

LEG. FINANCE - BILLS 1979 - 1980 1199

HB 960 thru HB 962 • • 1199



RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

3/20/90
Date



ST. TE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 17, 1980

HB 960

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill making appropriation adjustments for the Department of Labor, administrative services, as follows:

Page 19, line 16:

Current:	\$20,361,400	\$ 38,900	\$20,322,500
As amended:	20,322,900	38,900	20,284,000

Page 19, line 18:

Current:	\$10,433,100
As amended:	10,394,600

Page 19, line 22: Repealed.

Page 19, line 24:

Current:	\$ 2,127,300	\$ 161,900	\$ 1,965,400
As amended:	2,807,600	209,900	2,597,700

Page 19, between lines 24-25:

As amended:	\$ 95,900
	545,900
	2,165,800

Page 29, line 35:

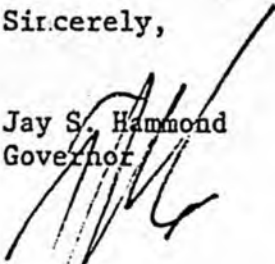
Current:	\$ 1,745,500	\$ 771,400	\$ 974,100
As amended:	1,669,600	723,400	926,200

Page 30, line 14: Repealed.

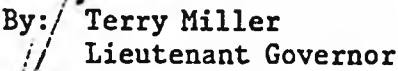
The purpose of this adjustment is to restructure the department's FY 80 budget to enable the department to comply with both state and federal accounting and control requirements.

Sincerely,

Jay S. Hammond
Governor



By: Terry Miller
Lieutenant Governor



07-3

TO: [Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: February 8, 1980

FILE NO:

TELEPHONE NO:

465-2700

MB 960

FROM: *Ed Orbeck*
Edmund N. Orbeck, Commissioner
Department of Labor

SUBJECT:

Supplemental Budget
Request, FY*1980

Your approval is requested for the submission of a Supplemental Budget Request for the Department of Labor, Administrative Services BRU. The Administrative Services Division provides management services and special research support to Department programs and various other executive agencies. In prior years the staff was dispersed through several appropriations to approximate support to programs. This practice has led to high administrative costs reconciling and controlling services under statutory provisions. In certain instances the proposal that certain qualified staff of Administrative Services provide assistance to certain Department programs requesting services has been rendered illegal. This was most recently demonstrated when it was learned that a member of our Research and Analysis staff could not legally provide assistance to the Workmen's Compensation Division, even under a Reimbursable Services Agreement. The requested Supplemental removes these obstacles and also provides for a measure of "coexistence" between state and federal requirements for financial planning and reporting. This requirement was most recently documented in the fiscal compliance audit of the Department conducted by the Legislative auditor.

This Supplemental provides the same structure for the Administrative Services BRU in FY 1980 as requested in FY 1981. Essentially, the Supplemental establishes an appropriation for elements of Administrative Services and allocation levels for three components: Managements Services, Labor Market Information and Research Contracts. This structure allows the federal reporting requirements (Cost Accounting System) to operate within, and in support of, the state reporting requirements. "Coexistence" of the systems was recommended by the Department of Law in view of Labor's unique federal grant requirements when compared to provisions of the Fiscal Procedures Act (AS 37.05) and the Executive Budget Act (AS 37.07).

Specific action requested includes: (1) The deletion of the Research Contracts Component from the OSHA BRU. This component is funded by a matching grant from the Bureau of Labor Statistics (BLS) for the provision of OSHA injury and illness incidence statistics and Workmen's Compensation detail information on the nature and characteristics of work related, time loss injuries and illnesses. This component is proposed to be reestablished within Administrative Services BRU. It will be combined

with other research contracts currently in progress with BLS, and other executive agencies. These contracts are contained within the current Administrative Services and Labor Market Information BRU's. Example of these efforts are Unemployment Insurance actuarial studies, the Bottomfish Labor force study and support of the State's developing Career Information System.

(2) The deletion of the Labor Market Information (LMI) appropriation and its reestablishment as a component of Administrative Services BRU. This program is currently funded under grants from the Employment and Training Administration and provides Labor Market Information to various users, on special request and in regular reports. The Department has proposed that this component provide demographics information in FY 1981. The administration of these tasks require a degree of flexibility since they are supported by products of various research contracts and management support activities, and the same staff members may participate in several activities.

(3) The resources comprising the current Administrative Services BRU (excluding BLS and interagency contracts which will be reestablished within the Research Contracts component) would become the Management Services Component. This component will provide general support to the programs of the Department in fiscal management, personnel, procurement, management analysis and research and analysis.

Your support of this request and its favorable consideration by the Legislature will place the Administrative Services Division's appropriation in line with its responsibility and accountability under both state and federal requirements. It will, likewise, provide a state budget alignment compatible with federal receipts which often vary subsequent to the approval of the budget.

cc: Jim Souby, Director
Administrative Services

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

FY '80
REVISED PROGRAM SUMMARY
by
BUDGET COMPONENT

CATEGORY	Social Services
COVER PROGRAM	Employment Stabilization
AGENCY	Labor
DIVISION	Administrative Services
BUDGET REQUEST UNIT	Administrative Services
BUDGET COMPONENT	Management Services
APPROPRIATION	Administrative Services
ALLOCATION	Administrative Services

Management Services		INITIAL AUTHORIZATION	Plan RP 80-158X	D.P. RP 80-298X	RSA's RP	This RP Request	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	1,627.9	3.0	(27.3)	49.0	38.5				1,691.1
02	TRAVEL	37.8	(7.8)	(.4)	1.0					30.6
03	CONTRACTUAL	390.2	17.3	29.1	- 0 -					436.6
04	COMMODITIES	36.4	(10.4)	(.6)	.3					25.7
05	EQUIPMENT	1.7	7.6	- 0 -	- 0 -					9.3
06	LANDS, BUILDINGS	33.3	(9.7)	(.8)	- 0 -					22.8
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	TOTAL	2,127.3	- 0 -	- 0 -	50.3	38.5				2,216.1
1002	FEDERAL RECEIPTS	154.6								154.6
1003	G/F MATCH									
1004	GENERAL FUND	161.9								161.9
1005	I/A RECEIPTS	1,810.8			50.3	38.5				1,899.6
1028	PROGRAM RECEIPTS									
15	FULL TIME	66.0		(1.0)						66.0
16	PART TIME	1.0								1.0
17	TEMPORARY									
18	MAN-MONTHS	801.0		(12.0)		12.0				801.0

PCN from UI
5068

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

FY '80
REVISED PROGRAM SUMMARY
by
BUDGET COMPONENT

CATEGORY	Social Services
COVER PROGRAM	Employment Stabilization
AGENCY	Labor
DIVISION	Employment Security
BUDGET REQUEST UNIT	Employment Security
BUDGET COMPONENT	Unemployment Insurance
APPROPRIATION	Employment Security
ALLOCATION	Unemployment Insurance

UI		INITIAL AUTHORIZATION	Plan RP 80-180X	D.P. RP 80-298X	This RP Request	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	6,929.9	145.1	(542.1)	(38.5)					6,494.4
02	TRAVEL	128.7	10.0	(10.5)						128.2
03	CONTRACTUAL	3,048.5	(156.2)	567.3						3,459.6
04	COMMODITIES	193.4	(38.9)	(10.6)						143.9
05	EQUIPMENT	29.3	40.0	(4.1)						65.2
06	LANDS, BUILDINGS	103.3								103.3
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	TOTAL	10,433.1	-0-	-0-	(38.5)					10,394.6
1002	FEDERAL RECEIPTS	10,433.1	-0-	-0-	(38.5)					10,394.6
1003	G/F MATCH									
1004	GENERAL FUND									
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	185.0		(17.0)	(1.0)					167.0
16	PART TIME	106.0		(5.0)						101.0
17	TEMPORARY	8.0								8.0
18	MAN-MONTHS	3,140.0		(246.0)	(12.0)					2,882.0

PCN to M.S.
5068

80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
Arch Contracts	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.*	FY 80 CURRENT AUTH.*	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/- 1/31	FY 80 OTHER OBLIGATIONS 7/1/- 1/31	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 2/1 - 6/30	FY 80 (DEFICIT) OR EXCESS	FY 80 CONTI
AL SERVICES	90.4	102.9	90.4	95.9	76.9	93.6	69.7	5.4	(75.1)	93.6	
	4.7	4.6	3.7	4.6	2.5	4.1	3.2		(3.2)	4.1	
TIAL SERVICES	23.3	36.5	17.1	39.6	45.3	51.7	18.1		(18.1)	51.7	
TIES	1.0	3.5	2.5	.5	.3	3.7	.5		(.5)	3.7	
NT	3.9	-0-	-0-			.6	.1		(.1)	.6	
BLDG. ...	2.2	2.3	2.3	3.8	2.9	2.9	2.9		(2.9)	2.9	
CLAIMS.											
NEOUS											
TAL	125.5	149.8	116.0	144.4	127.9	156.6	94.5	5.4	(99.9)	156.6	0
RECEIPTS	62.8	72.1	58.0	72.2	63.9	63.9	36.8	2.1	(38.9)	63.9	
GF MATCHING	62.7	72.1	58.0	72.2	64.0	64.0	36.8	2.2	(39.0)	64.0	
NERAL FUND											
ENCY RECEIPTS		5.6				28.7	20.9	1.1	(22.0)	28.7	

Labor

DRU: Occupational Safety

COMPONENT: Research Contracts

REVISED:

and 6 includes a full years appropriation.

1/4 was appropriated by the FCC and 1/4 was submitted under HB 577

SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
Contracts	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1-1/31	FY 80 OTHER OBLIGATIONS 7/1-1/31	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 7/1-1/31	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTINU
SERVICES										(93.6)	275.4
										(4.1)	12.4
AL SERVICES										(51.7)	134.2
ES										(3.7)	4.7
										(. 6)	- 0 -
OG. ...										(2.9)	11.5
AIMS. ...											
EOUS											
										(156.6)	438.2
CEIPTS:										(63.9)	183.6
OF MATCHING										(64.0)	65.3
ERAL FUND											
ICY RECEIPTS										(28.7)	189.3

Department of Labor

BRU: Administrative Services

COMPONENT: Research Contracts

REVISED:

0 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL	FY 80 CURRENT AUTII.	FY 80 EXPENDITURES + ENCUMBRANCES XXXXXXXXXX 7/1-1/31	FY 80 OTHER OBLIGATIONS XXXXXXXXXX 7/1-1/31	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES XXXXXXXXXX 2/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTINU
SERVICES	246.7	427.6	334.8	356.3	356.3	184.9	128.7	9.9	(138.6)	184.9	
	9.6	13.1	1.3	15.9	15.9	4.8	1.3		(1.3)	4.8	
AL SERVICES	69.9	67.4	57.5	123.4	123.4	368.9	144.5		(144.5)	368.9	
ES	1.0	10.0	.1	10.8	10.8	3.8	- 0 -			3.8	
	16.8	.5	.2	24.3	24.3	- 0 -	- 0 -			- .0 -	
OG. ...	9.6	9.6	7.6	15.2	15.2	9.2	10.9		(10.9)	9.2	
AIMS.											
EOUS											
	353.6	528.2	401.5	545.9	545.9	571.6	285.4	9.9	(295.3)	571.6	- 0 -
CEIPTS	353.6	528.2	401.5	545.9	545.9	545.9	282.2	9.7	(291.9)	545.9	
OF MATCHING											
ERAL FUND											
ICY RECEIPTS						25.7	3.2	.2	(3.4)	25.7	

SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1-1/31	FY 80 OTHER OBLIGATIONS 7/1-1/31	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 7/1-1/31	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTINUA
SERVICES										(184.9)	235.4
										(4.8)	6.1
SERVICES										(368.9)	215.4
										(3.8)	4.8
										- .0 -	
...										(9.2)	10.9
IMS.											
US											
										(571.6)	472.6
EIPTS										(545.9)	472.6
MATCHING											
AL FUND											
Y RECEIPTS										(25.7)	

Funding Information:
 General Fund: \$ -0-
 Other Funds: -0-
 \$ -0-

Introduced: 3/17/80
 Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
 REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 960

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriation adjustments for the
 7 Department of Labor, administrative services; and
 8 providing for an effective date."

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

10 * Section 1. Section 23, ch. 80 SLA 1979, page 1, line 16 (Social
 11 Services), is repealed and re-enacted to read:

	FUND SOURCES		
	APPROPRIATION	GENERAL	OTHER
14 Employment Security	\$20,322,900	\$ 38,900	\$20,284,000

15 * Sec. 2. Section 23, ch. 80 SLA 1979, page 19, line 18 (Social Ser-
 16 vices), is repealed and re-enacted to read:

17 ALLOCATIONS

18 Unemployment In-
 19 surance (291
 20 positions) \$10,394,600

21 * Sec. 3. Section 23, ch. 80 SLA 1979, page 19, line 22, (Social Ser-
 22 vices), is repealed.

23 * Sec. 4. Section 23, ch. 80 SLA 1979, page 19, line 24 (Social Services),
 24 is repealed and re-enacted to read:

	FUND SOURCES		
	APPROPRIATION	GENERAL	OTHER
27 Administrative Services 28 (67 positions)	\$ 2,807,600	\$ 209,900	\$ 2,597,700

29 * Sec. 5. Section 23, ch. 80 SLA 1979, page 19, is amended to read, by

1 adding between lines 24 and 25:

2 ALLOCATIONS

3 Research contracts \$ 95,900

4 Labor market infor-
5 mation \$ 545,900

6 Management services \$2,165,800

7 * Sec. 6. Section 23, ch. 80 SLA 1979, page 29, line 35 (Public Protec-
8 tion), is repealed and re-enacted to read:

9 FUND SOURCES

10	APPROPRIATION	GENERAL	OTHER
11	OSHA \$ 1,649,600	\$ 723,400	\$ 926,200

12 * Sec. 7. Section 23, ch, 80 SLA 1979, page 30, line 14 is repealed.

13 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
14 10.070(c).

Letter & Memo

Introduced: 3/17/80
Referred: Finance

Funding Information:

General Fund:	\$	-0-
Other Funds:		-0-
	\$	-0-

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TO: Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: February 8, 1980

FILE NO:

TELEPHONE NO:

465-2700

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FROM: *Ed Orbeck*
Edmund N. Orbeck, Commissioner
Department of Labor

SUBJECT:

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cc: Jim Souby, Director
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by
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16	PART TIME	1.0								1.0
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ALLOCATION	Unemployment Insurance

UI		INITIAL AUTHORIZATION	Plan RP 80-180X	D.P. RP 80-298X	This RP Request	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	6,929.9	145.1	(542.1)	(38.5)					6,494.4
02	TRAVEL	128.7	10.0	(10.5)						128.2
03	CONTRACTUAL	3,048.5	(156.2)	557.3						3,459.6
04	COMMODITIES	193.4	(38.9)	(10.6)						143.9
05	EQUIPMENT	29.3	40.0	(4.1)						65.2
06	LANDS, BUILDINGS	103.3								103.3
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	TOTAL	10,433.1	-0-	-0-	(38.5)					10,394.6
1002	FEDERAL RECEIPTS	10,433.1	-0-	-0-	(38.5)					10,394.6
1003	G/F MATCH									
1004	GENERAL FUND									
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	185.0		(17.0)	(1.0)					167.0
16	PART TIME	106.0		(5.0)						101.0
17	TEMPORARY	8.0								8.0
18	MAN-MONTHS	3,140.0		(246.0)	(12.0)					2,882.0

PCN to M.S.
5068

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
Research Contracts	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.*	FY 80 CURRENT AUTH.*	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/- 1/31	FY 80 OTHER OBLIGATIONS 7/1/- 1/31	FY 80 PROJECTED EXPENDITURES + ENCUMBRANCES 2/1 - 6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTINUATI
PERSONAL SERVICES	90.4	102.9	90.4	95.9	76.9	93.6	69.7	5.4	(75.1)	93.6	
TRAVEL	4.7	4.6	3.7	4.6	2.5	4.1	3.2		(3.2)	4.1	
CONTRACTUAL SERVICES	23.3	36.5	17.1	39.6	45.3	51.7	18.1		(18.1)	51.7	
COMMODITIES	1.0	3.5	2.5	.5	.3	3.7	.5		(.5)	3.7	
EQUIPMENT	3.9	-0-	-0-			.6	.1		(.1)	.6	
LANDS, BLDG. ...	2.2	2.3	2.3	3.8	2.9	2.9	2.9		(2.9)	2.9	
GRANTS, CLAIMS, ...											
MISCELLANEOUS											
TOTAL	125.5	149.8	116.0	144.4	127.9	156.6	94.5	5.4	(99.9)	156.6	0
FEDERAL RECEIPTS	62.8	72.1	58.0	72.2	63.9	63.9	36.8	2.1	(38.9)	63.9	
REQUIRED GF MATCHING	62.7	72.1	58.0	72.2	64.0	64.0	36.8	2.2	(39.0)	64.0	
OTHER GENERAL FUND											
INTER-AGENCY RECEIPTS		5.6				28.7	20.9	1.1	(22.0)	28.7	

AGENCY: Labor BRU: Occupational Safety COMPONENT: Research Contracts REVISED: _____

*Column 5 and 6 includes a full years appropriation. 3/4 was appropriated by the FCC and 1/4 was submitted under HB 577

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
Research Contracts	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES XXXXXXXXXX 7/1-1/31	FY 80 OTHER OBLIGATIONS XXXXXXXXXX 7/1-1/31	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES XXXXXXXXXX	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTINUATI
PERSONAL SERVICES										(93.6)	275.4
TRAVEL										(4.1)	12.4
CONTRACTUAL SERVICES										(51.7)	134.2
COMMODITIES										(3.7)	4.7
EQUIPMENT										(.6)	- 0 -
LANDS, BLDG. ...										(2.9)	11.5
GRANTS, CLAIMS, ...											
MISCELLANEOUS											
TOTAL										(156.6)	438.2
FEDERAL RECEIPTS										(63.9)	183.6
REQUIRED GF MATCHING										(64.0)	65.3
OTHER GENERAL FUND											
INTER-AGENCY RECEIPTS										(28.7)	189.3

AGENCY: Department of Labor BRU: Administrative Services COMPONENT: Research Contracts REVISED: _____

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
II	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1-1/31	FY 80 OTHER OBLIGATIONS 7/1-1/31	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 7/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTINUATI
PERSONAL SERVICES	246.7	427.6	334.8	356.3	356.3	184.9	128.7	9.9	(138.6)	184.9	
TRAVEL	9.6	13.1	1.3	15.9	15.9	4.8	1.3		(1.3)	4.8	
CONTRACTUAL SERVICES	69.9	67.4	57.5	123.4	123.4	368.9	144.5		(144.5)	368.9	
COMMODITIES	1.0	10.0	.1	10.8	10.8	3.8	- 0 -			3.8	
EQUIPMENT	16.8	.5	.2	24.3	24.3	- 0 -	- 0 -			- .0 -	
LANDS, BLDG. ...	9.6	9.6	7.6	15.2	15.2	9.2	10.9		(10.9)	9.2	
GRANTS, CLAIMS, ...											
MISCELLANEOUS											
TOTAL	353.6	528.2	401.5	545.9	545.9	571.6	285.4	9.9	(295.3)	571.6	- 0 -
GENERAL RECEIPTS	353.6	528.2	401.5	545.9	545.9	545.9	282.2	9.7	(291.9)	545.9	
REQUIRED GF MATCHING											
OTHER GENERAL FUND											
INTER-AGENCY RECEIPTS						25.7	3.2	.2	(3.4)	25.7	

AGENCY: Department of Labor BRU: Labor Market Information COMPONENT: Labor Market Information REVISED: _____

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1-1/31	FY 80 OTHER OBLIGATIONS 7/1-1/31	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 7/1-1/31	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTINUATION
PERSONAL SERVICES										(184.9)	235.4
TRAVEL										(4.8)	6.1
CONTRACTUAL SERVICES										(368.9)	215.4
COMMODITIES										(3.8)	4.8
EQUIPMENT										- .0 -	
LANDS, BLDG. ...										(9.2)	10.9
GRANTS, CLAIMS.											
MISCELLANEOUS											
TOTAL										(571.6)	472.6
GENERAL RECEIPTS										(545.9)	472.6
REQUIRED GF MATCHING											
FROM GENERAL FUND											
INTER-AGENCY RECEIPTS										(25.7)	

AGENCY: Department of Labor BRU: Administrative Services COMPONENT: Labor Market Information REVISED: _____

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE BILL NO. 960

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act making appropriation adjustments for the Department of Labor, administrative services; and providing for an effective date."

Appro adjustments, Dept of Labor, admin services

Introduced in the House ..3/17...., 19.80

HISTORY IN THE HOUSE

19 80

Mar. 17

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

3/20/90
Date

(11)

COMMITTEE REPORT

HOUSE

3/17/80

FURTHER:

Date: 4-22-80

Mr. Speaker:

The Committee on FINANCE has had HB 961

"An Act relating to the Alaska Commercial Fishing and Agriculture Bank; and providing for an effective 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 HR 961 same title
 new title
- and recommends report it back with individual recommendations
- AND attaches a "Letter of Intent" New Fiscal Note
No fiscal impact
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Freeman

[Signature]

[Signature]

[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

[Signature] - No Rec

Jul Montgomery - No Rec

[Signature] - No Rec

Freeman
 Vice CHAIRMAN

Original sponsor: Rules Committee
by request

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 961

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Commercial Fishing and
7 Agriculture Bank; and providing for an effective date."

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

9 * Section 1. AS 16.43.150(g) is amended to read:

10 (g) Except as provided in AS 16.10.333 - 16.10.337 and in AS 44.-
11 54.230 - 44.54.250, an entry permit may not be:

12 (1) pledged, mortgaged, leased, or encumbered in any way;

13 (2) transferred with any retained right of repossession or
14 foreclosure; or

15 (3) attached, distrained, or sold on execution of judgment or
16 under any other process or order of any court.

17 * Sec. 2. AS 16.43.170(a) is amended to read:

18 (a) Except as provided in AS 16.10.333 - 16.10.338 and in AS 44.-
19 54.230 - 44.54.250, entry permits and interim-use permits are transfer-
20 able only through the commission as provided in this section and AS 16.-
21 43.180 and under regulations adopted by the commission.

22 * Sec. 3. AS 44.54.070 is repealed and re-enacted to read:

23 Sec. 44.54.070. PRESIDENT; OFFICERS AND EMPLOYEES. (a) The board
24 of directors shall employ a president. The president may not be a
25 member of the board of directors. The president serves at the pleasure
26 of the board of directors. The president is the chief executive officer
27 of the bank.

28 (b) The board of directors shall appoint one or more vice-presi-
29 dents, as prescribed in the bylaws of the bank, a secretary, a treasurer

1 and other officers as the board of directors considers necessary. The
2 board of directors may appoint one or more to more than one of the posi-
3 tions described in this subsection.

4 (c) The president may hire employees of the bank reasonably neces-
5 sary for the efficient performance of the functions of the bank. Sub-
6 ject to the approval of the board of directors, the president may also
7 contract for and engage the services of professional and technical
8 advisors. The board of directors shall prescribe the duties and com-
9 pensation of employees of the bank.

10 * Sec. 4. AS 44.54.150(a) is amended to read:

11 (a) Neither the members of the board of directors, the president
12 [EXECUTIVE DIRECTOR], staff, nor a person executing the bonds is liable
13 personally on the bonds or subject to personal liability or account-
14 ability by reason of the issuance of the bonds.

15 * Sec. 5. AS 44.54.210(1) is amended to read:

16 (1) make variable rate or fixed rate loans to individuals who
17 are residents and who are engaged in commercial agriculture or fishing,
18 including harvesters, processors, suppliers and marketers, or to cor-
19 porations, partnerships or joint ventures [PRIMARILY] engaged in com-
20 mercial agriculture or fishing, the majority interest of which is bene-
21 ficially owned by residents of the state and a majority of the owners of
22 which are residents of the state, if the recipient of the loan is a
23 shareholder of the bank; however, the bank may make a loan under this
24 paragraph to a corporation, partnership, or joint venture for the pur-
25 chase of a new or existing fishing vessel or for the repair or renova-
26 tion of an existing fishing vessel, the primary purpose of which is to
27 commercially harvest fishery resources, only if the corporation, partner-
28 ship, or joint venture is wholly owned and controlled by residents of
29 the state and if the recipient of the loan is a shareholder of the bank.

1 * Sec. 6. AS 44.54.210 is amended by adding new paragraphs to read:

2 (21) indemnify a director, officer or employee of the bank and
3 his heirs, executors and administrators against all liabilities and
4 related expenses including, but not limited to, court costs and attorney
5 fees, judgments, and the cost of reasonable settlements, incurred by him
6 in connection with or arising out of an action or proceeding brought
7 against him because of an act or omission in the performance of his
8 official duties as director, officer or employee of the bank regardless
9 of whether he is a director, officer or employee at the time the ex-
10 penses or liabilities are incurred;

11 (22) make variable rate or fixed rate loans to corporations,
12 partnerships or joint ventures for fish processing plants as provided in
13 AS 44.54.215.

14 * Sec. 7. AS 44.54.210 is amended by adding a new subsection to read:

15 (b) The provisions of (a)(21) of this section do not authorize the
16 bank to indemnify a director, officer or employee of the bank who is
17 adjudged liable for negligence or misconduct in the performance of his
18 official duties.

19 * Sec. 8. AS 44.54 is amended by adding a new section to read:

20 Sec. 44.54.215. FISH AND AGRICULTURAL PRODUCTS PROCESSING PLANT
21 LOANS. (a) The bank may make a loan for a purpose described in (b) of
22 this section to a corporation, partnership or joint venture which meets
23 the following conditions:

24 (1) the corporation, partnership or joint venture is a share-
25 holder of the bank;

26 (2) fish processing or agricultural product processing is the
27 primary business of the corporation, partnership or joint venture;

28 (3) the corporation, partnership or joint venture was created
29 or organized in the United States or under the laws of the United States

1 or of a state or territory of the United States;

2 (4) citizens of the United States are the beneficial owners
3 of the majority interest in the corporation, partnership or joint ven-
4 ture; and

5 (5) citizens of the United States are the majority of the
6 owners of the corporation, partners in the partnership or joint ven-
7 turers in the joint venture.

8 (b) A loan under this section may be made to provide financing for

9 (1) the construction or improvement of onshore fish pro-
10 cessing plants or agricultural product processing plants in the state;

11 (2) the working capital requirements of a fish processing or
12 agricultural product processing plant in the state.

13 * Sec. 9. AS 44.54.230(a) is amended to read:

14 (a) A loan under AS 44.54.210(20) for the purchase of a limited
15 entry permit may be made only upon certification by the commission
16 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION (AS 16.43.020)] that the
17 fisherman is a person who qualifies as a transferee for the permit under
18 AS 16.43 and the regulations adopted by the commission.

19 * Sec. 10. AS 44.54.230(b) is amended to read:

20 (b) Upon approval by the bank, the permit to be purchased may be
21 pledged as security for a loan under (a) of this section, if

22 (1) the certificate for the pledged permit lists [THE EXECU-
23 TIVE DIRECTOR OF] the bank as the legal owner of the permit;

24 (2) the certificate for the pledged permit lists the debtor
25 as the equitable owner of the permit;

26 (3) all annual permit cards issued under the pledged permit
27 list the name of the debtor;

28 (4) all obligations and responsibilities of a permit owner
29 are assumed by the debtor;

1 (5) co-signers or other sureties for performance under the
2 note are not vested with any rights in the pledged permit and their
3 obligation is limited to satisfaction of the note and payment of costs
4 directly incurred by the bank in administering the loan.

5 * Sec. 11. AS 44.54.230(c) is amended to read:

6 (c) Upon satisfaction of the note by the debtor, the bank [EXECU-
7 TIVE DIRECTOR] shall certify to the commission that the note has been
8 satisfied.

9 * Sec. 12. AS 44.54.240 is amended to read:

10 Sec. 44.54.240. DEFAULT AND FORECLOSURE OF LOANS FOR LIMITED ENTRY
11 PERMITS. (a) If the debtor defaults upon a note for which a limited
12 entry permit has been pledged as security under AS 44.54.230, [THE
13 EXECUTIVE DIRECTOR OF] the bank shall provide the debtor, by registered
14 or certified mail sent to his last known address on file with the bank,
15 with a notice of default which includes

16 (1) a description of the security given for the note in-
17 cluding the number assigned to the pledged permit by the commission
18 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION];

19 (2) the date upon which the default occurred;

20 (3) the amount of arrearages as of the date of the notice,
21 the total amount remaining on the note less unearned interest, and the
22 amount of daily interest;

23 (4) a statement that the debtor may, within 15 days of the
24 postmark date of the notice, request a hearing at which he may submit
25 evidence, showing he has not defaulted;

26 (5) a statement that the note may be reinstated if brought
27 current within 60 days from the postmark date of the notice;

28 (6) a statement that the note may be paid in full less un-
29 earned interest within 90 days from the postmark date of the notice;

1 (7) the place where reinstatement or payment in full may be
2 made; and

3 (8) a notice in at least 10-point bold type stating: "IMPOR-
4 TANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE
5 SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT AND
6 THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

7 (b) Upon the debtor's failure to reinstate or satisfy the note
8 within the time specified in (a) of this section, his equitable interest
9 is terminated by operation of law without further notice. Any entry
10 permit cards issued to him under the permit shall be cancelled immedi-
11 ately upon receipt by the commission of a certificate of termination
12 containing a copy of the notice required by (a) of this section issued
13 by [THE EXECUTIVE DIRECTOR OF] the bank.

14 * Sec. 13. AS 44.54.250(a) is amended to read:

15 (a) Upon a foreclosure on an entry permit as provided in AS 44.54.-
16 240, [THE EXECUTIVE DIRECTOR OF] the bank shall offer the commission
17 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] a right of first refusal
18 if the permit is subject to a buy-back program under AS 16.43.290 -
19 16.43.330 at a price equal to the amount outstanding on the note plus
20 any costs the bank directly incurred in administering the loan.

21 * Sec. 14. AS 44.54.250(c) is amended to read:

22 (c) If the debtor is unable to nominate a qualified person to
23 assume the note under (b) of this section, the permit must be made
24 available to a qualified person, chosen as provided in this section, who
25 shall assume the note subject to all rights and liabilities of the
26 original debtor. The commission [ALASKA COMMERCIAL FISHERIES ENTRY
27 COMMISSION] shall provide the bank with a list of persons chosen by
28 lottery who qualify as transferees of entry permits under AS 16.43 and
29 regulations adopted by the commission and who have met the residency and

1 commercial fishing participation requirements of AS 44.54.210(20). The
2 [EXECUTIVE DIRECTOR OF THE] bank shall then determine, in order of
3 presentation, any remaining qualifications. The bank [EXECUTIVE DIREC-
4 TOR] shall allow the first applicant meeting all qualifications to
5 assume the note.

6 * Sec. 15. AS 44.54.250(d) is amended to read:

7 (d) Nothing in this section affects the right of [THE EXECUTIVE
8 DIRECTOR OF] the bank to institute legal action for a deficiency result-
9 ing from a default on a note given under AS 44.54.230. In addition to
10 any deficiency, the debtor is liable for the costs of administering the
11 note and for costs and attorney fees.

12 * Sec. 16. AS 44.54 is amended by adding a new section to read:

13 Sec. 44.54.260. DEFINITIONS. In this chapter

14 (1) "bank" means the Alaska Commercial Fishing and Agricul-
15 ture Bank;

16 (2) "commission" means the Alaska Commercial Fisheries Entry
17 Commission (AS 16.43.020);

18 (3) "shareholder" includes a holder of a share of membership
19 stock of the bank, a holder of a share of capital stock of the bank, or
20 a patron of the bank with retained patronage earnings of \$2,500 or more
21 to his credit.

22 * Sec. 17. This Act takes effect immediately in accordance with AS 01.10.-
23 070(c).

FORM 02-0018C
FOR BRIEF COMMUNICATIONS
MAY BE HANDWRITTEN

MEMORANDUM

State of Alaska

TO:

Legislative Affairs

DEPT. _____
DIV. _____
SEC. _____

DATE : April 23, 1980

FROM: Vicki Wilson
House Finance Committee
Cap Bldg Rm 519
3795/3796

SUBJECT: CS for HB 961

Please prepare Finance Committee Substitute for HB 961 with the changes noted on pages 1, 3 & 4 of the bill attached. Please return to me as soon as possible. Thanks.

Copy

Introduced: 3/17/80
Referred: Finance

FINANCE
BY THE RULES COMMITTEE
~~BY REQUEST~~

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 961

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Commercial Fishing and
7 Agriculture Bank; and providing for an effective date."

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

9 * Section 1. AS 16.43.150(g) is amended to read:

10 (g) Except as provided in AS 16.10.333 - 16.10.337 and in AS 44.-
11 54.230 - 44.54.250, an entry permit may not be:

12 (1) pledged, mortgaged, leased, or encumbered in any way;

13 (2) transferred with any retained right of repossession or
14 foreclosure; or

15 (3) attached, distrained, or sold on execution of judgment or
16 under any other process or order of any court.

17 * Sec. 2. AS 16.43.170(a) is amended to read:

18 (a) Except as provided in AS 16.10.333 - 16.10.338 and in AS 44.-
19 54.230 - 44.54.250, entry permits and interim-use permits are transfer-
20 able only through the commission as provided in this section and AS 16.-
21 43.180 and under regulations adopted by the commission.

22 * Sec. 3. AS 44.54.070 is repealed and re-enacted to read:

23 Sec. 44.54.070. PRESIDENT; OFFICERS AND EMPLOYEES. (a) The board
24 of directors shall employ a president. The president may not be a
25 member of the board of directors. The president serves at the pleasure
26 of the board of directors. The president is the chief executive officer
27 of the bank.

28 (b) The board of directors shall appoint one or more vice-presi-
29 dents, as prescribed in the bylaws of the bank, a secretary, a treasurer

1 and other officers as the board of directors considers necessary. The
2 board of directors may appoint one person to more than one of the posi-
3 tions described in this subsection.

4 (c) The president may hire employees of the bank reasonably neces-
5 sary for the efficient performance of the functions of the bank. Sub-
6 ject to the approval of the board of directors, the president may also
7 contract for and engage the services of professional and technical
8 advisors. The board of directors shall prescribe the duties and com-
9 pensation of employees of the bank.

10 * Sec. 4. AS 44.54.150(a) is amended to read:

11 (a) Neither the members of the board of directors, the president
12 [EXECUTIVE DIRECTOR], staff, nor a person executing the bonds is liable
13 personally on the bonds or subject to personal liability or account-
14 ability by reason of the issuance of the bonds.

15 * Sec. 5. AS 44.54.210(1) is amended to read:

16 (1) make variable rate or fixed rate loans to individuals who
17 are residents and who are engaged in commercial agriculture or fishing,
18 including harvesters, processors, suppliers and marketers, or to cor-
19 porations, partnerships or joint ventures [PRIMARILY] engaged in com-
20 mercial agriculture or fishing, the majority interest of which is bene-
21 ficially owned by residents of the state and a majority of the owners of
22 which are residents of the state, if the recipient of the loan is a
23 shareholder of the bank; however, the bank may make a loan under this
24 paragraph to a corporation, partnership, or joint venture for the pur-
25 chase of a new or existing fishing vessel or for the repair or renova-
26 tion of an existing fishing vessel, the primary purpose of which is to
27 commercially harvest fishery resources, only if the corporation, partner-
28 ship, or joint venture is wholly owned and controlled by residents of
29 the state and if the recipient of the loan is a shareholder of the bank.

1 * Sec. 6. AS 44.54.210 is amended by adding new paragraphs to read:

2 (21) indemnify a director, officer or employee of the bank and
3 his heirs, executors and administrators against all liabilities and
4 related expenses including, but not limited to, court costs and attorney
5 fees, judgments, and the cost of reasonable settlements, incurred by him
6 in connection with or arising out of an action or proceeding brought
7 against him because of an act or omission in the performance of his
8 official duties as director, officer or employee of the bank regardless
9 of whether he is a director, officer or employee at the time the ex-
10 penses or liabilities are incurred;

11 (22) make variable rate or fixed rate loans to corporations,
12 partnerships or joint ventures for fish processing plants as provided in
13 AS 44.54.215.

14 * Sec. 7. AS 44.54.210 is amended by adding a new subsection to read:

15 (b) The provisions of (a)(21) of this section do not authorize the
16 bank to indemnify a director, officer or employee of the bank who is
17 adjudged liable for negligence or misconduct in the performance of his
18 official duties.

19 * Sec. 8. AS 44.54 is amended by adding a new section to read:

20 Sec. 44.54.215. ^{AND AGRICULTURAL PRODUCTS} FISH PROCESSING PLANT LOANS. (a) The bank may
21 make a loan for a purpose described in (b) of this section to a cor-
22 poration, partnership or joint venture which meets the following con-
23 ditions:

24 (1) the corporation, partnership or joint venture is a share-
25 holder of the bank;

26 (2) fish processing ^{or agricultural product} is the primary business of the corpora-
27 tion, partnership or joint venture;

28 (3) the corporation, partnership or joint venture was created
29 or organized in the United States or under the laws of the United States

1 or of a state or territory of the United States;

2 (4) citizens of the United States are the beneficial owners
3 of the majority interest in the corporation, partnership or joint ven-
4 ture; and

5 (5) citizens of the United States are the majority of the
6 owners of the corporation, partners in the partnership or joint ven-
7 turers in the joint venture.

8 (b) A loan under this section may be made to provide financing
9 for:

10 (1) the construction or improvement of onshore fish^{fish} pro-
11 cessing plants^{or agricultural products processing plants} in the state;

12 (2) the working capital requirements of a fish^{fish} processing or agricultural
13 plant in the state. ^{product processing}

14 * Sec. 9. AS 44.54.230(a) is amended to read:

15 (a) A loan under AS 44.54.210(20) for the purchase of a limited
16 entry permit may be made only upon certification by the commission
17 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION (AS 16.43.020)] that the
18 fisherman is a person who qualifies as a transferee for the permit under
19 AS 16.43 and the regulations adopted by the commission.

20 * Sec. 10. AS 44.54.230(b) is amended to read:

21 (b) Upon approval by the bank, the permit to be purchased may be
22 pledged as security for a loan under (a) of this section, if

23 (1) the certificate for the pledged permit lists [THE EXECU-
24 TIVE DIRECTOR OF] the bank as the legal owner of the permit;

25 (2) the certificate for the pledged permit lists the debtor
26 as the equitable owner of the permit;

27 (3) all annual permit cards issued under the pledged permit
28 list the name of the debtor;

29 (4) all obligations and responsibilities of a permit owner

1 are assumed by the debtor;

2 (5) co-signers or other sureties for performance under the
3 note are not vested with any rights in the pledged permit and their
4 obligation is limited to satisfaction of the note and payment of costs
5 directly incurred by the bank in administering the loan.

6 * Sec. 11. AS 44.54.230(c) is amended to read:

7 (c) Upon satisfaction of the note by the debtor, the bank [EXECU-
8 TIVE DIRECTOR] shall certify to the commission that the note has been
9 satisfied.

10 * Sec. 12. AS 44.54.240 is amended to read:

11 Sec. 44.54.240. DEFAULT AND FORECLOSURE OF LOANS FOR LIMITED ENTRY
12 PERMITS. (a) If the debtor defaults upon a note for which a limited
13 entry permit has been pledged as security under AS 44.54.230, [THE
14 EXECUTIVE DIRECTOR OF] the bank shall provide the debtor, by registered
15 or certified mail sent to his last known address on file with the bank,
16 with a notice of default which includes

17 (1) a description of the security given for the note in-
18 cluding the number assigned to the pledged permit by the commission
19 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION];

20 (2) the date upon which the default occurred;

21 (3) the amount of arrearages as of the date of the notice,
22 the total amount remaining on the note less unearned interest, and the
23 amount of daily interest;

24 (4) a statement that the debtor may, within 15 days of the
25 postmark date of the notice, request a hearing at which he may submit
26 evidence showing he has not defaulted;

27 (5) a statement that the note may be reinstated if brought
28 current within 60 days from the postmark date of the notice;

29 (6) a statement that the note may be paid in full less un-

1 earned interest within 90 days from the postmark date of the notice;

2 (7) the place where reinstatement or payment in full may be
3 made; and

4 (8) a notice in at least 10-point bold type stating: "IMPOR-
5 TANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE
6 SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT AND
7 THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

8 (b) Upon the debtor's failure to reinstate or satisfy the note
9 within the time specified in (a) of this section, his equitable interest
10 is terminated by operation of law without further notice. Any entry
11 permit cards issued to him under the permit shall be cancelled immedi-
12 ately upon receipt by the commission of a certificate of termination
13 containing a copy of the notice required by (a) of this section issued
14 by [THE EXECUTIVE DIRECTOR OF] the bank.

15 * Sec. 13. AS 44.54.250(a) is amended to read:

16 (a) Upon a foreclosure on an entry permit as provided in AS 44.54.-
17 240, [THE EXECUTIVE DIRECTOR OF] the bank shall offer the commission
18 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] a right of first refusal
19 if the permit is subject to a buy-back program under AS 16.43.290 -
20 16.43.330 at a price equal to the amount outstanding on the note plus
21 any costs the bank directly incurred in administering the loan.

22 * Sec. 14. AS 44.54.250(c) is amended to read:

23 (c) If the debtor is unable to nominate a qualified person to
24 assume the note under (b) of this section, the permit must be made
25 available to a qualified person, chosen as provided in this section, who
26 shall assume the note subject to all rights and liabilities of the
27 original debtor. The commission [ALASKA COMMERCIAL FISHERIES ENTRY
28 COMMISSION] shall provide the bank with a list of persons chosen by
29 lottery who qualify as transferees of entry permits under AS 16.43 and

1 regulations adopted by the commission and who have met the residency and
2 commercial fishing participation requirements of AS 44.54.210(20). The
3 [EXECUTIVE DIRECTOR OF THE] bank shall then determine, in order of
4 presentation, any remaining qualifications. The bank [EXECUTIVE DIREC-
5 TOR] shall allow the first applicant meeting all qualifications to
6 assume the note.

7 * Sec. 15. AS 44.54.250(d) is amended to read:

8 (d) Nothing in this section affects the right of [THE EXECUTIVE
9 DIRECTOR OF] the bank to institute legal action for a deficiency result-
10 ing from a default on a note given under AS 44.54.230. In addition to
11 any deficiency, the debtor is liable for the costs of administering the
12 note and for costs and attorney fees.

13 * Sec. 16. AS 44.54 is amended by adding a new section to read:

14 Sec. 44.54.260. DEFINITIONS. In this chapter

15 (1) "bank" means the Alaska Commercial Fishing and Agricul-
16 ture Bank;

17 (2) "commission" means the Alaska Commercial Fisheries Entry
18 Commission (AS 16.43.020);

19 (3) "shareholder" includes a holder of a share of membership
20 stock of the bank, a holder of a share of capital stock of the bank, or
21 a patron of the bank with retained patronage earnings of \$2,500 or more
22 to his credit.

23 * Sec. 17. This Act takes effect immediately in accordance with AS 01.10.-
24 070(c).

Introduced: 3/17/80
Referred: Finance

BY THE RULES COMMITTEE
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 961

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Commercial Fishing and
7 Agriculture Bank; and providing for an effective date."

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

9 * Section 1. AS 16.43.150(g) is amended to read:

10 (g) Except as provided in AS 16.10.333 - 16.10.337 and in AS 44.-
11 54.230 - 44.54.250, an entry permit may not be:

12 (1) pledged, mortgaged, leased, or encumbered in any way;

13 (2) transferred with any retained right of repossession or
14 foreclosure; or

15 (3) attached, distrained, or sold on execution of judgment or
16 under any other process or order of any court.

17 * Sec. 2. AS 16.43.170(a) is amended to read:

18 (a) Except as provided in AS 16.10.333 - 16.10.338 and in AS 44.-
19 54.230 - 44.54.250, entry permits and interim-use permits are transfer-
20 able only through the commission as provided in this section and AS 16.-
21 43.180 and under regulations adopted by the commission.

22 * Sec. 3. AS 44.54.070 is repealed and re-enacted to read:

23 Sec. 44.54.070. PRESIDENT; OFFICERS AND EMPLOYEES. (a) The board
24 of directors shall employ a president. The president may not be a
25 member of the board of directors. The president serves at the pleasure
26 of the board of directors. The president is the chief executive officer
27 of the bank.

28 (b) The board of directors shall appoint one or more vice-presi-
29 dents, as prescribed in the bylaws of the bank, a secretary, a treasurer

1 and other officers as the board of directors considers necessary. The
2 board of directors may appoint one person to more than one of the posi-
3 tions described in this subsection.

4 (c) The president may hire employees of the bank reasonably neces-
5 sary for the efficient performance of the functions of the bank. Sub-
6 ject to the approval of the board of directors, the president may also
7 contract for and engage the services of professional and technical
8 advisors. The board of directors shall prescribe the duties and com-
9 pensation of employees of the bank.

10 * Sec. 4. AS 44.54.150(a) is amended to read:

11 (a) Neither the members of the board of directors, the president
12 [EXECUTIVE DIRECTOR], staff, nor a person executing the bonds is liable
13 personally on the bonds or subject to personal liability or account-
14 ability by reason of the issuance of the bonds.

15 * Sec. 5. AS 44.54.210(1) is amended to read:

16 (1) make variable rate or fixed rate loans to individuals who
17 are residents and who are engaged in commercial agriculture or fishing,
18 including harvesters, processors, suppliers and marketers, or to cor-
19 porations, partnerships or joint ventures [PRIMARILY] engaged in com-
20 mercial agriculture or fishing, the majority interest of which is bene-
21 ficially owned by residents of the state and a majority of the owners of
22 which are residents of the state, if the recipient of the loan is a
23 shareholder of the bank; however, the bank may make a loan under this
24 paragraph to a corporation, partnership, or joint venture for the pur-
25 chase of a new or existing fishing vessel or for the repair or renova-
26 tion of an existing fishing vessel, the primary purpose of which is to
27 commercially harvest fishery resources, only if the corporation, partner-
28 ship, or joint venture is wholly owned and controlled by residents of
29 the state and if the recipient of the loan is a shareholder of the bank.

1 * Sec. 6. AS 44.54.210 is amended by adding new paragraphs to read:

2 (21) indemnify a director, officer or employee of the bank and
3 his heirs, executors and administrators against all liabilities and
4 related expenses including, but not limited to, court costs and attorney
5 fees, judgments, and the cost of reasonable settlements, incurred by him
6 in connection with or arising out of an action or proceeding brought
7 against him because of an act or omission in the performance of his
8 official duties as director, officer or employee of the bank regardless
9 of whether he is a director, officer or employee at the time the ex-
10 penses or liabilities are incurred;

11 (22) make variable rate or fixed rate loans to corporations,
12 partnerships or joint ventures for fish processing plants as provided in
13 AS 44.54.215.

14 * Sec. 7. AS 44.54.210 is amended by adding a new subsection to read:

15 (b) The provisions of (a)(21) of this section do not authorize the
16 bank to indemnify a director, officer or employee of the bank who is
17 adjudged liable for negligence or misconduct in the performance of his
18 official duties.

19 * Sec. 8. AS 44.54 is amended by adding a new section to read:

20 Sec. 44.54.215. FISH PROCESSING PLANT LOANS. (a) The bank may
21 make a loan for a purpose described in (b) of this section to a cor-
22 poration, partnership or joint venture which meets the following con-
23 ditions:

24 (1) the corporation, partnership or joint venture is a share-
25 holder of the bank;

26 (2) fish processing is the primary business of the corpora-
27 tion, partnership or joint venture;

28 (3) the corporation, partnership or joint venture was created
29 or organized in the United States or under the laws of the United States

1 or of a state or territory of the United States;

2 (4) citizens of the United States are the beneficial owners
3 of the majority interest in the corporation, partnership or joint ven-
4 ture; and

5 (5) citizens of the United States are the majority of the
6 owners of the corporation, partners in the partnership or joint ven-
7 turers in the joint venture.

8 (b) A loan under this section may be made to provide financing
9 for:

10 (1) the construction or improvement of onshore fish pro-
11 cessing plants in the state;

12 (2) the working capital requirements of a fish processing
13 plant in the state.

14 * Sec. 9. AS 44.54.230(a) is amended to read:

15 (a) A loan under AS 44.54.210(20) for the purchase of a limited
16 entry permit may be made only upon certification by the commission
17 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION (AS 16.43.020)] that the
18 fisherman is a person who qualifies as a transferee for the permit under
19 AS 16.43 and the regulations adopted by the commission.

20 * Sec. 10. AS 44.54.230(b) is amended to read:

21 (b) Upon approval by the bank, the permit to be purchased may be
22 pledged as security for a loan under (a) of this section, if

23 (1) the certificate for the pledged permit lists [THE EXECU-
24 TIVE DIRECTOR OF] the bank as the legal owner of the permit;

25 (2) the certificate for the pledged permit lists the debtor
26 as the equitable owner of the permit;

27 (3) all annual permit cards issued under the pledged permit
28 list the name of the debtor;

29 (4) all obligations and responsibilities of a permit owner

1 are assumed by the debtor;

2 (5) co-signers or other sureties for performance under the
3 note are not vested with any rights in the pledged permit and their
4 obligation is limited to satisfaction of the note and payment of costs
5 directly incurred by the bank in administering the loan.

6 * Sec. 11. AS 44.54.230(c) is amended to read:

7 (c) Upon satisfaction of the note by the debtor, the bank [EXECU-
8 TIVE DIRECTOR] shall certify to the commission that the note has been
9 satisfied.

10 * Sec. 12. AS 44.54.240 is amended to read:

11 Sec. 44.54.240. DEFAULT AND FORECLOSURE OF LOANS FOR LIMITED ENTRY
12 PERMITS. (a) If the debtor defaults upon a note for which a limited
13 entry permit has been pledged as security under AS 44.54.230, [THE
14 EXECUTIVE DIRECTOR OF] the bank shall provide the debtor, by registered
15 or certified mail sent to his last known address on file with the bank,
16 with a notice of default which includes

17 (1) a description of the security given for the note in-
18 cluding the number assigned to the pledged permit by the commission
19 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION];

20 (2) the date upon which the default occurred;

21 (3) the amount of arrearages as of the date of the notice,
22 the total amount remaining on the note less unearned interest, and the
23 amount of daily interest;

24 (4) a statement that the debtor may, within 15 days of the
25 postmark date of the notice, request a hearing at which he may submit
26 evidence showing he has not defaulted;

27 (5) a statement that the note may be reinstated if brought
28 current within 60 days from the postmark date of the notice;

29 (6) a statement that the note may be paid in full less un-

1 earned interest within 90 days from the postmark date of the notice;

2 (7) the place where reinstatement or payment in full may be
3 made; and

4 (8) a notice in at least 10-point bold type stating: "IMPOR-
5 TANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE
6 SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT AND
7 THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

8 (b) Upon the debtor's failure to reinstate or satisfy the note
9 within the time specified in (a) of this section, his equitable interest
10 is terminated by operation of law without further notice. Any entry
11 permit cards issued to him under the permit shall be cancelled immedi-
12 ately upon receipt by the commission of a certificate of termination
13 containing a copy of the notice required by (a) of this section issued
14 by [THE EXECUTIVE DIRECTOR OF] the bank.

16 * Sec. 13. AS 44.54.250(a) is amended to read:

16 (a) Upon a foreclosure on an entry permit as provided in AS 44.54.-
17 240, [THE EXECUTIVE DIRECTOR OF] the bank shall offer the commission
18 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] a right of first refusal
19 if the permit is subject to a buy-back program under AS 16.43.290 -
20 16.43.330 at a price equal to the amount outstanding on the note plus
21 any costs the bank directly incurred in administering the loan.

22 * Sec. 14. AS 44.54.250(c) is amended to read:

23 (c) If the debtor is unable to nominate a qualified person to
24 assume the note under (b) of this section, the permit must be made
25 available to a qualified person, chosen as provided in this section, who
26 shall assume the note subject to all rights and liabilities of the
27 original debtor. The commission [ALASKA COMMERCIAL FISHERIES ENTRY
28 COMMISSION] shall provide the bank with a list of persons chosen by
29 lottery who qualify as transferees of entry permits under AS 16.43 and

1 regulations adopted by the commission and who have met the residency and
2 commercial fishing participation requirements of AS 44.54.210(20). The
3 [EXECUTIVE DIRECTOR OF THE] bank shall then determine, in order of
4 presentation, any remaining qualifications. The bank [EXECUTIVE DIREC-
5 TOR] shall allow the first applicant meeting all qualifications to
6 assume the note.

7 * Sec. 15. AS 44.54.250(d) is amended to read:

8 (d) Nothing in this section affects the right of [THE EXECUTIVE
9 DIRECTOR OF] the bank to institute legal action for a deficiency result-
10 ing from a default on a note given under AS 44.54.230. In addition to
11 any deficiency, the debtor is liable for the costs of administering the
12 note and for costs and attorney fees.

13 * Sec. 16. AS 44.54 is amended by adding a new section to read:

14 Sec. 44.54.260. DEFINITIONS. In this chapter

15 (1) "bank" means the Alaska Commercial Fishing and Agricul-
16 ture Bank;

17 (2) "commission" means the Alaska Commercial Fisheries Entry
18 Commission (AS 16.43.020);

19 (3) "shareholder" includes a holder of a share of membership
20 stock of the bank, a holder of a share of capital stock of the bank, or
21 a patron of the bank with retained patronage earnings of \$2,500 or more
22 to his credit.

23 * Sec. 17. This Act takes effect immediately in accordance with AS 01.10.-
24 070(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

3/20/90
Date

5/21 Rec'd after bill RO

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill No. 962 (Finance)
 Title An Act allowing credits against fisheries taxes.
 Requested by House Resources & Finance Committees Date 4/29/80

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ Fiscal Services _____
 BRU, Program, or Subprogram(s) Affected _____ Audit Division _____

(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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		37.5	37.5	37.5	37.5	37.5
200 TRAVEL		5.5	5.5	5.5	5.5	5.5
300 CONTRACTUAL		3.1	3.1	3.1	3.1	3.1
400 COMMODITIES		.5	.5	.5	.5	.5
500 EQUIPMENT		1.2	1.2	1.2	1.2	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		47.8	47.8	47.8	47.8	47.8

FUNDING (Thousands of Dollars)

GENERAL FUND		47.8	47.8	47.8	47.8	47.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

See attached memorandum to R. D. Stevenson dated 4/30/80

IV. DATE April 30, 1980

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

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

MEMORANDUM

State of Alaska

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

DATE: April 30, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: CS House Bill No. 962 (Finance)

This bill provides for the establishment of fisheries industry trade associations which would be funded by the State of Alaska through the form of a special tax credit given to fish processors on their fish processing tax returns. Each processor would be allowed a credit on a dollar for dollar basis for contributions to the fisheries association in an amount up to 15 percent of the fish processors' tax due.

Inasmuch as every processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

1	POSITION TITLE Revenue Auditor III			RANGE/STEP 18 A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV.	DIS
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG		

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES: SALARY	29,580
5	BENEFITS	4,399
6	FICA	1,967
7	HEALTH INS.	1,524
8	TOTAL PERSONAL SERVICES	37,470
9	TRAVEL	5,500
10	CONTRACTUAL	3,160
11	COMMODITIES	450
12	EQUIPMENT	1,200
13	OTHER	
14	TOTAL COST	47,780

JUSTIFICATION:

Inasmuch as every fish processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

	CODE	FUNDING SOURCE
15		FED RCPTS.
16		GF MATCH.
17		GEN. FUND 47,780
18		I-A RCPTS.
19		PGM RCPTS
20		OTHER

21	CONTINUATION	
22	ADDITION	X

FBI BIA USE ONLY

KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM AREA Revenue Collection and Management

BRU Audit Division

FY 81

13 REQUEST FOR NEW POSITION

COMPONENT _____

Page 1 of 1

REVISED DATE _____

--

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill No. 962 (Finance)
 Title An Act allowing credits against Fisheries Taxes
 Requested by House Rules Committee Date May 6, 1980

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)
Millions

GENERAL FUND	-----	(1.2)	-----	unknown	-----	-----
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The aforementioned figure assumes that 25% of the taxpayment credits are actually taken. The basis for the FY 81 data is the forecast in the Revenue Source Book which incorporates catch and price projections.

The cost to the general fund in subsequent years is indeterminate but dependent on varying credits, harvests, and prices. It is likely that there will be a slight increase over time in credits taken.

The effect of the provision that up to 15% of taxes paid by a person in tax year 1979 be allocated to corporations, if so requested in writing to the Commissioner of Revenue, is not determinate at this time.

IV. DATE May 6, 1980 PREPARED BY Vincent D. Wright
 AGENCY Revenue
 PHONE 2391

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

(11)

COMMITTEE REPORT

HOUSE

4/2/80

FURTHER:

Date:

4/25/80

Mr. Speaker:

The Committee on FINANCE has had HB 962

"An Act allowing credits against fisheries taxes; and providing for an effective 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 962 (Finance) same title new title
- and recommends individual rec.
- AND attaches a "Letter of Intent" ^{Two} ~~New~~ Fiscal Notes
- reports it back without recommendation #47.8 + (2.0)
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Freeman

McKinney

Rogers

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Smith - No Rec

_____ - No Rec

87 - No Rec

Freeman
Vice CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS for House Bill No. 962 Page 1 of 2
 Title An Act allowing credits against fisheries taxes.
 Requested by House Resources & Finance Committees Date 3/26/80

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 BRU, Program, or Subprogram(s) Affected Audit Division
 (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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		37.5	37.5	37.5	37.5	37.5
200 TRAVEL		5.5	5.5	5.5	5.5	5.5
300 CONTRACTUAL		3.1	3.1	3.1	3.1	3.1
400 COMMODITIES		.5	.5	.5	.5	.5
500 EQUIPMENT		1.2	1.2	1.2	1.2	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		47.8	47.8	47.8	47.8	47.8

FUNDING (Thousands of Dollars)

GENERAL FUND		47.8	47.8	47.8	47.8	47.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

See memorandum to R. D. Stevenson dated 3/24/80.

attached to Fiscal Note for HOUSE BILL NO. 962.

IV. DATE March 26, 1980

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

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. CS H B 962
 Title An act allowing credits against Fisheries Taxes
 Requested by _____ Date 3-26-80

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

GENERAL FUND	-----	(2.0)	-----	-----	unknown	-----
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

If the proposed bill H B 962 were made retroactive to December 31, 1978 instead of December 31, 1979, as it reads on March 17, 1980 the loss to the general fund would amount to an extra \$ 750,000. If this were to be paid in FY 81 the total reduction in FY 81 would amount to approximately two million dollars.

IV. DATE 3/26/80 PREPARED BY James S. Wright
 AGENCY Revenue
 PHONE 2391
 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. CS for House Bill No. 962 Page 1 of 2
 Title An Act allowing credits against fisheries taxes.
 Requested by House Resources & Finance Committees Date 3/26/80

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 BRU, Program, or Subprogram(s) Affected Audit Division
 (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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		37.5	37.5	37.5	37.5	37.5
200 TRAVEL		5.5	5.5	5.5	5.5	5.5
300 CONTRACTUAL		3.1	3.1	3.1	3.1	3.1
400 COMMODITIES		.5	.5	.5	.5	.5
500 EQUIPMENT		1.2	1.2	1.2	1.2	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		47.8	47.8	47.8	47.8	47.8

FUNDING (Thousands of Dollars)

GENERAL FUND		47.8	47.8	47.8	47.8	47.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

See memorandum to R. D. Stevenson dated 3/24/80.
 attached to Fiscal Note for HOUSE BILL NO. 962.

IV. DATE March 26, 1980

PREPARED BY *Harry L. ...*
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320

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. CS H B 962
 Title An act allowing credits against Fisheries Taxes
 Requested by _____ Date 3-26-80

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

GENERAL FUND		(2.0)			unknown	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

If the proposed bill H B 962 were made retroactive to December 31, 1978 instead of December 31, 1979, as it reads on March 17, 1980 the loss to the general fund would amount to an extra \$ 750,000. If this were to be paid in FY 81 the total reduction in FY 81 would amount to approximately two million dollars.

IV. DATE 3/26/80

PREPARED BY Vernon S. Wright

AGENCY Revenue

PHONE 2291

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

Original sponsor: Rules Committee
by request

1. IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 962 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act allowing credits against fisheries taxes; and
7 providing for an effective date."

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

* Section 1. AS 43.75 is amended by adding a new section to read:

Sec. 43.75.035. SEAFOOD ASSOCIATION CREDIT. (a) A person is allowed as a credit against the tax levied under AS 43.75.015 or 43.75.100 an amount equal to the amount that person donated during the tax year to a corporation described in (b) of this section and included on the list prepared under (d) of this section. The credit allowed by this section may not exceed 15 percent of the total tax liability under AS 43.75.015 or 43.75.100 computed without the credit allowed in this section.

(b) A person is entitled to a credit under this section for the amount he donated during the tax year to a nonprofit corporation organized under AS 10.20 which

(1) is organized for the purposes of

(A) assisting the Alaska seafood industry to improve the quality and purity of seafood produced in Alaska; and

(B) assisting in the development and maintenance of markets for seafood produced in Alaska;

(2) represents commercial fishermen and fish processors in each of the administrative areas established by the Alaska Commercial Fisheries Entry Commission under AS 16.43.100(a)(3);

(3) provides services for fishermen and processors of all

species of fish and their by-products which are harvested in Alaska and processed for human consumption;

(4) includes on its board of directors representatives of commercial fishermen and of fish processors;

(5) establishes quality control programs for the seafood harvested and processed in Alaska by the members of the corporation;

(6) prepares an annual market research and product development plan for the promotion of all species of fish and their by-products which are harvested in Alaska and processed for human consumption;

(7) submits an annual report to the governor and the legislature describing its activities; and

(8) permits the commissioner of revenue or his designee and the legislative audit division to inspect its offices and its accounts to determine whether it meets the criteria described in this subsection;

(9) has its main offices in the state and provides that the annual meeting of the membership and all meetings of the full board of directors shall be held in the state;

(10) is not organized for the purpose of promoting and does not promote species of seafood products by geographic origin other than from Alaska;

(11) includes in its board of directors three nonvoting members, one appointed by the governor, one appointed by the president of the senate, and one appointed by the speaker of the house of representatives.

(c) A donation to a corporation that has as its main purpose the promotion of or the development and maintenance of markets for a specific brand of Alaska seafood may not be allowed as a credit under this section.

(d) By January 1 of each year the Department of Revenue shall

1 prepare and make available to the public a list of corporations which
2 meet the criteria in (b) of this section.

3 * Sec. 2. AS 43.75.130 is amended by adding a new subsection to read:

4 (b) The amount of tax revenue collected for purposes of this
5 section is the amount that would have been collected without deduction
6 of the credits allowed in AS 43.75.035.

7 * Sec. 3. FISHERIES BUSINESS TAX DONATIONS FUND. (a) There is created
8 in the Department of Revenue the fisheries business tax donations fund. The
9 fisheries business tax donations fund may be financed only by appropriations
0 from the legislature. The commissioner of revenue shall administer the
1 fisheries business tax donations fund.

2 (b) A person who paid a tax under AS 43.75.015 or 43.75.100 for the
3 1979 tax year may make a written request to the commissioner of revenue
4 before January 1, 1981, that up to 15 percent of the tax paid by the person
5 for the 1979 tax year be paid to a corporation described in AS 43.75.035(b).

6 (c) Within 60 days after receipt of a request described in (b) of this
7 section, the commissioner of revenue shall pay the amount requested to the
8 corporation from the fisheries business tax donations fund.

9 * Sec. 4. This Act is retroactive to January 1, 1980, and applies to tax
0 years beginning after December 31, 1979.

1 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
2 070(c).

FORM 02-0018C

FOR BRIEF COMMUNICATIONS

MAY BE HANDWRITTEN

MEMORANDUM

State of Alaska

TO:

Legislative Affairs

DEPT. _____

DIV. _____

SEC. _____

DATE : April 23, 1980

FROM: Vicki Wilson
House Finance Committee
Cap Bldg Rm 519
3795/3796

SUBJECT: Finance CS for HB 962

Please prepare a Finance Committee Substitut⁴ for HB 962 incorporating the attached list of amendments. Also attached is a copy of the bill. Please return to me as soon as possible. Thanks.

Proposed Amendments to HB 962

Page 2, line 12: (8) permits the Commissioner of Revenue or his designee and the legislative Division of Budget and Audit to inspect its offices and its accounts to determine whether it meets the criteria described in this subsection.

Page 2, line 14: (9) has its main offices in the State of Alaska and provides that the annual meeting of the membership and all meetings of the full board of directors shall be held in the state.

Page 2, line 14:
insert: (10) is not organized for the purpose of promoting and does not promote species of seafood products by geographic origin other than from the State of Alaska.

Page 2, line 14(11) Provides the board of directors shall have three ex officio non-voting members, one appointed by the Governor, one appointed by the President of the Senate and one appointed by the Speaker of the House.
(of Representatives)

Sec. 2 AS 43.75.130 is amended by adding a new subsection to read:

(b) The amount of tax revenue collected for purposes of this section is the amount that would have been collected without deduction of the credits allowed in AS 43.75.035.

Sec. 43.75.036
Sec. 3. FISHERIES BUSINESS TAX DONATIONS FUND. (a) There is created in the Department of Revenue the fisheries business tax donations fund. The fisheries business tax donations fund may be financed only by appropriations from the legislature. The commissioner of revenue shall administer the fisheries business tax donations fund.

(b) A person who paid a tax under AS 43.75.015 or 43.75.100 for the 1979 tax year may make a written request to the commissioner of revenue before January 1, 1981, that

(1) up to 15 percent of the tax paid by the person be paid to a corporation described AS 43.75.035(b);

(c) Within 60 days after receipt of a request described in (b) of this section, the commissioner of revenue shall pay the amount to the corporation indicated in the request from the fisheries business tax donations fund.

Sec. 4 This Act is retroactive to January 1, 1980, and applies to tax years beginning after December 31, 1979.

Original sponsor: Rules Committee
by request

Offered: 4/2/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 962

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act allowing credits against fisheries taxes; and
7 providing for an effective date."

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

9 * Section 1. AS 43.75 is amended by adding a new section to read:

10 Sec. 43.75.035. SEAFOOD ASSOCIATION CREDIT. (a) A person is
11 allowed as a credit against the tax levied under AS 43.75.015 or 43.-
12 75.100 an amount equal to the amount that person donated during the tax
13 year to a corporation described in (b) of this section and included on
14 the list prepared under (d) of this section. The credit allowed by this
15 section may not exceed 15 percent of the total tax liability under
16 AS 43.75.015 or 43.75.100 computed without the credit allowed in this
17 section.

18 (b) A person is entitled to a credit under this section for the
19 amount he donated during the tax year to a nonprofit corporation orga-
20 nized under AS 10.20 which

21 (1) is organized for the purposes of

22 (A) assisting the Alaska seafood industry to improve the
23 quality and purity of seafood produced in Alaska; and

24 (B) assisting in the development and maintenance of
25 markets for seafood produced in Alaska;

26 (2) represents commercial fishermen and fish processors in
27 each of the administrative areas established by the Alaska Commercial
28 Fisheries Entry Commission under AS 16.43.100(a)(3);

29 (3) provides services for fishermen and processors of all

1 species of fish and their by-products which are harvested in Alaska and
2 processed for human consumption;

3 (4) includes on its board of directors representatives of
4 commercial fishermen and of fish processors;

5 (5) establishes quality control programs for the seafood
6 harvested and processed in Alaska by the members of the corporation;

7 (6) prepares an annual market research and product develop-
8 ment plan for the promotion of all species of fish and their by-products
9 which are harvested in Alaska and processed for human consumption;

10 (7) submits an annual report to the governor and the legisla-
11 ture describing its activities; and

12 (8) permits the commissioner of revenue or his designee to
13 inspect its offices and its accounts to determine whether it meets the
14 criteria described in this subsection.

15 (c) A donation to a corporation that has as its main purpose the
16 promotion of or the development and maintenance of markets for a speci-
17 fic brand of Alaska seafood may not be allowed as a credit under this
18 section.

19 (d) By January 1 of each year the Department of Revenue shall
20 prepare and make available to the public a list of corporations which
21 meet the criteria in (b) of this section.

22 * Sec. 2. This Act is retroactive to January 1, 1979, and applies to tax
23 years beginning after December 31, 1978.

24 * Sec. 3. This Act takes effect immediately in accordance with A.S. 01.10.-
25 070(c).

HB 962

ALASKA SEAFOOD FOUNDATION

1980 IMPLEMENTATION PLAN

ORGANIZATIONAL ACTIVITIES

The Alaska Seafood Foundation (ASF) implementation plan for 1980 will draw upon the experience of existing seafood promotion efforts and the momentum generated at the Alaska Seafood Promotion Conference. This opportunity to utilize existing resources in an expanded format should provide for the most effective and timely realization of ASF goals and objectives.

The initial task of the ASF organizing board will be to establish procedures for selection of the initial seventeen member board of directors. Upon completion of this task, the board can hire an executive staff and begin the everyday functions of the foundation. The board will also begin the process of review and selection of national public relations and advertising firms to carry out the generic marketing programs of ASF.

The board of directors, in conjunction with the executive staff, will appoint the various promotion and technical committees on a species-by-species basis. The board will direct these committees to develop guidelines for specific promotional and technical programs to be undertaken in 1980. Due to the imminence of this year's salmon season,

every effort will be made to expedite the work of the salmon promotion and technical committees.

LONG-TERM PROMOTIONAL OBJECTIVES

The long-term objective of the ASF promotional program is to increase market demand for all species of Alaska seafoods, both nationally and internationally, through generic promotion, emphasizing the variety and superior quality of Alaska products. An important aspect of this program will be to position Alaska seafoods favorably in relation to seafoods from other producing areas. For instance, a positive image will be developed for Alaska salmon versus Canadian salmon and Alaska whitefish versus North Atlantic whitefish.

The programs which would accomplish this long-term objective are many-faceted, encompassing a broad range of market development techniques. First, detailed market research is necessary both in the U.S. and abroad to determine which domestic and foreign markets have the greatest potential for expansion. The next step would be the development of specific product forms and recipes determined through market research to be most acceptable to consumers. At this point, a public relations and advertising campaign can be specifically designed for each species to introduce products to the target market areas. Particular promotional techniques may include advertising in food service periodicals, national television advertising, participation in international trade shows, sponsoring an Alaska tour for food editors of magazines and

newspapers, and developing retail promotion material such as point-of-sale recipes.

Another important facet of the ASF promotion program will be cooperative advertising with other trade associations such as the Alaska Visitors Association. Such cooperative advertising programs have been well developed in other industries and have proved to be a very effective manner of obtaining multiple benefits from advertising expenditures.

1980 PROMOTIONAL OBJECTIVES

The initial promotional efforts of the ASF will focus on those species currently faced with depressed markets, including salmon, snow crab and sablefish. The ASF will draw upon the experience and expertise of existing groups such as the Canned Salmon Institute and King Crab Marketing and Quality Control Board. These programs, though currently limited in scope, will serve as the foundation for the broader programs of ASF. In this manner the best elements of existing generic promotion efforts will be retained and new programs developed around this base.

In particular, the 1980 ASF promotional campaign will begin with an initial emphasis on both canned and frozen salmon. This special salmon program is due to the large anticipated production in 1980 and cur-

rent weak markets for fresh/frozen sockeye. Such a program will include a dual approach:

- (1) A portion of ASF funding will be used to expand existing canned salmon generic marketing programs. Though the current market for canned salmon is strong, the 1980 production is projected to be large enough that a marketing program will be required to maintain current price levels.
- (2) Due to the fact that there is no existing generic promotion program for frozen salmon, ASF will begin a market research and product development program immediately, targeted on this year's large anticipated production. Since the consumption of frozen salmon in the U.S. is currently very low, due in part to its high retail price, the 1980 campaign may emphasize that large volumes of product will be available this year to retail buyers.

In addition to development of the programs mentioned above, ASF will work in conjunction with the governor's staff towards the implementation of a National Salmon Week. This special promotion will most likely fall in the month of August, when the first stocks of Bristol Bay salmon products become available for distribution to U.S. markets.

Other products for which marketing programs will be developed and/or expanded upon in 1980 are snow crab and sablefish. Currently, these products are marketed primarily in Japan and U.S. consumers are

relatively unfamiliar with the product forms or methods of preparation. Materials emphasizing the high quality and economical value of these products will be developed and disseminated to members of the food service industry as part of the ASF promotion program.

All 1980 promotional efforts of ASF will also contain a special emphasis on October as Fish and Seafood Month. This existing promotion, sponsored by the National Marine Fisheries Service and the National Fisheries Institute (NFI), has proven very effective in the past. Through a cooperative effort with the NFI, ASF can maximize the effectiveness of its advertising expenditures on this fall promotion campaign.

1980 QUALITY ASSURANCE PROGRAM

The quality of seafood products marketed by ASF members must remain high if existing markets are to be maintained or new markets successfully developed. In this regard, the ASF 1980 program may include working with the legislative committee on salmon quality to identify those areas in which the most significant quality improvements can be made by both fishermen and processors. It is anticipated that the results of this year's program in Prince William Sound will be closely monitored by the ASF board as the initial step in designing ASF quality assurance guidelines.

FUNDING REQUIREMENTS FOR 1980

In order to accomplish the objectives outlined above, the ASF promotion campaign must be carefully designed and implemented by professionals with experience in market research, public relations and advertising. ASF plans to contract with a national public relations and advertising firm with extensive expertise in consumer and institutional food promotion and advertising. The minimum annual level of funding necessary to conduct this comprehensive campaign is approximately \$3 million. Since revenue derived from the proposed tax credit legislation will not be available until April 1981, a direct appropriation is necessary to fund the 1980 programs of ASF. It is estimated that a total appropriation of \$3.5 million is required to establish the ASF and to design and implement a 1980 campaign which addresses the current short-term problems of the industry, yet provides a foundation for developing future long-term programs.

ALASKA SEAFOOD FOUNDATION

Estimated Budget Requirements, May 1, 1980 through April 30, 1981.

<u>PROGRAM ELEMENT</u>	<u>COST</u>
I. ORGANIZATION	
A. Establish office, appoint promotion and technical committees, select public relations and advertising contractors, conduct membership drive, hold annual meeting	\$200,000.00
II. 1980 SPECIAL PROGRAMS	
A. Salmon: Public relations/advertising/product development/ market research	
1. Canned	
a. Foodservice	200,000.00
b. Consumer	500,000.00
2. Fresh/Frozen	
a. Foodservice	400,000.00
b. Consumer	200,000.00
B. Salmon: Technical/Quality Assurance	
1. Monitor Prince William Sound vessel inspection program; develop statewide recommendations for vessels; develop in-plant quality improvement recommendations; develop transportation, storage, and distribution quality improvement recommendations; design guidelines for ASF member participation	200,000.00
III. DEVELOPMENT OF CONTINUING PROGRAMS	
A. Consumer market survey to determine desired product forms, in U.S. and European markets for salmon, crab, shrimp, halibut, sablefish and bottomfish	150,000.00
B. Shellfish: Public relations/advertising/product development	
1. King crab	100,000.00*
2. Snow crab	300,000.00
3. Other shellfish	100,000.00
C. Other Finfish	
1. Sablefish	300,000.00
2. Halibut	50,000.00
3. Bottomfish	300,000.00
D. Reserve Fund	<u>500,000.00</u>
TOTAL ESTIMATED BUDGET	\$3,500,000.00

* The King crab budget is low due to the continued existence in 1980 of the Alaska King Crab Marketing and Quality Control Board.