

LEG. FINANCE - BILLS 1979 - 1980 1209

HB 1002 thru HB 1011 1209



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

4/10/80

FURTHER:

Date:

4/25/80

Mr. Speaker:

The Committee on FINANCE has had HB 1002

"An Act making a special appropriation to the fisheries business tax donation fund in the Department of Revenue; 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 1002 same title
 new title
- and recommends individual rec.
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Freeman

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature] Rec

[Signature] No Rec

[Signature]

[Signature]

[Signature]

[Signature]

Freeman
Vice CHAIRMAN

8422
Piquera

Original sponsor: Rules Committee
by request

Funding Information

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

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 1002

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 fisheries
7 business tax donation fund in the Department of Revenue
8 and providing for an effective date."

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

10 * Section 1. The sum of \$3,000,000 is appropriated from the general fund
11 to the fisheries business tax donation fund in the Department of Revenue.

12 * Sec. 2. The unexpended and unobligated portion of the appropriation
13 made by this Act lapses into the general fund June 30, 1981.

14 * Sec. 3. This Act takes effect on the effective date of a version of an
15 Act entitled "An Act allowing credits against fisheries business taxes; and
16 providing for an effective date."

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8422
Request

Original sponsor: Rules Committee
by request

Funding Information

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

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BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 1002

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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5 A BILL

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15 Act entitled "An Act allowing credits against fisheries business taxes; and
16 providing for an effective date."

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Funding Information
General Fund \$3,500,000
Other Funds -0-
\$3,500,000

Introduced: 4/10/80
Referred: Finance

Finance

1 IN THE HOUSE

BY THE ~~RULES COMMITTEE~~ BY REQUEST

2

HOUSE BILL NO. 1002

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 fisheries
7 business tax donation fund in the Department of
8 Revenue; and providing for an effective date."

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

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11 to the fisheries business tax donation fund in the Department of Revenue.

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Funding Information
General Fund \$3,500,000
Other Funds -0-
\$3,500,000

Introduced: 4/10/80
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST

2

HOUSE BILL NO. 1002

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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ELEVENTH LEGISLATURE - SECOND SESSION

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ALASKA SEAFOOD FOUNDATION

1980 IMPLEMENTATION PLAN

ORGANIZATIONAL ACTIVITIES

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

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

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

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

LONG-TERM PROMOTIONAL OBJECTIVES

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

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

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

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

1980 PROMOTIONAL OBJECTIVES

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

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

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

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

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

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

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

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

1980 QUALITY ASSURANCE PROGRAM

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

FUNDING REQUIREMENTS FOR 1980

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

ALASKA SEAFOOD FOUNDATION

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

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

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

ALASKA SEAFOOD FOUNDATION
1980 Promotional Program

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
Organization of ASF	▽ Select initial board	▽ Appoint promotional and technical committee	▽ Select advertising and public relations firm	▽ Hire executive staff			▽ General membership meeting						◆ 1980 tax credit revenues	
Market Research		Salmon	Other Finfish	King Crab	Other Shellfish								salmon shellfish other finfish	
Product Development (Long-Term)													salmon shellfish other finfish	
Program Design				Salmon	Other Finfish		King Crab	Other Shellfish					salmon shellfish other finfish	
Program Implementation					National Salmon Week	National Fish & Seafood Month		Salmon				Lent Shellfish	Other Finfish	salmon shellfish other finfish
Alaska Seafood Production			Salmon	Other Finfish		King Crab						Panner Crab	other finfish	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	



RECORDS



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James O. Smith
Signature of Camera Operator

3/20/90
Date

COMMITTEE REPORT
SENATE

FURTHER: None

5/26/80

Date: _____

Mr. President:

The Committee on FINANCE has had CSHB 1002
making a special appropriation to the fisheries business tax donation fund
in the Dept. of Revenue

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:

Sen. Jackson No Rec

CHAIRMAN

Original sponsor: Rules Committee
by request

Offered: 4/28/80
Referred: Rules

Funding Information

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

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 1002

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

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ALASKA SEAFOOD FOUNDATION

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ALASKA SEAFOOD FOUNDATION

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

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

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

ALASKA SEAFOOD FOUNDATION

1980 Promotional Program

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
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Market Research		Salmon		King Crab	Other Shellfish								salmon shellfish other finfish	
Product Development (LONG-TERM)													salmon shellfish other finfish	
Program Design				Salmon	Other Finfish		King Crab	Other Shellfish					salmon shellfish other finfish	
Program Implementation					National Salmon Week		National Fish & Seafood Month		Salmon			Lent Shellfish	Other Finfish	salmon shellfish other finfish
At. Seafood Production			Salmon		Other Finfish	King Crab						Tanner Crab		other finfish
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	

Original sponsor: Rules Committee
by request

Funding Information

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

1 IN THE HOUSE BY THE RULES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 1002

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 fisheries
7 business tax grant fund in the Department of Revenue;
8 and providing for an effective date."

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

10 * Section 1. The sum of \$3,000,000 is appropriated from the general fund
11 to the fisheries business tax grant fund in the Department of Revenue.

12 * Sec. 2. The unexpended and unobligated portion of the appropriation
13 made by this Act lapses into the general fund June 30, 1981.

14 * Sec. 3. This Act takes effect on the effective date of a version of an
15 Act entitled "An Act creating the fisheries business tax grant fund; pro-
16 viding for grants to certain nonprofit corporations; and providing for an
17 effective date."

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Funding Information
General Fund \$3,500,000
Other Funds -0-
\$3,500,000

Introduced: 4/10/80
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST

2

HOUSE BILL NO. 1002

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 fisheries

7

business tax donation fund in the Department of

8

Revenue; and providing for an effective date."

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Act entitled "An Act allowing credits against fisheries business taxes; and

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James O Smith
Signature of Camera Operator

3/20/90
Date

Introduced: 4/15/80
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 HOUSE BILL NO. 1006

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the portfolio of Alaska citizen
7 enterprises; and providing for an effective date."

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

9 * Section 1. DECLARATION OF POLICY, PURPOSES AND FINDINGS. (a) It is
10 the policy of the state to provide for the utilization, development and
11 conservation of the state's natural resources and the income derived from
12 them for the maximum benefit of its people.

13 (b) The purposes of this Act are to

14 (1) transfer part of the wealth derived from the natural resources
15 of the state to its residents;

16 (2) provide a means for the direct participation of state resi-
17 dents in the financing of business enterprises which benefit the state, and
18 to provide residents with the opportunity to share in potential profits;

19 (3) reduce ownership and control of industries in the state by
20 nonresidents;

21 (4) encourage greater participation in and understanding of the
22 capitalist system by residents through a wider distribution of economic
23 interests in state business enterprises;

24 (5) encourage increased awareness and involvement by state resi-
25 dents in the management of state natural resource production and development;

26 (6) encourage increased awareness and involvement by state resi-
27 dents in state participation in business enterprises; and

28 (7) encourage increased awareness and involvement by state resi-
29 dents in the development of local industry.

1 (c) The legislature finds that

2 (1) it is in the public interest and furthers a public purpose to
3 distribute a part of Alaska's wealth derived from natural resources to state
4 residents to increase their involvement and awareness regarding the management
5 of the state's natural resources, the development of its local industry, and
6 the capitalist system;

7 (2) a mechanism allowing the state to distribute a part of its
8 resource wealth to residents will best promote the state's interest in creat-
9 ing direct involvement by residents in the decisions concerning the state's
10 natural resource management; and

11 (3) a mechanism allowing the state to distribute a part of its
12 ownership interests in business enterprises to residents will best promote
13 the state's interest in creating direct involvement by residents in the
14 decisions concerning state investments and development of local industry.

15 (d) Except as otherwise required by law, it is intended that distribu-
16 tions to residents under this Act shall be unencumbered property.

17 * Sec. 2. AS 43 is amended by adding a new chapter to read:

18 CHAPTER 17. PORTFOLIO OF ALASKA CITIZEN ENTERPRISES.

19 ARTICLE 1. PORTFOLIO OF ALASKA CITIZEN ENTERPRISES PROGRAM.

20 Sec. 43.17.010. ESTABLISHMENT OF PROGRAM. The portfolio of Alaska
21 citizen enterprises is established in the Department of Revenue to
22 provide for distribution of state assets to state residents.

23 Sec. 43.17.020. PORTFOLIO PLANS. The department shall develop
24 portfolio plans for distribution of state assets. A portfolio plan must
25 provide for

26 (1) contribution or transfer of assets owned by the state or
27 to be acquired by the state;

28 (2) distribution of interests in the assets to eligible
29 residents by issuing certificates representing units of

- 1 (A) a state energy resource trust;
- 2 (B) a state industrial development project;
- 3 (C) a state general stock ownership corporation;
- 4 (D) a state investment fund;
- 5 (E) a state real estate trust;
- 6 (F) business enterprises.

7 Sec. 43.17.030. PORTFOLIO PLANS SUBMITTED TO LEGISLATURE. (a)
8 Beginning with the First Session of the Twelfth Legislature and ending
9 with the First Session of the Thirteenth Legislature, the commissioner
10 shall submit to the legislature, on or before the 30th day of each
11 legislative session, one or more portfolio plans.

12 (b) A portfolio plan submitted to the legislature under this
13 section must

- 14 (1) specify the assets to be distributed;
- 15 (2) specify the manner in which the assets not then owned by
16 the state will be acquired by the state;
- 17 (3) specify the date on which a person must be a state resi-
18 dent to be eligible to participate in the distribution of units under
19 AS 43.17.060 - 43.17.090;
- 20 (4) specify the manner in which a person must apply to pur-
21 chase or receive a unit;
- 22 (5) specify the types of assets involved, an appraisal of
23 their value, the number of units to be distributed, and the manner in
24 which they are to be distributed;
- 25 (6) specify the terms of payment for units to be sold and the
26 number of units to be distributed free;
- 27 (7) specify restrictions on the transfer or encumbrance of a
28 unit distributed by the state;
- 29 (8) propose needed legislation;

1 (9) include proposed articles of incorporation and bylaws of
2 a corporation or the proposed trust indenture of a trust needed to
3 implement the plan;

4 (10) if a corporation or trust is needed to implement the
5 plan, include a method of selection or the names of the incorporators
6 and initial directors of a corporation and trustees of a trust;

7 (11) provide a financial assessment of the plan including

8 (A) administrative costs;

9 (B) initial costs;

10 (C) a projection of future costs;

11 (D) contingent costs or liabilities;

12 (E) a projection of future earnings;

13 (F) value of units;

14 (G) probable financial and tax consequences for pur-
15 chasers and recipients of units;

16 (12) assess applicable state or federal laws or regulations;

17 and

18 (13) provide other information considered necessary by the
19 commissioner.

20 Sec. 43.17.040. LEGISLATIVE APPROVAL. (a) A portfolio plan may
21 not be implemented until it has been approved by the legislature by law.

22 ARTICLE 2. DISTRIBUTION OF UNITS.

23 Sec. 43.17.050. ELIGIBILITY. (a) To be eligible to purchase a
24 unit under AS 43.17.080 - 43.17.090 or to receive a unit distributed
25 under AS 43.17.070, a person must

26 (1) be a resident of the state on the eligibility date estab-
27 lished in the portfolio plan under which the unit is distributed;

28 (2) file an application; and

29 (3) submit with the application a signed, sworn certification

1 that the person was a resident on the eligibility date and other proof
2 of residency as the commissioner may require.

3 (b) Other proof of residency under (a)(3) of this section may
4 include

5 (1) evidence that the person was registered to vote in Alaska
6 on the eligibility date, and actually voted in the last statewide general
7 election before that date;

8 (2) a copy of the person's Alaska resident income tax return
9 for the tax year which includes the eligibility date, or for the previous
10 tax year;

11 (3) an Alaska driver's license, or a resident hunting, fish-
12 ing, or trapping license, issued before the eligibility date, and valid
13 on that date;

14 (4) evidence that the person had telephone or utility service
15 at a private residence in the state on the eligibility date listed in
16 his name or in the name of a spouse, or in the name of a parent or
17 guardian if the person is a minor;

18 (5) an affidavit of one or more individuals having personal
19 knowledge concerning the person's residency on the eligibility date; and

20 (6) other documentary evidence of residency acceptable to the
21 commissioner.

22 (c) A person is presumed to be a resident on the eligibility date
23 if he provides at least two items specified in (b) of this section.

24 (d) The department shall prescribe and furnish a form for ap-
25 plications and for certification of residency.

26 Sec. 43.17.060. NUMBER AND PURCHASE PRICE OF UNITS ISSUED. (a)
27 For each portfolio plan the commissioner shall establish a purchase
28 price for each unit to be sold under AS 43.17.080 - 43.17.090. The
29 price for each unit may not exceed \$50.

1 (b) The commissioner shall determine the number of units to be
2 distributed and sold by dividing the value of the assets contributed
3 under the portfolio plan by the purchase price of a unit established
4 under (a) of this section.

5 (c) The value of assets contributed to a state industrial develop-
6 ment project, a state general stock ownership corporation, a state
7 investment fund, a state real estate trust, or a business enterprise, is
8 equal to the cost to the state of the assets contributed to the portfolio
9 plan, plus an amount that compensates the state for the administrative
10 costs of acquiring, holding, and distributing those assets.

11 (d) The value of assets contributed to a state energy resource
12 trust is the conservatively appraised value of the assets contributed to
13 the trust. A conservatively appraised value for assets in a state
14 energy resource trust is a value determined by generally accepted apprai-
15 sal methods and shall be calculated using

16 (1) estimates of resource production volumes having an accu-
17 racy confidence level of 75 percent or greater;

18 (2) an assumed rate of increase in future world prices for
19 resource commodities not exceeding the general rate of price inflation
20 in the United States; and

21 (3) a discount rate reflecting the judgment of private in-
22 vestors as to the expected rate of return before payment of taxes re-
23 quired to justify incremental investments in the exploration and develop-
24 ment of resources comparable to those committed under a portfolio plan.

25 (e) Before a sale of units, the commissioner shall publish notice
26 of the purchase price.

27 Sec. 43.17.070. FREE DISTRIBUTION. A part of the total number of
28 units to be distributed under a portfolio plan shall be granted in equal
29 parts without consideration to all eligible persons who apply to receive

1 them. The part of the units to be distributed under this section shall
2 be at least five percent, but not more than 15 percent, of the total
3 number of units to be distributed unless otherwise required by law.

4 Sec. 43.17.080. FIRST RESTRICTED SALE. (a) The commissioner
5 shall offer for sale in a first restricted sale all units authorized to
6 be distributed under a portfolio plan, other than those distributed
7 under AS 43.17.070.

8 (b) In a first restricted sale, a person may subscribe for any
9 number of units by submitting an application and certificate of resi-
10 dency under AS 43.17.050 and a deposit equal to 10 percent of the pur-
11 chase price of the subscribed units. The deposit must be in the form of
12 cash, check, or money order.

13 (c) The person shall indicate on his application whether he wishes
14 to pay for the units at one time or under an extended purchase plan.

15 (d) If the sale is oversubscribed, each person subscribing under
16 this section may complete the purchase of the lesser of

17 (1) the number of units he subscribed for; or

18 (2) the number of units which allows for an equal distribu-
19 tion of all the units authorized for sale among all the subscribers.

20 (e) The commissioner shall notify each subscriber who elects to
21 pay for units at one time of the total number of units he is entitled to
22 purchase and of the balance due, after crediting his deposit, to complete
23 the purchase. On receipt of cash, check, or money order equal to the
24 balance due, the commissioner shall issue to the subscriber a certificate
25 for each unit purchased. If the subscriber fails to complete the pur-
26 chase as provided in this subsection within 60 days of notification, the
27 commissioner shall issue to him the number of whole units paid for by
28 the deposit, and refund any balance remaining from the deposit.

29 (f) The commissioner shall notify each subscriber who elects to

1 pay for units under an extended payment plan of the total number of
2 units that he is entitled to purchase in the first restricted sale, and
3 issue to him

4 (1) certificates of one-tenth of the units;

5 (2) refund of the difference, if any, between the deposit
6 and the purchase price for the number of units represented by certifi-
7 cates issued; and

8 (3) purchase warrants under AS 43.17.110 for nine-tenths of
9 the units.

10 Sec. 43.17.090. SECOND RESTRICTED SALE. (a) If the first re-
11 stricted sale under a portfolio plan is undersubscribed and if the plan
12 authorizes a second restricted sale, the commissioner shall conduct a
13 second restricted sale.

14 (b) A person may submit one or more sealed bids, each of which
15 must specify the number of units that he wishes to purchase and a bid
16 price for each unit. The bid price must be equal to or exceed a minimum
17 bid price specified by the commissioner, which may be less than, equal
18 to, or more than the purchase price at the first restricted sale.

19 (c) A sealed bid must be accompanied by an application and certifi-
20 cate of residency under AS 43.17.050 and by a deposit equal to 10 percent
21 of the total bid price. The deposit must be in the form of cash, check,
22 or money order.

23 (d) The commissioner shall tally the bids in descending order of
24 bid price, until the total number of units bid for equals the number of
25 units to be sold. If the number of units to be sold exceeds the number
26 of units bid for, the commissioner shall tally all bids at or above the
27 minimum bid price. The commissioner shall accept each bid that has been
28 tallied.

29 (e) Units sold in a second unrestricted sale may not be paid for

1 under an extended payment plan. The commissioner shall notify a success-
2 ful bidder of the total number of units he is entitled to purchase and
3 of the balance due, after crediting his deposit, to complete the pur-
4 chase. On receipt of cash, check or money order the commissioner shall
5 issue to the bidder certificates representing the units purchased. If
6 the bidder fails to complete the purchase within 60 days, the commis-
7 sioner shall issue to him certificates representing the number of whole
8 units paid for by the deposit, and refund any balance remaining from the
9 deposit.

10 Sec. 43.17.100. UNRESTRICTED SALE. Except as expressly prohibited
11 by this chapter or under the terms of a portfolio plan, the commissioner
12 may hold as investments or may sell for maximum revenue any units autho-
13 rized to be distributed under a portfolio plan which remain undistributed
14 after completion of the free distribution, the first restricted sale,
15 and the second restricted sale, and which are not reserved under issued
16 purchase warrants.

17 Sec. 43.17.110. PURCHASE WARRANTS. (a) Purchase warrants issued
18 under AS 43.17.080(f) entitle a subscriber to purchase under an extended
19 payment plan nine-tenths of the number of units which the subscriber was
20 entitled to purchase in a first restricted sale on the following
21 schedule:

22 (1) one-tenth not later than one year after the purchase
23 warrant was issued;

24 (2) one-tenth not later than two years after the purchase
25 warrant was issued;

26 (3) one-tenth not later than three years after the purchase
27 warrant was issued;

28 (4) one-tenth not later than four years after the purchase
29 warrant was issued;

1 (5) one-tenth not later than five years after the purchase
2 warrant was issued;

3 (6) one-tenth not later than six years after the purchase
4 warrant was issued;

5 (7) one-tenth not later than seven years after the purchase
6 warrant was issued;

7 (8) one-tenth not later than eight years after the purchase
8 warrant was issued;

9 (9) one-tenth not later than nine years after the purchase
10 warrant was issued.

11 (b) The total price for a unit purchased under this section shall
12 be the purchase price of the unit at the time of the first restricted
13 sale under AS 43.17.080 increased by an amount equal to the weighted
14 average rate of interest to be paid by the state on bonds issued during
15 the prior fiscal year compounded from the date the purchase warrant was
16 issued to the date of payment for the units. The purchase price shall
17 be decreased by the amount of dividends, interest, royalties, or profits
18 received by the state from holding the units between the date the pur-
19 chase warrant was issued and the date of payment for the units, but the
20 price may not be reduced below 50 percent of the purchase price for the
21 units at the time of the first restricted sale.

22 (c) Payment for units purchased by exercising a purchase warrant
23 may be made by cash, check or money order.

24 (d) A purchase warrant may not be transferred, and may not be
25 exerc. ed except by a person who is a resident at the time the purchase
26 warrant is exercised. A purchase warrant is void if transferred.

27 Sec. 43.17.120. DISPOSITION OF PROCEEDS. The commissioner shall
28 deposit net proceeds from the sale of units under this chapter into the
29 Alaska permanent fund established in art. IX, sec. 15 of the state

1 constitution and AS 37.13.010.

2 ARTICLE 3. GENERAL PROVISIONS.

3 Sec. 43.17.130. DISPOSITION OF UNITS. (a) Except as provided in
4 (b) of this section, a person has an unrestricted right to sell, trans-
5 fer, devise, pledge or dispose of a unit, an interest in a unit, or
6 earnings from a unit.

7 (b) A portfolio plan for a state general stock ownership corpora-
8 tion or for a state energy resource trust may include restrictions on
9 the transfer or disposition of units in the corporation or trust.

10 Sec. 43.17.140. VOTING RIGHTS. (a) The commissioner may exercise
11 the voting rights attached to a unit that the state owns, holds in
12 trust, or reserves for future distribution.

13 (b) The voting rights attached to ownership of a unit distributed
14 under a portfolio plan must be conveyed unrestricted to the person
15 receiving the unit. The commissioner may not reserve a voting right or
16 require as a condition of the distribution that the recipient waive a
17 voting right, grant a proxy, or adhere to a voting trust.

18 Sec. 43.17.150. TAX TREATMENT. (a) The receipt by a person of a
19 unit distributed under AS 43.17.070 - 43.17.090 is not taxable under
20 AS 43.20. Earnings from a unit and from a sale or transfer of a unit
21 are taxable under AS 43.20.

22 Sec. 43.17.160. CREDIT FOR FEDERAL TAXES PAID. If the receipt by
23 a person of a unit distributed under AS 43.17.070 - 43.17.090 is treated
24 as income under the Internal Revenue Code and if, as a result, the
25 person is required to pay additional federal income tax, the amount of
26 additional tax attributable to that income may be applied as a credit
27 against the person's Alaska individual income tax for the tax year in
28 which the additional federal income tax is paid.

29 Sec. 43.17.170. AUTHORITY TO PARTICIPATE IN MARKET. (a) If the

1 commissioner determines that an efficient public market does not exist
2 for the sale of units held by persons, he may buy, sell, and trade in
3 those units for the purpose of establishing that market. The commis-
4 sioner shall publish regularly the bid and ask prices for those units.

5 (b) IF the commissioner trades in units as authorized in (a) of
6 this section, he shall maintain an average markup sufficient, in his
7 judgment, to compensate the state for the administrative costs of his
8 trading activity.

9 (c) In this section, "efficient public market:" means a market in
10 which the units distributed under this chapter have a readily ascer-
11 tained market value and in which they may be bought or sold readily and
12 without unnecessary or unreasonable transaction costs.

13 Sec. 43.17.180. WAIVER OF RESTRICTIONS. AS 37.10.085 does not
14 apply to the acquisition of assets under this chapter.

15 Sec. 43.17.190. REGULATIONS. The department may adopt regulations
16 necessary to administer this chapter.

17 Sec. 43.17.200. PENALTIES. In addition to any criminal penalties
18 imposed, if a person is convicted of perjury or unsworn falsification on
19 the basis of a certification made under AS 43.17.050 and the conviction
20 is not reversed, that person is not eligible for a distribution of units
21 under this chapter.

22 Sec. 43.17.210. DEFINITIONS. In this chapter,

23 (1) "assets" means shares of stock, debentures or other debt
24 obligations, royalties or other interests in minerals, or other inter-
25 ests in business enterprises or natural resources;

26 (2) "business enterprise" means a private corporation engaging
27 in or about to engage in natural resource extraction or processing, or
28 in manufacturing, transportation, communication, trade or services in
29 the state, whose securities the commissioner has purchased under his

1 existing investment authority under AS 37.10, or has proposed to purchase
2 under the terms of a portfolio plan established under this chapter;

3 (3) "certificate" means an instrument evidencing ownership of
4 one or more units and includes stock certificates, debentures or other
5 debt instruments and trust certificates;

6 (4) "commissioner" means the commissioner of revenue;

7 (5) "department" means the Department of Revenue;

8 (6) "eligibility date" means a date established by the commis-
9 sioner for a distribution of units under a portfolio plan established
10 under this chapter;

11 (7) "extended purchase plan" means the purchase of units over
12 a period of time through the exercise of purchase warrants;

13 (8) "oversubscribed" means a sale in which the total number
14 of units subscribed for exceeds the total number of units available for
15 sale;

16 (9) "person" means a natural person;

17 (10) "purchase warrant" means an instrument authorizing the
18 purchase of units under this chapter;

19 (11) "resident" means a person who maintains a permanent place
20 of abode in the state with the intention of making the state his per-
21 manent place of residence and who resides in the state continuously
22 except for temporary purposes only and with the intent of returning; a
23 person may not be considered to have gained a residence solely by reason
24 of his presence and he may not lose it solely by reason of his absence
25 because of marriage to a person engaged in the civil or military service
26 of this state or the United States; a person may not be considered to
27 lose his residence while a student at an educational institution, while
28 in an institution at public expense, while confined in prison, while
29 engaged in the navigation of waters of this state, of the United States,

1 or of the high seas, or while residing upon an Indian or military reser-
2 vation; a minor takes the residence of his parent or of his legal guar-
3 dian; a married woman may establish her own residence and does not
4 presumptively take the residence of her husband;

5 (12) "state energy resource trust" means a trust established
6 under this chapter the assets of which are a right to receive income
7 equal to a specified part of the rentals, royalties, or net profits
8 belonging to the state under specified leases of state land for the
9 extraction of oil, gas, coal, oil shale, or other minerals or a speci-
10 fied part of the revenue from the sale of oil, gas, coal, oil shale, or
11 other minerals taken by the state as in kind royalties under those
12 leases;

13 (13) "state general stock ownership corporation" means a
14 corporation formed in accordance with subchapter U, Chapter 1 of the
15 Internal Revenue Code of 1954, as amended (26 U.S.C. secs. 1391 - 1397);

16 (14) "state industrial development project" means a business
17 enterprise engaged in or about to engage in natural resource extraction
18 or processing, or in manufacturing, transportation, or communications in
19 the state, and to which the state or an agency or subdivision of the
20 state contributes an investment of equity or debt exceeding \$100,000,000;

21 (15) "state investment fund" means a regulated investment
22 company organized in accordance with subchapter M, Chapter 1 of the
23 Internal Revenue Code of 1954 as amended (26 U.S.C. secs. 851 - 855);

24 (16) "state real estate trust" means a real estate investment
25 trust organized in accordance with subchapter M, Chapter 1 of the
26 Internal Revenue Code of 1954 as amended (26 U.S.C. secs. 856 - 858);

27 (17) "undersubscribed" means a sale in which the total number
28 of units available for sale exceed the number of units subscribed;

29 (18) "unit" means an undivided fractional ownership right or

1 interest in a trust, corporation, fund, project or enterprise established
2 under this chapter.

3 * Sec. 3. The enactment of a version of Senate Bill No. 170 or House Bill
4 No. 240 relating to general stock ownership corporations and creating the
5 Alaska General Stock Ownership Corporation constitutes approval of a portfolio
6 plan under AS 43.17.030 enacted by sec. 2 of this Act. After enactment of
7 either, the commissioner of revenue shall implement the portfolio plan in
8 accordance with this Act, subject to necessary appropriation. If the port-
9 folio plan is approved under this section, the commissioner of revenue may,
10 notwithstanding the approval, submit to the legislature by the 30th day of
11 the First Session of the Twelfth Legislature a revised portfolio plan if in
12 his judgment a revised plan is necessary to accomplish the policy, purposes
13 and findings under this Act or to provide complete information concerning the
14 plan. A revised portfolio plan submitted under this section is subject to
15 legislative approval under AS 43.17.030.

16 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

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(11)

COMMITTEE REPORT

HOUSE

4/15/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 1006

"An Act establishing the portfolio of Alaska citizen enterprises; 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

8459
Cook

Introduced: 4/15/80
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 HOUSE BILL NO. 1006

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the portfolio of Alaska citizen
7 enterprises; and providing for an effective date."

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

9 * Section 1. DECLARATION OF POLICY, PURPOSES AND FINDINGS. (a) It is
10 the policy of the state to provide for the utilization, development and
11 conservation of the state's natural resources and the income derived from
12 them for the maximum benefit of its people.

13 (b) The purposes of this Act are to

14 (1) transfer part of the wealth derived from the natural resources
15 of the state to its residents;

16 (2) provide a means for the direct participation of state resi-
17 dents in the financing of business enterprises which benefit the state, and
18 to provide residents with the opportunity to share in potential profits;

19 (3) reduce ownership and control of industries in the state by
20 nonresidents;

21 (4) encourage greater participation in and understanding of the
22 capitalist system by residents through a wider distribution of economic
23 interests in state business enterprises;

24 (5) encourage increased awareness and involvement by state resi-
25 dents in the management of state natural resource production and development;

26 (6) encourage increased awareness and involvement by state resi-
27 dents in state participation in business enterprises; and

28 (7) encourage increased awareness and involvement by state resi-
29 dents in the development of local industry.

COMMITTEE COPY

1 (c) The legislature finds that

2 (1) it is in the public interest and furthers a public purpose to
3 distribute a part of Alaska's wealth derived from natural resources to state
4 residents to increase their involvement and awareness regarding the management
5 of the state's natural resources, the development of its local industry, and
6 the capitalist system;

7 (2) a mechanism allowing the state to distribute a part of its
8 resource wealth to residents will best promote the state's interest in creat-
9 ing direct involvement by residents in the decisions concerning the state's
10 natural resource management; and

11 (3) a mechanism allowing the state to distribute a part of its
12 ownership interests in business enterprises to residents will best promote
13 the state's interest in creating direct involvement by residents in the
14 decisions concerning state investments and development of local industry.

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16 tions to residents under this Act shall be unencumbered property.

17 * Sec. 2. AS 43 is amended by adding a new chapter to read:

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- 3 (C) a state general stock ownership corporation;
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- 5 (E) a state real estate trust;
- 6 (F) business enterprises.

7 Sec. 43.17.030. PORTFOLIO PLANS SUBMITTED TO LEGISLATURE. (a)
8 Beginning with the First Session of the Twelfth Legislature and ending
9 with the First Session of the Thirteenth Legislature, the commissioner
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11 legislative session, one or more portfolio plans.

12 (b) A portfolio plan submitted to the legislature under this
13 section must

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- 15 (2) specify the manner in which the assets not then owned by
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26 number of units to be distributed free;
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2 a corporation or the proposed trust indenture of a trust needed to
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5 plan, include a method of selection or the names of the incorporators
6 and initial directors of a corporation and trustees of a trust;

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8 (A) administrative costs;
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18 (13) provide other information considered necessary by the
19 commissioner.

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21 not be implemented until it has been approved by the legislature by law.

22 ARTICLE 2. DISTRIBUTION OF UNITS.

23 Sec. 43.17.050. ELIGIBILITY. (a) To be eligible to purchase a
24 unit under AS 43.17.080 - 43.17.090 or to receive a unit distributed
25 under AS 43.17.070, a person must

26 (1) be a resident of the state on the eligibility date estab-
27 lished in the portfolio plan under which the unit is distributed;

28 (2) file an application; and

29 (3) submit with the application a signed, sworn certification

1 that the person was a resident on the eligibility date and other proof
2 of residency as the commissioner may require.

3 (b) Other proof of residency under (a)(3) of this section may
4 include

5 (1) evidence that the person was registered to vote in Alaska
6 on the eligibility date, and actually voted in the last statewide general
7 election before that date;

8 (2) a copy of the person's Alaska resident income tax return
9 for the tax year which includes the eligibility date, or for the previous
10 tax year;

11 (3) an Alaska driver's license, or a resident hunting, fish-
12 ing, or trapping license, issued before the eligibility date, and valid
13 on that date;

14 (4) evidence that the person had telephone or utility service
15 at a private residence in the state on the eligibility date listed in
16 his name or in the name of a spouse, or in the name of a parent or
17 guardian if the person is a minor;

18 (5) an affidavit of one or more individuals having personal
19 knowledge concerning the person's residency on the eligibility date; and

20 (6) other documentary evidence of residency acceptable to the
21 commissioner.

22 (c) A person is presumed to be a resident on the eligibility date
23 if he provides at least two items specified in (b) of this section.

24 (d) The department shall prescribe and furnish a form for ap-
25 plications and for certification of residency.

26 Sec. 43.17.060. NUMBER AND PURCHASE PRICE OF UNITS ISSUED. (a)
27 For each portfolio plan the commissioner shall establish a purchase
28 price for each unit to be sold under AS 43.17.080 - 43.17.090. The
29 price for each unit may not exceed \$50.

1 (b) The commissioner shall determine the number of units to be
2 distributed and sold by dividing the value of the assets contributed
3 under the portfolio plan by the purchase price of a unit established
4 under (a) of this section.

5 (c) The value of assets contributed to a state industrial develop-
6 ment project, a state general stock ownership corporation, a state
7 investment fund, a state real estate trust, or a business enterprise, is
8 equal to the cost to the state of the assets contributed to the portfolio
9 plan, plus an amount that compensates the state for the administrative
10 costs of acquiring, holding, and distributing those assets.

11 (d) The value of assets contributed to a state energy resource
12 trust is the conservatively appraised value of the assets contributed to
13 the trust. A conservatively appraised value for assets in a state
14 energy resource trust is a value determined by generally accepted apprai-
15 sal methods and shall be calculated using

16 (1) estimates of resource production volumes having an accu-
17 racy confidence level of 75 percent or greater;

18 (2) an assumed rate of increase in future world prices for
19 resource commodities not exceeding the general rate of price inflation
20 in the United States; and

21 (3) a discount rate reflecting the judgment of private in-
22 vestors as to the expected rate of return before payment of taxes re-
23 quired to justify incremental investments in the exploration and develop-
24 ment of resources comparable to those committed under a portfolio plan.

25 (e) Before a sale of units, the commissioner shall publish notice
26 of the purchase price.

27 Sec. 43.17.070. FREE DISTRIBUTION. A part of the total number of
28 units to be distributed under a portfolio plan shall be granted in equal
29 parts without consideration to all eligible persons who apply to receive

1 them. The part of the units to be distributed under this section shall
2 be at least five percent, but not more than 15 percent, of the total
3 number of units to be distributed unless otherwise required by law.

4 Sec. 43.17.080. FIRST RESTRICTED SALE. (a) The commissioner
5 shall offer for sale in a first restricted sale all units authorized to
6 be distributed under a portfolio plan, other than those distributed
7 under AS 43.17.070.

8 (b) In a first restricted sale, a person may subscribe for any
9 number of units by submitting an application and certificate of resi-
10 dency under AS 43.17.050 and a deposit equal to 10 percent of the pur-
11 chase price of the subscribed units. The deposit must be in the form of
12 cash, check, or money order.

13 (c) The person shall indicate on his application whether he wishes
14 to pay for the units at one time or under an extended purchase plan.

15 (d) If the sale is oversubscribed, each person subscribing under
16 this section may complete the purchase of the lesser of

17 (1) the number of units he subscribed for; or

18 (2) the number of units which allows for an equal distribu-
19 tion of all the units authorized for sale among all the subscribers.

20 (e) The commissioner shall notify each subscriber who elects to
21 pay for units at one time of the total number of units he is entitled to
22 purchase and of the balance due, after crediting his deposit, to complete
23 the purchase. On receipt of cash, check, or money order equal to the
24 balance due, the commissioner shall issue to the subscriber a certificate
25 for each unit purchased. If the subscriber fails to complete the pur-
26 chase as provided in this subsection within 60 days of notification, the
27 commissioner shall issue to him the number of whole units paid for by
28 the deposit, and refund any balance remaining from the deposit.

29 (f) The commissioner shall notify each subscriber who elects to

1 pay for units under an extended payment plan of the total number of
2 units that he is entitled to purchase in the first restricted sale, and
3 issue to him

4 (1) certificates for one-tenth of the units;

5 (2) a refund of the difference, if any, between the deposit
6 and the purchase price for the number of units represented by certifi-
7 cates issued; and

8 (3) purchase warrants under AS 43.17.110 for nine-tenths of
9 the units.

10 Sec. 43.17.090. SECOND RESTRICTED SALE. (a) If the first re-
11 stricted sale under a portfolio plan is undersubscribed and if the plan
12 authorizes a second restricted sale, the commissioner shall conduct a
13 second restricted sale.

14 (b) A person may submit one or more sealed bids, each of which
15 must specify the number of units that he wishes to purchase and a bid
16 price for each unit. The bid price must be equal to or exceed a minimum
17 bid price specified by the commissioner, which may be less than, equal
18 to, or more than the purchase price at the first restricted sale.

19 (c) A sealed bid must be accompanied by an application and certifi-
20 cate of residency under AS 43.17.050 and by a deposit equal to 10 percent
21 of the total bid price. The deposit must be in the form of cash, check,
22 or money order.

23 (d) The commissioner shall tally the bids in descending order of
24 bid price, until the total number of units bid for equals the number of
25 units to be sold. If the number of units to be sold exceeds the number
26 of units bid for, the commissioner shall tally all bids at or above the
27 minimum bid price. The commissioner shall accept each bid that has been
28 tallied.

29 (e) Units sold in a second unrestricted sale may not be paid for

COMMITTEE COPY

1 under an extended payment plan. The commissioner shall notify a success-
2 ful bidder of the total number of units he is entitled to purchase and
3 of the balance due, after crediting his deposit, to complete the pur-
4 chase. On receipt of cash, check or money order the commissioner shall
5 issue to the bidder certificates representing the units purchased. If
6 the bidder fails to complete the purchase within 60 days, the commis-
7 sioner shall issue to him certificates representing the number of whole
8 units paid for by the deposit, and refund any balance remaining from the
9 deposit.

10 Sec. 43.17.100. UNRESTRICTED SALE. Except as expressly prohibited
11 by this chapter or under the terms of a portfolio plan, the commissioner
12 may hold as investments or may sell for maximum revenue any units autho-
13 rized to be distributed under a portfolio plan which remain undistributed
14 after completion of the free distribution, the first restricted sale,
15 and the second restricted sale, and which are not reserved under issued
16 purchase warrants.

17 Sec. 43.17.110. PURCHASE WARRANTS. (a) Purchase warrants issued
18 under AS 43.17.080(f) entitle a subscriber to purchase under an extended
19 payment plan nine-tenths of the number of units which the subscriber was
20 entitled to purchase in a first restricted sale on the following
21 schedule:

22 (1) one-tenth not later than one year after the purchase
23 warrant was issued;

24 (2) one-tenth not later than two years after the purchase
25 warrant was issued;

26 (3) one-tenth not later than three years after the purchase
27 warrant was issued;

28 (4) one-tenth not later than four years after the purchase
29 warrant was issued;

1 (5) one-tenth not later than five years after the purchase
2 warrant was issued;

3 (6) one-tenth not later than six years after the purchase
4 warrant was issued;

5 (7) one-tenth not later than seven years after the purchase
6 warrant was issued;

7 (8) one-tenth not later than eight years after the purchase
8 warrant was issued;

9 (9) one-tenth not later than nine years after the purchase
10 warrant was issued.

11 (b) The total price for a unit purchased under this section shall
12 be the purchase price of the unit at the time of the first restricted
13 sale under AS 43.17.080 increased by an amount equal to the weighted
14 average rate of interest to be paid by the state on bonds issued during
15 the prior fiscal year compounded from the date the purchase warrant was
16 issued to the date of payment for the units. The purchase price shall
17 be decreased by the amount of dividends, interest, royalties, or profits
18 received by the state from holding the units between the date the pur-
19 chase warrant was issued and the date of payment for the units, but the
20 price may not be reduced below 50 percent of the purchase price for the
21 units at the time of the first restricted sale.

22 (c) Payment for units purchased by exercising a purchase warrant
23 may be made by cash, check or money order.

24 (d) A purchase warrant may not be transferred, and may not be
25 exercised except by a person who is a resident at the time the purchase
26 warrant is exercised. A purchase warrant is void if transferred.

27 Sec. 43.17.120. DISPOSITION OF PROCEEDS. The commissioner shall
28 deposit net proceeds from the sale of units under this chapter into the
29 Alaska permanent fund established in art. IX, sec. 15 of the state

1 constitution and AS 37.13.010.

2 ARTICLE 3. GENERAL PROVISIONS.

3 Sec. 43.17.130. DISPOSITION OF UNITS. (a) Except as provided i
4 (b) of this section, a person has an unrestricted right to sell, trans-
5 fer, devise, pledge or dispose of a unit, an interest in a unit, or
6 earnings from a unit.

7 (b) A portfolio plan for a state general stock ownership corpora-
8 tion or for a state energy resource trust may include restrictions on
9 the transfer or disposition of units in the corporation or trust.

10 Sec. 43.17.140. VOTING RIGHTS. (a) The commissioner may exercise
11 the voting rights attached to a unit that the state owns, holds in
12 trust, or reserves for future distribution.

13 (b) The voting rights attached to ownership of a unit distributed
14 under a portfolio plan must be conveyed unrestricted to the person
15 receiving the unit. The commissioner may not reserve a voting right or
16 require as a condition of the distribution that the recipient waive a
17 voting right, grant a proxy, or adhere to a voting trust.

18 Sec. 43.17.150. TAX TREATMENT. (a) The receipt by a person of a
19 unit distributed under AS 43.17.070 - 43.17.090 is not taxable under
20 AS 43.20. Earnings from a unit and from a sale or transfer of a unit
21 are taxable under AS 43.20.

22 Sec. 43.17.160. CREDIT FOR FEDERAL TAXES PAID. If the receipt by
23 a person of a unit distributed under AS 43.17.070 - 43.17.090 is treated
24 as income under the Internal Revenue Code and if, as a result, the
25 person is required to pay additional federal income tax, the amount of
26 additional tax attributable to that income may be applied as a credit
27 against the person's Alaska individual income tax for the tax year in
28 which the additional federal income tax is paid.

29 Sec. 43.17.170. AUTHORITY TO PARTICIPATE IN MARKET. (a) If the

1 commissioner determines that an efficient public market does not exist
2 for the sale of units held by persons, he may buy, sell, and trade in
3 those units for the purpose of establishing that market. The commis-
4 sioner shall publish regularly the bid and ask prices for those units.

5 (b) If the commissioner trades in units as authorized in (a) of
6 this section, he shall maintain an average markup sufficient, in his
7 judgment, to compensate the state for the administrative costs of his
8 trading activity.

9 (c) In this section, "efficient public market" means a market in
10 which the units distributed under this chapter have a readily ascer-
11 tained market value and in which they may be bought or sold readily and
12 without unnecessary or unreasonable transaction costs.

13 Sec. 43.17.180. WAIVER OF RESTRICTIONS. AS 37.10.085 does not
14 apply to the acquisition of assets under this chapter.

15 Sec. 43.17.190. REGULATIONS. The department may adopt regulations
16 necessary to administer this chapter.

17 Sec. 43.17.200. PENALTIES. In addition to any criminal penalties
18 imposed, if a person is convicted of perjury or unsworn falsification on
19 the basis of a certification made under AS 43.17.050 and the conviction
20 is not reversed, that person is not eligible for a distribution of units
21 under this chapter.

22 Sec. 43.17.210. DEFINITIONS. In this chapter,

23 (1) "assets" means shares of stock, debentures or other debt
24 obligations, royalties or other interests in minerals, or other inter-
25 ests in business enterprises or natural resources;

26 (2) "business enterprise" means a private corporation engaging
27 in or about to engage in natural resource extraction or processing, or
28 in manufacturing, transportation, communication, trade or services in
29 the state, whose securities the commissioner has purchased under his

1 existing investment authority under AS 37.10, or has proposed to purchase
2 under the terms of a portfolio plan established under this chapter;

3 (3) "certificate" means an instrument evidencing ownership of
4 one or more units and includes stock certificates, debentures or other
5 debt instruments and trust certificates;

6 (4) "commissioner" means the commissioner of revenue;

7 (5) "department" means the Department of Revenue;

8 (6) "eligibility date" means a date established by the commis-
9 sioner for a distribution of units under a portfolio plan established
10 under this chapter;

11 (7) "extended purchase plan" means the purchase of units over
12 a period of time through the exercise of purchase warrants;

13 (8) "oversubscribed" means a sale in which the total number
14 of units subscribed for exceeds the total number of units available for
15 sale;

16 (9) "person" means a natural person;

17 (10) "purchase warrant" means an instrument authorizing the
18 purchase of units under this chapter;

19 (11) "resident" means a person who maintains a permanent place
20 of abode in the state with the intention of making the state his per-
21 manent place of residence and who resides in the state continuously
22 except for temporary purposes only and with the intent of returning; a
23 person may not be considered to have gained a residence solely by reason
24 of his presence and he may not lose it solely by reason of his absence
25 because of marriage to a person engaged in the civil or military service
26 of this state or the United States; a person may not be considered to
27 lose his residence while a student at an educational institution, while
28 in an institution at public expense, while confined in prison, while
29 engaged in the navigation of waters of this state, of the United States,

1 or of the high seas, or while residing upon an Indian or military reser-
2 vation; a minor takes the residence of his parent or of his legal guar-
3 dian; a married woman may establish her own residence and does not
4 presumptively take the residence of her husband;

5 (12) "state energy resource trust" means a trust established
6 under this chapter the assets of which are a right to receive income
7 equal to a specified part of the rentals, royalties, or net profits
8 belonging to the state under specified leases of state land for the
9 extraction of oil, gas, coal, oil shale, or other minerals or a speci-
10 fied part of the revenue from the sale of oil, gas, coal, oil shale, or
11 other minerals taken by the state as in kind royalties under those
12 leases;

13 (13) "state general stock ownership corporation" means a
14 corporation formed in accordance with subchapter U, Chapter 1 of the
15 Internal Revenue Code of 1954, as amended (26 U.S.C. secs. 1391 - 1397);

16 (14) "state industrial development project" means a business
17 enterprise engaged in or about to engage in natural resource extraction
18 or processing, or in manufacturing, transportation, or communications in
19 the state, and to which the state or an agency or subdivision of the
20 state contributes an investment of equity or debt exceeding \$100,000,000;

21 (15) "state investment fund" means a regulated investment
22 company organized in accordance with subchapter M, Chapter 1 of the
23 Internal Revenue Code of 1954 as amended (26 U.S.C. secs. 851 - 855);

24 (16) "state real estate trust" means a real estate investment
25 trust organized in accordance with subchapter M, Chapter 1 of the
26 Internal Revenue Code of 1954 as amended (26 U.S.C. secs. 856 - 858);

27 (17) "undersubscribed" means a sale in which the total number
28 of units available for sale exceed the number of units subscribed;

29 (18) "unit" means an undivided fractional ownership right or

1 interest in a trust, corporation, fund, project or enterprise established
2 under this chapter.

3 * Sec. 3. The enactment of a version of Senate Bill No. 170 or House Bill
4 No. 240 relating to general stock ownership corporations and creating the
5 Alaska General Stock Ownership Corporation constitutes approval of a portfolio
6 plan under AS 43.17.030 enacted by sec. 2 of this Act. After enactment of
7 either, the commissioner of revenue shall implement the portfolio plan in
8 accordance with this Act, subject to necessary appropriation. If the porc-
9 folio plan is approved under this section, the commissioner of revenue may,
10 notwithstanding the approval, submit to the legislature by the 30th day of
11 the First Session of the Twelfth Legislature a revised portfolio plan if in
12 his judgment a revised plan is necessary to accomplish the policy, purposes
13 and findings under this Act or to provide complete information concerning the
14 plan. A revised portfolio plan submitted under this section is subject to
15 legislative approval under AS 43.17.030.

16 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND... Session

HOUSE BILL..... NO.1006

By THE RULES COMMITTEE.....

"An Act establishing the portfolio of Alaska citizen enterprises; and providing for an effective date."

Est the portfolio of Alaska citizen enterprises

Introduced in the House 4/15....., 19.80

HISTORY IN THE HOUSE

19 80	Read first time and referred to Committee on												
Apr 15	Finance												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
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	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												
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PASS	Effective Date												
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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: 4/17/80
Referred: Labor & Management

1 IN THE HOUSE

BY THE LABOR AND
MANAGEMENT COMMITTEE

2 HOUSE BILL NO. 1011

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the second injury fund established
7 under the Alaska Workers' Compensation Act; and provid-
8 ing for an effective date."

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

10 * Section 1. AS 23.30.040 is repealed and re-enacted to read:

11 Sec. 23.30.040. SECOND INJURY FUND. (a) There is created a
12 second injury fund, administered by the commissioner of labor. Money in
13 the second injury fund may only be paid for the benefit of those persons
14 entitled to participate in the second injury fund under this chapter.
15 Payments from the second injury fund must be made by the commissioner of
16 labor in accordance with the orders and awards of the board.

17 (b) If an employee suffers a compensable injury after December 31,
18 1980, which results in temporary total disability, temporary partial
19 disability, permanent partial disability, or permanent total disability,
20 the employer or insurance carrier shall pay into the second injury fund
21 a sum equal to six percent of the compensation to which the employee is
22 entitled for temporary total disability, temporary partial disability,
23 permanent partial disability, permanent total disability, or for
24 rehabilitation under AS 23.30.191.

25 (c) If an employee suffers a compensable injury which results in
26 death and the employee is not survived by a widow, widower, child, or
27 dependent relative eligible to receive death benefits under AS 23.30.-
28 215, the employer or insurance carrier shall pay \$10,000 to the second
29 injury fund.

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1 (d) The board may refund a payment made into the second injury
2 fund if the employer or insurance carrier shows that it made the payment
3 by mistake or inadvertence, or if it shows there existed at the time of
4 the payment a beneficiary entitled to benefits under AS 23.30.215.

5 (e) The board may direct and provide the vocational retraining and
6 rehabilitation of a permanently disabled person whose condition is a
7 result of an injury compensable under this chapter by making cooperative
8 arrangements with insurance carriers, private organizations and institu-
9 tions, or state or federal agencies. The person being retrained or
10 rehabilitated is entitled to receive compensation from the second injury
11 fund for maintenance during the period of retraining and rehabilitation
12 in the sum which the board considers necessary, not to exceed \$200 a
13 month. The total expenditures for maintenance, retraining, rehabilita-
14 tion, and necessary transportation may not exceed \$10,000 for one
15 person.

16 (f) All amounts collected as civil penalties under this chapter
17 must be paid into the second injury fund.

18 (g) The attorney general may investigate claims and hire expert
19 witnesses necessary to prevent fraudulent or excessive claims for money
20 in the second injury fund and, subject to an appropriation for this
21 purpose, may be reimbursed from the second injury fund for the cost of
22 investigating claims and defending against those claims.

23 (h) Administration expenses of the state under this section and
24 AS 23.30.205 must be paid from an appropriation from the second injury
25 fund.

26 * Sec. 2. AS 23.30.045(c) is amended to read:

27 (c) For a person eligible for vocational rehabilitation service
28 under AS 23.15.080 and who is placed with an employer for service [WITH-
29 OUT WAGES] at the request of the office of vocational rehabilitation to

1 give him on the job training, work readiness or work therapy experience,
2 or work sampling, the liability set out in (a) of this section applies
3 to the state rather than to the employer.

4 * Sec. 3. AS 23.30.040(b) enacted in sec. 1 of this Act does not apply to
5 an employer or insurance carrier required to make payments to the second
6 injury fund for an injury to an employee which occurred before January 1,
7 1981. For those employers or insurance carriers the amount of a payment to
8 the second injury fund and the conditions under which a payment is required
9 must be in accordance with the version of AS 23.30.040(b) in effect on the
10 day that the injury to the employee occurred.

11 * Sec. 4. This Act takes effect January 1, 1981.

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Original sponsor: Labor and Management Committee

Offered: 4/28/80
Referred: Finance

1 IN THE HOUSE

BY THE LABOR AND
MANAGEMENT COMMITTEE

2 CS FOR HOUSE BILL NO. 1011

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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13 the second injury fund may only be paid for the benefit of those persons
14 entitled to payment of benefits from the second injury fund under this
15 chapter. Payments from the second injury fund must be made by the
16 commissioner of labor in accordance with the orders and awards of the
17 board.

18 (b) If an employee suffers a compensable injury after December 31,
19 1980, which results in temporary total disability, temporary partial
20 disability, permanent partial disability, or permanent total disability,
21 the employer or insurance carrier shall pay into the second injury fund
22 a sum equal to six percent of the compensation to which the employee is
23 entitled for temporary total disability, temporary partial disability,
24 permanent partial disability, permanent total disability, or for rehabi-
25 litation under AS 23.30.191.

26 (c) If an employee suffers a compensable injury which results in
27 death and the employee is not survived by a widow, widower, child, or
28 dependent relative eligible to receive death benefits under AS 23.30.-
29 215, the employer or insurance carrier shall pay \$10,000 to the second

1 injury fund.

2 (d) The board may refund a payment made into the second injury
3 fund if the employer or insurance carrier shows that it made the payment
4 by mistake or inadvertence, or if it shows there existed at the time of
5 the payment a beneficiary entitled to benefits under AS 23.30.215.

6 (e) The board may direct and provide the vocational retraining and
7 rehabilitation of a permanently disabled person whose condition is a
8 result of an injury compensable under this chapter by making cooperative
9 arrangements with insurance carriers, private organizations and institu-
10 tions, or state or federal agencies. The person being retrained or
11 rehabilitated is entitled to receive compensation from the second injury
12 fund for maintenance during the period of retraining and rehabilitation
13 in the sum which the board considers necessary, not to exceed \$200 a
14 month. The total expenditures for maintenance, retraining, rehabilita-
15 tion, and necessary transportation may not exceed \$10,000 for one person.

16 (f) All amounts collected as civil penalties under this chapter
17 must be paid into the second injury fund.

18 (g) The attorney general may investigate claims and hire expert
19 witnesses necessary to prevent fraudulent or excessive claims for money
20 in the second injury fund and, subject to an appropriation for this
21 purpose, may be reimbursed from the second injury fund for the cost of
22 investigating claims and defending against those claims.

23 (h) Administration expenses of the state under this section and
24 AS 23.30.205 must be paid from an appropriation from the second injury
25 fund.

26 (i) If there is not enough money in the second injury fund to
27 provide a reasonable reserve for the payment of compensation to persons
28 entitled to payment of benefits from the second injury fund, the com-
29 missioner of revenue may loan surplus money in the general fund to the

1 second injury fund. The loan may be made only from an appropriation for
2 that purpose. The commissioner of revenue and the commissioner of labor
3 shall determine the conditions for repayment of the loan to the general
4 fund.

5 * Sec. 2. AS 23.30.045(c) is amended to read:

6 (c) For a person eligible for vocational rehabilitation service
7 under AS 23.15.080 and who is placed with an employer for service [WITH-
8 OUT WAGES] at the request of the office of vocational rehabilitation to
9 give him on the job training, work readiness or work therapy experience,
10 or work sampling, the liability set out in (a) of this section applies
11 to the state rather than to the employer.

12 * Sec. 3. AS 23.30.040(b) enacted in sec. 1 of this Act does not apply to
13 an employer or insurance carrier required to make payments to the second
14 injury fund for an injury to an employee which occurred before January 1,
15 1981. For those employers or insurance carriers the amount of a payment to
16 the second injury fund and the conditions under which a payment is required
17 must be in accordance with the version of AS 23.30.040(b) in effect on the
18 day that the injury to the employee occurred.

19 * Sec. 4. This Act takes effect January 1, 1981.
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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill No. 1011
 Title An act relating to Second Injury Fund; Providing for an effective date.
 Requested by House Labor and Management Committee Date 4-25-80

II. FISCAL DETAIL

Agency Affected Department of Labor
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected Second Injury Fund
 (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-	-0-				
200 TRAVEL	-0-	-0-				
300 CONTRACTUAL	-0-	-0-				
400 COMMODITIES	-0-	-0-				
500 EQUIPMENT	-0-	-0-				
600 LAND & STRUCTURES	-0-	-0-				
700 GRANTS, CLAIMS, ETC.	118.4	100.0				
TOTAL	118.4	100.0	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	118.4	100.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

As provided in Section 1(b) of this bill, adequate funding to support the Second Injury will not accrue to the Reserve Account until the latter part of FY 1981. Section 1(i) provides for a loan to the Second Injury Fund to assure adequate funds are available to claimants and trainees during this interim period.

Per Section 1(i) - "The Commissioner of Revenue and the Commissioner of Labor shall determine the conditions for repayment of the loan to the general fund."

IV. DATE 4-25-80 PREPARED BY James M. Souby III by Nico Bus
 AGENCY Labor
 PHONE 465-2720
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 1011
 Title An Act relating to Second Injury Fund; Providing for an effective date
 Requested by House Labor & Management Committee Date 4-21-80

II. FISCAL DETAIL

Agency Affected Department of Labor
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected Second Injury Fund
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

IV. DATE 4-21-80 PREPARED BY Jim Souby
 AGENCY Labor
 PHONE 465-2720
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS - For House Bill No. 1011
 Title An Act Relating to the Second Injury Fund; Providing for an effective date
 Requested by House Labor and Management Committee Date May 1, 1980

II. FISCAL DETAIL

Agency Affected Department of Administration
 Program Category Affected Administrative Services to State Agencies
 BRU, Program, or Subprogram(s) Affected Risk Management
 (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	0	0	0	
200 TRAVEL		0	0	0	0	
300 CONTRACTUAL		0	0	0	0	
400 COMMODITIES		0	0	0	0	
500 EQUIPMENT		0	0	0	0	
600 LAND & STRUCTURES		0	0	0	0	
700 GRANTS, CLAIMS, ETC.		8.0	9.2	10.6	12.2	
TOTAL		8.0	9.2	10.6	12.2	

FUNDING (Thousands of Dollars)

GENERAL FUND		8.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
IA			9.2	10.6	12.2	

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

Based on a 3 year average of workers' compensation claims, the State had paid an average of 52.3 to the Second Injury Fund. With the proposed bill we are anticipating a 15% increase in Second Injury Fund payments.

IV. DATE May 1, 1980 PREPARED BY Thomas J. Slagle
 AGENCY Risk Management
 PHONE 465-2180
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

(11)

COMMITTEE REPORT

HOUSE

4/28/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 1011

"An Act relating to the second injury fund established under the Alaska Workers' Compensation 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 _____ 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

8452
Baldwin

Original sponsor: Labor and Management Committee

Offered: 4/23/80
Referred: Finance

1 IN THE HOUSE

BY THE LABOR AND
MANAGEMENT COMMITTEE

2 CS FOR HOUSE BILL NO. 1011

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the second injury fund established
7 under the Alaska Workers' Compensation Act; and provid-
8 ing for an effective date."

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

10 * Section 1. AS 23.30.040 is repealed and re-enacted to read:

11 Sec. 23.30.040. SECOND INJURY FUND. (a) There is created a
12 second injury fund, administered by the commissioner of labor. Money in
13 the second injury fund may only be paid for the benefit of those persons
14 entitled to payment of benefits from the second injury fund under this
15 chapter. Payments from the second injury fund must be made by the
16 commissioner of labor in accordance with the orders and awards of the
17 board.

18 (b) If an employee suffers a compensable injury after December 31,
19 1980, which results in temporary total disability, temporary partial
20 disability, permanent partial disability, or permanent total disability,
21 the employer or insurance carrier shall pay into the second injury fund
22 a sum equal to six percent of the compensation to which the employee is
23 entitled for temporary total disability, temporary partial disability,
24 permanent partial disability, permanent total disability, or for rehabi-
25 litation under AS 23.30.191.

26 (c) If an employee suffers a compensable injury which results in
27 death and the employee is not survived by a widow, widower, child, or
28 dependent relative eligible to receive death benefits under AS 23.30.-
29 215, the employer or insurance carrier shall pay \$10,000 to the second

COMMITTEE COPY

-1-

CSHB 1011

File 4/28/80

1 injury fund.

2 (d) The board may refund a payment made into the second injury
3 fund if the employer or insurance carrier shows that it made the payment
4 by mistake or inadvertence, or if it shows there existed at the time of
5 the payment a beneficiary entitled to benefits under AS 23.30.215.

6 (e) The board may direct and provide the vocational retraining and
7 rehabilitation of a permanently disabled person whose condition is a
8 result of an injury compensable under this chapter by making cooperative
9 arrangements with insurance carriers, private organizations and institu-
10 tions, or state or federal agencies. The person being retrained or
11 rehabilitated is entitled to receive compensation from the second injury
12 fund for maintenance during the period of retraining and rehabilitation
13 in the sum which the board considers necessary, not to exceed \$200 a
14 month. The total expenditures for maintenance, retraining, rehabilita-
15 tion, and necessary transportation may not exceed \$10,000 for one person.

16 (f) All amounts collected as civil penalties under this chapter
17 must be paid into the second injury fund.

18 (g) The attorney general may investigate claims and hire expert
19 witnesses necessary to prevent fraudulent or excessive claims for money
20 in the second injury fund and, subject to an appropriation for this
21 purpose, may be reimbursed from the second injury fund for the cost of
22 investigating claims and defending against those claims.

23 (h) Administration expenses of the state under this section and
24 AS 23.30.205 must be paid from an appropriation from the second injury
25 fund.

26 (i) If there is not enough money in the second injury fund to
27 provide a reasonable reserve for the payment of compensation to persons
28 entitled to payment of benefits from the second injury fund, the com-
29 missioner of revenue may loan surplus money in the general fund to the

1 second injury fund. The loan may be made only from an appropriation for
2 that purpose. The commissioner of revenue and the commissioner of labor
3 shall determine the conditions for repayment of the loan to the general
4 fund.

5 * Sec. 2. AS 23.30.045(c) is amended to read:

6 (c) For a person eligible for vocational rehabilitation service
7 under AS 23.15.080 and who is placed with an employer for service [WITH-
8 OUT WAGES] at the request of the office of vocational rehabilitation to
9 give him on the job training, work readiness or work therapy experience,
10 or work sampling, the liability set out in (a) of this section applies
11 to the state rather than to the employer.

12 * Sec. 3. AS 23.30.040(b) enacted in sec. 1 of this Act does not apply to
13 an employer or insurance carrier required to make payments to the second
14 injury fund for an injury to an employee which occurred before January 1,
15 1981. For those employers or insurance carriers the amount of a payment to
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17 must be in accordance with the version of AS 23.30.040(b) in effect on the
18 day that the injury to the employee occurred.

19 * Sec. 4. This Act takes effect January 1, 1981.
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8452
Baldwin

Introduced: 4/17/80
Referred: Labor & Management

BY THE LABOR AND
MANAGEMENT COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 1011

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the second injury fund established
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14 entitled to participate in the second injury fund under this chapter.
15 Payments from the second injury fund must be made by the commissioner of
16 labor in accordance with the orders and awards of the board.

17 (b) If an employee suffers a compensable injury after December 31,
18 1980, which results in temporary total disability, temporary partial
19 disability, permanent partial disability, or permanent total disability,
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21 a sum equal to six percent of the compensation to which the employee is
22 entitled for temporary total disability, temporary partial disability,
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26 death and the employee is not survived by a widow, widower, child, or
27 dependent relative eligible to receive death benefits under AS 23.30.-
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29 injury fund.

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2 fund if the employer or insurance carrier shows that it made the payment
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4 the payment a beneficiary entitled to benefits under AS 23.30.215.

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6 rehabilitation of a permanently disabled person whose condition is a
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10 rehabilitated is entitled to receive compensation from the second injury
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13 month. The total expenditures for maintenance, retraining, rehabilita-
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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill No. 1011
 Title An act relating to Second Injury Fund; Providing for an effective date.
 Requested by House Labor and Management Committee Date 4-25-80

II. FISCAL DETAIL

Agency Affected Department of Labor
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected Second Injury Fund
 (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-	-0-				
200 TRAVEL	-0-	-0-				
300 CONTRACTUAL	-0-	-0-				
400 COMMODITIES	-0-	-0-				
500 EQUIPMENT	-0-	-0-				
600 LAND & STRUCTURES	-0-	-0-				
700 GRANTS, CLAIMS, ETC.	118.4	100.0				
TOTAL	118.4	100.0	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	118.4	100.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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

As provided in Section 1(b) of this bill, adequate funding to support the Second Injury will not accrue to the Reserve Account until the latter part of FY 1981. Section 1(i) provides for a loan to the Second Injury Fund to assure adequate funds are available to claimants and trainees during this interim period.

Per Section 1(i) - "The Commissioner of Revenue and the Commissioner of Labor shall determine the conditions for repayment of the loan to the general fund."

IV. DATE 4-25-80

PREPARED BY James M. Souby III by Rico Bus

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE BILL..... NO. 1011

By THE LABOR AND MANAGEMENT COMMITTEE

"An Act relating to the second injury fund established under the Alaska Workers' Compensation Act; and providing for an effective date."

Second injury fund, Workers' Comp

Introduced in the House 4/17, 1980

HISTORY IN THE HOUSE

19 80	Read first time and referred to Committee on Labor and Management										
Apr 17	<i>Finance</i>										
Apr 28	Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reconsideration										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	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> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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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.