

LEG. FINANCE - BILLS 1979 - 1980 1208

HB 988 thru HB 995 1208



RECORDS CERTIFICATION



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


Signature of Camera Operator

3/23/90
Date

Funding Information

General Fund \$25,000,000
Other Funds - 0 -
\$25,000,000

Introduced: 4/2/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

HOUSE BILL NO. 988

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 a special appropriation to the Alaska

7

Port Authority for the port construction revolving loan

8

fund; and providing for an effective date."

9

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

10

* Section 1. The sum of \$25,000,000 is appropriated from the general fund

11

to the Alaska Port Authority (AS 30.15.100) for deposit in the port construc-

12

tion revolving loan fund (AS 30.15.140).

13

* Sec. 2. This Act takes effect on the effective date of a version of an

14

Act entitled "An Act creating the Alaska Port Authority and providing that

15

the authority may make loans to municipalities for port purposes; and pro-

16

viding for an effective date."

17

18

19

20

21

22

23

24

25

26

27

28

29

0355

(11)

COMMITTEE REPORT

HOUSE

4/2/80

FURTHER:

Date _____

Mr. Speaker:

The Committee on FINANCE has had HB 988

"An Act making a special appropriation to the Alaska Port Authority for the port construction revolving loan fund; 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 _____ same title
- new title
- and recommends _____
- 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:

CHAIRMAN

8140
Vassar

<u>Funding Information</u>	
General Fund	\$25,000,000
Other Funds	- 0 -
	<u>\$25,000,000</u>

Introduced: 4/2/80
Referred: Finance

1 IN THE HOUSE BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 988

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 a special appropriation to the Alaska
7 Port Authority for the port construction revolving loan
8 fund; and providing for an effective date."

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

10 * Section 1. The sum of \$25,000,000 is appropriated from the general fund
11 to the Alaska Port Authority (AS 30.15.100) for deposit in the port construc-
12 tion revolving loan fund (AS 30.15.140).

13 * Sec. 2. This Act takes effect on the effective date of a version of an
14 Act entitled "An Act creating the Alaska Port Authority and providing that
15 the authority may make loans to municipalities for port purposes; and pro-
16 viding for an effective date."

17
18
19
20
21
22
23
24
25
26
27
28
29

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE BILL NO. 988.

By THE RESOURCES COMMITTEE

"An Act making a special appropriation to the Alaska Port Authority for the port construction revolving loan fund; and providing for an effective date."

Spec appro, AK Port Authority, loan fund

Introduced in the House ..4/2....., 19.80

HISTORY IN THE HOUSE

19 80	Read first time and referred to Committee on																												
Apr 2	Finance																												
	Reported back with recommendation that																												
	Read second time and																												
	Read third time and																												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by Speaker</td> </tr> <tr> <td colspan="2">Sent to Senate</td> </tr> </table>	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	
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																												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by President</td> </tr> <tr> <td colspan="2">Returned to House</td> </tr> </table>	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	
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

3/23/90
Date

Alaska House of Representatives



Port back-up
in bill file

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

MEMORANDUM

TO: The Honorable Russ Meekins
House Finance Chairman

DATE: April 15, 1980

FROM: Alvin Osterback *AO*
House Resources Chairman

SUBJECT: Port Authority

Please review the attached material regarding HB 987, 988, 989, Port Authority legislation.

May I please have action to move these bill's into Rules?

Thank you very much.

CO-CHAIRMEN

REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)

VICE-CHAIRMAN

REP. FRED ZHAROFF

REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

5:15 Date

Vol. 125

WASHINGTON, TUESDAY, OCTOBER 9, 1979

No. 135

Senate

HARBOR BONDS

Mr. GRAVEL. Mr. President's the fisheries resource off the Alaskan coast is one of the most valuable in the entire world. Each year millions of metric tons of fishery products are harvested off Alaska's shores. The greatest percentage, however, is taken by foreign fishermen. Americans are only minimally involved in some of the fisheries off our very shores. One indispensable precondition to full American involvement in the fisheries off Alaska is the construction of adequate port and harbor facilities so that American fishermen will have safe and sufficient berthing space for their increasingly costly fishing vessels. A recent article in the Southeast Alaska Empire explains a proposal I have made to help meet the port and harbor needs for my great State. I ask that the text of that article be printed in today's RECORD.

The article follows:

GRAVEL ASKS \$300 MILLION HARBOR BONDS (By Chuck Kleeschulte)

Alaska should build all boat harbor and fishery development facilities using a single state revenue bond issue rather than waiting for federal funding.

Alaska Sen. Mike Gravel said Wednesday his preliminary plans call for development of a string of major harbor projects to facilitate bottomfish development. He plans to tie the major improvements to numerous small boat harbor development statewide.

Gravel said the package, still under development, could cost more than \$300 million and would be funded by a state revenue bond sale. Moorage fees and funds from harbor-related fishery land sales would retire the debt.

"If we wait for the federal government to fund harbor improvements we'll be waiting a decade and still will not have received very much. The Corps of Engineers simply doesn't have enough funds to meet our needs," Gravel said, by telephone from Washington, D.C.

Labeling his proposal "an exciting new approach," it would involve the construction of major port and fishery processing developments at Sitka in Southeast and in Yakutat, Seward, Kodiak and Unalaska. He said those ports would serve as major bottomfish processing points with the state helping to recoup some of the cost by setting up "industrial parks" at the towns and selling land for processing industries at the sites.

Gravel said those plants would be served by fleets tied at smaller harbor facilities. A preliminary list of sites where harbor expansion or construction is needed or underway includes Metlakatka, Hoonah, Kake and Juneau in Southeast and Cordova, Homer, Nanilchik, Kenai, Anchorage, Dillingham, Naknek, Bethel, Unalakleet, Yukon Delta, Nome, Teller, Selawik, Kotzebue, St. Paul Island and Shismareff.

Gravel stressed his staff aides are still putting together the package and that he won't have detailed information on whether the plan is financially feasible until late this fall. But Gravel, citing projected state revenue surpluses next year because of oil price hikes, said he expected the state could afford to float the bond sale for the projects.

"The fishing industry in Alaska won't ever be able to grow, really expand, unless there are sufficient stalls to handle the boats. It is fair, however, to expect the industry which will benefit from the improvements to foot the bill through increased user fees," Gravel said.

The Democratic senator said he has spoken with several members of the Legislature about the project and he said his staff aides have spoken with members of the Hammond administration who have expressed support for the "concept" of a speed-up in harbor

construction.

He said he was seeking to launch meetings among his staff, legislative leaders, the administration and the U.S. Army Corp of Engineers to develop harbor priorities and details of individual projects.

He said such plans could then be drafted into a state legislative plan and readied for presentation to legislators early in January's session.

"If we get moving we could have all these harbors in place in five years, not twenty," Gravel said.

Gravel aides are drafting a two-pronged plan at the federal level to speed harbor development.

Tom Donnelly, Gravel's top water resources assistant, this week said the senator is seeking to change an administration proposal which calls for local cities and states to provide 5 to 10 percent of the cost of water-related harbor projects before the federal government would foot its traditional share of construction costs.

Gravel is seeking to change that formula, Donnelly said, so local government could fulfill its "matching" obligation by assisting in the planning and design of local projects. Gravel also is proposing that the state target 10 projects for rapid development and pick up the design costs for them to speed traditional Corps construction.

President Carter prohibited any water-related authorizations in 1977 saying states should be more financially involved in funding for local water resource development. Gravel has said he believes the administration's plan puts the states into debt for projects which they have no voice in planning.

Donnelly says the senator is expected to propose his change to require state and local participation in planning when the federal legislation comes up for mid-October markup in the Senate Public Works and Environmental subcommittee which he chairs.

Jim Edenso, special assistant to Gov. Jay Hammond for bottom-fish development, Wednesday said the state generally supports Gravel's two latter proposals to set priorities for harbor projects and to allow local participation in planning of the projects. But Edenso said the administration has seen no firm proposal for any other type of harbor work.

"We haven't talked site specifics or talked about financing, but we have said it (the latter proposals) sounded like a good concept," Edenso said.

Don Statter, director of the Division of Harbor Design and Construction for the state's Department of Transportation and Public Facilities, Wednesday, before Gravel unveiled details of his revenue bond pro-

posal, said the state certainly is willing to set priorities for harbor projects.

Statter, however, said he had not been briefed on the details of the Gravel plan and had no comment on the financial end of the proposal.

"In general we're in favor of anything that will break the logjam and hasten these projects along," Statter said. He added, however, most of the problems with harbor projects in the state have been caused by the lack of funding, federal funding, for the Corps of Engineers.

Edenso said the administration currently is studying the costs and needed facilities for bottomfishery development at five Alaska ports, including Dutch Harbor, Kodiak, Seward and Sitka. He said a report on those findings should be ready for release shortly.

He added the state also is studying port work at Homer, Sand Point, King Cove and is deciding whether to study harbor development at St. Paul Island.

"We already have considerable harbor design and planning underway," Edenso said.

Edenso said the state will be meeting with the Corps of Engineers in a previously set up attempt to more closely coordinate harbor development between the Corps and the state's Department of Transportation. That meeting, the third in a series, is set for mid-October.

ALASKA HARBOR AND FISHERIES DEVELOPMENT PROPOSAL

(\$300 MILLION)

I. HARBOR DEVELOPMENT

CONSTRUCTION - HARBOR CONSTRUCTION WILL PROVIDE FOR NAVIGATIONAL CHANNELS, JETTIES AND BREAKWATERS, NAVIGATIONAL AIDES, PIERS AND DOCKS, GANGWAYS, LAUNCHING AND STORAGE FACILITIES, UTILITIES AND FUELING FACILITIES.

BETHEL	\$ 4,000,000
CORDOVA	6,000,000
CRAIG	3,000,000
JUNEAU	5,000,000
KAKE	14,000,000
KODIAK (DOG BAY)	12,000,000
PORT LIONS	4,000,000
CONTINGENCY (4%)	<u>2,000,000</u>
	<u>\$50,000,000</u>

ENGINEERING AND DESIGN - ADVANCED ENGINEERING AND DESIGN WILL CONSIST OF DESIGN AND REAL ESTATE STUDIES NECESSARY PRIOR TO INITIATION OF CONSTRUCTION, TO INCLUDE THE PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF THE WORK CONTEMPLATED.

DILLINGHAM	
HOMER	
MEKORYUK	
SAND POINT	<u>\$10,000,000</u>
SEWARD	
ST. PAUL HARBOR	
WHITTIER	
KODIAK (TRIDENT BASIN)	

FEASIBILITY STUDIES - FEASIBILITY STUDIES WILL DETERMINE AN ESTIMATE OF THOSE COSTS OF A PROJECT WHICH CAN BE COMPARED WITH THE ESTIMATED BENEFITS TO DETERMINE WHETHER THE PROJECT IS JUSTIFIED ECONOMICALLY.

\$15,000,000

AKHIUK
AKUTAN
ANGOON
COLD BAY
ELFIN COVE
HAINES HARBOR
HYDABURY
ILIULIUK HARBOR
KASAAN
KAMISHAK/INISKIN BAY

KING COVE
KOBUK RIVER
KOTZOBUE HARBOR
MYER CHUCK HARBOR
NAKNEK HARBOR
NINILCHIK HARBOR
NOME HARBOR
OLD HARBOR
OCRA INLET
OUZINKIE

PELICAN HARBOR
PETERSBURG HARBOR
PORT CLARENCE
SAXMAN
SELAWIK HARBOR
SELDOVIA HARBOR
SHISHMAREF

SITKA HARBOR
SKAGWAY HARBOR
TATITLEK
TELLER
TENAKEE INLET
UNALASKA (DUTCH HARBOR)
YAKUTAT
YUKON DELTA (APOON)

II. FISHERIES INDUSTRIAL PARKS

ENGINEERING AND DESIGN GRANTS - FISHERIES INDUSTRIAL PARKS DESIGN GRANTS WILL PROVIDE FINANCIAL ASSISTANCE TO COMMUNITIES FOR ENGINEERING AND DESIGN STUDIES NECESSARY TO OPTIMIZE THE COMMERCIAL USE OF THE BOAT HARBOR.

\$25,000,000

CONSTRUCTION BOND GUARANTEES - BOND GUARANTEES WILL ENABLE THE COMMUNITIES TO UNDERTAKE ANY EXPEDITED CONSTRUCTION EFFORT.

\$200,000,000

THE SEVEN (7) SMALL BOAT HARBOR CONSTRUCTION PROJECTS HAVE BEEN STUDIED AND DESIGNS HAVE BEEN COMPLETED BY THE ALASKA DISTRICT OF THE U.S. ARMY CORPS OF ENGINEERS. AS SOON AS FUNDS ARE AVAILABLE THESE PROJECTS CAN BE CONSTRUCTED.

THE EIGHT (8) ADVANCED ENGINEERING AND DESIGN PROJECTS HAVE BEEN STUDIED BY THE ALASKA DISTRICT AND FOUND TO BE FEASIBLE. FUNDS ARE NEEDED FOR PLANS AND SPECIFICATIONS FOR CONSTRUCTION.

THE THIRTY-FIVE (35) PROJECTS LISTED UNDER FEASIBILITY STUDIES WILL REQUIRE SITE INVESTIGATIONS AND ECONOMIC ANALYSIS. THIS LIST IS NOT ALL INCLUSIVE AND MAY BE REVISED TO INCLUDE OTHER SITES.

FISCAL NOTE

I. REQUEST House Bill No.989 loans to municipalities for ports -----
 Bill/Resolution No. Title An Act creating the Alaska Port Authority and providing that the Authority may make
 Requested by The Resources Committee Date 4/2/80

II. FISCAL DETAIL

Agency Affected Department of Transportation & Public Facilities

Program Category Affected Transportation

BRU, Program, or Subprogram(s) Affected Planning & Research

(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	0	274.437	274.437			
200 TRAVEL	0	29.640	29.64			
300 CONTRACTUAL	0	202.500	202.5	SEE FOOTNOTE #1		
400 COMMODITIES	0	2.5	2.5			
500 EQUIPMENT	0	5.5	5.5			
600 LAND & STRUCTURES	0	0	0			
700 GRANTS, CLAIMS, ETC.	0	0	0			
TOTAL	0	514.577	514.577			

FUNDING (Thousands of Dollars)

GENERAL FUND	0	514.577	514.577		
FEDERAL FUNDS	0	0	0	SEE FOOTNOTE #1	
OTHER (Specify Fund Source)	0	0	0		

POSITIONS

FULL TIME		5	5		
PART TIME		0	0		
TEMPORARY		0	0		

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

Assumptions/Expenditures:

A) All cost estimates are in FY80 dollars.

B) Expenditures will commence in FY81.

C) 100 Personal Services:

Position	Range	Salary	Overhead (77%)	Total
Executive Director	24	\$45,526	\$35,055	\$80,581
Loan Examiner III	19	\$31,524	\$24,273	\$55,797
Accountant III	18	\$29,268	\$22,536	\$51,804
Civil Engineer II	20	\$33,900	\$26,103	\$60,003
Clerk Typist III	08	\$14,832	\$11,421	\$26,252
			TOTAL:	\$274,437

(These positions reflect the authority noted in the Act to hire an Executive Director and the staff necessary to perform the functions of the Port Authority.)

IV. DATE April 11, 1980 PREPARED BY John Umlauf
 AGENCY Planning & Research, DOTPF
 PHONE 465 -2470

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

Rt

FISCAL NOTE: House Bill 939 An Act creating the Alaska Port Authority and providing that the authority may make loans to municipalities for port purposes; and providing for an effective date.

PAGE TWO

D) 200 TRAVEL:

Bimonthly meetings of the Port Authority members (3):

Round-trip air fare @ \$300 x 3 = \$900
Three days per diem @ \$60/day x 3 = \$540
Incidental meeting expenses = \$300

Total per meeting = \$1740 x 6 meetings = \$10,440

Staff travel to administer and coordinate loans, applications, studies, agreements, engineering, consultant and counseling services.
Quarterly trips on-site. An average of 8.0 person trips per quarter.

Round-trip air fare @ \$300 x 4 x 8.0 = \$9600
Four days per diem @ \$60/day x 4 x 8.0 = \$7680
Incidental fares (car rental; taxi) = \$1920
\$19,200

TOTAL TRAVEL = \$ 29,640

E) 300 CONTRACTURAL:

Professional or Technical Consultant/Counseling Services-\$150,000
Communications: Telephone, postage, teletype, etc. =\$ 6,500
Office space rental: 1300 net sq.ft. @ \$20 annual nsf =\$ 26,000
Printing & advertising \$ 8,000
Office equipment rental =\$ 12,000
TOTAL: \$202,500

F) 400 COMMODITIES:

Office supplies =\$ 3,500

G) 500 EQUIPMENT:

Office furniture (desks, tables, chairs, cabinets) =\$ 5,500

FOOTNOTES:

1- No estimates are provided for subsequent fiscal years because of the unknowns in predicting levels of responsibility beyond the initial organizational structuring. Expenditures are expected to remain at least equivalent with the FY82 level, with adjustments for inflation, future actions by the legislature and funding loan levels to be managed.

Additional Information:

The coupling between this Act and Senate Bill No. 486, Act relating to revenue bonds for marine industrial parks, is not evident in either the Senate or House Bills. The enactment of both Senate Bill No. 486 and House Bill No. 989 would create redundant and duplicative functions and authorities which would compound the bureaucracy for port development. The Alaska Port Authority created by HB989 assigns rather limited responsibility mainly for management of loans which might be just effectively carried out under Title 44 Chapter 61, Alaska Industrial Development Authority. The technical responsibilities assigned to the Alaska Port Authority are also carried out by the Department of Transportation & Public Facilities under AS 30.15.010. This fracturization might be effectively avoided, along with the attendant costs and staffing needs, by combining the elements in HB989, SB486 and AS 30.15. into one Bill.

ATTACHMENT TO FISCAL NOTE FOR HB 989 Alaska Port Authority

1	POSITION TITLE EXECUTIVE DIRECTOR			RANGE/STEP 24	BARG. UNIT. PE	LOCATION Juneau	GOV.	APPROV.	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. NEW	PRIORITY	FORM 12 PAGE/LINE	LEG.								
3	TYPE OF EXPENDITURE			AMOUNT											
	1	2	3												
4	PERSONAL SERVICES: SALARY		\$45,526	JUSTIFICATION: This position will be required to manage and administer the activities of the Alaska Port Authority that would be created by the enactment of House Bill No. 989, introduced by the Resources Committee in the Second Session of the Eleventh Legislature. The position would supervise four other positions performing staff support for the Port Authority on such functions as: engaging professional or technical advisors under contract, including but not limited to engineers and bond counsel; negotiate and enter into contracts with the U.S. Corps of Engineers for studies relating to the design, engineering and feasibility of port projects proposed by municipalities; negotiate and enter into agreements with municipalities relating to the sale of municipal bonds; administer the port construction revolving loan fund; preparation of reports; providing staff assistance to the Port Authority at meetings and other duties assigned by the Authority.											
5	BENEFITS														
6	FICA		\$22,468												
7	HEALTH INS.														
8	TOTAL PERSONAL SERVICES		\$80,581												
9	TRAVEL		9,600												
10	CONTRACTUAL		10,500												
11	COMMODITIES		500												
12	EQUIPMENT		1,100												
13	OTHER														
14	TOTAL COST		\$102,281												
	CODE	FUNDING SOURCE													
15		FED RCPTS.													
16		GF MATCH.													
17		GEN. FUND		\$102,281											
18		I-A RCPTS.													
19		PGM RCPTS													
20		OTHER													
21	CONTINUATION			FOR R&M USE ONLY											
22	ADDITION														
4A KEY NUMBER _____				COLUMN NO. _____											

AGENCY Transportation & Public Facilities PROGRAM AREA Transportation

BRU Commissioner's Office

13 REQUEST FOR NEW POSITION.

COMPONENT _____

Page _____ of _____

REVISED DATE _____

FY 81

1	POSITION TITLE LOAN EXAMINER III			RANGE/STEP 19	BARG. UNIT. GG	LOCATION Juneau	GOV	APPROV	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. NEW	PRIORITY	FORM 12 PAGE/LINE	LEG		

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES: SALARY	\$31,524
5	BENEFITS	
6	FICA	\$24,273
7	HEALTH INS.	
8	TOTAL PERSONAL SERVICES	\$55,797
9	TRAVEL	2,400
10	CONTRACTUAL	
11	COMMODITIES	500
12	EQUIPMENT	1,100
13	OTHER	
14	TOTAL COST	\$59,797

JUSTIFICATION:

This position will be required to support the management and administration of the activities of the Alaska Port Authority that would be created by the enactment of House Bill No. 989, introduced by the Resources Committee in the Second Session of the Eleventh Legislature.

The position would provide staff expertise for the application, review, analysis and negotiation of loans and the administration of the Port Construction Revolving Loan Fund; analysis and qualification for the sale of municipal revenue bonds.

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

21	CONTINUATION	
22	ADDITION	FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Transportation & Public Facilities PROGRAM AREA Transportation

BRU Commissioner's Office

FY 81

13 REQUEST FOR NEW POSITION.

COMPONENT _____

Page _____ of _____

REVISED DATE _____

1	POSITION TITLE ACCOUNTANT III	RANGE/STEP 18	BARG. UNIT. GG	LOCATION Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. NEW	PRIORITY	FORM 12 PAGE/LINE	LEG.

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES: SALARY	\$29,268
5	BENEFITS	
6	FICA	\$24,273
7	HEALTH INS.	
8	TOTAL PERSONAL SERVICES	\$55,797
9	TRAVEL	2,400
10	CONTRACTUAL	
11	COMMODITIES	500
12	EQUIPMENT	1,100
13	OTHER	
14	TOTAL COST	\$59,798

JUSTIFICATION:
 This position will be required to support the management and administration of the activities of the Alaska Port Authority that would be created by the enactment of House Bill No. 989, introduced by the Resources Committee in the Second Session of the Eleventh Legislature.
 The position would provide the accounting services for the Port Construction Revolving Loan Fund and the sales of municipal revenue bonds and other funds or revenues as authorized by the legislation or appropriated for use by the Alaska Port Authority.

	CODE	FUNDING SOURCE
15		FED RCPTS.
16		GF MATCH.
17		GEN. FUND
18		I-A RCPTS.
19		PGM RCPTS
20		OTHER
21	CONTINUATION	
22	ADDITION	

FOR R&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Transportation & Public Facilities PROGRAM AREA Transportation

BRU Commissioner's Office

13 REQUEST FOR NEW POSITION.

COMPONENT _____

Page _____ of _____

REVISED DATE _____

FY 81

1	POSITION TITLE CIVIL ENGINEER II				RANGE/STEP 20	BARG. UNIT. GG	LOCATION Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. NEW	PRIORITY		FORM 12 PAGE/LINE	LEG.		
3	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
4	PERSONAL SERVICES: SALARY		\$33,900							
5	BENEFITS									
6	FICA		\$26,103							
7	HEALTH INS.									
8	TOTAL PERSONAL SERVICES				\$60,003					
9	TRAVEL				4,800					
10	CONTRACTUAL									
11	COMMODITIES				500					
12	EQUIPMENT				1,100					
13	OTHER									
14	TOTAL COST				\$66,403					
	CODE	FUNDING SOURCE								
15		FED RCPTS.								
16		GF MATCH.								
17		GEN. FUND		\$66,403						
18		I-A RCPTS.								
19		PGM RCPTS								
20		OTHER								
21	CONTINUATION									
22	ADDITION		FOR BEM USE ONLY							
4A KEY NUMBER _____ COLUMN NO. _____										

JUSTIFICATION:

This position will be require to support the management and administration of the activities of the Alaska Port Authority that would be created by the enactment of House Bill No. 989 introduced by the Resources Committee in the Secons Session of the Eleventh Legislature. This position would provide the technical engineering expertise for such activities as interfacing with the U.S. Army Corps of Engineers, technical consultants, and municipalities on the technical feasibility studies, design and construction of port facilities.

AGENCY Transportation & Public Facilities PROGRAM AREA Transportation

ORU Commissioner's Office

FY 81

13 REQUEST FOR NEW POSITION.

COMPONENT _____

Page _____ of _____

REVISED DATE _____



1	POSITION TITLE CLERK TYPIST III			RANGE/STEP 08	BARG. UNIT. GG	LOCATION Juneau	GOV	APPROV	D SAPP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. NEW	PRIORITY	FORM 12 PAGE/LINE	LEG		
3	TYPE OF EXPENDITURE		AMOUNT		JUSTIFICATION: This position will be required to support the management and administration of the activities of the Alaska Port Authority that would be created by the enactment of House Bill No. 989 introduced by the Resources Committee in the Second Session of the Eleventh Legislature. This position would provide clerical and typing services related to the management and administration of the Alaska Port Authority.				
	1	2	3						
4	PERSONAL SERVICES: SALARY		\$14,832						
5	BENEFITS								
6	FICA		\$11,421						
7	HEALTH INS.								
8	TOTAL PERSONAL SERVICES		\$26,252						
9	TRAVEL								
10	CONTRACTUAL								
11	COMMODITIES		500						
12	EQUIPMENT		1,100						
13	OTHER								
14	TOTAL COST		\$27,852						
	CODE	FUNDING SOURCE							
15		FED RCPTS.							
16		GF MATCH.							
17		GEN. FUND		\$27,852					
18		I-A RCPTS.							
19		PGM RCPTS							
20		OTHER							
21	CONTINUATION		FOR R&M USE ONLY						
22	ADDITION								
4A KEY NUMBER _____ COLUMN NO. _____									

AGENCY Transportation & Public Facilities PROGRAM AREA Transportation

BRU Commissioner's Office

FY 81

13 REQUEST FOR NEW
POSITION.

COMPONENT _____

Page _____ of _____

REVISED
DATE _____

--

Introduced: 4/2/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 989

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Port Authority and pro-
7 viding that the authority may make loans to municipali-
8 ties for port purposes; and providing for an effective
9 date."

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

11 * Section 1. AS 30.15 is amended by adding new sections to read:

12 ARTICLE 2. ALASKA PORT AUTHORITY.

13 Sec. 30.15.100. ALASKA PORT AUTHORITY. There is created in the
14 Department of Transportation and Public Facilities the Alaska Port
15 Authority. The authority consists of the commissioner of transportation
16 and public facilities, the commissioner of revenue, and one public
17 member appointed by the governor. The public member appointed by the
18 governor serves for a term of four years.

19 Sec. 30.15.110. COMPENSATION. Members of the authority receive no
20 salary, but are entitled to per diem and travel expenses authorized by
21 law for state boards and commissions.

22 Sec. 30.15.120. EXECUTIVE DIRECTOR; TECHNICAL ASSISTANCE. (a)
23 The authority may hire, set the salary of, and delegate responsibility
24 to an executive director.

25 (b) The authority may hire additional staff as the authority
26 considers necessary or appropriate to perform its functions.

27 (c) The authority may engage professional or technical advisors
28 under contract, including but not limited to engineers and bond counsel.

29 Sec. 30.15.130. DUTIES. The authority shall

1 (1) negotiate and, to the extent that money is available to
2 the authority from appropriations, enter into contracts with the United
3 States Army Corps of Engineers for studies relating to the design,
4 engineering and feasibility of projects proposed by municipalities under
5 AS 30.15.140(b)(1);

6 (2) negotiate and enter into agreements with municipalities
7 relating to the sale of municipal revenue bonds as provided in AS 30.-
8 15.140(b)(3);

9 (3) administer the port construction revolving loan fund
10 created in AS 30.15.140;

11 (4) prepare an annual report by January 15 describing the
12 authority's activities during the preceding calendar year and distribute
13 copies of the report to the governor and the legislature.

14 Sec. 30.15.140. PORT CONSTRUCTION REVOLVING LOAN FUND. (a) There
15 is established in the Department of Transportation and Public Facilities
16 the port construction revolving loan fund. The authority may make loans
17 from the port construction revolving loan fund to a municipality for the
18 construction of port facilities.

19 (b) To qualify for a loan under this section, the governing body
20 of a municipality shall

21 (1) submit a written proposal for the port facility project
22 to the authority;

23 (2) authorize the authority to negotiate with the United
24 States Army Corps of Engineers for studies described in AS 30.15.130(1)
25 relating to the municipality's port facility project proposal; and

26 (3) authorize the issuance of municipal revenue bonds to pay
27 for the port facility project costs.

28 (c) If the authority, after reviewing the results of the studies
29 described in (b)(2) of this section, determines that a port facility

1 project is feasible, the authority shall notify the governing body of
2 the municipality of its determination and shall make copies of the
3 studies available to the municipality.

4 (d) If, after receiving notification under (c) of this section,
5 the governing body of the municipality requests a loan from the port
6 construction revolving loan fund, the authority may make a loan from the
7 fund to the municipality for the project. The loan may not exceed an
8 amount which, in the opinion of the authority, is sufficient to pay for
9 the port facility project costs to be incurred between the time the loan
10 is made and the time the municipality is able to sell its revenue bonds
11 for the port facility project.

12 (e) A loan under this section may not bear interest exceeding nine
13 and one-half percent.

14 Sec. 30.15.150. REPAYMENT OF LOANS. (a) A municipality shall
15 repay the outstanding principal and interest on a loan it receives under
16 AS 30.15.140 when it sells the revenue bonds it authorized for the port
17 facility project or within one year after the loan is made, whichever is
18 earlier.

19 (b) Payment of principal and interest on a loan issued under
20 AS 30.15.140 shall be deposited in the port construction revolving loan
21 fund.

22 Sec. 30.15.160. DEFINITIONS. In AS 30.15.100 - 30.15.160

23 (1) "authority" means the Alaska Port Authority;

24 (2) "municipality" means a general law or home rule borough
25 or city which is incorporated under the laws of the state;

26 (3) "port facility" means docks, wharves, bulkheads, sea-
27 walls, landfills, warehouses, staging areas, transfer spans and aprons,
28 lifting equipment and similar structures together with the necessary
29 equipment and facilities required to accommodate waterborne commerce and

1 shipping, including but not limited to combined port and ferry terminal
2 facilities;

3 (4) "project costs" means the cost of financing or borrowing,
4 site acquisition and rights-of-way, planning, engineering and designing,
5 construction, equipment acquisition and installation, but does not
6 include the cost of operation or maintenance of a port facility when
7 constructed or the cost of feasibility studies required in applying for
8 a loan under AS 30.15.140.

9 * Sec. 2. AS 30.15.060 is amended to read:

10 Sec. 30.15.060. REGULATIONS. The commissioner of transportation
11 and public facilities [PUBLIC WORKS] shall promulgate regulations under
12 the Administrative Procedure Act (AS 44.62) that he considers necessary
13 to carry out the provisions of AS 30.15.010 - 30.15.070 [THIS CHAPTER].

14 * Sec. 3. AS 30.15.070 is amended to read:

15 Sec. 30.15.070. DEFINITIONS. In AS 30.15.010 - 30.15.070 [THIS
16 CHAPTER]

17 (1) "commissioner" means commissioner of transportation and
18 public facilities [PUBLIC WORKS];

19 (2) "department" means Department of Transportation and
20 Public Facilities [PUBLIC WORKS];

21 (3) "municipality" means a home rule or general law borough
22 or city including but not limited to a unified municipality organized
23 under AS 29.68;

24 (4) "port facilities" means docks, wharves, bulkheads, sea-
25 walls, landfills, warehouses, staging areas, transfer spans and aprons,
26 lifting equipment and similar structures together with the necessary
27 equipment and facilities required to accommodate waterborne commerce and
28 shipping, including but not limited to combined port and ferry terminal
29 facilities;

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

(5) "project costs" means the cost of financing or borrowing, site acquisition and rights-of-way, planning, engineering and designing, construction, equipment acquisition and installation, but does not include the cost of operation or maintenance of the port facilities once constructed or the cost of feasibility studies required in making application for a grant under AS 30.15.010 - 30.15.070 [THIS CHAPTER].

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

(11)

COMMITTEE REPORT

HOUSE

4/2/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 989

"An Act creating the Alaska Port Authority and providing that the authority may make loans to municipalities for port purposes; 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 _____ same title
 new title
- and recommends _____
- 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:**

CHAIRMAN

8138

Varson

Introduced: 4/2/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 989

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Port Authority and pro-
7 viding that the authority may make loans to municipali-
8 ties for port purposes; and providing for an effective
9 date."

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

11 * Section 1. AS 30.15 is amended by adding new sections to read:

12 ARTICLE 2. ALASKA PORT AUTHORITY.

13 Sec. 30.15.100. ALASKA PORT AUTHORITY. There is created in the
14 Department of Transportation and Public Facilities the Alaska Port
15 Authority. The authority consists of the commissioner of transportation
16 and public facilities, the commissioner of revenue, and one public
17 member appointed by the governor. The public member appointed by the
18 governor serves for a term of four years.

19 Sec. 30.15.110. COMPENSATION. Members of the authority receive no
20 salary, but are entitled to per diem and travel expenses authorized by
21 law for state boards and commissions.

22 Sec. 30.15.120. EXECUTIVE DIRECTOR; TECHNICAL ASSISTANCE. (a)
23 The authority may hire, set the salary of, and delegate responsibility
24 to an executive director.

25 (b) The authority may hire additional staff as the authority
26 considers necessary or appropriate to perform its functions.

27 (c) The authority may engage professional or technical advisors
28 under contract, including but not limited to engineers and bond counsel.

29 Sec. 30.15.130. DUTIES. The authority shall

1 (1) negotiate and, to the extent that money is available to
2 the authority from appropriations, enter into contracts with the United
3 States Army Corps of Engineers for studies relating to the design,
4 engineering and feasibility of projects proposed by municipalities under
5 AS 30.15.140(b)(1);

6 (2) negotiate and enter into agreements with municipalities
7 relating to the sale of municipal revenue bonds as provided in AS 30.-
8 15.140(b)(3);

9 (3) administer the port construction revolving loan fund
10 created in AS 30.15.140;

11 (4) prepare an annual report by January 15 describing the
12 authority's activities during the preceding calendar year and distribute
13 copies of the report to the governor and the legislature.

14 Sec. 30.15.140. PORT CONSTRUCTION REVOLVING LOAN FUND. (a) There
15 is established in the Department of Transportation and Public Facilities
16 the port construction revolving loan fund. The authority may make loans
17 from the port construction revolving loan fund to a municipality for the
18 construction of port facilities.

19 (b) To qualify for a loan under this section, the governing body
20 of a municipality shall

21 (1) submit a written proposal for the port facility project
22 to the authority;

23 (2) authorize the authority to negotiate with the United
24 States Army Corps of Engineers for studies described in AS 30.15.130(1)
25 relating to the municipality's port facility project proposal; and

26 (3) authorize the issuance of municipal revenue bonds to pay
27 for the port facility project costs.

28 (c) If the authority, after reviewing the results of the studies
29 described in (b)(2) of this section, determines that a port facility

1 project is feasible, the authority shall notify the governing body of
2 the municipality of its determination and shall make copies of the
3 studies available to the municipality.

4 (d) If, after receiving notification under (c) of this section,
5 the governing body of the municipality requests a loan from the port
6 construction revolving loan fund, the authority may make a loan from the
7 fund to the municipality for the project. The loan may not exceed an
8 amount which, in the opinion of the authority, is sufficient to pay for
9 the port facility project costs to be incurred between the time the loan
10 is made and the time the municipality is able to sell its revenue bonds
11 for the port facility project.

12 (e) A loan under this section may not bear interest exceeding nine
13 and one-half percent.

14 Sec. 30.15.150. REPAYMENT OF LOANS. (a) A municipality shall
15 repay the outstanding principal and interest on a loan it receives under
16 AS 30.15.140 when it sells the revenue bonds it authorized for the port
17 facility project or within one year after the loan is made, whichever is
18 earlier.

19 (b) Payment of principal and interest on a loan issued under
20 AS 30.15.140 shall be deposited in the port construction revolving loan
21 fund.

22 Sec. 30.15.160. DEFINITIONS. In AS 30.15.100 - 30.15.160

23 (1) "authority" means the Alaska Port Authority;

24 (2) "municipality" means a general law or home rule borough
25 or city which is incorporated under the laws of the state;

26 (3) "port facility" means docks, wharves, bulkheads, sea-
27 walls, landfills, warehouses, staging areas, transfer spans and aprons,
28 lifting equipment and similar structures together with the necessary
29 equipment and facilities required to accommodate waterborne commerce and

1 shipping, including but not limited to combined port and ferry terminal
2 facilities;

3 (4) "project costs" means the cost of financing or borrowing,
4 site acquisition and rights-of-way, planning, engineering and designing,
5 construction, equipment acquisition and installation, but does not
6 include the cost of operation or maintenance of a port facility when
7 constructed or the cost of feasibility studies required in applying for
8 a loan under AS 30.15.140.

9 * Sec. 2. AS 30.15.060 is amended to read:

10 Sec. 30.15.060. REGULATIONS. The commissioner of transportation
11 and public facilities [PUBLIC WORKS] shall promulgate regulations under
12 the Administrative Procedure Act (AS 44.62) that he considers necessary
13 to carry out the provisions of AS 30.15.010 - 30.15.070 [THIS CHAPTER].

14 * Sec. 3. AS 30.15.070 is amended to read:

15 Sec. 30.15.070. DEFINITIONS. In AS 30.15.010 - 30.15.070 [THIS
16 CHAPTER]

17 (1) "commissioner" means commissioner of transportation and
18 public facilities [PUBLIC WORKS];

19 (2) "department" means Department of Transportation and
20 Public Facilities [PUBLIC WORKS];

21 (3) "municipality" means a home rule or general law borough
22 or city including but not limited to a unified municipality organized
23 under AS 29.68;

24 (4) "port facilities" means docks, wharves, bulkheads, sea-
25 walls, landfills, warehouses, staging areas, transfer spans and aprons,
26 lifting equipment and similar structures together with the necessary
27 equipment and facilities required to accommodate waterborne commerce and
28 shipping, including but not limited to combined port and ferry terminal
29 facilities;

1 (5) "project costs" means the cost of financing or borrowing,
2 site acquisition and rights-of-way, planning, engineering and designing,
3 construction, equipment acquisition and installation, but does not
4 include the cost of operation or maintenance of the port facilities once
5 constructed or the cost of feasibility studies required in making appli-
6 cation for a grant under AS 30.15.010 - 30.15.070 [THIS CHAPTER].

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

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND.. Session

HOUSEBILL..... NO. ..989..

By ..THE. RESOURCES. COMMITTEE..

"An Act creating the Alaska Port Authority and providing that the authority may make loans to municipalities for port purposes; and providing for an effective date."

Creating the Alaska Port Auth

Introduced in the House ...4/2..., 19...80

HISTORY IN THE HOUSE

19 80

Apr 2

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

4/29/80

FUP HER:

Date: 5/15/80

Mr. Speaker:

The Committee on FINANCE has had HB 990

"An Act amending the Alaska Small Loans Act; 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 990 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**

[Signature]

[Signature]

McKinnon

Smith

Rogers

[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

[Signature]
CHAIRMAN

Original sponsor: Commerce Committee
by request

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 990

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Small Loans Act; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 06.20.010 is amended to read:

10 Sec. 06.20.010. LICENSE REQUIRED. A [NO] person may not engage in
11 the business of making loans of money, credit, goods, or things in
12 action in the amount or of the value of \$25,000 [\$5,000] or less and
13 charge, contract for, or receive on the loan a greater rate of interest,
14 discount, or consideration than the lender would be permitted by law to
15 charge if he were not a licensee under this chapter, except as autho-
16 rized by this chapter and without first obtaining a license from the
17 department.

18 * Sec. 2. AS 06.20.200(a) is amended to read:

19 (a) A [NO] person may not advertise, print, display, publish,
20 distribute, or broadcast or cause or permit to be advertised, printed,
21 displayed, published, distributed, or broadcast, in any manner any
22 statement or representation with regard to the rates, terms, or con-
23 ditions for the lending of money, credit, goods, or things in action in
24 the amount or of the value of \$25,000 [\$5,000] or less, which is false,
25 misleading, or deceptive. The department may order any licensee to
26 desist from any conduct which it finds to be in violation of this sec-
27 tion.

28 * Sec. 3. AS 06.20.230 is amended to read:

29 Sec. 06.20.230. MAXIMUM INTEREST PERMITTED. (a) A licensee may

1 lend any sum of money not exceeding \$25,000 [\$5,000] and may charge,
2 contract for, and receive on the loan interest at a rate not exceeding
3 three percent a month on that part of the unpaid principal balance of a
4 loan not in excess of \$500; two percent a month on the remainder of any
5 unpaid principal balance exceeding \$500 but not exceeding \$1,000; and
6 one percent a month on the remainder of any unpaid principal balance
7 exceeding \$1,000 but not exceeding \$25,000 [\$5,000]. On loans the
8 principal of which is \$50 or less a licensee may charge, contract and
9 receive interest at a rate not exceeding five percent a month.

10 (b) Notwithstanding the provisions of (a) of this section, a
11 licensee who makes open-end loans under this chapter or who makes a loan
12 under this chapter exceeding \$5,000 but not exceeding \$25,000 may elect
13 to charge, contract for, and receive interest not to exceed the greater
14 of

15 (1) one and one-half percent a month; or

16 (2) eight percentage points above the Federal Reserve dis-
17 count rate on 90-day commercial paper charged to banks for advances by
18 the 12th Federal Reserve District on the first day of the month before
19 the calendar quarter during which the loan is made.

20 (c) Interest on loans under (b) of this section shall be computed
21 according to the actuarial method on the entire unpaid principal balance
22 as determined in AS 06.20.285(b).

23 * Sec. 4. AS 06.20.250(c) is amended to read:

24 (c) Except for open-end loans under AS 06.20.285, a [NO] licensee
25 may not enter into any contract for a loan that provides for a scheduled
26 repayment of principal over more than the maximum terms set out below
27 opposite the respective size of loans.

Principal amount of loan to	Maximum term
\$1,000.....	24 and 1/2 months

1 Over \$1 000 to \$2,500..... 48 and 1/2 months
2 Over \$2,500 to \$5,000..... 60 and 1/2 months
3 Over \$5,000 to \$25,000..... as agreed to by
4 the parties

5 * Sec. 5. AS 06.20.280 is amended to read:

6 Sec. 06.20.280. MAXIMUM CHARGE BY LICENSEE. A [NO] licensee may
7 not directly or indirectly charge, contract for, or receive any in-
8 terest, discount, or consideration greater than that which he would be
9 permitted by law to charge if he were not a licensee under this chapter,
10 upon the loan, use or forbearance of money, goods, or things in action,
11 or upon the loan, use, or sale of credit, of the amount or value of more
12 than \$25,000 [\$5,000]. This section applies to any licensee who permits
13 any person, as borrower or endorser, guarantor, or surety for any bor-
14 rower, or otherwise, to owe directly or contingently or both to the
15 licensee at any time a sum of more than \$25,000 [\$5,000] on principal.

16 * Sec. 6. AS 06.20.285(a) is amended to read:

17 (a) A licensee may make open-end loans not exceeding an aggregate
18 total of \$25,000 [\$10,000] and may contract for and receive interest on
19 open-end loans as provided in AS 06.20.230, and for other charges per-
20 mitted under this chapter. Interest on open-end loans may be computed
21 daily or monthly on the unpaid principal balance or the average unpaid
22 principal balance if the interest charged as a result of these computa-
23 tions does not exceed the rates stated in AS 06.20.230 when the interest
24 is computed according to the interest-bearing or actuarial method.

25 * Sec. 7. AS 06.20.290 is amended to read:

26 Sec. 06.20.290. PURCHASE OF WAGES FOR \$25,000 [\$5,000] OR LESS.
27 For purposes of this chapter, the payment of \$25,000 [\$5,000] or less in
28 money, credit, goods, or things in action, as consideration for the sale
29 or assignment of, or order for, the payment of wages, salary, commis-

1 sions, or other compensation for services whether earned or to be earned
2 is considered a loan, and the difference between the payment and the
3 amount of the compensation sold or assigned is considered interest or a
4 charge upon the loan from the date of payment to the date the compensa-
5 tion is payable. Such a transaction is governed by this chapter.

6 * Sec. 8. AS 06.20.300(a) is amended to read:

7 (a) Except as authorized in this chapter, a [NO] person may not
8 directly or indirectly charge, contract for, or receive any interest,
9 discount, or consideration greater than that which he would be permitted
10 by law to charge if he were not a licensee, upon the loan, use, or
11 forbearance of money, goods, or things in action, or upon the loan, use,
12 or sale of credit of the amount or value of \$25,000 [\$5,000] or less.

13 * Sec. 9. AS 06.20.310 is amended to read:

14 Sec. 06.20.310. ILLEGAL INTEREST RATE. No loan of the amount or
15 value of \$25,000 [\$5,000] or less for which a greater rate of interest,
16 consideration or charge than is permitted by this chapter has been
17 charged, contracted for or received, wherever made, may be enforced in
18 the state, and every person participating in such a loan in the state is
19 subject to this chapter. This section does not apply to loans legally
20 made in any state or territory of the United States which has in effect
21 a regulatory small loan law similar in principle to this chapter.

22 * Sec. 10. This Act takes effect immediately in accordance with AS 01.10.-
23 070(c).

Original sponsor: Commerce Committee
by request

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 990

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Small Loans Act; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 06.20.010 is amended to read:

10 Sec. 06.20.010. LICENSE REQUIRED. A [NO] person may not engage in
11 the business of making loans of money, credit, goods, or things in
12 action in the amount or of the value of \$25,000 [\$5,000] or less and
13 charge, contract for, or receive on the loan a greater rate of interest,
14 discount, or consideration than the lender would be permitted by law to
15 charge if he were not a licensee under this chapter, except as autho-
16 rized by this chapter and without first obtaining a license from the
17 department.

18 * Sec. 2. AS 06.20.200(a) is amended to read:

19 (a) A [NO] person may not advertise, print, display, publish,
20 distribute, or broadcast or cause or permit to be advertised, printed,
21 displayed, published, distributed, or broadcast, in any manner any
22 statement or representation with regard to the rates, terms, or con-
23 ditions for the lending of money, credit, goods, or things in action in
24 the amount or of the value of \$25,000 [\$5,000] or less, which is false,
25 misleading, or deceptive. The department may order any licensee to
26 desist from any conduct which it finds to be in violation of this sec-
27 tion.

28 * Sec. 3. AS 06.20.230 is amended to read:

29 Sec. 06.20.230. MAXIMUM INTEREST PERMITTED. (a) A licensee may

1 lend any sum of money not exceeding \$25,000 [\$5,000] and may charge,
2 contract for, and receive on the loan interest at a rate not exceeding
3 three percent a month on that part of the unpaid principal balance of a
4 loan not in excess of \$500; two percent a month on the remainder of any
5 unpaid principal balance exceeding \$500 but not exceeding \$1,000; and
6 one percent a month on the remainder of any unpaid principal balance
7 exceeding \$1,000 but not exceeding \$25,000 [\$5,000]. On loans the
8 principal of which is \$50 or less a licensee may charge, contract and
9 receive interest at a rate not exceeding five percent a month.

10 (b) Notwithstanding the provisions of (a) of this section, a
11 licensee who makes open-end loans under this chapter or who makes a loan
12 under this chapter exceeding \$5,000 but not exceeding \$25,000 may elect
13 to charge, contract for, and receive interest not to exceed the greater
14 of

15 (1) one and one-hal. percent a month; or

16 (2) eight percentage points above the Federal Reserve dis-
17 count rate on 90-day commercial paper charged to banks for advances by
18 the 12th Federal Reserve District on the first day of the month before
19 the calendar quarter during which the loan is made.

20 (c) Interest on loans under (b) of this section shall be computed
21 according to the actuarial method on the entire unpaid principal balance
22 as determined in AS 06.20.285(b).

23 * Sec. 4. AS 06.20.250(.) is amended to read:

24 (c) Except for open-end loans under AS 06.20.285, a [NO] licensee
25 may not enter into any contract for a loan that provides for a scheduled
26 repayment of principal over more than the maximum terms set out below
27 opposite the respective size of loans.

Principal amount of loan to	Maximum term
\$1,000.....	24 and 1/2 months

1 Over \$1,000 to \$2,500..... 48 and 1/2 months
2 Over \$2,500 to \$5,000..... 60 and 1/2 months
3 Over \$5,000 to \$25,000..... as agreed to by
4 the parties

5 * Sec. 5. AS 06.20.280 is amended to read:

6 Sec. 06.20.280. MAXIMUM CHARGE BY LICENSEE. A [NO] licensee may
7 not directly or indirectly charge, contract for, or receive any in-
8 terest, discount, or consideration greater than that which he would be
9 permitted by law to charge if he were not a licensee under this chapter,
10 upon the loan, use or forbearance of money, goods, or things in action,
11 or upon the loan, use, or sale of credit, of the amount or value of more
12 than \$25,000 [\$5,000]. This section applies to any licensee who permits
13 any person, as borrower or endorser, guarantor, or surety for any bor-
14 rower, or otherwise, to owe directly or contingently or both to the
15 licensee at any time a sum of more than \$25,000 [\$5,000] on principal.

16 * Sec. 6. AS 06.20.285(a) is amended to read:

17 (a) A licensee may make open-end loans not exceeding an aggregate
18 total of \$25,000 [\$10,000] and may contract for and receive interest on
19 open-end loans as provided in AS 06.20.230, and for other charges per-
20 mitted under this chapter. Interest on open-end loans may be computed
21 daily or monthly on the unpaid principal balance or the average unpaid
22 principal balance if the interest charged as a result of these computa-
23 tions does not exceed the rates stated in AS 06.20.230 when the interest
24 is computed according to the interest-bearing or actuarial method.

25 * Sec. 7. AS 06.20.290 is amended to read:

26 .Sec. 06.20.290. PURCHASE OF WAGES FOR \$25,000 [\$5,000] OR LESS.
27 For purposes of this chapter, the payment of \$25,000 [\$5,000] or less in
28 money, credit, goods, or things in action, as consideration for the sale
29 or assignment of, or order for, the payment of wages, salary, commis-

1 sions, or other compensation for services whether earned or to be earned
2 is considered a loan, and the difference between the payment and the
3 amount of the compensation sold or assigned is considered interest or a
4 charge upon the loan from the date of payment to the date the compensa-
5 tion is payable. Such a transaction is governed by this chapter.

6 * Sec. 8. AS 06.20.300(a) is amended to read:

7 (a) Except as authorized in this chapter, a [NO] person may not
8 directly or indirectly charge, contract for, or receive any interest,
9 discount, or consideration greater than that which he would be permitted
10 by law to charge if he were not a licensee, upon the loan, use, or
11 forbearance of money, goods, or things in action, or upon the loan, use,
12 or sale of credit of the amount or value of \$25,000 [\$5,000] or less.

13 * Sec. 9. AS 06.20.310 is amended to read:

14 Sec. 06.20.310. ILLEGAL INTEREST RATE. No loan of the amount or
15 value of \$25,000 [\$5,000] or less for which a greater rate of interest,
16 consideration or charge than is permitted by this chapter has been
17 charged, contracted for or received, wherever made, may be enforced in
18 the state, and every person participating in such a loan in the state is
19 subject to this chapter. This section does not apply to loans legally
20 made in any state or territory of the United States which has in effect
21 a regulatory small loan law similar in principle to this chapter.

22 * Sec. 10. This Act takes effect immediately in accordance with AS 01.10.-
23 070(c).

Introduced: 4/3/80
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE
BY REQUEST

2 HOUSE BILL NO. 990

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Small Loans Act; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 06.20.010 is amended to read:

10 Sec. 06.20.010. LICENSE REQUIRE'. A [NO] person may not engage in
11 the business of making loans of money, credit, goods, or things in
12 action in the amount or of the value of \$25,000 [\$5,000] or less and
13 charge, contract for, or receive on the loan a greater rate of interest,
14 discount, or consideration than the lender would be permitted by law to
15 charge if he were not a licensee under this chapter, except as autho-
16 rized by this chapter and without first obtaining a license from the
17 department.

18 * Sec. 2. AS 06.20.200(a) is amended to read:

19 (a) A [NO] person may not advertise, print, display, publish,
20 distribute, or broadcast or cause or permit to be advertised, printed,
21 displayed, published, distributed, or broadcast, in any manner any
22 statement or representation with regard to the rates, terms, or con-
23 ditions for the lending of money, credit, goods, or things in action in
24 the amount or of the value of \$25,000 [\$5,000] or less, which is false,
25 misleading, or deceptive. The department may order any licensee to
26 desist from any conduct which it finds to be in violation of this sec-
27 tion.

28 * Sec. 3. AS 06.20.230 is amended to read:

29 Sec. 06.20.230. MAXIMUM INTEREST PERMITTED. (a) A licensee may

1 lend any sum of money not exceeding \$25,000 [\$5,000] and may charge,
 2 contract for, and receive on the loan interest at a rate not exceeding
 3 (1) three percent a month on that part of the unpaid principal balance
 4 of a loan not in excess of \$500; two percent a month on the remainder of
 5 any unpaid principal balance exceeding \$500 but not exceeding \$1,000;
 6 and one percent a month on the remainder of any unpaid principal balance
 7 exceeding \$1,000 but not exceeding \$25,000; or (2) if the principal of
 8 the loan is more than \$4,000, one and seven-tenths percent a month on
 9 the entire unpaid principal balance [\$5,000]. On loans the principal of
 10 which is \$50 or less a licensee may charge, contract and receive in-
 11 terest at a rate not exceeding five percent a month.

12 (b) Notwithstanding the provisions of (a) of this section, a
 13 licensee who makes open-end loans under this chapter may elect to charge,
 14 contract for, and receive interest not to exceed one and seven-tenths
 15 [ONE-HALF] percent a month computed according to the actuarial method on
 16 the unpaid principal balance as determined in AS 06.20.285(b).

17 * Sec. 4. AS 06.20.250(c) is amended to read:

18 (c) Except for open-end loans under AS 06.20.285, a [NO] licensee
 19 may not enter into any contract for a loan that provides for a scheduled
 20 repayment of principal over more than the maximum terms set out below
 21 opposite the respective size of loans.

Principal amount of loan to	Maximum term
\$1,000.....	24 and 1/2 months
Over \$1,000 to \$2,500.....	48 and 1/2 months
Over \$2,500 to \$5,000.....	60 and 1/2 months
<u>Over \$5,000 to \$25,000.....</u>	<u>as agreed to by</u>
	<u>the parties</u>

28 * Sec. 5. AS 06.20.260(a) is amended by adding a new paragraph to read:

29 (6) loan origination fees not to exceed five percent of the

1 principal amount on a loan for more than \$4,000 which is secured by real
2 property or a mobile home.

3 * Sec. 6. AS 06.20.280 is amended to read:

4 Sec. 06.20.280. MAXIMUM CHARGE BY LICENSEE. A [NO] licensee may
5 not directly or indirectly charge, contract for, or receive any in-
6 terest, discount, or consideration greater than that which he would be
7 permitted by law to charge if he were not a licensee under this chapter,
8 upon the loan, use or forbearance of money, goods, or things in action,
9 or upon the loan, use, or sale of credit, of the amount or value of more
10 than \$25,000 [\$5,000]. This section applies to any licensee who permits
11 any person, as borrower or endorser, guarantor, or surety for any bor-
12 rower, or otherwise, to owe directly or contingently or both to the
13 licensee at any time a sum of more than \$25,000 [\$5,000] on principal.

14 * Sec. 7. AS 06.20.285(a) is amended to read:

15 (a) A licensee may make open-end loans not exceeding an aggregate
16 total of \$25,000 [\$10,000] and may contract for and receive interest on
17 open-end loans as provided in AS 06.20.230, and for other charges per-
18 mitted under this chapter. Interest on open-end loans may be computed
19 daily or monthly on the unpaid principal balance or the average unpaid
20 principal balance if the interest charged as a result of these computa-
21 tions does not exceed the rates stated in AS 06.20.230 when the interest
22 is computed according to the interest-bearing or actuarial method.

23 * Sec. 8. AS 06.20.290 is amended to read:

24 Sec. 06.20.290. PURCHASE OF WAGES FOR \$25,000 [\$5,000] OR LESS.
25 For purposes of this chapter, the payment of \$25,000 [\$5,000] or less in
26 money, credit, goods, or things in action, as consideration for the sale
27 or assignment of, or order for, the payment of wages, salary, commis-
28 sions, or other compensation for services whether earned or to be earned
29 is considered interest or a charge upon the loan from the date of pay-

1 ment to the date the compensation is payable. Such a transaction is
2 governed by this chapter.

3 * Sec. 9. AS 06.20.300(a) is amended to read:

4 (a) Except as authorized in this chapter, a [NO] person may not
5 directly or indirectly charge, contract for, or receive any interest,
6 discount, or consideration greater than that which he would be permitted
7 by law to charge if he were not a licensee, upon the loan, use, or
8 forbearance of money, goods, or things in action, or upon the loan, use,
9 or sale of credit of the amount or value of \$25,000 [\$5,000] or less.

10 * Sec. 10. AS 06.20.310 is amended to read:

11 Sec. 06.20.310. ILLEGAL INTEREST RATE. No loan of the amount or
12 value of \$25,000 [\$5,000] or less for which a greater rate of interest,
13 consideration or charge than is permitted by this chapter has been
14 charged, contracted for or received, wherever made, may be enforced in
15 the state, and every person participating in such a loan in the state is
16 subject to this chapter. This section does not apply to loans legally
17 made in any state or territory of the United States which has in effect
18 a regulatory small loan law similar in principle to this chapter.

19 * Sec. 11. This Act takes effect immediately in accordance with AS 01.10.-
20 070(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



HB 991

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 3, 1980

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

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a supplemental appropriation to the Department of Health and Social Services, Division of Public Assistance. This appropriation will enable the department to contract with a private audit firm to reconcile and close out prior year medicaid payment claims and disputed bills from the 700 providers in Alaska.

This appropriation is one part of an overall procedure that I am recommending to expedite payment of prior year medicaid and general relief medical claims. I will also be requesting wording changes for the FY 80 and FY 81 appropriations for medicaid and general relief medical assistance.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond".

Jay S. Hammond
Governor

Funding Information:
General Funds: \$122,000
Other Funds: 78,000
\$200,000

Introduced: 4/3/80
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 991

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 a supplemental appropriation to the
7 Department of Health and Social Services, Division
8 of Public Assistance; and providing for an effec-
9 tive date."

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

11 * Section 1. The sum of \$200,000 is appropriated to the Department of
12 Health and Social Services, Division of Public Assistance, for the purpose
13 of prior year medicaid billing reconciliation, from the following sources:

14 General Fund \$122,000

15 Federal Funds 78,000

16 * Sec. 2. The appropriation made in sec. 1 of this Act lapses June 30,
17 1981.

18 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).

20
21
22
23
24
25
26
27
28
29

MEMORANDUM

State of Alaska

TO:

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

DATE:

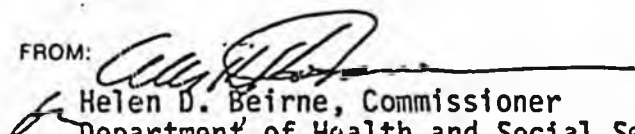
3/6/80

FILE NO:

14399.1

TELEPHONE NO:

FROM:


Helen D. Beirne, Commissioner
Department of Health and Social Services

SUBJECT:

Prior Years Supplemental
Medicaid, General Relief Medical &
Handicapped Children

Per direction from your office, the Department of Health and Social Services contacted Dick Smith, the state internal auditor, and his staff to discuss the department's request for \$1,200,000 to reconcile prior year Medicaid, General Relief Medical and Handicapped Childrens billings.

After discussion with Dick Smith, the following plan was developed:

Within six weeks the Department expects to be in a position to advise Alaska medical providers that all Medicaid, General Relief Medical and Handicapped Children claims submitted prior to January 1980 have been paid through the new Computer Science Corporation system. Once the Department makes this statement it is also anticipated that most of Alaska's 700+ medical providers will inform the Department that they are still holding medical claims which their records indicate were never paid. Given current evidence available to the Department about the old Medicaid computer system, there is considerable likelihood that these providers' claims will be largely upheld once investigated.

The Department requests \$1,000,000 in order to accomplish reconciliation of each provider's account with the Department. In our view this is a critical step toward re-establishing credibility with the entire provider community.

In order to complete such a reconciliation with each provider in a timely manner, the Department requests as part of this supplemental \$200,000 to secure either the services of a CPA firm, or additional departmental accounting staff on a time limited basis to analyze each account. We have devised a plan whereby all computer records relating to Medicaid payments may be consolidated for the purpose of scanning the computer files for each invoice a provider claims is unpaid. Personnel will be required to analyze the reports from these's computer searches, and to arrive at a negotiated settlement with each provider for any claims not found on the consolidated computer files. Again, the Department simply is not staffed to handle such a reconciliation provider-by-provider in a credible, timely manner.

RECEIVED

MAR 7 1980

Budget and Management

Ron Lehr

-2-

Dick Smith ^B has suggested the following conditions in relation to the supplemental request:

1. The entire supplemental appropriation be restricted until conditions 2 & 3 are met.
2. The new Medicaid bill paying system is working.
3. The departmental prior year bill paying reconciliation process receives approval from the State Internal Auditor and the Division of Budget and Management.

The Department of Health and Social Services agrees to these conditions.

MEMORANDUM

State of Alaska

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


DATE: 2/15/80

FILE NO:

TELEPHONE NO:

SUBJECT:

FROM:


Helen D. Beirne, Commissioner
Department of Health and Social Services

Prior Years Supplemental
Medicaid and General Relief
Medical Programs

06-18
RECEIVED
FEB 15 1980

Budget and Management

The Department of Health and Social Services, Division of Public Assistance requests a Supplemental appropriation for Medicaid, General Relief Medical, and Handicapped Children prior years invoices in the amount of \$1,000,000 state general funds.

This estimate of \$1,000,000 is for bills from FY 74 through FY 79 and is based on actual billings on hand, verbal communication from vendors claiming unpaid bills, and an estimate of other prior year bills.

The specific amount of expenditures for each program will be known only after all bills have been processed through the computer bill paying system. Federal funds will be claimed for all eligible Medicaid expenditures, however the exact amount is unknown at this time.

All funds will be used to pay vendors for services and any unexpended balance in the appropriation will lapse.

The department also requests a supplemental appropriation of \$200,000 of which approximately 40% will be reimbursed by the federal government, for the purpose of contracting with an audit team from a CPA firm to research and reconcile these old accounts with the entire provider community and to bring the Medicaid Program current to June 30, 1979. The need for a CPA firm is critical for the following reasons:

1. Under the current contract with Computer Science Corporation all backlogged medical claims must be paid by February 15, 1980. Although at that time the State will be caught up with claims processing, it is expected that the majority of the 700 medical providers in the State will still be holding claims that their records show were never paid.
2. The Division of Public Assistance is down to 3 positions in its Medical Claims Unit from a previous level of 11. The remaining 8 positions were "frozen" to offset the costs of the CSC contract. There is no possible way for these 3 staff to handle both incoming current claims and the reconciliation of up to 700 providers medicaid accounts in a timely manner.

3. The medical providers have been extremely patient during the Department's struggle to bring Medicaid Claims processing under control. It is not in anyone's best interests to permit this reconciliation process to be delayed any longer than necessary. Introduction of a CPA firm would be viewed as a timely, fair manner in which to resolve this long standing problem.

STATE
of ALASKA

MEMORANDUM

TO: Marsha Hubberd, Director
Division Management & Budget

Through: *R Betit*
Rod Betit, Director
Division of Public Assistance

FROM: Christine Dooley, Supervisor
Medical Payments Unit *old*

DATE: February 13, 1980

FILE NO:

TELEPHONE NO:

SUBJECT:

Pursuant to our conversation of 2/11/80, I have attached a list of claims for Alaska Hospital and Medical Center, Inc., for past fiscal years. A request for a supplemental appropriation is necessary in order to make funds available to pay these obligations.

This is only a partial list and is complete for only 1 provider. Please bear in mind that we have over 700 providers and the majority of them have old unpaid medicaid claims. As these are researched this list will need to include these other providers.

It appears that approximately a million dollars will be needed to satisfy the "O/S - over 2 years old" type claims. I need these funds both in GRM and Medicaid.

The Department wants included in this Supplemental a request for an additional \$200,000 for the purpose of contracting with an audit team from a CPA firm to research and reconcile these old accounts with the entire provider community and to bring the medicaid Program current to June 30, 1979. The need for a CPA firm is critical for the following reasons:

1. Under the current contract with Computer Science Corporation all backlogged medical claims must be paid by February 15, 1980. Although at that time the State will be caught up with claims processing, it is expected that the majority of the 700 medical providers in the State will still be holding claims that their records show were never paid.
2. The Division of Public Assistance is down to (3) positions in its Medical Claims Unit from a previous level of (11). The remaining (8) positions were "frozen" to offset the costs of the CSC contract. There is no possible way for these (3) staff to handle both incoming current claims and the reconciliation of up to 700 providers medicaid accounts in a timely manner.
3. The medical providers have been extremely patient during the Department's struggle to bring Medicaid Claims processing under control. It is not in anyone's best interests to permit this reconciliation process to be delayed any longer than necessary. Introduction of a CPA firm would be viewed as a timely, fair manner in which to resolve this long standing problem.

SUPPLEMENTAL REQUEST
FY 76, FY 77 & FY 78

PROVIDER	INVOICE NUMBER	DOS	FISCAL YEAR	AMOUNT BILLED	
ACH889 Alaska Hospital & Medical Center	507920	3/19/75	76	20.00	
	519480	10/19/75	77	9,911.50	
	519495	10/23/75	77	23.00	
	524932	10/31/75	77	48.70	
	524934	10/31/75	77	24.00	
	553342	8/27/76	77	992.26	
	553480	9/15/76	77	30.00	
	553487	12/22/76	77	25.00	
	553499	8/19/76	77	26.00	
	553565	10/05/76	77	106.90	
	553568	10/05/76	77	32.50	
	554116	4/13/76	76	1,122.60	
	554122	4/02/76	76	1,502.87	
	554155	5/03/76	76	512.30	
	554156	5/03/76	76	517.70	
	554193	4/23/76	76	3,139.56	
	554309	3/27/76	76	1,221.52	
	554315	3/20/76	76	200.20	
	554452	4/19/76	76	1,338.63	
	554767	9/16/76	77	1,445.51	
	554770	9/16/76	77	2,311.46	
	554779	9/16/76	77	4,110.80	
	554887	11/09/76	77	758.60	
	554961	4/08/76	76	813.80	
	556256	5/31/77	76	89.25	
	557071	2/14/77	77	34.00	
	562364	4/18/77	77	64.75	
	563009	2/25/77	77	30.00	
	575341	2/15/78	78	15.00	
	576036	10/14/77	78	2,791.48	
	576019	9/22/77	78	956.50	
	579383	9/12/77	78	64.50	
	583518	10/25/77	78	47.00	
				76 TOTAL	10,478.43
				77 TOTAL	19,974.98
				78 TOTAL	<u>3,874.48</u>
				GRAND TOTAL	34,327.89

(11)

COMMITTEE REPORT

HOUSE

4/3/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 991

"An Act making a supplemental appropriation to the Department of Health and Social Services, Division of Public Assistance; 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 _____ same title
- and recommends _____ new title
- 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:

CHAIRMAN

Funding Information:

General Funds:	\$122,000
Other Funds:	78,000
	<u>\$200,000</u>

Introduced: 4/3/80
 Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 991

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 a supplemental appropriation to the
 7 Department of Health and Social Services, Division
 8 of Public Assistance; and providing for an effec-
 9 tive date."

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

11 * Section 1. The sum of \$200,000 is appropriated to the Department of
 12 Health and Social Services, Division of Public Assistance, for the purpose
 13 of prior year medicaid billing reconciliation, from the following sources:

14	General Fund	\$122,000
15	Federal Funds	78,000

16 * Sec. 2. The appropriation made in sec. 1 of this Act lapses June 30,
 17 1981.

18 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
 19 10.070(c).

20
21
22
23
24
25
26
27
28
29 COMMITTEE COPY

*Letter } 4/3
memo }*



14B991

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 3, 1980

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

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a supplemental appropriation to the Department of Health and Social Services, Division of Public Assistance. This appropriation will enable the department to contract with a private audit firm to reconcile and close out prior year medicaid payment claims and disputed bills from the 700 providers in Alaska.

This appropriation is one part of an overall procedure that I am recommending to expedite payment of prior year medicaid and general relief medical claims. I will also be requesting wording changes for the FY 80 and FY 81 appropriations for medicaid and general relief medical assistance.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond".

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

TO:

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

DATE:

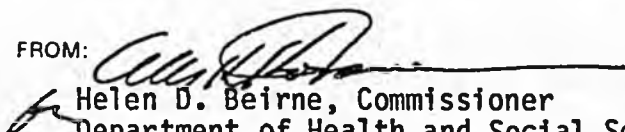
3/6/80

FILE NO:

143991

TELEPHONE NO:

FROM:


Helen D. Beirne, Commissioner
Department of Health and Social Services

SUBJECT:

Prior Years Supplemental
Medicaid, General Relief Medical &
Handicapped Children

Per direction from your office, the Department of Health and Social Services contacted Dick Smith, the state internal auditor, and his staff to discuss the department's request for \$1,200,000 to reconcile prior year Medicaid, General Relief Medical and Handicapped Childrens billings.

After discussion with Dick Smith, the following plan was developed:

Within six weeks the Department expects to be in a position to advise Alaska medical providers that all Medicaid, General Relief Medical and Handicapped Children claims submitted prior to January 1980 have been paid through the new Computer Science Corporation system. Once the Department makes this statement it is also anticipated that most of Alaska's 700+ medical providers will inform the Department that they are still holding medical claims which their records indicate were never paid. Given current evidence available to the Department about the old Medicaid computer system, there is considerable likelihood that these providers' claims will be largely upheld once investigated.

The Department requests \$1,000,000 in order to accomplish reconciliation of each provider's account with the Department. In our view this is a critical step toward re-establishing credibility with the entire provider community.

In order to complete such a reconciliation with each provider in a timely manner, the Department requests as part of this supplemental \$200,000 to secure either the services of a CPA firm, or additional departmental accounting staff on a time limited basis to analyze each account. We have devised a plan whereby all computer records relating to Medicaid payments may be consolidated for the purpose of scanning the computer files for each invoice a provider claims is unpaid. Personnel will be required to analyze the reports from these's computer searches, and to arrive at a negotiated settlement with each provider for any claims not found on the consolidated computer files. Again, the Department simply is not staffed to handle such a reconciliation provider-by-provider in a credible, timely manner.

RECEIVED

MAR 7 1980

Budget and Management

Ron Lehr

-2-

Dick Smith ⁵ has suggested the following conditions in relation to the supplemental request:

1. The entire supplemental appropriation be restricted until conditions 2 & 3 are met.
2. The new Medicaid bill paying system is working.
3. The departmental prior year bill paying reconciliation process receives approval from the State Internal Auditor and the Division of Budget and Management.

The Department of Health and Social Services agrees to these conditions.

MEMORANDUM

State of Alaska

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

DATE:

2/15/80

06-18
RECEIVED


FILE NO:

FEB 15 1980

TELEPHONE NO:

Budget and Management

FROM:


Helen D. Beirne, Commissioner
Department of Health and Social Services

SUBJECT:

Prior Years Supplemental
Medicaid and General Relief
Medical Programs

The Department of Health and Social Services, Division of Public Assistance requests a Supplemental appropriation for Medicaid, General Relief Medical, and Handicapped Children prior years invoices in the amount of \$1,000,000 state general funds.

This estimate of \$1,000,000 is for bills from FY 74 through FY 79 and is based on actual billings on hand, verbal communication from vendors claiming unpaid bills, and an estimate of other prior year bills.

The specific amount of expenditures for each program will be known only after all bills have been processed through the computer bill paying system. Federal funds will be claimed for all eligible Medicaid expenditures, however the exact amount is unknown at this time.

All funds will be used to pay vendors for services and any unexpended balance in the appropriation will lapse.

The department also requests a supplemental appropriation of \$200,000 of which approximately 40% will be reimbursed by the federal government, for the purpose of contracting with an audit team from a CPA firm to research and reconcile these old accounts with the entire provider community and to bring the Medicaid Program current to June 30, 1979. The need for a CPA firm is critical for the following reasons:

1. Under the current contract with Computer Science Corporation all backlogged medical claims must be paid by February 15, 1980. Although at that time the State will be caught up with claims processing, it is expected that the majority of the 700 medical providers in the State will still be holding claims that their records show were never paid.
2. The Division of Public Assistance is down to 3 positions in its Medical Claims Unit from a previous level of 11. The remaining 8 positions were "frozen" to offset the costs of the CSC contract. There is no possible way for these 3 staff to handle both incoming current claims and the reconciliation of up to 700 providers medicaid accounts in a timely manner.

Memo Ron Lehr

-2-

3. The medical providers have been extremely patient during the Department's struggle to bring Medicaid Claims processing under control. It is not in anyone's best interests to permit this reconciliation process to be delayed any longer than necessary. Introduction of a CPA firm would be viewed as a timely, fair manner in which to resolve this long standing problem.

STATE
of ALASKA

MEMORANDUM

TO: Marsha Hubberd, Director
Division Management & Budget

DATE: February 13, 1980

Through: *R Betit*
Rod Betit, Director
Division of Public Assistance

FILE NO:

TELEPHONE NO:

FROM: Christine Dooley, Supervisor
Medical Payments Unit *cd*

SUBJECT:

Pursuant to our conversation of 2/11/80, I have attached a list of claims for Alaska Hospital and Medical Center, Inc., for past fiscal years. A request for a supplemental appropriation is necessary in order to make funds available to pay these obligations.

This is only a partial list and is complete for only 1 provider. Please bear in mind that we have over 700 providers and the majority of them have old unpaid medicaid claims. As these are researched this list will need to include these other providers.

It appears that approximately a million dollars will be needed to satisfy the "O/S - over 2 years old" type claims. I need these funds both in GRM and Medicaid.

The Department wants included in this Supplemental a request for an additional \$200,000 for the purpose of contracting with an audit team from a CPA firm to research and reconcile these old accounts with the entire provider community and to bring the medicaid Program current to June 30, 1979. The need for a CPA firm is critical for the following reasons:

1. Under the current contract with Computer Science Corporation all backlogged medical claims must be paid by February 15, 1980. Although at that time the State will be caught up with claims processing, it is expected that the majority of the 700 medical providers in the State will still be holding claims that their records show were never paid.
2. The Division of Public Assistance is down to (3) positions in its Medical Claims Unit from a previous level of (11). The remaining (8) positions were "frozen" to offset the costs of the CSC contract. There is no possible way for these (3) staff to handle both incoming current claims and the reconciliation of up to 700 providers medicaid accounts in a timely manner.
3. The medical providers have been extremely patient during the Department's struggle to bring Medicaid Claims processing under control. It is not in anyone's best interests to permit this reconciliation process to be delayed any longer than necessary. Introduction of a CPA firm would be viewed as a timely, fair manner in which to resolve this long standing problem.

SUPPLEMENTAL REQUEST
FY 76, FY 77 & FY 78

PROVIDER	INVOICE NUMBER	DOS	FISCAL YEAR	AMOUNT BILLED
ACH889 Alaska Hospital & Medical Center	507920	3/19/75	76	20.00
	519480	10/19/75	77	9,911.50
	519495	10/23/75	77	23.00
	524932	10/31/75	77	48.70
	524934	10/31/75	77	24.00
	553342	8/27/76	77	992.26
	553480	9/15/76	77	30.00
	553487	12/22/76	77	25.00
	553409	8/19/76	77	26.00
	553565	10/05/76	77	106.90
	553568	10/05/76	77	32.50
	554116	4/13/76	76	1,122.60
	554122	4/02/76	76	1,502.87
	554155	5/03/76	76	512.30
	554156	5/03/76	76	517.70
	554193	4/23/76	76	3,139.56
	554309	3/27/76	76	1,221.52
	554315	3/20/76	76	200.20
	554452	4/19/76	76	1,338.63
	554767	9/16/76	77	1,445.51
	554770	9/16/76	77	2,311.46
	554779	9/16/76	77	4,110.80
	554887	11/09/76	77	758.60
	554961	4/08/76	76	813.80
	556256	5/31/77	76	89.25
	557071	2/14/77	77	34.00
	562364	4/18/77	77	64.75
	563009	2/25/77	77	30.00
	575341	2/15/78	78	15.00
	576036	10/14/77	78	2,791.48
	576019	9/22/77	78	956.50
	579383	9/12/77	78	64.50
	583518	10/25/77	78	47.00
			76 TOTAL	10,178.43
			77 TOTAL	19,974.98
			78 TOTAL	<u>3,874.48</u>
			GRAND TOTAL	34,327.89

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE ... BILL NO. ... 921.

By THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

"An Act making a supplemental appropriation to the Department of Health and Social Services, Division of Public Assistance; and providing for an effective date."

Supp appro, Div of Public Assistance

Introduced in the House 4/3....., 19.80

HISTORY IN THE HOUSE

19 80

Apr 3

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

Introduced: 4/8/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 995

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 repayment of loans made under the
7 Commercial Fishing Loan Act."

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

9 * Section 1. AS 16.10.320(a) is amended to read:

10 (a) Except as provided in (b), (c), (d), [AND] (e), and (i) of
11 this section, commercial fishing loans granted under AS 16.10.300 -
12 16.10.370

13 (1) may not exceed \$500,000;

14 (2) may not exceed a term of 15 years;

15 (3) may not bear interest exceeding nine and one-half per-
16 cent;

17 (4) shall be secured by a first priority lien and appropriate
18 security agreement; and

19 (5) may not exceed 75 percent of the appraised value of the
20 collateral used to secure the loan, except that a loan granted under
21 AS 16.10.333 for the purchase of an Alaska limited entry permit may not
22 exceed an amount determined in accordance with (f) of this section.

23 * Sec. 2. AS 16.10.320(c)(3) is amended to read:

24 (3) may not exceed a term of 15 years except as provided in
25 (i) of this section;

26 * Sec. 3. AS 16.10.320(e)(2) is amended to read:

27 (2) may not exceed a term of 15 years except as provided in
28 (i) of this section;

29 * Sec. 4. AS 16.10.320 is amended by adding new subsections to read:

1 (h) An applicant for a loan under AS 16.10.300 - 16.10.370 may
2 elect to repay the loan in accordance with

3 (1) an amortization plan established under AS 16.10.310(a)(4);
4 or

5 (2) an agreement between the applicant and the commissioner
6 providing for repayment based on a percentage of the applicant's gross
7 income.

8 (j) If the applicant elects to enter into an agreement described
9 in (h)(2) of this section,

10 (1) the applicant and the commissioner or his designee shall
11 enter into negotiations to determine the percentage of the applicant's
12 gross income to be applied toward repayment of the loan; if the appli-
13 cant and the commissioner or his designee cannot agree on a percentage
14 within 90 days of the start of negotiations under this paragraph, the
15 applicant shall repay the loan as provided in (h)(1) of this section;

16 (2) the agreement shall provide that, notwithstanding the
17 amount of the applicant's gross income, repayments under the agreement
18 must be at least equal to the amount of interest accrued under the loan;

19 (3) the applicant shall provide the commissioner with informa-
20 tion the commissioner requests relating to the applicant's gross income
21 during previous years;

22 (4) the provisions in AS 16.10.300 - 16.10.370 relating to
23 the maximum terms of loans do not apply to the loan;

24 (5) the agreement shall provide that if the applicant fails
25 for three consecutive years to repay a portion of the principal on the
26 loan, the applicant shall be required to repay the loan in accordance
27 with an amortization plan established under AS 16.10.310(a)(4) with a
28 maximum term of 15 years which may be reduced by the commissioner by the
29 number of years the loan has been outstanding.

1 * Sec. 5. A person who has received a loan under AS 16.10.300 - 16.10.370
2 and whose loan is outstanding on the effective date of this Act may elect to
3 repay the outstanding portion of the loan as provided in AS 16.10.320(h)(2).
4 If a person elects to repay the outstanding portion of his loan as provided
5 in AS 16.10.320(h)(2), he shall notify the commissioner of commerce and
6 economic development of his election in writing. The election is subject to
7 AS 16.10.320(i).

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Introduced: 4/8/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 995

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 repayment of loans made under the
7 Commercial Fishing Loan Act."

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

9 * Section 1. AS 16.10.320(a) is amended to read:

10 (a) Except as provided in (b), (c), (d), [AND] (e), and (i) of
11 this section, commercial fishing loans granted under AS 16.10.300 -
12 16.10.370

13 (1) may not exceed \$500,000;

14 (2) may not exceed a term of 15 years;

15 (3) may not bear interest exceeding nine and one-half per-
16 cent;

17 (4) shall be secured by a first priority lien and appropriate
18 security agreement; and

19 (5) may not exceed 75 percent of the appraised value of the
20 collateral used to secure the loan, except that a loan granted under
21 AS 16.10.333 for the purchase of an Alaska limited entry permit may not
22 exceed an amount determined in accordance with (f) of this section.

23 * Sec. 2. AS 16.10.320(c)(3) is amended to read:

24 (3) may not exceed a term of 15 years except as provided in
25 (i) of this section;

26 * Sec. 3. AS 16.10.320(e)(2) is amended to read:

27 (2) may not exceed a term of 15 years except as provided in
28 (i) of this section;

29 * Sec. 4. AS 16.10.320 is amended by adding new subsections to read:

1 (h) An applicant for a loan under AS 16.10.300 - 16.10.370 may
2 elect to repay the loan in accordance with

3 (1) an amortization plan established under AS 16.10.310(a)(4);
4 or

5 (2) an agreement between the applicant and the commissioner
6 providing for repayment based on a percentage of the applicant's gross
7 income.

8 (i) If the applicant elects to enter into an agreement described
9 in (h)(2) of this section,

10 (1) the applicant and the commissioner or his designee shall
11 enter into negotiations to determine the percentage of the applicant's
12 gross income to be applied toward repayment of the loan; if the appli-
13 cant and the commissioner or his designee cannot agree on a percentage
14 within 90 days of the start of negotiations under this paragraph, the
15 applicant shall repay the loan as provided in (h)(1) of this section;

16 (2) the agreement shall provide that, notwithstanding the
17 amount of the applicant's gross income, repayments under the agreement
18 must be at least equal to the amount of interest accrued under the loan;

19 (3) the applicant shall provide the commissioner with informa-
20 tion the commissioner requests relating to the applicant's gross income
21 during previous years;

22 (4) the provisions in AS 16.10.300 - 16.10.370 relating to
23 the maximum terms of loans do not apply to the loan;

24 (5) the agreement shall provide that if the applicant fails
25 for three consecutive years to repay a portion of the principal on the
26 loan, the applicant shall be required to repay the loan in accordance
27 with an amortization plan established under AS 16.10.310(a)(4) with a
28 maximum term of 15 years which may be reduced by the commissioner by the
29 number of years the loan has been outstanding.

1 * Sec. 5. A person who has received a loan under AS 16.10.300 - 16.10.370
2 and whose loan is outstanding on the effective date of this Act may elect to
3 repay the outstanding portion of the loan as provided in AS 16.10.320(h)(2).
4 If a person elects to repay the outstanding portion of his loan as provided
5 in AS 16.10.320(h)(2), he shall notify the commissioner of commerce and
6 economic development of his election in writing. The election is subject to
7 AS 16.10.320(i).

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 995

Title An Act Relating to Repayment of Loans made under the Commercial Fishing Loan Act

Requested by Resources Committee

Date 4-8-80

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Division of Business Loans

(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	-0-	155.2	107.4	118.1	129.9	142.9
200 TRAVEL	-0-	11.3	5.5	6.1	6.7	7.4
300 CONTRACTUAL	-0-	16.8	11.1	12.2	13.4	14.7
400 COMMODITIES	-0-	10.7	-0-	-0-	-0-	-0-
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	195.0	124.6	137.1	150.8	165.9

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	195.0	124.6	137.1	150.8	165.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	5	3	3	3	3
PART TIME						
TEMPORARY						

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

The following positions would be needed for one year to handle the requests from present borrowers for change in payment schedule, per Sec. 5 of this bill:

1 Loan Examiner II to process the requests and negotiate regarding the percentage of gross income to be used for loan repayment.

1 Documents Processing Clerk III to prepare the modification agreements, get the borrowers signatures and record the changes on the loan ledgers.

The following positions would be needed on a permanent basis to handle the changes that would result in the program:

2 Accounting Tech II's to get the annual evidence of gross income from the borrowers, figure payments and notify borrowers.

1 Loan Examiner III to follow up on delinquencies when payments are not made, to rework amortization schedules per (i)(5) of the bill, and to carry out foreclosures.

See attached detail sheet.

IV. DATE April 14, 1980

PREPARED BY Sharon R. Traylor, Director

AGENCY Div. of Business Loans, Dept. of Commerce & Eco.De

PHONE 465-2510

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

CATEGORY: DEVELOPMENT

AGENCY: COMMERCE AND ECONOMIC DEVELOPMENT

PROGRAM: ECONOMIC DEVELOPMENT

BRU (S): BUSINESS LOANS

The Business Loans BRU provides Alaskan businesses and residents with long term, low interest financing which is usually not available from private lending institutions. Specific loan programs include:

Small Business Loans These loans are generally too risky or too small to interest private lending institutions.

Commercial Fishing Loans provide commercial fishermen with capital for purchase or upgrade of vessels needed to remain competitive. Due to high risk and unpredictable fish seasons, local banks have been reluctant to make these loans.

Tourism Loans provide capital for the expansion of tourist facilities.

Fisheries Enhancement Loans provide long-term, low interest loans for hatchery planning and construction, in support of private ownership of hatcheries by qualified nonprofit corporations.

Child Care Facilities Loans provide financing for the development of licensed child care facilities which helps stabilize that portion of the work force dependent on these services.

Water Resources Loans provide funds for hydroelectric and water supply projects. With the exception of certain previously conceived projects, this program has been replaced by the Power Project Loan Fund.

Historical Districts The intent of these loans is to foster an awareness of the need to preserve our historical past.

Residential Care Facilities provides residential care facilities with financing needed for renovation or equipment needed to comply with licensing standards. Loans are often not available from private lending institutions.

Alternative Technology and Power Resource Loans This loan fund assists in the development of energy production utilizing sources other than fossil fuel.

The Division has decentralized it's operations with the opening of offices in Anchorage and Fairbanks. As a result, the number of applicants has doubled. This outreach effort will continue in FY 81.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
LOAN FUND ADM	882.6	916.8	836.6	860.4			916.5
** TOTAL	882.6	916.8	836.6	860.4			916.5
** CHANGE VERSUS 80 AUTH							6.5%
OBJECT DESCRIPTION							
PERS. SERV.	646.9	675.2	652.9	675.7			712.8
TRAVEL	121.0	121.0	42.5	90.8			70.9
CONTRACTUAL	71.0	76.9	90.7	60.4			90.7
COMMODITIES	7.0	7.0	6.9	6.0			7.5
EQUIPMENT	13.3	13.3	10.2				
LANDS/BLDGS	23.4	23.4	33.4	27.5			34.6
FUNDING SOURCE							
GENERAL FUND	882.6	916.8	836.6	860.4			916.5
** GENERAL FUND CHANGE VS. 80 AUTH							6.5%
POSITIONS							
FULL-TIME	23.0	23.0	23.0	23.0			23.0
STAFF MONTHS	276.0	276.0	276.0	276.0			276.0

Fiscal Note Detail

HB 995

		<u>1st 12 Months</u>		<u>2nd 12 Months</u>
100.	I Loan Examiner II @2,289/mo.	\$ 27.5		
	1 Documents Processing Clerk III @1,1440/mo.	17.3		
	2 Accounting Tech II's @1,850/ mo. each	44.4		\$ 44.4
	1 Loan Examiner III @2,652/mo.	31.8		<u>31.8</u>
		<u>\$121.0</u>		<u>\$ 76.2</u>
	Standard Benefits (Wages X .1529)	18.5		11.7
	Supplemental Benefits (Wages X .0665)	8.1		5.1
	Health Insurance Costs (Man months X \$127)	<u>7.6</u>		<u>4.6</u>
	Total Personal Services	\$155.2		\$ 97.6
			10% Inflation	<u>9.8</u>
				\$107.4
200.	Travel to get modifications signed and to negotiate with borrowers re percentage of gross income.			
	20 trips @430	\$8.6		
	40 days per diem @7	<u>2.7</u>	11.3	5.0
				+10% .5
300.	Telephone, postage, printing \$16.0			
	Office machine maintenance <u>.8</u>	16.8		10.1
				+10% 1.0
400.	Office supplies	<u>1.0</u>		<u>.6</u>
	12 Months Operation Costs	\$184.3		\$124.6
500.	Equipment:			
	5 Desks @340	\$1.7		
	4 Credenzas @390	1.6		
	1 Typists extension	.4		
	2 Executive chairs @180	.4		
	3 Secretarial chairs @140	.4		
	6 Side chairs @125	.8		
	6 File cabinets @250	1.5		
	5 Calculators @230	1.2		
	3 Typewriters @865	2.6		
	1 Coat rack, 5 wastebaskets <u>.1</u>	<u>10.7</u>		
		\$195.0		

10% Inflation for succeeding years.

4035

(11)

COMMITTEE REPORT

HOUSE

4/8/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 995

"An Act relating to repayment of loans made under the Commercial Fishing Loan Act."

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 _____ same title
- new title
- and recommends _____
- 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:**

CHAIRMAN

8395

Vassar

Introduced: 4/8/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 995

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 repayment of loans made under the
7 Commercial Fishing Loan Act."

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

9 * Section 1. AS 16.10.320(a) is amended to read:

10 (a) Except as provided in (b), (c), (d), [AND] (e), and (i) of
11 this section, commercial fishing loans granted under AS 16.10.300 -
12 16.10.370

13 (1) may not exceed \$500,000;

14 (2) may not exceed a term of 15 years;

15 (3) may not bear interest exceeding nine and one-half per-
16 cent;

17 (4) shall be secured by a first priority lien and appropriate
18 security agreement; and

19 (5) may not exceed 75 percent of the appraised value of the
20 collateral used to secure the loan, except that a loan granted under
21 AS 16.10.333 for the purchase of an Alaska limited entry permit may not
22 exceed an amount determined in accordance with (f) of this section.

23 * Sec. 2. AS 16.10.320(c)(3) is amended to read:

24 (3) may not exceed a term of 15 years except as provided in
25 (i) of this section;

26 * Sec. 3. AS 16.10.320(e)(2) is amended to read:

27 (2) may not exceed a term of 15 years except as provided in
28 (i) of this section;

29 * Sec. 4. AS 16.10.320 is amended by adding new subsections to read:

1 (h) An applicant for a loan under AS 16.10.300 - 16.10.370 may
2 elect to repay the loan in accordance with

3 (1) an amortization plan established under AS 16.10.310(a)(4);
4 or

5 (2) an agreement between the applicant and the commissioner
6 providing for repayment based on a percentage of the applicant's gross
7 income.

8 (i) If the applicant elects to enter into an agreement described
9 in (h)(2) of this section,

10 (1) the applicant and the commissioner or his designee shall
11 enter into negotiations to determine the percentage of the applicant's
12 gross income to be applied toward repayment of the loan; if the appli-
13 cant and the commissioner or his designee cannot agree on a percentage
14 within 90 days of the start of negotiations under this paragraph, the
15 applicant shall repay the loan as provided in (h)(1) of this section;

16 (2) the agreement shall provide that, notwithstanding the
17 amount of the applicant's gross income, repayments under the agreement
18 must be at least equal to the amount of interest accrued under the loan;

19 (3) the applicant shall provide the commissioner with informa-
20 tion the commissioner requests relating to the applicant's gross income
21 during previous years;

22 (4) the provisions in AS 16.10.300 - 16.10.370 relating to
23 the maximum terms of loans do not apply to the loan;

24 (5) the agreement shall provide that if the applicant fails
25 for three consecutive years to repay a portion of the principal on the
26 loan, the applicant shall be required to repay the loan in accordance
27 with an amortization plan established under AS 16.10.310(a)(4) with a
28 maximum term of 15 years which may be reduced by the commissioner by the
29 number of years the loan has been outstanding.

1 * Sec. 5. A person who has received a loan under AS 16.10.300 - 16.10.370
2 and whose loan is outstanding on the effective date of this Act may elect to
3 repay the outstanding portion of the loan as provided in AS 16.10.320(h)(2).
4 If a person elects to repay the outstanding portion of his loan as provided
5 in AS 16.10.320(h)(2), he shall notify the commissioner of commerce and
6 economic development of his election in writing. The election is subject to
7 AS 16.10.320(i).

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSEBILL..... NO.995

By ...THE RESOURCES COMMITTEE

"An Act relating to repayment of loans made under the Commercial Fishing Loan Act."

Repayment of loans, Commercial Fishing Loan Act

Introduced in the House ..4/8....., 19...80

HISTORY IN THE HOUSE

19	80	Read first time and referred to Committee on Finance																												
Apr	8	Reported back with recommendation that																												
		Read second time and																												
		Read third time and																												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2" style="text-align: center;">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by Speaker</td> </tr> <tr> <td colspan="2">Sent to Senate</td> </tr> </table>	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	
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																												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2" style="text-align: center;">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by President</td> </tr> <tr> <td colspan="2">Returned to House</td> </tr> </table>	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	
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.