

<u>John Robert</u>	<u>to Pass</u>	_____
<u>William</u>	<u>to Pass</u>	_____
<u>William</u>	<u>to Rec</u>	_____
<u>Michael</u>	<u>to Pass</u>	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

John Robert
Chairman

Analysis of CSHB 403 - Juneau
Indemnification Amendments

SECTION I: Changes the conclusion date of the indemnification program. Present statute provides that the legislature may terminate the program at any time upon sitting at the new capital site. This has caused concern that the program could be terminated prematurely. The result could be a "panic" sale of property prior to 1980 and an artificial depression of the market. The proposed change would insure that those who might not have to move immediately in 1980 to the new capital site but instead at a later date because of employment will be able to submit applications up until 1985 and thereafter until the legislature terminates the program.

SECTION II: Under present statute, the fair market value of property is determined by adjusting the base year assessments as follows:

- A) to account for the cost of any additions, renovations, or improvements made on the property
- B) to account for any decrease in property value resulting from unrestored, complete or partial destruction, or loss attributable to natural disaster.
- C) to account for loss in value due to inadequate maintenance
- D) to reflect quarterly changes in value as determined by comparing the then current quarterly homeownership costs in the Anchorage Consumer Price Index with those published for July 1975. The quarterly adjustment factor shall not exceed the quarterly rate of increase for years 1971 through 1974.

D of the above has resulted in a very low inflation factor. Because of the pre-pipeline slump during 1971 - 1974 in Anchorage, the increase was 4.1% annually or slightly more than 1% quarterly.

The proposed amendment would provide that the adjustment factor would not be less than the quarterly increase for the years 1971 - 1974 nor greater than the quarterly increase for the four year period immediately preceding the sale. This change should result in a more accurate adjustment based on the most recent inflationary trends. For example, if property was to be sold this year the adjustment factor would be 1.7% a quarter or an annual adjustment of 6.8%. (See attached chart) This, of course, is still much less than the actual annual increase in property values in Juneau and elsewhere in the state but is much more equitable than that provided by the present language.

SECTION III: This provides for a method of assessing new residential properties coming into existence after January 1, 1978. Present statute provides for a base year assessment of all property in existence on the effective date of the act and coming into existence prior to January 1, 1978.

Page Two
Indemnification Amendments
Section III continued

By interpretation of the State Assessors Office, present language does not allow for new construction after 1978. However, Juneau has an increasing population and it is necessary for the continued construction of residential units. Without the proposed language, residential construction will stop in Juneau resulting in a serious housing shortage.

The proposed language specifically covers only residential property and will not allow for increases in value due to subdivision when the lots are not actually improved upon.

th along the
23, T1N, R5E;
N.W. corner of
the section line to
ence east to the
south along the
11, T1S, R5E;
N.W. corner of
the section line to
ence east along
ion 7, T2S, R9E;
N.W. corner of
corner of
the section line to
ence west along
ion 7, T2N, R8E;
N.E. corner of
section line to
ately 254,080

ent domain
Recreation Area
necessary access

as may adopt, in
e Act (AS 44.62),
land in the



LAWS OF ALASKA

1975

Source

Chapter No.

CASHB 173 (Finance)

59

AN ACT

Providing for indemnification in the event of a decrease in property values within the City and Borough of Juneau resulting from enactment of the capital relocation initiative; and providing for an effective date.

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

* Section 1. PURPOSE. The purpose of this Act is to establish a mechanism for the fair and equitable indemnification of individuals, businesses or corporations who experience financial losses when selling property located within the City and Borough of Juneau because of the relocation of the state capital.

* Sec. 2. ROLE OF COMMISSIONER. The commissioner of community and regional affairs shall administer the indemnification program.

* Sec. 3. INDEMNIFICATION FOR FINANCIAL LOSS. The commissioner shall

(1) accept, on forms prescribed by the commissioner, applications for reimbursement; the application must be signed by the owner of the eligible property and, if the property is subject to a mortgage, by the mortgagee;

(2) determine that the actual sale price was the result of a reasonable effort by the seller to sell the property on the open market;

(3) determine the difference between the actual price at the time of sale, computed as specified in sec. 10 of this Act, and the fair market value as specified in sec. 11 of this Act;

(4) determine, if the actual sales price is less than 95 per cent of the adjusted base year fair market value, that portion of the difference which is attributable to the impact of the capital relocation initiative;

Chapter 59

(5) approve an indemnification amount in accordance with (4) of this section before the consummation of the sale of the property and transfer the indemnification amount to the seller within 30 days after the consummation of the sale of the property;

(6) submit applications for reimbursement on business capital assets to the Legislative Budget and Audit Committee for a determination as to whether the decline in market value is attributable to the capital relocation initiative.

* Sec. 4. PURCHASE OF PROPERTY. If eligible property with marketable title cannot be sold, the commissioner shall, after he has determined that reasonable efforts to find a buyer have been made, purchase the property. The purchase price shall be 95 per cent of the adjusted base year fair market value according to sec. 11 of this Act.

* Sec. 5. COMMISSIONER TO MANAGE PURCHASED PROPERTY. The commissioner may take any reasonable action necessary for the safety and maintenance of property acquired under this Act.

* Sec. 6. AUTHORITY TO DISPOSE OF PURCHASED PROPERTY. (a) The commissioner may dispose of property acquired under this Act at public sale to the highest bidder on such terms as he considers beneficial to the state.

(b) The commissioner shall provide the public with notice of a proposed sale. The notice shall identify specific parcels of property and any encumbrances to which they may be subject.

(c) The commissioner may, at his discretion, offer for sale units of state property made by combining parcels of land acquired under this Act, parcels as purchased by him, or portions of parcels purchased by him.

(d) The commissioner shall convey marketable title to the purchaser of the property.

(e) The purchaser under this section shall pay his own closing costs.

* Sec. 7. CAPITAL RELOCATION REVOLVING FUND. (a) There is created the capital relocation revolving fund which consists of money appropriated by the legislature, money received in payment for property sold as provided in sec. 6 of this Act, and any other money transferred to the commissioner for the indemnification program including any money transferred for this purpose by the United States.

(b) The commissioner or his designee, after consultation with the Legislative Budget and Audit Committee, may authorize withdrawals from the fund for the purpose of implementing the provisions of secs. 3 - 6 of this Act.

* Sec. 8. ELIGIBLE PROPERTY. An indemnification application, provided for in sec. 3 of this Act, may be filed by any person owning real property, a mobile home, or business capital assets, subject to the following provisions:

(1) Residential property, both real and mobile homes, including both land and fixtures, must be in actual use as a

amount in accordance with the provisions of the sale of the property amount to the net proceeds of the sale of the property.

Reimbursement on business property shall be determined by the Real Estate Audit Committee for the property. The market value of the property shall be determined by the committee.

Eligible property with a net value of \$100,000 or more shall, after the date of the sale and a buyer has been identified, the price shall be 95 per cent of the market value according to the provisions of this Act.

RESERVED PROPERTY. The provisions of this Act shall not apply to property which is necessary for the public use under this Act.

RESERVED PROPERTY. (a) The provisions of this Act shall not apply to property which is necessary for the public use under this Act.

The public with notice shall identify specific parcels of land which they may be subject to the provisions of this Act.

Offer for sale of parcels of land acquired by him, or portions thereof, shall be subject to the provisions of this Act.

Transferable title to the property shall be subject to the provisions of this Act.

shall pay his own expenses.

FUND. (a) There is hereby established a fund which consists of the proceeds received in payment of the property under this Act, and any other proceeds for the indemnification of the property for this purpose by the provisions of this Act.

After consultation with the Real Estate Audit Committee, the commissioner may authorize the provisions of this Act.

Indemnification application, filed by any person for business capital assets, shall be subject to the provisions of this Act.

Real and mobile homes, in actual use as a residence at the time the application for indemnification is submitted.

residence at the time the application for indemnification is submitted.

(2) Real property and mobile home property held for investment purposes must be owned by the applicant for at least one year before the application is submitted. All those structures listed as mobile homes by the assessor of the City and Borough of Juneau for property tax purposes and used as a residence shall be considered mobile home property.

(3) Business capital assets include rental real property and major items of fixed equipment and machinery which produce income but are not bought or sold in the ordinary course of the proprietor's business. Business capital assets must be in use in an ongoing business which has been carried on for at least one year before the application is submitted.

(4) Business property, including both land and fixtures, must be used for an ongoing business which has been carried on for at least one year before the application is submitted.

(5) Personal property other than mobile homes and business inventories are not eligible for indemnification under this program.

(6) Real property held for recreational purposes is not eligible for indemnification under this program.

(7) Real property owned by a public utility is not eligible for indemnification under this program.

Sec. 1.

* Sec. 9. CONCLUSION OF THE INDEMNIFICATION PROGRAM. No application may be accepted after the legislature sitting at the new capital site declares the indemnification program terminated.

* Sec. 10. ACTUAL SALES PRICE. The actual sales price includes the cost of any real estate commission and other selling expenses.

Sec. 2.

* Sec. 11. FAIR MARKET VALUE. (a) The fair market value for eligible property other than mobile homes and business capital assets shall be computed by adjusting either the value of the property determined in the base year assessment under sec. 12 of this Act, or the actual sales price received from a prior sale after the completion of the base year assessment, whichever is less:

(1) to account for the cost of any additions, renovations, or improvements made on the property;

(2) to account for any decrease in property value resulting from unrepaired, complete or partial destruction or loss attributable to natural disaster, fire, accident, riot, vandalism, or similar unexpected and sudden physically damaging event;

(3) to account for loss in value due to inadequate maintenance as determined by the commissioner; and

(4) to reflect quarterly changes in value as determined by comparing the then current quarterly homeownership costs

Chapter 59

in the Anchorage consumer price index, published by the United States Department of Labor, Bureau of Labor Statistics with those published for July 1975; in no case shall the quarterly adjustment factor exceed the average quarterly rate of increase in the index for the calendar years 1971 through 1974.

(b) The fair market value for mobile home property shall be computed using the methods employed by the assessor of the City and Borough of Juneau in arriving at market value for tax purposes. The fair market value shall be reviewed by the commissioner following an on-site inspection of the property and is subject to revision.

(c) The fair market value of business capital assets shall be computed on the basis of replacement cost in the year of sale less depreciation.

Sec. 3.
* Sec. 12. BASE YEAR ASSESSMENT. (a) The state assessor shall within one year of the effective date of this Act take the steps necessary to complete the assessment of all real property within the City and Borough of Juneau at its full and true value as of January 1, 1976. All additional real property coming into existence between January 1, 1976 and January 1, 1978 shall be appraised at its full and true value as of the assessment date for tax purposes in that year.

(b) The cost of the initial assessment shall be paid equally by the state and the City and Borough of Juneau. Assessments on additional real property shall be paid by the City and Borough of Juneau.

(c) A property owner aggrieved by determination of his assessment may appeal under AS 29.53.130 - 29.53.135.

(d) All adjustments in valuation approved by the board of equalization are subject to review and final approval by the commissioner. A property owner may appeal the final determination in accordance with AS 29.53.140.

* Sec. 13. REGULATIONS. The commissioner shall adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) to carry out the purposes of this Act.

* Sec. 14. ANNUAL REPORT. The commissioner shall submit an annual report of his activities under this Act to the governor and the legislature at the beginning of each regular legislative session.

* Sec. 15. DEFINITIONS. In this Act "commissioner" means the commissioner of community and regional affairs.

* Sec. 16. EFFECTIVE DATE. This Act takes effect immediately in accordance with AS 01.10.070(c).

FISCAL NOTE

U 201

I. REQUEST

Bill/Resolution No. HB 403
 Title Indemnification for property in Juneau resulting from capital relocation
 Requested by House Finance Committee Date 4/4/77

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Juneau Indemnification
 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		0	0	0		

FUNDING (Thousands of Dollars)

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

POSITIONS

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

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

HB 403 makes three changes to the Juneau Indemnification statute currently on the books. It extends the date through which applications may be accepted; it changes the ceiling for adjusting property values and it extends indefinitely the provision for base-year assessments of new construction. None of these changes require additional funding for the state program.

The base-year assessment for January 1, 1976 (value as of December 31, 1975) covering real property in the City and Borough of Juneau, including Mobile Homes and Business Capital Assets, not including business inventories and consigned goods, was \$314,016,750.

At this time, not knowing either the eventual value of properties concerned or the extent of dislocation at the time of the capital move, it is not possible to predict funding requirements for the indemnification itself.

IV. DATE 4/4/77 PREPARED BY *Paul Ramsey Jr*
 AGENCY State Treasurer
 PHONE 465-4787
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

feels very strongly that there was improper action on the part of the Department of Labor. Senator Croft stated he can understand the Attorney General's office defending the Department of Labor.

Chairman Sackett requested that copies of the Ombudsman's letter be made available to Committee members. He stated this bill would be discussed at a later date.

Chairman Sackett moved that HB 288 (an act authorizing the division of tourism to make matching grants to promote conventions and incentive travel) be brought up for discussion. There being no objection, it was so ordered. Representative Jim Duncan appeared before the Committee to testify on this bill.

Representative Duncan stated this bill gives the authorization for a program started last year. He stated a \$200,000 appropriation for the matching grant program is in the FY 78 budget. Representative Duncan stated this legislation would establish an on-going program so it would not have to be approved each year. He advised the matching grants program is a working program.

Senator Hohman moved that HB 288 be passed from Committee with individual recommendations. There being no objection, it was so ordered.

Chairman Sackett moved that CSMB 403 (an act relating to indemnification in the event of a decrease in property values within the City and Borough of Juneau resulting from enactment of the capital relocation initiative) be brought up for discussion. There being no objection, it was so ordered. Representative Jim Duncan appeared before the Committee to testify on this bill.

Representative Duncan stated this bill makes three changes to the Juneau Indemnification statute passed by the Legislature last year. He stated there is concern in Juneau that the program may be terminated prematurely. He stated section 1 changes the date applications can be accepted to December 31, 1985 or until the Legislature deletes the program.

Representative Duncan stated section 2 changes the fair market value of property by providing that the adjustment factor would not be less than the quarterly increase for the years 1971 - 1974 nor greater than the quarterly increase for the four year period immediately preceding the sale. He stated inflation would be about 7% and while that is still low, it makes it much more acceptable.

Representative Duncan stated section 3 provides for a method of assessing new residential properties coming into existence after January 1, 1978.

Representative Duncan stated these changes are necessary in order to keep the air of confidence that has been in Juneau. He advised the fiscal note for this bill is zero.

Senator Orsini stated he does not think these are merely technical changes. He stated that adjusting the date appears to be more of a change in concept. Representative Duncan stated the rationale in changing the date is that they don't think that even if the capital is completely moved by 1980 that all the people will be moved by that time. He stated he believes there will be a phasing process. He stated if people are forced to sell their homes because the program is terminated prematurely, it will create a false market. Representative Duncan stated he does not think there will be a lot of speculation building as there are other safeguards in the act.

Chairman Sackett moved that CSHB 403 be passed from Committee with individual recommendations. There being no objection, it was so ordered.

Chairman Sackett moved that SB 351 (an act providing for settlement of the claims of owners and occupants of housing constructed under the remote housing program of 1971 and occupants of housing constructed under the state remote housing bond program of 1970) and SB 352 (an act making a special appropriation to the Alaska State Housing Authority for payment of claims arising out of litigation over the design and quality of certain remote area housing) be brought up for discussion. There being no objection, it was so ordered. Representative Bill Miles appeared before the Committee to testify on these two bills.

Representative Miles stated these bills are a result of one court action against the Alaska State Housing Authority and another that is expected to come.

[Senator Butrovich let at this time.]

Senator Orsini stated his understanding of this is that several years ago the State funded, through ASHA, remote housing projects and costs of construction were paid by the State. There are defects in the housing and the State is paying for these, not the owners. Representative Miles stated they tried to go in prepare the housing under one project, but it ended up costing more than a settlement would.

Representative Miles stated the bill would cancel the outstanding indebtedness; refund payments made on the mortgages; and quitclaim the interests of the authority in the unit of housing.

In answer to a question from Senator Orsini, Representative Miles stated the State is not paying them two times, but is getting out of costly litigation.

Original sponsors: Duncan and Miller

Offered: 4/6/77
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 403

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 indemnification in the event of a
7 decrease in property values within the City and Borough
8 of Juneau resulting from enactment of the capital
9 relocation initiative."

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

11 * Section 1. Section 9, ch. 59, SLA 1975 is amended to read:

12 Sec. 9. CONCLUSION OF THE INDEMNIFICATION PROGRAM. Applications
13 shall be accepted until December 31, 1985 and thereafter shall be ac-
14 cepted until [NO APPLICATION MAY BE ACCEPTED AFTER] the legislature
15 sitting at the new capital site declares the indemnification program
16 terminated.

17 * Sec. 2. Section 11(a)(4), ch. 59, SLA 1975 is amended to read:

18 (4) to reflect quarterly changes in value as determined by
19 comparing the then current quarterly homeownership costs in the
20 Anchorage consumer price index, published by the United States Depart-
21 ment of Labor, Bureau of Labor Statistics with those published for
22 July 1975; in no case shall the quarterly adjustment factor be less than
23 [EXCEED] the average quarterly rate of increase in the index for the
24 calendar years 1971 through 1974 or greater than the average quarterly
25 rate of increase in the index for the four-year period ending the
26 preceding January 1.

27 * Sec. 3. Section 12, ch. 59, SLA 1975 is amended to read:

28 Sec. 12. BASE YEAR ASSESSMENT. (a) The state assessor shall
29 within one year of the effective date of this Act take the steps

1 necessary to complete the assessment of all real property within the
2 City and Borough of Juneau at its full and true value as of January 1,
3 1976. All additional real property coming into existence between
4 January 1, 1976 and January 1, 1978 shall be appraised at its full and
5 true value as of the assessment date for tax purposes in that year. All
6 real property upon which improvements or new construction for resi-
7 dential purposes are made after January 1, 1978, shall be appraised at
8 its full and true value as of the assessment date for tax purposes in
9 that year. Property subdivided after 1978 but not improved upon shall
10 be carried at its full and true value as of the base-year assessment, as
11 adjusted.
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Introduced: 3/25/77
Referred: Finance

1 IN THE HOUSE

BY DUNCAN AND MILLER

2 HOUSE BILL NO. 403

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 indemnification in the event of a
7 decrease in property values within the City and Borough
8 of Juneau resulting from enactment of the capital
9 relocation initiative."

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

11 * Section 1. Section 9, ch. 59, SLA 1975 is amended to read:

12 Sec. 9. CONCLUSION OF THE INDEMNIFICATION PROGRAM. Applications
13 shall be accepted until December 31, 1985 and thereafter shall be ac-
14 cepted until [NO APPLICATION MAY BE ACCEPTED AFTER] the legislature
15 sitting at the new capital site declares the indemnification program
16 terminated.

17 * Sec. 2. Section 11(a)(4), ch. 59, SLA 1975 is amended to read:

18 (4) to reflect quarterly changes in value as determined by
19 comparing the then current quarterly homeownership costs in the
20 Anchorage consumer price index, published by the United States Depart-
21 ment of Labor, Bureau of Labor Statistics with those published for
22 July 1975; in no case shall the quarterly adjustment factor exceed the
23 average quarterly rate of increase in the index for the four-year period
24 ending the preceding January 1 [CALENDAR YEARS 1971 through 1974].

25 * Sec. 3. Section 12, ch. 59, SLA 1975 is amended to read:

26 Sec. 12. BASE YEAR ASSESSMENT. (a) The state assessor shall
27 within one year of the effective date of this Act take the steps neces-
28 sary to complete the assessment of all real property within the City and
29 Borough of Juneau at its full and true value as of January 1, 1976.

1 All additional real property coming into existence after [BETWEEN]
2 January 1, 1976 [AND JANUARY 1, 1978] shall be appraised at its full and
3 true value as of the assessment date for tax purposes in the [THAT]
4 year it comes into existence.
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

2/14/90
Date

COMMITTEE REPORT

HOUSE

3-25-77 Date

Mr. Speaker:

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

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

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[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

Introduced: 3/25/77
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 404

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 revenue collected by the state for
7 other entities; and providing for an effective date."

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

9 * Section 1. AS 10.25.570 is repealed and re-enacted to read:

10 Sec. 10.25.570. DISTRIBUTION OF TAX. The proceeds of the gross
11 revenue tax less the amount expended by the state in its collection, is
12 municipal revenue collected by the state for the municipality which
13 shall be paid directly to an organized borough or a city of any class
14 incorporated under state law, in the proportion that the revenue was
15 earned in the city or the borough area outside the city. However, taxes
16 collected on gross revenue earned outside a city or organized borough
17 are state revenue and shall be deposited in the general fund.

18 * Sec. 2. AS 37.20 is amended by adding a new section to read:

19 Sec. 37.20.040. ALASKA NATIVE FUND. The amount required by federal
20 law to be paid into the Alaska Native Fund established by P. L. 92-203
21 is not revenue of the state and shall be paid by the commissioner of
22 revenue to the fund directly on receipt.

23 * Sec. 3. AS 41.15.180 is amended to read:

24 Sec. 41.15.180. NATIONAL FOREST INCOME. (a) When the commis-
25 sioner of administration receives national forest income under 16
26 U.S.C. sec. 500, he shall immediately pay to every organized borough, in
27 which national forest land is located, a share of the income from that
28 forest. A borough's share of income from a national forest shall be
29 proportional to the area of the national forest located within its

1 boundaries. The share of the income payable to a borough is revenue of
2 the borough collected by the state and shall be paid directly to the
3 borough [THESE PAYMENTS SHALL BE MADE PURSUANT TO AN APPROPRIATION MADE
4 FOR THAT PURPOSE].

5 * Sec. 4. AS 43.35.050 is repealed and re-enacted to read:

6 Sec. 43.35.050. DISTRIBUTION OF TAX. One-half of the proceeds of
7 the gross revenue from the tax provided by this chapter, excluding
8 distributors' fees, penalties, and the amount determined to have been
9 spent by the state in its collection, is municipal revenue collected by
10 the state for the municipality and paid directly to organized boroughs
11 and cities in the proportion that the revenue was earned within their
12 respective boundaries. The balance of the proceeds shall be considered
13 state revenue and shall be deposited in the general fund.

14 * Sec. 5. AS 43.40.010(e) is amended to read:

15 (e) Sixty per cent of the proceeds of the revenue from the taxes
16 on aviation fuel, excluding the amount determined to have been spent by
17 the state in its collection, is municipal revenue collected by the state
18 for [SHALL BE REFUNDED TO] a municipality owning and operating or
19 leasing and operating an airport in the proportion that the revenue was
20 collected at the municipal airport and shall be paid directly to the
21 municipality. All other proceeds of the taxes on aviation fuel shall be
22 paid into a special aviation fuel tax account in the state general fund.
23 The legislature may appropriate funds from this account for aviation
24 facilities.

25 * Sec. 6. AS 43.70.080 is repealed and re-enacted to read:

26 Sec. 43.70.080. DISTRIBUTION OF TAX. Sixty per cent of the money
27 collected within the boundaries of a municipality is municipal revenue
28 collected by the state for the municipality and shall be paid by the
29 department directly to each organized borough and city of any class.

1 The remaining funds collected by the department under this chapter shall
2 be considered state revenues and deposited in the general fund.

3 * Sec. 7. AS 43.75.130 is repealed and re-enacted to read:

4 Sec. 43.75.130. DISTRIBUTION OF TAX TO LOCAL GOVERNMENTS. Ten per
5 cent of the tax revenue collected in a borough or city of the first
6 class from taxes levied under this chapter is municipal revenue col-
7 lected by the state for the municipality and shall be paid directly by
8 the commissioner of revenue to each organized borough and city of the
9 first class. The remaining receipts shall be treated as state revenue
10 and deposited in the general fund.

11 * Sec. 8. AS 43.75.135 is amended to read.

12 Sec. 43.75.135. ADDITIONAL REFUND TO BOROUGH AND CITIES. In
13 addition to the payment [ALLOWED] in sec. 130 of this chapter, the com-
14 missioner of revenue shall pay to each organized borough 10 per cent
15 [MENT] of the amount of tax revenue collected in the borough from taxes
16 levied by secs. 10 - 90 of this chapter and shall pay to each city [OF
17 THE FIRST, SECOND, AND THIRD CLASSES] located in the unorganized borough
18 10 per cent of the amount of the tax revenue collected in the city from
19 taxes levied by secs. 10 - 90 of this chapter.

20 * Sec. 9. This Act takes effect July 1, 1977.
21
22
23
24
25
26
27
28
29

*Just put
memo*

ELECTRIC & TELEPHONE COOPERATIVE TAX

✓ Sec. 10.25.570. REFUND OF GROSS REVENUE TAX TO LOCAL GOVERNMENTS. The proceeds of the gross revenue tax, less the amount expended by the state in its collection, shall be refunded to an organized borough or a city of any class incorporated under state law, in the proportion that the revenue was earned within the city or the borough area outside the city. However, taxes collected on gross revenue earned outside a city or organized borough shall be retained by the state and deposited into its general fund.

FISHERIES TAXES

✓ Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The Commissioner of revenue shall pay to each organized borough and each city of the first class 10 per cent of the amount of tax revenue collected in the borough or city from taxes levied by §§ 10-90 of this chapter.

✓ Sec. 43.75.135. ADDITIONAL REFUND TO BOROUGH AND CITIES. In addition to the payment allowed in § 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by §§ 10-90 of this chapter and shall pay to each city of the first class located in the unorganized borough 10 per cent of the amount of the tax revenue collected in the city from taxes levied by §§ 10-90 of this chapter.

ELECTRIC & TELEPHONE COOPERATIVE TAX

Sec. 10.25.570. DISTRIBUTION OF TAX. The proceeds of the gross revenue tax less the amount expended by the state in its collection, shall be treated as municipal revenues and paid to an organized borough or a city of any class incorporated under state law, in the proportion that the revenue was earned within the city or the borough area outside the city. However, taxes collected on gross revenue earned outside a city or organized borough shall be considered state revenues and shall be deposited in the general fund.

FISHERIES TAXES

Sec. 43.75.130. DISTRIBUTION OF TAX TO LOCAL GOVERNMENT. Ten per cent of the tax revenue collected in a borough or city from taxes levied under this chapter shall be treated municipal revenue and shall be paid by the commissioner of revenue to each organized borough and city of the first class. The remaining receipts shall be treated as state revenues and deposited in the general fund.

We will ask Legislative Affairs to provide us with an English translation of the existing law so we can draft a new section.

BUSINESS LICENSE TAX

✓ Sec. 43.70.080. DISPOSAL OF MONEY. All money collected by the department under this chapter shall be deposited in the general fund. The Department of Revenue shall refund to each organized borough and each city of any class 60 per cent of the money collected in the local government.

AVIATION FUEL TAX

✓ Sec. 43.40.010(e). Sixty per cent of the proceeds of the revenue from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be refunded to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be paid into a special aviation fuel tax account in the state general fund. The legislature may appropriate funds from this account for aviation facilities.

AMUSEMENT AND GAMING TAX

✓ Sec. 43.35.050. DISTRIBUTION OF TAX. One-half of the proceeds of the gross revenue from the tax provided by this chapter, excluding distributors' fees, penalties, and the amount determined to have been spent by the state in its collection, shall be refunded to organized boroughs and cities of the first, second, and third classes by action of the legislature in the proportion that the revenue was earned within them, and the balance shall be retained by the state and deposited in the general fund.

BUSINESS LICENSE TAX

Sec. 43.70.080. DISTRIBUTION OF TAX. Sixty per cent of the money collected within the boundaries of a municipality shall be treated as municipal revenue and paid by the department to each organized borough and city of any class. The remaining funds collected by the department under this chapter shall be considered state revenues and deposited in the general fund.

AVIATION FUEL TAX

Sec. 43.40.010(e). Sixty per cent of the proceeds of the revenue from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be treated as municipal revenue and paid to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be considered state revenues and paid into a special aviation fuel tax account in the general fund. The legislature may appropriate funds from this account for aviation facilities.

AMUSEMENT AND GAMING TAX

Sec. 43.35.050. DISTRIBUTION OF TAX. One-half of the proceeds of the gross revenue from the tax provided by this chapter, excluding distributors' fees, penalties, and the amount determined to have been spent by the state in its collection, shall be treated as municipal revenues and paid to organized boroughs and cities of the first, second, and third classes in the proportion that the revenue was earned within their respective boundaries. The balance of the proceeds shall be considered state revenues and shall be deposited in the general fund.

Existing

ALCOHOLIC BEVERAGE LICENSE TAX

✓ Sec. 04.10.450. DISPOSITION OF FUNDS. Money collected or due the state for licenses under the provisions of this title shall be deposited with the Department of Revenue and covered into the general fund.

Sec. ~~04.10.460~~. CONDITIONS OF REFUND. Money derived from the licenses issued, except wholesale licenses within organized boroughs and all classes of cities, shall be refunded semi-annually to the boroughs and cities. If the officers of a borough or city fail to actively enforce its ordinances, the laws of the United States, the laws of the state, and the regulations relating to the manufacture and sale of intoxicating liquors in the state, the commissioner of revenue may deny the refund and no further money may be paid to the local governments until the enforcement of the laws and regulations is actively resumed.

Proposed

ALCOHOLIC BEVERAGE LICENSE TAX

Sec. 04.10.450. No change appears to be necessary.

~~Sec. 04.10.460~~. DISTRIBUTION OF TAX. Money derived from the licenses issued, except wholesale licenses within organized boroughs and all classes of cities, shall be considered municipal revenues and shall be paid semi-annually to the boroughs and cities. If the officers of a borough or city fail to actively enforce its ordinances, the laws of the United States, the laws of the state, and the regulations relating to the manufacture and sale of intoxicating liquors in the state, the commissioner of revenue may deny the refund and no further money may be paid to the local governments until the enforcement of the laws and regulations is actively resumed.

Introduced: 3/25/77
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 404

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 revenue collected by the state for
7 other entities; and providing for an effective date."

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

9 * Section 1. AS 10.25.570 is repealed and re-enacted to read:

10 Sec. 10.25.570. DISTRIBUTION OF TAX. The proceeds of the gross
11 revenue tax less the amount expended by the state in its collection, is
12 municipal revenue collected by the state for the municipality which
13 shall be paid directly to an organized borough or a city of any class
14 incorporated under state law, in the proportion that the revenue was
15 earned in the city or the borough area outside the city. However, taxes
16 collected on gross revenue earned outside a city or organized borough
17 are state revenue and shall be deposited in the general fund.

18 * Sec. 2. AS 37.20 is amended by adding a new section to read:

19 Sec. 37.20.040. ALASKA NATIVE FUND. The amount required by federal
20 law to be paid into the Alaska Native Fund established by P. L. 92-203
21 is not revenue of the state and shall be paid by the commissioner of
22 revenue to the fund directly on receipt.

23 * Sec. 3. AS 41.15.180 is amended to read:

24 Sec. 41.15.180. NATIONAL FOREST INCOME. (a) When the commis-
25 sioner of administration receives national forest income under 16
26 U.S.C. sec. 500, he shall immediately pay to every organized borough, in
27 which national forest land is located, a share of the income from that
28 forest. A borough's share of income from a national forest shall be
29 proportional to the area of the national forest located within its

1 boundaries. The share of the income payable to a borough is revenue of
2 the borough collected by the state and shall be paid directly to the
3 borough [THESE PAYMENTS SHALL BE MADE PURSUANT TO AN APPROPRIATION MADE
4 FOR THAT PURPOSE].

5 * Sec. 4. AS 43.35.050 is repealed and re-enacted to read:

6 Sec. 43.35.050. DISTRIBUTION OF TAX. One-half of the proceeds of
7 the gross revenue from the tax provided by this chapter, excluding
8 distributors' fees, penalties, and the amount determined to have been
9 spent by the state in its collection, is municipal revenue collected by
10 the state for the municipality and paid directly to organized boroughs
11 and cities in the proportion that the revenue was earned within their
12 respective boundaries. The balance of the proceeds shall be considered
13 state revenue and shall be deposited in the general fund.

14 * Sec. 5. AS 43.40.010(e) is amended to read:

15 (e) Sixty per cent of the proceeds of the revenue from the taxes
16 on aviation fuel, excluding the amount determined to have been spent by
17 the state in its collection, is municipal revenue collected by the state
18 for [SHALL BE REFUNDED TO] a municipality owning and operating or
19 leasing and operating an airport in the proportion that the revenue was
20 collected at the municipal airport and shall be paid directly to the
21 municipality. All other proceeds of the taxes on aviation fuel shall be
22 paid into a special aviation fuel tax account in the state general fund.
23 The legislature may appropriate funds from this account for aviation
24 facilities.

25 * Sec. 6. AS 43.70.080 is repealed and re-enacted to read:

26 Sec. 43.70.080. DISTRIBUTION OF TAX. Sixty per cent of the money
27 collected within the boundaries of a municipality is municipal revenue
28 collected by the state for the municipality and shall be paid by the
29 department directly to each organized borough and city of any class.

1 The remaining funds collected by the department under this chapter shall
2 be considered state revenues and deposited in the general fund.

3 * Sec. 7. AS 43.75.130 is repealed and re-enacted to read:

4 Sec. 43.75.130. DISTRIBUTION OF TAX TO LOCAL GOVERNMENTS. Ten per
5 cent of the tax revenue collected in a borough or city of the first
6 class from taxes levied under this chapter is municipal revenue col-
7 lected by the state for the municipality and shall be paid directly by
8 the commissioner of revenue to each organized borough and city of the
9 first class. The remaining receipts shall be treated as state revenue
10 and deposited in the general fund.

11 * Sec. 8. AS 43.75.135 is amended to read:

12 Sec. 43.75.135. ADDITIONAL REFUND TO BOROUGHES AND CITIES. In
13 addition to the payment [ALLOWED] in sec. 130 of this chapter, the com-
14 missioner of revenue shall pay to each organized borough 10 per cent
15 [MENT] of the amount of tax revenue collected in the borough from taxes
16 levied by secs. 10 - 90 of this chapter and shall pay to each city [OF
17 THE FIRST, SECOND, AND THIRD CLASSES] located in the unorganized borough
18 10 per cent of the amount of the tax revenue collected in the city from
19 taxes levied by secs. 10 - 90 of this chapter.

20 * Sec. 9. This Act takes effect July 1, 1977.
21
22
23
24
25
26
27
28
29

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU 99811

March 31, 1977

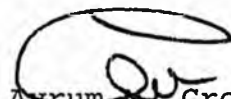
Honorable Steve Cowper
Representative
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Steve:

I am writing informally to advise you that there are serious questions whether the characterization of certain shared revenues in HB No. 404 as municipal revenues would withstand analysis. The problem is the factual and historical nature of the taxes as state revenues and the constitution's prohibition against dedicated revenues. If the legislation were to pass, there is a real question whether any share of the tax proceeds could be distributed to municipalities without an appropriation. There is no problem with the Native Fund or national forest moneys, just the taxes.

If you'd like, we can prepare a formal opinion on the subject.

Yours very truly,



Arvid M. Gross
Attorney General

AMG:jeh

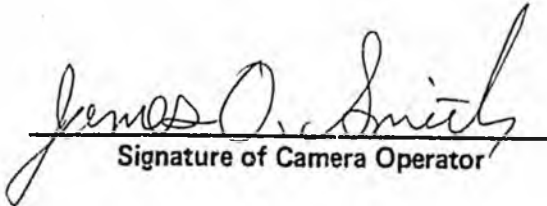
cc: Ron Lind

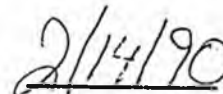


RECORDS CERTIFICATION



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

STATE
of ALASKA

MEMORANDUM

7

TO: Hon. Sterling Gallagher
Commissioner
Dept. of Revenue

DATE: May 23, 1977

FILE NO:

TELEPHONE NO:

FROM: Avrum M. Gross
Attorney GeneralSUBJECT: H.B. 404 am, relating
to the mineral revenues
shared under the
Alaska Native Claims
Settlement Act

You have asked us to reconsider our memorandum of May 17, 1977, on this subject on the grounds that we failed to consider the letter of January 15, 1976, from Governor Hammond transmitting his revised proposal for a constitutional amendment to create a permanent fund, and the Joint Chairman's Report on CSSHJR 39 of March 24, 1976, reporting on the final version of the proposed constitutional amendment.

We believe that both documents clearly demonstrate an intent which goes beyond the general rule on the subject of revenues, and upon reconsideration, it is now our view that, while the shared revenues are not received by the State and do not constitute state revenues in the ordinary sense, they should be accounted for as revenues received by the State for purposes of the permanent fund.

We reach this conclusion because of the express language in the letter and the report which states that the percentage of revenue to be placed in the fund is based on the gross amount, including the portion to be paid into the Alaska Native Fund. These documents are not absolutely controlling; unlike a law adopted by the legislature, a constitutional amendment's legislative history is principally its public debate. It would have been far better had the intent been expressed in the summary or the statement in favor of the amendment prepared for the voter's pamphlet. It was not. The statement in support does not really describe the amendment. The summary merely says that 25 percent of the revenues "received" will be dedicated. Nevertheless, the letter and report were published. 1976 H. Jour. 39-40, 684-685. They had, therefore, at least some public currency. They are not inconsistent with the express terms of the amendment. And no reason appears why the amendment should not, therefore, be interpreted to carry out the intent of its authors.

Accordingly, while under the prevailing views on the subject the shared revenues would not be considered state revenues or state money, they should be accounted for as such for purposes of the Alaska Permanent Fund, and our earlier opinions of March 15 and May 17 to the contrary are overruled.

Memorandum
May 23, 1977
Page 2

For purposes of budget and appropriation, however, these monies need not be treated as state money in the treasury which must be appropriated to the Alaska Native Fund. Our views on that remain unaltered.

It would probably be less confusing if H.B. 404 am were amended to delete the words "revenue of the state" on line 12 and insert instead the words, "money in the treasury requiring an appropriation." However, either version is, in effect, the legislature's interpretation of the constitution and could be second guessed by the courts. The better solution would be to enact two laws. One makes a continuing appropriation of the revenues received which are required by federal law to be paid into the Alaska Native Fund. The second amends the Executive Budget Act to exclude the payments from the budget. While the continuing appropriation is almost certainly unnecessary, its enactment eliminates any questions.

We understand that the chairmen of the finance committees were given copies of our earlier opinion. We are, therefore, providing them with copies of this memorandum to advise them of our reconsideration.

AMG:chp

cc: Hon. Steve Cowper
Hon. John Sackett ✓

Introduced: 3/25/77
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 404 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 revenue collected by the state for
7 other entities; and providing for an effective date."

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

9 * Sec. 1. AS 37.20 is amended by adding a new section to read:

10 Sec. 37.20.040. ALASKA NATIVE FUND. The amount required by federal
11 law to be paid into the Alaska Native Fund established by P. L. 92-203
12 is not revenue of the state and shall be paid by the commissioner of
13 revenue to the fund directly on receipt.

14 * Sec. 2. This Act takes effect July 1, 1977.
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

HB 404

RECEIVED

MAY 17 1977

TO: Hon. Sterling Gallagher
Department of Revenue
ATTN: Dep. Comm. Edenso

- DATE: May 17, 1977

FILE NO:

ALASKA DEPARTMENT OF REVENUE
TREASURY DIVISION
JUN 11 1977

TELEPHONE NO:

FROM: Avrum M. Gross
Attorney General

SUBJECT: Mineral revenues
shared with Alaska
Native Fund under
ANCSA; our file
No. J-66-627-77

Rodger W. Pegues
Assistant Attorney General

*R.W.P.
by C. Phillips
secy.*

This is further to our recent memorandum on this subject and responds to the additional questions raised in your memorandum of May 17.

① *

You have asked if the legislature may properly--as it does in H.B. 404 am--declare that the subject revenues are not revenues of the State. It is our view that the answer is yes.

You have also asked whether that portion of the mineral revenues received by the State which is to be deposited to the Alaska Native Fund under section 9 of the Alaska Native Claims Settlement Act, 43 U.S.C.A. § 1608, shall be counted as "received by the State" for purposes of the Permanent Fund under the Alaska Constitution, art. IX, § 15. It is our view that the answer is no.

Section 9 of the Settlement Act provides, inter alia, for the Alaska Native Fund to receive over a period of years the sum of \$500,000,000 in various mineral revenues which otherwise would have been due to the State of Alaska. Some of the funds will come first to the State to be paid over to the Alaska Native Fund within 60 days. 43 U.S.C.A. § 1608(b). Others will be deposited directly by the State's lessees or the United States to the Alaska Native Fund, bypassing the State. 43 U.S.C.A. § 1608(c) and (d).

From the standpoint of the Alaska Permanent Fund, the controlling element is that the money which goes into the Alaska Native Fund is either never "received" or, if it is received, is impressed with a trust which is "enforceable by the United States for the benefit of the Natives" 43 U.S.C.A. § 1608(e). Thus, while the State may technically receive some of the money, it holds only a temporary, possessory right to it, and it is not the State's money.

It is our view that the phrase "twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State" as used in section 15 of

article IX of the constitution (the Permanent Fund) contemplates receipts by the State for the State and not those received for others, i.e., those to which the State has only a possessory right. It hardly makes sense to contemplate the setting aside of a portion of money belonging to another. The Alaska Native Fund is but one example. We may well, for instance, conduct a lease sale in the Beaufort Sea in behalf of both the State and the United States. We would not reasonably count the receipts from the sale due the United States in accordance with its interest as money received by the State. Technically, however, the State would have received the money.

In sum, the provisions of section 9 of the Settlement Act constitute, as it were, a pre-existing, temporary dedication of some of the same sources of revenue as does section 15, article IX of the Alaska Constitution. To the extent that the Settlement Act precludes the State's receiving or retaining certain revenues, they should not be counted as State revenues under the constitution for purposes of the Permanent Fund.

RWP:chp

COMMITTEE REPORT
SENATE

5/20/77

_____ Date

Mr. President:

The Committee on Finance has had HB 404 an
revenue collected for others
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) Substituted Recommendation

MEMBERS SIGNING THE MAJORITY REPORT:

<u>James A. [Signature]</u>	<u>William B. [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

Alaska State Legislature

HOME ADDRESS
P.O. BOX 65
GALENA, ALASKA 99741

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
TELEPHONE 465-3753



Senate

SENATOR
John C. Sackett
CHAIRMAN
SENATE FINANCE COMMITTEE
MEMBER
LABOR & MANAGEMENT COMMITTEE

TO: Senator Ziegler, Chairman
Senate Rules Committee

Date: May 13, 1977

FROM: Senator John Sackett, Chairman
Senate Finance Committee

Subject: HB 404

Please hold HB 404 (Revenue Collected by State) in your Committee. This bill relates directly to the budget which is now in Free Conference Committee and action should be withheld pending finalization of the budget. Furthermore, this bill could present problems in the Legislature's suit against the Administration pertaining to appropriation of Federal Revenues.

Thank you for your assistance.

JCS:sl

FREE
CONFERENCE COMMITTEE
REPORT

5-19-77
(Date)

Mr. President:
Mr. Speaker:

FREE Conference Committee which has had SENATE BILL NO. 123 (art work in public buildings and facilities) and HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 123 (Fin) amended House (same title) under consideration, recommends that

be adopted.

SENATE MEMBERS

Frank Ferguson
Senator Ferguson, Chairman

Bill Ray
Senator Ray

Clem Tillion
Senator Tillion

HOUSE MEMBERS -

Jim Duncan
Rep. Duncan, Chairman

C. V. Chatterton
Senator Chatterton
R.C.P.

Mark A. Snider
Rep. Snider

Original sponsors: Ferguson, Ray,
Sackett, et al

1 IN THE SENATE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR HOUSE CS FOR SENATE BILL NO. 123

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 art work in public buildings and
7 facilities."

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

9 * Section 1. AS 35.27.020 is amended by adding new subsections to read:

10 (f) The artist who executes these works of art in the public
11 schools shall be selected by the superintendent of a school district in
12 which a public school is to be built with the approval of the school
13 board. Should the department find in the best interest of the state
14 that the selection of the artist who executes these works of art by the
15 superintendent may result in a cost overrun to the state or delay of
16 construction, the department shall make the selection of the artist in
17 consultation with the superintendent.

18 (g) The architect, superintendent, department and the Alaska State
19 Council on the Arts shall encourage the use of state cultural resources
20 in these art works and the selection of Alaska resident artists for the
21 commission of these art works.

22 * Sec. 2. AS 35.27.020(c) is amended to read:

23 (c) At least one per cent or, in the case of a rural school faci-
24 lity, at least one-half of one per cent of the [OVERALL] construction
25 cost of a building or facility approved for construction by the legisla-
26 ture subsequent to the enactment date of this chapter will be reserved
27 for the following purposes: the design, construction, mounting and
28 administration of works of art in the public building or public facility.

29 * Sec. 3. AS 35.27.030(2) is amended to read:

1 (2) "public facilities" includes schools, office buildings,
2 court buildings and other facilities which are designed for substantial
3 public use, but is not limited to, the vessels of the state ferry system.

4 * Sec. 4. AS 35.27.030 is amended by adding a new paragraph to read:

5 (3) "construction cost" is that cost expended for the actual
6 construction of the facility, exclusive of the costs of land acquisition,
7 site investigation, design services, administrative costs, equipment
8 purchases and any other costs not specifically incurred within the con-
9 struction contract or contracts awarded for the construction of the
10 facility.

*Just put
memo*

ELECTRIC & TELEPHONE COOPERATIVE TAX

✓ Sec. 10.25.570. REFUND OF GROSS REVENUE TAX TO LOCAL GOVERNMENTS. The proceeds of the gross revenue tax, less the amount expended by the state in its collection, shall be refunded to an organized borough or a city of any class incorporated under state law, in the proportion that the revenue was earned within the city or the borough area outside the city. However, taxes collected on gross revenue earned outside a city or organized borough shall be retained by the state and deposited into its general fund.

FISHERIES TAXES

✓ Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The Commissioner of revenue shall pay to each organized borough and each city of the first class 10 per cent of the amount of tax revenue collected in the borough or city from taxes levied by §§ 10-90 of this chapter.

✓ Sec. 43.75.135. ADDITIONAL REFUND TO BOROUGH AND CITIES. In addition to the payment allowed in § 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by §§ 10-90 of this chapter and shall pay to each city of the first class located in the unorganized borough 10 per cent of the amount of the tax revenue collected in the city from taxes levied by §§ 10-90 of this chapter.

ELECTRIC & TELEPHONE COOPERATIVE TAX

Sec. 10.25.570. DISTRIBUTION OF TAX. The proceeds of the gross revenue tax less the amount expended by the state in its collection, shall be treated as municipal revenues and paid to an organized borough or a city of any class incorporated under state law, in the proportion that the revenue was earned within the city or the borough area outside the city. However, taxes collected on gross revenue earned outside a city or organized borough shall be considered state revenues and shall be deposited in the general fund.

FISHERIES TAXES

Sec. 43.75.130. DISTRIBUTION OF TAX TO LOCAL GOVERNMENTS. Ten per cent of the tax revenue collected in a borough or city from taxes levied under this chapter shall be treated as municipal revenue and shall be paid by the commissioner of revenue to each organized borough and city of the first class. The remaining receipts shall be treated as state revenues and deposited in the general fund.

We will ask Legislative Affairs to provide us with an English translation of the existing law so we can draft a new section.

BUSINESS LICENSE TAX

✓ Sec. 43.70.080. DISPOSAL OF MONEY. All money collected by the department under this chapter shall be deposited in the general fund. The Department of Revenue shall refund to each organized borough and each city of any class 60 per cent of the money collected in the local government.

AVIATION FUEL TAX

✓ Sec. 43.40.010(e). Sixty per cent of the proceeds of the revenue from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be refunded to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be paid into a special aviation fuel tax account in the state general fund. The legislature may appropriate funds from this account for aviation facilities.

AMUSEMENT AND GAMING TAX

✓ Sec. 43.35.050. DISTRIBUTION OF TAX. One-half of the proceeds of the gross revenue from the tax provided by this chapter, excluding distributors' fees, penalties, and the amount determined to have been spent by the state in its collection, shall be refunded to organized boroughs and cities of the first, second, and third classes by action of the legislature in the proportion that the revenue was earned within them, and the balance shall be retained by the state and deposited in the general fund.

BUSINESS LICENSE TAX

Sec. 43.70.080. DISTRIBUTION OF TAX. Sixty per cent of the money collected within the boundaries of a municipality shall be treated as municipal revenue and paid by the department to each organized borough and city of any class. The remaining funds collected by the department under this chapter shall be considered state revenues and deposited in the general fund.

AVIATION FUEL TAX

Sec. 43.40.010(e). Sixty per cent of the proceeds of the revenue from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be treated as municipal revenue and paid to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be considered state revenues and paid into a special aviation fuel tax account in the general fund. The legislature may appropriate funds from this account for aviation facilities.

AMUSEMENT AND GAMING TAX

Sec. 43.35.050. DISTRIBUTION OF TAX. One-half of the proceeds of the gross revenue from the tax provided by this chapter, excluding distributors' fees, penalties, and the amount determined to have been spent by the state in its collection, shall be treated as municipal revenues and paid to organized boroughs and cities of the first, second, and third classes in the proportion that the revenue was earned within their respective boundaries. The balance of the proceeds shall be considered state revenues and shall be deposited in the general fund.

Existing

Proposed

ALCOHOLIC BEVERAGE LICENSE TAX

✓ Sec. 04.10.450. DISPOSITION OF FUNDS. Money collected or due the state for licenses under the provisions of this title shall be deposited with the Department of Revenue and covered into the general fund.

Sec. ~~04.10.460~~. CONDITIONS OF REFUND. Money derived from the licenses issued, except wholesale licenses within organized boroughs and all classes of cities, shall be refunded semi-annually to the boroughs and cities. If the officers of a borough or city fail to actively enforce its ordinances, the laws of the United States, the laws of the state, and the regulations relating to the manufacture and sale of intoxicating liquors in the state, the commissioner of revenue may deny the refund and no further money may be paid to the local governments until the enforcement of the laws and regulations is actively resumed.

ALCOHOLIC BEVERAGE LICENSE TAX

Sec. 04.10.450. No change appears to be necessary.

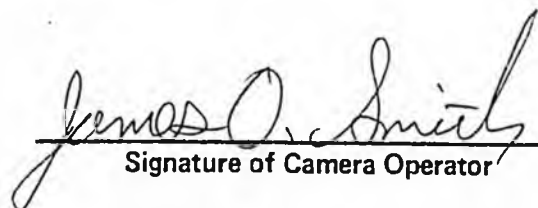
~~Sec.~~ 04.10.460. DISTRIBUTION OF TAX. Money derived from the licenses issued, except wholesale licenses within organized boroughs and all classes of cities, shall be considered municipal revenues and shall be paid semi-annually to the boroughs and cities. If the officers of a borough or city fail to actively enforce its ordinances, the laws of the United States, the laws of the state, and the regulations relating to the manufacture and sale of intoxicating liquors in the state, the commissioner of revenue may deny the refund and no further money may be paid to the local governments until the enforcement of the laws and regulations is actively resumed.

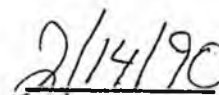


RECORDS CERTIFICATION



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


Signature of Camera Operator


Date

COMMITTEE REPORT

3-28-77

HOUSE

5 4 77

Date

Mr. Speaker:

The Committee on FINANCE has had HB 406

under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[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

Introduced: 3/28/77
Referred: Finance

1 IN THE HOUSE

BY BROWN

2 HOUSE BILL NO. 406

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 donations of annual leave to the
7 memorial scholarship revolving loan fund."

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

9 * Section 1. AS 39.20.245 is amended by adding a new subsection to read:

10 (b) Upon making a donation under (a) of this section, the equiva-
11 lent cash amount of the donation may not be considered as part of the
12 employee's income for purposes of the state income tax, and to this
13 extent amounts donated under this section are exempt from the Alaska Net
14 Income Tax Act (AS 43.20.010 - 43.20.350).

15 * Sec. 2. AS 43.20.031(b) is amended by adding a new paragraph to read:

16 (4) amounts donated to the memorial scholarship revolving
17 loan fund, or to a scholarship account in the fund, by a state employee
18 in accordance with AS 39.20.245.

19

20

21

22

23

24

25

26

27

28

29

#

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 406
Title An Act relating to donations of annual leave to the memorial scholarship revolving
Requested by House Finance Committee Date 3/29/77 loan fund.

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

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

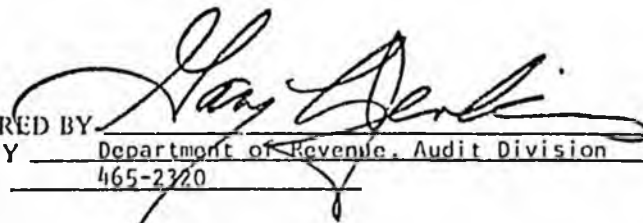
POSITIONS - None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memo to J. R. Messenger dated 4/11/77.

IV. DATE 4/13/77

PREPARED BY 
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

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

Introduced: 3/28/77
Referred: Finance

1 IN THE HOUSE

BY BROWN

2 HOUSE BILL NO. 406

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 donations of annual leave to the
7 memorial scholarship revolving loan fund."

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

9 * Section 1. AS 39.20.245 is amended by adding a new subsection to read:

10 (b) Upon making a donation under (a) of this section, the equiva-
11 lent cash amount of the donation may not be considered as part of the
12 employee's income for purposes of the state income tax, and to this
13 extent amounts donated under this section are exempt from the Alaska Net
14 Income Tax Act (AS 43.20.010 - 43.20.350).

15 * Sec. 2. AS 43.20.031(b) is amended by adding a new paragraph to read:

16 (4) amounts donated to the memorial scholarship revolving
17 loan fund, or to a scholarship account in the fund, by a state employee
18 in accordance with AS 39.20.245.

19
20
21
22
23
24
25
26
27
28
29

#

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 406
 Title An Act relating to donations of annual leave to the memorial scholarship revolving
 Requested by House Finance Committee Date 3/29/77 loan fund.

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

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

POSITIONS - None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memo to J. R. Messenger dated 4/11/77.

IV. DATE 4/13/77

PREPARED BY
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320

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

STATE
of ALASKA

MEMORANDUM

TO:

John R. Messenger
Deputy Commissioner
Department of Revenue

DATE : April 11, 1977

FROM:

Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill No. 406

Under current law, an employee of the State of Alaska can donate annual leave to a memorial scholarship revolving loan fund and deduct the value which is measured by the employee's salary as a charitable contribution. However, under current law, the employee would be liable to include the value of the annual leave donated in income.

The proposed bill would take this concept one step further by making the value of the annual leave exempt from income tax for the donor. This would mean that an individual could donate a rather substantial amount of value to the memorial fund which would never be taxable to him or her as income and also, then they would be able to take an itemized deduction on their income tax return against other income for the value of this donation.

While the cause appears to be a good one, I sincerely question whether, as a matter of policy, it is good to create specific double benefit type situations like this one would do.

The potential revenue loss from this provision could be significant once people realize the double benefit available to them. During 1976, a total of \$5,754 was donated by State employees to memorial loan funds.

STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT Legislature

ATTENTION House Finance

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

*For your info. re:
HB 406*

FROM:
MAIL STATION NUMBER 3100

DEPARTMENT House Labor & Mgt.

BY _____ DATE 4/2/77

STUART C. HALL

P. O. Box 300
Anchorage, Alaska 99510
April 5, 1977

Honorable Fred Brown, Member
House of Representatives
Pouch V, State Capitol
Juneau, Alaska 99811

Re: House Bill No. 406

Dear Fred:

I was pleased to see your introduction of the above bill relative to state income tax treatment of a state employee donation to the memorial scholarship revolving loan fund or to one of the accounts therein.

The undersigned has been a "victim" of the present practice of adding the total value of the day(s) of leave donated to the gross amount of one's monthly salary as an "adjustment" then backing out 75 percent of that amount as a contribution to the fund. This occurred when on December 16, 1976, I made a contribution of two days annual leave to the Robert L. Thomas Memorial Scholarship Loan Fund in memory of the late Richard A. Guthrie. I might note in passing that I was the draftsman of the existing memorial scholarship revolving loan fund legislation, and Rich worked very closely with me in its preparation; accordingly, I thought such a contribution an appropriate memorial to him. I had urged others of my former colleagues on the legislative staff to join me in this endeavor rather than propose creation of another fund in Rich's memory. I was not prepared, however, for the shock of the payroll accounting treatment of that contribution. I fear my experience may have proven a disincentive to those who might otherwise have made a contribution. Consequently, your bill is both timely and appropriate. I heartily endorse it.

To assist you wherever you may need the additional data or "ammunition," enclosed are copies of my file of correspondence and exchange of memoranda with the Alaska Commission on Postsecondary Education and with the Personnel Officer of the Department of Commerce & Economic Development.

You will note that the handling of my contribution by the payroll section of the Department of Administration boosted me into another income tax bracket for the pay period ending January 15, 1977. I hadn't quite bargained on it. I suspect that this payroll and tax treatment of contributions has tended to decrease state employee

Fred Brown
Page 2
4-5-77


interest in making contributions to these several funds, all of which, according to Paul Guylas of the Postsecondary Education Commission staff, are pretty "anemic" (except the Michael Murphy Fund which is the oldest of them).

I would, however, take your bill one step further: The act (ch. 136, SLA 1974) establishing these funds removed the limitation on donations that existed prior to 1974: one day of annual leave a year. The thought was that the leave belonged to the employees and they should be able to manage it as they chose. No one objected to that provision recommended by both Rich and yours truly. However, now I find that by regulation such a contribution of annual leave may not include any of the five days of mandatory annual leave that must be taken (AS 39.20.230). Frankly, it was my intent in drafting the provision deleting the one-day contribution limit (AS 14.40.845(a)) that those employees who found it impossible to take those five days could then donate them, or any remnant of them, to the memorial scholarship revolving loan fund so they would not be entirely lost. I am aware there are good social and personnel management policies that require the taking of some annual leave each year. (I had already taken that amount before I made my contribution.) However, in those unusual cases where that becomes impossible the employee ought to have to the right to make the contribution of those days rather than lose them. I note that option has been foreclosed by the collective bargaining agreement between the state and the APEA, as per the attached copy of the regulations governing donations.

In short, Fred, you have a fine bill; I wish it would take the additional step of authorizing donation of the required five days of annual leave if an employee finds he is unable to take that leave (in accordance with the personnel rules).

My apologies for this prolix reaction to your recently introduced legislation, but it occurred to me that you might find one state employee's personal experience with the making of a donation to the memorial scholarship revolving loan fund illustrative of the problem you seek to remedy and thus useful documentation in support of your bill. (Not to mention the fact it comes from the legislative staff counsel who drafted the original legislation to begin with.) With best wishes, I remain

Cordially,



STUART C. HALL

Enclosures

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

TO: Stuart C. Hall, Commissioner
Alaska Public Utilities Commission

DATE: February 10, 1977

FILE NO:

TELEPHONE NO:

FROM: June Reiger, Personnel Officer
Division of Administrative Services

SUBJECT: Payroll Warrant for Period
Ending 1/15/77; your memo of
2/7/77

RECEIVED
A.P.U.C.
FEB 14 12:03 PM '77

I will attempt to answer those questions which I can regarding your contribution to the Robert L. Thomas Memorial Scholarship Loan Fund - how calculations are made and the administrative procedures we work under when processing a request for a donation to these funds. For your information I have attached a copy of the administrative procedures which apply to leave donations as provided for under AS 14.40.810.

The amount of the value of two days of donated annual leave appears on your payroll warrant in the amount of \$257.70 as a plus adjustment to your regular gross pay of \$2791.66 for a total gross for that pay period of \$3049.36. In your case, the hourly rate for the contribution is arrived at in the following manner:

monthly rate X 12 \div 1950 (hours in year) = hourly rate
hourly rate X 15.0 hours (amount of leave donated) = Adjust. Amt.

75% of the adjusted gross is the amount of the funds which are transferred to the appropriate fund. This amount is the \$193.28 appearing as a miscellaneous deduction. The leave balance is reduced by the amount of annual leave hours donated. A copy of your leave record for the current year is attached. It has been audited and is correct.

Perhaps the following will help with the explanation of why the net amount on the subject payroll warrant is much reduced from your last paycheck. In the payperiod ending 1/15/77 the adjusted gross placed you in a different bracket for withholding purposes. For example, last paycheck federal taxes were \$763.96, this payroll federal taxes were \$856.73 or a difference of \$92.77. Also, the FICA deduction begins again \$178.39 (FICA maximum had been satisfied last payroll and was not taken) and the yearly school tax of \$10.00 was also taken on this payroll.

Since the authorizing leave slip for the donation has been processed, the donated amount cannot be restored. I regret you were not aware of how donations were handled prior to your contribution.

jr

Attachments

The employee organization delivers all leave slips for this purpose to the Division of Personnel and Labor Relations, no later than a specified date. No donations are accepted after that time.

4. The leave slips are routed to Administration-Payroll where leave balances are verified, leave adjustments for the annual leave amounts specified are entered in the system and the leave amounts are converted into earnings.
5. Supplemental warrants are written for the gross amount of the earnings for each employee less all mandatory deductions. The payee on each warrant is the employee making the leave donation.
6. The supplemental warrants are given to the employee organizations by the Division of Personnel and Labor Relations.
7. The State is not obliged for further processing, final disbursement or liabilities resulting therefrom.
8. Donated leave does not reduce the mandatory leave usage provided in any collective bargaining agreement.

7434 - LEAVE DONATED FOR SCHOLARSHIPS

AS 14.40.810 provides as follows:

(a) The legislature may pay tribute to the memory of Alaskans who, by the example of their lives, or by their distinguished contribution and service to this state, their community or their profession, exemplified the best that is the challenge of "The Great Land" by creation of memorial scholarships as a part of a general memorial scholarship revolving loan fund, setting out the purpose for which each is created, and the conditions applicable to each scholarship.

(b) The purposes of the several memorial scholarship accounts in the memorial scholarship revolving loan fund are as follows:

(1) The Michael Murphy memorial scholarship perpetuates the memory of Michael Murphy, a member of the Alaska State Troopers, who while on leave from that division, gave his life for his adopted country in Vietnam on May 22, 1968;

(2) the Carroll L. "Butch" Swartz memorial scholarship perpetuates the memory of Carroll L. "Butch" Swartz, of Juneau, who was a student intern with the Criminal Justice Planning Agency and the Governor's Commission on the Administration of Justice during the summer months of 1972 and 1973 and whose accidental and untimely death in November 1973, occurred while he was completing his undergraduate education at Yale University, thus never realizing his educational goals or career objective;

(3) the Harvey Golub memorial scholarship perpetuates the memory of Harvey Golub, of Juneau, who was chief engineer of the bridge design section of the Department of Highways of the State of Alaska whose accidental and untimely death September 13, 1971, cut short a widely-respected career in civil engineering; and

(4) the Robert L. Thomas memorial scholarship perpetuates the memory of Robert L. Thomas, of Juneau, who as Deputy Commissioner of Education, and for 13 years as a member of the professional staff of that department contributed significantly to the creation, operation and administration of a sound system of public education in Alaska and whose tragic and untimely death March 12, 1974 terminated a distinguished career in education and public administration that long will be exemplary for those who aspire to service in that profession. (21 ch 136 SLA 1974)

Accordingly, the legislature established a memorial scholarship loan fund. Within that fund are four accounts for scholarships in memory of the distinguished Alaskans mentioned in AS 14.40.810.

Memorial scholarships are funded by voluntary contributions of state employees who may contribute the value of one or more days of annual leave a year to be credited to any of the four accounts at the discretion of the donor. The Department of Administration is required to transfer an amount equal to the value of annual leave donated to the appropriate fund and account.

In order for an employee to give annual leave, he must actually work on the day or days he donates. Moreover, only employees who are entitled to annual leave may donate it. Therefore, the Governor, the Lieutenant Governor, judges, justices, legislators, ferry system employees, NYC enrollees, and temporary employees cannot donate annual leave as they do not earn it. These employees may give cash donations. Cash donations cannot be handled as payroll deductions.

As annual leave is donated by the employee, it is compensation to him. Being compensation it is subject to withholding for income taxes, FICA, retirement and other deductions required by law. Also, since it is compensation the State must contribute appropriate amounts for retirement, FICA, workmen's compensation insurance, and for other employee benefits.

The value of annual leave charged to an agency's appropriation is the additional cost that would be incurred if the employee worked the time indicated. This is the gross pay for that time plus all employer contributions.

The value of annual leave that is transferred to the fund is the additional amount that would be paid to the employee if he worked the additional time. This is the gross pay for annual leave less all employee deductions required by law.

In the application of this act, the following administration determinations have been made:

1. A day of annual leave is 7.5 hours.
2. Gross pay for a day of annual leave is 7.5 hours times the straight time hourly rate.
3. The value of annual leave transferred to the amount indicated by the employee is 75% of gross pay for total annual leave donated.

To record donations, the following procedures are used:

1. The employee prepares and submits a leave report--Form 02-035--in the usual manner for 7.5 hours or more of annual leave except that an "M" is entered in the annual leave box. Michael Murphy, Butch Swartz, Harvey Golub or Robert L. Thomas will be written on this form in the block for "Explain Other Leave". The form must be signed by the employee and approved by the approving officer. Exhibit 7434 is an example of an annual leave slip for this purpose.
 2. The time being donated is not entered on a payroll transmittal. *(a person's new leave report may be entered July 1977)*
 3. The 02-035 is sent to Administration-Payroll for processing.
 4. Administration-Payroll computes gross pay for annual leave donated and deducts 75% of gross pay for the appropriate fund. The amount of additional gross pay appears on the employee's warrant stub directly below base pay as an "Adjust" amount. The amount of the transfer appears as a miscellaneous deduction with an appropriate explanation.
- 11 such deductions are transferred by a computer generated adjustment voucher to the appropriate fund.

The procedure outlined above may result in an employee's net pay being more or less than normal. For some employees the differences may be several dollar.

The amount appearing as a deduction is deductible for individual federal and state income taxes. An agency will advise the employee of the amount of his contribution if this information is requested. The amount appears on the employee's warrant stub for the period in which the time is donated.

Information appearing on the warrant stub--"Adjust" for gross pay and Michael Murphy or other explanation for a deduction of 75% of the adjust amount should be sufficient to enable the employee to identify changes to his gross and net pay. It is suggested that each agency advise employees donating annual leave how pay will be affected before transactions are processed.

Leave Donated for this purpose outlined in this section does not reduce any mandatory leave usage required by collective bargaining agreement or rules of the Division of Personnel and Labor Relations.

Codes used for deductions are:

320	Michael Murphy Fund
321	Carroll Swartz
322	Harvey Golub Fund
323	Robert Thomas Fund

7436 - HOLIDAYS

All employees whose scheduled work includes a holiday are eligible for holiday leave. Holiday leave is paid at straight time rates. For most employees, holidays worked are paid at 1.5 time regular straight time rates plus the straight time rate for regular holiday pay.

APPOINTMENT DATE 3/18/71	SEPARATION DATE	ANNIV. DATE	EMPLOYEE NAME HALL, Stuart	BARGAINING UNIT X
PRIOR SERVICE	ANNUAL TAKEN IN ANNUAL YEAR	AGENCY A.P.U.C.	Comm. & Econ. Dev.	S.S. NO. 560-44-0311
LVOP TAKEN IN ANNUAL YEAR	DATE ACCRUAL WILL CHANGE 4/16/81	EMPLOYEE LEAVE RECORD YEAR 1977:		

PRIOR YR BALANCE	DECEMBER			JANUARY			FEBRUARY			MARCH			APRIL			MAY		
	A	S	O	A	S	O	A	S	O	A	S	O	A	S	O	A	S	O
16	7.5																	
17	7.5																	
18																		
19																		
20	7.5																	
21	7.5																	
22	7.5																	
23	7.5																	
24	14																	
25																		
26	5																	
27	7.5																	
28	7.5					2.5												
29	7.5																	
30	4.0																	
31																		

	JANUARY			FEBRUARY			MARCH			APRIL			MAY			JUNE		
	A	S	O	A	S	O	A	S	O	A	S	O	A	S	O	A	S	O
1																		
2																		
3																		
4																		
5																		
6																		
7																		
8																		
9																		
10																		
11		3.5																
12																		
13																		
14	3.5																	
15																		
A	340	361		310	321													
B	150	3.5																
C	150	4.0		150	4.0													
D	340	361																

A-PRIOR MONTH BALANCE B-LEAVE TAKEN THIS PERIOD C-CURRENT ACCRUAL D-CURRENT BALANCE

STATE
of ALASKA

MEMORANDUM

ALASKA PUBLIC UTILITIES COMMISSION
1100 Mackay Building - 338 Denali Street
Anchorage, Alaska 99501

TO: June Reiger, Personnel Officer
Department of Commerce &
Economic Development

DATE : February 7, 1977

FROM: Stuart C. Hall, Commissioner

SUBJECT: Payroll Warrant for
Period Ending 1-15-77,
Issued 1-31-77

I am returning a copy of my payroll warrant for the above period; there appears to be a serious error, and I am requesting a response to my questions and a correction of the error, if any.

On December 16, 1976, I signed a leave report authorizing payment of the value of two days' annual leave, or 15.0 hours, to the Robert L. Thomas Memorial Scholarship Loan Fund in memory of the late Richard A. Guthrie, a former colleague on the legislative staff in Juneau. It now appears that the State's Payroll Office in the Department of Administration has mishandled this authorization.

According to AS 14.40.845(a) an employee may donate one or more days of annual leave to the various memorial scholarship loan funds established by the legislature under AS 14.40.810-14.40.845 (sec. 21, ch. 136, SLA 1974). The Department of Administration then pays the cash value of that leave, less benefits, per AS 14.40.845(b) into the appropriate memorial scholarship loan fund account administered by the Alaska Commission on Postsecondary Education. (I think I ought to know something about this statute: Rich Guthrie and I wrote it!)

Instead, what the Payroll Division apparently has done is to deduct the amount of the value of two days' leave from the gross amount of my pay for the period of December 16, 1976-January 15, 1977. In addition, the payroll clerk also has deducted the 15.0 hours from my annual leave balance. This is clearly an incorrect procedure. The 15 hours should be deducted only from my annual leave, not from my pay.

If this is the way these contributions are being handled, there is little wonder that the funds are as "anemic" financially as Dr. Paul Guylas informs me that they are. The point of authorizing annual leave contributions was that it is a fairly painless way for an employee to help fund these memorials to former State employees. However, if the employee to whom the leave belongs (and which has a cash value, for it is paid him in cash on termination of service if there is a balance that does not exceed the maximum allowable by statute), not only has his pay diminished at the same time his leave balance is reduced by virtue of making the contribution, the

June Reiger
Page 2
February 7, 1977

entire purpose of AS 14.40.845(a) and (b) is defeated and provides little or no incentive to the State employee to contribute. (In fact, I find that few, if any, State employees know about the program, and I suspect that many well might contribute some or all of the five days' annual leave they would otherwise lose at the end of a year for nonuse. I would suggest that this program really ought to be given more publicity by the Postsecondary Commission. I can also state that that was the reason the one-day limit on annual leave contributions imposed under the Michael Murphy Fund, as it existed prior to 1974, was repealed in favor of the open-end approach; further, it was the legislature's view that the leave belongs to the employee and he ought to be able to use it as he wishes.)

In short, someone somewhere along the payroll processing route apparently misunderstands the law. However, I do want a complete audit of my leave record for the above period; I suspect there is no way for the \$193.28 to be restored. I must confess some curiosity about the \$257.50 adjustment that was made to my gross pay: Was this the full value of the two days? Then was the net value (gross pay, less benefits) contributed; i.e., the \$193.28? If that is the case, then this is not the "double dipping" that otherwise appears to have occurred.

Had I known at the outset that the State was going to handle this contribution in the manner it appears to have done, then I would have made an outright cash contribution to the fund in Rich's memory. This, clearly, is authorized under AS 14.40.845(c).

If the language of the statute is unclear to the administering agencies, then it should be clarified forthwith by appropriate amendments. I would be pleased to do what I can through my contacts in the legislature to effect the necessary changes.

This is a very worthwhile program; but if it is being administered under procedures that are based on an erroneous understanding of the clear legislative intent conveyed in what I thought was the explicit, unambiguous language of AS 14.40.845 to the prejudice of the funding of these memorial scholarships, then the language of the statutory provisions should be rewritten in a manner that can be read, understood and correctly applied by a payroll clerk. It appears to me that there has been a misunderstanding. I seek an explanation and, if necessary, a correction. If I am the one who misunderstands the procedure, then, of course, I'd like to know that too.

Moreover, inasmuch as I have been encouraging contributions to the Robert L. Thomas Memorial Scholarship Loan Fund in Rich Guthrie's memory, I am deeply troubled that I may have inadvertently misled potential contributors, especially former colleagues on the legislative staff who expressed a desire to make a living contribution to Rich's memory and his good works on earth, as to the manner in which their

June Reiger
Page 3
February 7, 1977

contributions of annual leave would be handled. Consequently, others may have experienced a similar treatment of their annual leave donation only to find themselves unexpectedly shorted on cash and on annual leave. That is the position in which I find myself: incised (and incensed) in the budget!

Please advise at your earliest convenience.

SCH:McP

Enclosures

cc: Paul Gaylor, Assistant Director
Alaska Commission on
Postsecondary Education
Pouch F - State Office Building
Juneau, Alaska 99811

bcc: J. H. Hogan, Director
Legislative Finance Division
Pouch W, State Capitol
Juneau, Alaska 99811

WARRANT NO.
305281

NAME
STUART C HALL

SOCIAL SECURITY NO.
560-44-0311

PERIOD ENDING
01-15-77

DEPT /PROG /DIV.
08-53-3

GROSS EARNINGS	DEFERRED INCOME	FEDERAL W/TAX	FICA	ALASKA W/TAX	P. E. R. S.	TEACHER'S RETIREMENT
3049.36		856.73	178.39	179.91	7.73243	

CURRENT PAYROLL INFORMATION

ISSUED 01-31-77

STATE OF ALASKA
PAYROLL INFORMATION

REC	ADJUSTMENT						
RE		257.70	JNU CR UN	100.00	3409	567.8	
		2791.66	ANCH CR UN	100.00	LAST LEAVE REPORTED		
			P/R DRAW	500.00	01/14/77		
			R THOMAS	193.28			
			SCHOOL TAX	10.00			

NOT NEGOTIABLE

3049.36		856.73	179.91	178.39	12.960	903.28	17.22	784.23
---------	--	--------	--------	--------	--------	--------	-------	--------

STATE OF ALASKA

LEAVE APPLICATION, REPORT

EMPLOYEE'S NAME (PRINT - LAST NAME - FIRST NAME - MIDDLE INITIAL)

HALL; Stuart C.

DEPT. NO.			SOCIAL SECURITY NUMBER		
			560	44	0311

NUMBER OF HOURS 15 BEGIN _____ END _____
(MONTH) (DAY) (HOUR) (MONTH) (DAY) (HOUR)

TYPE	CAUSE	WAGE	COURT	MAINT	OTHER
X					X

Contributio
to Robt. L.
Thomas Mem.
Scholarship

MONTH	DAY	HOUR	AM/PM	MONTH	DAY	HOUR	AM/PM
				15			

THIS FORM MUST BE SUBMITTED WITHIN 24 HOURS
AFTER RETURN TO DUTY

in memory of Richard Guthrie

Stuart C Hall

SIGNATURE OF EMPLOYEE

16 Dec 76

DATE

NOTE: NO LEAVE WITH PAY WILL BE
GRANTED IN EXCESS OF THAT ACCRUED TO
EMPLOYEE'S CREDIT
02-035 REV 3/74

[Signature]

APPROVING OFFICER

12-20-76

DATE

FILE COPY

STATE
of ALASKA

MEMORANDUM

TO: June Reiger, Personnel Officer
Division of Administrative Services
Department of Commerce & Econ. Dev.

DATE: December 21, 1976

FROM: Elaine Mazoch
Administrative Assistant
Public Utilities Commission

SUBJECT: HALL, Stuart C.
Leave Report - Robert L. Thomas
Memorial Scholarship Loan Fund

June, enclosed is a 15-hour leave report prepared by Commissioner Hall. A memorandum from Paul Gulyas, Assistant Director, Alaska Commission on Post-secondary Education, to Mr. Hall informed him that this type of leave slip "is processed via the usual channels." Please process.

EM
Enc.

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

JAY S. HAMMOND, GOVERNOR

907-465-2855

Pouch F — State Office Building
Juneau 99811

MEMORANDUM

To: Stuart C. Hall, Commissioner
Alaska Public Utilities Commission

From: Paul Gulyas, Assistant Director *PG*
Alaska Commission on Postsecondary Education

Subject: Memorial Scholarship Loan Fund;
Contributions to

Date: November 8, 1976

1. Your memo of November 23 was referred to me for reply. (Kerry has been on the road for the last couple of weeks with several members of the Commission conducting the community college hearings.)
 2. Contributions are made to any one of the memorial scholarship funds simply by filling out leave slips, checking both the "annual leave" and "other" boxes on the face of the form, and writing in the name of the scholarship fund you wish the leave to be contributed. The leave slip is then processed via the usual channels. When it reaches your agency's payroll office, they will initiate appropriate action to "transfer" the equivalent dollar amounts from your agency to the designated scholarship fund account.
 3. You should note that you are contributing net amounts but may declare for income tax purposes gross amounts. Net amount is what's left, as you well know, after all deductions are made for FICA, taxes, and whatever else may be "spread" across your individual salary. (To do otherwise, they tell me, is illegal.)
 4. Hope this answers your questions. Stop by to say hello when in Juneau.
- cc: Mark Maddox



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 A. Smith
Signature of Camera Operator

2/14/90
Date

COMMITTEE REPORT
SENATE

6/6/78

FURTHER: _____

Date: June 16, 1978

Mr. President:

The Committee on FINANCE has had HB 406
relating to donations of annual leave to the memorial scholarship revolving
loan fund

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

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

and _____ new title same title

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

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Mr. Benbow

Mr. Tolina

Mr. ...

Chairman

ALASKA POSTSECONDARY EDUCATION
MEMORIAL SCHOLARSHIP REVOLVING LOANS

FUND 611
STATEMENT OF REVENUE AND DISBURSEMENTS
AS OF MAY 31, 1978

CASH RECEIPTS

Balance Forward Prior Year- Michael Murphy	\$20,871.30
Balance Forward Prior Year- Carroll Swartz	930.16
Balance Forward Prior Year- Harvey Golub	406.64
Balance Forward Prior Year- Robert Thomas	3,421.14
Balance Forward Current Year- Michael Murphy	1,561.14
Balance Forward Current Year- Carroll Swartz	-0-
Balance Forward Current Year- Harvey Golub	398.37
Balance Forward Current Year- Robert Thomas	443.13

CASH DISBURSEMENTS

From Previous Report- Michael Murphy	\$4,000.00
From Previous Report- Carroll Swartz	-0-
From Previous Report- Harvey Golub	-0-
From Previous Report- Robert Thomas	-0-
Current Month- Michael Murphy	-0-
Current Month- Carroll Swartz	-0-
Current Month- Harvey Golub	-0-
Current Month- Robert Thomas	-0-

CASH BALANCE

Michael Murphy	\$18,432.44
Carroll Swartz	930.16
Harvey Golub	805.01
Robert Thomas	3,864.27

Total 24,031.88

RECEIVABLES (Loan Outstanding) \$4,000.00

FUND BALANCE \$28,031.88

Introduced: 3/28/77
Referred: Finance

1 IN THE HOUSE

BY BROWN

2 HOUSE BILL NO. 406

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 donations of annual leave to the
7 memorial scholarship revolving loan fund."

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

9 * Section 1. AS 39.20.245 is amended by adding a new subsection to read:
10 (b) Upon making a donation under (a) of this section, the equiva-
11 lent cash amount of the donation may not be considered as part of the
12 employee's income for purposes of the state income tax, and to this
13 extent amounts donated under this section are exempt from the Alaska Net
14 Income Tax Act (AS 43.20.010 - 43.20.350).

15 * Sec. 2. AS 43.20.031(b) is amended by adding a new paragraph to read:
16 (4) amounts donated to the memorial scholarship revolving
17 loan fund, or to a scholarship account in the fund, by a state employee
18 in accordance with AS 39.20.245.
19
20
21
22
23
24
25
26
27
28
29

Original sponsor: Brown

Offered: 6/6/78
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 406

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the memorial scholarship revolving
7 loan fund."

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

9 * Section 1. AS 39.20.245 is amended by adding a new subsection to read:

10 (b) Upon making a donation under (a) of this section, the equiva-
11 lent cash amount of the donation may not be considered as part of the
12 employee's income for purposes of the state income tax, and to this
13 extent amounts donated under this section are exempt from the Alaska Net
14 Income Tax Act (AS 43.20.010 - 43.20.350).

15 * Sec. 2. AS 43.20.031(b) is amended by adding a new paragraph to read:

16 (4) amounts donated to the memorial scholarship revolving
17 loan fund, or to a scholarship account in the fund, by a state employee
18 in accordance with AS 39.20.245.

19 * Sec. 3. AS 14.40.810(b) is amended by adding new paragraphs to read:

20 (5) the Gene Guess memorial scholarship perpetuates the
21 memory of Gene Guess, of Anchorage, who served from 1965 through 1972 in
22 the Alaska House of Representatives and as Speaker of the House of
23 Representatives from 1971 through 1972; he was an architect of municipal
24 revenue sharing, Alaska pipeline, and Native land claims legislation;

25 (6) the Willard Bowman memorial scholarship perpetuates the
26 memory of Willard Bowman, of Anchorage, who was the prime author of
27 Alaska's human rights law and who served as the first executive director
28 of the State Commission for Human Rights; later, he was the first black
29 person elected to the Alaska House of Representatives, where he served

1 from 1971 through 1975.

2 * Sec. 4. AS 14.40.820(b) is amended by adding new paragraphs to read:

3 (5) a Gene Guess memorial scholarship loan may only be used
4 to pursue a degree program in an accredited college or university and
5 may only be awarded to a member of a high school or college or univer-
6 sity student government organization;

7 (6) a Willard Bowman memorial scholarship loan may only be
8 used to pursue a degree program in an accredited college or university
9 in political science, law or closely related fields.

10 * Sec. 5. AS 14.40.825(e) is amended by adding new paragraphs to read:

11 (5) any field, as long as the recipient is active in the
12 political life of the state in the opinion of the advisory committee
13 established in sec. 830(b)(5) of this chapter for the Gene Guess memor-
14 ial scholarship, if he is a recipient of a Gene Guess memorial scholar-
15 ship loan;

16 (6) government, human rights or law, or any other field, if
17 in the opinion of the advisory committee established in sec. 830(b)(6)
18 of this chapter for the Willard Bowman memorial scholarship, the re-
19 cipient is active in the political life of the state, if he is a reci-
20 pient of a Willard Bowman memorial scholarship loan.

21 * Sec. 6. AS 14.40.825(h) is amended to read:

22 (h) The unforgiven portion of a loan [UNDER (g) OF THIS SECTION]
23 shall be repaid in an amount, and at a monthly rate, to be determined by
24 the administering authority after consultation with the recipient, but
25 in any event not less than [THAT] \$50 a month.

26 * Sec. 7. AS 14.40.830(b) is amended by adding new paragraphs to read:

27 (5) the speaker and the majority and minority leaders of the
28 house of representatives, for the Gene Guess memorial scholarship;

29 (6) the chairman and executive director of the State Commis-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

tion for Human Rights and the speaker of the house of representatives,
for the Willard Bowman memorial scholarship.
* Sec. 3. AS 14.40.825(g) is repealed.

HB 406 Com

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 406
Title An Act relating to donations of annual leave to the memorial scholarship revolving
Requested by House Finance Committee Date 5/29/77 loan fund.

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
Budget Request Unit(s) Affected Audit Division

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

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

POSITIONS - None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memo to J. R. Bessenger dated 4/11/77.

IV. DATE 4/13/77 PREPARED BY [Signature]
AGENCY Department of Revenue, Audit Division
PHONE 465-2320
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

COMMITTEE REPORT

SENATE

**Finance

5/10/77

Date

Mr. President:

The Committee on STATE AFFAIRS has had HB 406 relating to donations of annual leave to the memorial scholarship revolving loan fund under consideration. A majority of the members of the Committee fund

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for HB 406 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:

1 John H. ... Do Pass

... Do Pass

1 ... Do Pass

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

...
Chairman