

LEG. FINANCE - BILLS 1977 - 1978 981

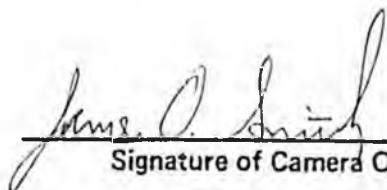
SB 538 thru SB 540

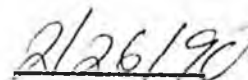


# RECORDS CERTIFICATION



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

FURTHER: \_\_\_\_\_

6/25/77

Date: \_\_\_\_\_

Mr. President:

The Committee on FINANCE has had SS 538  
*new jobs tax credit under Alaska Nat Income Tax Act*

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 recommendatio.
- and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
Chairman

# MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE March 29, 1978

FILE NO.

TELEPHONE NO.

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT Senate Bill No. 538

This bill would make the new jobs tax credit provisions of the Internal Revenue Code effective for Alaska for any tax year beginning after December 31, 1976.

There will be no additional costs of administration resulting from the passage of this bill.

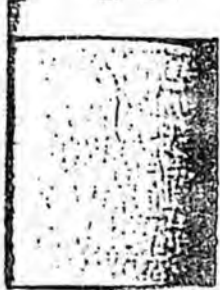
The bill would cause a reduction in the revenue received from the corporate and individual income taxes; however, there is no way to determine what this actual effect may be. This credit provision was designed to encourage employment of additional personnel and thus enlarge the job market. While it is obvious that some taxpayers will qualify for credit within the state, the number is indeterminate and thus the specific revenue loss from the credit so taken is also indeterminate. Based on the limited information available, it is anticipated that the revenue loss should not exceed \$50,000 per year for calendar years 1977 and 1978.

**Jobs Tax Credit  
—For Employers  
Hiring More  
Workers**



U.S. Department of Labor  
Employment and Training Administration

**JOBS  
TAX CREDIT**



A new law gives employers a major tax break when they hire more workers during 1977 or 1978. The Tax Reduction and Simplification Act of 1977, signed by the President on May 23, 1977, allows employers to claim a substantial Jobs Tax Credit against their Federal income tax liabilities for additional workers they employ in each of those years.

The maximum credit per additional worker is \$2,100. However, since the employer's normal deduction for wages is reduced by the amount of the credit, the actual tax savings can range from \$630 to \$1,806 per worker, depending on the company's tax bracket.

### **All Workers Eligible**

The new incentive to employers is a significant part of the Government's drive to speed recovery of the economy by putting more people to work. To make it easy for employers like yourself to take advantage of the credit, the law places no restrictions on the kinds of workers hired. All you have to do is take on more people than you had on your payroll in the previous year. The only worker specification in the law concerns handicapped employees, who qualify you for special credit—in addition to the credit otherwise available for new hires.

### **Calculating the Credit**

Similarly, the credit provisions are uncomplicated and permit you to use existing records. They work like this:

You calculate your credit from a base amounting to 102 percent of the wages on which your firm paid Federal unemployment insurance (UI) taxes for the previous year (the first \$4,200 of wages for each worker employed during the year). Hence you can figure your credit from the records you now keep to file UI tax returns. To do so, you merely subtract last year's base.

from the wages subject to UI taxes during the current year. Your credit amounts to half of the difference.

For example, a plant had 20 employees in 1976 and hires 10 additional workers in 1977. In 1976, it paid UI taxes on \$4,200 for 20 employees or \$84,000. Hence its base is 102 percent of this amount, or \$85,680.

In 1977, it pays UI taxes on \$4,200 for 30 employees or \$126,000. This is an increase of \$40,320 over its base, and its credit is half that amount, or \$20,160.

In addition, if two of the new workers are handicapped, the firm gets 10 percent of the first \$4,200 paid to each of these workers, or \$840, as an extra credit, raising its total savings to \$21,000.

For 1978, the firm will calculate its credit in the same way, using 1977 wages as its base. It can claim credit for workers hired after December 31, 1976, and before January 1, 1979, on returns for tax years beginning in 1977 and 1978.



There are some limitations. A major one is a ceiling of \$100,000 on the credit for 1 tax year. However, the extra savings on handicapped workers do not count toward the ceiling, and employers can carry unused credits back 3 tax years and forward 7 years. There are also some technical requirements. The Internal Revenue Service can supply guidance on these and other provisions of the Jobs Tax Credit and has already prepared a pamphlet, IRS Publication 902, "Tax Information on Jobs Tax Credit," explaining the various limitations and other requirements. This pamphlet should be available at your local IRS office, and should be consulted in evaluating the benefits of this credit to you and your business.

## Department of Labor Services To Help You

The Department of Labor is not involved in administering the Jobs Tax Credit. But as part of its broad responsibility to help workers prepare for and find jobs, it supports a variety of services that can help employers take full advantage of the credit. It can supply qualified workers to fill your additional job openings, and it may be able to help you save on the costs of training them. Some programs that can assist you are:

**THE EMPLOYMENT SERVICE/JOB SERVICE**  
The Federal-State employment service—known as the Job Service in most States—is a network of nearly 2,500 local offices serving employers and jobseekers in cities and towns across the country. The local office in your area can send you experienced applicants and entry-level workers, selected and screened specifically for your jobs. It can refer workers trained through federally funded programs; or it can help you plan your own training, tell you about possible compensation for your training costs through Federal or community programs, and send you veterans and other workers eligible for these programs.

## STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99311

JAY S. HAMMOND, GOVERNOR

March 7, 1978

The Honorable Bill Sumner  
 Senator  
 Alaska State Senate  
 Juneau, AK 99811

Dear Senator Sumner:

Your Administrative Assistant, Cheryl Frasca, asked for some additional explanation of the new jobs credit. In this letter I have tried to give most of the major rules and limitations that apply, but I must admit that there are a host of minor technical rules that I haven't included in this letter. If you want more information please contact me.

The new jobs credit is a credit against the taxpayer's income tax for 50% of the wages paid during 1977 or 1978 which are subject to the Federal Unemployment Tax and which exceed 102% of those wages paid in the previous year. Wages subject to the Federal Unemployment Tax are the first \$4,200 paid to an employee during the year. The new jobs credit also requires that total wages increase by more than 105% of those wages paid in the previous year and in addition the total amount of the credit cannot exceed \$100,000 per taxpayer. To the extent a credit is allowable the taxpayer may not also take a business deduction for labor costs. This example illustrates how the credit is calculated:

|  | <u>Subject to<br/>FUTA wages</u> | <u>Total Wages</u>              |
|--|----------------------------------|---------------------------------|
| 1977 payroll   | \$100,000                        | \$200,000                       |
| 1978 payroll   | <u>110,000</u>                   | <u>240,000</u>                  |
| net increase   | 10,000                           | 40,000                          |
| non creditable increase:                                 |                                  |                                 |
| 2% of base year  | 2,000                            |                                 |
| 5% of base year  | <u>          </u>                | <u>10,000</u>                   |
| creditable increase                                      | <u>8,000</u>                     | <u>30,000</u>                   |
| Actual creditable amount:<br>limited to smaller increase | 8,000                            |                                 |
|  | <u>X .50</u>                     |                                 |
| Credit against income tax                                | \$4,000                          |                                 |
| 1978 payroll expense deduction                           |                                  | \$236,000 = \$240,000 - \$4,000 |

Senator Sumner

2

March 7, 1978

I hope this information is what you need.

Sincerely,



John R. Messenger  
Deputy Commissioner

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99801  
907 455 3800

MEMORANDUM

February 8, 1978

SUBJECT: Jobs Tax Credit (W.O. #4759)  
TO: Senator Bill Sumner  
FROM: Richard A. Bradley, <sup>B</sup> Legislative Counsel

You requested a bill allowing a tax credit for a company which increases its in-state employment. As we should know by now, anything involving taxation cannot be simple and straightforward.

The jobs tax credit under Federal law is granted by sec. 202 of the Tax Reduction and Simplification Act of 1977, enacted on May 23, 1977, which is now codified as 26 U.S.C. §44B, or, more simply, §44B of the Internal Revenue Code.

As you know, Alaska law adopts the U.S. Internal Revenue Code by reference. AS 43.20.021. Sec. 21 provides, in part:

Subtitle F and Chapter 1 of subtitle A of the 1954 Internal Revenue Code, Public Law 83-591, as amended, are adopted by reference as a part of this chapter, except that those provisions of the Internal Revenue Code adopted after December 31, 1975 which change or modify exemptions from tax or credits against tax are not adopted by reference as a part of this chapter until the second January 1 following the effective date of the federal law. These portions of the Internal Revenue Code have full force and effect under this chapter unless excepted to or modified by other provisions of this chapter.

Similarly, AS 43.20.036 contains a listing of those federal tax deductions and credits which the legislature has seen fit to deny to Alaska taxpayers.

Senator Bill Summer  
February 8, 1978  
Page 2

Accordingly, the Jobs Tax Credit granted by federal law will be available to Alaskan taxpayers under §21 on the "second January 1" following its effective date.

It appears that the effective date of TRSA was May 23, 1977. Since it grants a tax credit for the 1977 tax year, it clearly took effect during that year.

However, because of §21, it appears that the credit would not be available to state taxpayers until taxable year 1979. Since I assume this result is not what you wish, I have prepared a bill granting the benefits for taxable years 1978 and 1979. You will note that the Federal tax credit is, at this time, at least, granted for only two years, taxable years 1977 and 1978. The bill I prepared is consistent and applies only for 1978 and 1979; it follows to a large extent a prior tinkering with tax credits by Ch. 28, SLA 1977.

RAB:hjd

STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE AFFAIRS AGENCY

POUCHY - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

MEMORANDUM

March 6, 1978

SUBJECT: Tax Credits (W.O. #4759)  
TO: Senator Bill Sumner  
FROM: Richard A. Bradley, Legislative Counsel

A revised version of your bill is attached.

On receipt of your recent request, I discussed the bill with John Messenger. You will note that secs. 2 and 3 of his draft are included without significant change.

I discussed with him the question about the termination of the tax credit; his approach is to extend the tax credit under State law for the identical time frame that it exists under Federal law, for tax years beginning in 1977 and 1978 (those who have filed their returns already for tax year 1977 will need to file an amended return to gain benefits under this bill.) You will recall that my approach delayed the effect one year so that Alaska taxpayers would benefit during 1978 and 1979.

My bill also acknowledged this fact directly; Messenger's does not. He says, correctly that on expiration of the federal credit, the State credit expires.

Out of an abundance of caution, I have made this point explicit in the bill attached; should Federal law extend the tax credit, it would also be extended under State law as the bill is written.

RAB:hjd

Attachment



# Alaska State Senate

POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3771

BILL SUMNER  
April 20, 1978

OUT OF SESSION:  
5301 LAKESHORE DRIVE  
ANCHORAGE, ALASKA 99503  
(907) 274-5202

Senator John Rader, President  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Dear President Rader:

The Special Committee on Employment Resources and Opportunities would like to note that its do pass decision on SB 555, SB 537 and SB 538 was also concurred in by Representatives Larry Carpenter and Randy Phillips.

During the interim, these two members of the House were most helpful in the Committee's efforts to create more job opportunities for Alaskans. As a result, the Committee has chosen to include them in its subsequent work and is most appreciative of their continued participation.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sumner".

BILL SUMNER  
Chairman

BS/cf

## STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99911

March 29, 1978

The Honorable Bill Sumner  
Chairman  
Senate Special Employment Resources  
and Opportunities Committee  
Alaska State Legislature  
Assembly Building - Room 104  
Juneau, Alaska

Re: Senate Bill No. 538

Dear Senator Sumner:

Senate Bill No. 538, an Act relating to a new jobs tax credit under the Alaska Net Income Tax Act, was introduced in the Senate on March 17, 1978 and was referred to the Senate Special Employment Resources and Opportunities Committee and the Senate Finance Committee.

For the consideration of the Senate Special Employment Resources and Opportunities Committee, I am enclosing a Fiscal Note prepared by Mr. Gary L. Jenkins, Director, Audit Division, Department of Revenue concerning the proposed legislation.

Very truly yours,

R. D. Stevenson  
Special Assistant

Enclosure

cc: The Honorable John C. Sackett  
Chairman  
Senate Finance Committee  
Alaska State Legislature  
State Capitol Building  
Juneau, Alaska

John Messenger  
Deputy Commissioner  
Department of Revenue

Gary L. Jenkins, Director  
Audit Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 538  
 Title An Act relating to new jobs tax credit under the Alaska Net Income Tax  
 Requested by Senate Special Employment Resources & Opportunities and Finance Committees Date 3/28/78 (Act

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars) NONE

|                          | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES    |       |       |       |       |       |       |
| 200 TRAVEL               |       |       |       |       |       |       |
| 300 CONTRACTUAL          |       |       |       |       |       |       |
| 400 COMMODITIES          |       |       |       |       |       |       |
| 500 EQUIPMENT            |       |       |       |       |       |       |
| 600 LAND & STRUCTURES    |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS, ETC. |       |       |       |       |       |       |
| TOTAL                    |       |       |       |       |       |       |

FUNDING (Thousands of Dollars) NONE

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

POSITIONS NONE

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL TIME |  |  |  |  |  |  |
| PART TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

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

STATE  
of ALASKA

## MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: March 29, 1978

FILE NO.

TELEPHONE NO.

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: Senate Bill No. 538

This bill would make the new jobs tax credit provisions of the Internal Revenue Code effective for Alaska for any tax year beginning after December 31, 1976.

There will be no additional costs of administration resulting from the passage of this bill.

The bill would cause a reduction in the revenue received from the corporate and individual income taxes; however, there is no way to determine what this actual effect may be. This credit provision was designed to encourage employment of additional personnel and thus enlarge the job market. While it is obvious that some taxpayers will qualify for credit within the state, the number is indeterminate and thus the specific revenue loss from the credit so taken is also indeterminate. Based on the limited information available, it is anticipated that the revenue loss should not exceed \$50,000 per year for calendar years 1977 and 1978.

Introduced: 3/17/78  
Referred: Special Employment  
Resources & Opportunities Committee  
and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE SPECIAL  
EMPLOYMENT RESOURCES AND  
OPPORTUNITIES COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 538

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a new jobs tax credit under the  
7 Alaska Net Income Tax Act; and providing for an effective  
8 date."

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

10 \* Section 1. Notwithstanding the language of AS 43.20.021 providing for  
11 delayed adoption by reference of provisions of the Internal Revenue Code  
12 which change or modify exemptions from tax or credits against tax, secs. 44B,  
13 51, 52, 53, and 280C (26 U.S.C. secs. 44B, 51, 52, 53, and 280C) of the  
14 Internal Revenue Code relating to a new jobs credit are immediately adopted  
15 by reference as part of AS 43.20 and are retroactive to taxable years begin-  
16 ning after December 31, 1976.

17 \* Sec. 2. The only effect of sec. 1 of this Act is to accelerate the date  
18 of adoption of secs. 44B, 51, 52, 53, and 280C (26 U.S.C. secs. 44B, 51, 52,  
19 53, and 280C) of the Internal Revenue Code as part of AS 43.20. In all other  
20 respects, secs. 44E, 51, 52, 53, and 280C (26 U.S.C. secs. 44B, 51, 52, 53,  
21 and 280C) of the Internal Revenue Code shall be treated in the same manner as  
22 though adopted under the provisions of AS 43.20.021.

23 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
24 070(c) and terminates on the date that secs. 44B, 51, 52, 53, and 280C (26  
25 U.S.C. secs. 44B, 51, 52, 53, and 280C) of the Internal Revenue Code would  
26 otherwise be adopted by reference under the provisions of AS 43.20.021(a).  
27 The benefits granted by this Act terminate on the date that secs. 44B, 51,  
28 52, 53, and 280C (26 U.S.C. secs. 44B, 51, 52, 53, and 280C) of the Internal  
29 Revenue Code terminate under federal law.

# COMMITTEE REPORT

## HOUSE

FURTHER: FINANCE

6/9/78

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on THE PERMANENT FUND has had SB 539  
"An Act relating to eligible costs for state grants for capital improvement  
projects; and providing for an effective date."

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:

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\_\_\_\_\_  
Chairman



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James A. Smith  
Signature of Camera Operator

2/26/90  
Date

# COMMITTEE REPORT

## HOUSE

FURTHER: FINANCE

6/9/78

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on THE PERMANENT FUND has had SB 539  
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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:

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\_\_\_\_\_  
Chairman

539  
Introduced: 3/17/78  
Referred: Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE SPECIAL  
PERMANENT FUND COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 539

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to eligible costs for state grants for  
7 capital improvement projects; and providing for an  
8 effective date."

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

10 \* Section 1. AS 02.15.120 is amended to read:

11 Sec. 02.15.120. ASSISTANCE TO CONSTRUCT, ENLARGE OR IMPROVE AIR  
12 NAVIGATION FACILITIES. The department may match available funds with  
13 those of municipalities, federal agencies or other state agencies, for  
14 project costs relating to the construction, enlargement or improvement  
15 of [THE PURPOSE OF ASSISTING TO CONSTRUCT, ENLARGE OR IMPROVE] airports.  
16 The department may assist persons in the construction, enlargement and  
17 improvement of airports and air navigation facilities. The airports and  
18 facilities, until they are abandoned as such, shall be at all times  
19 available for the use of and accessible to the general public, and  
20 maintained as public airports and facilities.

21 \* Sec. 2. AS 02.15.140 is amended to read:

22 Sec. 02.15.140. STATE FINANCIAL ASSISTANCE. The department may  
23 grant or lend money, subject to the provisions of secs. 60, 70 and 120  
24 of this chapter, to any person or municipality acting jointly for pro-  
25 ject costs relating to [IN] the planning, acquisition, construction,  
26 improvement, maintenance or operation of an airport owned or controlled  
27 or to be owned or controlled by the municipality or person. Grants or  
28 loans may be furnished in connection with federal or other financial  
29 aid for the same purpose.

COMMITTEE COPY

1 \* Sec. 3. AS 02.15 is amended by adding a new section to read:

2       Sec. 02.15.155. DEFINITIONS. For the purposes of secs. 120 - 155  
3 of this chapter, "project costs" includes, in addition to costs directly  
4 related to the project, the sum total of all costs of financing and  
5 carrying out the project. These include, but are not limited to, the  
6 costs of all necessary studies, surveys, plans and specifications,  
7 architectural, engineering or other special services, acquisition of  
8 real property, site preparation and development, purchase, construction,  
9 reconstruction and improvement of real property and the acquisition of  
10 machinery and equipment as may be necessary in connection with the  
11 project; an allocable portion of the administrative and operating expen-  
12 ses of the grantee; the cost of financing the project, including in-  
13 terest on bonds issued to finance the project; and the cost of other  
14 items, including any indemnity and surety bonds and premiums on in-  
15 surance, legal fees, fees and expenses of trustees, depositaries, finan-  
16 cial advisors, and paying agents for the bonds issued as the issuer  
17 considers necessary.

18 \* Sec. 4. AS 03.20.010 is amended to read:

19       Sec. 03.20.010. STATE AID. The state may grant aid to agricul-  
20 tural and industrial fair associations, incorporated under the laws of  
21 the state, to assist in the payment of (1) costs of operation and main-  
22 tenance and (2) project costs for capital improvements of annual agri-  
23 cultural and industrial fairs.

24 \* Sec. 5. AS 03.20 is amended by adding a new section to read:

25       Sec. 03.20.080. DEFINITIONS. For purposes of this chapter, "pro-  
26 ject costs for capital improvements" includes, in addition to costs  
27 directl<sup>y</sup> related to the project, the sum total of all costs of financing  
28 and carrying out the project. These include, but are not limited to,  
29 the costs of all necessary studies, surveys, plans and specifications,

1 architectural, engineering or other special services, acquisition of  
2 real property, site preparation and development, purchase, construction,  
3 reconstruction and improvement of real property and the acquisition of  
4 machinery and equipment as may be necessary in connection with the pro-  
5 ject; an allocable portion of the administrative and operating expenses  
6 of the grantee; the cost of financing the project, including interest on  
7 bonds issued to finance the project; and the cost of other items, inclu-  
8 ding any indemnity and surety bonds and premiums on insurance, legal  
9 fees, fees and expenses of trustees, depositaries, financial advisors,  
10 and paying agents for the bonds issued as the issuer considers necessary.

11 \* Sec. 6. AS 18.55.934 is amended by adding a new subsection to read:

12 (c) For purposes of this section, "cost of the project" includes,  
13 in addition to costs directly related to the project, the sum total of  
14 all costs of financing and carrying out the project. These include, but  
15 are not limited to, the costs of all necessary studies, surveys, plans  
16 and specifications, architectural, engineering or other special ser-  
17 vices, acquisition of real property, site preparation and development,  
18 purchase, construction, reconstruction and improvement of real property  
19 and the acquisition of machinery and equipment as may be necessary in  
20 connection with the project; an allocable portion of the administrative  
21 and operating expenses of the grantee; the cost of financing the pro-  
22 ject, including interest on bonds issued to finance the project; and the  
23 cost of other items, including any indemnity and surety bonds and pre-  
24 miums on insurance, legal fees, fees and expenses of trustees, deposi-  
25 taries, financial advisors, and paying agents for the bonds issued as  
26 the issuer considers necessary.

27 \* Sec. 7. AS 19.30.030 is amended by adding a new subsection to read:

28 (d) For purposes of (c) of this section, "cost of construction"  
29 includes, in addition to costs directly related to the project, the sum

1 total of all costs of financing and carrying out the project. These  
2 include, but are not limited to, the costs of all necessary studies,  
3 surveys, plans and specifications, architectural, engineering or other  
4 special services, acquisition of real property, site preparation and  
5 development, purchase, construction, reconstruction and improvement of  
6 real property and the acquisition of machinery and equipment as may be  
7 necessary in connection with the project; an allocable portion of the  
8 administrative and operating expenses of the grantee; the cost of fi-  
9 nancing the project, including interest on bonds issued to finance the  
10 project; and the cost of other items, including any indemnity and surety  
11 bonds and premiums on insurance, legal fees, fees and expenses of  
12 trustees, depositaries, financial advisors, and paying agents for the  
13 bonds issued as the issuer considers necessary.

14 \* Sec. 8. AS 43.18.07J is amended by adding a new subsection to read:

15 (1) For the purposes of (j) of this section, "total project  
16 cost" includes, in addition to costs directly related to the project,  
17 the sum total of all costs of financing and carrying out the project.  
18 These include, but are not limited to, the costs of all necessary  
19 studies, surveys, plans and specifications, architectural, engineering  
20 or other special services, acquisition of real property, site prepara-  
21 tion and development, purchase, construction, reconstruction and im-  
22 provement of real property and the acquisition of machinery and equip-  
23 ment as may be necessary in connection with the project; an allocable  
24 portion of the administrative and operating expenses of the grantee; the  
25 cost of financing the project, including interest on bonds issued to  
26 finance the project; and the cost of other items, including any indem-  
27 nity and surety bonds and premiums on insurance, legal fees, fees and  
28 expenses of trustees, depositaries, financial advisors, and paying  
29 agents for the bonds issued as the issuer considers necessary.

1 \* Sec. 9. AS 43.18.100(g)(2) is repealed and re-enacted to read:

2 (2) "costs of school construction" means the cost of acquir-  
3 ing, constructing, enlarging, repairing, remodeling, equipping or fur-  
4 nishing of public elementary and secondary school buildings and includes  
5 the sum total of all costs of financing and carrying out the project.  
6 These include, but are not limited to, the costs of all necessary  
7 studies, surveys, plans and specifications, architectural, engineering  
8 or other special services, acquisition of real property, site prepara-  
9 tion and development, purchase, construction, reconstruction and im-  
10 provement of real property and the acquisition of machinery and equip-  
11 ment as may be necessary in connection with the project; an allocable  
12 portion of the administrative and operating expenses of the grantee; the  
13 cost of financing the project, including interest on bonds issued to  
14 finance the project; and the cost of other items, including any indem-  
15 nity and surety bonds and premiums on insurance, legal fees, fees and  
16 expenses of trustees, depositaries, financial advisors, and paying  
17 agents for the bonds issued as the issuer considers necessary.

18 \* Sec. 10. AS 43.18.300(h) is amended by adding a new paragraph to read:

19 (3) "costs of construction" includes, in addition to costs  
20 directly related to the project, the sum total of all costs of financing  
21 and carrying out the project. These include, but are not limited to,  
22 the costs of all necessary studies, surveys, plans and specifications,  
23 architectural, engineering or other special services, acquisition of  
24 real property, site preparation and development, purchase, construction,  
25 reconstruction and improvement of real property and the acquisition of  
26 machinery and equipment as may be necessary in connection with the  
27 project; an allocable portion of the administrative and operating ex-  
28 penses of the grantee; the cost of financing the project, including  
29 interest on bonds issued to finance the project; and the cost of other

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# CORRECTION

THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY

1 \* Sec. 9. AS 43.18.100(g)(2) is repealed and re-enacted to read:

2 (2) "costs of school construction" means the cost of acquir-  
3 ing, constructing, enlarging, repairing, remodeling, equipping or fur-  
4 nishing of public elementary and secondary school buildings and includes  
5 the sum total of all costs of financing and carrying out the project.  
6 These include, but are not limited to, the costs of all necessary  
7 studies, surveys, plans and specifications, architectural, engineering  
8 or other special services, acquisition of real property, site prepara-  
9 tion and development, purchase, construction, reconstruction and im-  
10 provement of real property and the acquisition of machinery and equip-  
11 ment as may be necessary in connection with the project; an allocable  
12 portion of the administrative and operating expenses of the grantee; the  
13 cost of financing the project, including interest on bonds issued to  
14 finance the project; and the cost of other items, including any indem-  
15 nity and surety bonds and premiums on insurance, legal fees, fees and  
16 expenses of trustees, depositaries, financial advisors, and paying  
17 agents for the bonds issued as the issuer considers necessary.

18 \* Sec. 10. AS 43.18.300(h) is amended by adding a new paragraph to read:

19 (3) "costs of construction" includes, in addition to costs  
20 directly related to the project, the sum total of all costs of financing  
21 and carrying out the project. These include, but are not limited to,  
22 the costs of all necessary studies, surveys, plans and specifications,  
23 architectural, engineering or other special services, acquisition of  
24 real property, site preparation and development, purchase, construction,  
25 reconstruction and improvement of real property and the acquisition of  
26 machinery and equipment as may be necessary in connection with the  
27 project; an allocable portion of the administrative and operating ex-  
28 penses of the grantee; the cost of financing the project, including  
29 interest on bonds issued to finance the project; and the cost of other

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1 items, including any indemnity and surety bonds and premiums on in-  
2 surance, legal fees, fees and expenses of trustees, depositaries, finan-  
3 cial advisors, and paying agents for the bonds issued as the issuer  
4 considers necessary. It does not include the cost of feasibility  
5 studies.

6 \* Sec. 11. AS 43.18.400(2) is repealed and re-enacted to read:

7 (2) "cost of construction" includes, in addition to costs  
8 directly related to the project, the sum total of all costs of financing  
9 and carrying out the project. These include, but are not limited to,  
10 the costs of all necessary studies, surveys, plans and specifications,  
11 architectural, engineering or other special services, acquisition of  
12 real property, site preparation and development, purchase, construction,  
13 reconstruction and improvement of real property and the acquisition of  
14 machinery and equipment as may be necessary in connection with the  
15 project; an allocable portion of the administrative and operating ex-  
16 penses of the grantee; the cost of financing the project, including  
17 interest on bonds issued to finance the project; and the cost of other  
18 items, including any indemnity and surety bonds and premiums on in-  
19 surance, legal fees, fees and expenses of trustees, depositaries, finan-  
20 cial advisors, and paying agents for the bonds issued as the issuer  
21 considers necessary. It does not include the cost of promotion, travel,  
22 or feasibility studies.

23 \* Sec. 12. AS 44.33.150 is amended to read:

24 Sec. 44.33.150. QUALIFYING FOR MATCHING MONEY. In order to quali-  
25 fy for tourist attraction development matching money, the applicant  
26 shall submit and have approved by the director of tourism, a feasibility  
27 study of the program to be used for carrying out the development of the  
28 tourist attraction. Subject to the provisions of sec. 120(8) of this  
29 chapter, matching money may also be secured by an applicant for the cost

1 of construction, improvement or operation of [PURPOSE OF CONSTRUCTING,  
2 IMPROVING OR OPERATING] a visitor information center established for the  
3 intent of providing Alaska visitors and residents with tourist travel  
4 information on a local and statewide basis. This may include printing  
5 and distributing travel promotion material about Alaska. In order to  
6 qualify for visitor information center matching money, the applicant  
7 must first submit and have approved by the director of tourism a feasi-  
8 bility study of the construction, improvement or operation of the  
9 visitor information center.

10 \* Sec. 13. AS 44.33.150 is amended by adding a new subsection to read:

11 (b) For purposes of (a) of this section, "cost of construction"  
12 includes, in addition to costs directly related to the project, the sum  
13 total of all costs of financing and carrying out the project. These  
14 include, but are not limited to, the costs of all necessary studies,  
15 surveys, plans and specifications, architectural, engineering or other  
16 special services, acquisition of real property, site preparation and  
17 development, purchase, construction, reconstruction and improvement of  
18 real property and the acquisition of machinery and equipment as may be  
19 necessary in connection with the project; an allocable portion of the  
20 administrative and operating expenses of the grantee; the cost of finan-  
21 cing the project, including interest on bonds issued to finance the  
22 project; and the cost of other items, including any indemnity and surety  
23 bonds and premiums on insurance, legal fees, fees and expenses of  
24 trustees, depositaries, financial advisors, and paying agents for the  
25 bonds issued as the issuer considers necessary.

26 \* Sec. 14. AS 46.03.030(b) is amended to read:

27 (b) The department may grant to a municipality, as funds are  
28 available, up to the lesser of 50 per cent of the eligible cost or 50  
29 per cent of the eligible cost not financed by the federal government,

1 for public water supply, treatment and distribution systems and public  
2 sewage collection, treatment and discharge facilities for which con-  
3 struction has not commenced on or before June 21, 1976. The eligible  
4 cost of a project or portions of a project will be as determined by the  
5 federal agency granting the most monetary assistance. On projects or  
6 portions of projects, for which federal participation is not available,  
7 eligible costs will be determined by the department in accordance with  
8 (d) of this section. Projects shall be constructed in accordance with  
9 plans and specifications approved by the department.

10 \* Sec. 15. AS 46.03.030 is amended by adding a new subsection to read:

11 (d) When not otherwise defined by a federal agency for the pur-  
12 poses of (b) of this section, "eligible costs" includes, in addition to  
13 costs directly related to the project, the sum total of all costs of  
14 financing and carrying out the project. These include, but are not  
15 limited to, the costs of all necessary studies, surveys, plans and  
16 specifications, architectural, engineering or other special services,  
17 acquisition of real property, site preparation and development, pur-  
18 chase, construction, reconstruction and improvement of real property and  
19 the acquisition of machinery and equipment as may be necessary in con-  
20 nection with the project; an allocable portion of the administrative and  
21 operating expenses of the grantee; the cost of financing the project,  
22 including interest on bonds issued to finance the project; and the cost  
23 of other items, including any indemnity and surety bonds and premiums on  
24 insurance, legal fees, fees and expenses of trustees, depositaries,  
25 financial advisors, and paying agents for the bonds issued as the issuer  
26 considers necessary.

27 \* Sec. 16. AS 46.07.040 is amended by adding a new subsection to read:

28 (c) For the purposes of (a) of this section, "cost of the con-  
29 struction of a facility" includes, in addition to costs directly related

1 to the project, the sum total of all costs of financing and carrying out  
2 the project. These include, but are not limited to, the costs of all  
3 necessary studies, surveys, plans and specifications, architectural,  
4 engineering or other special services, acquisition of real property,  
5 site preparation and development, purchase, construction, reconstruction  
6 and improvement of real property and the acquisition of machinery and  
7 equipment as may be necessary in connection with the project; an allo-  
8 cable portion of the administrative and operating expenses of the  
9 grantee; the cost of financing the project, including interest on bonds  
10 issued to finance the project; and the cost of other items, including  
11 any indemnity and surety bonds and premiums on insurance, legal fees,  
12 fees and expenses of trustees, depositaries, financial advisors, and  
13 paying agents for the bonds issued as the issuer considers necessary.

14 \* Sec. 17. AS 47.30.475(c) is amended to read:

15 (c) Grants shall be awarded in a ratio of 75 per cent state money  
16 to 25 per cent community money, except that in communities designated as  
17 poverty areas the ratio shall be 90 per cent state money to 10 per cent  
18 community money, for the costs [PURPOSES] of providing staff and limited  
19 improvement, renovation or new construction of facilities for alcoholic  
20 detoxification, rehabilitation or "half-way house" care. No grant for  
21 improving, renovating or constructing may exceed \$50,000 except when  
22 there is a lack of applicants for available money and then only with the  
23 approval of the Advisory Board on Alcoholism. The department is not  
24 required to award all money available under this program, or the full  
25 percentages specified in this subsection, when another source of money  
26 is available or could reasonably be made available to the applicant.

27 \* Sec. 18. AS 47.30.500 is amended by adding a new paragraph to read:

28 (5) "costs of improvement, renovation or new construction of  
29 facilities" includes, in addition to costs directly related to the

1 project, the sum total of all costs of financing and carrying out the  
2 project. These include, but are not limited to, the costs of all neces-  
3 sary studies, surveys, plans and specifications, architectural, engi-  
4 neering or other special services, acquisition of real property, site  
5 preparation and development, purchase, construction, reconstruction and  
6 improvement of real property and the acquisition of machinery and equip-  
7 ment as may be necessary in connection with the project; an allocable  
8 portion of the administrative and operating expenses of the grantee; the  
9 cost of financing the project, including interest on bonds issued to  
10 finance the project; and the cost of other items, including any indem-  
11 nity and surety bonds and premiums on insurance, legal fees, fees and  
12 expenses of trustees, depositaries, financial advisors, and paying  
13 agents for the bonds issued as the issuer considers necessary.

14 \* Sec. 19. This Act takes effect upon the effective date of a version of  
15 Senate Bill No. 429 (An Act relating to the Alaska loan programs fund, the  
16 Alaska permanent fund, the renewable resources development fund, and other  
17 state revenues).

ALASKA STATE LEGISLATURE

TENTH Legislature SECOND Session

SENATE BILL NO. 539

By THE RULES COMMITTEE BY REQUEST OF THE SPECIAL PERMANENT FUND COMMITTEE

"An Act relating to eligible costs for state grants for capital improvement projects

cap. improvement projects

Introduced in the Senate 5/17/75, 19....

HISTORY IN THE SENATE

|       |      |   |
|-------|------|---|
| 19 75 | 3 17 | Read first time and referred to Committee on FINANCE  |
|       | 5 22 | Reported back with <i>Finance</i> recommendation that <i>40% paid, 10% rule, 50% balance calendar 4/7</i>                                   |
|       | 6 7  | Read second time and <i>advanced</i>  |
|       | 6 7  | Read third time and   |
|       | 6 8  | <i>Reconsidered with tabular up</i>   |
|       | 6 7  | PASS <i>ed</i> Effective Date<br>Yeas 12 Yeas 12<br>Nays 5 Nays 7<br>Absent 3 Absent 4<br>Excused Excused                                   |
|       | 6 7  | <i>Over 100</i> Reconsideration<br><i>not taken up</i><br>PASS Effective Date<br>Yeas Yeas<br>Nays Nays<br>Absent Absent<br>Excused Excused |
|       | 6 8  | Reported correctly engrossed<br>Signed by President<br>Sent to House<br><i>D. J. Mulligan</i><br>SECRETARY OF THE SENATE                    |

HISTORY IN THE HOUSE

|       |        |  |
|-------|--------|--|
| 19 78 | June 9 | Read first time and referred to Committee on <i>Permanent Fund Finance</i>                           |
|       |        | Reported back with recommendation that   |
|       |        | Read second time and   |
|       |        | Read third time and  |
|       |        | PASS Effective Date<br>Yeas Yeas<br>Nays Nays<br>Absent Absent<br>Excused Excused                    |
|       |        | Reconsideration<br>PASS Effective Date<br>Yeas Yeas<br>Nays Nays<br>Absent Absent<br>Excused Excused |
|       |        | Reported correctly engrossed<br>Signed by Speaker<br>Returned to Senate<br>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. ....            |

Original Bill File — belongs  
in Permanent Fund Committee.  
Return File to them &  
advise what has happened!



# RECORDS CERTIFICATION



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

*James B. Smith*

Signature of Camera Operator

*2/26/90*

Date

# COMMITTEE REPORT

## SENATE

FURTHER: \_\_\_\_\_

Date: \_\_\_\_\_

Mr. President:

The Committee on \_\_\_\_\_ has had \_\_\_\_\_

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:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Chairman

Introduced: 3/17/78  
Referred: Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE SPECIAL  
PERMANENT FUND COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 539

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to eligible costs for state grants for  
7 capital improvement projects; and providing for an  
8 effective date."

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

10 \* Section 1. AS 02.15.120 is amended to read:

11 Sec. 02.15.120. ASSISTANCE TO CONSTRUCT, ENLARGE OR IMPROVE AIR  
12 NAVIGATION FACILITIES. The department may match available funds with  
13 those of municipalities, federal agencies or other state agencies, for  
14 project costs relating to the construction, enlargement or improvement  
15 of [THE PURPOSE OF ASSISTING TO CONSTRUCT, ENLARGE OR IMPROVE] airports.  
16 The department may assist persons in the construction, enlargement and  
17 improvement of airports and air navigation facilities. The airports and  
18 facilities, until they are abandoned as such, shall be at all times  
19 available for the use of and accessible to the general public, and  
20 maintained as public airports and facilities.

21 \* Sec. 2. AS 02.15.140 is amended to read:

22 Sec. 02.15.140. STATE FINANCIAL ASSISTANCE. The department may  
23 grant or lend money, subject to the provisions of secs. 60, 70 and 120  
24 of this chapter, to any person or municipality acting jointly for pro-  
25 ject costs relating to [IN] the planning, acquisition, construction,  
26 improvement, maintenance or operation of an airport owned or controlled  
27 or to be owned or controlled by the municipality or person. Grants or  
28 loans may be furnished in connection with federal or other financial  
29 aid for the same purpose.

1 \* Sec. 3. AS 02.15 is amended by adding a new section to read:

2       Sec. 02.15.155. DEFINITIONS. For the purposes of secs. 120 - 155  
3 of this chapter, "project costs" includes, in addition to costs directly  
4 related to the project, the sum total of all costs of financing and  
5 carrying out the project. These include, but are not limited to, the  
6 costs of all necessary studies, surveys, plans and specifications,  
7 architectural, engineering or other special services, acquisition of  
8 real property, site preparation and development, purchase, construction,  
9 reconstruction and improvement of real property and the acquisition of  
10 machinery and equipment as may be necessary in connection with the  
11 project; an allocable portion of the administrative and operating expen-  
12 ses of the grantee; the cost of financing the project, including in-  
13 terest on bonds issued to finance the project; and the cost of other  
14 items, including any indemnity and surety bonds and premiums on in-  
15 surance, legal fees, fees and expenses of trustees, depositaries, finan-  
16 cial advisors, and paying agents for the bonds issued as the issuer  
17 considers necessary.

18 \* Sec. 4. AS 03.20.010 is amended to read:

19       Sec. 03.20.010. STATE AID. The state may grant aid to agricul-  
20 tural and industrial fair associations, incorporated under the laws of  
21 the state, to assist in the payment of (1) costs of operation and main-  
22 tenance and (2) project costs for capital improvements of annual agri-  
23 cultural and industrial fairs.

24 \* Sec. 5. AS 03.20 is amended by adding a new section to read:

25       Sec. 03.20.080. DEFINITIONS. For purposes of this chapter, "pro-  
26 ject costs for capital improvements" includes, in addition to costs  
27 directly related to the project, the sum total of all costs of financing  
28 and carrying out the project. These include, but are not limited to,  
29 the costs of all necessary studies, surveys, plans and specifications,

1 architectural, engineering or other special services, acquisition of  
2 real property, site preparation and development, purchase, construction,  
3 reconstruction and improvement of real property and the acquisition of  
4 machinery and equipment as may be necessary in connection with the pro-  
5 ject; an allocable portion of the administrative and operating expenses  
6 of the grantee; the cost of financing the project, including interest on  
7 bonds issued to finance the project; and the cost of other items, inclu-  
8 ding any indemnity and surety bonds and premiums on insurance, legal  
9 fees, fees and expenses of trustees, depositories, financial advisors,  
10 and paying agents for the bonds issued as the issuer considers necessary.

11 \* Sec. 6. AS 18.55.934 is amended by adding a new subsection to read:

12 (c) For purposes of this section, "cost of the project" includes,  
13 in addition to costs directly related to the project, the sum total of  
14 all costs of financing and carrying out the project. These include, but  
15 are not limited to, the costs of all necessary studies, surveys, plans  
16 and specifications, architectural, engineering or other special ser-  
17 vices, acquisition of real property, site preparation and development,  
18 purchase, construction, reconstruction and improvement of real property  
19 and the acquisition of machinery and equipment as may be necessary in  
20 connection with the project; an allocable portion of the administrative  
21 and operating expenses of the grantee; the cost of financing the pro-  
22 ject, including interest on bonds issued to finance the project; and the  
23 cost of other items, including any indemnity and surety bonds and pre-  
24 miums on insurance, legal fees, fees and expenses of trustees, deposi-  
25 taries, financial advisors, and paying agents for the bonds issued as  
26 the issuer considers necessary.

27 \* Sec. 7. AS 19.30.030 is amended by adding a new subsection to read:

28 (d) For purposes of (c) of this section, "cost of construction"  
29 includes, in addition to costs directly related to the project, the sum

1 total of all costs of financing and carrying out the project. These  
2 include, but are not limited to, the costs of all necessary studies,  
3 surveys, plans and specifications, architectural, engineering or other  
4 special services, acquisition of real property, site preparation and  
5 development, purchase, construction, reconstruction and improvement of  
6 real property and the acquisition of machinery and equipment as may be  
7 necessary in connection with the project; an allocable portion of the  
8 administrative and operating expenses of the grantee; the cost of fi-  
9 nancing the project, including interest on bonds issued to finance the  
10 project; and the cost of other items, including any indemnity and surety  
11 bonds and premiums on insurance, legal fees, fees and expenses of  
12 trustees, depositaries, financial advisors, and paying agents for the  
13 bonds issued as the issuer considers necessary.

14 \* Sec. 8. AS 43.18.010 is amended by adding a new subsection to read:

15 (1) For the purposes of (j) of this section, "total project  
16 cost" includes, in addition to costs directly related to the project,  
17 the sum total of all costs of financing and carrying out the project.  
18 These include, but are not limited to, the costs of all necessary  
19 studies, surveys, plans and specifications, architectural, engineering  
20 or other special services, acquisition of real property, site prepara-  
21 tion and development, purchase, construction, reconstruction and im-  
22 provement of real property and the acquisition of machinery and equip-  
23 ment as may be necessary in connection with the project; an allocable  
24 portion of the administrative and operating expenses of the grantee; the  
25 cost of financing the project, including interest on bonds issued to  
26 finance the project; and the cost of other items, including any indem-  
27 nity and surety bonds and premiums on insurance, legal fees, fees and  
28 expenses of trustees, depositaries, financial advisors, and paying  
29 agents for the bonds issued as the issuer considers necessary.

1 \* Sec. 9. AS 43.18.100(g)(2) is repealed and re-enacted to read:

2 (2) "costs of school construction" means the cost of acquir-  
3 ing, constructing, enlarging, repairing, remodeling, equipping or fur-  
4 nishing of public elementary and secondary school buildings and includes  
5 the sum total of all costs of financing and carrying out the project.  
6 These include, but are not limited to, the costs of all necessary  
7 studies, surveys, plans and specifications, architectural, engineering  
8 or other special services, acquisition of real property, site prepara-  
9 tion and development, purchase, construction, reconstruction and im-  
10 provement of real property and the acquisition of machinery and equip-  
11 ment as may be necessary in connection with the project; an allocable  
12 portion of the administrative and operating expenses of the grantee; the  
13 cost of financing the project, including interest on bonds issued to  
14 finance the project; and the cost of other items, including any indem-  
15 nity and surety bonds and premiums on insurance, legal fees, fees and  
16 expenses of trustees, depositories, financial advisors, and paying  
17 agents for the bonds issued as the issuer considers necessary.

18 \* Sec. 10. AS 43.18.300(h) is amended by adding a new paragraph to read:

19 (3) "costs of construction" includes, in addition to costs  
20 directly related to the project, the sum total of all costs of financing  
21 and carrying out the project. These include, but are not limited to,  
22 the costs of all necessary studies, surveys, plans and specifications,  
23 architectural, engineering or other special services, acquisition of  
24 real property, site preparation and development, purchase, construction,  
25 reconstruction and improvement of real property and the acquisition of  
26 machinery and equipment as may be necessary in connection with the  
27 project; an allocable portion of the administrative and operating ex-  
28 penses of the grantee; the cost of financing the project, including  
29 interest on bonds issued to finance the project; and the cost of other

1 items, including any indemnity and surety bonds and premiums on in-  
2 surance, legal fees, fees and expenses of trustees, depositaries, finan-  
3 cial advisors, and paying agents for the bonds issued as the issuer  
4 considers necessary. It does not include the cost of feasibility  
5 studies.

6 \* Sec. 11. AS 43.18.400(2) is repealed and re-enacted to read:

7 (2) "cost of construction" includes, in addition to costs  
8 directly related to the project, the sum total of all costs of financing  
9 and carrying out the project. These include, but are not limited to,  
10 the costs of all necessary studies, surveys, plans and specifications,  
11 architectural, engineering or other special services, acquisition of  
12 real property, site preparation and development, purchase, construction,  
13 reconstruction and improvement of real property and the acquisition of  
14 machinery and equipment as may be necessary in connection with the  
15 project; an allocable portion of the administrative and operating ex-  
16 penses of the grantee; the cost of financing the project, including  
17 interest on bonds issued to finance the project; and the cost of other  
18 items, including any indemnity and surety bonds and premiums on in-  
19 surance, legal fees, fees and expenses of trustees, depositaries, finan-  
20 cial advisors, and paying agents for the bonds issued as the issuer  
21 considers necessary. It does not include the cost of promotion, travel,  
22 or feasibility studies.

23 \* Sec. 12. AS 44.33.150 is amended to read:

24 Sec. 44.33.150. QUALIFYING FOR MATCHING MONEY. In order to quali-  
25 fy for tourist attraction development matching money, the applicant  
26 shall submit and have approved by the director of tourism, a feasibility  
27 study of the program to be used for carrying out the development of the  
28 tourist attraction. Subject to the provisions of sec. 120(8) of this  
29 chapter, matching money may also be secured by an applicant for the cost

1 of construction, improvement or operation of [PURPOSE OF CONSTRUCTING,  
2 IMPROVING OR OPERATING] a visitor information center established for the  
3 intent of providing Alaska visitors and residents with tourist travel  
4 information on a local and statewide basis. This may include printing  
5 and distributing travel promotion material about Alaska. In order to  
6 qualify for visitor information center matching money, the applicant  
7 must first submit and have approved by the director of tourism a feasi-  
8 bility study of the construction, improvement or operation of the  
9 visitor information center.

10 \* Sec. 13. AS 44.33.150 is amended by adding a new subsection to read:

11 (b) For purposes of (a) of this section, "cost of construction"  
12 includes, in addition to costs directly related to the project, the sum  
13 total of all costs of financing and carrying out the project. These  
14 include, but are not limited to, the costs of all necessary studies,  
15 surveys, plans and specifications, architectural, engineering or other  
16 special services, acquisition of real property, site preparation and  
17 development, purchase, construction, reconstruction and improvement of  
18 real property and the acquisition of machinery and equipment as may be  
19 necessary in connection with the project; an allocable portion of the  
20 administrative and operating expenses of the grantee; the cost of finan-  
21 cing the project, including interest on bonds issued to finance the  
22 project; and the cost of other items, including any indemnity and surety  
23 bonds and premiums on insurance, legal fees, fees and expenses of  
24 trustees, depositaries, financial advisors, and paying agents for the  
25 bonds issued as the issuer considers necessary.

26 \* Sec. 14. AS 46.03.030(b) is amended to read:

27 (b) The department may grant to a municipality, as funds are  
28 available, up to the lesser of 50 per cent of the eligible cost or 50  
29 per cent of the eligible cost not financed by the federal government,

1 for public water supply, treatment and distribution systems and public  
2 sewage collection, treatment and discharge facilities for which con-  
3 struction has not commenced on or before June 21, 1976. The eligible  
4 cost of a project or portions of a project will be as determined by the  
5 federal agency granting the most monetary assistance. On projects or  
6 portions of projects, for which federal participation is not available,  
7 eligible costs will be determined by the department in accordance with  
8 (d) of this section. Projects shall be constructed in accordance with  
9 plans and specifications approved by the department.

10 \* Sec. 15. AS 46.03.030 is amended by adding a new subsection to read:

11 (d) When not otherwise defined by a federal agency for the pur-  
12 poses of (b) of this section, "eligible costs" includes, in addition to  
13 costs directly related to the project, the sum total of all costs of  
14 financing and carrying out the project. These include, but are not  
15 limited to, the costs of all necessary studies, surveys, plans and  
16 specifications, architectural, engineering or other special services,  
17 acquisition of real property, site preparation and development, pur-  
18 chase, construction, reconstruction and improvement of real property and  
19 the acquisition of machinery and equipment as may be necessary in con-  
20 nection with the project; an allocable portion of the administrative and  
21 operating expenses of the grantee; the cost of financing the project,  
22 including interest on bonds issued to finance the project; and the cost  
23 of other items, including any indemnity and surety bonds and premiums on  
24 insurance, legal fees, fees and expenses of trustees, depositaries,  
25 financial advisors, and paying agents for the bonds issued as the issuer  
26 considers necessary.

27 \* Sec. 16. AS 46.07.040 is amended by adding a new subsection to read:

28 (c) For the purposes of (a) of this section, "cost of the con-  
29 struction of a facility" includes, in addition to costs directly related

1 to the project, the sum total of all costs of financing and carrying out  
2 the project. These include, but are not limited to, the costs of all  
3 necessary studies, surveys, plans and specifications, architectural,  
4 engineering or other special services, acquisition of real property,  
5 site preparation and development, purchase, construction, reconstruction  
6 and improvement of real property and the acquisition of machinery and  
7 equipment as may be necessary in connection with the project; an allo-  
8 cable portion of the administrative and operating expenses of the  
9 grantee; the cost of financing the project, including interest on bonds  
10 issued to finance the project; and the cost of other items, including  
11 any indemnity and surety bonds and premiums on insurance, legal fees,  
12 fees and expenses of trustees, depositaries, financial advisors, and  
13 paying agents for the bonds issued as the issuer considers necessary.

14 \* Sec. 17. AS 47.30.475(c) is amended to read:

15 (c) Grants shall be awarded in a ratio of 75 per cent state money  
16 to 25 per cent community money, except that in communities designated as  
17 poverty areas the ratio shall be 90 per cent state money to 10 per cent  
18 community money, for the costs [PURPOSES] of providing staff and limited  
19 improvement, renovation or new construction of facilities for alcoholic  
20 detoxification, rehabilitation or "half-way house" care. No grant for  
21 improving, renovating or constructing may exceed \$50,000 except when  
22 there is a lack of applicants for available money and then only with the  
23 approval of the Advisory Board on Alcoholism. The department is not  
24 required to award all money available under this program, or the full  
25 percentages specified in this subsection, when another source of money  
26 is available or could reasonably be made available to the applicant.

27 \* Sec. 18. AS 47.30.500 is amended by adding a new paragraph to read:

28 (5) "costs of improvement, renovation or new construction of  
29 facilities" includes, in addition to costs directly related to the

1 project, the sum total of all costs of financing and carrying out the  
2 project. These include, but are not limited to, the costs of all neces-  
3 sary studies, surveys, plans and specifications, architectural, engi-  
4 neering or other special services, acquisition of real property, site  
5 preparation and development, purchase, construction, reconstruction and  
6 improvement of real property and the acquisition of machinery and equip-  
7 ment as may be necessary in connection with the project; an allocable  
8 portion of the administrative and operating expenses of the grantee; the  
9 cost of financing the project, including interest on bonds issued to  
10 finance the project; and the cost of other items, including any indem-  
11 nity and surety bonds and premiums on insurance, legal fees, fees and  
12 expenses of trustees, depositaries, financial advisors, and paying  
13 agents for the bonds issued as the issuer considers necessary.

14 \* Sec. 19. This Act takes effect upon the effective date of a version of  
15 Senate Bill No. 429 (An Act relating to the Alaska loan programs fund, the  
16 Alaska permanent fund, the renewable resources development fund, and other  
17 state revenues).

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

POUCH 2 JUNEAU 99811  
TELEX 45 328

May 16, 1978  
000H

Honorable John Sackett  
Senate Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Sackett:

Enclosed as requested is fiscal note for SB 539, an Act relating to eligible costs for state grants for capital improvement projects.

Sincerely,

  
/s/ Donald Harris  
Commissioner

cc: Keith Specking  
Ron Lind  
J. H. Hogan

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 539  
 Title An Act relating to eligible costs for state grants for capital improvement projects  
 Requested by Senator John Sackett, Finance Committee Date May 16, 1978

II. FISCAL DETAIL

Agency Affected Department of Transportation and Public Facilities  
 Program Category Affected Rural Schools, et al  
 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 Indeterminate      |       |       |       |       |       |       |

FUNDING (Thousands of Dollars)

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

POSITIONS

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL TIME |  |  |  |  |  |  |
| PART TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

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

Generally, pre-planning costs for facilities procured under grants from the Department have been covered within the project cost.

There would be no calculable impact on operating budgets as a result of this bill. However since such costs are normally paid from appropriations for capital improvement projects, there may be some slight decrease in the funds available for construction of all facilities within the project budget amounts. Such expenses normally run from 1/2 percent to 1-1/2% of project budget.

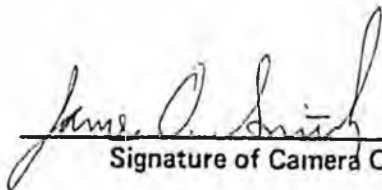
IV. DATE May 16, 1978 PREPARED BY Richard A. Holden  
 AGENCY Department of Transportation & Public Facilities  
 Original: Legislative Finance PHONE \_\_\_\_\_  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

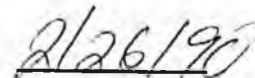


# RECORDS CERTIFICATION



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

SB 540 - 8.2 of Appin is unnecessary  
since the fiscal notes will appropriate  
funds for their respective bills.

**COMMITTEE REPORT**  
**SENATE**

4/11/78

FURTHER: \_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Mr. President:

The Committee on FINANCE has had SB 540  
special appropriation to office of alcoholism in Dept. of Health & Social  
Services

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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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# COMMITTEE REPORT

## SENATE

3/17/78

FURTHER: FINANCE

Date: 4-10-78

Mr. President:

The Committee on HEALTH EDUCATION & SOCIAL SERVICES has had SB 540 special appropriation to office of alcoholism in Dept. of Health & Social Services

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 <sup>INDIV.</sup> recommendation
- ( ) and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

2 Patricia Roney NO REC

2 3-12 " "

1 Glenn Anderson  
Chairman

DO PASS

Introduced: 3/17/78  
Referred: Health, Education &  
Social Services and Finance

BY THE RULES COMMITTEE  
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 540

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the office of  
7 alcoholism in the Department of Health and Social  
8 Services for the prevention and treatment of alcohol  
9 abuse and alcoholism; and providing for an effective  
10 date."

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

12 \* Section 1. The sum of \$3,200,000 is appropriated from the general fund  
13 to the office of alcoholism in the Department of Health and Social Services  
14 for the planning, coordination, regulation, monitoring, and evaluation of  
15 statewide alcoholism efforts and for providing training and technical assis-  
16 tance to local programs engaged in the prevention, treatment, and control of  
17 alcohol abuse and alcoholism in the state.

18 \* Sec. 2. This Act takes effect July 1, 1978.

19  
20  
21  
22  
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27  
28  
29

ALASKA STATE LEGISLATURE

TENTH Legislature SECOND Session

SENATE BILL NO. 540

By THE RULES COMMITTEE BY REQUEST

"An Act making a special appropriation to the office of alcoholism in the Department of Health and Social Services for the prevention and treatment of alcohol abuse and alcoholism; and providing for an effective date."

Introduced in the Senate 3/17, 1978

HISTORY IN THE SENATE

|    |    |   |
|----|----|---|
| 19 | 78 | Read first time and referred to Committee on  |
| 3  | 17 | Health Education & Social Services and Finance  |
| 4  | 11 | Reported back with <i>D.C.S.S.</i> recommendation that <i>Loftis, Increase TO Finance</i> |
|    |    | Read second time and  |
|    |    | Read third time and   |
|    |    | PASS Effective Date   |
|    |    | Yeas Yeas   |
|    |    | Nays Nays   |
|    |    | Absent Absent   |
|    |    | Excused Excused   |
|    |    | Reconsideration   |
|    |    | PASS Effective Date   |
|    |    | Yeas Yeas   |
|    |    | Nays Nays   |
|    |    | Absent Absent   |
|    |    | Excused Excused   |
|    |    | Reported correctly engrossed  |
|    |    | Signed by President   |
|    |    | 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                          |
|    |  | 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. ....            |

SB 540

# South Eastern Alaska Regional Alcoholism Corporation

PRINCIPAL OFFICE: 308 WEST 8TH ST. JUNEAU, ALASKA 99801

(907) 586-1000

Dear *Senator John Sackett:*

This letter came to our office recently. We are returning it with the individuals consent. We feel it will be worth your time to read it.

S.E.A.R.A.C.

Wrangell, Ak.  
April 4, 1975

Another letter in the mail to join an organization - shall I use it for wastepaper filler or shall I take the risk of loosing \$10.00 and join?

Well I'm going to take the risk. I cannot recommend a state I feel should be done here in South Eastern Alaska for the alcoholics alone. I am a registered nurse in a small county hospital. I work full time night so I get a pretty good picture what the misuse of alcohol can do to our people, bread earners, lonely homes and revolving door alcoholics. A lot of our hard-earned money is used to pay for increase in Alaska. It is up to us, the citizens, to see that it is used in the best way with the correct priorities.

Yes, we do have a lot of good programs and dedicated workers in the alcoholic field of Alaska. I have no quarrel with the programs in Anchorage or to go to the numbers here in Juneau. My concern is with the lack of training for longline workers, nurses in our local hospitals, the program for those who drink, advance training for our alcohol content personnel and the volunteer helpers in the alcohol field. This could be done in the general South Eastern Alaska where they could go without loosing too much of their working time and travel, room and board expenses would be kept at a minimum. It is hard to get this even from our own University. They have an In-service booked for Wrangell in Juneau - when I inquired about its cancellation I was told "because of a change in course has been cancelled for this year" and the program



# South Eastern Alaska Regional Alcoholism Corporation

PRINCIPAL OFFICE: 306 WEST 8TH ST. JUNEAU, ALASKA 99801

(907) 586.3536

for the AMU has no course that anywhere touches on the alcohol problem.

I believe that the government monies allotted to each program should not be dolled out by "this program got \$-- last year it will be boosted --% or cut --% this year" I think that each program should be rated by its size, increase of case load, and increase in programs that it has had in the past year.

Only in the past few years has the medical schools put alcoholism as a specific course in their curriculum. The medical profession in Southeastern has found it hard to keep themselves abreast of the new treatments and care of the patient with an alcoholic problem themselves or see in close association with the person that does. If we want help for alcoholics in Southeastern we must see that our medical profession, our treatment center staff, and our public have available to them in-service classes to go to in their own area. It is foolish for our centers to have to pay to send people to places outside, like Utah, to learn to care for the alcoholics. With here it being the #1 problem doesn't it seem more logical that we might be able to solve our problems and certainly we have qualified instructors in our own state.

I believe that each community should have a de-tox center, a half-way house and a semi-security board and care home for the revolving door alcoholics. The revolving door alcoholics can be productive people in the community but they need long range support. Out on their own they find themselves quite frequently in an ICU unit costing the taxpayers in one day what it would cost to keep them 2 months in such a home.

Naturally some communities are just not going to accept the responsibility to this problem. Early education is the key. Care for ones already involved. (This care should be in



# South Eastern Alaska Regional Alcoholism Corporation

PRINCIPAL OFFICE: 306 WEST 8TH ST. JUNEAU, ALASKA 99801

(907) 586-1111

center that is fit for their needs with the least expense without sending them "out") Good resources handy and teaching available for when they ask could be one of the answers to a happier more trouble free living.

These are my own personal thoughts and ideas and I hope they do not imply that I feel those already working in this field are not doing the best they can--- I just think it can be done better easier and cheaper.

Sincerely,

Lurine McGee R.N.

# South Central Health Planning and Development, Inc.

1135 West Eighth Avenue Suite 1 Anchorage, Alaska 99501

(907) 278-3631

SB 540

April 24, 1978



The Honorable John Sackett  
Alaska State Legislature  
Pouch V, M/S 3100  
Juneau, Alaska 99811

Dear Senator Sackett:

South Central Health Planning and Development, Inc. (SCHPD) is the Health Systems Agency for southcentral and western Alaska. It is one of over 200 such agencies established (by P.L. 93-641) throughout the nation to provide a planning and review basis for the allocation of federal health dollars. In Alaska, the three Alaskan agencies have been given additional authority (A.S. 18.07) to guide the allocation of state health dollars. Each agency is governed by a consumer dominated Board of Directors which represents the agency's health service area geographically and demographically. The members of the Board of Directors serve as volunteers and must donate much personal time to enable the agency to function.

This agency has completed a lengthy and thorough study of the health status of the area's residents as well as the health services available to these residents. The process included ten well-attended public meetings. From this analysis, problems were identified and a long-range Health Systems Plan and a short-range Annual Implementation Plan were developed to resolve those problems. Some of the major methods for accomplishing changes recommended in the plans are technical assistance to programs, public information, advocacy, and the "project review" process.

The major health status problems identified for Alaskans living in this agency's area are alcoholism and alcohol abuse. Those involved in the planning process agreed that there were several available strategies to reduce these problems-----each probably most effective when used in combination with the others. Recommended strategies can be grouped into three categories: 1) the social environment (including legislation, criminal justice system, advertisement and distribution of beverage alcohol), 2) individual behavior (often influenced by education) and 3) the medical care services available to manage the problem.

In order to have a significant impact on this tremendous health problem, the Board of Directors has concluded that certain changes in Alaska Statutes are warranted and has endorsed the following conceptual changes or additions in the law:

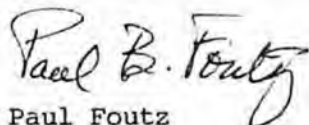
1. Excise tax (similar to level proposed by the Administration) on beverage alcohol.
2. Mandatory screening of all convicted OMVI or DWI cases to identify problem drinkers and include treatment alternatives in court sentencing.
3. Illegal BAC level statewide (as in Anchorage).
4. Lowering of illegal BAC to .08%.
5. Tests in a medical setting for BAC levels with no liability for technicians, supervisors or facilities.
6. Requirement of reimbursement through private and public insurance programs for alcoholism as a primary diagnosis, and coverage of outpatient care.
7. Options for local communities to enforce sale restrictions:
  - a. compensation for alcohol revenue loss for communities restricting sales;
  - b. local sales tax on alcohol;
  - c. additional regulations to discourage illegal sales;
  - d. prohibit common carriers from transporting orders of alcoholic beverages to "dry" communities.
8. Prohibition of alcohol advertising which promotes the idea that social experiences are enhanced by alcohol.

An analysis of bills before the Alaska Legislature (see Attachment) shows that several of the recommendations (all but # 4 and # 8) are currently being considered. Additional stated objectives of the agency are met by other proposed alcohol bills and are thus also endorsed in the attached analysis.

We realize that additional alcohol-related bills have also been submitted and after additional study, the Board will forward its comments on those aspects of the proposals which are high priority.

It is the opinion of the Board of Directors that the above recommendations reflect the sentiments of the area residents on health matters. The members have carefully studied the implications of each of these recommended legislative additions or changes and feel that they represent positive steps in resolving problems related to alcohol in this state. Therefore the members of the Board of Directors strongly urge passage of this legislation during the 1978 session.

Sincerely,



Paul Foutz  
President

| BILL REFERENCE          | SECTION(S) SPECIFICALLY ENDORSED BY SCHPD   | REASON(S) FOR SUPPORT   |
|-------------------------|---|---|
| HB 232                  | Municipal sales tax on beverage alcohol   | Encourage communities to develop resources and respond appropriately to local alcohol problems.   |
| HB 240                  | <ol style="list-style-type: none"> <li>1. Compensation for alcohol revenue loss for communities restricting sales.</li> <li>2. Increased penalties for illegal sales.</li> <li>3. Prohibition of common carriers from transporting orders of alcoholic beverages to "dry" communities.</li> </ol> | Encourage local option in restriction and enforcement of the sale of beverage alcohol.  |
| HB341/HB 414            | Limitation on liability of health care providers in the administration of blood tests.  | Facilitates the enforcement of DWI and DMVI laws.   |
| SB 167                  | Excise tax on beverage alcohol.   | <ul style="list-style-type: none"> <li>-Provides additional resources.</li> <li>-Decreases access to beverage alcohol.</li> </ul>   |
| SB 545 ✓                | Third-party reimbursement for treatment of alcoholism.  | <ul style="list-style-type: none"> <li>-Makes treatment more accessible financially.</li> <li>-Expands the revenue base for programs.</li> <li>-Permits accurate reporting of medical service utilization.</li> </ul> |
| SB551/552 ✓             | Establishment of mechanism to assure that alcohol-related convictions obtain screening, referral treatment.   | Would force problem drinkers into treatment and hopefully reduce criminal recidivism.   |
| SB 541 ✓                | K-12 health education to include alcohol and drug education.  | All children should receive comprehensive (not categorical) health education appropriate to their age.  |
| SB 542 ✓                | Alcohol education curriculum.<br>Occupational alcoholism programs.  | Education as a preventive measure is endorsed. SCHPD supports a comprehensive health education program rather than allocation of responsibility for specific topics to separate agencies/departments.                 |
| SB 241<br>SB 540 ✓      | Appropriations.   | Resources should be available as needed to manage the problem.  |
| SB 321                  | Driving with a .1 BAC is illegal statewide.   | Would strengthen enforcement of drunk driving laws.   |
| SB 242, 542, 543, 544 ✓ | Standards for manpower and treatment services.  | Where standards contribute to assurances of quality in services delivery, they are essential to effective health care.  |

SOUTH CENTRAL HEALTH PLANNING & DEVELOPMENT, INC.

BOARD MEMBERS \*\*\*

Subarea #1 - Aleutian Chain

Marie E. Osterback

Subarea #2 - Municipality of Anchorage

|                             |                          |
|-----------------------------|--------------------------|
| Edna Adrian                 | Martin Tirador**         |
| Rose Anderson               | <u>Annabelle Moore**</u> |
| Gari Andreini**             |                          |
| <u>Adrian Barber, D.C.*</u> |                          |
| Keith Brownsberger, M.D.    |                          |
| Paul Foutz                  |                          |
| Frank Gyselinck             |                          |
| Diddy Hitchins, Ph. D.      |                          |
| <u>Elizabeth Jacks**</u>    |                          |
| Lois Kiehl                  |                          |
| William Larson, M.D.*       |                          |
| James Lewis*                |                          |
| Bonnie McGee                |                          |
| John E. Miller, D.D.S.      |                          |
| Elizabeth C. Rhodes*        |                          |
| Keith Tolzin*               |                          |
| Jerry Ward**                |                          |
| <u>Dalia Wolverton</u>      |                          |
| <u>Patricia Yenney</u>      |                          |

Subarea #3 - Bristol Bay

Robert Clark

Subarea #4 - Cook Inlet

Karen Carpenter  
Barbara Manley  
Keith Wise

Subarea #5 - Copper River

Sarah Luebke

Subarea #6 - Kodiak Island

Sister Josephine Patti

Subarea #7 - North Pacific Rim

Emery Thibodeau\*  
Brian Saylor

Subarea #8 - Norton Sound

William M. Dann

Subarea #9 - Yukon-Kuskokwim

Peter Black\*\*  
George Brenneman, M.D.\*  
Nora Guinn\*  
Joan (Pat) Shea\*\*

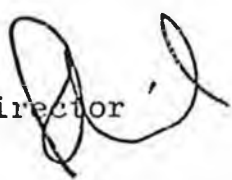
\* Resigned as of this printing, active during majority of plan development process.  
 \*\* Elected to the Board after the HSP was developed.  
 \*\*\* Plan Development Committee Members Underlined.

SB 540

# Rural Alaska Community Action Program, Inc.

TO: Interested Parties

DATE: April 19, 1978

FROM: Phil Smith, Executive Director 

SUBJECT: Enclosed; results of RurAL CAP/ANCADA Alcoholism Legislation  
Workshop

I'm pleased to transmit to you the final results of the workshop on Alcohol Legislation sponsored by RurAL CAP and ANCADA on March 31.

The recommendations of the workshop were arrived at after considerable deliberation on the comparative merits of various legislative alternatives proposed by the Special Committee on Alcoholism and Alcohol-related Legislation and by the Governor.

We believe the recommendations are sound and endorse them without hesitation. We urge your appraisal of their merits and your active support of the public policies they suggest.

PJS/shl

JOINT MEETING

of

ALASKA NATIVE COMMISSION ON ALCOHOLISM & DRUG ABUSE

and

RURAL ALASKA COMMUNITY ACTION PROGRAM

Date March 31, 1978

On March 31, 1978, through the joint efforts of ANCADA and RurALCAP, the following regions were represented at a meeting held to review and develop a position on all new alcohol-related legislation:

Aleutian-Pribilof Islands Association  
Bristol Bay Area Health Corporation  
Yukon-Kuskokwim Health Corporation  
Cook Inlet Native Association  
Southeast Alaska Regional Health Corporation

Included among the interested individuals present was a representative from the Anchorage Alcoholism Program.

The idea behind the meeting was to develop legislative priorities on Senator Colletta's bills so that all regions, in a cooperative effort, could concentrate their efforts on expediting those pieces of legislation that the group as a whole would most like to see passed.

Upon achieving this state of accord, the hopeful result would be that each representative would go back to his or her respective region and initiate a position paper or make recommendations to the legislature which would be similar to what all other regions would be saying. ANCADA and RurALCAP would be supportive in their efforts, thus achieving maximum impact in paving the way for passage of the desired pieces of legislation.

The meeting broke into small working groups, each looking at the pieces of legislation as categorized by Senator Colletta's Special Committee on Alcohol-Related legislation. The categories are as follows:

- A. Treatment and Treatment Facilities
- B. Education and Prevention
- C. Training Programs
- D. Enforcement and Regulation
- E. Taxes, Credits, Insurance and Loans

Each group thoroughly discussed the related bills in each category and came up with the following recommendations:

A. Treatment and Treatment Facilities

SB542 - Identification and Utilization for detoxification of underutilized hospital beds by Office of Alcoholism.

RECOMMENDATION: DO PASS WITH THE FOLLOWING PROVISION. AN ADDITION BE MADE ON PAGE 1, SEC. 3, LINE 25 "...OF UNDERUTILIZED HOSPITAL BEDS FOR ALCOHOL AND DRUG USERS AND ASSIST MANAGERS OF THOSE FACILITIES IN UTILIZING OTHER COMMUNITY SERVICES, AS NECESSARY, FOR AFTERCARE AND FOLLOW-UP."

SB543 - Empower HESS to make grants-in-aid on the basis of Community need after consideration and comment by the Advisory Board on Alcoholism.

RECOMMENDATION: DO PASS PROVIDING PAGE 1, SEC. 1, LINE 16 "GRANTS WILL BE AWARDED ON A COMPETITIVE BASIS" IS DELETED. AND ON PAGE 1, SEC. 2, LINE 26 "...COMMUNITY MONEY..." A PROVISION WILL BE MADE FOR THE EXPANSION OF THE DEFINITION OF "COMMUNITY MONEY" TO INCLUDE ANY FISCAL SUPPORT FROM THE REGIONAL NATIVE ORGANIZATIONS.

B. EDUCATION - SB542, SB543, SB541, HB241

The working group that felt that the education and prevention components were placed in the above listed bills only to make them more palatable to the legislators.

The group felt that to give education and prevention legislation, the best possible chance of passage a composite bill should be drawn up to spearhead this effort. The following proposed revision to SB 511 was recommended:

C. Training Programs for Alcoholism Service Providers

SB542 - Empower Office of Alcoholism to foster training programs for all persons engaged in treatment of alcoholics and intoxicated persons and establish standards for training paraprofessional alcoholism workers.

RECOMMENDATION: DO PASS PROVIDING PAGE 1, SEC.7, LINE 19-20 IS REVISED TO READ "...ENGAGED IN TREATMENT OF ALCOHOLICS, INTOXICATED PERSONS AND DRUG ABUSERS AND ESTABLISH STANDARDS FOR THE TRAINING AND TRAINERS OF PARAPROFESSIONAL ALCOHOLISM AND DRUG ABUSE WORKERS." AND PROVIDING PAGE 1, LINE 27 IS REVISED TO READ "...TRAINING PROGRAM ON ALCOHOLISM AND DRUG ABUSE..." AND PROVIDING PAGE 2 LINE 1-7" ...ALCOHOLICS AND DRUG ABUSERS."

(19) DEVELOP OR ADAPT ALREADY ESTABLISHED CURRICULUM MATERIALS ON DRUG AND ALCOHOL ABUSE FOR USE IN GRADES KINDERGARTEN THROUGH 12. DEVELOP OR ADAPT ALREADY ESTABLISHED

C. Training Cont.

CURRICULUM AS A COURSE OF INSTRUCTION FOR TEACHERS TO BE IN CHARGE WITH PRESENTING THE CURRICULUM.  
SEC. 5. 47.37.041 FUND ESTABLISHED. THERE IS ESTABLISHED IN THE OFFICE OF ALCOHOLISM AND DRUG ABUSE, DEPARTMENT..."

D. Enforcement and Regulation

SB547- Special Appropriation of \$200,00 to increase the number of enforcement personnel employed by the Alcoholic Beverage Control Board.

RECOMMENDATION: DO PASS WITH REVISION. THE AMOUNT SHOULD BE RAISED TO \$400,000 TO ASSURE DELIVERY OF SERVICES TO THE RURAL AREAS.

SB549- Requirement of permits for waiter and waitresses, as well as regulations for issuance and performance..

NO RECOMMENDATION. NOT A HIGH PRIORITY ITEM.

SB549- Restriction of serving more than one intoxicating liquor at a time or to a person already in possession.

NO RECOMMENDATION. NOT A HIGH PRIORITY ITEM.

SB551- Rehabilitation of persons who commit criminal offenses as a result of alcohol problems including sentence to a program of education and rehabilitation; mandates such programs to provide the court with progress reports.

RECOMMENDATION: SUPPORT DO PASS AS IS.

SB552- Fines and imprisonment for first and subsequent convictions of DWI, as well as mandatory referral to a program of education and rehabilitation.

RECOMMENDATION: DO PASS AS IS.

SB550- Provides for public hearing on applications for new licenses, renewals, reissuances, and transfers and protest in cities and unified municipalities when not less than 10% of residents object. Allows persons within 5 miles to file objection and provision for a mandatory special election to be held when not less than 35% of persons within five miles file objections in regard to issuance, reissuance, reaccredual, or transfer of license.

RECOMMENDATION: DO PASS AS IS. WORKING GROUP WOULD LIKE TO POINT OUT CONFLICT BETWEEN HB240 and SB550. SB550 DEFINES "PROTEST AREA" WITH 5 MILE RADIUS AND HB240 DEFINES THE "PROTEST AREA" WITH 10 MILE RADIUS.

D. Enforcement Cont.

HB240 Provide for increased penalties for bootlegging and limit advertising of alcoholic beverages.

RECOMMENDATION: ALREADY SUPPORTED AS PART OF GOVERNOR'S ALCOHOL PACKAGE. NO FURTHER RECOMMENDATION.

E. Tax, Credits, Insurance and Loans

SB542- Empower the Office of Alcoholism to make loans for facilities supporting temperate activities supporting temperate activities up to \$10,000. Such loans may be used to finance no more than 80% of cost for purchase, construction and modification of facilities.

RECOMMENDATION: DO PASS WITH REVISION.  
ADD PAGE 2, LINE 16 "...TION OF BUILDINGS AND/OR EQUIPMENT IN WHICH SOCIAL..."

SB545- All individual or group health insurance in the State would define alcoholism as an illness and provide for treatment benefits at a rate no less than any other illness.

RECOMMENDATION: DO PASS AS IS.

SB546- Establishes a tax credit for contributions to approved alcoholism programs.

RECOMMENDATION: DO PASS AS IS.

SB167 & HB196- Increases excise tax on alcoholic beverages.

RECOMMENDATION: DO PASS/SUPPORT AT GOVERNOR'S LEVEL.

HB232- Allow municipalities to tax alcoholic beverage sales at a higher rate than other communities.

RECOMMENDATION: SUPPORT AS IS. ALREADY SUPPORTED AS PART OF GOVERNOR'S ALCOHOL PACKAGE.

HB240- Provide compensation to communities voting themselves dry for loss of alcoholic beverage sales tax revenues.

RECOMMENDATION: SUPPORT AS IS. ALREADY SUPPORTED AS PART OF GOVERNOR'S ALCOHOL PACKAGE.

SUMMARY OF RECOMMENDATIONS

NEW ALCOHOL-RELATED LEGISLATION:

- SB540- NO RECOMMENDATION AT THIS TIME.
- SB541- SEE SUBSTITUTE BILL SB541.
- SB542- TOTAL SUPPORT WITH REVISIONS (See A. Treatment and Treatment Facilities; C. Training Programs; and E. Taxes, Credits, Insurance & Loans).
- SB543- TOTAL SUPPORT WITH REVISIONS (See A. Treatment and Treatment Facilities).
- SB544- TOTAL SUPPORT AS IS.
- SB545- TOTAL SUPPORT AS IS.
- SB546- TOTAL SUPPORT AS IS.
- SB547- TOTAL SUPPORT WITH REVISION (See D. Enforcement and Regulation).
- SB548- NO RECOMMENDATION AT THIS TIME. NOT A HIGH PRIORITY ITEM.
- SB549- NO RECOMMENDATION AT THIS TIME. NOT A HIGH PRIORITY ITEM.
- SB550- SUPPORT AS IS (See D. Enforcement and Regulations for comments).
- SB551- TOTAL SUPPORT AS IS.
- SB552- TOTAL SUPPORT AS IS.

HB240, HB232, HB196/SB167 ALREADY RECEIVED SUPPORT AS PART OF THE GOVERNOR'S ALCOHOL PACKAGE.

## PRIORITY BY CATEGORY

At the conclusion of the meeting, participants were asked to list their priorities by category:

### A. Treatment and Treatment Facilities

Two participants considered this category number one priority, four participants considered it second priority, three participants considered it third priority and three participants considered it fifth priority.

### B. Education and Prevention

Six participants considered this a top priority item, five considered it is second priority, and one consider it lower priority.

### C. Training Programs

Two considered this second priority, five considered it third priority and four considered it fourth priority.

### D. Enforcement and Regulation

Three considered this third priority, four considered this fourth priority and four considered this last priority.

### E. Taxes, Credits, Insurance and Loans

Five considered this top priority, one considered this second priority. Two went fourth priority and three went for fifth priority.

## CONCLUSIONS

A majority of the participants considered the categories education/ prevention and taxes/ credits/ insurance/ loans top priority items. Treatment ranked next, then training and finally enforcement/regulations.

SENATE BILL NO. 541  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to health education in public schools and Unorganized Borough schools."

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

\* Section 1. AS 14.30.360(a) is amended to read:

(a) Each district in the state public school system and those districts being of Unorganized Borough systems, shall be encouraged to initiate and conduct a program in health education for Kindergarten through grade 12. The program should include instruction in physical health, family health, environmental health, and appropriate use of health services.

\* Section 2. It is the intent of the Legislature that public school and Unorganized Borough school systems implement a program of alcohol and drug abuse education by appropriating a sum of \$ \_\_\_\_\_ from the general fund to the Department of Education for the planning, coordination, regulation, monitoring, and evaluation of statewide alcohol and drug abuse curriculum efforts and for providing training and technical assistance to local school districts engaged in the use of alcohol and drug abuse curriculum.

\* Section 3. The Department shall provide training for persons administering an alcohol and drug abuse curriculum.

\* Section 4. AS 47.30.477 is amended to read:

Sec. 4730.477 GRANT-IN-AID PROGRAM REGULATIONS. The Department shall adopt regulations implementing the method of application of the curriculum, the time for consideration of the curriculum, the processing of the curriculum applications, the type of record-keeping, the requirements for reporting the progress and evaluation models compatible with the curriculum programs, and the notification of the applicant as to the action taken on the application.

\* Section 5. The Department shall establish a method of teacher certification protocols compatible with the "Here's Looking At You" alcohol and drug abuse curriculums, for the delivery of teaching curriculum materials, according to the applicant school system's capacities.

\* Section 6. The Department shall coordinate financial assistance efforts and capability by utilizing existing statewide or regional agencies of alcohol and drug abuse expertise to facilitate the implementation of alcohol and drug abuse demonstration projects within the public and Unorganized Borough school systems, and make available contract or grant procedures for funding such statewide or regional agency agreements for such provision.

SB 540

A STATE DIVISION OF THE  
NATIONAL COUNCIL ON ALCOHOLISM



National  
Council  
on  
Alcoholism - ALASKA REGION

4510 International Airport Road, Suite 1  
Anchorage, Alaska 99502  
Phone 243-4321 or 243-4306

April 13, 1978

Senator Mike Colletta  
Pouch V  
Juneau, AK 99811

Dear Mike:

Thank you for the Citizen's Legislation Senate Bills 540-552 which were forwarded to us for review. We have the following comments.

Senate Bill 545 "An Act relating to health insurance". We are supportive of mandating alcoholism treatment coverage for all policies, contracts, or prepared plans for individual or group health insurance in Alaska. However, the clause waiving the coverage by the policy holder would make the impact of this insurance negligible. It is foreseen that middle-class individuals in the early to middle stages of alcoholism would choose to waive alcoholism coverage, as having it might indicate to them that they, in fact, have a problem with alcohol. We feel very strongly that "except that this coverage may be waived in writing by the policy-holder of an individual health insurance policy on or before the effective date of that policy," must be deleted.

Senate Bill 540 "An Act making a special appropriation to the Office of Alcoholism in the Department of Health and Social Services for the prevention and treatment of alcohol abuse and alcoholism and providing for an effective date". It appears that the sum of \$3,200,000 is appropriated for administrative functions of the Office of Alcoholism. The language of the Bill appears to provide for planning, coordination, regulation, monitoring, and evaluation of programs and for training, technical assistance to programs. There appears to be no implication, intent, nor definition of providing any of that money directly to programs. We seriously question the need of \$3.2 million in administrative fees for the Office of Alcoholism without provision for a dramatic increase in grant funds.

*A Private Non Profit Corporation Dedicated to the Goal of the Adoption by Alaska of a Positive, Supportive and Knowledgeable Attitude Toward the Solution of the Problems of Alcoholism and Alcohol Abuse*

Senator Mike Colletta

April 13, 1978

Page 2

Senate Bill 541 "An Act relating to health education in public schools". The physical health education provided for in this Act is not mandatory. There is no money allotted for training of teachers. There appears to be no provision for coordination or cooperation by the school districts with health education programs developed by the Office of Alcoholism or other appropriate health and social service divisions. If a Bill such as this passes, we are concerned that it too will be ignored if the provisions are not made mandatory.

Senate Bill 542 "An Act adding to the powers and duties of the Office of Alcoholism." We question the need for establishing standards for training para-professional alcoholism workers. Obviously standards and training are needed for all alcoholism workers. However, as the field becomes more sophisticated the workers will no longer be para-professionals but will be professionals. Individuals with advanced degrees may require training prior to being able to effectively work within the alcoholism field. The standards and training offered by the Office of Alcoholism must be offered to those individuals also considered "professionals". We request that "para" be deleted from section 2 (7). Section 4 (12) is nebulous and appears to be unenforceable. Developing and implementing training programs on alcoholism for employees of state municipal governments and private institutions is extremely important. But to allegedly limit it to those individuals coming in contact with alcoholics is not realistic as we are sure this will be interpreted as individuals working within treatment centers only. If the objective for this section is to assist in the implementation of the establishment of labor-management programs then it should state that the training will be available to anyone who supervises other individuals. Section 5 fund established. There is no indication of the source of money for the proposed revolving loan fund. We believe it should be stated that grant and contract funds shall not be used for this purpose.

Senate Bill 543 "An Act relating to alcoholism grants-in-aid". Section 2 (3) changes the ratio of grant funds from a set ratio 75/25 or 90/10 to a portion which the Department determines the community to be served is incapable of bearing. This portion could be changed by the Department with less than adequate information and input. While we are not totally in agreement with the current ratio of 75/25 or 90/10, we believe that this section needs to be clarified and defined further. The funds from the grant-in-aid appear to be restricted to treatment facilities with the exception of purchase of educational materials, improvements or renovation, or new construction. Stated in this manner, it would prohibit any non-treatment agency such as ourselves, the Anchorage Council on Alcoholism, the Akiachuk Council on Alcoholism, and various other small communities from applying for and receiving state grant-in-aid funds. As the alleged area of emphasis is in prevention and education, we believe that this section must be changed.

Senator Mike Colletta  
April 13, 1978  
Page 3

Section 3 (E) (1) "No grant may be awarded under this section unless the application includes a plan which provides for the expenditure of grant money for education and other preventative measures as well as the treatment of alcoholics. This again, creates a situation where direct treatment programs are the only programs eligible for grant funds. This must be changed.

Section 3 (E) (3) "Goals expressed in terms of a percentage reduction of the number of persons needing the assistance provided by the program receiving a grant under this section". We believe the word "reduction" should be changed to "increase", as the largest percentage of alcoholics are middle class individuals who do not recognize their problem. Until alcoholism achieves an air of respectability and people are willing to admit they have a problem during the early stages, a program should not be expected to reduce the number of persons needing assistance. Programs should be expected to increase the awareness of the need for assistance, which will in turn increase the number of individuals utilizing the program.

Section 3 (G) "No grant may be awarded to a program within a municipality whose officers fail to actively enforce its ordinances, the laws of the United States, the laws of the State, and the regulations relating to..." We believe this sentence to be too broad and too general while we agree with the intent of this section. We believe it would be totally unenforceable.

Section 3 (1) We would hope that sufficient lead time would be given programs receiving grant funds to implement a uniform accounting system as many programs are multiply funded and such a change could cause severe hardships. One accounting procedure must be maintained in all programs for all grants.

Section 5 (3) "Approved public treatment facility" would appear to be any treatment facility receiving any public money. "Public facility" creates a connotation of the county general hospital, of poor condition, and of snake pit caliber which is not the intention of the definition. If a treatment facility is termed "public" could it have a screening process for client selection or would it by definition be mandated to accept anyone who applied for services? We don't believe the mere act of receiving "public money" should deem a facility to be "public".

Senate Bill 544 "An Act relating to standards for alcohol treatment facilities". Section 2 (A) We seriously question the separation of communities of less than 5,000 from those with more than 5,000 residents. From our review of the population figures for communities within the State of Alaska there appear to be three general categories: 1) those communities with 1-1,000 individuals which are mainly villages; 2) communities with 1,001-4,500 individuals, which are mainly rural in nature, larger than villages but not urban; and 3) 4,501-over which are urban. We urge you to give some consideration

Senator Mike Colletta  
April 13, 1978  
Page 4

to the village, rural, urban concept as we believe it is unrealistic to require identical standards for Home and Egegik, which this legislation does.

Senate Bill 546 "An Act establishing a tax credit for contributions to alcoholism programs and providing for an effective date". Our questions only have to do with the difference between a credit versus a tax deduction and would this be in addition to the already approved deduction for donations?

Senate Bill 548 "An Act relating to waiter and waitress permits". While we support and applaud the intent of this bill, we have serious questions concerning Section 2 (B) "the duties of waiters and waitresses employed therein shall be confined to taking orders and serving beverages alcoholic or otherwise and food". Waiters and waitresses also clear tables, sweep floors, wash windows, do dishes, and fill in other places that are needed. Are bartenders to be considered waiters under this legislation? We do not think it appropriate that this legislation define the duties of waiters and waitresses. Furthermore, "waiters and waitresses employed under this section may not solicit or encourage the purchase of beverages, alcoholic or otherwise..." This could be seriously misconstrued by individuals who may think it fun or interesting to prosecute an establishment if the waiter or waitress asks the patron if he wants a cup of coffee. We believe the wording on this bill needs to be reviewed and revised.

Senate Bill 549 "An Act relating to the serving of intoxicating liquor". The term "intoxicating liquor" implies that it does not include beer or wine. We are fully aware that beer and wine are as intoxicating as hard liquor. However, to the general public the word liquor connotes hard liquor and not beer or wine. Perhaps "ethyl alcohol" would be an appropriate substitute for "intoxicating liquor". A single serving needs to be defined. What would happen, for example, to the pitcher of beer or the margarita grande to name but a few of the standard drinks served in bars throughout the state.

Senate Bill 547 "An Act making a special appropriation to the Department of Revenue to increase the number of enforcement personnel employed by the alcoholic beverage control board and providing for an effective date". Our only question with this bill is \$200,000 sufficient to obtain the necessary personnel obviously needed by the alcoholic beverage control board?

Senate Bill 550 "An Act relating to administration and enforcement of alcoholic beverage control statutes in regulations". We support the proposed changes of two miles to five miles and the change of village to "protest area". We also believe the re-issuance is a positive added aspect of the legislation. The proposed suspensions and revocations appear to be adequate if the alcoholic beverage control board obtains sufficient employees to enforce the laws.

Senator Mike Colletta  
April 13, 1978  
Page 5

Senate Bill 551 "An Act relating to the rehabilitation of persons who commit criminal offenses as a result of alcohol problems in providing for an effective date". There should be mention of mandatory prompt action being taken for non-compliance of the program of alcohol education or rehabilitation by the convicted person. Without prompt action for noncompliance the law would be worthless.

Senate Bill 552 "An Act relating to alcohol". We were sorry to see that the per se law was not included in this proposed legislation. The per se law says in effect that if a person has a blood alcohol content of .10 he is assumed to be intoxicated and unable to drive. It is our understanding that Anchorage is the only community within Alaska to adopt and enforce the per se law. We were further surprised and disappointed to see that a mandatory 24-hour jail sentence was not proposed for a first offender in addition to the maximum fine of \$1,000 and imprisonment for one year. Studies which have been done nationwide have indicated that 24-hours in jail for a first offender has a maximum impact, whereas three days after a second conviction has a lesser impact.

We hope these comments are helpful to you and the committee.

Sincerely yours,



Suzanne W. Perry-Piper  
Executive Director

eab

Introduced: 3/17/78  
Referred: Health, Education &  
Social Services and Finance

BY THE RULES COMMITTEE  
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 540

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the office of  
7 alcoholism in the Department of Health and Social  
8 Services for the prevention and treatment of alcohol  
9 abuse and alcoholism; and providing for an effective  
10 date."

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

12 \* Section 1. The sum of \$8,200,000 is appropriated from the general fund  
13 to the office of alcoholism in the Department of Health and Social Services  
14 for the planning, coordination, regulation, monitoring, and evaluation of  
15 statewide alcoholism efforts and for providing training and technical assis-  
16 tance to local programs engaged in the prevention, treatment, and control of  
17 alcohol abuse and alcoholism in the state.

18 \* Sec. 2. This Act takes effect July 1, 1978.  
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COMMITTEE REPORT

SENATE

3/17/78

FURTHER: FINANCE

Date: 4-10-78

Mr. President:

The Committee on HEALTH EDUCATION & SOCIAL SERVICES has had SB 540 special appropriation to office of alcoholism in Dept. of Health & Social Services

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 <sup>INDIV.</sup> recommendation
- ( ) and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

1 Panack Rodey no REC

2 Zyl " "

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Adrian Anderson  
Chairman  
**DO PASS**

SB 540

April Twenty-Seventh

1 9 7 8

Richard Loeb  
Alaska Distributors Company  
4801 6th Avenue, South  
Seattle, WA 98108

Dear Dick,

Thank you for your letter speaking to the packet of bills concerning alcohol. At this time the following bills have been reported out of the Senate Health, Education, and Social Services Committee which is chaired by Senator Glenn Hackney; Senate Bill 540, Senate Bill 541, Senate Bill 542, Committee Substitute for Senate Bill 544, and Committee Substitute for Senate Bill 545. All of the above bills have also been referred to the Senate Finance Committee which is chaired by Senator John Sackett. The rest of the bills in the packet are scheduled for hearing in the near future. I have enclosed a copy of the Committee Substitute for Senate Bill 544 and Committee Substitute for Senate Bill 545 for your convenience. Thank you for taking the time to comment on this package.

Although we did not write categories into Senate Bill 540, I spent many long sessions with the Office of Alcoholism before a specific figure was reached. Members of the governmental agencies have used the excuse that various programs would have been a success if their funds had not been cut. This is their chance to be completely funded with no portion of the money used as a political football. With this appropriation they will have to prove the worth of their programs, or the programs will be disbanded.

I am afraid I don't quite follow your reasoning concerning Senate Bill 543. I am unaware of how enforcing the present laws would be detrimental to either the liquor industry or the State of Alaska.

Senate Bill 547 is an attempt to use the laws we have to accomplish needs expressed by the public. The Special Senate Committee on Alcoholism was told by the general public that there is not enough enforcement of the present laws. The Committee was also told by the State agencies that they did not have enough enforcement officers to adequately do the job. This expenditure will force those responsible for the enforcement of the present laws, to "put their money where their mouth is" so to speak.

Richard Loeb  
April 28, 1978  
Page 2.

I really have to chuckle when Senate Bill 546 comes up for discussion. We are receiving a great many disfavorable comments about this particular piece of legislation from the liquor industry and the irony is, this measure was suggested by an officer of the Cabaret, Hotel and Restaurant Association at a public meeting. As I have mentioned, the Committee received a great many public complaints about the lack of enforcement of the laws in a bar, specifically the serving of a drink to an obviously intoxicated person. Bar owners and bartenders complained that they don't know who the drink is being served to, so it is difficult for them to take the responsibility of making sure the law is upheld. A good compromise situation was suggested. The waiters and waitresses, since they know to whom the drink is being served, should take the responsibility. It would be unfair for these employees to have that responsibility without being given the corresponding knowledge of the law, which is the reason for a required course of instruction in the alcohol laws. I personally envisioned a procedure much like that which is used to obtain a driver's licence. A person would study for the written test by means of a booklet, and then take the test. The employee would receive their permit as soon as they passed the test. This is a minor change which can be made in committee.

Senate Bill 549 is also a direct response to public comments made during the series of hearings done by the Special Senate Committee on Alcoholism and Alcohol Related Legislation. The purpose of this bill is to stop the practice of six-packing or allowing three or four drinks to pile up in front of a customer. If you have any suggestions to better accomplish this, I would welcome them.

Senate Bill 550 and Senate Bill 552 are both housekeeping measures. The Committee heard the common complaint from industry, government and the public that there is not enough clarity in the present law. Both of these bills are attempts to clarify the law.

I wanted to take an opportunity, as well, to tell you again how much I appreciate the effort your company is making through your advertising campaign. I am sending a copy of the "Tundra Times" which carried your ad, and I would like to have a dozen or so of the booklets which you mentioned. As I was reading your ad I had a few thoughts you may be interested in. I thought that if funding permits, it would be a great idea to make the booklets available at various distribution points. I also thought that it would be worthwhile to compile a list of service organizations and schools; then send them a supply of these booklets. It could be a very effective way of increasing the reach of this advertising campaign.

Richard Loeb  
April 28, 1978  
Page 3.

Thank you for your good wishes. I do realize that the majority of the industry is as interested as I am in finding the best possible solution to the problems present in the system today. Such tactics from a small minority doesn't affect my actions at all.

Dick, it was a pleasure to hear from you, and I hope the points I have made have at least explained the intentions behind these bills. Please be assured that your views and comments will be taken into consideration before the bills come to the floor. I have taken the liberty of sending a copy of your letter to all of the members of the Special Senate Committee on Alcoholism. I am sure you know, by now, that I welcome any correspondence or calls from you.

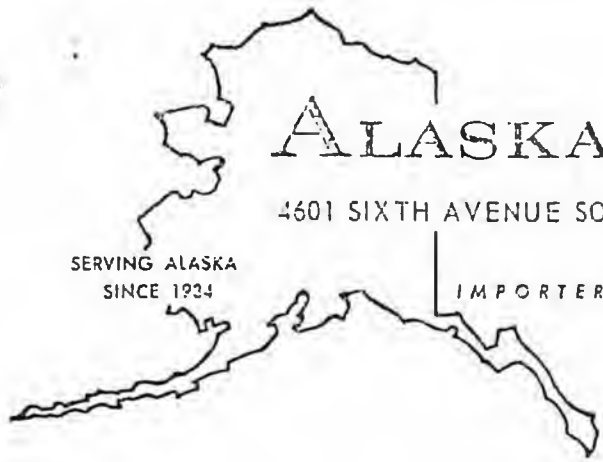
Best Wishes,

Mike Colletta  
Senate Floor Leader

MC/das

Enclosures

cc: Senator Glenn Hackney  
Senator Robert Ziegler  
Senator Frank Ferguson  
Senator Bill Ray  
Senator John Sackett ✓  
Senator George Hohnan  
Commissioner Helen Beirne  
Robert Cole



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April 21, 1978

The Honorable Mike Colletta  
Alaska State Senate  
Pouch "V"  
State Capitol Building  
Juneau, Alaska 99811

Dear Mike:

Your letter of April 4th containing your comments regarding our Moderation Campaign was greatly appreciated. We too hope that this campaign will help in the education of the people towards the moderate use of our products.

You have asked me to make comments regarding the packet of bills that have been introduced by you, most specifically Bills No. 540 through 552. To start off with, after reading all of the bills, I certainly see nothing at all to object to in Bills No. 541, 542, 544, 545, 546 and 551.

In commenting on the other bills, I hope you realize that it is quite difficult to "debate" some of these in a letter, especially if one tries to be brief which I will attempt to be.

SENATE BILL NO. 540

There is a question in my mind regarding the appropriation of this \$8,200,000 as to what it will be used for. If zero based budgeting is used by the Department of Health and Social Services, I would be very much interested in seeing their plan for what this money is going to be used for. Or, are you merely appropriating this money and then telling them to come up with the plans? I am certain I don't have to tell you that it is one thing to have a lot of money for programs but it is another thing to use it wisely.

SENATE BILL NO. 543

Item (g) could open the way for a lot of enforcement, the benefit of which would be questionable.

SENATE BILL NO. 547

Again, we would be most interested in where the money is going to be spent before merely appropriating \$200,000.00. Is this expenditure necessary?

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SENATE BILL NO. 548

Mike, this bill, of course, does not pertain in any way to the wholesale segment of the business and because of that you might ask why we are opposed to it. The simple reason is that we believe this bill to be one that would set the industry back 20 years and establish additional bureaucratic red tape that is unnecessary. It is true, as you commented to me on the telephone, that the Alcoholic Beverage Industry is a "regulated" industry and therefore because of this, this kind of regulation should also be accepted. I personally do not believe that this cumbersome and archaic approach will serve any good purpose whatsoever and it is just another step towards the George Orwell 1984 Society.

SENATE BILL NO. 549

My personal opinion on this is that it would be worse to have a bill like this in effect than no law that we have at present. I think that you would find that people would consume faster and your good intent of this bill would be completely negated.

SENATE BILL NO. 550

The inspections, regulations, etc. that are in effect today regarding licenses seem to serve whatever needs that are necessary. It just doesn't seem that we need additional investigations, agents, or "peace officers" to run up more bills for the taxpayer to accomplish what is already being accomplished. If somebody wants to protest now, they can be heard and this bill would appear to me to merely add more people and more regulations to a law that already accomplishes what it is intended to do.

SENATE BILL NO. 552

The main objection that I have to this bill is that alcohol and drugs are combined. Because of the difference in governmental approach to alcohol and drugs, in my opinion they should not be combined.

Mike, I know my comments have been brief and possibly I have left myself open for some opinions to be taken "out of context" because of the lack of explanation. I would be most happy to discuss them with you on the telephone or even come to Juneau to discuss them with you, if you wish. Again, I certainly appreciate your interest in soliciting our comments.

April 21, 1978

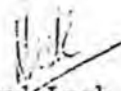
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I would like to just make one final statement to you in view of some of the publicity that has been in the newspapers in the past few days. Mike, I hope that you realize that the majority of the people in our industry are responsible and feel, along with you, that we can work together to find the solutions necessary regarding problems that exist. I certainly hope that you don't judge the industry as a whole harshly because of the actions of a very very small minority.

Kindest personal regards.

Very truly yours,

ALASKA DISTRIBUTORS CO.

  
Richard Loeb

RL:ia