

LEG. FINANCE - BILLS 1977 - 1978 935

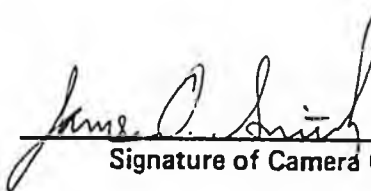
SB 238 thru CSSB 257 935




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Date

COMMITTEE REPORT
SENATE

512/77

May 3, 1977 Date

Mr. President:

The Committee on FINANCE has had SB 238
oil & gas properties production tax
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 SB 238 and that
CS for SB 238 do pass and Rec
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) Indication of Committee's intention

MEMBERS SIGNING THE MAJORITY REPORT:

Mr. [unclear] - Mr. [unclear] _____

[unclear] _____

[unclear] _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

[unclear] recommends: _____

_____ recommends: _____

_____ recommends: _____

[Signature]
Chairman

278

March 11, 1977

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

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

As a result of a recent study of Alaska's oil and gas tax structure, the Department of Revenue has recommended several changes in the state's production or "severance" tax. This bill incorporates those specific recommendations.

Currently the state's oil production tax is calculated according to "stair stepped" rates depending upon the level of production for the lease or property. As currently structured the tax may have an adverse impact upon a particular property as it reaches its economic limit. The "stair step" approach may not alleviate this adverse effect since the economic limit may vary substantially from one part of the state to another. This is because it may be more costly to produce and transport the oil in the more remote areas of the state. Accordingly, the bill contains an economic limit mechanism which automatically scales the tax rate down as the production nears its economic limit. This will insure that the tax will not unduly inhibit oil production as it reaches its economic limit.

One of the immediate dangers which face the state's revenue picture is the potential for artificially depressed pricing of the state's North Slope oil. This could result from federal pricing decisions or excessive

tariff costs from the wellhead to the refinery. To insulate the state's petroleum revenues from these forces, the bill provides for a mechanism which would raise the cents-per-barrel floor to correspond to a mid-range market value for North Slope oil and tie that floor to an index which will let the floor keep pace with inflation.

One of the Department of Revenue's recommendations -- the oil and gas surtax -- which was designed to offset revenue losses due to depressed pricing of North Slope oil and which was to be imposed only on holders of state-owned leaseholds was deleted on the advice of this department because of the substantial legal problems involved.

The bill places the tax on gas at a parity with the tax on oil. Currently gas is taxed at only 4 percent while oil is taxed from 5 to 8 percent. The bill would tax both oil and gas at 10 percent. In addition, the bill sets a cents-per-Mcf floor for the gas tax similar to the cents-per-barrel floor for oil. This new floor for gas corresponds to the highest market price in the state, and it too is tied to an index to keep pace with inflation.

Sincerely,

Jay S. Hammond
Governor

Introduced: 3/11/77
Referred: Resources and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 238

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the oil and gas properties pro-
7 duction tax; and providing for an effective date."

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

9 * Section 1. AS 43.55 is amended by adding new sections to read:

10 Sec. 43.55.011. OIL PRODUCTION TAX. (a) There is levied upon
11 the producer of oil a tax for all oil produced from each lease or
12 property in the state, less any oil the ownership or right to which is
13 exempt from taxation. The tax is equal to either the percentage-of-
14 value amount calculated under (b) of this section or the cents-per-
15 barrel amount calculated under (c) of this section, whichever is
16 greater, multiplied by the economic limit factor determined for the
17 oil production of the lease or property under sec. 13 of this chapter.
18 If the amounts calculated under (b) and (c) of this section are equal,
19 the amount calculated under (b) of this section shall be treated as if
20 it were the greater for purposes of this section.

21 (b) The percentage-of-value amount equals 10 per cent of the
22 gross value at the point of production of taxable oil produced from
23 the lease or property.

24 (c) The cents-per-barrel amount equals \$.75 per barrel of taxable
25 oil produced from the lease or property, as adjusted by sec. 12 of
26 this chapter.

27 (d) When the cents-per-barrel amount calculated under (c) of
28 this section is greater than the percentage-of-value amount calculated
29 under (b) of this section, an amount not less than \$.05 for each

1 barrel of taxable oil produced shall be paid by the state out of its
2 royalties from the oil whenever payment by the state is required under
3 the revenue sharing provisions of sec. 9 of the Alaska Native Claims
4 Settlement Act (F.L. 92-203, 85 Stat. 688, 43 U.S.C. 1601 et seq.)
5 into the Alaska Native Fund, until all amounts paid in the fund equal
6 \$500,000,000.

7 Sec. 43.55.012. ADJUSTMENTS IN TAX RATES. (a) The amounts set
8 out in sec. 11(c) and sec. 16(c) of this chapter shall be increased or
9 decreased by a percentage equal to the percentage of change in the
10 Gross National Product Deflator published by Bureau of Economic Analysis
11 of the United States Department of Commerce. Changes in tax rates
12 will be computed based on changes in the Gross National Product Deflator
13 from that of the First Quarter 1977 Gross National Product Deflator.
14 The department shall post the changes in the tax rates periodically
15 and shall notify every person producing oil within the state of the
16 changes.

17 (b) The cents-per-barrel amount set out in sec. 11(c) of this
18 chapter as adjusted by (a) of this section applies to oil of 27
19 degrees API gravity. For each degree of API gravity less than 27
20 degrees the cents-per-barrel amount shall be reduced by \$.005 and for
21 each degree of API gravity greater than 27 degrees the cents-per-
22 barrel amount shall be increased by \$.005 except that oil above 40
23 degrees API gravity shall be taxed as 40 degree oil. In applying the
24 gravity adjustment under this subsection, fractional degrees of API
25 gravity shall be disregarded.

26 Sec. 43.55.013. ECONOMIC LIMIT FACTOR. (a) The economic limit
27 factor for oil production of a lease or property equals one minus the
28 ratio of the monthly production rate at the economic limit to the
29 production during the month for which the tax is to be paid.

1 (b) Before February 15 of each year or within six months after
2 commencement of production for a lease or property, the department
3 shall notify the taxpayer of the monthly production rate at the
4 economic limit for each lease or property within the state for that
5 year. The monthly production rate at the economic limit for a lease
6 or property is presumed to be 100 barrels times the number of well-
7 days for the lease or property during December of the preceding year,
8 unless the taxpayer at a formal hearing under AS 43.05.240 provides
9 clear and convincing evidence of a different monthly production rate
10 at the economic limit for the lease or property. The monthly produc-
11 tion rate at the economic limit for the lease or property based upon
12 the clear and convincing evidence of the taxpayer shall be calculated
13 by dividing the value determined under (d) of this section into the
14 average monthly direct operating cost determined under (c) of this
15 section.

16 (c) The average monthly direct operating cost for oil production
17 operations of the lease or property shall be determined based on a
18 period of not less than four consecutive months. The direct operating
19 costs include drilling supplies, fuel, routine maintenance, and wages
20 and benefits of employees working on the production operations. The
21 direct operating costs do not include capital expenditures, tangible
22 or intangible drilling expenses, costs of well workovers, costs for
23 replacement or repairs (other than routine maintenance), depreciation
24 or amortization, taxes, insurance, overhead, money paid or set aside
25 (or booked as being paid or set aside) to cover the cost of terminating
26 the oil production operations of the lease or property, or any other
27 cost not directly related to the oil production operations of the
28 lease or property.

29 (d) The value at the point of production of oil produced from

1 the lease or property shall be determined on the basis of the acqui-
2 sition cost C.I.F. at West Coast refineries for imported oil of like
3 quality, minus the reasonable cost of transportation between the point
4 of production of the oil from the lease or property and those West
5 Coast refineries.

6 (e) Before February 15 of each year or within six months after
7 commencement of production for a lease or property the department
8 shall notify the producer of gas of the monthly production rate at the
9 economic limit for each lease or property within the state for that
10 year. The monthly production rate at the economic limit for a lease
11 or property shall be determined at a formal hearing under AS 43.05.240
12 and must be established by clear and convincing evidence presented by
13 the taxpayer at that hearing. The monthly production rate at the
14 economic limit for the lease or property based upon the clear and
15 convincing evidence of the taxpayer shall be calculated by dividing
16 the value determined under (g) of this section into the average monthly
17 direct operating cost determined under (f) of this section.

18 (f) The average monthly direct operating cost for gas production
19 operations of the lease or property shall be determined based on a
20 period of not less than four consecutive months. The direct operating
21 costs include drilling supplies, fuel, routine maintenance, and wages
22 and benefits of employees working on the production operations. The
23 direct operating costs do not include capital expenditures, tangible
24 or intangible drilling expenses, costs of well workovers, costs for
25 replacement or repairs (other than routine maintenance), depreciation
26 or amortization, taxes, insurance, overhead, monies paid or set aside
27 (or booked as being paid or set aside) to cover the cost of terminating
28 the gas production operations of the lease or property, or any other
29 cost not directly related to the gas production operations of the

1 lease or property.

2 (g) The value at the point of production of gas produced from
3 the lease or property shall be determined on the basis of the highest
4 price paid for gas of like quality and pressure in the same field or
5 some other field within 100 miles in the state.

6 (h) The department may aggregate two or more leases or properties
7 (or portions of them), for purposes of determining economic limit
8 factors under this section and applying them to sec. 11 of this chapter,
9 when economically interdependent oil or gas production operations are
10 not confined to a single lease or property. The department may also
11 segregate a lease or property into two or more parts, for purposes of
12 determining economic limit factors under this section and applying
13 them under sec. 11 of this chapter, when two or more economically
14 independent oil or gas production operations are being conducted on
15 it.

16 (i) A determination of the monthly production rate at the economic
17 limit for a lease or property is retroactive to January 1 of the
18 current year. For production of a lease or property commencing after
19 January 1, the determination of the monthly production rate at the
20 economic limit for that lease or property made within six months after
21 the commencement of production is retroactive to the commencement of
22 production.

23 Sec. 43 55.016. GAS PRODUCTION TAX. (a) There is levied upon
24 the producer of gas a tax for all gas produced from each lease or
25 property in the state, less any gas the ownership or right to which is
26 exempt from taxation. The tax is equal to either the percentage-of-
27 value amount calculated under (b) of this section or the cents-per-Mcf
28 amount calculated under (c) of this section, whichever is greater,
29 multiplied by the economic limit factor determined for gas production

1 of the lease or property under sec. 13 of this chapter. If the amounts
2 calculated under (b) and (c) of this section are equal, the amount
3 calculated under (b) of this section shall be treated as if it were
4 the greater for purposes of this section.

5 (b) The percentage-of-value amount equals 10 per cent of the
6 gross value at the point of production of the taxable gas produced
7 from the lease or property.

8 (c) The cents-per-Mcf amount equals \$.064 per thousand cubic
9 feet of taxable gas produced from the lease or property as adjusted by
10 sec. 12 of this chapter.

11 Sec. 43.55.017. RELATION TO OTHER TAXES. (a) Except as provided
12 in this chapter and in ch. 58 of this title, the taxes imposed by this
13 chapter are in place of all taxes now imposed by the state or any of
14 its municipalities, and neither the state nor a municipality may
15 impose a tax upon

- 16 (1) producing oil or gas leases;
- 17 (2) oil or gas produced or extracted in the state;
- 18 (3) the value of intangible drilling and exploration expenses.

19 (b) The taxes imposed by this chapter are in place of all taxes
20 imposed by a municipality upon oil or gas in place or nonproducing oil
21 or gas leases or properties.

22 (c) The taxes imposed by this chapter are not in place of the
23 tax imposed by ch. 57 of this title or income taxes, franchise taxes
24 or taxes upon the retail sale of oil or gas products.

25 * Sec. 2. AS 43.55.020(a) is amended to read:

26 (a) The gross production tax on oil or gas shall be paid monthly.
27 The tax is due on the 20th [LAST] day of each calendar month on oil or
28 gas produced [REMOVED OR SOLD] from each lease or property during the
29 preceding month. If the tax is not paid before the end of the month

1 in which it becomes due, the tax becomes delinquent.

2 * Sec. 3. AS 43.55.020(e) is amended to read:

3 (e) Gas produced and used, except gas used in the operation of a
4 lease or property in drilling for or producing oil or gas, or for
5 repressuring, is considered, for the purpose of this chapter and in
6 the amount used, as gas produced [REMOVED OR SOLD] from a lease or
7 property. Gas flared under a permit granted by the Department of
8 Natural Resources under AS 31.05.170(11)(H) is considered as gas
9 produced, except that it is subject to a tax equal to twice the tax
10 computed under sec. 16 of this chapter as adjusted by sec. 12 of this
11 chapter per thousand cubic feet of gas for the month in which the gas
12 was flared.

13 * Sec. 4. AS 43.55.030(a)(1) is amended to read:

14 (1) a description of the lease or property from which the
15 oil or gas was produced [REMOVED OR SOLD], by name, legal description,
16 lease number or by accounting code numbers assigned to the department;

17 * Sec. 5. AS 43.55.030(a)(3) is amended to read:

18 (3) the gross amount of oil or gas produced [REMOVED OR
19 SOLD] from the lease or property, and the percentage of the gross
20 amount owned by each producer for whom the tax is paid;

21 * Sec. 6. AS 43.55.030(a)(4) is amended to read:

22 (4) the total value of the oil or gas produced [REMOVED OR
23 SOLD] from the lease or property owned by each producer for whom the
24 tax is paid; and

25 * Sec. 7. AS 43.55.140 is amended by adding new paragraphs to read:

26 (12) "gross value at the point of production" means:

27 (A) for oil, the value of the oil at the point where it
28 is metered or measured (by automatic custody transfer meter, tank
29 gauge, or other method approved by the commissioner) in a condition

1 of pipeline quality on the premises of the lease or property from
2 which it is recovered; however, if the oil is not of pipeline
3 quality when it is removed from the premises of the lease or
4 property from which it is recovered, or if the oil recovered from
5 a lease or property is not metered or measured (by automatic
6 custody transfer meter, tank gauge, or other method approved by
7 the commissioner) on the premises of the lease or property from
8 which it is recovered, then the gross value at the point of
9 production is the value of that oil at the off-premises location
10 where the oil is first metered or measured (by automatic custody
11 transfer meter, tank gauge, or other method approved by the
12 commissioner) in a condition of pipeline quality;

13 (B) for gas recovered from or in association with oil,
14 the value of the gas at the point where it is accurately metered
15 or measured after separation from the oil; for gas run through a
16 gas processing plant, the gross value at the point of production
17 is the full consideration received by the producer for the gas if
18 sold in an arm's length transaction or, in the absence of an
19 arm's length transaction, is the sum of the value of the liquids
20 extracted from the gas at the plant and the value of the residue
21 gas, less a reasonable allowance for processing the gas at the
22 plant and for transporting the gas to the plant from the premises
23 upon which the oil production operation is conducted; and

24 (C) for gas not recovered from or in association with
25 oil, the value of the gas at the point where it is accurately
26 metered or measured or the value of the gas at the point of sale,
27 if any, on the premises of the lease or property from which the
28 gas is recovered, whichever is the higher value; for gas run
29 through a gas processing plant, the gross value at the point of

1 production is the full consideration received by the producer for
2 the gas if sold in an arm's length transaction or, in the absence
3 of an arm's length transaction, is the sum of the value of the
4 liquids extracted from the gas at the plant and the value of the
5 residue gas, less a reasonable allowance for processing the gas
6 at the plant and for transporting the gas to the plant from the
7 point where it was accurately metered or measured;

8 (13) "oil production operation" means the operation by
9 which oil is recovered from a lease or property and rendered into oil
10 of pipeline quality, and includes any gathering done before the oil is
11 finally rendered into oil or pipeline quality;

12 (14) "pipeline quality" means good and merchantable condition

13 (15) "well days" means the number of days in which a well
14 is operating during a month.

15 * Sec. 8. AS 43.55.010, 43.55.015 and 4 .55.140(10), and (11,) are
16 repealed.

17 * Sec. 9. This Act takes effect July 1, 1977 and applies to production
18 during the month of July 1977 and succeeding months.

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/2/77
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 238

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the oil and gas properties produc-
7 tion tax; and providing for an effective date."

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

9 * Section 1. AS 43.55 is amended by adding new sections to read:

10 Sec. 43.55.011. OIL PRODUCTION TAX. (a) There is levied upon the
11 producer of oil a tax for all oil produced from each lease or property
12 in the state, less any oil the ownership or right to which is exempt
13 from taxation. The tax is equal to either the percentage-of-value
14 amount calculated under (b) of this section or the cents-per-barrel
15 amount calculated under (c) of this section, whichever is greater,
16 multiplied by the economic limit factor determined for the oil produc-
17 tion of the lease or property under sec. 13 of this chapter. If the
18 amounts calculated under (b) and (c) of this section are equal, the
19 amount calculated under (b) of this section shall be treated as if it
20 were the greater for purposes of this section.

21 (b) The percentage-of-value amount equals 12.5 per cent of the
22 gross value at the point of production of taxable oil produced from the
23 lease or property.

24 (c) The cents-per-barrel amount equals \$.65 per barrel of taxable
25 oil produced from the lease or property, as adjusted by sec. 12 of this
26 chapter.

27 (d) When the cents-per-barrel amount calculated under (c) of this
28 section is greater than the percentage-of-value amount calculated under
29 (b) of this section, an amount not less than \$.05 for each barrel of

COMMITTEE COPY

1 taxable oil produced shall be paid by the state out of its royalties
2 from the oil whenever payment by the state is required under the revenue-
3 sharing provisions of sec. 9 of the Alaska Native Claims Settlement Act
4 (P.L. 92-203, 85 Stat. 688, 43 U.S.C. 1601 et seq.) into the Alaska
5 Native Fund, until all amounts paid in the fund equal \$500,000,000.

6 Sec. 43.55.012. ADJUSTMENTS IN TAX RATES. (a) The amounts set
7 out in sec. 11(c) and sec. 16(c) of this chapter shall be increased or
8 decreased by a percentage equal to the percentage of change in the Gross
9 National Product Deflator published by the Bureau of Economic Analysis
10 of the United States Department of Commerce, or 7.5 per cent per year,
11 whichever is the lesser of the two. Changes in tax rates will be com-
12 puted based on changes in the Gross National Product Deflator from that
13 of the First Quarter 1977 Gross National Product Deflator. The depart-
14 ment shall post the changes in the tax rates periodically and shall
15 notify every person producing oil in the state of the changes.

16 (b) The cents-per-barrel amount set out in sec. 11(c) of this
17 chapter applies to oil of 27 degrees API gravity. For each degree of
18 API gravity less than 27 degrees the cents-per-barrel amount shall be
19 reduced by \$.005 and for each degree of API gravity greater than 27
20 degrees the cents-per-barrel amount shall be increased by \$.005 except
21 that oil above 40 degrees API gravity shall be taxed as 40 degree oil.
22 In applying the gravity adjustment under this subsection, fractional
23 degrees of API gravity shall be disregarded.

24 Sec. 43.55.013. ECONOMIC LIMIT FACTOR. (a) The economic limit
25 factor for oil production of a lease or property equals

$$(1 - [PEL/TP]) \exp ([300 \times WD]/PEL)$$

26 Where: PEL = the production rate at the economic limit;

27 TP = total production during the month for which the tax
28 is to be paid;

1 well workovers, costs for replacement or repairs (other than routine
2 maintenance), depreciation or amortization, taxes, insurance, overhead,
3 money paid or set aside (or booked as being paid or set aside) to cover
4 the cost of terminating the oil production operations of the lease or
5 property, or any other cost not directly related to the oil production
6 operations of the lease or property.

7 (e) For the purposes of this chapter, the gross value of oil shall
8 be calculated as provided in sec. 150 of this chapter, and the gross
9 value of gas shall be calculated as provided in (h) of this section.

10 (f) Before February 15 of each year or within six months after
11 commencement of gas production for a lease or property, the department
12 shall notify the producer of gas of the monthly production rate at the
13 economic limit for each lease or property in the state for that year.
14 The monthly production rate at the economic limit for a lease or property
15 shall be determined at a formal hearing under AS 43.05.240 and must be
16 established by clear and convincing evidence presented by the taxpayer
17 at that hearing. The monthly production rate at the economic limit for
18 the lease or property based upon the clear and convincing evidence of
19 the taxpayer shall be calculated by dividing the value determined under
20 (h) of this section into the average monthly direct operating cost
21 determined under (g) of this section.

22 (g) The average monthly direct operating cost for gas production
23 operations of the lease or property shall be determined based on the
24 number of months operated during the preceding 12-month period. The
25 direct operating costs include drilling supplies, fuel, routine mainte-
26 nance, and wages and benefits of employees working on the production
27 operations. The direct operating costs do not include capital expendi-
28 tures, tangible or intangible drilling expenses, costs of well work-
29 overs, costs for replacement or repairs (other than routine maintenance),

1 depreciation or amortization, taxes, insurance, overhead, money paid or
2 set aside (or booked as being paid or set aside) to cover the cost of
3 terminating the gas production operations of the lease or property, or
4 any other cost not directly related to the gas production operations of
5 the lease or property.

6 (h) The value at the point of production of gas produced from the
7 lease or property shall be determined on the basis of the highest price
8 paid for gas of like quality and pressure in the same field.

9 (i) The department may aggregate two or more leases or properties
10 (or portions of them), for purposes of determining economic limit
11 factors under this section and applying them to sec. 11 of this chapter,
12 when economically interdependent oil or gas production operations are
13 not confined to a single lease or property. The department may also
14 segregate a lease or property into two or more parts, for purposes of
15 determining economic limit factors under this section and applying them
16 under sec. 11 of this chapter, when two or more economically independent
17 oil or gas production operations are being conducted on it.

18 (j) A determination of the monthly production rate at the economic
19 limit for a lease or property is retroactive to January 1 of the current
20 year. For production of a lease or property commencing after January 1,
21 the determination of the monthly production rate at the economic limit
22 for that lease or property made within six months after the commencement
23 of production is retroactive to the commencement of production.

24 Sec. 43.55.016. GAS PRODUCTION TAX. (a) There is levied upon the
25 producer of gas a tax for all gas produced from each lease or property
26 in the state, less any gas the ownership or right to which is exempt
27 from taxation. The tax is equal to either the percentage-of-value
28 amount calculated under (b) of this section or the cents-per-Mcf amount
29 calculated under (c) of this section, whichever is greater, multiplied

1 by the economic limit factor determined for gas production of the lease
2 or property under sec. 13 of this chapter. If the amounts calculated
3 under (b) and (c) of this section are equal, the amount calculated under
4 (b) of this section shall be treated as if it were the greater for
5 purposes of this section.

6 (b) The percentage-of-value amount equals 10 per cent of the gross
7 value at the point of production of the taxable gas produced from the
8 lease or property.

9 (c) The cents-per-cf amount equals \$.064 per thousand cubic feet
10 of taxable gas produced from the lease or property as adjusted by sec.
11 12 of this chapter.

12 Sec. 43.55.017. RELATION TO OTHER TAXES. (a) Except as provided
13 in this chapter and in ch. 58 of this title, the taxes imposed by this
14 chapter are in place of all taxes now imposed by the state or any of its
15 municipalities, and neither the state nor a municipality may impose a
16 tax upon

- 17 (1) producing oil or gas leases;
18 (2) oil or gas produced or extracted in the state;
19 (3) the value of intangible drilling and exploration ex-
20 penses.

21 (b) The taxes imposed by this chapter are in place of all taxes
22 imposed by a municipality upon oil or gas in place or nonproducing oil
23 or gas leases or properties.

24 (c) The taxes imposed by this chapter are not in place of the tax
25 imposed by ch. 57 of this title or income taxes, franchise taxes or
26 taxes upon the retail sale of oil or gas products.

27 * Sec. 2. AS 43.55.020(a) is amended to read:

28 (a) The gross production tax on oil or gas shall be paid monthly.
29 The tax is due on the 20th [LAST] day of each calendar month on oil or

1 gas produced [REMOVED OR SOLD] from each lease or property during the
2 preceding month. If the tax is not paid before the end of the month in
3 which it becomes due, the tax becomes delinquent.

4 * Sec. 3. AS 43.55.030(a)(1) is amended to read:

5 (1) a description of the lease or property from which the oil
6 or gas was produced [REMOVED OR SOLD], by name, legal description, lease
7 number or by accounting code numbers assigned to the department;

8 * Sec. 4. AS 43.55.030(a)(3) is amended to read:

9 (3) the gross amount of oil or gas produced [REMOVED OR SOLD]
10 from the lease or property, and the percentage of the gross amount owned
11 by each producer for whom the tax is paid;

12 * Sec. 5. AS 43.55.030(a)(4) is amended to read:

13 (4) the total value of the oil or gas produced [REMOVED OR
14 SOLD] from the lease or property owned by each producer for whom the tax
15 is paid; and

16 * Sec. 6. AS 43.55.140 is amended by adding a new paragraph to read:

17 (12) "well days" means the number of days in which a well is
18 operating during a month.

19 * Sec. 7. AS 43.55.010, 43.55.015 and 43.55.140(10) and (11) are re-
20 pealed.

21 * Sec. 8. This Act takes effect July 1, 1977 and applies to production
22 during the month of July, 1977, and succeeding months.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. FCCS HCS CS SB 238
 Title An Act relating to oil and gas taxation.
 Requested by _____ Date May 23, 1977

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Petroleum Revenue
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		29.9	31.4	32.9	34.6	36.3
200 TRAVEL		1.5	1.5	1.5	1.5	1.5
300 CONTRACTUAL		16.5	17.3	18.1	18.1	19.8
400 COMMODITIES		.8	.8	.8	.8	.8
500 EQUIPMENT		1.0	1.0	1.0	1.0	1.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		49.7	52.0	54.3	56.8	59.4

FUNDING (Thousands of Dollars)

GENERAL FUND		49.7	52.0	54.3	56.8	59.4
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		1/	1/	1/	1/	1/
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III) The severance tax as adopted by the free conference committee provides an extremely complex tax system. It will require an additional position to provide additional data processing and research support on a continuing basis. This is required because of split cents-per-barrel tax rates and economic limit factors in the severance tax for different areas in the state. Also, this additional support is needed to review and compile information for purposes of establishing specific economic limits for properties in the state.

In addition, the bill provides that the Department of Revenue shall annually review the prices received for oil and gas produced in Alaska, the value of that oil and gas, as well as the general level of prices in Alaska and the nation, and submit a written report with recommendations for proposed changes in the cents-per-barrel tax rates based upon that review. The additional position would do the necessary ground work for preparation of the report and recommendation. This review will be extremely important, as pricing actions by the federal government and actions by oil and gas companies could substantially erode our revenues. An annual revision of the cents-per-barrel tax rates could prevent the potential erosion of our severance tax revenues.

IV. DATE May 23, 1977 PREPARED BY John R. Messenger
 AGENCY Department of Revenue
 PHONE 465-2300

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

~~SECRET~~

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. _____
 Title Oil and Gas Properties Production Tax
 Requested by _____ Date March 7, 1977

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Petroleum Revenue Division
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						
	None					

POSITIONS

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

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

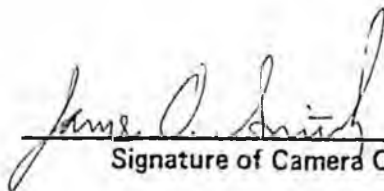
IV. DATE March 7, 1977 PREPARED BY John R. [Signature] (Deputy Commissioner)
 AGENCY Department of Revenue
 Original: Legislative Finance PHONE 465-2300
 cc. Budget and Management
 Prime Sponsor (First Legislator Named)



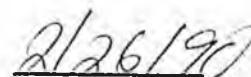
RECORDS CERTIFICATION



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



Signature of Camera Operator



Date

Introduced: 3/11/77
Referred: Resources and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 240

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 * Section 1. AS 43.58.010(b) is amended to read:

10 (b) The rate of levy for the tax year beginning January 1, 1977
11 is 12 [20] mills. If, on October 1, 1977, the Trans-Alaska Pipeline
12 is not transporting at least 600,000 barrels of daily average through-
13 put of oil, then there is levied an additional tax of eight mills on
14 the January 1 assessment which shall be due and payable on November
15 30, 1977.

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

17 (e) If, on December 15, 1977, the Trans-Alaska Pipeline is not
18 transporting at least 1,200,000 barrels of daily average throughput of
19 oil, a tax is levied for tax year 1978 at a rate determined for that
20 year by the legislature.

21 * Sec. 3. AS 43.58.170 is amended to read:

22 Sec. 43.58.170. TERMINATION OF TAX. Except as provided in AS
23 43.58.010(c), the [THE] tax imposed by this chapter shall terminate on
24 December 31, 1977.

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

26 * Sec. 5. This Act takes effect immediately in accordance with AS
27 01.10070(c).
28
29

240

March 11, 1977

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

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

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

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

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

Sincerely,

Jay S. Hammond
Governor

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

May 4, 1977

The Honorable John Sackett
Chairman
Senate Finance Committee
Alaska State Legislature
Juneau AK 99801

Dear Senator Sackett:

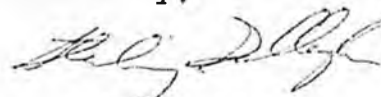
Senate Bill 240 relating to the oil and gas reserves ad valorem tax is before your committee for consideration.

This bill is a top priority among the oil and gas bills submitted by the Governor. This bill would reduce the millage rate of the reserves tax for FY 76 from 20 mills to 12 mills. Since there is a surplus in this fiscal year I believe that it makes sense to reduce that surplus while also reducing the amount of borrowing against future severance taxes.

The bill also provides for an additional 8 mill levy due November 15, 1977 if the Trans-Alaska Pipeline is not transporting at least 600,000 barrels of oil a day by October 15. In addition if the pipeline is not transporting at least 1.2 million barrels a day by December 15, 1977, a reserve's tax will be levied for 1978 at a rate to be set that year by the Legislature.

These additional levies will give us flexibility to prevent a budget deficit if there is a delay in start up of the Trans-Alaska Pipeline.

Sincerely,



Sterling Gallagher
Commissioner

240

March 11, 1977

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

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

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

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

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

Sincerely,

Jay S. Hammond
Governor

COMMITTEE REPORT

SENATE

3/29/77

_____ Date

Mr. President:

The Committee on FINANCE has had SB 240
amending oil and gas reserves ad valorem tax
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

Chairman

COMMITTEE REPORT

SENATE **Finance

3/11/77

3/28/77 Date

Mr. President:

The Committee on Resources has had SB 240 amending oil & gas reserves ad valorem tax 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:

1 Jim Kitzmann Do Pass
1 Tillion " "
2 John Hester Do Not Pass
3 Meland No Rec.

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

3 Nancy D... recommends: No Rec
1 Collette... recommends: Do Pass
recommends:

1 K. Poland Chairman Do Pass

Introduced: 3/11/77
Referred: Resources and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 240

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 * Section 1. AS 43.58.010(b) is amended to read:

10 (b) The rate of levy for the tax year beginning January 1, 1977
11 is 12 [20] mills. If, on October 1, 1977, the Trans-Alaska Pipeline
12 is not transporting at least 600,000 barrels of daily average through-
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17 (e) If, on December 15, 1977, the Trans-Alaska Pipeline is not
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19 oil, a tax is levied for tax year 1978 at a rate determined for that
20 year by the legislature.

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22 Sec. 43.58.170. TERMINATION OF TAX. Except as provided in AS
23 43.58.010(e), the [THE] tax imposed by this chapter shall terminate on
24 December 31, 1977.

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

26 * Sec. 5. This Act takes effect immediately in accordance with AS
27 01.10070(c).
28
29

COMMITTEE COPY

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

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

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
Program Category Affected _____ Petroleum Revenue Division
Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						
	NONE					

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						
	NONE					

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

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

IV. DATE March 9, 1977

PREPARED BY John Messenger
AGENCY Department of Revenue
PHONE 465-2301

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

240
March 11, 1977

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

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

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

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

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

Sincerely,

Jay S. Hammond
Governor

ALASKA STATE LEGISLATURE

TENTH.. Legislature FIRST.. Session

SENATE BILL..... NO.240.....

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act amending the oil and gas reserves ad valorem tax; and providing for an effective date."

oil & gas ad valorem tax

Introduced in the Senate3/11/19.77

HISTORY IN THE SENATE

19 77	Read first time and referred to Committee on												
3 11	Resources and Finance												
3 29	Reported back with <i>Resumes</i> recommendation that <i>Ad pass</i> <i>I don't pass. In case</i> <i>to Senate</i>												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <tr><td colspan="2">Reconsideration</td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by President Sent to House												

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <tr><td colspan="2">Reconsideration</td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by Speaker Returned to Senate												

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

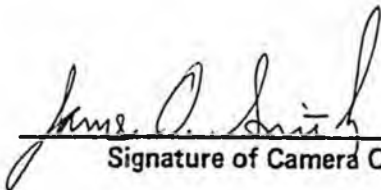
19	Received from House
	Reported correctly enrolled
	Sent to Governor
 By Governor
	Filed with Lt. Governor
	Chapter No.



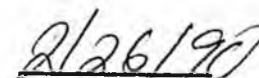
RECORDS CERTIFICATION



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



Signature of Camera Operator



Date

COMMITTEE REPORT

SENATE

3/11/77

May 10, 1977

Date

Mr. President:

The Committee on Finance has had SB 243 rate of interest on delinquent tax payments 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) subject of Recommended Items

MEMBERS SIGNING THE MAJORITY REPORT:

Mr. [Signature] Mr. [Signature] Mr. [Signature]
Mr. [Signature] Mr. [Signature] Mr. [Signature]
Mr. [Signature] Mr. [Signature] Mr. [Signature]
Mr. [Signature] Mr. [Signature] Mr. [Signature]

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

[Signature]
 Chairman

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 243
 Title An Act relating to the rate of interest on delinquent tax payments.
 Requested by Senate Finance Committee Date 3/14/77

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

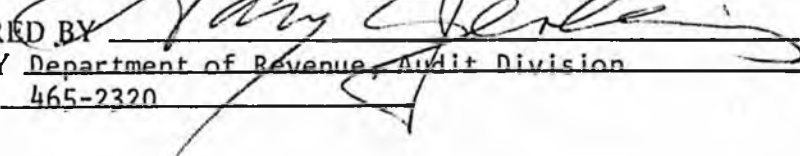
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

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

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

See attached memo dated 3/21/77 to J. R. Messenger

IV. DATE 3/21/77 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 : March 21, 1977

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 243

This bill would raise the interest rate on all taxes due the State of Alaska to ten percent from the current rate of eight or six percent.

I assume the intent of the bill is to raise the interest rate which we charge up to an amount approaching the interest rate currently being charged by banks on loans. The effect of having the interest rate for the State near the commercial loan rate would be to further encourage taxpayers to pay their taxes in a current manner rather than paying commercial debts first because they have the higher rate of interest.

There would be no additional costs in implementing this proposed legislation. It will obviously generate additional revenue to the State of Alaska; however, we do not have sufficient detailed statistical information to determine what the actual increase might be.

Introduced: 3/11/77
Referred: Finance

1 IN THE SENATE

BY CROFT

2 SENATE BILL NO. 243

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the rate of interest on delinquent
7 tax payments."

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

9 * Section 1. AS 43.05.225 is amended to read:

10 Sec. 43.05.225. INTEREST ON TAXES. Unless otherwise provided,
11 when a tax levied in this title becomes delinquent it bears interest at
12 the rate of 10 [EIGHT] per cent a year.

13 * Sec. 2. AS 43.55.060 is amended to read:

14 Sec. 43.55.060. DELINQUENCY. When the tax provided for in this
15 chapter becomes delinquent, it bears interest at the rate provided in AS
16 43.05.225 [OF SIX PER CENT A YEAR]. If any person fails to make a
17 report required by this chapter, within the time prescribed by law for
18 the report, the department shall examine the books, records and files of
19 the person to determine the amount and value of the production to compute
20 the tax, and the department shall add to the tax the cost of the exami-
21 nation, together with any penalties accrued.

22 * Sec. 3. AS 43.56.160 is amended to read:

23 Sec. 43.56.160. INTEREST AND PENALTY. When the tax levied by sec.
24 10(a) of this chapter becomes delinquent, a penalty of 10 per cent shall
25 be added. Interest on the delinquent taxes, exclusive of penalty, shall
26 be assessed at the rate provided in AS 43.05.225 [A RATE OF EIGHT PER
27 CENT A YEAR].

28 * Sec. 4. AS 43.35.080(c) and AS 43.58.130 are repealed.

29

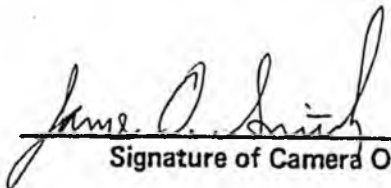
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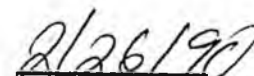
RECORDS CERTIFICATION



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Signature of Camera Operator



Date

COMMITTEE REPORT
SENATE

3/25/77

April 8, 1977 Date

Mr. President:

The Committee on FINANCE has had SB 244
relating to special officers
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:

_____ Tullian _____

_____ Horne _____

_____ John D. ... _____

_____ Paul ... _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

Chairman

Introduced: 3/11/77
Referred: Labor & Management
and Finance

1 IN THE SENATE

BY CROFT

2 SENATE BILL NO. 244

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 special officers."

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

8 * Section 1. AS 23.30 is amended by adding a new section to read:

9 Sec. 23.30.243. SPECIAL OFFICERS. (a) A special officer ap-
10 pointed under AS 18.65.010(a) is considered an employee under this
11 chapter only when he is actually traveling or working as a special
12 officer. The weekly wage earned in the special officer's regular employ-
13 ment shall be used in computing the amount of compensation to be awarded.
14 If a special officer has no regular employment, the minimum wage paid a
15 full-time state trooper shall be used in computing the amount of compen-
16 sation to be awarded.

17 (b) Annual appropriations to fund the coverage provided for in (a)
18 of this section shall be provided for in the budget of the Department of
19 Public Safety.

20 * Sec. 2. AS 18.65.010(d) is repealed.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 244 (Cost same as for HB 140)
Title Delete Special Officers Insurance
Requested by _____ Date 3/15/77

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

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		(10.0)				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		(10.0)				

FUNDING (Thousands of Dollars)

GENERAL FUND		(10.0)				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
This coverage not necessary. Above (\$10.0) savings would apply to FY 78. However, if we continue to purchase this coverage it will represent an annual expenditure of at least \$10.0.

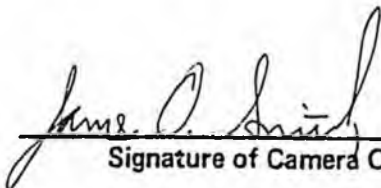
IV. DATE November 24, 1976 PREPARED BY *John W. Sweeney*
AGENCY Administration
PHONE 465-2277
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Croft Office of the Commissioner
Senate Labor & Management General Services & Supply
33-001 (Rev. 10/76) Office of the Governor Dept. of Public Safety



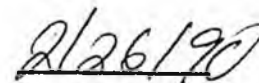
RECORDS CERTIFICATION



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

6-14-77

COMMITTEE REPORT

HOUSE

5/19/77 Date

Mr. Speaker:

The Committee on FINANCE has had SB 244 am

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 SR 2440 m. and that

CS for SB 244 am. 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>Meekins</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>Buehler</u>	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

[Signature]
Chairman

Original sponsor: Croft

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 244

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 special officers, law enforcement
7 authority at airports, and passenger screening services;
8 and providing for an effective date."

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

10 * Section 1. AS 23.30 is amended by adding a new section to read:

11 Sec. 23.30.244. SPECIAL OFFICERS. (a) A special officer ap-
12 pointed under AS 18.65.010(a) is considered an employee under this
13 chapter only when he is actually traveling or working as a special
14 officer. The weekly wage earned in the special officer's regular employ-
15 ment shall be used in computing the amount of compensation to be awarded.
16 If a special officer has no regular employment, the minimum wage paid a
17 full-time state trooper shall be used in computing the amount of compen-
18 sation to be awarded.

19 (b) Annual appropriations to fund the coverage provided for in (a)
20 of this section shall be provided for in the budget of the Department of
21 Public Safety.

22 * Sec. 2. AS 02.15.230 is amended to read:

23 Sec. 02.15.230. POLICE POWERS VESTED. (a) The commissioner and
24 those officers and employees of the department who [WHICH] the commis-
25 sioner may designate have general police powers in aid of the enforcement
26 of this chapter, and the [RULES,] regulations and orders issued under it
27 and all other laws of the state relating to aeronautics.

28 (b) Upon bilateral agreement, the commissioner may designate
29 individuals licensed under AS 18.65.400 - 18.65.490 and police officers

1 employed by the state or its political subdivisions to be present during
2 the final passenger screening process before boarding each flight re-
3 quired to be in compliance with passenger screening regulations of the
4 Federal Aviation Administration. Persons designated under this section,
5 while performing their duties under that agreement, have the general
6 police powers set out in (a) of this section.

7 * Sec. 3. AS 18.65.010(d) is repealed.

8 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
9 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 244 (Cost same as for HB 140)
 Title Delete Special Officers Insurance
 Requested by _____ Date 3/15/77

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

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		(10.0)				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		(10.0)				

FUNDING (Thousands of Dollars)

GENERAL FUND		(10.0)				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
 This coverage not necessary. Above (\$10.0) savings would apply to FY 78. However, if we continue to purchase this coverage it will represent an annual expenditure of at least \$10.0.

IV. DATE November 24, 1976 PREPARED BY *T. J. ...*
 AGENCY Administration
 PHONE 465-2277
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Croft Office of the Commissioner
Senate Labor & Management General Services & Supply
 33-001 (Rev. 10/76) Office of the Governor Dept. of Public Safety

Introduced: 3/11/77
Referred: Labor & Management
and Finance

1 IN THE SENATE

BY CROFT

2 SENATE BILL NO. 244 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 special officers."

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

8 * Section 1. AS 23.30 is amended by adding a new section to read:

9 Sec. 23.30.244. SPECIAL OFFICERS. (a) A special officer ap-
10 pointed under AS 18.65.010(a) is considered an employee under this
11 chapter only when he is actually traveling or working as a special
12 officer. The weekly wage earned in the special officer's regular employ-
13 ment shall be used in computing the amount of compensation to be awarded.
14 If a special officer has no regular employment, the minimum wage paid a
15 full-time state trooper shall be used in computing the amount of compen-
16 sation to be awarded.

17 (b) Annual appropriations to fund the coverage provided for in (a)
18 of this section shall be provided for in the budget of the Department of
19 Public Safety.

20 * Sec. 2. AS 18.65.010(d) is repealed.

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#

MEMORANDUM

State of Alaska

TO: Legal Services

DEPT. _____

DIV. _____

SEC. _____

DATE : 5/20/77

FROM: Pat Williams
Legislative Finance
Rm. 411 Capitol
Ph: 3796

SUBJECT: HCS SB 244 am

The House Finance Committee would like to have a Committee substitute drafted which amends SB 244 am to add a Section 3, 4, and 5 per the attached draft. Please return the House Finance Committee substitute to Pat Williams.

Introduced: 3/11/77
Referred: Labor & Management
and Finance

1 IN THE SENATE

BY CROFT

2 SENATE BILL NO. 244 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 special officers."

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

8 * Section 1. AS 23.30 is amended by adding a new section to read:

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12 officer. The weekly wage earned in the special officer's regular employ-
13 ment shall be used in computing the amount of compensation to be awarded.
14 If a special officer has no regular employment, the minimum wage paid a
15 full-time state trooper shall be used in computing the amount of compen-
16 sation to be awarded.

17 (b) Annual appropriations to fund the coverage provided for in (a)
18 of this section shall be provided for in the budget of the Department of
19 Public Safety.

20 * Sec. 2. AS 18.65.010(d) is repealed.

21 *Secs 3, 4, & 5 added - See attached*

IN THE HOUSE

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to passenger screening services and law enforcement authority at state airports; and providing for an effective date."

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

* Section 3. AS 02.15.230 is amended to read:

Sec. 02.15.230. POLICE POWERS VESTED. (a) The commissioner and those officers and employees of the department who [WHICH] the commissioner may designate have general police powers in aid of the enforcement of this chapter, and the [RULES,] regulations and orders issued under it and all other laws of the state relating to aeronautics

* Sec. 4. AS 02.15.230 is amended by adding a new subsection to read:

(b) Upon bilateral agreement, the commissioner may designate individuals licensed under AS 18.65.400 - 18.65.490 and police officers employed by the state or its political subdivisions to be present during the final passenger screening process before boarding each flight required to be in compliance with passenger screening regulations of the Federal Aviation Administration. Persons designated under this section, while performing their duties under that agreement have the general police powers set out in (a) of this section.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.-
10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 244 (Cost same as for HB 140)
Title Delete Special Officers Insurance
Requested by _____ Date 3/15/77

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		(10.0)				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		(10.0)				

FUNDING (Thousands of Dollars)

GENERAL FUND		(10.0)				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This coverage not necessary. Above (\$10.0) savings would apply to FY 78. However, if we continue to purchase this coverage it will represent an annual expenditure of at least \$10.0.

IV. DATE November 24, 1976 PREPARED BY *T. ...*

AGENCY Administration

Original: Legislative Finance

PHONE 465-2277

cc: Budget and Management

Prime Sponsor (First Legislator Named) Croft

Office of the Commissioner
General Services & Supply
Dept. of Public Safety

Senate Labor & Management
Office of the Governor

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH C - JUNEAU 99811

March 2, 1977



Honorable Chancy Croft
Alaska State Legislature
Pouch V - State Capitol
Juneau, Alaska 99811

Re: Special Officers Insurance

~~HB 140~~

B244

Dear Senator Croft:

Pursuant to your recent request, I have had researched the effect of HB 140 on special officers who may be otherwise retired or low income earners. In our opinion, the workmen's compensation benefit exceeds the Special Officer benefit in all but a few instances. As the law currently stands, we believe that special officers may qualify for both coverages.

It appears that the original intent of the legislature was to provide a benefit under special officer insurance because workmen's compensation did not provide for special officers, but not to provide a benefit in addition to workmen's compensation.

Benefit schedules under workmen's compensation more closely relate to actual need of the officer and his dependants. Only in instances of death of an officer without dependants or with short life expectancy dependants would the lump sum special officer benefit be advantageous since non-dependants could be assigned as beneficiaries.

We still feel that HB 140 is advantageous to special officers since it directly establishes workmen's compensation benefits for them. If you have further questions please call John George, State Risk Manager, 465-2283.

Sincerely yours,

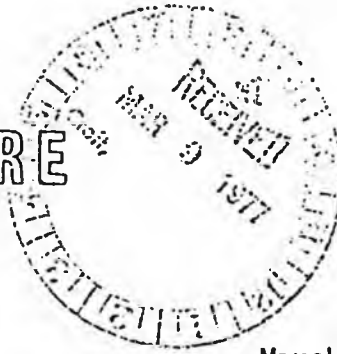
A handwritten signature in cursive script, appearing to read "Richard W. Freer".

Richard W. Freer
Deputy Commissioner

RHF/kw
cc: Division of General Services
& Supply

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY



POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

March 8, 1977

SUBJECT: Cost Estimate for Special Officer Workers' Compensation Coverage per Attached Draft (W.O. #3677)

TO: The Honorable Chancy Croft

FROM: Ken Humphreys *K.H.*
Research Analyst

As you requested, I have investigated the cost implications of the attached draft bill which stipulates the terms for workers' compensation coverage for special officers under AS 18.65.010(a). The likely cost effect, subject to the assumptions which follow, is a saving to the state of \$10,000 per year.

The savings of \$10,000 per year would accrue by dropping the special insurance coverage which is currently required under AS 18.65.010(d) which the attached bill would repeal. The primary reason we have not projected any offsetting costs is that, with increasingly liberal workmen's compensation board interpretations of "state employee", a special officer who was seriously injured or killed on the job would probably be awarded workmen's compensation benefits under the current law in addition to any benefits from other coverage.

Even if special officers were not currently covered under workers' compensation, the attached draft would have an insignificant effect on premium costs. The State of Alaska insures itself up to \$500,000 per claim and is covered by a series of reinsurance arrangements above that amount. Since there has never been a serious injury for a special officer, the likelihood of an expensive claim seems small, and, as pointed out above, the state would probably be liable anyway. The attached bill would just remove the double coverage.

Please let us know if you need further information.

KH:jm
Attachment

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to special officers."

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

* Section 1. AS 23.30 is amended by adding a new section to read;

Sec. 23.30.243. SPECIAL OFFICERS. (a) A special officer appointed under AS 18.65.010(a) is considered an employee under this chapter only when he is actually traveling or working as a special officer. The weekly wage earned in the special officer's regular employment shall be used in computing the amount of compensation to be awarded. If a special officer has no regular employment, the minimum wage paid a full-time state trooper shall be used in computing the amount of compensation to be awarded.

(b) Annual appropriations to fund the coverage provided for in (a) of this section shall be provided for in the budget of the Department of Public Safety.

* Sec. 2. AS 18.65.010(d) is repealed.

now necessary. No specific savings are claimed, but implementation will improve overall efficiency.

49. Amend governing legislation to delete special officers' insurance.

Existing legislation provides for purchase of accidental death and injury insurance for special officers. These persons are deputized as troopers and serve without pay. Workmen's compensation provides coverage which has far more liberal benefits than are provided under the current statute. Repeal of the insurance provision of the statute will result in an annual saving of \$10,000 by eliminating the premium now paid.

50. Increase the Risk Management Section by three positions.

The state now pays an insurance carrier \$125,000 to process claims. By adding three positions — a contract and data analyst, a claims adjuster and a clerk — the present arrangement could be discontinued. The annual cost would amount to \$50,000. It is generally accepted within the insurance industry that a capable, full-time claims adjuster can reduce claim expenses by 10% to 15% on a sizable block of premiums. The state pays approximately \$800,000 yearly in claims.

Estimating a 10% reduction plus elimination of the current service fee of \$125,000, the annual saving to be achieved through implementation would amount to \$205,000. In addition, implementation will allow a smoother transition to self-insurance in the event that market conditions cause the current carrier to discontinue coverage.

S/F 58-59
effect also elsewhere
in budget

Data Processing

S/P Form 69-79

The Department of Administration is responsible for statewide management and operation of Alaska's electronic data processing (EDP) resources. This responsibility has been delegated to its Division of Data Processing.

The Division of Data Processing has an authorized staff of 107 with 39 positions in Anchorage and 68 in Juneau. Its fiscal 1976 budget appropriation was slightly more than \$3-million. Operations are divided into four sections in Juneau — Technical Services, Systems Development, Systems Maintenance and Operations — and a self-contained activity in Anchorage. The division is supervised by a director who reports to the Deputy Commissioner of Administration.

Legislation enacted in 1972 designates the Department of Administration as having responsibility for overall statewide operations and management of data processing resources and activities for all three branches of government. However, this has not been accomplished.

Personnel in the Technical Services Section provide systems programming for the division and supply technical advice in regard to equipment evaluations and software problems. The Systems Maintenance Section is composed of programming teams which are each responsible for specific groups of applications. Section personnel respond to requests for problem resolutions and changes or enhancements to programs for which they are responsible.

May 10, 1977

M E M O R A N D U M

TO: The Honorable Jay S. Hammond
Governor

FROM: Avrum M. Gross
Attorney General

RE: Attached bill relating to passenger screening
services and law enforcement authority at
state airports
Our File: J-77-223-77

Attached is a bill to authorize the commissioner of public works to designate private security guards with general police powers to perform passenger screening functions at state airports where screening is required through Federal Aviation Administration regulations.

The bill is specifically submitted at the joint request of the Department of Public Safety and the Department of Public Works. Presently, AS 02.15.230 authorizes the commissioner of public works to designate only officers and employees of the Department of Public Works to exercise general police powers under AS 02.15. Consequently, because of FAA regulations which require the presence of an individual with general law enforcement authority during the passenger screening process of all domestic flights, it has been necessary to assign uniformed law enforcement personnel to perform this function. At Anchorage International Airport this has necessitated the presence, for monitoring purposes only, of uniformed Airport Security Police of the Division of Aviation, Department of Public Works.

The cost of this service is billed to the individual airlines by the state, but the practice has unnecessarily diverted Airport Security personnel from other responsibilities and, on occasion, has resulted in the delay of flights because of the absence of a screening officer who is occupied with an emergency elsewhere. Additionally, passenger screening services can be directly provided by the individual airlines through security guard agencies approved by the commissioner of public works at a greatly reduced cost to the airlines thereby reducing expenses passed on to the travelling public.

The Honorable Jay S. Hammond
Governor

May 10, 1977

- 2 -

For the present time, an arrangement has been worked out whereby the commissioner of public safety will issue special police commissions under AS 18.65.010 to security guards employed for the limited purpose of passenger screening. The scope of these commissions will be restricted to an exercise of general law enforcement authority only while performing this limited function. In the long run, however, the use of special police commissions under AS 18.65.010 is an inappropriate and unacceptable approach to the problem which the attached bill seeks to address.

A draft transmittal letter is also attached.

AMG:md:DWH

D R A F T

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to passenger screening services at state airports. If enacted, the bill will authorize the commissioner of public works to designate private security guards, in addition to employees of the Department of Public Works, to exercise general police powers for the limited purpose of monitoring passenger screening activities during the boarding of domestic flights.

Presently, AS 02.15.230 authorizes the commissioner of public works to designate only officers and employees of the Department of Public Works to exercise general police powers under AS 02.15. Because of this limitation and because of Federal Aviation Administration regulations which require the physical presence of an individual with general law enforcement authority during the passenger screening process prior to boarding all domestic flights, it has been necessary to assign uniformed law enforcement personnel to perform this function. At Anchorage International Airport, where the problem which this requirement poses is particularly acute, it has necessitated the presence, for monitoring purposes only, of uniformed Airport Security Police of the Division of Aviation, Department of Public Works.

The cost of this service is billed to the individual airlines by the state, but the practice has unnecessarily diverted Airport

Security personnel from other responsibilities and, on occasion, has resulted in the delay of flights because of the absence of a screening officer who is occupied with an emergency elsewhere, at considerable inconvenience to the public and the airlines. Additionally, passenger screening services can be directly provided by the airlines through contracts with security guard agencies approved by the commissioner of public works at a greatly reduced cost thereby reducing expenses that are passed on to the travelling public. Any such agency must first comply with regulations pertaining to security guard agencies adopted by the Department of Public Safety and must additionally be approved by the commissioner of public works on an individual-by-individual basis in compliance with the provisions of this bill.

In addition, sec. 1 contains a grammatical correction and an amendment to remove a legalese redundancy.

Sincerely,

Jay S. Hammond
Governor

Representative Haugen asked how much money the Commission is getting on the crew licenses. Mr. Adasiak said they got \$385,000 in 1976. However, under the proposed system, the revenue for crew licenses will drop to about \$113,000.

CSSB 128
(continued)

Representative Haugen moved that CSSB 128 (Finance) be reported out of Committee. No objection, the bill was reported out "do pass." That includes \$209.2 for the new fiscal note.

SB 244 am: AN ACT RELATING TO SPECIAL OFFICERS.

SB 244 AM

Dick Holden, Deputy Commissioner of Public Works, testified that he would like to request an amendment to this bill, in the form of a Finance Committee substitute. The amendment is proposed because of a problem that would arise in the Department of Public Safety, according to Commissioner Burton. Mr. Holden explained that the bill presently before the Committee was drafted in order to allow workmens' compensation coverage of special deputies or other persons hired to fill in as officers for a particular purpose. The amendment that is proposed (drafted by the Attorney General) is to authorize the Commissioner of Public Works to designate private security guards with general police powers to perform passenger screening functions at State airports where screening is required by Federal Aviation Administration regulations. The amendment is submitted at the joint request of the Department of Public Safety and the Department of Public Works. He said the amendment is explained in detail in a May 10, 1977 memo to Governor Hammond from Avrum Gross, together with a proposed bill with three sections. (See bill file).

Answering Representative Cowper's question, Mr. Holden said there is no fiscal impact involved.

Representative Haugen moved and asked unanimous consent that the Committee report out a Finance Committee Substitute to SB 244 am. No objection, so ordered. The committee substitute was reported out "do pass". This committee substitute would add a Section 3, 4 and 5, in accordance with the A.G.'s draft.

Jim Duncan brought before the Committee a bill he proposed relating to speed limits. He wanted to get a consensus from the Committee as to whether or not they would consider sponsoring the bill. The Committee agreed to sponsor the legislation.

HB 409: AN ACT RELATING TO CATASTROPHIC ILLNESS.

HB 409

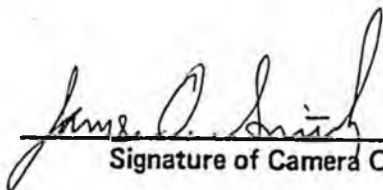
Representative Buchholdt presented the Committee with copies of a proposed Finance Committee Substitute to this bill. She stated that the amendment to the bill that she proposes is with



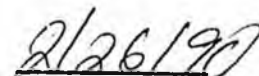
RECORDS CERTIFICATION



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



Signature of Camera Operator



Date

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 257
 Title An Act Relating to Sick Leave Credited as Service Credit in PERS
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 Budget Request Unit(s) Affected Public Employees' Retirement System

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			20.6	22.5	25.0	27.5
200 TRAVEL						
300 CONTRACTUAL			20.0	0.3	0.3	0.3
400 COMMODITIES			0.3			
500 EQUIPMENT			0.8			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS			430.0	473.0	520.3	572.3
TOTAL	-0-	-0-	471.7	495.8	545.6	600.1

FUNDING (Thousands of Dollars)

GENERAL FUND	80%		344.0	378.4	416.2	457.8
FEDERAL FUNDS	17%		73.1	80.4	88.5	97.3
OTHER (Specify)	3%		12.9	14.2	15.6	17.2
PERS			41.7	22.8	25.3	27.8

POSITIONS

FULL TIME			1	1	1	1
PART TIME						
TEMPORARY						

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

1. Estimate FY 79 payroll to be \$215,000,000.
2. Estimate total State payroll will increase at 10% annually.
3. Estimate current unused sick leave accumulation averages 3.9 days per year based on statistical sample of approximately 450 vested state employees eligible for normal retirement.
4. Estimate increase in unused sick leave balance to 4.7 days annually after passage of legislation (20% increase).
5. Increase in state contribution rate is .20% of payroll.
6. Administrative costs as attached.
7. Does not include costs for participating political subdivisions. Recommend that the Alaska Municipal League, 204 Franklin St., Juneau, 586-1325 be contacted.

IV. DATE 1/31/78 PREPARED BY Paul B. Arnoldt
 AGENCY Division of Retirement and Benefits
 PHONE 465-4460 *OK*

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

APPENDIX I

SB 257

1. Personnel Services -

To calculate contributions due to the system, input service credit data and handle correspondence will require:

One regular full-time employee - Benefit Technician (Range 12)
Salary and merit increases at 6% first year

FY 79 Monthly Salary	\$1,371 x 12	=	\$16,452
Plus benefits at 25.5%		=	\$ 4,195
	Total		<u>\$20,647</u>

2. Contractual -

Estimated costs for major data processing system modifications are \$20,000, onetime only.

3. Commodities -

\$300 per year

4. Equipment -

Desk, chair, calculator = \$ 800

5. These funds should be appropriated to the Division of Retirement and Benefits, Paul B. Arnoldt, Director, 465-4460.

SENATE
JOURNAL SUPPLEMENT

February 8, 1978

Wednesday

No. 8.

FISCAL NOTE

I. REQUEST SB
257
 Bill/Resolution No. C. S. for Senate Bill 257
 Title An Act Relating to Medical Leave
 Requested by Senate HESS Committee Date January 11, 1978

II. FISCAL DETAIL
 Agency Affected All
 Program Category Affected All
 Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	1,493.5	1,658.5	1,936.0	2,265.1	2,634.5	3,048.4
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	1,493.5	1,658.5	1,936.0	2,265.1	2,634.5	3,048.4

*See (g)
only*

FUNDING (Thousands of Dollars)

GENERAL FUND	60%					
FEDERAL FUNDS	17%					
OTHER (Specify)	3%					

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Using a sample of 93 employees who retired in 1977, multiplied their payrate at the time of retirement times one-half their sick leave balance. This sample was used to arrive at an average. This average was multiplied by the approximate number of employees expected to retire in subsequent fiscal years and adjusted for anticipated increases in the cost of living.

IV. DATE February 6, 1978 PREPARED BY Roderic R. Mourant *P. R. Mourant*
 AGENCY Administration, Finance
 PHONE 465-2239 *OK RLT*
 Original: Legislative Finance
 cc: Budget and Management
 Print Sponsor (First Legislator Named) Rodey
 Office of Governor (Specify)
 Senate HESS Committee
 33-001 (Rev. 12/77)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 257Title An Act Relating to Sick Leave Credited as Service Credit in PERS

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and BenefitsProgram Category Affected Retirement and Benefits (PERS)Budget Request Unit(s) Affected Public Employees' Retirement SystemEXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		20.6	22.7	25.0	27.5	30.2
200 TRAVEL						
300 CONTRACTUAL		20.0				
400 COMMODITIES		0.3	0.3	0.3	0.3	0.3
500 EQUIPMENT		0.8				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS		537.5	591.3	650.4	715.4	787.0
TOTAL	-0-	579.2	614.3	675.7	743.2	817.5

FUNDING (Thousands of Dollars)

GENERAL FUND	80%	430.0	473.1	520.3	572.3	629.6
FEDERAL FUNDS	17%	91.4	100.5	110.6	121.6	133.8
OTHER (Specify)	3%	16.1	17.7	19.5	21.5	23.6
PERS		41.7	23.0	25.3	27.8	30.5

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

- This fiscal note supersedes fiscal note dated 1/31/78.
- Estimate FY 79 state payroll to be \$215,000,000.
- Estimate total state payroll will increase at 10% annually.
- Estimate that the average state employee will receive an additional 4.7 days (unused medical leave) of service credit for each year of employment under PERS. (Based upon statistical sample of approximately 450 vested state employees eligible for normal retirement. A 20% increase in unused sick balance was assumed after passage of this bill.)
- Increase in state contribution rate is .25%.
- Assumes current retirees will not be affected by this bill.
- Administrative costs as attached.
- Does not include costs for participating political subdivisions. Recommend that the Alaska Municipal League, 204 Franklin St., Juneau, 586-1325 be contacted.

IV. DATE 2/17/78 PREPARED BY Paul B. Arnoldt
 AGENCY Division of Retirement and Benefits
 PHONE 465-4460 *OK RJA*

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

APPENDIX I

SB 257

1. Personnel Services -

To calculate contributions due to the system, input service credit data and handle correspondence will require:

One regular full-time employee - Benefit Technician (Range 12)
Salary and merit increases at 6% first year

FY 79 Monthly Salary	\$1,371 x 12	=	\$16,452
Plus benefits at 25.5%		=	\$ 4,195
TOTAL			<u>\$20,647</u>

2. Contractual -

Estimated costs for major data processing system modifications one time only	=	\$20,000
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3. Commodities - (Per Year)	=	\$ 300
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4. Equipment - (One time only)

Desk, chair, calculator	=	\$ 800
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5. These funds should be appropriated to the Division of Retirement and Benefits, Paul B. Arnoldt, Director, 465-4460.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. C. S. for Senate Bill 257
 Title An Act Relating to Medical Leave
 Requested by Senate HESS Committee Date January 18, 1978

II. FISCAL DETAIL

Agency Affected All
 Program Category Affected All
 Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	1,493.5	1,658.5	1,936.0	2,265.1	2,634.5	3,048.4
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS. CLAIMS. ETC.						
TOTAL	1,493.5	1,658.5	1,936.0	2,265.1	2,634.5	3,048.4

FUNDING (Thousands of Dollars)

GENERAL FUND	80%					
FEDERAL FUNDS	17%					
OTHER (Specify)	3%					

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Using a sample of 93 employees who retired in 1977, multiplied their payrate at the time of retirement times one-half their sick leave balance. This sample was used to arrive at an average. This average was multiplied by the approximate number of employees expected to retire in subsequent fiscal years and adjusted for anticipated increases in the cost of living.

IV. DATE February 6, 1978 PREPARED BY Roderic R. Mourant
 AGENCY Administration, Finance
 PHONE 465-2239
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Rodey
 Office of Governor (Specking)
 Senate HESS Committee
 33-001 (Rev. 12/77)

Roderic R. Mourant
OK RAY

COMMITTEE REPORT

SENATE

5/14/77

Finance

2-6-78 Date

Mr. President:

The Committee on Health Education & Social Services has had SB 257 sick leave credited as service credit in Public Employee's Retirement System 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) *state of affairs CS do pass & amend.*
- 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 *LETTER OF INTENT*
- (other) *NEW FISCAL NOTE ATT'D*

MEMBERS SIGNING THE MAJORITY REPORT:

Patrick Rodey

PATRICK RODEY

Ed Walker

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

Glen Ardman

 Chairman
 DO PASS

A M E N D M E N T

OFFERED IN THE SENATE:

BY: SENATE HESS

TO: _____ SENATE BILL No. CSSB 257

HOUSE BILL No. _____

PAGE: 1

LINE: 13

Line 13: Delete 'one year' insert 'six months'



POUCH V
JUNEAU, ALASKA 99811

Alaska State Legislature
Senate

February 7, 1978

MEMORANDUM

TO : Senate Finance Committee

FROM: Senate HESS Committee

RE : Senate Bill 257

Please be advised that the Senate Health, Education, and Social Services Committee, upon consideration of Senate Bill 257, believes that the employee's sick leave should be computed as a service credit on a yearly basis rather than lump sum at the same rate of pay as his salary on retirement.

The language in the bill is not specific on this point. Should the Finance Committee determine that clarifying language is necessary, we would support the addition of appropriate language.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 257
 Title An Act Relating to Sick Leave Credited as Service Credit in PERS
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 Budget Request Unit(s) Affected Public Employees' Retirement System

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			20.6	22.5	25.0	27.5
200 TRAVEL						
300 CONTRACTUAL			20.0	0.3	0.3	0.3
400 COMMODITIES			0.3			
500 EQUIPMENT			0.8			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS			430.0	473.0	520.3	572.3
TOTAL	-0-	-0-	471.7	495.8	545.6	600.1

FUNDING (Thousands of Dollars)

GENERAL FUND	80%		344.0	378.4	416.2	457.8
FEDERAL FUNDS	17%		73.1	80.4	88.5	97.3
OTHER (Specify)	3%		12.9	14.2	15.6	17.2
PERS			41.7	22.8	25.3	27.8

POSITIONS

FULL TIME			1	1	1	1
PART TIME						
TEMPORARY						

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

1. Estimate FY 79 payroll to be \$215,000,000.
2. Estimate total State payroll will increase at 10% annually.
3. Estimate current unused sick leave accumulation averages 3.9 days per year based on statistical sample of approximately 450 vested state employees eligible for normal retirement.
4. Estimate increase in unused sick leave balance to 4.7 days annually after passage of legislation (20% increase).
5. Increase in state contribution rate is .20% of payroll.
6. Administrative costs as attached.
7. Does not include costs for participating political subdivisions. Recommend that the Alaska Municipal League, 204 Franklin St., Juneau, 586-1325 be contacted.

IV. DATE 1/31/78 PREPARED BY Paul B. Arnoldt
 AGENCY Division of Retirement and Benefits
 PHONE 465-4460 *OK att.*

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

APPENDIX I

SB 257

1. Personnel Services -

To calculate contributions due to the system, input service credit data and handle correspondence will require:

One regular full-time employee - Benefit Technician (Range 12)
Salary and merit increases at 6% first year

FY 79 Monthly Salary	\$1,371 x 12	=	\$16,452
Plus benefits at 25.5%		=	\$ 4,195
	Total		<u>\$20,647</u>

2. Contractual -

Estimated costs for major data processing system modifications are \$20,000, onetime only.

3. Commodities -

\$300 per year

4. Equipment -

Desk, chair, calculator = \$ 800

5. These funds should be appropriated to the Division of Retirement and Benefits, Paul B. Arnoldt, Director, 465-4460.

Original sponsors: Rodey, Croft,
Huber, et al

Offered: 5/14/77
Referred: Health, Education and
Social Services

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 257

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 medical leave."

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

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* Section 1. AS 39.20.260(f) is amended to read:

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(f) Upon his separation from state service, other than by retirement and unless he reenters employment of the state within six months of his termination, the unused medical leave of an officer or employee is automatically canceled without pay for it. If the employee is subsequently reemployed within one year by the state, the employee is entitled to have reinstated in full the sick leave he had accumulated at the time of his last termination [AN OFFICER OR EMPLOYEE WHEN TERMINATED BY THE STATE REENTERS THE STATE SERVICE WITHIN SIX MONTHS AFTER HIS TERMINATION, HE IS ENTITLED TO CREDIT FOR ONE-HALF OF THE MEDICAL LEAVE HE HAD ACCRUED AT THE TIME OF HIS TERMINATION].

* Sec. 2. AS 39.20.260 is amended by adding a new subsection to read:

(g) Upon retirement, an employee shall receive cash payment for 50 per cent of his accumulated medical leave. For purposes of determining the payment, the employee's medical leave shall be computed at the same rate of pay as his salary on retirement.

Introduced: 3/17/77
Referred: State Affairs and
Health Education and Social
Services and Finance

BY RODEY, CROFT, HUBER,
WILLIS AND ZIEGLER

1 IN THE SENATE

2 SENATE BILL NO. 257

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 sick leave credited as service
7 credit in the Public Employee's Retirement System of
8 Alaska."

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

10 * Section 1. AS 39.35 is amended by adding new sections to read:

11 Sec. 39.35.355. REINSTATED SICK LEAVE. If an employee's employ-
12 ment is terminated for any reason before he becomes eligible for a
13 retirement benefit and the employee is subsequently reemployed within
14 three years by the same participating employer, the employee is entitled
15 to have reinstated in full the sick leave he had accumulated at the time
16 of his last termination.

17 Sec. 39.35.365. SICK LEAVE COMPUTED AS SERVICE CREDIT. Upon
18 retirement, a participating employee is entitled to receive service
19 credit for his accumulated sick leave. For purposes of determining his
20 service credit for the entire period of employment, the employee's sick
21 leave shall be computed as service credit at the same rate of pay as his
22 salary on retirement.

23 Sec. 39.35.370. OPTION FOR ANNUAL LEAVE COMPUTED AS SERVICE
24 CREDIT. Upon retirement a participating employee shall have the option
25 to receive service credit for his accumulated annual or personal leave
26 or receive cash payment for his accumulated annual or personal leave.
27 For purposes of determining his service credit for the entire period of
28 employment, the employee's annual or personal leave shall be computed as
29 service credit at the same rate of pay as his salary on retirement.

1 Sec. 39.35.375. SERVICE CREDIT FOR SICK LEAVE. An employee who
2 completes five years of service and whose employment is terminated for
3 any reason except retirement is entitled to receive service credit for
4 his accumulated sick leave.

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CORRECTION

Re: SENATE BILL NO. 257

March 22, 1977

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CORRECTION

Please discard SENATE BILL NO. 257 and replace with
this corrected version.

P. O., Box 1260
Anchorage, AK 99510
February 26, 1978

Cathy
7

Senate Finance Committee

→ Honorable John C. Sackett, Chairman
Honorable George H. Hohman, Vice Chairman
Honorable John Butrovich
Honorable Chancy Croft
Honorable H. D. "Pete" Meland
Honorable Joseph L. Orsini
Honorable Clem V. Tillion

Dear Sirs:

I wrote to you on Feb 20 re SB257 urging its passage and showing that it will cost a maximum of \$48,600 in additional benefits in FY79 rather than the \$430,000 predicted by the fiscal note.

I am now writing re CSSB257, which would pay employees at retirement for 50% of their unused sick leave in lump sum.

Using the same figures from the Division of Retirement as used in my letter of Feb 20, if all 450 eligible employees should retire in FY79, the cost to the State in FY79 would be 450 x 20 years service x 3.9 sick leave days accumulated per year x \$69.23 (one day's pay at \$1500 per month) x 50%. This would total \$1,215,000 as compared to the \$48,600 cost of SB257.

We should consider, too, that income taxes will take a large bite out of the lump sum payment for sick leave under CSSB257, particularly if the employee retires late in the year and if he also receives a sizable terminal leave payment for unused annual leave.

Payments under the two bills can be compared as follows. What would a retiree receive for each day of unused sick leave if his salary has been \$100 per day? Under CSSB257, he would receive \$50 cash. Under SB257, he would receive \$2 per year additional retirement pay ($2\% \times 1/260 \times 26,000$). \$2 is 4% of \$50. If the \$50 is not taxed (very unlikely), he could invest the \$50 and earn more than 4%, in which case CSSB257 would be the better bill for him. However, if taxes should take half of his \$50, then he would have to earn 8% on the remaining part of his lump sum payment to be as well off under the CS bill as he would be under SB257. The average would be somewhere in between, perhaps 6%, that the retiree would have to earn on his cash payment to be as well off under the CS bill as under SB257.

Either bill, of course, is an improvement over the present situation. But I think SB257 is the better bill for the State and for most employees, and I urge you to pass it.

Thank you.

Sincerely,

James A. Williams
James A. Williams

COMMITTEE REPORT

SENATE

2/8/78

FURTHER: _____

Date: _____

Mr. President:

The Committee on FINANCE has had SB 257
sick leave credited as service credit in Public Employee's Retirement System

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:

COMMITTEE REPORT

SENATE

Finance

5/14/77

2-6-78 Date

Mr. President:

The Committee on Health Education & Social Services has had SB 257 sick leave credited as service credit in Public Employee's Retirement System under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do State Affairs CS does pass & amend. 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

LETTER OF INTENT AND attaches a report of its intent

(other) NEW FISCAL NOTE ATT'D

MEMBERS SIGNING THE MAJORITY REPORT:

1 Brad Bradley
1 PATRICK RODE!
1 Ed

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

____ recommends: _____
____ recommends: _____
____ recommends: _____

1 Steuin Hackman
Chairman
DO PARS

A M E N D M E N T

OFFERED IN THE SENATE:

BY: SENATE HESS

To: _____ SENATE BILL No. CSSB 257

HOUSE BILL No. _____

PAGE: 1

LINE: 13

Line 13: Delete 'one year' insert 'six months'