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1 lations for tax exempt obligations which may be invested without limi-
2 tation as to yield. All money held in a debt service reserve account
3 may be used as required, when money is not available from the principal
4 and interest account or the capital reserve account, solely for (1) the
5 payment of the principal of obligations, (2) the purchase or redemption
6 of obligations, (3) the payment of interest on obligations, or (4) the
7 payment of any redemption premium required to be paid when those obli-
8 gations are redeemed before maturity. Any amount remaining in a debt
9 service reserve account when the issue the account secures is fully
10 retired shall be paid to the allocated reserve account.

11 Sec. 45.96.140. CAPITAL RESERVE ACCOUNT. For the purpose of se-
12 curing each issue of its obligations, the fund shall establish a special
13 account called the capital reserve account. The commissioner of revenue
14 shall pay into that account from the allocated reserve account upon
15 establishment an amount equal to five per cent of the principal amount
16 of the obligations issued and sold and upon subsequent sales, if any, of
17 obligations of the issue secured, an additional amount equal to five per
18 cent of the principal amount of the obligations sold. At the end of
19 each fiscal year the commissioner of revenue shall withdraw from each
20 capital reserve account and pay to the allocated reserve account any
21 amount in the account in excess of five per cent of the remaining prin-
22 cipal balance of the obligations secured or, if the amount in the ac-
23 count is less than five per cent of the remaining principal balance of
24 the obligations secured, pay into the account from the allocated reserve
25 account the amount necessary to bring the reserve to five per cent. All
26 money held in a capital reserve account may be used as required, when
27 money is not available from the principal and interest account, solely
28 for (1) the payment of the principal of obligations, (2) the purchase or
29 redemption of obligations, (3) the payment of interest on obligations or

1 (4) the payment of any redemption premium required to be paid when those
2 obligations are redeemed before maturity. Income or interest earned by
3 a capital reserve account shall be paid to the allocated reserve account
4 established by sec. 120 of this chapter. Any amount remaining in a
5 capital reserve account when the issue the account secures is fully
6 retired shall be paid to the allocated reserve account.

7 Sec. 45.96.150. LOSS RESERVE ACCOUNT. (a) For the purpose of
8 protecting the financial integrity of the fund, a special account called
9 the loss reserve account is established. The commissioner of revenue
10 shall pay into that account from the allocated reserve account an amount
11 equal to five per cent of the estimated total amount of all loans to be
12 made by the fund during the first fiscal year of operation. At the
13 first of the succeeding fiscal year and each fiscal year thereafter, the
14 commissioner shall pay into the fund from the allocated reserve account
15 the amount necessary to bring the balance of this account to five per
16 cent of the total amount of loans projected to be outstanding during
17 that fiscal year.

18 (b) If during the fiscal year the total amount of loans outstand-
19 ing exceeds the amount projected to be outstanding, the commissioner of
20 revenue shall pay into this account from the allocated reserve account
21 the sum needed to bring the balance of this account to five per cent of
22 the amount of loans outstanding.

23 (c) The one per cent difference between the rate of interest paid
24 by a borrower and the rate of interest paid by the fund required by
25 sec. 430 of this chapter shall be allocated to the loss reserve account.

26 (d) Money in the loss reserve account may only be used for losses
27 realized from loans made under this chapter, except when, at the begin-
28 ning of a fiscal year, the balance of this account exceeds five per cent
29 of the remaining principal balance of the total amount of loans

1 projected to be outstanding during the fiscal year, the amount in excess
2 of five per cent shall be paid to the allocated reserve account until
3 all amounts paid to the loss reserve account and the capital reserve
4 account have been paid and then to the earned income account of the loan
5 programs fund.

6 Sec. 45.96.160. FIRE INSURANCE AND LIABILITY RESERVE ACCOUNT. The
7 fund may issue loans without requiring proof of insurance against fire
8 and liability if an additional charge of six-tenths of one per cent per
9 year is made. The receipts from this charge shall be deposited in the
10 fire insurance and liability reserve account and may only be used to
11 reimburse the fund for losses which occur on property for which the
12 charge provided by this section was in effect at the time of loss.

13 Sec. 45.96.170. INVESTMENT OF RESERVE ACCOUNTS. (a) The director
14 of the division of treasury in the Department of Revenue shall invest
15 money in the reserve accounts established by this chapter, other than
16 funds in the debt service reserve account, only in

17 (1) obligations of, or obligations insured or guaranteed by
18 the United States or agencies or instrumentalities of the United States;

19 (2) obligations secured by reserves paid in by the United
20 States or agencies or instrumentalities of the United States or obliga-
21 tions of corporations in which the United States is a shareholder or
22 member; or

23 (3) corporate bonds rated "A" or better by a nationally
24 recognized rating service.

25 (b) Funds in the debt service reserve account may only be invested
26 in obligations described in (a)(1) or (2) of this section.

27 Sec. 45.96.180. INVESTMENTS. (a) All investments of the fund
28 cash balances and of reserves for specific bond issues or statutorily
29 required reserves are managed for the fund by the director of the

1 division of treasury in the Department of Revenue. The director shall
2 determine investment policy and manage the investments of the fund under
3 the same criteria applicable to other state investments he manages.

4 (b) The director of the division of treasury shall provide monthly
5 reports to the Legislative Budget and Audit Committee relating to the
6 investment of funds described in (a) of this section, including

- 7 (1) a summary of long-range and short-term investment policy;
- 8 (2) a list of investments made during the previous month;
- 9 (3) an evaluation of the performance of investments made;
- 10 (4) other information requested by the budget and audit

11 committee.

12 Sec. 45.96.190. BUDGET. The operating budget is by appropriation
13 from the general fund unless the legislature specifically appropriates
14 from the unallocated reserve account. The operating budget is subject
15 to the Executive Budget Act (AS 37.07).

16 Sec. 45.96.200. ACCOUNTING AND REPORTS. Accounting for the fund
17 shall be provided by the Department of Administration. Reports shall be
18 made by that department to the Department of Revenue, the Department of
19 Commerce and Economic Development, and the Legislative Budget and Audit
20 Committee at least once a month. These reports shall include an itemi-
21 zation of each loan which has been in default for a period in excess of
22 30 days and the measures taken for each to insure compliance with terms
23 and conditions of the loan. The Legislative Budget and Audit Committee
24 shall provide quarterly reports to the legislature summarizing the
25 information it receives under this section and under secs. 180(b) and
26 240(b) of this chapter and including comments and suggestions the com-
27 mittee determines to be of interest to the legislature relating to the
28 administration of the loan program. Other reports shall be made as
29 prescribed by the Department of Commerce and Economic Development.

1 Sec. 45.96.210. LOAN PROCEDURES. (a) The director of the divi-
2 sion of Alaska loan programs shall establish district loan offices in
3 Juneau, Fairbanks, and Anchorage and may establish other loan offices as
4 necessary which shall be headed by district directors. The office shall
5 provide information concerning the loan programs under this chapter,
6 other state loan programs, state grant programs, federal loan or grant
7 programs, and, to the extent feasible, private loans.

8 (b) Each district loan office shall include a veterans' loans
9 section. The veterans' loans section shall process loan applications
10 from applicants who meet the eligibility requirement of sec. 440 of this
11 chapter. The veterans' loan section shall also provide information and
12 assistance to veterans relating to loan applications under this chapter,
13 other state loan programs or state grant programs, federal loan or grant
14 programs, and to the extent feasible, private loans.

15 Sec. 45.96.220. ALASKA LOAN PROGRAMS EVALUATION COMMITTEE. (a)
16 There is established in the Department of Commerce and Economic De-
17 velopment the Alaska Loan Programs Evaluation Committee consisting of
18 the directors, or their designees, of the following divisions: (1) the
19 division of economic enterprises in the Department of Commerce and
20 Economic Development, (2) the division of collections in the Department
21 of Revenue, and (3) the division of Alaska loan programs in the De-
22 partment of Commerce and Economic Development.

23 (b) The committee shall notify recipients of loans under the pro-
24 visions of this chapter who have been delinquent in their loan repay-
25 ments for a period in excess of 30 days. Upon notification of delin-
26 quency, the borrower may request reevaluation and technical assistance
27 from the committee. If the borrower requests reevaluation, the com-
28 mittee shall consider the terms and conditions of the loan as well as
29 all other pertinent information to determine whether there are feasible

1 alternative terms and conditions which will protect the interest of the
2 state and prevent the default of the loan.

3 (c) In performing the duties described in (b) of this section, the
4 committee shall have access to all nonconfidential records, data, in-
5 formation, and statistics of all departments, boards, commissions,
6 agencies, and institutions of the state. The committee shall also have
7 access to any records or other information of the borrower which are
8 pertinent to its investigation. Failure on the part of the borrower to
9 provide the records or information shall be grounds for refusal to
10 reevaluate.

11 (d) If the committee determines that alternative terms and con-
12 ditions are available which will protect the interest of the state and
13 prevent default of the loan, it may renegotiate the loan in accordance
14 with those terms.

15 Sec. 45.96.240. COLLECTIONS; DIVISION OF COLLECTIONS. (a) There
16 is established within the Department of Revenue the division of col-
17 lections. The director of the division is in the classified service
18 under AS 39.25 and shall receive an annual salary within range 27 of the
19 salary schedule established in AS 39.27.011 or within one range below
20 the range on which the highest paid deputy commissioner in the depart-
21 ment is paid if that range is higher than range 27. In order to qualify
22 for the position of director, a person must be an attorney licensed to
23 practice in this state with at least four years of practice in business
24 law and business practices.

25 (b) If a borrower who has received notification of delinquency in
26 accordance with sec. 220 of this chapter does not request reevaluation,
27 or if the evaluation committee determines that renegotiation of the
28 existing terms and conditions is not feasible or justified, and the loan
29 is not brought current within 30 days after the notification of delin-

1 quency is sent, the loan shall be transferred to the loss reserve ac-
2 count and transmitted for collection to the division of collections. A
3 monthly report of the status of the collection effort shall be made to
4 the Legislative Budget and Audit Committee. The total principal and
5 interest due shall be transferred from the loss reserve account to the
6 fund upon assignment of each loan.

7 Sec. 5.96.250. LOAN PURPOSES. Loans may be made from the fund
8 for residential housing, commercial purposes, public purposes, and
9 education.

10 Sec. 45.96.260. RESIDENTIAL HOUSING. In addition to other powers
11 granted in this chapter, the director of the division of Alaska loan
12 programs may, for the purpose of providing housing for persons who meet
13 the eligibility requirements of sec. 370 of this chapter,

14 (1) make or participate in the making of construction loans
15 from the fund to sponsors, developers, and builders of land development
16 or residential housing;

17 (2) make or participate in the making of mortgage loans from
18 the fund to sponsors, developers, builders, and purchasers of residen-
19 tial housing;

20 (3) purchase or participate in the purchase of mortgage loans
21 made from the fund to sponsors, developers, builders, owners, and pur-
22 chasers of residential housing;

23 (4) acquire real property, or any interest in real property,
24 in its own name, by purchase, transfer or foreclosure, when the acqui-
25 sition is necessary or appropriate to protect any loan in which the fund
26 has an interest; sell, transfer and convey any such property to a buyer;
27 and, if the sale, transfer or conveyance cannot be effected with rea-
28 sonable promptness or at a reasonable price, rent or lease the property
29 to a tenant pending the sale, transfer or conveyance;

1 (5) sell, at public or private sale, to any purchaser, in-
2 cluding the Federal National Mortgage Association, all or any part of a
3 mortgage or other instrument or document securing a construction, land
4 development, mortgage or temporary loan of any type permitted by this
5 section;

6 (6) purchase, in order to meet the requirements of the sale
7 of its mortgages to the Federal National Mortgage Association, stock of
8 the Federal National Mortgage Association;

9 (7) sell all or any part of a mortgage or other instrument or
10 document securing a construction, land development, mortgage or tempo-
11 rary loan of any type permitted by this section to the teachers' re-
12 tirement system (AS 14.25) if the borrower is a teacher subject to the
13 provisions of AS 14.25 or to the public employees' retirement system
14 (AS 39.35) if the borrower is a public employee included in the system;
15 however, the security instrument shall be fully guaranteed as to payment
16 of principal and interest by the fund.

17 Sec. 45.96.270. COMMERCIAL LOANS. (a) In addition to other
18 powers granted in this chapter, the director of the division of Alaska
19 loan programs may make loans from the fund to

20 (1) individual farmers, homesteaders, and partnerships or
21 corporations composed of farmers and homesteaders, for development of
22 farms, storage and processing of farm produce, livestock, machinery and
23 equipment, and farm irrigation;

24 (2) individual commercial fishermen who have had a commercial
25 fishing license for at least one of the previous five years, for the
26 repair, restoration or upgrading of existing vessels and gear and for
27 the purchase of entry permits and gear and the construction and purchase
28 of vessels; loans made under this paragraph are subject to the provi-
29 sions of secs. 295 and 297 of this chapter;

1 (3) local development companies to assist the new financing
2 of industrial and manufacturing plant construction, conversion or ex-
3 pansion, including the acquisition of land, to the extent necessary to
4 secure a loan for a portion of the cost by the Small Business Adminis-
5 tration under 15 U.S.C. sec. 696 (Section 502 of the Act of Congress
6 entitled "Small Business Investment Company Act of 1958" as amended);

7 (4) develop, rehabilitate, and expand business activities in
8 the state;

9 (5) child care facilities in the state to comply with the
10 appropriate licensing standards for child care facilities or to comply
11 with the requirements for certification by the Department of Education
12 subject to the following conditions:

13 (A) the applicant shall submit to the fund a plan for
14 the use of the loan funds which is approved by the commissioner of
15 commerce and economic development;

16 (B) the applicant shall demonstrate that the proposed
17 loan will enable the child care facility to obtain a license from
18 the Department of Health and Social Services or a certificate from
19 the Department of Education;

20 (C) the applicant shall apply to the Department of
21 Community and Regional Affairs for and receive a certificate of
22 need;

23 (6) small businesses to acquire, finance or refinance or
24 equip businesses;

25 (7) loggers and forest products manufacturers and processors
26 for logging operations and equipment, forest products manufacturing or
27 processing plants, and for working capital for logging operations and
28 forest products manufacturing or processing;

29 (8) other businesses for equipment and operations related to

1 harvesting, manufacturing and processing other renewable or nonrenewable
2 resources in the state.

3 (b) Notwithstanding the provisions of secs. 410 and 420 of this
4 chapter, a loan under (a)(2) of this section may not run longer than 15
5 years or exceed 90 per cent of the appraised value of the collateral
6 used to secure the loan.

7 Sec. 45.96.280. CERTIFICATE OF NEED FOR CHILD CARE FACILITIES.

8 (a) The Department of Community and Regional Affairs shall determine
9 whether to award a certificate of need to child care facilities applying
10 for a loan under sec. 270(7) of this chapter on the basis of the fol-
11 lowing criteria:

12 (1) the number of existing slots in licensed child care
13 facilities in the geographic area of the applicant;

14 (2) the number of children in the geographic area who need
15 child care;

16 (3) the proposed capacity of the applicant facility;

17 (4) other factors which are determined to be relevant by the
18 department and are set out in regulations adopted by the Department of
19 Community and Regional Affairs.

20 (b) The Department of Community and Regional Affairs shall submit
21 its decision and the reasons for it to the applicant within 60 days of
22 receipt of the application.

23 Sec. 45.96.295. LOANS MADE TO COMMERCIAL FISHERMEN. A loan under
24 sec. 270(2) of this chapter shall be secured by a first lien and appro-
25 priate security agreements, except that a lien in favor of the state is
26 not required for loans guaranteed fully by the federal government under
27 the Federal Ship Financing Act of 1972 (46 U.S.C. secs. 1271 - 1279b; 86
28 Stat. 909), as amended. In the case of a security agreement given to
29 secure a loan made under sec. 270(2) of this chapter and covering a

1 vessel documented under the laws of the United States and so long as the
2 Ship Mortgage Act of 1920 (46 U.S.C. secs. 911 - 984; 41 Stat. 1000), as
3 amended, and the Shipping Act of 1916 (46 U.S.C. secs. 801 - 842; 39
4 Stat. 728), as amended, remain ambiguous with respect to whether or not
5 a state or state agency qualifies as a citizen of the United States for
6 purposes of those Acts, the first lien requirement of this section may
7 be satisfied by the recordation and endorsement of a first preferred
8 ship mortgage under the Ship Mortgage Act of 1920, and by perfection of
9 a security interest under the Uniform Commercial Code - Secured Trans-
10 actions (AS 45.05.690 - 45.05.794), if the approval of the Secretary of
11 Commerce is obtained under 46 U.S.C. sec. 839 for the transfer to the
12 department of the interest in a vessel documented under the laws of the
13 United States. In the case of a security agreement given to secure a
14 loan made under sec. 270(2) of this chapter and covering a vessel docu-
15 mented under the laws of the United States, the first lien requirement
16 of this section may also be satisfied by use of a trust deed and bond
17 issue under it, if the trustee is a citizen of the United States and
18 obtains a first preferred ship mortgage on the vessel under the Ship
19 Mortgage Act of 1920, and the approval of the Secretary of Commerce is
20 obtained under 46 U.S.C. secs. 839 and 961 for the transfer of the bond
21 or bonds to the department if the trustee is not a trustee approved by
22 the Secretary of Commerce under 46 U.S.C. secs. 808, 835 and 961.

23 Sec. 45.96.297. LOANS FOR PURCHASE OF ALASKA LIMITED ENTRY PER-
24 MITS. (a) Loans under sec. 270(2) of this chapter for the purchase of
25 a limited entry permit may be made only upon certification by the Alaska
26 Commercial Fisheries Entry Commission (AS 16.43.020) that the fisherman
27 is a person who qualifies as a transferee for the permit under AS 16.43
28 and the regulations adopted by the commission.

29 (b) Upon approval by the director of the division of Alaska loan

1 programs, the permit to be purchased may be pledged as security for a
2 loan under (a) of this section, if

3 (1) the certificate for the pledged permit lists the director
4 as the legal owner of the permit;

5 (2) the certificate for the pledged permit lists the debtor
6 as the equitable owner of the permit;

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

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

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

15 (c) The director of the division of Alaska loan programs is not
16 liable for any act or omission resulting from permit ownership nor will
17 that act or omission affect his title to the permit or his rights under
18 it.

19 (d) Upon satisfaction of the note by the debtor, the director
20 of the division of Alaska loan programs shall certify to the Alaska
21 Commercial Fisheries Entry Commission that the note has been satisfied.

22 (e) Upon certification as provided in (d) of this section, the
23 Alaska Commercial Fisheries Entry Commission shall amend the permit
24 certificate to list the debtor as the legal owner.

25 Sec. 45.96.300. PUBLIC PURPOSES. (a) The director of the divi-
26 sion of Alaska loan programs shall lend money to municipalities with
27 populations of less than 5,000 according to the most recent survey
28 conducted by the United States Census Bureau and to those corporations
29 eligible under (d) of this section. Loans to municipalities shall be

1 made through the purchase by the fund of municipal bonds. Loans to
2 nonprofit corporations shall be made through purchase by the fund of
3 revenue bonds issued on behalf of the corporation by the municipality in
4 which the project to be financed by the loan is constructed. If the
5 loan to a nonprofit corporation is for construction outside a munici-
6 pality, the revenue bonds to be purchased by the fund shall be issued by
7 the state bond committee on behalf of the nonprofit corporation. The
8 cost of a loan made under this section shall be the same as the cost of
9 borrowing to the fund. Loans made under this subsection are subject to
10 the following conditions:

11 (1) When the amount of the issuance is \$5,000,000 or less,
12 the loan shall be made through the purchase by the fund of general
13 obligation or revenue bonds.

14 (2) The borough or city attorney shall certify that all legal
15 requirements relating to required bond elections, if necessary, and bond
16 issuance have been met, or if the bonds are issued outside a munici-
17 pality, certification shall be made by the Department of Law.

18 (3) The bonds shall be prepared by the municipality's attor-
19 ney, approved by the attorney general and need not be in definitive form.

20 (4) The bonds shall be for a term commensurate with purpose,
21 but in no event for more than 30 years average life.

22 (b) The director of the division of Alaska loan programs shall
23 submit a bid for all general obligation bonds offered on a competitive
24 basis by a home rule borough or city or general law borough or city of
25 any class incorporated under the laws of the state if the borough or
26 city provides its bid form to the director at least 10 days before the
27 opening of the bid. The request for bids and the bid proposal shall
28 provide for issuing all or a portion of the bonds based upon the best
29 combination of bids. The bid shall be determined on the basis of the

1 Daily Bond Buyer 20 bond average as follows:

2 (1) For general obligation bonds with a rating of "A" or
3 higher, the bid shall be

4 (A) 100 points under the average for the first five
5 years maturity;

6 (B) 75 Points under the average for the next five years
7 maturity;

8 (C) 50 points under the average for the next five years
9 maturity;

10 (D) 25 points under the average for the next five years
11 maturity;

12 (E) 0 points under the average for the next five years
13 maturity;

14 (F) 25 points above the average for the next five years
15 maturity.

16 (2) For general obligation bonds with a rating of "Baa" or
17 lower or which are unrated, the bid shall be

18 (A) 50 points under the average for the first five years
19 maturity;

20 (B) 25 points under the average for the next five years
21 maturity;

22 (C) 0 points under the average for the next five years
23 maturity;

24 (D) 25 points above the average for the next five years
25 maturity;

26 (E) 50 points above the average for the next five years
27 maturity;

28 (F) 75 points above the average for the next five years
29 maturity.

1 (c) The director of the division of Alaska loan programs shall
2 submit a bid for all revenue bonds offered on a competitive basis by a
3 home rule borough or city or general law borough or city of any class or
4 on behalf of a nonprofit corporation performing any of the functions
5 described in AS 29.48 for which revenue sharing is received directly or
6 indirectly by the corporation or on behalf of those nonprofit corpora-
7 tions described in (d) of this section if the borough, city, or non-
8 profit corporation provides its bid form to the director at least 10
9 days before the opening of the bid. The request for bids and the bid
10 proposal shall provide for issuing all or a portion of the bonds based
11 upon the best combination of bids. The bid shall be determined on the
12 basis of the Daily Bond Buyer 20 bond average as follows:

- 13 (1) 50 points under the average for the first five years
14 maturity;
- 15 (2) 25 points under the average for the next five years
16 maturity;
- 17 (3) 0 points under the average for the next five years
18 maturity;
- 19 (4) 25 points above the average for the next five years
20 maturity;
- 21 (5) 50 points above the average for the next five years
22 maturity;
- 23 (6) 75 points above the average for the next five years
24 maturity;

25 (d) A nonprofit corporation is eligible for a loan under this
26 section if

- 27 (1) it is designated as tax exempt under sec. 501(c)(3) and
28 (4) of the Internal Revenue Code of 1954;
- 29 (2) it is a public corporation or other municipal

1 instrumentality under AS 29.59.010; or

2 (3) it is created by statute and performs a state function.

3 (e) The major part of the proceeds of any bond issue purchased by
4 the fund under this section shall be used for purposes which are tax
5 exempt under federal law and regulation in effect at the time the bonds
6 are issued.

7 (f) The limitations in secs. 400 - 430 of this chapter do not
8 apply to loans or purchases made under this section.

9 Sec. 45.96.310. DEFAULT ON MUNICIPAL BONDS. (a) Notwithstanding
10 any provision of law, to the extent that a department or agency of the
11 state is the custodian of money payable to a municipality, at any time
12 after written notice to the department or agency head from the commis-
13 sioner of revenue that the municipality is in default on the payment of
14 principal or interest on municipal bonds held or owned by the fund, the
15 department or agency shall withhold the payment of that money from that
16 municipality and pay over the money to the fund for the purpose of
17 paying principal of and interest on bonds of the fund.

18 (b) If money is not available to make any payment of principal and
19 interest when due on a bond issue, the chief executive officer of the
20 municipality which issued the bonds shall notify the commissioner of
21 revenue at least 20 days in advance of the pending default that a de-
22 fault is pending. Failure to give the notice of pending default is
23 grounds for removal of the chief executive officer from office and, if
24 default occurs, the office is forfeited and is filled as provided by law
25 for filling vacancies.

26 Sec. 45.96.320. MUNICIPAL BOND CAPITAL RESERVE ACCOUNT. For the
27 purpose of securing each tax exempt bond issue of municipalities of the
28 state and those bonds on behalf of nonprofit corporations guaranteed or
29 issued under this chapter there is established a special account called

1 the municipal bond capital reserve account. The commissioner of revenue
2 shall pay into that account from the unallocated reserve account upon
3 establishment an amount equal to five per cent of the obligations issued
4 and sold after July 1, 1979 and upon subsequent sales, if any, of obli-
5 gations of the issue secured an additional amount equal to five per cent
6 of the obligations sold. At the end of each fiscal year the commis-
7 sioner of revenue shall withdraw from the municipal bond capital reserve
8 account and pay to the unallocated reserve account any amount in the
9 account in excess of five per cent of the obligations secured or, if the
10 amount in the account is less than five per cent of the obligations
11 secured, pay into the account from the unallocated reserve account the
12 amount necessary to bring the reserve to five per cent. All money held
13 in a municipal bond capital reserve account shall be used as required,
14 when money is not available from the principal and interest account,
15 solely for (1) the payment of the principal of obligations, (2) the
16 purchase or redemption of obligations, (3) the payment of interest on
17 obligations, or (4) the payment of any redemption premium required to be
18 paid when those obligations are redeemed before maturity. Any income or
19 interest earned by the account shall be paid to the unallocated reserve
20 account. Any amount remaining in a municipal bond capital reserve ac-
21 count when the issue the account secures is fully retired shall be paid
22 to the unallocated reserve account.

23 Sec. 45.96.330. INDUSTRIAL DEVELOPMENT LOANS. (a) The director
24 of the division of Alaska loan programs may lend money from the fund to
25 businesses conducting exempt activities under sec. 103(b)(4) and (5) of
26 the Internal Revenue Code of 1954 for those activities either directly
27 or through purchase by the fund of industrial development bonds issued
28 on behalf of the business by the state bond committee.

29 (b) A loan may be made under this section only if upon payment of

1 the loan the project financed by the loan will be the property of

2 (1) the municipality in which the activity is conducted,
3 unless the municipality has provided otherwise by a resolution adopted
4 before approval of the loan; or

5 (2) the state if the activity is not conducted within a
6 municipality.

7 (c) Any corporation, partnership, or firm doing business in the
8 state is eligible for a loan under this section if

9 (1) the governing body of the municipality in which the
10 activity is performed has been given notice of the project and the
11 application for loan or purchase and has approved the project and ap-
12 plication, or has not within 60 days of receipt of notice notified the
13 director in writing that it disapproves the loan; or

14 (2) when the activity to be financed by the loan is not
15 performed within a municipality, the commissioner of community and
16 regional affairs approves the project.

17 (d) A corporation, partnership, or firm which requests a loan of
18 greater than \$5,000,000 for a project under this section may request a
19 special series of bonds for its project. The director of the division
20 of Alaska loan programs may request the state bond committee to issue
21 the special series of bonds on behalf of the corporation, partnership,
22 or firm in place of making a direct loan. A corporation, partnership,
23 or firm is eligible for a special bond series for its project if it has
24 a credit rating of "A" or better.

25 Sec. 45.96.340. PROJECT COSTS ELIGIBLE FOR BONDING. In addition
26 to costs directly related to a project, the sum total of all costs of
27 financing and carrying out a project are eligible for bonding under
28 secs. 300 - 330 of this chapter. These include, but are not limited to,
29 the costs of all necessary studies, surveys, plans and specifications,

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

12 Sec. 45.96.350. EDUCATION. (a) In addition to other powers
13 granted in this chapter, the director of the division of Alaska loan
14 programs may make scholarship loans from the fund to students selected
15 under (b) - (g) of this section.

16 (b) Proceeds from scholarship loans may only be used for trans-
17 portation, books, tuition and required fees, and for room and board.
18 The loans may only be used to attend a career education program approved
19 by the Alaska Commission on Postsecondary Education or a college or
20 university accredited by the accreditation association for the region in
21 which the college or university is located.

22 (c) To maintain a loan the student must continue to be enrolled as
23 a full-time student in good standing in a work study program approved by
24 the Department of Education, in a career education program, or in a
25 college or university designated under (b) of this section.

26 (d) Loans are noninterest bearing while a student is enrolled
27 under (c) of this section or is receiving a deferment of payments under
28 (g) of this section if appropriated funds are available for payment to
29 the fund of the interest.

1 (e) The repayment period for student loans is 10 years. Unless a
2 deferment of payments has been granted under (g) of this section, re-
3 payment shall commence when the student terminates his studies. In case
4 of hardship, the Alaska Loan Programs Evaluation Committee may extend
5 repayment of a loan for an additional period of up to five years.

6 (f) If, upon completion of the course of study for which the loan
7 was granted, the borrower repays 60 per cent of the principal amount of
8 the loan with interest with no delinquency, the remaining 40 per cent
9 owing shall be forgiven if appropriated funds are available for payment
10 to the fund of the amount forgiven.

11 (g) The Alaska Loan Programs Evaluation Committee shall defer
12 repayment of a loan during any of the following:

13 (1) the first year after a student terminates his studies;
14 (2) return by the student to student status as provided in
15 (c) of this section;

16 (3) performance by the student of military or required alter-
17 native service; or

18 (4) 50 per cent or greater disability of the student, as
19 certified by competent medical authority.

20 Sec. 45.96.360. TOURISM, HISTORICAL AND OPEN SPACE LOANS. (a) In
21 addition to other powers granted in this chapter, the director of the
22 division of Alaska loan programs may make loans from the fund to a
23 business directly involved in the tourist industry.

24 (b) Upon endorsement and plan approval by a local historical
25 district commission established under AS 29.48.108 and the recommend-
26 ation of a majority of the members of the Historic Sites Advisory Com-
27 mittee, loans may be made from the fund to a person, firm, business or
28 municipality subject to applicable laws for the restoration, im-
29 provement, rehabilitation, or maintenance of a structure which is

1 (1) within the boundaries of an historical district estab-
2 lished under AS 29.48.110;

3 (2) identified as important in state or national history as
4 provided for in AS 29.48.110(b); or

5 (3) another building or structure within an historical dis-
6 trict, and suitable for superficial modification so that it can conform
7 to the period or motif of the surrounding buildings or structures that
8 are the reason for the area's designation as an historical district.

9 (c) Loans may be made from the fund for the nonfederal share of
10 costs of projects to acquire, develop, or extend outdoor recreation
11 sites and facilities.

12 Sec. 45.96.370. ELIGIBILITY. In order to be eligible for a loan
13 under this chapter, other than a loan made under sec. 350 of this chap-
14 ter, a person must have been a resident of the state for at least five
15 years on the date of application for the loan and must be 18 years of
16 age or older. Except for loans made under sec. 330 of this chapter, a
17 corporation is eligible for a loan if more than 60 per cent of its
18 shareholders have been residents of the state for at least five years on
19 the date of the application for the loan, the chief executive officer
20 and all members of the governing board of the corporation have been
21 residents of the state for at least five years on the date of applica-
22 tion for the loan, and the chief executive officer and members of the
23 governing board assume full individual liability for repayment of the
24 loan. A loan to a corporation is immediately due and payable if it
25 ceases to meet these eligibility requirements. An individual is ineli-
26 gible for a loan under this chapter if an earlier loan to the individual
27 from the state or an agency of the state has been discharged in bank-
28 ruptcy unless the defaulted loan has been repaid in full and 10 years
29 have elapsed from the date of repayment.

1 Sec. 45.96.380. MAXIMUM LOAN AMOUNTS. (a) Loans made under the
2 authority of sec. 260 of this chapter for the purchase or construction
3 of residential housing may not exceed: (1) \$90,000 for a single family
4 dwelling; (2) \$130,000 for a duplex; (3) \$170,000 for a triplex; (4)
5 \$210,000 for a fourplex. A loan made for the purchase or construction
6 of residential facilities in excess of four units shall be treated as a
7 commercial building loan subject to the limitations placed on such loans
8 in (b)(1) of this section.

9 (b) Commercial loans made under the authority of sec. 270 of this
10 chapter may not exceed:

11 (1) \$500,000 per individual for business activities; farm
12 development; agricultural irrigation systems; purchase, construction,
13 renovation, or repair of commercial buildings; fish manufacturing and
14 processing; fishing vessels and gear; logging operations and equipment;
15 timber manufacturing and processing; nonrenewable resource extraction;
16 or any other activity not otherwise specifically provided for in this
17 section;

18 (2) \$350,000 per individual for farm chattel other than for
19 irrigation systems.

20 (c) Loans for a single project under (b)(1) of this section may
21 exceed \$500,000 but may not exceed \$3,000,000 if

22 (1) the loan is made to more than one but not more than 10
23 individuals participating in the project and the loan to each individual
24 does not exceed the maximum limit under (b)(1) of this section; or

25 (2) the loan is made to a corporation and no more than 10
26 individuals owning stock in that corporation assume personal liability
27 for the loan in an amount which as to each individual does not exceed
28 the maximum limit under (b)(1) of this section.

29 (d) Educational loans made under the authority of sec. 350 of this

1 chapter may not exceed:

- 2 (1) \$4,000 per individual per year for undergraduate studies;
- 3 (2) \$7,000 per individual per year for graduate studies;
- 4 (3) \$4,000 per individual per year for vocational studies;
- 5 (4) \$4,000 per individual per year for work studies.

6 (e) No more than three loans may be made to any person for other
7 than educational purposes under this chapter. A loan to an associate of
8 the borrower is considered to be a loan to the borrower. For the pur-
9 poses of this section, "associate of the borrower" means

10 (1) a corporation or other organization of which the borrower
11 is an officer, director or partner, or is, directly or indirectly, the
12 beneficial owner of 10 per cent or more of any class of equity securi-
13 ties;

14 (2) a person who is, directly or indirectly, the beneficial
15 owner of 10 per cent or more of any class of equity securities of the
16 borrower;

17 (3) a trust or other estate in which the borrower has a
18 substantial beneficial interest or as to which the borrower serves as
19 trustee or in a similar fiduciary capacity;

20 (4) a relative or spouse of the borrower or a relative of the
21 spouse, who has the same home as the borrower;

22 (5) a person directly or indirectly controlling, controlled
23 by, or under common control with, the borrower.

24 (f) The maximum loan amounts established in (a) - (d) of this
25 section shall increase in proportion to increases in the consumer price
26 index for Anchorage. The consumer price index for Anchorage for July 1,
27 1979 shall be the basis for determining annual percentage increases in
28 the maximum loan amounts.

29 Sec. 45.96.390. AREA COST DIFFERENTIAL. (a) The maximum loan

1 amounts established in sec. 380(a) and (b) of this chapter shall be
2 increased by the area cost differential (ACD) determined by the formula
3 $ACD = LCC/BCC \times LCOL/BCOL$ where

4 (1) LCC is the cost of construction in the area in which the
5 facility to be financed by the loan is located;

6 (2) BCC is the cost of construction in the city or borough
7 having the lowest cost of construction in the state;

8 (3) LCOL is the cost of living in the area in which the
9 facility to be financed by the loan is located;

10 (4) BCOL is the cost of living in the city or borough having
11 the lowest cost of living in the state.

12 (b) For purposes of this section the Department of Transportation
13 and Public Facilities shall annually determine the cost of construction
14 and the cost of living in each area of the state under regulations
15 promulgated by the department establishing standards for the determi-
16 nation.

17 Sec. 45.96.400. ADDITIONAL LOAN LIMITATIONS. The maximum loan
18 amounts established in secs. 380(b) and 390 of this chapter shall be
19 further limited, based upon the actual technical and managerial experi-
20 ence of the borrower relating to the project or activity for which the
21 loan is made, as follows:

22 (1) if the borrower's experience is less than two years, he
23 may receive up to 50 per cent of the maximum amount;

24 (2) if the borrower's experience is two to three years, he
25 may receive up to 70 per cent of the maximum amount;

26 (3) if the borrower's experience is three to four years, he
27 may receive up to 80 per cent of the maximum amount;

28 (4) if the borrower's experience is four to five years, he
29 may receive up to 90 per cent of the maximum amount;

1 (5) if the borrower's experience is five years or more, he
2 may receive 100 per cent of the maximum amount.

3 Sec. 45.96.410. VALUE LIMITATION. The provisions of secs. 380 -
4 400 of this chapter notwithstanding, no loan made under this chapter,
5 unless it is a loan made under the provisions of sec. 330 of this chap-
6 ter, may exceed

7 (1) 90 per cent of the appraised value of real property
8 pledged as security for the loan;

9 (2) 95 per cent of the appraised value of real property
10 pledged as security for the loan if the loan is for residential housing
11 in an area where Federal Housing Administration mortgage insurance is
12 not available; or

13 (3) 80 per cent of tangible personal property pledged as
14 security for the loan.

15 Sec. 45.96.420. MAXIMUM TERMS OF LOANS. The term of a loan made
16 under this chapter may not exceed the useful life of the property
17 pledged as security for the loan nor

18 (1) 30 years on a loan secured by real property;

19 (2) 15 years or the life of the equipment on a loan secured
20 by equipment used for production of income;

21 (3) seven years on a loan secured by tangible personal pro-
22 perty.

23 Sec. 45.96.430. RATE OF INTEREST. (a) The rate of interest
24 charged to borrowers under this chapter shall be the amount determined
25 by the commissioner of revenue to be sufficient to cover anticipated
26 cost of money to the fund and, for borrowers other than municipalities,
27 one per cent over the anticipated cost for the loss reserve account plus
28 the amount required for any necessary insurance, but the rate of in-
29 terest charged may be lower if necessary to prevent bonds issued under

1 this Act from being arbitrage bonds under the provisions of and regula-
2 tions under section 103(c) of the Internal Revenue Code of 1954, as
3 amended. The determination of the anticipated cost by the commissioner
4 is conclusive. Rates of interest less than that, except as provided in
5 (b) of this section, may be charged if the renewable resource develop-
6 ment fund or another state fund agrees to pay the difference between
7 cost and the interest rate to be charged or if appropriation for the
8 purpose of paying the difference has been made.

9 (b) The rate of interest determined in accordance with (a) of this
10 section shall be reduced by one per cent if the loan is made to a vet-
11 eran or is made for agricultural purposes. If the loan is made to a
12 veteran, the World War II veterans' revolving fund, created in AS 26.-
13 15.090, shall pay the difference between the rate determined in (a) of
14 this section and the rate charged to the borrower. If the loan is made
15 for agricultural purposes, the agricultural revolving loan fund, created
16 in AS 03.10.040, shall pay the the difference between the rate deter-
17 mined in (a) of this section and the rate charged to the borrower. If
18 the loan is made to a veteran and for agricultural purposes, the rate of
19 interest shall be reduced by two per cent and each fund shall pay one-
20 half the difference.

21 (c) When the World War II veterans' revolving fund's assets become
22 depleted so that it can no longer pay the difference, the provisions of
23 (b) of this section relating to loans made to veterans apply only if
24 appropriation is made for the purpose of paying the difference. When
25 the agricultural revolving loan fund's assets become depleted so that it
26 can no longer pay the difference, the provisions of (b) of this section
27 relating to loans made for agricultural purposes apply only if appro-
28 priation is made for the purpose of paying the difference.

29 Sec. 45.96.440. ELIGIBILITY FOR VETERANS' INCENTIVE (a) The

1 following persons are eligible for special interest rates for veterans
2 established in sec. 430(b) of this chapter:

3 (1) any person who served in the armed forces of the United
4 States for 90 days or more, or whose service was for less than 90 days
5 because of injury or disability incurred in the line of duty, between
6 April 6, 1917 and November 11, 1918, and beginning September 16, 1940 to
7 six months after termination of hostilities involving United States
8 forces in Indo-China, or in a combat zone during any period of armed
9 conflict, who was separated from the armed forces with a discharge other
10 than dishonorable, and

11 (A) who at the time of induction into the service was a
12 resident of the territory or state, who had been a resident for not
13 less than one year immediately before his induction, and who re-
14 turned to the territory or state after discharge as a resident with
15 the intention of remaining in the territory or state; or

16 (B) who, not being a bona fide resident of the territory
17 or state before his entry into the service, has been a resident of
18 the territory or state for five or more years;

19 (2) any person who was dependent on a member of the armed
20 forces or a veteran of World War II at the time of the member's or
21 veteran's death if

22 (A) the member or veteran was a resident of the terri-
23 tory for one year before induction into the service;

24 (B) he served in the armed forces for at least 90 days
25 between September 16, 1940, and July 25, 1947, but no benefits for
26 loans accrue to dependents of an enlistee or reenlistee for time
27 served after November 1, 1945, regardless of whether the enlistment
28 or reenlistment was before or after November 1, 1945;

29 (C) he died before the official date of the termination

1 of that war; and

2 (D) his discharge was not dishonorable;

3 (3) any person who has served in the Alaska Army National
4 Guard, the Alaska Air National Guard, or the Alaska Naval Militia for
5 not less than six years and who has not received a discharge other than
6 honorable.

7 (b) The provisions of sec. 430(b) of this chapter are extended to
8 persons who served other than dishonorably on active duty between
9 June 25, 1950, and January 31, 1955, who served other than dishonorably
10 on active duty between August 4, 1964, and six months after termination
11 of hostilities involving forces of the United States, and to dependents
12 of those persons, subject to the following provisions and eligibility
13 qualifications:

14 (1) a discharge other than dishonorable from the armed forces
15 of the United States or release to a reserve component;

16 (2) at the time of entry into the service residency in the
17 territory or state for not less than one year before entry into the
18 service, and return to the territory or state within a reasonable length
19 of time after discharge or separation with the intention of remaining in
20 the territory or state; or lacking residency before entry into the
21 service, residency in the territory or state for at least five years
22 following release from active military service; and

23 (3) service in the armed forces of the United States for
24 90 days or more, or service for a lesser period because of injury or
25 disability incurred in line of duty, between June 25, 1950, and Janu-
26 ary 31, 1955, or service in the armed forces of the United States for
27 90 days or more or service for a lesser period because of injury or
28 disability incurred in line of duty, between August 4, 1964, and July 1,
29 1977.

1 (c) A person who is eligible under more than one of the qualifi-
2 cation provisions of (a) and (b) of this section shall have the rate of
3 interest on his loan reduced by one and one-half per cent.

4 Sec. 45.96.450. EMPLOYMENT PRACTICES. (a) In the performance of
5 contracts let by a recipient of a loan under this chapter for construc-
6 tion, repair, preliminary surveys, engineering studies, consulting,
7 maintenance work or any other retention of services necessary to com-
8 plete any project for which the loan was made, 95 per cent residents
9 shall be employed if they are available and qualified. If 10 or fewer
10 persons are employed under the contract, then 90 per cent residents
11 shall be employed if they are available and qualified.

12 (b) The commissioner of commerce and economic development shall
13 incorporate into all lending instruments issued under this chapter the
14 provisions of (a) of this section and a provision calling for immediate
15 foreclosure of the loan for violation of the provisions of (a) of this
16 section.

17 (c) In addition to immediate foreclosure of his loan, as provided
18 in (b) of this section, a borrower who violates the provisions of (a) of
19 this section is ineligible for any loan under this chapter for 10 years
20 following the violation.

21 (d) Municipalities and state agencies and departments when con-
22 tracting for services concerning any aspects of administration and
23 financing of the fund shall comply with AS 36.10.

24 Sec. 45.96.460. COOPERATION WITH OTHER AGENCIES. All departments,
25 agencies and public corporations of the state shall provide information,
26 services and facilities to the fund on its request. The fund shall
27 reimburse the department, agency or corporation for expenses reasonably
28 incurred on the fund's behalf.

29 Sec. 45.96.470. BANK PARTICIPATION. (a) Loans made under the

1 authority of this chapter may be made in participation with financial
2 institutions. The participating financial institution may act as agent
3 for the division of Alaska loan programs in the initial processing of
4 applications for loans. Fees for such services shall be mutually agreed
5 upon.

6 (b) If a financial institution participates in a loan, the fund
7 and the participating institution shall share the same ratable interest
8 in the collateral securing the loan. Loan payments made by the borrower
9 shall be distributed between the financial institution and the fund on a
10 pro rata basis.

11 (c) The participating financial institution shall fix the rate of
12 interest charged by it but may not exceed the legal contract rate of
13 interest prescribed by law.

14 (d) The maximum service fee for administering a loan which may be
15 charged by a participating financial institution shall be set by the
16 director of the division of Alaska loan programs.

17 Sec. 45.96.480. ASSURANCE REQUIRED. (a) For each loan made from
18 the fund the loan agreement shall include an assurance by the borrower
19 that no person who provides services to the borrower in preliminary
20 phases of a project for which the loan is made, including all studies
21 made in connection with the project,

22 (1) may participate in the implementation stages of that
23 project; or

24 (2) may represent more than one interest in connection with
25 the project.

26 (b) A list of all persons performing preliminary services for a
27 loan applicant shall be furnished to the division of Alaska loan pro-
28 grams as part of the loan application, and a list of all persons with
29 whom the borrower has contractual relations in respect to the project

1 after the application for loan shall be submitted to the division at
2 intervals set by the division of Alaska loan programs.

3 Sec. 45.96.490. DEFINITIONS. For purposes of this chapter, "the
4 fund" and "the loan programs fund" mean the Alaska loans program fund
5 created in AS 45.96.020.

6 * Sec. 10. AS 03.10.050 is repealed and re-enacted to read:

7 Sec. 03.10.050. ADMINISTRATION OF FUND. The commissioner shall
8 administer the loan fund.

9 * Sec. 11. AS 14.40.751(a) is amended to read:

10 (a) There is created a scholarship revolving loan fund. [THE FUND
11 SHALL BE USED TO MAKE SCHOLARSHIP LOANS TO STUDENTS SELECTED UNDER
12 AS 14.40.751 - 14.40.806. ALL REPAYMENTS OF PRINCIPAL AND INTEREST ON
13 SCHOLARSHIP LOANS SHALL BE PAID INTO THE SCHOLARSHIP REVOLVING LOAN FUND
14 AND SHALL BE USED TO MAKE NEW SCHOLARSHIP LOANS. IF ESTIMATED FUNDS
15 AVAILABLE FROM SCHOLARSHIP LOAN REPAYMENTS ARE INADEQUATE TO FULLY FUND
16 ESTIMATED SCHOLARSHIP LOANS FOR ANY FISCAL YEAR, ADDITIONAL FUNDING FROM
17 THE GENERAL FUND MAY BE REQUESTED AND APPROPRIATED FOR THAT YEAR.]

18 * Sec. 12. AS 14.40.755(b) is amended to read:

19 (b) A person whose [LOAN OR] grant application is not recommended
20 or presented to the committee by the executive secretary may appeal to
21 the committee through the chairman of the committee and the committee
22 shall consider the application.

23 * Sec. 13. AS 18.100.050 is amended to read:

24 Sec. 18.100.050. ELIGIBILITY FOR GRANTS [LOANS]. Only public or
25 nonprofit private corporations are eligible for grants [LOANS] under
26 this chapter. The nonprofit corporations must be designated as tax
27 exempt under sec. 501(c)(3) and (4) [501(e)(3) AND (4)] of the Internal
28 Revenue Code of 1954.

29 * Sec. 14. AS 18.100.070(a) is amended to read:

1 (a) There is created within the Department of Community and Re-
2 gional Affairs a senior citizens housing development fund. Subject to
3 direct appropriation [OR THROUGH PROCEEDS OF A BONDING ISSUE] the de-
4 partment shall make grants [OR LOANS] to municipalities or to corpora-
5 tions designated as tax exempt under sec. 501(c)(3) and (4) of the
6 Internal Revenue Code of 1954 [ELIGIBLE FOR LOANS UNDER SEC. 50 OF THIS
7 CHAPTER] for the purpose of developing senior citizen housing. [A GRANT
8 FROM THE PROCEEDS OF A BOND ISSUE MAY BE MADE ONLY TO MUNICIPALITIES.]

9 * Sec. 15. AS 18.100.070(b) is amended to read:

10 (b) Application for a grant [OR LOAN] under (a) of this section
11 shall be in the form prescribed by the department. The application
12 shall demonstrate the need for senior citizen housing in the area to be
13 served, the feasibility of the proposed project, and an adequate manage-
14 ment plan which shall demonstrate the ability of the eligible recipient
15 to sustain the proposed project.

16 * Sec. 16. AS 29.13.100 is amended by adding a new paragraph to read:

17 (39) AS 29.58.290 (industrial development bonds)

18 * Sec. . AS 29.58 is amended by adding a new section to read:

19 Sec. 29.58.290. INDUSTRIAL DEVELOPMENT BONDS. No municipality,
20 home rule or otherwise, may issue a revenue bond which is an industrial
21 development bond under the provisions of the Internal Revenue Code of
22 1954 (26 U.S.C. 103).

23 * Sec. 18. AS 37.10.050 is amended to read:

24 Sec. 37.10.050. ACCOUNTING FOR STATE MONEY AND PAYMENT TO DIVISION
25 OF TREASURY [DEPARTMENT OF REVENUE] FOR DEPOSIT IN PROPER FUND. (a)
26 Each office, board, commission, or bureau authorized to collect or
27 receive fees, licenses, taxes or other money belonging to the state
28 shall account for and pay the fees, licenses, taxes or other money, less
29 fees to which he is entitled by law to the division of treasury of the

1 Department of Revenue at least once each month.

2 (b) Money collected for the state shall be deposited by the col-
3 lector in the nearest bank to the account of the division of treasury
4 [DEPARTMENT OF REVENUE] when the division of treasury [DEPARTMENT OF
5 REVENUE] directs this to be done.

6 (c) The division of treasury [DEPARTMENT OF REVENUE] in June and
7 December of each year shall publish in at least one newspaper of general
8 circulation in each of the four judicial districts a detailed report in
9 display advertising form of the amount of state money deposited in each
10 named bank or other financial institution. A copy of the semiannual
11 report on bank deposits shall also be sent to the Legislative Affairs
12 Agency for distribution of copies to the members of the legislature.
13 The terms of the deposit may be obtained upon a written request.

14 * Sec. 19. AS 37.10.070(a) is amended to read:

15 (a) When the commissioner of revenue determines that there is in
16 the state treasury a surplus above an amount sufficient to meet current
17 cash expenditure needs, he shall direct the director of the division of
18 treasury to invest the surplus. The director may invest the surplus
19 [THE SURPLUS SHALL BE INVESTED] in any of the following:

20 (1) obligations of, or obligations insured or guaranteed by,
21 the United States or agencies or instrumentalities of the United States;

22 (2) obligations secured by reserves paid in by the United
23 States or agencies or instrumentalities of the United States or obli-
24 gations of corporations in which the United States is a shareholder or
25 member;

26 (3) notes issued by Farmer's Home Administration;

27 (4) bank certificates of deposit which are secured as to the
28 payment of principal and interest in accordance with Alaska law;

29 (5) corporate obligations of prime or equivalent quality, as

1 rated by a nationally recognized rating organization;

2 (6) other securities, including corporate securities;

3 (7) Federal Housing Administration mortgages;

4 (8) Federal Veterans Administration mortgages;

5 (9) loans made under the provisions of the Alaska loan pro-
6 grams fund (AS 45.96) [AS 03.10 AND AS 26.15];

7 (10) conventional residential mortgages if the offering fin-
8 ancial institution retains at least 25 per cent of the mortgage;

9 (11) other secured loans, if the offering financial insti-
10 tution retains at least 33 1/3 per cent of the mortgage;

11 (12) mortgages of the Alaska Rural Rehabilitation Corporation
12 which secure agricultural loans, agricultural business loans and agri-
13 cultural processing loans;

14 (13) bankers acceptances drawn on and accepted by banks with a
15 combined capital and surplus aggregating at least \$200,000,000;

16 (14) repurchase agreements, reverse repurchase agreements, or
17 any trading practice or instrumentalities that may evolve in investment
18 management.

19 * Sec. 20. AS 37.10.070(f) is repealed and re-enacted to read:

20 (f) Investment policy shall be formulated by the director of the
21 division of treasury of the Department of Revenue subject to the ap-
22 proval of the commissioner of revenue. In formulating investment policy
23 the director of the division of treasury shall consider maximum income
24 and safety as governed by the prudent-man rule. The investment policy
25 shall be proposed to the legislature during the first 10 days of any
26 regular session. Investment policy only becomes effective 60 days after
27 presentation to the legislature or at the end of that session, whichever
28 is earlier, unless disapproved by a resolution concurred in by a ma-
29 jority of the members of each house.

1 * Sec. 21. AS 37.10.070(g) is amended to read:

2 (g) The director of the division of treasury [COMMISSIONER OF
3 REVENUE, WITH THE CONSENT OF THE COMMITTEE,] may enter into contracts
4 for services providing investment advice, custody of securities, and
5 execution of transactions, in or out of Alaska.

6 * Sec. 22. AS 37.10.070(i) is amended to read:

7 (i) The director of the division of treasury [COMMISSIONER] shall
8 purchase notes and mortgages under (a) of this section at a rate con-
9 ductive to develop and benefit Alaska and Alaska residents and this rate
10 may be less than the market rate.

11 * Sec. 23. AS 37.10.070 is amended by adding a new subsection to read:

12 (k) In making investments under (a) of this section, the director
13 of the division of treasury may pool the surplus assets of the state
14 funds but shall maintain separate accounts for each fund.

15 * Sec. 24. AS 37.10.075(a) is amended to read:

16 (a) When the commissioner of revenue determines that there are
17 funds in the state treasury which are not being used for the purposes
18 provided for in sec. 70 of this chapter, he may direct the director of
19 the division of treasury to deposit the funds [THEY MAY BE DEPOSITED] in
20 financial institutions in the state which offer the highest bid for the
21 state funds. Collateral may be required by the commissioner to secure
22 state deposits provided for under this section.

23 * Sec. 25. AS 39.25.120(2) is amended to read:

24 (2) the directors, division of personnel, division of public
25 health, division of medical assistance, and those other directors of the
26 major divisions of the principal departments of the executive branch as
27 are specifically designated by the governor, except the directors of the
28 division of Alaska loan programs, division of treasury and division of
29 collections are in the classified service and may not be designated as

1 partially exempt;

2 * Sec. 26. AS 41.22.020(a) is amended to read:

3 (a) In addition to uses of fund money authorized in sec. 10 of
4 this chapter, money of the fund shall be utilized to make grants to
5 municipalities, of up to one-half the nonfederal share of costs of pro-
6 jects described in sec. 10 of this chapter which are initiated by a
7 municipality [, AND LOANS OF AMOUNTS NECESSARY TO ENABLE MUNICIPALITIES
8 TO MAKE OPTION PAYMENTS ON PARKS AND OPEN SPACE LAND FOR THE ACQUISITION
9 OF WHICH FEDERAL FUNDS ARE ANTICIPATED].

10 * Sec. 27. AS 41.35.180(5) is repealed and re-enacted to read:

11 (5) consult with local historical district commissions re-
12 garding the establishment of historical districts under AS 29.48.108 -
13 29.48.110 and recommend, if appropriate, the formulation of additional
14 criteria for the designation of historical districts under AS 29.48.-
15 110(b).

16 * Sec. 28. AS 44.21.020 is amended by adding new paragraphs to read:

17 (13) provide accounting services for the permanent fund (AS
18 37.13.010), the Alaska loan programs fund (AS 45.96), the renewable re-
19 sources development fund (AS 37.11), and all other state funds;

20 (14) provide detailed accounting of state loans outstanding and
21 securities held by the state.

22 * Sec. 29. AS 44.25 is amended by adding a new section to read:

23 Sec. 44.25.025. DIVISION OF TREASURY. (a) There is established
24 within the Department of Revenue the division of treasury. The director
25 of the division is in the classified service under AS 39.25 and shall
26 receive an annual salary within range 27 of the salary schedule estab-
27 lished in AS 39.27.011 or within one range below that on which the
28 highest paid deputy commissioner in the Department of Revenue is paid if
29 that range is higher than range 27.

1 (b) In order to qualify for the position of director of the divi-
2 sion, a person must

3 (1) be graduated from an accredited college with major course
4 work in business administration, accounting, finance, banking, econ-
5 omics, or another closely related field;

6 (2) have 10 years of experience in banking or investment
7 management involving review, analysis, purchase and sell recommenda-
8 tions, and responsibility for performance with at least four of the
9 years in a managerial capacity.

10 (c) The director of the division of treasury shall collect, ac-
11 count for, have custody of, invest, and manage all state funds and all
12 revenues of the state except revenues incidental to a program of licen-
13 sing and regulation carried on by another state department, except that
14 the division shall issue fish and game licenses, collect fish and game
15 license revenues, and do all other acts incidental to the performance of
16 these functions.

17 * Sec. 30. AS 44.33.020 is amended by adding a new paragraph to read:

18 (22) administer the Alaska loan programs fund (AS 45.96).

19 * Sec. 31. AS 18.56.110(a) is amended to read:

20 (a) The corporation, by resolution, may issue bonds and bond
21 anticipation notes in order to provide funds to carry out and effectuate
22 its purposes only if the state bond committee finds that the issuance
23 is consistent with the bond program of the Alaska loan programs fund.

24 * Sec. 32. All state agencies, departments, commissions, corporations,
25 divisions or other instrumentalities administering or having authority over
26 or control of a loan program or loan fund affected by secs. 10 - 15, 26 - 27,
27 and 33 of this Act shall cease accepting applications for loans no later than
28 January 1, 1980. The division of Alaska loan programs shall begin to accept
29 applications for loans from the Alaska loan programs fund no later than

1 January 1, 1980.

2 * Sec. 33. The following laws are repealed: AS 03.10.010; 03.10.020(1),
3 (4), and (5); 03.10.030; 03.10.054; AS 14.40.751(c), 14.40.759 - 14.40.771;
4 AS 16.10.300; 16.10.310(a)(1), (4), (5); 16.10.370 - 18.100.030(1) and (4),
5 18.100.040 - 18.100.060; AS 26.15.010(b) - (d), 26.15.040 - 26.15.060,
6 26.15.110 - 26.15.160; AS 41.22.020(b) - (c); AS 41.30.010 - 41.30.080;
7 AS 44.33.020(5), 44.33.245(a)(1), 44.33.245(b), 44.33.250 - 44.33.260;
8 AS 44.59.140(7) - (14), 44.59.170, 44.59.190 - 44.59.410, 44.59.430; AS
9 44.60.010, 44.60.130(7) - (13), 44.60.160 - 44.60.260, 44.60.310 - 44.60.320;
10 AS 44.61.010 - 44.61.220; AS 45.86.010 - 45.86.030, 45.86.040(b) - (c),
11 45.86.050 - 45.86.060; AS 45.88.010 - 45.88.040; AS 45.90.020(a)(1), (4),
12 45.90.030; AS 45.95.020 - 45.95.030, 45.95.070; AS 45.98.020 - 45.98.040,
13 45.98.060.

14 * Sec. 34. AS 37.10.065(c), 37.10.075(b) - (d), 37.10.079; and AS 44.25.-
15 020(2) are repealed.

16 * Sec. 35. AS 37.10.065(a) and (b) are repealed.

17 * Sec. 36. Section 35 of this Act takes effect upon transfer of the funds
18 of the Alaska permanent fund to the Alaska Permanent Fund Corporation as
19 provided in sec. 8 of this Act.

20 * Sec. 37. Sections 1 - 9, 16 - 25, 28 - 32, and 34 of this Act take
21 effect June 30, 1979. The unobligated general fund surplus as of June 30,
22 1979 shall lapse into the unallocated reserve account created in AS 45.96.125
23 on June 30, 1979.

24 * Sec. 38. Sections 10 - 15, 26, 27 and 33 of this Act take effect June
25 30, 1980.



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

COMMITTEE REPORT
SENATE

FURTHER:

3/12/79

Date: March 14, 1979

Mr. President:

The Committee on FINANCE has had SB 2
comprehensive recycling and reduction of litter

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 ^{CARA} CS for SB 2 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back ^{without} without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Steve Hackney NO REC
Clyde Ray NO REC
Thomas " "

John C. Satchel
 CHAIRMAN
No Rec.

Introduced: 1/15/79
Referred: Community & Regional
Affairs and Finance

BY COLLETTA, KERTTULA, SACKETT,
DANKWORTH, MELAND, STURGULEWSKI,
SUMNER, ZIEGLER, BRADLEY AND
FAHRENKAMP

1 IN THE SENATE

2 SENATE BILL NO. 2

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the comprehensive recycling and
7 reduction of litter and imposing a litter reduction
8 assessment; and providing for an effective date."

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

10 * Section 1. LEGISLATIVE INTENT. (a) It is the intent of the legisla-
11 ture to maintain the natural environment of the state as nearly litter free
12 as possible so that our cities, boroughs, rural regions, highways, roads, and
13 recreational areas can be viewed and enjoyed by both present and future
14 citizens and visitors in their finest scenic state, unblemished by objects of
15 litter.

16 (b) It is the belief of the legislature that this can be accomplished
17 by a strong and well-balanced program of litter prevention, accompanied by
18 programs of public awareness designed to make littering an unacceptable
19 practice in the minds of all citizens and visitors -- a program of public
20 education with emphasis on younger people who will be the future citizens of
21 the state, and the application of reasonable but firm programs of law en-
22 forcement directed at those who choose to litter. It is the belief of the
23 legislature that the official encouragement and stimulation of private re-
24 cycling efforts, through recycling centers and other means, will result in
25 the recovery and reuse of major quantities of basic materials with accom-
26 panying significant conservation and savings of energy.

27 (c) It is the consensus of the legislature that these vitally necessary
28 goals and objectives can best be accomplished by designating a single state
29 agency with this responsibility. This agency is charged with primary

1 responsibility for the state's litter and litter-related recycling programs,
2 and is mandated to coordinate its activities with all other state and local
3 agencies having litter or litter-related responsibilities. This agency,
4 through its administrator, should frequently consult with and seek counsel
5 from an advisory commission composed of persons having an established and
6 publicly recognized interest in the success of litter control and reduction
7 programs.

8 (d) It is the belief of the legislature that the people of Alaska
9 should have available to them the finest possible system of laws designed to
10 prevent litter and to encourage recycling and that, in the interest of ac-
11 complishing this, this Act shall be considered to be the official primary
12 litter control Act of the state, to the exclusion of all others. The legis-
13 lature retains the right to amend the authority granted in this Act or to
14 repeal this Act if, after a reasonable period of time, it is shown that the
15 goals and objectives envisioned are not being achieved.

16 (e) It is the intent of the legislature that appropriations to fund the
17 programs created under AS 41.21 contained in sec. 2 of this Act should not
18 include amounts for administrative expenses that exceed 35 per cent of the
19 total appropriation.

20 * Sec. 2. AS 41 is amended by adding a new chapter to read:

21 CHAPTER 21. RECYCLING AND REDUCTION OF LITTER.

22 Sec. 41.21.010. DIVISION OF RECYCLING AND LITTER REDUCTION. There
23 is created in the department the division of recycling and litter re-
24 duction.

25 Sec. 41.21.020. POWERS OF THE DIVISION. The division shall

26 (1) serve as the coordinating agency between the various
27 government and private organizations in the state which are involved in
28 litter control and reduction, source separation and recycling;

29 (2) assist local governments in the adoption and revision of

1 ordinances aimed at litter control and reduction;

2 (3) encourage, organize and coordinate voluntary local in-
3 formation campaigns seeking to focus the attention of the public on
4 reduction of litter and voluntary recycling;

5 (4) encourage, organize and coordinate voluntary local source
6 separation and recycling programs;

7 (5) encourage all state and local agencies to cooperate with
8 and aid source separation and recycling programs; this cooperation shall
9 include providing publicity which encourages recycling, and allowing the
10 use of publicly owned land, buildings, or equipment for recycling
11 efforts whenever possible;

12 (6) investigate the availability of, apply for, receive, and
13 expend grants, loans or other funds available from any private or public
14 source, and, where it is considered appropriate and feasible, accept
15 nonmonetary funding in the form of services or equipment for use in
16 programs established under this chapter; and

17 (7) adopt regulations under the Administrative Procedure Act
18 (AS 44.62) necessary to accomplish the purposes of this chapter.

19 Sec. 41.21.030. ANNUAL REPORTS. Within three months after the end
20 of each fiscal year, the division shall prepare a detailed report de-
21 scribing and evaluating the actions taken and programs established under
22 this chapter for submission to the governor and the legislature. This
23 report shall include, but need not be limited to, the status and results
24 of all grants made under this chapter, an evaluation of the progress
25 achieved by litter control and reduction programs, and an evaluation of
26 the conservation of nonrenewable resources and corresponding energy
27 value achieved by source separation and recycling programs in the state
28 whether or not those programs are established under this chapter.

29 Sec. 41.21.040. ADVISORY COUNCIL. (a) There is created an

1 advisory council to the division, which shall have responsibility for
2 advising the division concerning the litter control and reduction,
3 source separation and recycling programs under this chapter. The
4 council may encourage the participation of industry, labor, local
5 government units and agencies and the public in the programs adminis-
6 tered by the division.

7 (b) The council shall consist of seven members, who shall be
8 representatives of the businesses subject to the assessment under AS
9 43.71. All members shall be aware of and concerned with achieving the
10 goals of this chapter.

11 (c) The members shall be appointed by the governor and shall serve
12 two-year terms. Appointments of members to the advisory council are
13 subject to confirmation by a majority of the members of the legislature
14 in joint session. Each member shall hold office from the date of ap-
15 pointment until the end of the term for which the appointment is made.
16 Any member appointed to fill a vacancy occurring before the expiration
17 of a full term shall hold office for the remainder of the term. A
18 member shall continue in office after the expiration date of his term or
19 notice of resignation until a successor takes office. A vacancy in the
20 membership shall be filled by appointment within 60 days after the
21 vacancy occurs.

22 (d) The council shall meet not less than once every three months,
23 and may meet more frequently if necessary or desired. The members
24 receive no compensation for their services, but they are entitled to per
25 diem and travel expenses authorized by law for boards and commissions.

26 Sec. 41.21.050. PUBLIC AWARENESS; MOTIVATION. The division shall
27 establish, provide advice concerning, and coordinate programs designed
28 to

29 (1) educate the public and increase awareness of the need for

1 a litterless ethic in the state;

2 (2) utilize existing, and develop new, techniques and pro-
3 grams aimed at reducing litter and littering;

4 (3) instill in the public the desire to live in an environ-
5 ment free from litter;

6 (4) motivate the public not to litter and to engage in
7 clean-up efforts;

8 (5) advise the public of the state's anti-litter laws and
9 regulations and encourage enforcement of those laws and regulations.

10 Sec. 41.21.060. LITTER RECEPTACLES. (a) The director shall
11 design one or more types of litter receptacles which are uniform in
12 size, shape, capacity and color for wide and extensive distribution
13 throughout the public places of the state. Each receptacle shall bear
14 an anti-litter symbol or logo designated and adopted by the division and
15 a statement of the penalties for littering. Receptacles shall be con-
16 structed of a suitable and durable material which is designed to attract
17 attention and encourage the depositing of litter. To aid public recog-
18 nition and use of litter receptacles, the division shall emulate the
19 anti-litter symbols and receptacles used in other states.

20 (b) Litter receptacles of the uniform design shall be placed along
21 the public highways and business district sidewalks of this state and at
22 all parks, campgrounds, drive-in restaurants, gasoline service stations,
23 tavern parking lots, shopping centers, grocery store parking lots,
24 parking lots of major industrial firms, marinas, boat launching areas,
25 boat moorage and fueling stations, public and private piers, beaches,
26 bathing areas, and all other public places in the state unless specifi-
27 cally exempted by regulation of the director adopted under the Adminis-
28 trative Procedure Act (AS 44.62). The number of receptacles required to
29 be placed under this section shall be determined by a formula related to

1 the need for those receptacles. The requirement of this subsection may
2 be met by the use of litter receptacles in use before the establishment
3 of the uniform design for litter receptacles by the division, and which
4 adequately serve the purpose intended for those receptacles, except
5 their continued use shall be conditioned upon placement of the anti-
6 litter symbol upon those receptacles.

7 (c) It is the responsibility of any person owning or operating any
8 public place at which litter receptacles are required under (b) of this
9 section to procure, place and maintain those receptacles at his own
10 expense.

11 (d) Compliance with this section includes proper upkeep, mainte-
12 nance and repair of litter receptacles sufficient to permit those re-
13 ceptacles to serve the functions for which they were designed and to
14 prevent those receptacles from becoming unsightly.

15 (e) Responsibility for the removal of litter from litter recep-
16 tacles placed at publicly owned places remains with the public agencies
17 performing litter removal. Removal of litter from litter receptacles
18 placed on private property which is used by the public remains the
19 responsibility of the owner of that private property.

20 (f) A person may not damage, deface, abuse or misuse a litter re-
21 ceptacle not owned by him so as to interfere with its proper function or
22 to detract from its proper appearance.

23 (g) A person may not deposit leaves, clippings, prunings, garden
24 refuse or household waste materials in a litter receptacle, except with
25 the permission of the owner of that receptacle.

26 (h) A person who violates the provisions of this section, or a
27 regulation adopted under this section, is guilty of an infraction, and,
28 upon conviction, is punishable by a fine of \$10 for each violation and
29 each day of continued violation constitutes a separate infraction.

1 Sec. 41.21.070. LITTER BAGS. The division shall design and pro-
2 duce or cause to be produced a litter bag bearing the state anti-litter
3 symbol or logo and a statement of the penalties for littering in the
4 state. The division shall make available to the appropriate department
5 a sufficient quantity of these bags so that each person upon renewing
6 his motor vehicle registration may be given one along with his license
7 plates. The division of motor vehicles shall distribute one litter bag
8 for each set of license plates issued and notify the person of his
9 responsibilities under the law. The division shall make litter bags
10 available to all watercraft owners and persons entering the state by
11 automobile. The director shall pick key distribution points so that the
12 broadest possible distribution is made to persons entering the state by
13 automobile or watercraft.

14 Sec. 41.21.080. SURVEYS. (a) Within six months after the effec-
15 tive date of this Act, the division shall survey the amount and composi-
16 tion of litter on or near selected public highways, recreation land, and
17 urban areas in the state. The purpose of this survey is to measure the
18 effect of the programs established under this chapter. The areas sur-
19 veyed shall be chosen with the goal of later measurement of progress and
20 the need for regular identification of litter and littering rates in the
21 state.

22 (b) The division shall perform follow-up surveys on a sufficiently
23 regular basis to provide meaningful measurement of the amount and com-
24 position of litter and the rate of littering. The results of these
25 surveys shall be included in the annual report to the governor and
26 legislature required under AS 41.21.030.

27 (c) The division may grant funds to public agencies or private
28 entities to conduct the surveys or a portion of them required under (a)
29 or (b) of this section.

1 Sec. 41.21.090. LITTER PATROL. (a) The division shall adopt
2 regulations which establish a youth litter patrol program for the em-
3 ployment of youths on a seasonal basis. In designing the program, the
4 division shall cooperate with federal, state or local programs that
5 either employ youths or encourage their employment.

6 (b) In enforcing the provisions of this chapter the division shall
7 be aided by all peace officers of the state as well as fish and game
8 enforcement officers and state park employees. These persons have the
9 authority to issue citations and to arrest, without warrant, persons
10 violating the provisions of this chapter or regulations adopted under
11 this chapter. The persons named in this subsection may serve and exe-
12 cute warrants, citations, and other process issued by the courts of this
13 state to enforce the provisions of this chapter. Mailing by registered
14 mail to the last known address of the person sought to be issued a
15 warrant, citation or other process constitutes personal service on the
16 person charged.

17 Sec. 41.21.100. PROHIBITED ACTS. (a) A person may not throw,
18 drop, deposit, discard, or otherwise dispose of litter, whether from a
19 vehicle or otherwise, on public or private property in the state or in
20 waters in the state or under state jurisdiction except

21 (1) when the property is designated by the state or an agency
22 or political subdivision of the state as property to be used for the
23 disposal of garbage or refuse, and the person is authorized to use the
24 property for that purpose; or

25 (2) when litter is placed into a litter receptacle so that
26 the litter will be prevented from being carried away or deposited by the
27 elements upon public or private property or waters in the state or under
28 state jurisdiction.

29 (b) No vehicle may be driven or moved on any public highway or

1 right-of-way unless it is constructed, loaded or covered to prevent its
2 load from dropping, sifting, leaking or otherwise escaping from the
3 vehicle, except that this subsection does not apply to any vehicle being
4 used to deposit salt or sand for the purpose of securing traction by a
5 public agency to clean or maintain highways, or to transport agricul-
6 tural, mining or timber products. Any person who operates a vehicle
7 from which an object has fallen or escaped which would constitute an
8 obstruction, hazard or otherwise endanger travel upon a public highway
9 or right-of-way shall immediately remove that obstruction at his own
10 expense or pay the cost of removal incurred by the state or any person.

11 (c) A person violating a provision of this section is guilty of an
12 infraction and upon conviction is punishable by a mandatory fine of not
13 more than \$25. The court may require that the person found guilty of
14 violating a provision of this section engage, for a time designated and
15 over an area designated, in gathering and properly disposing of all
16 litter in the area designated by the court.

17 Sec. 41.21.110. NOTICE TO PUBLIC. The penalties which may be
18 levied for littering in this state shall be posted along the public
19 highways of the state, at visitor centers, at entrances to state parks
20 and recreational areas, at public beaches, and other public places the
21 director determines necessary to accomplish the purposes of this chap-
22 ter.

23 Sec. 41.21.120. GRANTS. (a) The division shall award grants to
24 state and local government units and agencies and private organizations
25 for the establishment and operation of programs for public education and
26 motivation. Programs qualifying for a grant under this section may
27 include

28 (1) courses of instruction at, or the distribution of infor-
29 mative materials to, elementary and secondary schools;

- 1 (2) the purchase and erection of roadside signs;
- 2 (3) the organization and operation of clean-up drives con-
- 3 ducted by local agencies, private organizations or service groups using
- 4 volunteer help;
- 5 (4) any other public information method selected by the
- 6 division, including the use of media;
- 7 (5) the expansion of existing and the creation of new source
- 8 separation programs;
- 9 (6) the expansion of existing and the creation of new com-
- 10 munity recycling centers;
- 11 (7) the research and evaluation of in-state or out-of-state
- 12 markets for the materials and products to be recovered in source sepa-
- 13 ration and recycling programs;
- 14 (8) advice and assistance, including information and con-
- 15 sultation on available technology, operating procedures, organizational
- 16 arrangements, markets for recycled materials, transportation alterna-
- 17 tives, and publicity techniques;
- 18 (9) research programs and projects for the planning and de-
- 19 sign of resource recovery facilities, other than recycling centers; and
- 20 (10) surveys conducted by public agencies or recognized re-
- 21 search organizations to assess the amount and composition of litter,
- 22 rates of littering, and amounts and composition of solid waste.

23 Sec. 41.21.130. CONDITIONS FOR GRANTS. (a) Grants shall be for
24 one year only.

25 (b) The division shall require periodic reports to be filed by
26 grant recipients to enable the division to review and follow up on
27 actions taken by grant recipients to ensure that the purposes of this
28 chapter are being achieved.

29 (c) Grant recipients shall use funds only to supplement and not to

1 replace existing programs or expenditures.

2 (d) The division shall adopt regulations establishing guidelines
3 for the determination of eligibility of public and private agencies and
4 persons to receive funds and the determination of qualification and
5 suitability of plans submitted by those agencies or persons consistent
6 with the purposes of this chapter.

7 (e) To the extent applicable, the division shall consider the
8 following criteria in determining which applicants shall receive a grant
9 and the amount of the grant:

10 (1) the likelihood that a program or project will further the
11 purposes of this chapter;

12 (2) the likelihood that a program or project will become
13 economically self-sufficient at a future time;

14 (3) the likelihood that the grant will create or cause to be
15 created a maximum number of new jobs;

16 (4) the distribution of the available grant funds to programs
17 which have moderate needs in order to be successful rather than to a few
18 programs or projects which have expensive financial requirements; and

19 (5) the likelihood that the applicants will be able to co-
20 ordinate their efforts with others.

21 Sec. 41.21.140. DEFINITIONS. In this chapter,

22 (1) "department" means the Department of Community and Re-
23 gional Affairs;

24 (2) "director" means the director of the division of recy-
25 cling and litter reduction of the department;

26 (3) "division" means the division of recycling and litter
27 reduction of the department;

28 (4) "litter" means all waste materials susceptible to being
29 dropped, deposited, discarded or otherwise disposed of upon any property

1 in the state; "litter" does not include the waste of the primary pro-
2 cesses of mining or other extraction process, logging, sawmilling,
3 farming or manufacturing;

4 (5) "litter bag" means a bag, sack or other container made of
5 any material which is large enough and suitable to serve as a receptacle
6 for litter inside a vehicle or watercraft;

7 (6) "person" means any political subdivision, government
8 agency, municipality, industry, public or private corporation, partner-
9 ship, association, firm, individual, or other entity;

10 (7) "public place" means any area that is used or held out
11 for use by the public whether owned or operated by a public or private
12 interest, including but not limited to highways or other roads upon
13 which vehicles are moved, parks, campgrounds, trailer parks, drive-in
14 and fast food restaurants, gasoline service stations, parking lots for
15 taverns, shopping centers and grocery stores, parking lots other than
16 those specifically designated which have a capacity for more than 50
17 vehicles, marinas, boat launching areas, boat moorage and fueling sta-
18 tions, public and private piers, beaches, bathing areas, school grounds,
19 sporting event sites with seating capacity for more than 200 spectators,
20 and business district sidewalks;

21 (8) "recycling" means the process of separating, cleansing,
22 treating or reconstituting waste or other discarded materials for the
23 purpose of recovering and reusing resources contained in that material
24 or waste;

25 (9) "recycling center" means a central collection point for
26 recyclable materials;

27 (10) "resource recovery" means a system or process for the
28 recovery of materials or energy from waste material;

29 (11) "source separation" means separation of recyclable

1 materials by the public from their general refuse;

2 (12) "vehicle" means every mechanically driven device of any
3 kind capable of being moved upon a public highway and in, upon, or by
4 which any person or property is or may be transported or drawn upon a
5 public highway, trail or path;

6 (13) "watercraft" means any boat, ship, vessel, barge or other
7 floating craft of any kind.

8 Sec. 41.21.150. SHORT TITLE. This chapter and AS 43.71 may be
9 cited as the Alaska Comprehensive Recycling and Litter Reduction Act.

10 * Sec. 3. AS 43 is amended by adding a new chapter to read:

11 CHAPTER 71. LITTER CONTROL ASSESSMENT.

12 Sec. 43.71.010. ASSESSMENT. (a) An assessment for litter reduc-
13 tion is levied for each taxable year upon the gross receipts of
14 businesses in the state. The amount of the assessment levied on each
15 business shall be determined by reference to the table contained in (b)
16 of this section. The assessment shall be collected by the Department of
17 Revenue under the administrative procedures established by that depart-
18 ment, and the proceeds of that collection shall be deposited in the
19 general fund of the state.

20 (b) The assessment imposed under (a) of this section shall be
21 determined as follows:

	gross receipts reported	amount of litter assessment
22		
23		
24	under \$100,000 a year	none
25	\$ 100,000 - \$ 199,999 a year	\$ 10
26	\$ 200,000 - \$ 499,999 a year	\$ 25
27	\$ 500,000 - \$ 999,999 a year	\$ 50
28	\$1,000,000 - \$1,999,999 a year	\$ 100
29	\$2,000,000 - \$4,999,999 a year	\$ 250

1	\$5,000,000 - \$9,999,999 a year	\$ 500
2	Over \$10,000,000 a year	\$1,000 plus \$500
3		per each additional
4		\$5,000,000 in gross
5		receipts or part there-
6		of over \$10,000,000 a
7		year, up to a maximum
8		assessment of \$25,000.

9 (c) If a federal law is enacted which accomplishes or purports to
10 accomplish the same purposes as this chapter and which levies an assess-
11 ment or tax upon any business assessed under this section, then the
12 amount of the federal assessment or tax upon that business may be used
13 as a credit against the assessment levied under this chapter; however,
14 the credit may be authorized only when a portion of the funds raised by
15 the federal assessment or tax are made available to the state for acti-
16 vities funded under this chapter.

17 Sec. 43.71.020. EXEMPTIONS. The activity of growing food products
18 or raising animals for food products is exempt from the assessment on
19 gross receipts levied under AS 43.71.010 unless these products are
20 packaged or containerized in disposable packing or containers before
21 their initial sale.

22 Sec. 43.71.030. DEFINITIONS. In this chapter

23 (1) "business" means any activity regularly engaged in by a
24 person or caused to be engaged in by him with the object of gain, bene-
25 fit, or advantage, either direct or indirect, and includes subactivities
26 producing marketable commodities or services used or consumed in the
27 main business activity;

28 (2) "gross receipts" means receipts from sources in the
29 state, whether in the form of money, credits, or other valuable consid-

1 eration received from engaging in or conducting a business without
2 deducting the cost of the property sold, the cost of the materials used,
3 labor or service cost, interest paid, taxes, losses, or any other ex-
4 pense, except that "gross receipts" does not include cash discounts
5 allowed and taken on sales, and sales refunds, either in cash or by
6 credit, uncollectible accounts written off, and payments received in
7 final liquidation of accounts included in the gross receipts of a pre-
8 vious return made by the person; receipts from sales, wherever made, of
9 goods, wares, and merchandise manufactured or processed or originating
10 in the state are considered a part of gross receipts from sources in the
11 state, and the holder of a state license under AS 43.70 doing business
12 inside and outside the state is liable under this chapter as to that
13 portion of his gross receipts attributable to his Alaska operation;
14 "gross receipts" also includes all amounts paid or assigned to subcon-
15 tractors; individuals representing firms taxed under this chapter on
16 volume of business done, working as agents on commission instead of as
17 employees, may compute their gross receipts as equal to their gross
18 commissions.

19 * Sec. 4. AS 11.20.590(b) and (e) are repealed.

20 * Sec. 5. AS 11.46.488 enacted by ch. 166 SLA 1978 is repealed.

21 * Sec. 6. NONSEVERABILITY. (a) The provisions of this Act are not
22 severable. If any provision of this Act is found by a court of competent
23 jurisdiction to be void for any reason, other than as provided in (b) of this
24 section, the remaining provisions of the Act shall be void also.

25 (b) The provisions of (a) of this section notwithstanding, if a federal
26 law is enacted which accomplishes or purports to accomplish the purposes set
27 out in this Act and which provides funding to this state for any of the acti-
28 vities authorized under this Act, but that funding would not be available to
29 the state because of any requirements or conditions contained in this Act,

1 then any and all sections or subsections of this Act which impose those
2 requirements or conditions shall be automatically and immediately repealed.
3 The wording of any section or subsection under this subsection shall not be
4 construed as a finding that the section or subsection is void under (a) of
5 this section and shall not affect the continuing validity and applicability
6 of any other part of this Act.

7 * Sec. 7. REVIEW AND EVALUATION. The Legislative Budget and Audit Com-
8 mittee shall review and evaluate the extent to which the purposes of this Act
9 have been and are being achieved and the need for the continuation of the
10 programs and requirements established under this Act. That review and eval-
11 uation shall be completed at least six months before the date specified in
12 sec. 8 of this Act.

13 * Sec. 8. TERMINATION. This Act terminates July 1, 1983.

14 * Sec. 9. This Act takes effect July 1, 1979.
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Original Sponsors: Colletta, Kerrettula,
Sackett, et al

Offered: 3/12/79
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 2

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the comprehensive recycling and
7 reduction of litter; and providing for an effective
8 date."

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

10 * Section 1. LEGISLATIVE INTENT. (a) It is the intent of the legisla-
11 ture to maintain the natural environment of the state as nearly litter free
12 as possible so that our cities, boroughs, rural regions, highways, roads, and
13 recreational areas can be viewed and enjoyed by both present and future
14 citizens and visitors in their finest scenic state, unblemished by objects of
15 litter.

16 (b) It is the belief of the legislature that this can be accomplished
17 by a strong and well-balanced program of litter prevention, accompanied by
18 programs of public awareness designed to make littering an unacceptable
19 practice in the minds of all citizens and visitors -- a program of public
20 education with emphasis on younger people who are the future of the state,
21 and the application of reasonable but firm programs of law enforcement under
22 AS 46.03 directed at those who choose to litter. It is the belief of the
23 legislature that the official encouragement and stimulation of private and
24 public recycling efforts, through recycling centers and other means, will
25 result in the recovery and reuse of major quantities of basic materials with
26 accompanying significant conservation and savings of energy.

27 (c) It is the intent of the legislature that appropriations made to
28 finance the programs created under AS 41.21 enacted in sec. 2 of this Act
29 should be spent to encourage local solutions for the prevention of littering

1 and that not more than 35 per cent of the funds appropriated be for clerical
2 support, travel by state employees, and other expenses of the Department of
3 Community and Regional Affairs which do not increase the assistance given to
4 local public and private organizations.

5 (d) It is the belief of the legislature that the people of Alaska
6 should have available to them the finest possible system of laws designed to
7 prevent litter and to encourage recycling and that, in the interest of ac-
8 complishing this, this Act shall be considered to be the official primary
9 litter control Act of the state. The legislature retains the right to amend
10 the authority granted in this Act or to repeal this Act if, after a reason-
11 able period of time, it is shown that the goals and objectives envisioned are
12 not being achieved.

13 * Sec. 2. AS 41 is amended by adding a new chapter to read:

14 CHAPTER 21. RECYCLING AND REDUCTION OF LITTER.

15 Sec. 41.21.010. POWERS OF THE DEPARTMENT. The department shall

16 (1) serve as the coordinating agency between the various
17 government and private organizations in the state which are involved in
18 litter control and reduction, source separation and recycling;

19 (2) assist local governments in the adoption and revision of
20 ordinances aimed at litter control and reduction;

21 (3) encourage, organize and coordinate voluntary local in-
22 formation campaigns seeking to focus the attention of the public on
23 reduction of litter and voluntary recycling;

24 (4) encourage, organize and coordinate voluntary local source
25 separation and recycling programs;

26 (5) encourage all state and local agencies to cooperate with
27 and aid source separation and recycling programs; this cooperation shall
28 include providing publicity which encourages recycling, and allowing the
29 use of publicly owned land, buildings, or equipment for recycling

1 efforts whenever possible;

2 (6) investigate the availability of, apply for, receive, and
3 expend grants, loans or other funds available from any private or public
4 source, and, where it is considered appropriate and feasible, accept
5 nonmonetary funding in the form of services or equipment for use in
6 programs established under this chapter; and

7 (7) adopt regulations under the Administrative Procedure Act
8 (AS 44.62) necessary to accomplish the purposes of this chapter.

9 Sec. 41.21.020. ANNUAL REPORTS. Not later than six months after
10 the end of each fiscal year, the department shall prepare a detailed
11 report describing and evaluating the actions taken and programs estab-
12 lished under this chapter for submission to the governor and the legis-
13 lature. This report shall include, but need not be limited to, the
14 status and results of all grants made under this chapter, an evaluation
15 of the progress achieved by litter control and reduction programs, and
16 an evaluation of the conservation of nonrenewable resources and corres-
17 ponding energy value achieved by source separation and recycling pro-
18 grams in the state whether or not those programs are established under
19 this chapter.

20 Sec. 41.21.030. ADVISORY COUNCIL. (a) There is created an advi-
21 sory council to the department, which shall have responsibility for
22 advising the department concerning the litter control and reduction,
23 source separation and recycling programs under this chapter. The coun-
24 cil may encourage the participation of industry, labor, local government
25 units and agencies and the public in the programs administered by the
26 department.

27 (b) The council shall consist of seven members. Five members
28 shall be representatives of the businesses subject to the business
29 license fee established under AS 43.70 and two members shall be resi-

1 dents of the state who are not representatives of the businesses subject
2 to the business license fee established under AS 43.70. All members
3 shall be aware of and concerned with achieving the goals of this chapter.

4 (c) The members shall be appointed by the governor and shall serve
5 two-year terms. Each member shall hold office from the date of ap-
6 pointment until the end of the term for which the appointment is made.
7 A member appointed to fill a vacancy occurring before the expiration of
8 a full term shall hold office for the remainder of the term. A member
9 shall continue in office after the expiration date of his term or notice
10 of resignation until a successor takes office. A vacancy in the member-
11 ship shall be filled by appointment within 60 days after the vacancy
12 occurs.

13 (d) The council shall meet semiannually, and may meet more fre-
14 quently if necessary or desired. The members receive no compensation
15 for their services, but they are entitled to per diem and travel expen-
16 ses authorized by law for boards and commissions.

17 Sec. 41.21.040. PUBLIC AWARENESS; MOTIVATION. The department
18 shall establish, provide advice concerning, and coordinate programs
19 designed to

20 (1) educate the public and increase awareness of the need for
21 a litterless ethic in the state;

22 (2) utilize existing, and develop new, techniques and pro-
23 grams aimed at reducing litter and littering;

24 (3) instill in the public the desire to live in an environ-
25 ment free from litter;

26 (4) motivate the public not to litter and to engage in clean-
27 up efforts;

28 (5) advise the public of the state's anti-litter laws and
29 regulations and encourage enforcement of those laws and regulations.

1 Sec. 41.21.050. LITTER RECEPTACLES. (a) The department shall
2 make available for distribution throughout the state an anti-litter
3 symbol of a uniform color and design adopted by the department. This
4 anti-litter symbol must bear a statement of the penalties for littering,
5 and the department shall design the anti-litter symbol so that it may be
6 attached to litter receptacles. To aid public recognition and use of
7 litter receptacles, the department may emulate the anti-litter symbols
8 used in other states. The anti-litter symbol designed by the department
9 shall be attached to litter receptacles located in the public places of
10 the state.

11 (b) Litter receptacles shall be placed along the public highways
12 and business district sidewalks of this state and at all parks, camp-
13 grounds, drive-in restaurants, gasoline service stations, tavern parking
14 lots, shopping centers, grocery store parking lots, parking lots of
15 major industrial firms, marinas, boat launching areas, boat moorage and
16 fueling stations, public and private piers, beaches, bathing areas, and
17 all other public places in the state unless specifically exempted by
18 regulations adopted by the commissioner under the Administrative Proce-
19 dure Act (AS 44.62). The number of receptacles required to be placed
20 under this section shall be determined by a formula related to the need
21 for those receptacles. The requirement of this subsection may be met by
22 the use of litter receptacles in use before July 1, 1979, and which
23 adequately serve the purpose intended for those receptacles, except
24 their continued use shall be conditioned upon placement of the anti-
25 litter symbol upon those receptacles.

26 (c) It is the responsibility of a person owning or operating any
27 public place at which litter receptacles are required under (b) of this
28 section to place the anti-litter symbol of the state on those recep-
29 tacles.

1 (d) Compliance with this section includes proper upkeep, mainte-
2 nance and repair of litter receptacles sufficient to permit those re-
3 ceptacles to serve the functions for which they were designed and to
4 prevent those receptacles from becoming unsightly.

5 (e) Responsibility for the removal of litter from litter recep-
6 tacles placed at publicly owned places remains with the public agencies
7 performing litter removal. Removal of litter from litter receptacles
8 placed on private property which is used by the public remains the
9 responsibility of the owner of that private property.

10 (f) A person may not damage, deface, abuse or misuse a litter re-
11 ceptacle not owned by him so as to interfere with its proper function or
12 to detract from its proper appearance.

13 (g) A person may not deposit leaves, clippings, prunings, garden
14 refuse or household waste materials in a litter receptacle, except with
15 the permission of the owner of that receptacle.

16 (h) Except as provided in (i) of this section, a person who vio-
17 lates the provisions of (b) - (g) of this section is punishable by a
18 civil fine of \$10. Each day of continued violation constitutes a
19 separate violation and is punishable by a civil fine of \$10. Punishment
20 under this section may only be initiated by civil complaint or citation.
21 The court may establish procedures for payment of fines by mail.

22 (i) If a municipality of the state adopts an ordinance which pro-
23 hibits the same conduct prohibited by (b) - (g) of this section, a
24 violation of (b) - (g) of this section which occurs in the municipality
25 is punishable under the provisions of the municipal ordinance if the
26 punishment imposed under the ordinance is equal to or greater than the
27 civil fine imposed by (h) of this section.

28 Sec. 41.21.060. LITTER BAGS. The department shall design and pro-
29 duce or have produced a litter bag bearing the state anti-litter symbol

1 or logo and a statement of the penalties for littering in the state.
2 The department shall make available to the division of motor vehicle in
3 the Department of Public Safety a sufficient quantity of these litter
4 bags so that each person upon renewing his motor vehicle registration
5 may be given one along with his license plates. The division of motor
6 vehicles shall distribute one litter bag for each set of license plates
7 issued and notify the person of his responsibilities under the law. The
8 department shall make litter bags available to all watercraft owners and
9 persons entering the state by automobile. The commissioner shall design-
10 nate distribution points for the broadest possible distribution of
11 litter bags to persons entering the state by automobile or watercraft.

12 Sec. 41.21.070. LITTER PATROL. The department may adopt regula-
13 tions which establish a youth litter patrol program for the employment
14 of youths on a seasonal basis. In designing the program, the department
15 shall cooperate with federal, state or local programs that either employ
16 youths or encourage their employment.

17 Sec. 41.21.080. PROHIBITED ACTS. (a) A person may not throw,
18 drop, deposit, discard, or otherwise dispose of litter, whether from a
19 vehicle or otherwise, on public or private property in the state or in
20 waters in the state or under state jurisdiction except

21 (1) when the property is designated by an agency or political
22 subdivision of the state as property to be used for the disposal of
23 garbage or refuse, and the person is authorized to use the property for
24 that purpose; or

25 (2) when litter is placed into a litter receptacle so that
26 the litter is prevented from being carried away or deposited by the
27 elements upon public or private property or waters in the state or under
28 state jurisdiction.

29 (b) No vehicle may be driven or moved on a public highway or

1 right-of-way unless it is constructed, loaded or covered to prevent its
2 load from dropping, sifting, leaking or otherwise escaping from the
3 vehicle. This subsection does not apply to a vehicle (1) which is being
4 used to deposit salt or sand for the purpose of securing traction, (2)
5 used by a public agency to clean or maintain highways, or (3) used to
6 transport agricultural, mining or timber products. A person who oper-
7 ates a vehicle from which an object has fallen or escaped which would
8 constitute an obstruction, hazard or otherwise endanger travel upon a
9 public highway or right-of-way shall immediately remove that obstruction
10 at his own expense or pay the cost of removal incurred by the state or
11 by a person.

12 (c) A person who violates a provision of this section is punish-
13 able by a civil fine of not less than \$25 nor more than \$2,000.
14 Punishment under this section may only be initiated by civil complaint
15 or citation. The court may establish procedures for payment of fines by
16 mail. In addition to the imposition of a civil fine, the court may
17 order a person who violates this section to gather and dispose of litter
18 in an area and for a length of time designated by the court.

19 Sec. 41.21.090. NOTICE TO PUBLIC. The penalties which may be
20 levied for littering in this state shall be posted along the public
21 highways of the state, at visitor centers, at entrances to state parks
22 and recreational areas, at public beaches, and other public places the
23 commissioner determines necessary to accomplish the purposes of this
24 chapter.

25 Sec. 41.21.100. ENFORCEMENT AUTHORITY. The following persons are
26 authorized to enforce the provisions of this chapter

27 (1) a state employee authorized by the commissioner of the
28 Department of Environmental Conservation; and

29 (2) a peace officer.

1 Sec. 41.21.110. GRANTS. (a) The department shall award grants to
2 state and local government units and agencies and private organizations
3 for the establishment and operation of programs authorized under this
4 chapter. Programs qualifying for a grant under this section may in-
5 clude

6 (1) courses of instruction at, or the distribution of infor-
7 mative materials to, elementary and secondary schools;

8 (2) the purchase and erection of roadside signs;

9 (3) the organization and operation of clean-up drives con-
10 ducted by local agencies, private organizations or service groups using
11 volunteer help;

12 (4) any other public information method selected by the
13 department, including the use of electronic media;

14 (5) the expansion of existing and the creation of new source
15 separation programs;

16 (6) the expansion of existing and the creation of new com-
17 munity recycling centers;

18 (7) the research and evaluation of in-state or out-of-state
19 markets for the materials and products to be recovered in source sepa-
20 ration and recycling programs;

21 (8) advice and assistance, including information and con-
22 sultation on available technology, operating procedures, organizational
23 arrangements, markets for recycled materials, transportation alterna-
24 tives, and publicity techniques;

25 (9) research programs and projects for the planning and de-
26 sign of resource recovery facilities, other than recycling centers;

27 (10) surveys conducted by public agencies or recognized re-
28 search organizations to assess the amount and composition of litter,
29 rates of littering, and amounts and composition of solid waste;

- 1 (11) the purchase of litter receptacles; and
2 (12) the creation or expansion of litter law enforcement
3 programs.

4 Sec. 41.21.120. CONDITIONS FOR GRANTS. (a) Grants shall be for
5 one year only.

6 (b) The department shall require periodic reports to be filed by
7 grant recipients to enable the department to review and follow up on
8 actions taken by grant recipients to ensure that the purposes of this
9 chapter are being achieved.

10 (c) Grant recipients shall use funds only to supplement and not to
11 replace existing programs or expenditures.

12 (d) The department shall adopt regulations which establish guide-
13 lines for the determination of eligibility of public and private
14 agencies and persons to receive funds and the determination of qualifi-
15 cation and suitability of plans submitted by those agencies or persons
16 consistent with the purposes of this chapter.

17 (e) To the extent applicable, the department shall consider the
18 following criteria in determining which applicants shall receive a grant
19 and the amount of the grant:

20 (1) the likelihood that a program or project will further the
21 purposes of this chapter;

22 (2) the likelihood that a program or project will become
23 economically self-sufficient at a future time;

24 (3) the likelihood that the grant will create or cause to be
25 created a maximum number of new jobs;

26 (4) the distribution of the available grant funds to programs
27 which have moderate needs in order to be successful rather than to a few
28 programs or projects which have expensive financial requirements; and

29 (5) the likelihood that the applicants will be able to co-

1 ordinate their efforts with others.

2 Sec. 41.21.130. FEDERAL REQUIREMENTS. If a federal department or
3 agency issues a formal ruling that a section of this chapter will pre-
4 vent the state from receiving federal financial participation in any
5 program or activity established under this chapter, the section will not
6 apply to the extent that it causes the program or activity to lose
7 federal funding.

8 Sec. 41.21.140. DEFINITIONS. In this chapter,

9 (1) "commissioner" means the commissioner of community and
10 regional affairs;

11 (2) "department" means the Department of Community and Re-
12 gional Affairs;

13 (3) "litter" means all waste materials susceptible to being
14 dropped, deposited, discarded or otherwise disposed of upon property in
15 the state; "litter" does not include the waste of the primary processes
16 of mining or other extraction process, logging, sawmilling, farming or
17 manufacturing;

18 (4) "litter bag" means a bag, sack or other container made of
19 any material which is large enough and suitable to serve as a receptacle
20 for litter inside a vehicle or watercraft;

21 (5) "person" means any political subdivision, government
22 agency, municipality, industry, public or private corporation, partner-
23 ship, association, firm, individual, or other entity;

24 (6) "public place" means any area that is used or held out
25 for use by the public whether owned or operated by a public or private
26 interest, including but not limited to highways or other roads upon
27 which vehicles are moved, parks, campgrounds, trailer parks, drive-in
28 and fast food restaurants, gasoline service stations, parking lots for
29 taverns, shopping centers and grocery stores and other parking lots

1 which have a capacity for more than 50 vehicles, marinas, boat launching
2 areas, boat moorage and fueling stations, public and private piers,
3 beaches, bathing areas, school grounds, sporting event sites with
4 seating capacity for more than 200 spectators, and business district
5 sidewalks;

6 (7) "recycling" means the process of separating, cleansing,
7 treating or reconstituting waste or other discarded materials for the
8 purpose of recovering and reusing resources contained in that material
9 or waste;

10 (8) "recycling center" means a central collection point for
11 recyclable materials;

12 (9) "resource recovery" means a system or process for the
13 recovery of materials or energy from waste material;

14 (10) "source separation" means separation of recyclable
15 materials by the public from their general refuse;

16 (11) "vehicle" means every mechanically driven device of any
17 kind capable of being moved upon a public highway and in, upon, or by
18 which any person or property is or may be transported or drawn upon a
19 public highway, trail or path;

20 (12) "watercraft" means any boat, ship, vessel, barge or other
21 floating craft of any kind.

22 Sec. 41.21.150. SHORT TITLE. This chapter may be cited as the
23 Alaska Comprehensive Recycling and Litter Reduction Act.

24 * Sec. 3. AS 11.20.590(b) and (e, are repealed.

25 * Sec. 4. AS 11.46.488 enacted by ch. 166 SLA 1978 is repealed.

26 * Sec. 5. Notwithstanding the terms of office for members of the advisory
27 council specified in AS 41.21.030(c) contained in sec. 2 of this Act, the
28 terms of the first appointees shall be as follows:

29 (1) three members shall serve terms ending June 30, 1980; and

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(2) four members shall serve terms ending June 30, 1981.

* Sec. 6. REVIEW AND EVALUATION. The Legislative Budget and Audit Committee shall review and evaluate the extent to which the purposes of this Act have been and are being achieved and the need for the continuation of the programs and requirements established under this Act. That review and evaluation shall be completed at least six months before the date specified in sec. 7 of this Act.

* Sec. 7. TERMINATION. This Act terminates July 1, 1983.

* Sec. 8. This Act takes effect July 1, 1979.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

MAR 21 1980

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB-2

Title Comprehensive Recycling - and Reduction of Litter

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Environmental Conservation

Program Category Affected Solid Waste Management

BRU, Program, or Subprogram(s) Affected Environmental Quality 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	-	349.5	384.0	423.0	465.0	-
200 TRAVEL	-	74.0	81.0	90.0	98.0	-
300 CONTRACTUAL	-	155.5	165.5	182.0	200.0	-
400 COMMODITIES	-	17.0	18.5	20.6	22.6	-
500 EQUIPMENT	-	47.0	49.0	52.0	54.4	-
600 LAND & STRUCTURES	-					-
700 - GRANTS, CLAIMS, ETC.	-	450.0	450.0	450.0	450.0	-
TOTAL	-	1,093.0	1,148.0	1,217.6	1,290.0	

FUNDING (Thousands of Dollars)

GENERAL FUND	-	1,093.0	1,148.0	1,217.6	1,290.0	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Fund Source)	-	-	-	-	-	-

POSITIONS

FULL TIME	-	7	7	7	7	7
PART TIME	-	36	36	36	36	36
TEMPORARY						

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

ASSUMPTIONS: 1. Assumes full bill to be enacted, including litter reduction regulations established and enforced, public information campaigns, resource recovery and litter reduction programs implemented including grants to communities/organizations, 3 litter patrol units activated each year for three months. 10% inflation assumed on personal services, travel and commodities, 5% inflation on all other figures.

IV. DATE March 20, 1980

PREPARED BY Thomas P. Hanna

AGENCY Department of Environmental Conservation

PHONE 465-2021

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

A. POSITIONS AND RESOURCES FOR ADEC

Personal Services: .
(position descriptions attached)

1 resource recovery economist (R20)	43.3
1 litter reduction program supervisor (R18)	37.7
1 public information officer I (R14)	28.1
1 administrative assistant (R12)	23.3
3 field positions (R16)	98.1

Total Personal Services	232.5
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Travel	20.0
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Contractual	104.5
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To support positions	74.5
For public information	30.0

Commodities	2.0
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Equipment	2.0
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<u>SUBTOTAL ADEC EXPENSES</u>	361.0
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B. GRANTS TO LOCAL GOVERNMENT FOR LITTER CONTROL	200.0
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Will include supplemental funds to supplement/
encourage litter cleanup efforts

C. RECYCLING, RESOURCE CONSERVATION GRANTS	250.0
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Will include funds to initiate, and demonstration
grants to show feasibility of, promising recycling
and resource conservation projects.

D. <u>LITTER PATROL</u> (36 part-time positions)	
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Per Patrol:

11 youths & supervisor	
@ \$1,300/youth/patrol	39.0
Travel	18.0
Contracted	17.0
Commodities	5.0
Equipment	15.0
	<u>94.0</u>

Cost for 3 patrols:	282.0
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TOTAL FISCAL FOR CSSB-2	1,093.0
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POSITION DESCRIPTIONS FOR CSSB-2

3 ECOLOGIST II positions, Range 16, to be located in each of the department's 3 field offices in Fairbanks, Anchorage, and Juneau.

Job Description: Range 16; Assists communities and public organizations in conducting litter cleanup campaigns, investigates and assures compliance with litter and litter receptacle regulations; coordinates state grants to further litter reduction and resource recovery; collects and compiles data to identify litter reduction and resource recovery opportunities within communities; answers complaints and provides public information concerning litter reduction and resource recovery requirements and opportunities.

LITTER REDUCTION PROGRAM SUPERVISOR Ecologist III Range 18, located in Juneau

Job Description: Under general supervision, develops and oversees the establishment and operation of the statewide litter reduction program; defines program goals and policies; coordinates effective public relations efforts with the Department's Public Information Officer, Advisory Council and regional field officers; develops litter reduction regulations and enforcement policies; establishes litter reduction program progress; develops annual work plans for accomplishing program objectives.

RESOURCE RECOVERY PROGRAM ANALYST Economist II Range 20, located in Juneau

Job Description: Under general supervision, develops and oversees the establishment of a statewide resource recovery program; defines program goals and policies; conducts detailed economic analyses to determine areas where resource recovery from litter-related materials can be accomplished; establishes demonstration projects and programs to show feasibility of resource recovery; evaluates statewide economic potential for resource recovery from litter-related materials; coordinates public relations efforts with the Department's Public Information Officer, Advisory Council and regional field officers on resource recovery matters; develops resource recovery grant policies and procedures; collects and analyzes data to determine resource recovery program effectiveness; writes summary reports on resource recovery; develops annual work-plans for accomplishing resource recovery objectives.

PUBLIC INFORMATION OFFICER Range 14, located in Juneau

Job Description: Under supervision, prepares public information releases, brochures and documents concerning litter reduction and resource recovery; works with communities in organizing public information campaigns for litter cleanup efforts.

36 YOUTH PATROL POSITIONS, Range 9, all part-time, located in Interior Alaska

Job Description: Under direct supervision, conduct litter cleanup activities alongside roadways and within communities.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

SB 2

I. REQUEST

Bill/Resolution No. CSSB2 (Revised 3-8-79)

Title An act relating to the comprehensive recycling and reduction of litter...

Requested by Senate C R A

Date _____

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		161.1	271.7	288.0	305.3	
200 TRAVEL		44.0	98.6	104.5	110.7	
300 CONTRACTUAL		54.3	126.0	133.6	141.6	
400 COMMODITIES		1.0	1.7	1.8	1.9	
500 EQUIPMENT		15.1	.5	0	0	
600 LAND & STRUCTURES		0	0	0	0	
700 GRANTS, CLAIMS, ETC.		80.0	175.0	140.0	112.0	
TOTAL		355.5	673.5	667.9	671.5	

FUNDING (Thousands of Dollars)

GENERAL FUND		355.0	673.4	713.3	756.0	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		8.0	9.0	9.0	9.0	
PART TIME						
TEMPORARY						

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

(see attachments)

IV. DATE 3-8-79

PREPARED BY Eric Lee, Director

AGENCY Community and Regional Affairs

PHONE 465-4708

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

CSSB2 FISCAL NOTE (REVISED 3-8-79)

ASSUMPTIONS:

1. Will function as a program within an existing division
2. Will be located in Anchorage, with field office in Juneau
3. Communities are concerned about implementing comprehensive litter reduction programs and Department staff will act in support of these communities through education and technical assistance. The communities will ultimately have self-sufficient programs.
4. Administrative costs are defined as those costs which do not directly impact program objectives.
5. Annual inflation rate @ 6%
6. It will take six months to gearup for full program operations due to position classifications, media materials development, staff training, drafting regulations, etc. (see program summary)

PROGRAM SUMMARY:

Implementation of this act by the Department will be primarily by staff participation in public education and technical assistance to political subdivisions.

Staff will evaluate other state programs, and make available experiences to properly evaluate and assist program efficiency and effectiveness. Grants will also be available for direct cleanup activities primarily to promote local interest and involvement. After FY'81, the grants will be reduced with the increased self-sufficiency of the communities. Eight (8) staff will be utilized to implement the program. An Information Officer III will supervise the program and act as the program advocate under a Director in an existing Division (see attached organization chart). The clerical support will be provided by (2) Clerk Typist III's. An Administrative Assistant III will accomplish the purchasing of materials and equipment, media and training materials development and to initiate a litter recycling effort. Four (4) field training officers (one for each major region-Southeast, South Central, Central, and Balance of State) will deal directly with communities and organizations and will provide the public education and technical assistance. In FY'81, an additional position will be added to coordinate the recycling effort on a full time basis.

Due to the problems involved in the establishment of a new program, the FY'80 figures reflect a six month period of administrative implementation which will include establishment of positions and implementation of personnel procedures, recruitment and hiring of staff, drafting regulations, development and ordering of materials and equipment, and staff training; it also includes six months of program operation. The Department anticipates the following hiring schedule;

July 1, 1979 - Program Supervisor (Info. Officer) and Clerk Typist

October 1, 1979 - Administrative Assistant and Field Training Officer

January 1, 1980 - Clerk Typist, 3 Field Training Officers

The revised fiscal note reflects this schedule.

It was assumed that the administrative costs were defined as those costs which do not directly impact program objectives. These costs were identified to the personnel services and other related costs of the two clerk typists and 50% of the Informational Officer and the costs of travel for the advisory council. The Administrative costs were 20.80% (\$73,950) of the FY'80 total.

CSSB2 FISCAL NOTE (REVISED 3-8-79)

FY'80 BUDGET

	TOTAL	PROGRAM	ADMINISTRATIVE
Personnel Services	161,100	114,200	46,900
TRAVEL			
Staff	36,000	25,000	11,000
Advisory Council	<u>7,950</u>	<u> </u>	<u>7,950</u>
	43,950	25,000	18,950
CONTRACTUAL SERVICES			
Communications	10,000	8,700	1,300
Printing & Advertising	500	500	
Space Expense	9,100	6,500	2,600
Copier rental	1,200	1,200	
Word Processing rental	3,000		3,000
Film education materials, etc.	30,000	30,000	
Other	<u>500</u>	<u>500</u>	<u> </u>
	54,300	47,400	6,900
Commodities	1,000	800	200
Equipment	15,100	14,100	1,000
Grants	<u>80,000</u>	<u>80,000</u>	<u> </u>
Total	<u>355,450</u>	<u>281,500</u>	<u>73,950</u>
Distribution (%)	100%	79.2%	20.8%

STAFF CHART

DIRECTOR

INFORMATIONAL OFFICER III
(ANCH.) 21

CLERK TYPIST III
(ANCH.) 8

ADMINISTRATIVE ASSISTANT III
(ANCH.) 16

CLERK TYPIST III
(ANCH.) 8

SOUTH CENTRAL

CENTRAL

BALANCE OF STATE

SOUTHEAST

FIELD TRAINING OFFICER
(ANCH.) 17

FIELD TRAINING OFFICER
(ANCH.) 17

FIELD TRAINING OFFICER
(ANCH.) 17

FIELD TRAINING OFFICER
(ANCH.) 17

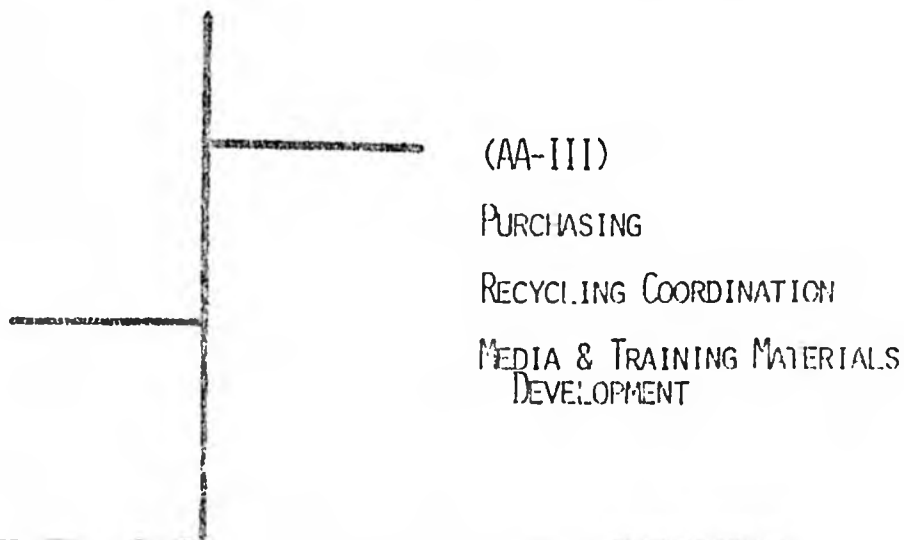
FUNCTIONAL CHART



10 III

PROGRAM ADVOCATE
PROGRAM STAFF REVIEW/SUPERVISION/EVALUATION
BUDGET PREPARATION
PROGRAM REVIEW & EVALUATION
STAFF DEVELOPMENT

(2-CIII's) CLERICAL SUPPORT



(4-FTO's)

FIELD OPERATIONS
GRANT NEGOTIATION & IMPLEMENTATION
GRANT MONITORING & EVALUATION
EDUCATION & TECHNICAL ASSISTANCE

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 2
 Title Comprehensive Recycling and Reduction of Litter
 Requested by Colletta Date 02/05/79

II. FISCAL DETAIL
 Agency Affected Department of Public Safety
 Program Category Affected Public Protection
 Budget Request Unit(s) Affected Driver/Vehicle Services

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		25.0	26.3	27.6	28.8	30.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		25.0	26.3	27.6	28.8	30.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Approximately 100,000 registrations are renewed each year by mail.

$100,000 \times .25 = 25,000$

Beginning in 1981 an anticipated 5% increase in the number of registrations will be renewed by mail each year.

IV. DATE 02/05/79 PREPARED BY Robert J. Stickles
 AGENCY Public Safety
 PHONE 465-4330

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

SENATE JOURNAL

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature

LETTER OF INTENT ---- SB 2

Senate Bill 2, An Act relating to the comprehensive recycling and reduction of litter, and providing for an effective date, contains two elements; i.e., the program and the financing mechanism. In order to avoid possible constitutional problems involving the single subject rule, the Community and Regional Affairs Committee has developed Committee Substitute for Senate Bill 2, which covers program elements of SB 2. The Community and Regional Affairs Committee has developed a companion bill to cover the financing mechanisms and respectfully requests the introduction of this bill.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Archie Sturgulowski
Chairman

* Companion bill to SB 2 is AB 237

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB2 and HB 5
 Title An act relating to the comprehensive recycling and reduction of litter....
 Requested by Senate C R A Date _____

II. FISCAL DETAIL
 Agency Affected Community and Regional Affairs
 Program Category Affected Development
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	-0-	221.9	271.7	288.0	305.3	
200 TRAVEL	-0-	82.6	98.6	104.5	110.7	
300 CONTRACTUAL	-0-	114.0	126.0	133.6	141.6	
400 COMMODITIES	-0-	1.4	1.7	1.8	1.9	
500 EQUIPMENT	-0-	15.1	.5	0	0	
600 LAND & STRUCTURES	-0-	0	0	0	0	
700 GRANTS, CLAIMS, ETC.	-0-	165.0	175.0	140.0	112.0	
TOTAL	-0-	600.0	673.5	667.9	671.5	

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		600.0	673.4	713.3	756.0	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		8.0	9.0	9.0	9.0	
PART TIME						
TEMPORARY						

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

SEE ATTACHMENTS

Daniel G. Kanouse

IV. DATE 2-5-79 PREPARED BY Daniel G. Kanouse
 AGENCY Community and Regional Affairs
 PHONE 463 4708
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

ASSUMPTION

1. Will function as a program within an existing division
2. Will be located in Anchorage, with field office in Juneau
3. Communities are concerned about implementing comprehensive litter reduction programs and Departmental staff will act in support of these communities through education and technical assistance. The communities will ultimately have self-sufficient programs.
4. Administrative costs are defined as those costs which do not directly impact program objectives.
5. Annual inflation rate @ 6%

PROGRAM SUMMARY:

Implementation of this act by the Department will be primarily by staff participation in public education and technical assistance to political subdivisions.

Staff will evaluate other state program, and make available experiences to properly evaluate and assist program efficiency and effectiveness. Grants will also be available for direct cleanup activities primarily to promote local interest and involvement. After FY'81, the grants will be reduced with the increased self-sufficiency of the communities. Eight (8) staff will be utilized to implement the program. An Information Officer III will supervise the program and act as the program advocate under a Director in an existing Division (see attached organizational chart). The clerical support will be provided by (2) Clerk Typist III's. An Administrative Assistant III will accomplish the purchasing of materials and equipment, media and training materials development and to initiate a litter recycling effort. Four (4) field training officers (one for each major region- Southeast, South Central, Central, and Balance of State) will deal directly with communities and organizations and will provide the public education and technical assistance. In FY'81, an additional position will be added to coordinate the recycling effort on a full time basis.

It was assumed that the administrative costs were defined as those costs which do not directly impact program objectives. These costs were identified to the personnel services and other related costs of the two clerk typists and, 50% of the Informational Officer and the costs of travel for the advisory council. The Administrative costs were 18.3% (\$109,910) of the FY'80 total.

SUGGESTED REVISIONS

The Department respectfully requests revision or clarification on the following:

1. It is requested that the limitation on administrative costs include a definitive definition of administrative costs.
2. It is requested the Department be allowed six months to complete the annual report
3. It is the Departments understanding that there are other alternative methods of revenue assessments being considered for this legislation. Therefore, the Department is not including revenue estimates at this time.

FY'80 BUDGET

	<u>TOTAL</u>	<u>PROGRAM</u>	<u>ADMINISTRATIVE</u>
Personnel Services	221,861	142,450	79,411
Travel			
Staff	72,000	60,000	12,000
Advisory Council	10,599		10,599
	<u>82,599</u>	<u>60,000</u>	<u>22,599</u>
Contractual Services			
Communications	21,720	18,120	3,600
Printing and Advertising	500	500	
Space expense	12,120	12,120	
Equip rental (copier)	1,200	1,200	
Word Processing rental	3,000		3,000
Professional Fees			
Litter Survey, education materials, etc.	25,000	25,000	
Film	50,000	50,000	
Other	500	500	
	<u>114,040</u>	<u>107,440</u>	<u>6,600</u>
Commodities	1,400	1,100	300
Equipment	15,100	14,100	1,000
Grants	165,000	165,100	
Total	<u>600,000.</u>	<u>490,090</u>	<u>109,910.</u>
%	100%	81.7%	18.3%