

LEG. FINANCE - BILLS 1979 - 1980 1018

CASHB 32 cont. thru HB 34

TEN YEAR ECONOMIC ANALYSIS⁽¹⁾
 WITH CREDIT FOR SALE OF PROJECT EXCESS POWER
 7% DIESEL FUEL PRICE ESCALATION

(All Costs \$1000)

Period ⁽⁴⁾	Diesel Alternative			Project		Credit For Sale of Ex- cess Energy ⁽⁵⁾	Net Project Annual Cost	Savings or (Deficit) Amount	Present Worth of Savings or (Deficit) ⁽⁶⁾
	Total New Capacity kW	Energy Gwh	Annual Cost ⁽²⁾	Annual Costs ⁽³⁾	Annual Cost				
1983-84	6,450	50.15	3,035	5,401	2,229	3,172	(137)	(137)	
1984-85	6,450	55.79	3,504	5,462	1,894	3,560	(64)	(60)	
1985-86	6,450	61.72	4,041	5,527	1,533	3,994	47	42	
1986-87	6,450	67.44	4,655	5,597	1,144	4,453	202	170	
1987-88	6,450	74.47	5,356	5,672	726	4,946	410	325	
1988-89	12,900	81.33	7,107	5,752	274	5,478	1,629	1,217	
1989-90	12,900	85.40	7,827	5,838	0	5,838	1,989	1,402	
1990-91	12,900	85.40	8,309	5,930	0	5,930	2,379	1,582	
1991-92	12,900	85.400	8,826	6,028	0	6,028	2,798	1,756	
1992-93	12,900	85.40	9,378	6,133	0	6,133	3,245	<u>1,921</u>	
Cumulative Present Worth Savings									8,218

- (1) Initial 10 years of operation.
- (2) Assuming generation to meet projected load each year.
- (3) Operating costs escalated at 7% annually from on-line date.
- (4) November - October, typical.
- (5) Based on sale of energy in excess of City's needs for first 6 years of operation at a cost/kWh equal to the average cost of power from the project.
- (6) November 1983 level, 6% discount rate.

TEN YEAR ECONOMIC ANALYSIS⁽¹⁾
 NO SALE OF PROJECT EXCESS POWER
 10% DIESEL FUEL PRICE ESCALATION

(All Costs \$1000)

Period ⁽⁴⁾	Diesel Alternative			Project	Savings or (Deficit) Amount	Present Worth of Savings or (Deficit) ⁽⁵⁾
	Total New Capacity kW	Energy GWh	Annual Costs ⁽²⁾	Annual Costs ⁽³⁾		
1983-84	6,450	50.15	3,537	5,401	(1,864)	(1,864)
1984-85	6,450	55.79	4,197	5,462	(1,265)	(1,193)
1985-86	6,450	61.72	4,977	5,527	(550)	(490)
1986-87	6,450	67.94	5,898	5,597	301	253
1987-88	6,450	74.47	6,983	5,672	1,311	1,038
1988-89	12,900	81.33	9,212	5,752	3,460	2,385
1989-90	12,900	85.40	10,427	5,838	4,589	3,235
1990-91	12,900	85.40	11,350	5,930	5,420	3,605
1991-92	12,900	85.40	12,364	6,028	6,336	3,975
1992-93	12,900	85.40	13,477	6,133	7,344	<u>4,347</u>
Cumulative Present Worth Savings						15,492

- (1) Initial 10 years of operation.
- (2) Assuming generation to meet projected load each year.
- (3) Operating Costs escalated at 7% annually from on-line date.
- (4) November - October, typical.
- (5) November 1983 level, 6% discount rate.

TEN YEAR ECONOMIC ANALYSIS⁽¹⁾
 WITH CREDIT FOR SALE OF PROJECT EXCESS POWER
 10% DIESEL FUEL PRICE ESCALATION

(All Costs \$1000)

Period ⁽⁴⁾	Diesel Alternative		Project		Credit For Sale of Ex- cess Energy ⁽⁵⁾	Net Project Annual Cost	Savings or (Deficit) Amount	Present Worth of Savings or (Deficit) ⁽⁶⁾
	Total New Capacity kW	Energy Gwh	Annual Costs ⁽²⁾	Annual Costs ⁽³⁾				
1983-84	6,450	50.15	3,537	5,401	2,229	3,172	365	365
1984-85	6,450	55.79	4,197	5,462	1,894	3,560	629	593
1985-86	5,450	61.72	4,977	5,527	1,533	3,994	983	875
1986-87	6,450	67.94	5,898	5,597	1,144	4,453	1,445	1,213
1987-88	6,450	74.47	6,983	5,672	726	5,478	2,037	1,613
1988-89	12,900	81.33	9,212	5,752	274	5,838	3,734	2,790
1989-90	12,900	85.40	10,427	5,838	0	5,838	4,589	3,235
1990-91	12,900	85.40	11,350	5,930	0	5,930	5,420	3,605
1991-92	12,900	85.40	12,364	6,028	0	6,028	6,336	3,975
1992-93	12,900	85.40	13,447	6,133	0	6,133	7,344	<u>4,347</u>
Cumulative Present Worth Savings								22,611

- (1) Initial 10 years of operation.
- (2) Assuming generation to meet projected load each year.
- (3) Operating costs escalated at 7% annually from on-line date.
- (4) November - October, typical.
- (5) Based on sale of energy in excess of City's needs for first 5 years of operation at a cost/kWh equal to the average cost of power from the project.
- (6) November 1983 level, 6% discount rate.

ECONOMIC ANALYSIS
LIST OF ASSUMPTIONS

Fixed Cost

Plant Additions: Diesel plant is estimated to cost \$450 per kW installed in an existing plant and \$550 per kW installed in a new plant. Estimated costs for hydroelectric plant additions appear individually on the following pages.

Interest During Construction: The study assumes a 2% net effective interest rate in computing interest during construction.

Depreciation: Depreciation estimates are made on a straight line basis. Hydroelectric plant has an estimated 50 year life and depreciates at a 2% annual rate. Diesel plant has an estimated 25 year life and depreciates at a 4% annual rate.

Long Term Financing: All loans assume equal quarterly payments for debt service. The study determines debt service for each projected plant addition at three interest rates. State of Alaska guaranteed bond financing would carry a 5% annual interest rate. Municipal bond financing would carry a 6½% annual interest rate. Private financing would carry a 9% annual interest rate.

Insurance: 1978 insurance costs are estimated at \$1.25 per installed kW. This cost is inflated at a 7% annual rate for all subsequent years.

Production Costs

- Inflation:** The study assumes a 7% long term inflation rate. All costs are based on the 1978 price inflated at a 7% annual rate.
- Labor:** Labor is estimated at \$35 per hour.
- Fuel:** Fuel is estimated at 49.6¢ per gallon. The study assumes diesel units have a 13 kWh per gallon heat rate.
- Lube Oil and Grease:** Estimated at 10% of fuel costs.
- Generating Plant Maintenance Material:** Hydroelectric plant maintenance material estimated at \$1.25 per installed kW. Diesel plant maintenance material estimated at \$2.50 per installed kW.
- Transmission:** Overhead transmission maintenance estimated at \$230 per mile. Submarine cable maintenance estimated at \$100,000 for the life of the Tyee Lake cable and \$30,000 for the life of the Cascade Creek Cable. These amounts were prorated annually over the life of the cable, inflated at a 7% annual rate.

TYEE LAKE - PHASE I
PRELIMINARY COST ESTIMATE

Capital Expenditures By Year (\$1,000's)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>TOTAL</u>
Generation:						
Land and Land Rights		20				20
Structures				400	550	950
Reservoirs, Dams & Waterways			2460	3000	2000	7460
Turbines & Generators					3150	3150
Accessory Electrical Equipment				200	300	500
Misc. Power Plant Equipment				100	200	300
Roads & Bridges						
Indirect Construction Costs			2000	2000	1940	5940
Engineering	500		600	300	300	1700
TOTAL:	500	20	5060	6000	8440	20020
Transmission:						
Land and Land Rights		20				20
Right of Way Clearing			184	197	140	521
Transmission Lines ¹			3944	5302	3661	12907
Substations and Switchyards				315	505	820
Indirect Construction Costs			1188	1101	1360	3649
Engineering	²	²	245	524	421	1190
TOTAL:		20	5561	7439	6087	19107
Total Construction Costs:	500	40	10621	13439	14527	39127
Interest During Construction:	45	3.4	530	403	145	1126.4
Total Project Costs	545	43.4	11151	13842	14672	40253.4

¹ Includes cost of submarine cable (\$1000) as follows:

<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>Total</u>
1100	1950	1950	5000

² Included in Generation.

REMARKS: 1) 15 MW installed, 69178 MWh annual prime and average energy.
2) Costs are escalated.

VIRGINIA LAKE
 PRELIMINARY COST ESTIMATE

Capital Expenditures By Year (\$1,000's)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>TOTAL</u>
Generation:						
Land and Land Rights		30				30
Structures				250	500	750
Reservoirs, Dams & Waterways			860	1545	1545	3950
Turbines & Generators				1000	1400	2400
Accessory Electrical Equipment				200	300	500
Misc. Power Plant Equipment				68	202	270
Roads & Bridges			120			
Indirect Construction Costs			340	1070	1400	2810
Engineering	500		300	200	200	1200
TOTAL:	500	30	1620	4333	5547	12030
Transmission:						
Land and Land Rights		20				20
Right of Way Clearing			100	50		150
Transmission Lines			2000	2500	3500	8000
Substations and Switchyards				240	360	600
Indirect Construction Costs			570	700	1050	2380
Engineering			200	200	200	600
TOTAL:		20	2870	3750	5110	11750
Total Construction Costs:	500	50	4490	8083	10657	23780
Interest During Construction:	5	10.5	55.9	181.1	369.1	621.6
Total Project Costs	505	60.5	4545.9	8264.1	11026.1	24401.6

REMARKS: 1) 8 MW installed, 28032 MW annual prime and average energy.
 2) Costs are escalated.

SUNRISE LAKE
PRELIMINARY COST ESTIMATE

Capital Expenditures By Year (\$1,000's)

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>TOTAL</u>
Generation:						
Land and Land Rights		32				32
Structures				368	295	663
Reservoirs, Dams & Waterways			1014	919	984	2917
Turbines & Generators				184	2754	2938
Accessory Electrical Equipment				92	393	485
Misc. Power Plant Equipment					118	118
Roads & Bridges			103			103
Indirect Construction Costs			816	643	1013	2472
Engineering	600		258	276	197	1331
TOTAL:	600	32	2191	2482	5754	11059
Transmission:						
Land and Land Rights		32				32
Right of Way Clearing			430			430
Transmission Lines			988	1011	1082	3081
Substations and Switchyards				184	590	774
Indirect Construction Costs			378	368	433	1179
Engineering			232	138	148	518
TOTAL:		32	2028	1701	2253	6014
Total Construction Costs:	600	64	4219	4183	8007	17073
Interest During Construction:	54	4.5	211	125.5	80	475
Total Project Costs	654	68.5	4430	4308.5	8087	17548

REMARKS: 1) 5 MW installed, 20586 MWh annual prime and average energy.
2) Costs are escalated.

CASCADE CREEK
 PRELIMINARY COST ESTIMATE

Capital Expenditures By Year (\$1,000's)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>TOTAL</u>
Generation:						
Land and Land Rights		20				20
Structures			680	2780	3400	6860
Reservoirs, Dams & Waterways			7000	6000	3415	16415
Turbines & Generators				1145	5000	6145
Accessory Electrical Equipment			100	300	685	1085
Misc. Power Plant Equipment			58	300	500	858
Roads & Bridges		850	1600			2450
Indirect Construction Costs		300	3300	3700	4500	11800
Engineering	800	450	1450	750	795	4245
TOTAL:	800	1620	14188	14975	18295	49878
Transmission:						
Land and Land Rights		20				20
Right of Way Clearing			100	100	100	300
Transmission Lines			2700	3700	2300	8700
Substations and Switchyards				480	720	1200
Indirect Construction Costs			760	1165	855	2780
Engineering			200	450	350	1000
TOTAL:		20	3760	5895	4325	14000
Total Construction Costs:	800	1640	17948	20870	22620	63878
Interest During Construction:	8	32.4	246.3	616.5	1051.4	1954.6
Total Project Costs:	808	1672.4	18194.3	21486.5	23671.4	65832.6

- REMARKS: 1) If phase developed: Phase I Cost = \$33,215,000 plus interest during construction for 12 MW installed and 44,781 annual prime and average MWh per year. Therefore Phase II would need to be constructed immediately after Phase I.
- 2) 36 MW installed, 156,672 MWh annual prime and average energy.
- 3) Costs are escalated.

Overview

The purpose of this analysis is to determine the lowest cost power supply alternative to meet the power demands of Petersburg and Wrangell from 1978 to 1998. Each alternative assesses the projected combined firm capacity deficit, or the projected firm capacity deficit for each community in the All Diesel Alternative, and selects the appropriate combination of hydroelectric and diesel plant additions required to overcome that deficit.

Fixed costs are developed for each alternative using long term financing at interest rates of 5%, 6½%, and 9%. The 5% interest rate assumes revenue bond financing guaranteed by the State of Alaska. The 6½% interest rate assumes municipal revenue bond financing. The 9% interest rate assumes private bond financing.

Significant cost savings could result from State of Alaska guaranteed financing. This could also avert bond financing capacity problems given the large capital requirements of a hydroelectric project.

Depreciation and insurance are included in fixed costs as well as interest.

Generation and transmission costs are developed for each alternative based on the previously stated assumptions. These costs include labor, fuel, oil, and maintenance.

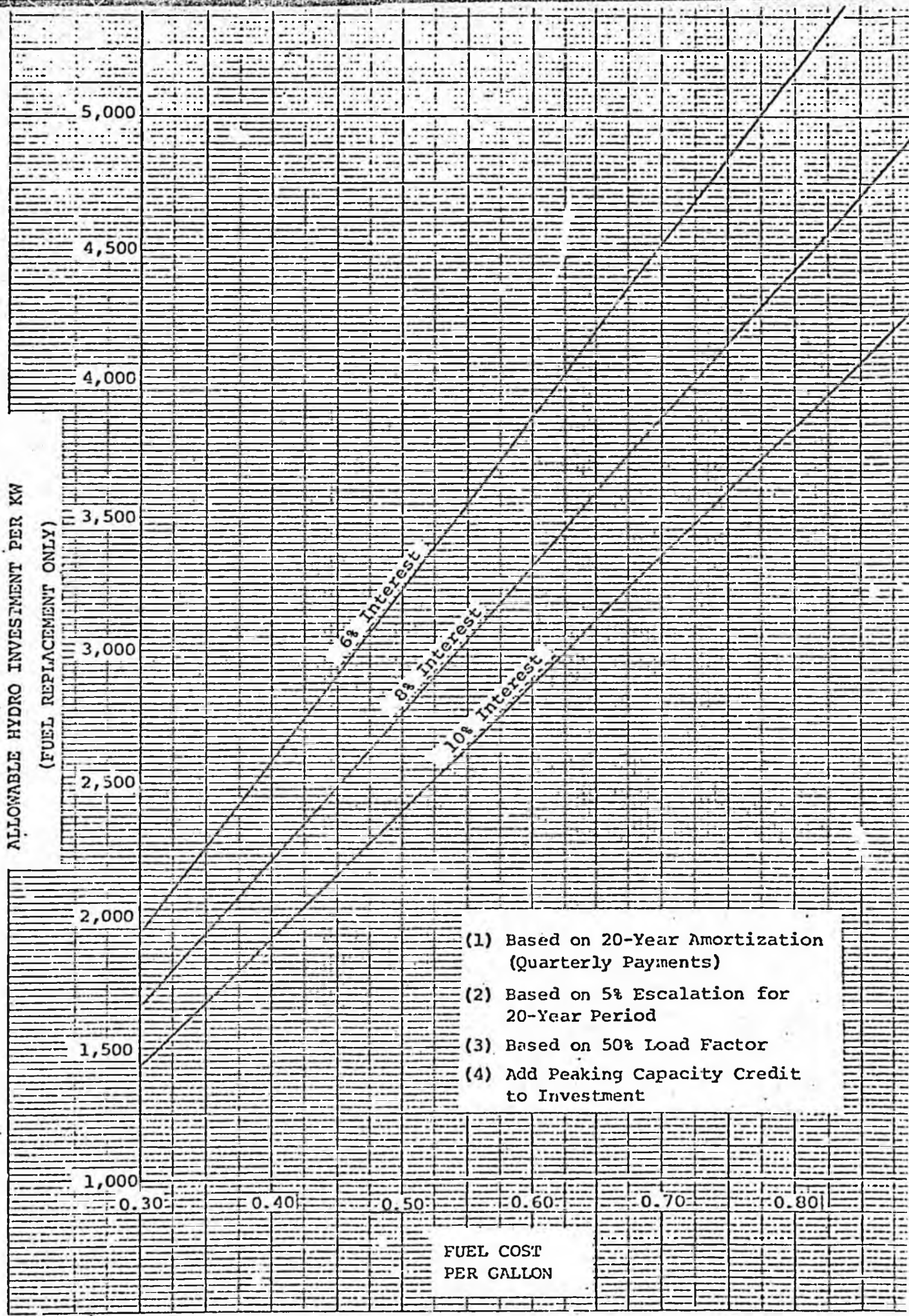
Each alternative includes costs relating to existing plant. These costs were determined from the best available information. In some cases, notably depreciation on existing Petersburg plant, it was necessary to estimate costs. These costs are included in each alternative because they are part of the alternative's overall costs. However, any inaccuracy from estimation equally affects each alternative and does not alter

the results of the analysis. The purpose of this analysis is to determine the best combination of future additions to generating plant. Existing plant costs are included in order to realistically portray Petersburg-Wrangell future production costs.

The study assumes that existing diesel units are retired as presently planned. This may not be the case with hydroelectric development. If diesel units are needed only for backup and peaking generation, the existing plant might be retained. This would depend upon their condition, spare parts availability and their operating efficiency.

As forecast, the combined Petersburg-Wrangell assured capacity deficit without expansion does not occur until 1987. Separately, Petersburg realizes an assured capacity deficit in 1980 without expansion. Wrangell realizes an assured capacity deficit in 1985 without expansion. Petersburg plans a 1400 kW expansion in the immediate future and, as projected, would not require another addition until 1988.

The rationale for adding generating capacity lies in the potential fuel cost savings from supplanting diesel with hydroelectric generation. This would be economically attractive when fuel cost savings exceed the increased capital costs of hydroelectric plant over diesel plant. This is the basic economic tradeoff between high operating costs and low capital costs vs. low operating costs and high capital costs usually found in generating plant additions. The post-1973 oil price increases have shifted the economic balance away from diesel additions toward hydroelectric additions in locations where hydroelectric potential exists.



ALLOWABLE HYDROELECTRIC INVESTMENT VS FUEL COST

In the instant case the existence of several potential hydroelectric sites complicates the analysis. Several non-economic criteria are important in this instance. Can the project adequately supply the projected power requirements? How much supplementary diesel generation will the project depend upon? Will the project continue to supply the combined Petersburg-Wrangell power requirements beyond the term of the study, or will it require increasing dependence on diesel generation to meet future power needs? These factors all influence the sole economic criterion for selecting the optimal hydroelectric site -- least cost.

The power cost projections show the Tyee Lake alternative to be the least cost alternative over the term of this study. The Cascade Creek alternative costs more in every year. All diesel power initially cost less than Tyee Lake power, but rapidly increases in cost. In 1998, all diesel power would cost more than 2½ times Tyee Lake power on a per kilowatt hour basis. The Virginia Lake/Sunrise Lake alternative also costs less per kWh than the Tyee Lake alternative, until Sunrise Lake is brought on line in 1989. More importantly this alternative must be supplemented by diesel production after 1997, sharply increasing the cost of power.

Tyee Lake Alternative

The Tyee Lake alternative will provide adequate energy for Petersburg and Wrangell through the term of the study. Firm capacity requirements necessitate a diesel installation in 1996. However, Tyee Lake Phase II might be considered at that time depending on future power requirements projections. While Tyee Lake initially has a higher cost per kWh than the Virginia Lake/Sunrise Lake alternative, it is the best long run alternative. Phase I will meet the Petersburg-Wrangell energy needs

beyond the term of the study. Phase II, if required, can provide an additional 15 MW generating capacity.

The Tyee Lake Alternative totally supplants diesel generation after its completion in 1984. It requires increased labor and maintenance expense. However, the increased operating expenses in the first year are less than 1/10 of the fuel cost savings.

TYEE LAKE
 COMPARISON OF FIXED COSTS

<u>Year</u>	<u>INTEREST RATE</u>		
	5%	6½%	9%
1984	3066	3676	4698
1985	2997	3597	4615
1986	2930	3522	4535
1987	2839	3415	4419
1988	2743	3328	4323
1989	2639	3200	4181
1990	2557	3103	4066
1991	2474	3002	3944
1992	2332	2840	3756
1993	2241	2726	3610
1994	2117	2605	3452
1995	2047	2477	3279
1996	2245	2693	3528
1997	2131	2543	3314
1998	2012	2380	3080

The comparison of fixed costs at various interest rates which appears above illustrates the effect of various interest rates on fixed costs. It is always more advantageous to obtain a lower interest rate. The central question asks which alternative has the lowest cost at a given interest rate.

TYEE LAKE
 COST PER kWh

<u>Year</u>	<u>INTEREST RATE</u>		
	5%	6½%	9%
1984	9.87¢	11.29¢	13.67¢
1985	9.54	10.89	13.18
1986	9.27	10.56	12.77
1987	8.95	10.17	12.29
1988	8.76	9.88	11.91
1989	8.39	9.50	11.45
1990	8.21	9.26	11.11
1991	8.04	9.03	10.79
1992	7.76	8.69	10.35
1993	7.63	8.49	10.06
1994	7.52	8.31	9.77
1995	7.43	8.15	9.50
1996	7.85	8.59	9.95
1997	7.76	8.42	9.65
1998	7.70	8.27	9.36

This table shows the production cost per kWh projected for the Tyee Lake Alternative. The drop in cost from year to year occurs as less interest and more principal is paid each year and as energy sales increase every year.

Virginia Lake/Sunrise Lake Alternative

The Virginia Lake/Sunrise Lake alternative does not meet the Petersburg-Wrangell power needs beyond 1996 without supplementary diesel production. The project initially costs less per kWh than Tyee Lake. However, after Sunrise Lake is brought on line in 1989 the cost per kWh will always be higher.

Fuel costs are substantially reduced in 1984 upon completion of Virginia Lake. However, diesel generation is not supplanted until Sunrise Lake's completion in 1989. Diesel generation is again required in 1997 and thereafter. In the first year increased labor and maintenance costs are less than 15% of the initial fuel cost savings.

COMPARISON OF FIXED COSTS
LAKE TYEE AND VIRGINIA LAKE/SUNRISE LAKE
At 5% Interest Rate

<u>Year</u>	<u>LAKE TYEE</u>	<u>VIRGINIA LAKE/ SUNRISE LAKE</u>
1984	3066	1951
1985	2997	1902
1986	2930	1860
1987	2839	1789
1988	2743	1740
1989	2639	2884
1990	2557	2806
1991	2474	2726
1992	2332	2828
1993	2241	2737
1994	2147	2644
1995	2047	2892
1996	2245	2722
1997	2131	2609
1998	2012	2492

This alternative's fixed costs are lower than Lake Tyee's from 1984 until 1989 upon Sunrise Lake's completion. The fixed costs are higher thereafter.

VIRGINIA LAKE/SUNRISE LAKE
 COST PER kWh

<u>Year</u>	<u>INTEREST RATE</u>		
	5%	6½%	9%
1984	7.86	8.73	10.18
1985	7.68	8.51	9.91
1986	7.81	8.61	9.96
1987	7.92	8.67	9.97
1988	8.11	8.83	10.08
1989	9.12	10.32	12.38
1990	8.94	10.08	12.05
1991	8.77	9.85	12.00
1992	8.96	10.05	11.99
1993	8.82	9.85	11.68
1994	8.70	9.66	11.39
1995	9.18	10.06	11.60
1996	8.95	9.86	11.29
1997	9.39	10.22	11.54
1998	9.81	10.57	11.78

The table above illustrates the total production cost per kWh of this alternative. The cost jumps in 1989, 1992 and 1995 with the increased fixed costs of generation additions.

Cascade Creek Alternative

The Cascade Creek hydroelectric plant would provide energy well in excess of the combined Petersburg-Wrangell power requirements. However, its initial capital cost is so great even at a 5% interest rate the interest payments make it uneconomical.

This alternative totally supplants fuel costs from its completion in 1984 through 1998. Labor and maintenance costs are increased; however, they are only a fraction of the fuel cost savings.

The very high fixed costs of this project make it economically unattractive.

COMPARISON OF FIXED COSTS
LAKE TYEE AND CASCADE CREEK
At 5% Interest Rate

<u>Year</u>	<u>LAKE TYEE</u>	<u>CASCADE CREEK</u>
1984	3066	4870
1985	2997	4726
1986	2930	4584
1987	2839	4406
1988	2743	4249
1989	2639	4048
1990	2557	3873
1991	2474	3693
1992	2332	3459
1993	2241	3263
1994	2147	3038
1995	2047	2831
1996	2245	2591
1997	2131	2352
1998	2012	2104

As the table above illustrates, Cascade Creek's fixed costs are substantially higher than Lake Tyee is throughout the term of the study.

CASCADE CREEK
 COST PER kWh

<u>Year</u>	<u>INTEREST RATE</u>		
	5%	6½%	9%
1984	14.36¢	16.71¢	20.58
1985	13.73	16.05	19.78
1986	13.18	15.48	19.07
1987	12.58	14.85	18.30
1988	12.09	14.33	17.64
1989	11.52	13.75	16.91
1990	11.09	13.29	16.31
1991	10.69	12.85	15.72
1992	10.19	12.33	15.04
1993	9.84	11.95	14.50
1994	9.47	11.55	13.94
1995	9.17	11.21	13.41
1996	8.83	10.84	12.84
1997	8.55	10.51	12.31
1998	8.28	10.20	11.78

All Diesel Alternative

The all diesel alternatives suffer from prohibitive generating costs. Continued increases in the price of fuel and oil causes the cost per kWh to exceed the cost per kWh of Tyee Lake in 1988 in Petersburg and 1984 in Wrangell. The cost differential between the all diesel alternatives and Lake Tyee continues to increase beyond 1998. The all diesel alternatives can not compete with any of the hydroelectric alternatives.

Results

The average cost per kWh for Tyee Lake from 1984 to 1998 is 8.67¢. The average cost per kWh for Virginia/Sunrise Lake from 1984 to 1998 is 8.31¢. The total production cost for Tyee Lake from 1984 to 1998 is \$80,503,000. The total production cost for Virginia Lake/Sunrise Lake is \$84,601,000. Tyee Lake is the least cost alternative over the course of the study.

COMMITTEE REPORT
SENATE

3/13/79

FURTHER: Finance

Date: March 28, 1979

Mr. President:

The Committee on RESOURCES has had CSHB 32
special appropriations to the power project revolving fund of the Alaska
Power Authority

under consideration and (a majority of the committee) (the committee)
reports it back with the following recommendations:

do pass do not pass

~~do pass~~ do pass with attached amendments(s)

→ replace with CS for CSHB 32 same title
 new title

and recommends it do pass

AND attaches a "Letter of Intent" New Fiscal Note

reports it back without recommendation

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

B. J. Jankauskas

~~_____~~

W. H. _____

~~_____~~

P. J. Ireland

~~_____~~

Shivers
CHAIRMAN



CITY OF KETCHIKAN

HB 32

324 FRONT STREET

P. O. BOX 7300

TELEPHONE 907 225-3111

December 29, 1978

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Honorable Jay S. Hammond
Governor, State of Alaska
3rd Floor, State Capital
Pouch A
Juneau, Alaska 99811

Subject: Petition for budgetary support
for Swan Lake Hydroelectric Project
Ketchikan, Alaska

Dear Governor Hammond:

This letter is being transmitted to you to make you aware of the status of the Swan Lake Hydroelectric Project. In reality, it represents a petition to you from the Citizens and residents of the Ketchikan Gateway Borough to give budgetary support for the Swan Lake Project; and as such, is jointly signed and endorsed by the Vice Mayors of the Ketchikan Gateway Borough and the City of Ketchikan in the absence of Borough Mayor Carroll Fader and City Mayor William G. Moran.

Due to budgetary constraints it was necessary for you, as Governor of the State of Alaska, to cut the appropriation request of the Alaska Power Authority from approximately six million dollars (\$6,000,000) to five hundred thousand dollars (\$500,000) in FY 79.

~~In so doing this resulted in the Swan Lake Hydroelectric Project appropriation request for FY 79 of one million four hundred thousand being reduced to three hundred thirty-five thousand dollars (\$335,000) by the Alaska Power Authority.~~

The City of Ketchikan, by City Council action, made available for the Project an amount equal to three hundred thousand dollars (\$300,000), thus matching the APA loan in order that the Project might continue. This continuation was only possible in that certain critical portions of the project work scheduled to be done in FY 79 were actually performed; the balance of the project work being deferred until FY 80. Fiscal year 1980 (FY 80) represents a crucial year for this Project and we ask you, as Governor, to consider the ramifications to Ketchikan of an additional years loss of, or substantial decrease in the FY 80's appropriation request for the Swan Lake Project.

Assuming that we do face an additional years loss of, or a substantial reduction in the FY 80 appropriation request, the Swan Lake Project commercial operation date of 1983 will of necessity

be deferred a year, and assuming that:

- (1) Load growth continues as expected (5% per year) in electrical energy. Note: Electrical energy for the ferry maintenance, major expansion of fisheries (bottom fishing) and sewage treatment plant (a major consumer) were not part of the projection.
- (2) Swan Lake Project is deferred for one year.
- (3) Inflation is at 7%.

Ketchikan will need to curtail Ketchikan area residents consumption of electricity in the winter of 1983. (an unacceptable alternative) or add an additional diesel generator (capital cost of \$4-\$6 million dollars). Additionally, this will mean an increase in the Project cost of \$6-\$7 million dollars due to inflation. This represents a total additional cost to the Ketchikan Gateway Borough residents of \$10-\$13 million dollars for one years delay in the Project.

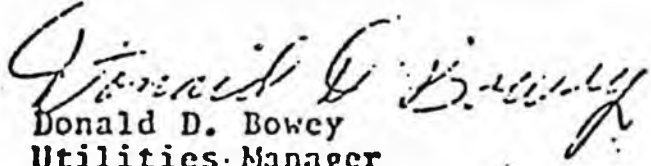
In our letter of December 12, 1978 to Representative Terry Gardiner (copy attached) with a carbon copy sent to your attention, we included all the substantiation for the previous statements.

The fiscal year 1980 appropriation request is crucial to the Ketchikan Gateway Borough. The Alaska Power Authority requested that Ketchikan update the appropriation request for the Swan Lake Project for FY 80, however, due to time constraints were unable to include that update in their budget request to you. Our appropriation request for the Swan Lake Project is three million one hundred fifteen thousand dollars (\$3,115,000).

We feel, as we have stated to the Board of Directors of the Alaska Power Authority, that every hydroelectric project brought on line through your efforts will be a legacy of foresightedness to the future inhabitants of the State of Alaska. We would add that this money does not represent construction monies and that we, as most other responsible persons, recognize the nonviability of revenue appropriations for construction monies of projects of this magnitude.

Very truly yours,

CITY OF KETCHIKAN DBA
KETCHIKAN PUBLIC UTILITIES


Donald D. Bowey
Utilities Manager

cc: Keith Specking
Eric Yould, APA
Terry Gardiner
Oral Freeman
Robert Ziegler
Borough Mayor & City Mayor



CITY OF KETCHIKAN

HB 32

234 FRONT STREET

P. O. BOX 7300

TELEPHONE 907 225-3111

December 29, 1978

40

Honorable Jay S. Hammond
Governor, State of Alaska
3rd Floor, State Capital
Pouch A
Juneau, Alaska 99811

Subject: Petition for budgetary support
for Swan Lake Hydroelectric Project
Ketchikan, Alaska

Dear Governor Hammond:

This letter is being transmitted to you to make you aware of the status of the Swan Lake Hydroelectric Project. In reality, it represents a petition to you from the Citizens and residents of the Ketchikan Gateway Borough to give budgetary support for the Swan Lake Project; and as such, is jointly signed and endorsed by the Vice Mayors of the Ketchikan Gateway Borough and the City of Ketchikan in the absence of Borough Mayor Carroll Fader and City Mayor William G. Moran.

Due to budgetary constraints it was necessary for you, as Governor of the State of Alaska, to cut the appropriation request of the Alaska Power Authority from approximately six million dollars (\$6,000,000) to five hundred thousand dollars (\$500,000) in FY 79. ~~In so doing this resulted in the Swan Lake Hydroelectric Project appropriation request for FY 79 of one million four hundred thousand being reduced to three hundred thirty-five thousand dollars (\$335,000) by the Alaska Power Authority.~~

The City of Ketchikan, by City Council action, made available for the Project an amount equal to three hundred thousand dollars (\$300,000), thus matching the APA loan in order that the Project might continue. This continuation was only possible in that certain critical portions of the project work scheduled to be done in FY 79 were actually performed; the balance of the project work being deferred until FY 80. Fiscal year 1980 (FY 80) represents a crucial year for this Project and we ask you, as Governor, to consider the ramifications to Ketchikan of an additional years loss of, or substantial decrease in the FY 80's appropriation request for the Swan Lake Project.

Assuming that we do face an additional years loss of, or a substantial reduction in the FY 80 appropriation request, the Swan Lake Project commercial operation date of 1983 will of necessity

be deferred a year, and assuming that:

- (1) Load growth continues as expected (5% per year) in electrical energy. Note: Electrical energy for the ferry maintenance, major expansion of fisheries (bottom fishing) and sewage treatment plant (a major consumer) were not part of the projection.
- (2) Swan Lake Project is deferred for one year.
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Ketchikan will need to curtail Ketchikan area residents consumption of electricity in the winter of 1985. (an unacceptable alternative) or add an additional diesel generator (capital cost of \$4-\$6 million dollars). Additionally, this will mean an increase in the Project cost of \$6-\$7 million dollars due to inflation. This represents a total additional cost to the Ketchikan Gateway Borough residents of \$10-\$13 million dollars for one years delay in the Project.

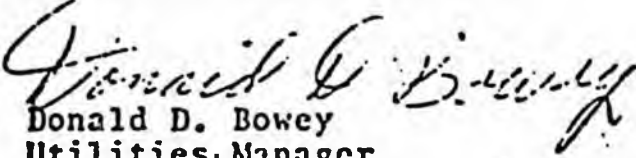
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We feel, as we have stated to the Board of Directors of the Alaska Power Authority, that every hydroelectric project brought on line through your efforts will be a legacy of foresightedness to the future inhabitants of the State of Alaska. We would add that this money does not represent construction monies and that we, as most other responsible persons, recognize the nonviability of revenue appropriations for construction monies of projects of this magnitude.

Very truly yours,

CITY OF KETCHIKAN DBA
KETCHIKAN PUBLIC UTILITIES


Donald D. Bowey
Utilities Manager

cc: Keith Specking
Eric Yould, APA
Terry Gardiner
Oral Freeman
Robert Ziegler
Borough Mayor & City Mayor

Introduced: 1/24/79
Referred: Commerce and
Finance

Funding Information
General Fund \$3,115,000
Other Funds -0-
\$3,115,000

1 IN THE HOUSE

BY GARDINER AND FREEMAN

2 HOUSE BILL NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Commerce and Economic Development, power pro-
8 ject revolving fund of the Alaska Power Authority; and
9 providing for an effective date."

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

11 * Section 1. The sum of \$3,115,000 is appropriated from the general fund
12 to the Department of Commerce and Economic Development for payment to the
13 power project revolving fund of the Alaska Power Authority (44.56.170) for
14 costs associated with the Swan Lake hydroelectric project.

15 * Sec. 2. The unexpended and unobligated portion of this appropriation
16 lapses into the general fund on June 30, 1980.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

3/8/90
Date

COMMITTEE REPORT HOUSE

FURTHER:

February 6, 1979

Date: 2/23/79

Mr. Speaker:

The Committee on FINANCE has had HB 32

"An Act making a special appropriation to the Department of Commerce and Economic Development, power project revolving fund of the Alaska Power Authority; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 32 same title
 new title
- and recommends that it do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Members Do Pass

Ferguson

Montgomery

Harold Jones

Hoops

Duncan

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Members

CHAIRMAN

MEMORANDUM

State of Alaska

TO:

Legislative Affairs

S

DEPT. _____

DIV. _____

SEC. _____

DATE : February 19, 1979

FROM: Vicki Wilson
Legislative Finance
3796/3795 - Rm 411

SUBJECT: CS FOR HB 32

Please prepare CS for HB 32 for the House Finance Committee as per attached and return as soon as possible.

Introduced: 1/24/79
Referred: Commerce and
Finance

<u>Funding Information</u>	
General Fund	\$3,115,000 ¹ 1,115,000
Other Funds	-0-
	<u>\$3,115,000¹ 1,115,000</u>

FINANCE COMMITTEE
~~BY GARDINER AND FREEMAN~~

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Commerce and Economic Development, power pro-
8 ject revolving fund of the Alaska Power Authority; and
9 providing for an effective date."

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

11 * Section 1. The sum of \$3,115,000 is appropriated from the general fund
12 to the Department of Commerce and Economic Development for payment to the
13 power project revolving fund of the Alaska Power Authority (44.56.170) for
14 costs associated with the Swan Lake hydroelectric project.

15 * Sec. 2¹. The unexpended and unobligated portion of this appropriation
16 lapses into the general fund on June 30, 1980.

17 * Sec. 3¹. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

19 ADD NEW SECTIONS:

20 * Sec. 2. The sum of \$2,000,000 is appropriated from the
21 general fund to the Department of Commerce and Economic Development
22 for payment to the power project revolving fund of the Alaska
23 Power Authority (44.56.170) for costs associated with the Terror
Lake hydroelectric project.

24 * Sec. 3. The sum of \$2,000,000 is appropriated from the
general fund to the Department of Commerce and Economic Development
for payment to the project revolving fund of the Alaska Power Authority
for costs associated with the Tye Lake hydroelectric project.

(44.56.170) for
for

Finance Committee Substitute

modified 2/19/79

Introduced: 1/24/79
Referred: Commerce and Finance

Funding Information	
General Fund	\$3,115,000
Other Funds	-0-
	<u>\$3,115,000</u>

IN THE HOUSE

BY GARDINER AND FREEMAN

HOUSE BILL NO. 32

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Commerce and Economic Development, power project revolving fund of the Alaska Power Authority; and providing for an effective date."

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

* Section 1. The sum of \$3,115,000 is appropriated from the general fund to the Department of Commerce and Economic Development for payment to the power project revolving fund of the Alaska Power Authority (44.56.170) for costs associated with the Swan Lake hydroelectric project.

* Sec. 2. The unexpended and unobligated portion of this appropriation lapses into the general fund on June 30, 1980.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Swan Lake, 2 million

Swan Lake, 2 million

~~*Swan Lake*~~

7,115,000

Introduced: 1/24/79
Referred: Commerce and
Finance

Funding Information
General Fund \$3,115,000
Other Funds -0-
\$3,115,000

1 IN THE HOUSE

BY GARDINER AND FREEMAN

2 HOUSE BILL NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Commerce and Economic Development, power pro-
8 ject revolving fund of the Alaska Power Authority; and
9 providing for an effective date."

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12 to the Department of Commerce and Economic Development for payment to the
13 power project revolving fund of the Alaska Power Authority (44.56.170) for
14 costs associated with the Swan Lake hydroelectric project.

15 * Sec. 2. The unexpended and unobligated portion of this appropriation
16 lapses into the general fund on June 30, 1980.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).
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CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Introduced: 1/24/79
Referred: Commerce and
Finance

Funding Information
General Fund \$3,115,000 ^{17,115,000}
Other Funds -0-
\$3,115,000 ^{17,115,000}

FINANCE COMMITTEE
~~BY CARDINER AND FREEMAN~~

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Commerce and Economic Development, power pro-
8 ject revolving fund of the Alaska Power Authority; and
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12 to the Department of Commerce and Economic Development for payment to the
13 power project revolving fund of the Alaska Power Authority (44.56.170) for
14 costs associated with the Swan Lake hydroelectric project.

15 * Sec. ⁴2. The unexpended and unobligated portion of this appropriation
16 lapses into the general fund on June 30, 1980.

17 * Sec. ⁵3. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

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25 general fund to the Department of Commerce and Economic Development
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27 for costs associated with the Tye Lake hydroelectric project.

(44.56.170)

H.

Finance Committee Substitute

making 2/19/79

Introduced: 1/24/79
Referred: Commerce and Finance

Funding Information	
General Fund	\$3,115,000
Other Funds	-0-
	<u>\$3,115,000</u>

1 IN THE HOUSE

BY GARDINER AND FREEMAN

2 HOUSE BILL NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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18 070(c).

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21 Jensen Lake, 2 million

22
23 Jyoe Lake, 2 million

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25
26 ~~Swan Lake~~

T = 7,115,000

Introduced: 1/24/79
Referred: Commerce and
Finance

Funding Information
General Fund \$3,115,000
Other Funds -0-
\$3,115,000

1 IN THE HOUSE

BY GARDINER AND FREEMAN

2 HOUSE BILL NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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18 070(c).

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Introduced: 1/24/79
Referred: Commerce and
Finance

Funding Information
General Fund \$3,115,000
Other Funds -0-
\$3,115,000

1 IN THE HOUSE

BY GARDINER AND FREEMAN

2 HOUSE BILL NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

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James O. Smith
Signature of Camera Operator

3/8/90
Date

COMMITTEE REPORT

HOUSE

FURTHER:

March 13, 1979

Date: 3/14/79

Mr. Speaker:

The Committee on FINANCE has had SPONSOR SUBSTITUTE HB 33

"An Act relating to state land formerly under a United States Forest Service special use permit."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

do pass [] do not pass

[] do pass with attached amendments(s)

replace with ^{RESOURCES} CS for SSHB 33 same title new title
and recommends that it do pass

[] AND attaches a "Letter of Intent" [] New Fiscal Note

[] reports it back without recommendation

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Freeman
Smith
11070
Haugen

MEMBERS HAVING
OTHER RECOMMENDATIONS:

McKinore - No Rec
Rogers - No Rec
Mortgony - No Rec

Freeman
Vice CHAIRMAN

Original sponsors: Gardiner and Branson

Offered: 3/13/79
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 33

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposal of state land formerly
7 under a United States Forest Service permit; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 38.05.068(a) is amended to read:

11 (a) Before offering to the public any land which is subject to a
12 valid existing United States Forest Service permit in effect on the day
13 before that land is tentatively approved for patent [IN A STATE-SELECTED
14 AREA AT THE TIME THE AREA WAS PATENTED] to the state, or which is sub-
15 ject to a lease issued under AS 38.05.087, the director shall offer the
16 land for sale to the permittee or his successor in title, if he can be
17 found [, AT NOT LESS THAN ITS FAIR APPRAISED MARKET VALUE BEFORE OFFER-
18 ING TO THE GENERAL PUBLIC].

19 * Sec. 2. AS 38.05.068 is amended by adding new subsections to read:

20 (c) If the permit described in (a) of this section is for a
21 recreational cabin, recreational residence, nonrecreational residence,
22 or a residence of a community nature and the land is used for non-
23 commercial residential or recreational purposes, the purchase price
24 offered to a permittee or his successor shall be an amount determined by
25 the commissioner which is equal to the state money required to be spent
26 in order to sell the land plus the cost of survey or resurvey, if the
27 survey or resurvey is made by the department or a contractor of the
28 department.

29 (d) If the permit described in (a) of this section is for a use

Leg Finance

RECEIVED

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FEB 14 1979

LEGISLATIVE
AUDIT

FISCAL NOTE

I. REQUEST SSHB 33
Bill/Resolution No. SSHB 33
Title "An Act relating to state land formally under a USFS special use permit."
Requested by _____ Date 2/12/79

II. FISCAL DETAIL
Agency Affected Department of Natural Resources
Program Category Affected Division of Forest, Land and Water Management
Budget Request Unit(s) Affected District Operations

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		122.83	122.83	122.83		
200 TRAVEL		13.14	5.00	5.00		
300 CONTRACTUAL		10.70	300.00	34.60		
400 COMMODITIES		1.90				
500 EQUIPMENT		10.14				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		158.71	427.83	162.43		748.97

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		5	5	5		
PART TIME		0	0	0		
TEMPORARY		0	0	0		

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

100 Personal Services
 1. Land Management Officer II (Range 16)
 2. Land Management Officer I (Range 14)
 3. Land Management Technician II (Range 14)
 300 Contractural Services
 Majority of money in this budget category in second year is for survey; ~~the~~
~~the~~ ~~for~~ ~~costs~~ -- all ~~other~~ ~~and~~ monies expended ~~for~~ ~~management~~
~~appraisals~~ are recoverable.
 A possibility exists that the number of parcels not optioned for homesite could offset all other program costs.

IV. DATE 2/12/79 PREPARED BY Paul W. Conheady
AGENCY Department of Natural Resources
PHONE 465-2400
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Original sponsors: Gardiner and Branson

Offered: 3/13/79
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 33

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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13 before that land is tentatively approved for patent [IN A STATE-SELECTE)
14 AREA AT THE TIME THE AREA WAS PATENTED] to the state, or which is sub-
15 ject to a lease issued under AS 38.05.087, the director shall offer the
16 land for sale to the permittee or his successor in title, if he can be
17 found [, AT NOT LESS THAN ITS FAIR APPRAISED MARKET VALUE BEFORE OFFER-
18 ING TO THE GENERAL PUBLIC].

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20 (c) If the permit described in (a) of this section is for a
21 recreational cabin, recreational residence, nonrecreational residence,
22 or a residence of a community nature and the land is used for non-
23 commercial residential or recreational purposes, the purchase price
24 offered to a permittee or his successor shall be an amount determined by
25 the commissioner which is equal to the state money required to be spent
26 in order to sell the land plus the cost of survey or resurvey, if the
27 survey or resurvey is made by the department or a contractor of the
28 department.

29 (d) If the permit described in (a) of this section is for a use

1 other than a use listed in (c) of this section, the purchase price
2 offered to a permittee or his successor shall be not less than the
3 appraised fair market value of the land.

4 * Sec. 3. AS 38.05.087(a) is amended to read:

5 (a) Before offering to the public any land for lease which is
6 subject to a valid existing United States Forest Service permit in
7 effect in a state-selected area on the day before [AT THE TIME] the area
8 was tentatively approved for patent [PATENTED] to the state, the direc-
9 tor shall offer the land for leasing to the permittee at not less than
10 its fair appraised market value before offering it to the general
11 public.

12 * Sec. 4. This Act takes effect July 1, 1979.
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Leg Finance

RECEIVED

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FEB 14 1979

FISCAL NOTE

LEGISLATIVE
AUDIT

I. REQUEST
Bill/Resolution No. SSHB 33
Title "An Act relating to state land formally under a USFS special use permit."
Requested by _____ Date 2/12/79

II. FISCAL DETAIL
Agency Affected Department of Natural Resources
Program Category Affected Division of Forest, Land and Water Management
Budget Request Unit(s) Affected District Operations

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		122.83	122.83	122.83		
200 TRAVEL		13.14	5.00	5.00		
300 CONTRACTUAL		10.70	300.00	34.60		
400 COMMODITIES		1.90				
500 EQUIPMENT		10.14				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		158.71	427.83	162.43		748.97

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		5	5	5		
PART TIME		0	0	0		
TEMPORARY		0	0	0		

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

- 100 Personal Services
 - 1. Land Management Officer II (Range 16)
 - 2. Land Management Officer I (Range 14)
 - 3. Land Management Technician II (Range 14)
- 300 Contractural Services

Majority of money in this budget category in second year is for survey; ~~the remainder for contractals~~ all contractural monies expended for survey and appraisals are recoverable.

A possibility exists that the number of parcels not optioned for homesite could offset all other program costs.

IV. DATE 2/12/79 PREPARED BY J. W. Conheady
AGENCY Department of Natural Resources
PHONE 465-2400
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Original sponsors: Gardiner and Branson

Offered: 3/13/79
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 33

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposal of state land formerly
7 under a United States Forest Service permit; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 38.05.068(a) is amended to read:

11 (a) Before offering to the public any land which is subject to a
12 valid existing United States Forest Service permit in effect on the day
13 before that land is tentatively approved for patent [IN A STATE-SELECTED
14 AREA AT THE TIME THE AREA WAS PATENTED] to the state, or which is sub-
15 ject to a lease issued under AS 38.05.087, the ^{Commissioner} ~~director~~ shall offer the
16 land for sale to the permittee or his successor in title, if he can be
17 found [, AT NOT LESS THAN ITS FAIR APPRAISED MARKET VALUE BEFORE OFFER-
18 ING TO THE GENERAL PUBLIC].

19 * Sec. 2. AS 38.05.068 is amended by adding new subsections to read:

20 (c) If the permit described in (a) of this section is for a
21 recreational cabin, recreational residence, nonrecreational residence,
22 or a residence of a community nature and the land is used for non-
23 commercial residential or recreational purposes, the purchase price
24 offered to a permittee or his successor shall be an amount determined by
25 the commissioner which is equal to the state money required to be spent
26 in order to sell the land plus the cost of survey or resurvey, if the
27 survey or resurvey is made by the department or a contractor of the
28 department.

29 (d) If the permit described in (a) of this section is for a use

1 other than a use listed in (c) of this section, the purchase price
2 offered to a permittee or his successor shall be not less than the
3 appraised fair market value of the land.

4 * Sec. 3. AS 38.05.087(a) is amended to read:

5 (a) Before offering to the public any land for lease which is
6 subject to a valid existing United States Forest Service permit in
7 effect in a state-selected area on the day before [AT THE TIME] the area
8 was tentatively approved for patent [PATENTED] to the state, the direc-
9 tor shall offer the land for leasing to the permittee at not less than
10 its fair appraised market value before offering it to the general
11 public.

12 * Sec. 4. This Act takes effect July 1, 1979.
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Original sponsors: Gardiner and Branson

Offered: 3/13/79
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 33

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposal of state land formerly
7 under a United States Forest Service permit; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 38.05.068(a) is amended to read:

11 (a) Before offering to the public any land which is subject to a
12 valid existing United States Forest Service permit in effect on the day
13 before that land is tentatively approved for patent [IN A STATE-SELECTED
14 AREA AT THE TIME THE AREA WAS PATENTED] to the state, or which is sub-
15 ject to a lease issued under AS 38.05.087, the director shall offer the
16 land for sale to the permittee or his successor in title, if he can be
17 found [, AT NOT LESS THAN ITS FAIR APPRAISED MARKET VALUE BEFORE OFFER-
18 ING TO THE GENERAL PUBLIC].

19 * Sec. 2. AS 38.05.068 is amended by adding new subsections to read:

20 (c) If the permit described in (a) of this section is for a
21 recreational cabin, recreational residence, nonrecreational residence,
22 or a residence of a community nature and the land is used for non-
23 commercial residential or recreational purposes, the purchase price
24 offered to a permittee or his successor shall be an amount determined by
25 the commissioner which is equal to the state money required to be spent
26 in order to sell the land plus the cost of survey or resurvey, if the
27 survey or resurvey is made by the department or a contractor of the
28 department.

29 (d) If the permit described in (a) of this section is for a use

1 other than a use listed in (c) of this section, the purchase price
2 offered to a permittee or his successor shall be not less than the
3 appraised fair market value of the land.

4 * Sec. 3. AS 38.05.087(a) is amended to read:

5 (a) Before offering to the public any land for lease which is
6 subject to a valid existing United States Forest Service permit in
7 effect in a state-selected area on the day before [AT THE TIME] the area
8 was tentatively approved for patent [PATENTED] to the state, the direc-
9 tor shall offer the land for leasing to the permittee at not less than
10 its fair appraised market value before offering it to the general
11 public.

12 * Sec. 4. This Act takes effect July 1, 1979.
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Introduced: 1/24/79
Referred: Resources and
Judiciary

1 IN THE HOUSE

BY GARDINER AND BRANSON

2

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 33

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL.

6

For an Act entitled: "An Act relating to state land formerly under a United
7 States Forest Service special use permit."

8

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

9

* Section 1. AS 38.08.010 is amended by adding a new subsection to read:

10

(e) Land subject to a valid existing United States Forest Service
11 special use permit for residential purposes in effect on the day before
12 that land is tentatively approved for patent to the state may be classi-
13 fied for homesite entry under the provisions of this chapter.

14

* Sec. 2. AS 38.08.020 is amended by adding a new subsection to read:

15

(b) Before land classified for homesite entry under AS 38.08.-

16

010(e) may be offered for homesite entry as provided in (a) of this
17 section, it shall be offered first for homesite entry to the holder of
18 the United States Forest Service special use permit in effect on the day
19 before the land is tentatively approved for patent to the state.

20

* Sec. 3. AS 38.08.060 is amended by adding new subsections to read:

21

(e) A person who has been granted a homesite entry permit to land
22 formerly held by him under a United States Forest Service special use
23 permit is entitled to credit toward satisfaction of the occupancy and
24 construction requirements contained in (a)(1) and (2) of this section
25 for periods of occupancy and construction of a habitable dwelling per-
26 formed by the permit holder or the ancestor, predecessor, or grantor of
27 the permit holder during a term of a special use permit.

28

(f) After satisfying the requirements of this section, a person
29 who enters upon homesite entry land which has been tentatively approved

1 for patent to the state shall be granted a patent conditioned on the
2 state receiving patent to that land from the United States.

3 * Sec. 4. AS 38.05.068(a) is amended to read:

4 (a) Before offering to the public any land which is subject to a
5 valid existing United States Forest Service permit in effect in a state-
6 selected area on the day before [AT THE TIME] the area was tentatively
7 approved for patent [PATENTED] to the state, or which is subject to a
8 lease issued under AS 38.05.087, the director shall offer the land for
9 sale to the permittee or his successor in title, if he can be found, at
10 not less than its fair appraised market value before offering to the
11 general public.

12 * Sec. 5. AS 38.05.087(a) is amended to read:

13 (a) Before offering to the public any land for lease which is
14 subject to a valid existing United States Forest Service permit in
15 effect in a state-selected area on the day before [AT THE TIME] the area
16 was tentatively approved for patent [PATENTED] to the state, the
17 director shall offer the land for leasing to the permittee at not less
18 than its fair appraised market value before offering it to the general
19 public.

Introduced: 1/24/79
Referred: Resources and
Judiciary

1 IN THE HOUSE

BY GARDINER AND BRANSON

2 HOUSE BILL NO. 33

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to homesite entry on state land for-
7 merly under a United States Forest Service special use
8 permit.

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

10 * Section 1. AS 38.08.010 is amended by adding a new subsection to read:

11 (e) Land subject to a valid existing United States Forest Service
12 special use permit for residential purposes in effect at the time that
13 land is patented to the state may be classified for homesite entry under
14 the provisions of this chapter.

15 * Sec. 2. AS 38.08.020 is amended by adding a new subsection to read:

16 (b) Before land classified for homesite entry under AS 38.08.-
17 010(e) may be offered for homesite entry as provided in (a) of this
18 section, it shall be offered first for homesite entry to the holder of
19 the United States Forest Service special use permit in effect at the
20 time the land is patented to the state.

21 * Sec. 3. AS 38.08.060 is amended by adding a new subsection to read:

22 (e) A person who has been granted a homesite entry permit to land
23 formerly held by him under a United States Forest Service special use
24 permit is entitled to credit toward satisfaction of the occupancy and
25 construction requirements contained in (a)(1) and (2) of this section
26 for periods of occupancy and construction of a habitable dwelling per-
27 formed by the permit holder or the ancestor, predecessor, or grantor of
28 the permit holder during a term of a special use permit.

29

Leg Finance

RECEIVED

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FEB 14 1979

FISCAL NOTE

LEGISLATIVE
AUDIT

I. REQUEST
Bill/Resolution No. SSHB 33
Title "An Act relating to state land formally under a USFS special use permit."
Requested by _____ Date 2/12/79

SSHB 33

II. FISCAL DETAIL
Agency Affected Department of Natural Resources
Program Category Affected Division of Forest, Land and Water Management
Budget Request Unit(s) Affected District Operations

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		122.83	122.83	122.83		
200 TRAVEL		13.14	5.00	5.00		
300 CONTRACTUAL		10.70	300.00	34.60		
400 COMMODITIES		1.90				
500 EQUIPMENT		10.14				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		158.71	427.83	162.43		748.97

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

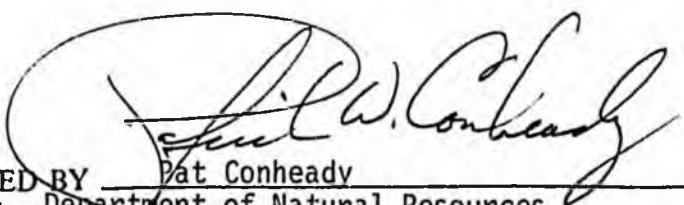
FULL TIME		5	5	5		
PART TIME		0	0	0		
TEMPORARY		0	0	0		

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

- 100 Personal Services
 - 1. Land Management Officer II (Range 16)
 - 2. Land Management Officer I (Range 14)
 - 3. Land Management Technician II (Range 14)
- 300 Contractual Services

Majority of money in this budget category in second year is for survey; ~~the~~ ~~balance~~ ~~of~~ ~~the~~ ~~budget~~ ~~is~~ ~~for~~ ~~survey~~ ~~and~~ ~~all~~ ~~contractual~~ ~~monies~~ ~~expended~~ ~~for~~ ~~survey~~ ~~and~~ ~~are~~ ~~recoverable~~.

A possibility exists that the number of parcels not optioned for homesite could offset all other program costs.



IV. DATE 2/12/79 PREPARED BY Pat Conheady
AGENCY Department of Natural Resources
PHONE 465-2400
Original: ~~Legislative Finance~~
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.

James O. Smith
Signature of Camera Operator

3/8/90
Date

COMMITTEE REPORT

HOUSE

FURTHER:

February 12, 1979

Date: 2/16/79

Mr. Speaker:

The Committee on FINANCE has had HB 34

"An Act relating to the preparation and distribution of a taxpayers' survey of the budget."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HR 34 (state affairs) same title
 new title
- and recommends reports in back with individual recommendations
- AND attaches a "Letter of Intent" New Fiscal Note
dated 2/6/79
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Duncan

McKinnon

Rosen

Miller

Joe Montgomery

MEMBERS HAVING
OTHER RECOMMENDATIONS:

McKinnon - No Rec

Smith - No Rec

Hodgson - No Rec

Thompson - No Rec

Russ McKinnon
CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 34
 Title Preparation & Distribution of a Taxpayers' Survey of the Budget
 Requested by Representative Brian Rogers Date 2-6-79

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected General Government
 Budget Request Unit(s) Affected Administrative Services

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		16.3	17.1	17.9	18.9	19.8
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		16.3	17.1	17.9	18.9	19.8

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		16.3	17.1	17.9	18.9	19.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See the attached analysis.

IV. DATE 2-6-79 PREPARED BY *F. A. Wall*
 AGENCY Revenue
 PHONE 465-2313
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

The Bill requires that six additional pages of information be included with each set of tax forms. These six pages will be printed front and back on three sheets of paper of the same specification as the rest of the set of tax forms and will contain:

1. The expenditures, by program category, in the State budget for the current fiscal year.
2. The sources of funding for the State budget for the current fiscal year.
3. A questionnaire designed by the Legislative Finance Division that requests the taxpayer's opinion on the current levels of expenditures and program priorities.

Assumptions are that the questionnaire will be returned directly to the Legislative Finance Division for processing and that no scanning will be conducted to find questionnaires returned with tax forms.

Forms - The expenditures in the State budget, by program category and sources of funding contained on four pages, plus a two-page questionnaire = six pages
8 1/2" x 11" (three pages printed on both sides):

• Typesetting & Layout, six pages @ \$33 per page =	\$ 198
• Printing, Binding & Shipping (three pages printed front and back added to our 34-page tax booklet times 250,000 booklets =	<u>16,100</u>
	\$16,298

No postage increase is anticipated above our present tax booklet boxholder distribution as three front and back pages will keep the weight within the present rate.

NOTE: Over 50% of the tax returns filed with Revenue each year are prepared by practitioners. Difficulty is expected in gaining taxpayer awareness of the additional budget and questionnaire data contained in the set of tax forms for those who utilize practitioner services. Over 15% of the tax returns filed with Revenue have an extended filing date of June 15 as we allow an extension filed with the IRS to apply to filing Alaska Individual Tax returns. We would expect a delay in utilizing the questionnaire for those filing for extensions with the IRS.

Original sponsor: Rogers

Offered: 2/12/79
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 34

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the preparation and distribution of
7 a taxpayers' summary of the budget."

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

9 * Section 1. AS 43.20.160 is amended by adding a new subsection to read:

10 (e) The department shall include with each set of tax forms pro-
11 vided to an individual taxpayer, a summary not more than six pages in
12 length of

13 (1) the expenditures, by program category, in the state budget
14 for the current fiscal year; and

15 (2) the sources of funding for the state budget for the cur-
16 rent fiscal year.

17 * Sec. 2. This Act terminates June 30, 1982.

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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

*Rec'd 2/17/79
CS reported out
2/16/79*

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 34
Title Preparation & Distribution of a Taxpayers' Summary of the Budget
Requested by State Affairs Committee Date 2-12-79

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
Program Category Affected General Government
Budget Request Unit(s) Affected Administrative Services

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		16.3	17.1	17.9	18.9	19.8
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		16.3	17.1	17.9	18.9	19.8

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		16.3	17.1	17.9	18.9	19.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						
TEMPORARY						

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

See the attached analysis

IV. DATE 2-16-79 PREPARED BY *P. A. Wall*
AGENCY Revenue
PHONE 465-2313
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

The Bill requires that six additional pages of information be included with each set of tax forms. These six pages will be printed front and back on three sheets of paper of the same specification as the rest of the set of tax forms and will contain:

1. The expenditures, by program category, in the State budget for the current fiscal year.
2. The sources of funding for the State budget for the current fiscal year.

Forms - The expenditures in the State budget, by program category and sources of funding contained on six pages, (three pages printed on both sides):

Typesetting & Layout, six pages @ \$33 per page =	\$ 198
Printing, Binding & Shipping (three pages printed front and back added to our 34-page tax booklet times 250,000 booklets =	<u>16,100</u>
	\$16,298

No postage increase is anticipated above our present tax booklet boxholder distribution as three front and back pages will keep the weight within the present rate.

Original sponsor: Rogers

Offered: 2/12/79
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 34

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the preparation and distribution of
7 a taxpayers' summary of the budget."

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

9 * Section 1. AS 43.20.160 is amended by adding a new subsection to read:

10 (e) The department shall include with each set of tax forms pro-
11 vided to an individual taxpayer, a summary not more than six pages in
12 length of

13 (1) the expenditures, by program category, in the state budget
14 for the current fiscal year; and

15 (2) the sources of funding for the state budget for the cur-
16 rent fiscal year.

17 * Sec. 2. This Act terminates June 30, 1982.

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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 34
 Title Preparation & Distribution of a Taxpayers' Survey of the Budget
 Requested by Representative Brian Rogers Date 2-6-79

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected General Government
 Budget Request Unit(s) Affected Administrative Services

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		16.3	17.1	17.9	18.9	19.8
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		16.3	17.1	17.9	18.9	19.8

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		16.3	17.1	17.9	18.9	19.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See the attached analysis.

IV. DATE 2-6-79

PREPARED BY P. A. Wall

AGENCY Revenue

PHONE 465-2313

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

The Bill requires that six additional pages of information be included with each set of tax forms. These six pages will be printed front and back on three sheets of paper of the same specification as the rest of the set of tax forms and will contain:

1. The expenditures, by program category, in the State budget for the current fiscal year.
2. The sources of funding for the State budget for the current fiscal year.
3. A questionnaire designed by the Legislative Finance Division that requests the taxpayer's opinion on the current levels of expenditures and program priorities.

Assumptions are that the questionnaire will be returned directly to the Legislative Finance Division for processing and that no scanning will be conducted to find questionnaires returned with tax forms.

Forms - The expenditures in the State budget, by program category and sources of funding contained on four pages, plus a two-page questionnaire = six pages 8 1/2" x 11" (three pages printed on both sides):

• Typesetting & Layout, six pages @ \$33 per page =	\$ 198
• Printing, Binding & Shipping (three pages printed front and back added to our 34-page tax booklet times 250,000 booklets =	<u>16,100</u>
	\$16,298

No postage increase is anticipated above our present tax booklet boxholder distribution as three front and back pages will keep the weight within the present rate.

NOTE: Over 50% of the tax returns filed with Revenue each year are prepared by practitioners. Difficulty is expected in gaining taxpayer awareness of the additional budget and questionnaire data contained in the set of tax forms for those who utilize practitioner services. Over 15% of the tax returns filed with Revenue have an extended filing date of June 15 as we allow an extension filed with the IRS to apply to filing Alaska Individual Tax returns. We would expect a delay in utilizing the questionnaire for those filing for extensions with the IRS.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 34
 Title "An Act relating to the prep. & dist. of a taxpayers 'survey of the budget' .
 Requested by Brian Rogers Date 1-31-79

II. FISCAL DETAIL

Agency Affected Office of the Governor - Division of Budget and Management
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected ---

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	- 0 -					
200 TRAVEL	- 0 -					
300 CONTRACTUAL	- 0 -					
400 COMMODITIES	- 0 -					
500 EQUIPMENT	- 0 -					
600 LAND & STRUCTURES	- 0 -					
700 GRANTS, CLAIMS, ETC.	- 0 -					

TOTAL

FUNDING (Thousands of Dollars)

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

POSITIONS

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

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

Assume that costs of printing and distribution will be covered by Department of Revenue. The legislature is expected to pay costs related to accumulating responses. Within our existing staff we can generate the data for distribution.

IV. DATE February 13, 1978 PREPARED BY Marlene Lash
 AGENCY Office of the Governor - Div. of Budget - 1120-22-
 PHONE 465-2265

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

**THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE**

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. House Bill 34
 Title Preparation & Distribution of a Taxpayer's Survey of the Budget
 Requested by House State Affairs & Finance Committee Date 1/20/79

HB 34

II. FISCAL DETAIL
 Agency Affected _____ Revenue _____
 Program Category Affected _____ General Government _____
 BRU, Program, or Subprogram(s) Affected _____ Administrative Services _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		12.9	14.0	15.0	16.1	17.3
200 TRAVEL						
300 CONTRACTUAL		137.2	144.0	151.2	158.9	166.8
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	150.1	158.0	166.2	175.0	184.1

FUNDING (Thousands of Dollars)

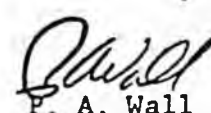
GENERAL FUND	0	150.1	158.0	166.2	175.0	184.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY		2/12mm	2/12mm	2/12mm	2/12mm	2/12mm

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

Note: Most costly alternative shown above. Attached analysis provides an alternative.

IV. DATE 1/29/79 **PREPARED BY** 
AGENCY Revenue
PHONE 465-2313
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

The Bill requires additional pages of information be included with each set of tax forms:

1. Governor's proposed expenditures, by program category, for the next fiscal year budget, in summary form.
2. Sources of funding the proposed expenditures, by program category.
3. A questionnaire designed with computer processing in mind which requests taxpayer's opinions on the proposed levels of expenditures and program categories.

NOTE: A Timing Concern. Tax form proofs must be in the printer's hands by November 1 to insure production of the tax forms and delivery to taxpayers the latter part of December. Summary information on the Governor's proposed budget is normally not available until early January.

Most Costly - Assumes the Complete Governor's Proposed Budget Summary:

Forms - Governor's proposed budget summary reduced to 36 pages, plus a two-page questionnaire = 38 pages
8 1/2" x 11" (19 pages printed both sides):

Typesetting & Layout @ \$33 per page	\$ 1,254
Printing, Binding & Shipping Added to Our 34-Page Tax Booklet	<u>49,500</u>

Postage - Cost added to our present boxholder distribution;
167,635 booklets with postage increase from
8.4 to .53 cents or 44.6 cents \$ 74,765
Cost added to our present first class
mail, 30,000 booklets with postage
increase from .41 to .80 cents or
39 cents. 11,700

\$ 86,465

Personnel - Assumption is that many taxpayers will return the questionnaire with their tax forms. Two temporary scanner positions of six months each will be required to handle the effect of looking through all tax returns to find the questionnaires and send them to the Legislature:

Two Range 7 @ \$1,045 per month times six months each times .1031 benefits	<u>12,929</u>
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Most Costly Total \$150,148

Original sponsor: Rogers

Offered: 2/12/79
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 34

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the preparation and distribution of
7 a taxpayers' summary of the budget."

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

9 * Section 1. AS 43.20.160 is amended by adding a new subsection to read:

10 (e) The department shall include with each set of tax forms pro-
11 vided to an individual taxpayer, a summary not more than six pages in
12 length of

13 (1) the expenditures, by program category, in the state budget
14 for the current fiscal year; and

15 (2) the sources of funding for the state budget for the cur-
16 rent fiscal year.

17 * Sec. 2. This Act terminates June 30, 1982.

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Introduced: 1/24/79
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY ROGERS

2 HOUSE BILL NO.34

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the preparation and distribution of
7 a taxpayers' survey of the budget."

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

9 * Section 1. AS 43.20.160 is amended by adding a new subsection to read:

10 (e) The department shall include with each set of tax forms pro-
11 vided to an individual taxpayer, a summary of (1) the proposed expendi-
12 tures, by program category, for the next fiscal year, as set out in the
13 governor's budget, and (2) the sources of funding for the expenditures
14 in each program category. There shall be included with the summary a
15 questionnaire, capable of being processed by a computer, that requests
16 the taxpayer's opinion on the proposed levels of expenditures and pro-
17 gram priorities. A taxpayer is not required to respond to the question-
18 naire. The taxpayer may not be required to identify himself in the
19 questionnaire. The questionnaire may include a request that the tax-
20 payer specify the election district in which he resides. The question-
21 naire shall be sent to each taxpayer not later than January 31 of each
22 year, and is returnable, directly to the legislative finance division
23 for processing.

24 * Sec. 2. AS 24.20.231 is amended by adding a new paragraph to read:

25 (7) process those budget questionnaires received before
26 March 15 of each year under AS 43.20.160(e) and report the results to
27 the legislature.
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February 8, 1979

House State Affairs Committee Chairman's Report

CS HB 34

The original version of HB 34 was considerably broader than the CS recommended by the State Affairs Committee. Among the elements of the original bill which have been dropped with the adoption of the CS was the provision of a survey among taxpayers through which citizens could indicate areas in which they desired reduced or expanded expenditures in the state budget. Although the survey is no longer specifically mandated, it should be noted that such a survey is not prohibited and if in the process of putting together a summary of the budget the Legislative Finance Division desires to include a return questionnaire (through which citizens can express their reactions to expenditures or for that matter even their reaction to the budget summary) the division is free to do so. It was the feeling of the State Affairs Committee that by making this provision nonmandatory it would be possible for the Legislative Finance Division to include a survey once or twice and, depending on public reaction, either continue or discontinue the survey as the public reaction warrants.


Representative Mike Miller