

LEG. FINANCE - BILLS 1979 - 1980 1273

CSSB 115 thru SB 118



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT HOUSE

FURTHER:

April 17, 1979

Date: 4/24/79

Mr. Speaker:

The Committee on FINANCE has had CSSB 115 (Rules)

"An Act relating to the civil liability of lawful providers of alcoholic beverages."

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for CS 115 same title
 new title
- and recommends that it do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]

[Signature]
CHAIRMAN

Original sponsor: Ziegler by request

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 115
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 civil and criminal liability
7 arising from the use of intoxicating liquors."

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

9 * Section 1. The legislature declares that the lawful providing of intox-
10 icating liquors to an individual may not be held to be the proximate cause of
11 injuries sustained by that individual or inflicted by that individual on a
12 third party.

13 * Sec. 2. AS 09.65 is amended by adding a new section to read:

14 Sec. 09.65.097. LIMITATIONS ON THE CIVIL LIABILITY OF LAWFUL
15 BEVERAGE PROVIDERS. (a) A person who provides an intoxicating liquor
16 to an individual may not be held civilly liable for injuries resulting
17 from the intoxication of that individual unless the intoxicating liquor
18 is furnished to that individual in violation of a law prohibiting
19 furnishing intoxicating liquor to a minor or an intoxicated person.

20 (b) As used in this section "intoxicating liquor" means "intoxi-
21 cating liquor" as that term is defined by AS 04.20.010.

22 * Sec. 3. AS 28.35.032 is amended by adding a new subsection to read:

23 (c) If a person under arrest refuses to submit to a chemical test
24 of his breath as provided in AS 28.35.031, evidence of refusal is ad-
25 missible in any civil or criminal action or proceeding arising out of
26 the acts alleged to have been committed while the person was operating
27 or driving a motor vehicle in this state while allegedly under the
28 influence of intoxicating liquor, if in addition to the warning required
29 under (a) of this section, the person is informed that the fact of a

refusal may be admitted into evidence in a subsequent proceeding.

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Original sponsor: Ziegler by request

Offered: 3/13/79

1 IN THE SENATE

BY THE RULES COMMITTEE

2

CS FOR SENATE BILL NO. 115 (Rules)

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 civil liability of lawful

7

providers of alcoholic beverages."

8

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

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* Section 1. The legislature declares that the lawful providing of
10 alcoholic beverages to an individual may not be held to be the proximate
11 cause of injuries sustained by that individual or inflicted by that indivi-
12 dual on a third party.

13

* Sec. 2. AS 09.65 is amended by adding a new section to read:

14

Sec. 09.65.097. LIMITATIONS ON THE CIVIL LIABILITY OF LAWFUL

15

BEVERAGE PROVIDERS. A person who lawfully provides an alcoholic

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beverage to an individual may not be held civilly liable for injuries

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resulting from the intoxication of that individual.

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RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT HOUSE

FURTHER:

April 11, 1979

Date: 4/23/79

Mr. Speaker:

The Committee on FINANCE has had SB 116

"An Act relating to participation by employees of the Alaska State Office in Tokyo in the public employees' retirement system; eff. date."

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 116 same title
 new title
- and recommends that it do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation 4. St. Aff. CS
4/13/79
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Freeman

McKinney

Smith

Roger

Alaska

JJ

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Grant - Not Recommended

Freeman
VICE CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. House CS for Senate Bill 116
 Title An Act Relating to Public Employee Benefit
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 and 01-71-1-00-00
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		17.5				
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		13.3	8.3	8.3	8.3	8.3
TOTAL		30.8	8.3	8.3	8.3	8.3

FUNDING (Thousands of Dollars)

GENERAL FUND		25.2	6.9	6.9	6.9	6.9
FEDERAL FUNDS		1.4	0.4	0.4	0.4	0.4
VETERAN'S FUND		0.1				
FISH & GAME FUND		0.2				
HIGHWAY FUND		0.4	0.1	0.1	0.1	0.1
AIRPORT FUND		0.5	0.2	0.2	0.2	0.2
CAPITAL FUND		2.6	0.7	0.7	0.7	0.7
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS

Sections 1,2,3,5

1. It is estimated that an average of approximately \$5.0 will be incurred by the State for those individuals receiving additional benefits from the banked medical leave.
2. Estimate that approximately \$5.0 has been incurred as a result of the retroactive provision in Section 5 of the bill.

Section 4

1. Of the three employees at the Alaska State office in Tokyo, it is indicated that two will elect to join PERS and one will elect a cash payout.
2. The "cash payout" will increase the operating budget for the Office of the Governor (onetime) by \$17,542 (assuming one dollar will purchase 195 yen).
3. The present value of the benefits provided to the two individuals electing to join the PERS has been calculated to be \$44,859. These benefits will be funded with level payments of \$3,311 per year for the next 25 years, resulting in a total cash outlay by the State of \$82,775.

IV. DATE 4-13-79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 Office of the Governor (Keith Specking)
 33-001 (Rev. 12/78)

Original sponsor: Rules/Governor

Offered: 4/11/79
Referred: Finance

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 116

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 public employee benefits; and
7 providing for an effective date."

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

9 * Section 1. AS 39.20.256(b) is amended to read:

10 (b) An officer or employee may not take any of his banked medical
11 leave unless

12 (1) he has no accrued personal leave; and

13 (2) he has a medical disability exceeding 10 consecutive
14 working days in duration; or

15 (3) he has a medical disability exceeding 30 consecutive
16 working days in duration.

17 * Sec. 2. AS 39.20.256(c) is amended to read:

18 (c) Once the requirements of (b) and (d) of this section have been
19 met, an officer or employee may take banked medical leave until the
20 medical disability is terminated or his banked medical leave is ex-
21 hausted. If an officer or employee qualifies for banked medical leave
22 under (b)(3) of this section, his banked medical leave may be taken for
23 all working days of the medical disability following the 10th working
24 day of the disability.

25 * Sec. 3. AS 39.20.256(d) is amended to read:

26 (d) When leave is taken under (b)(1) and (2) [(b)] of this sec-
27 tion, a department or agency head may require a doctor's certificate
28 showing the disability. When leave is taken under (b)(3) of this sec-
29 tion, the officer or employee must submit a doctor's certificate showing

1 the disability.

2 * Sec. 4. AS 39.35 is amended by adding a new section to read:

3 Sec. 39.35.157. ALASKA STATE OFFICE IN TOKYO EMPLOYEES. An
4 employee of the Alaska State Office in Tokyo (AS 44.19.640 - 44.19.680)
5 who, before the effective date of this Act, was not treated as being
6 included in the system may be included retroactively in the system and
7 receive service credit for time previously served as an employee if,
8 before July 1, 1980, he authorizes the state to contribute to the system
9 the amount held by the state on his behalf in an individual account in
10 the Far East severance account in the Department of Administration. If
11 the employee does not elect to be included in the system retroactively,
12 the state shall pay the employee the amount held by the state on the
13 employee's behalf in the Far East severance account on July 1, 1980, at
14 the rate of 300 yen to one dollar.

15 * Sec. 5. Sections 1, 2 and 3 of this Act are retroactive to July 9,
16 1978.

17 * Sec. 6. This Act takes effect July 1, 1979.

Introduced: 2/7/79
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 116

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 participation by employees of the
7 Alaska State Office in Tokyo in the public employees'
8 retirement system; and providing for an effective
9 date."

10

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

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system and receive service credit for time previously served as an

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employee if, before July 1, 1980, he authorizes the state to contribute

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to the system the amount held by the state on his behalf in an indivi-

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dual account in the Far East severance account within the Department

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of Administration. If the employee does not make the election to be

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included retroactively, the state shall pay the employee the amount

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held by the state on the employee's behalf in the Far East severance

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account on July 1, 1980, at the rate of 300 yen to one dollar.

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* Sec. 2. This Act takes effect July 1, 1979.

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Original sponsor: Rules/Governor

Offered: 4/11/79
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2

HOUSE CS FOR SENATE BILL NO. 116

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

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7 providing for an effective date."

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(3) he has a medical disability exceeding 30 consecutive
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20 medical disability is terminated or his banked medical leave is ex-
21 hausted. If an officer or employee qualifies for banked medical leave
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4 employee of the Alaska State Office in Tokyo (AS 44.19.640 - 44.19.680)
5 who, before the effective date of this Act, was not treated as being
6 included in the system may be included retroactively in the system and
7 receive service credit for time previously served as an employee if,
8 before July 1, 1980, he authorizes the state to contribute to the system
9 the amount held by the state on his behalf in an individual account in
10 the Far East severance account in the Department of Administration. If
11 the employee does not elect to be included in the system retroactively,
12 the state shall pay the employee the amount held by the state on the
13 employee's behalf in the Far East severance account on July 1, 1980, at
14 the rate of 300 yen to one dollar.

15 * Sec. 5. Sections 1, 2 and 3 of this Act are retroactive to July 9,
16 1978.

17 * Sec. 6. This Act takes effect July 1, 1979.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 116
Title Participation by Employees of the Alaska State Office in Tokyo in PERS
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Retirement and Benefits (PERS)
BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 and 01-71-1-07-00-00
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		17.5				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		3.3	3.3	3.3	3.3	3.3
TOTAL		20.8	3.3	3.3	3.3	3.3

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		20.3	2.8	2.8	2.8	2.8
FEDERAL FUNDS		0.1	0.1	0.1	0.1	0.1
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND		0.1	0.1	0.1	0.1	0.1
CAPITAL FUND		0.3	0.3	0.3	0.3	0.3
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- Of the three employees at the Alaska State office in Tokyo, it is indicated that two will elect to join PERS and one will elect a cash payout.
- The "cash payout" will increase the operating budget for the Office of the Governor (one-time) by \$17,542 (assuming one dollar will purchase 195 yen).
- The present value of the benefits provided to the two individuals electing to join the PERS has been calculated to be \$44,859. These benefits will be funded with level payments of \$3,311 per year for the next 25 years, resulting in a total cash outlay by the State of \$82,775.

IV. DATE 2/05/79 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Office of the Governor (Keith Specking)

JAY S. HAMMOND
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 14, 1979

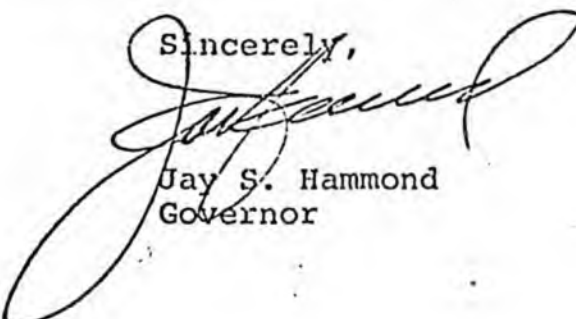
The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Pursuant to A.S. 44.19.670, I am pleased to forward to you the annual report for the Alaska State Office in Tokyo, Japan.

As the report indicates, the Office is providing the important service for which it was created. The Office is presently being expanded to serve the Orient as well as Japan; and I am confident increased commerce between Alaska and the Orient will result.

Sincerely,



Jay S. Hammond
Governor

Enclosure

ALASKA STATE OFFICE

Tokyo, Japan

REPORT TO THE LEGISLATURE

ACTIVITIES AND ACCOMPLISHMENTS

1978

Jay S. Hammond
Governor

Charles H. Meacham, Director
International Fisheries
and External Affairs

Yoshio Katsuyama, Director
Alaska State Office
Tokyo

ALASKA STATE ASIAN OFFICE
Tokyo, Japan
REPORT TO THE LEGISLATURE

1978

A.S. 44.19.640-680 provides that an Alaska State Office be created and maintained in Tokyo, Japan, and that an annual report be submitted to the Legislature on the activities and accomplishments of the Office. The Office was established in January, 1965, following the 1964 action of the Legislature.

The Alaska State Asian Office in Tokyo functions in a multidisciplinary manner most frequently in contact with the issues and activities within the purview of the Alaska Departments of Fish and Game, Natural Resources, and Commerce and Economic Development. The development of markets for Alaskan fishery products and the petroleum trade are presently in the Asian forefront and it appears they will continue to be in a prominent position for a considerable time. The Office provides trade, resource, travel, and industrial development information to the Far East and provides the same information to Alaska government and industry. The Office serves a "consulate" capacity in Japan on behalf of all Alaskan interests including assistance to any Alaskan who is traveling in Japan.

The Tokyo Office plays an important role in fostering good relations between Alaska and the Orient. The Office provides travel information about Alaska in Japan and has assisted with arrangements for visitations to Alaska by ranking Japanese industrial and investment leaders. The Office provides guidance and assistance to Alaska officials in Asia on State business. Current information is continually provided to Alaskan governmental officials about commerce--climate and opportunities. The Office has been successful in arranging direct contact between business men and investors of the Orient and Alaska who have similar interests. Good trade and industrial relations have resulted.

Previously the Office activities centered on Japan. During the summer of 1978 the Office was expanded to cover activities for the Orient and was moved to a more convenient location. The Office is now located at 1-40 4 Chome, Toranomom, Minato-Ku, in Tokyo, close to the American Embassy. Mr. Yoshio Katsuyama is the Director.

In addition to the Summary of the Alaska State Office Operation for 1978 and Statistical Data, which constitute parts of this report, detailed monthly reports for 1978, submitted by the Director of the Alaska State Asian Office, are available to members of the Legislature for examination in the office of the Director of International Fisheries and External Affairs within the Office of the Governor.

SUMMARY
ALASKA STATE ASIAN OFFICE
OPERATION FOR 1978

1978 HIGHLIGHTS

The year 1978 opened significantly with Commissioner LeResche of the Department of Natural Resources visiting Tokyo in January to join the Alpetco officials in their quest for Japanese support for plans to establish a petro chemical industry in Alaska utilizing the state's royalty oil from Prudhoe Bay. High government officials including Premier Fukuda, Ministers and important officials were contacted as well as leading banks and trading firms to obtain their views on the project.

Also during January, Senator Tillion and Director Meacham, while in Tokyo attending fisheries meetings, notified us of the need to move the Alaska State Office to a more centralized location for easy access by Alaskan businessmen, visitors and Japanese clients. A search for suitable space was launched in February and ended in April by coming to terms with the owner of the Yamakatsu Building, adjacent to the Hotel Okura and near the Embassy. Interior design work was begun in June and completed at the end of July, and the upgraded "Alaska State Asian Office" was officially opened on August 1, 1978.

Besides caring for the touring groups we were able in July to arrange the first meeting ever between two minority groups, the Utari Association (Ainu) of Hokkaido and the Inupiat group of Eskimos in Barrow. A 15-member Ainu party from Japan was warmly received by Mayor Eben Hopson of the North Slope Borough and the Eskimo residents. A charter was drawn up to mark the occasion and the beginning of economic and cultural relations between the two peoples.

Due to United States regulations governing operations in the 200-mile fishing zone, more Japanese fishery representative groups than ever before visited Alaska to consult with Alaskan officials and to observe the North Pacific Fishery Management Council meetings in progress. This is a welcome sign that the Japanese are seriously involved in avoiding friction by strictly observing Alaskan fishery policies in order to create new sources of fish supplies for the future in the best interest of both countries.

As for Alaska's agricultural development, analysis of the samples of Alaskan barley and rape seed have proved to the Japanese that the State-grown products can compete with the best so far as quality is concerned. The Government of Hokkaido is willing to take 50,000 tons of feed barley at world market prices any time it is available. Dr. Oohara, an agricultural expert, visited the Matanuska and Delta Junction areas in August to observe at first hand the growing condition of barley before harvesting and was favorably impressed. Another party consisting of the Vice President of the Hokkaido Chamber of Commerce, the Chairman of the Hokkaido Takushoku Bank, a President of the Hokkaido Fishing Company and others interested in Alaskan resources also included the Delta Junction area in their visit to Alaska.

Travel information inquiries continue in good numbers. A significant showing was the greatly increased number of mountaineering groups visiting Alaska. Indications are that mountaineering groups will continue to increase in number.

During the year we received a considerable number of individual visitors from Anchorage, Juneau, Petersburg, Yakutat, and Sitka and assisted them with making contacts and supplying information on their needs. In addition, a large number of inquiries were received from Alaska by mail.

In November Senator Clem Tillion and Commissioner H. Phillip Hubbard visited Tokyo. At the same time a six-man Alaska Grain Trade Commission arrived in Tokyo. A busy schedule of visits for each group was set up with Japanese Government officials, oil organizations, fishery associations and the main trading firms. The two groups joined forces in Hokkaido where Governor Dogakinai and his staff and K. Sato, President of the Hokkaido Alaska Association and Vice President of the Hokkaido Chamber of Commerce, cooperated in setting up meetings and visits. The Governor invited all the Alaskans to his official residence for a dinner of entirely Hokkaido produce. The State of Alaska hosted a buffet reception for Hokkaido's leaders in government and economic circles. A courtesy call on Mayor Tohmine of Chitose, sister city to Anchorage, was made by Senator Tillion and Commissioner Hubbard upon landing at the Chitose Airport.

On December 20 newly elected Lieutenant Governor Terry Miller dedicated the newly upgraded Alaska State Asian Office and met with U.S. Embassy, Japanese Government officials and others. The dedication was celebrated by a buffet dinner reception at the Hotel Okura attended by over 150 Japanese government, parliamentarians, executive members from banking, fishery, forestry, petroleum and trading interests reflecting the deep interest held in Alaska by Japan's economic and political circles.

Please allow us this opportunity to express our appreciation for the co-operation extended to us by the various offices of the State Government without which we could not have tended satisfactorily to the needs and requirements of our many contacts in Japan. May we also thank those who were instrumental in moving our office to the new location to enable us to a better and more efficient operation.

STATISTICAL DATA - JANUARY TO DECEMBER 1978

Number of calls made to industrial and trading contacts, and others	477
Number of visitors received from above	329
Number of inquiries received from individuals and organizations	539
Number of visitors received from travel industries	549
Number of individual visitors re: travel	192
Number of requests on travel received	241
Number of visitors received from mountaineering clubs	129
Number of requests from TV and movie production firms	48
Number of exhibits held	3
Number of requests received from PR firms, school, textbook publishing companies, magazines and newspapers	182
	TOTAL <u>2689</u>

HANDOUTS

Economic, industrial and statistical data	1489
Articles copied from magazines and newspapers	84
Travel brochures including Alaska airline's and other Alaskan tour operators	20325
	TOTAL <u>21898</u>

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. House CS for Senate Bill 116
 Title An Act Relating to Public Employee Benefit
 Requested by _____ Date _____

II. FISCAL DETAIL
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 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01 and 01-71-1-00-00
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EXPENDITURES (Thousands of Dollars)

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700 TRS STATE MATCH						
100 BENEFITS		13.3	8.3	8.3	8.3	8.3
TOTAL		30.8	8.3	8.3	8.3	8.3

FUNDING (Thousands of Dollars)

GENERAL FUND		25.2	6.9	6.9	6.9	6.9
FEDERAL FUNDS		1.4	0.4	0.4	0.4	0.4
VETERAN'S FUND		0.1				
FISH & GAME FUND		0.2				
HIGHWAY FUND		0.4	0.1	0.1	0.1	0.1
AIRPORT FUND		0.9	0.2	0.2	0.2	0.2
CAPITAL FUND		2.6	0.7	0.7	0.7	0.7
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS

Sections 1,2,3,5

- It is estimated that an average of approximately \$5.0 will be incurred by the State for those individuals receiving additional benefits from the banked medical leave.
- Estimate that approximately \$5.0 has been incurred as a result of the retroactive provision in Section 5 of the bill.

Section 4

- Of the three employees at the Alaska State office in Tokyo, it is indicated that two will elect to join PERS and one will elect a cash payout.
- The "cash payout" will increase the operating budget for the Office of the Governor (onetime) by \$17,542 (assuming one dollar will purchase 195 yen).
- The present value of the benefits provided to the two individuals electing to join the PERS has been calculated to be \$44,859. These benefits will be funded with level payments of \$3,311 per year for the next 25 years, resulting in a total cash outlay by the State of \$82,775.

IV. DATE 4-13-79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 Office of the Governor (Keith Specking)



RECORDS CERTIFICATION

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

James O. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT

SENATE

2/7/79

*House Finance
Has a new fiscal
note*

FURTHER: None

Date: March 7, 1979

Mr. President:

The Committee on FINANCE has had SB 116 participation by employees of the Alaska State Office in Tokyo in the public employees' retirement system

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

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

MEMBERS SIGNING
DO PASS

John S. ...
Bill ...
Ken ...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

...

John S. ...
 CHAIRMAN

Introduced: 2/7/79
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 116

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 participation by employees of the
7 Alaska State Office in Tokyo in the public employees'
8 retirement system; and providing for an effective
9 date."

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

11 * Section 1. AS 39.35 is amended by adding a new section to read:

12 Sec. 39.35.157. ALASKA STATE OFFICE IN TOKYO EMPLOYEES. An
13 employee of the Alaska State Office in Tokyo (AS 44.19.640 - 44.19.-
14 680) who, before the effective date of this Act, has not been treated
15 as being included in the system may be included retroactively in the
16 system and receive service credit for time previously served as an
17 employee if, before July 1, 1980, he authorizes the state to contribute
18 to the system the amount held by the state on his behalf in an indivi-
19 dual account in the Far East severance account within the Department
20 of Administration. If the employee does not make the election to be
21 included retroactively, the state shall pay the employee the amount
22 held by the state on the employee's behalf in the Far East severance
23 account on July 1, 1980, at the rate of 300 yen to one dollar.

24 * Sec. 2. This Act takes effect July 1, 1979.
25
26
27
28
29

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 116
 Title Participation by Employees of the Alaska State Office in Tokyo in PERS
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 and 01-71-1-07-00-00
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		17.5				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		3.3	3.3	3.3	3.3	3.3
TOTAL		20.8	3.3	3.3	3.3	3.3

FUNDING (Thousands of Dollars)

GENERAL FUND		20.3	2.8	2.8	2.8	2.8
FEDERAL FUNDS		0.1	0.1	0.1	0.1	0.1
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND		0.1	0.1	0.1	0.1	0.1
CAPITAL FUND		0.3	0.3	0.3	0.3	0.3
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- Of the three employees at the Alaska State office in Tokyo, it is indicated that two will elect to join PERS and one will elect a cash payout.
- The "cash payout" will increase the operating budget for the Office of the Governor (one-time) by \$17,542 (assuming one dollar will purchase 195 yen).
- The present value of the benefits provided to the two individuals electing to join the PERS has been calculated to be \$44,859. These benefits will be funded with level payments of \$3,311 per year for the next 25 years, resulting in a total cash outlay by the State of \$82,775.

Paul B. Arnoldt

IV. DATE 2/05/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 Office of the Governor (Keith Specking)
 33-001 (Rev. 12/78)

*Need new fiscal note
for C.S. from House.*

JAY S. HAMMOND
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SB 116

February 14, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Pursuant to A.S. 44.19.670, I am pleased to forward to you the annual report for the Alaska State Office in Tokyo, Japan.

As the report indicates, the Office is providing the important service for which it was created. The Office is presently being expanded to serve the Orient as well as Japan; and I am confident increased commerce between Alaska and the Orient will result.

Sincerely,

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

Jay S. Hammond
Governor

Enclosure

ALASKA STATE OFFICE

Tokyo, Japan

REPORT TO THE LEGISLATURE

ACTIVITIES AND ACCOMPLISHMENTS

1978

Jay S. Hammond
Governor

Charles H. Meacham, Director
International Fisheries
and External Affairs

Yoshio Katsuyama, Director
Alaska State Office
Tokyo

ALASKA STATE ASIAN OFFICE
Tokyo, Japan
REPORT TO THE LEGISLATURE

1978

A.S. 44.19.640-680 provides that an Alaska State Office be created and maintained in Tokyo, Japan, and that an annual report be submitted to the Legislature on the activities and accomplishments of the Office. The Office was established in January, 1965, following the 1964 action of the Legislature.

The Alaska State Asian Office in Tokyo functions in a multidisciplinary manner most frequently in contact with the issues and activities within the purview of the Alaska Departments of Fish and Game, Natural Resources, and Commerce and Economic Development. The development of markets for Alaskan fishery products and the petroleum trade are presently in the Asian forefront and it appears they will continue to be in a prominent position for a considerable time. The Office provides trade, resource, travel, and industrial development information to the Far East and provides the same information to Alaska government and industry. The Office serves a "consulate" capacity in Japan on behalf of all Alaskan interests including assistance to any Alaskan who is traveling in Japan.

The Tokyo Office plays an important role in fostering good relations between Alaska and the Orient. The Office provides travel information about Alaska in Japan and has assisted with arrangements for visitations to Alaska by ranking Japanese industrial and investment leaders. The Office provides guidance and assistance to Alaska officials in Asia on State business. Current information is continually provided to Alaskan governmental officials about commerce--climate and opportunities. The Office has been successful in arranging direct contact between business men and investors of the Orient and Alaska who have similar interests. Good trade and industrial relations have resulted.

Previously the Office activities centered on Japan. During the summer of 1978 the Office was expanded to cover activities for the Orient and was moved to a more convenient location. The Office is now located at 1-40 4 Chome, Toranomom, Minato-Ku, in Tokyo, close to the American Embassy. Mr. Yoshio Katsuyama is the Director.

In addition to the Summary of the Alaska State Office Operation for 1978 and Statistical Data, which constitute parts of this report, detailed monthly reports for 1978, submitted by the Director of the Alaska State Asian Office, are available to members of the Legislature for examination in the office of the Director of International Fisheries and External Affairs within the Office of the Governor.

SUMMARY
ALASKA STATE ASIAN OFFICE
OPERATION FOR 1978

1978 HIGHLIGHTS

The year 1978 opened significantly with Commissioner LeResche of the Department of Natural Resources visiting Tokyo in January to join the Alpetco officials in their quest for Japanese support for plans to establish a petro chemical industry in Alaska utilizing the state's royalty oil from Prudhoe Bay. High government officials including Premier Fukuda, Ministers and important officials were contacted as well as leading banks and trading firms to obtain their views on the project.

Also during January, Senator Tillion and Director Meacham, while in Tokyo attending fisheries meetings, notified us of the need to move the Alaska State Office to a more centralized location for easy access by Alaskan businessmen, visitors and Japanese clients. A search for suitable space was launched in February and ended in April by coming to terms with the owner of the Yamakatsu Building, adjacent to the Hotel Okura and near the Embassy. Interior design work was begun in June and completed at the end of July, and the upgraded "Alaska State Asian Office" was officially opened on August 1, 1978.

Besides caring for the touring groups we were able in July to arrange the first meeting ever between two minority groups, the Utari Association (Ainu) of Hokkaido and the Inupiat group of Eskimos in Barrow. A 15-member Ainu party from Japan was warmly received by Mayor Eben Hopson of the North Slope Borough and the Eskimo residents. A charter was drawn up to mark the occasion and the beginning of economic and cultural relations between the two peoples.

Due to United States regulations governing operations in the 200-mile fishing zone, more Japanese fishery representative groups than ever before visited Alaska to consult with Alaskan officials and to observe the North Pacific Fishery Management Council meetings in progress. This is a welcome sign that the Japanese are seriously involved in avoiding friction by strictly observing Alaskan fishery policies in order to create new sources of fish supplies for the future in the best interest of both countries.

As for Alaska's agricultural development, analysis of the samples of Alaskan barley and rape seed have proved to the Japanese that the State-grown products can compete with the best so far as quality is concerned. The Government of Hokkaido is willing to take 50,000 tons of feed barley at world market prices any time it is available. Dr. Oohara, an agricultural expert, visited the Matanuska and Delta Junction areas in August to observe at first hand the growing condition of barley before harvesting and was favorably impressed. Another party consisting of the Vice President of the Hokkaido Chamber of Commerce, the Chairman of the Hokkaido Takushoku Bank, a President of the Hokkaido Fishing Company and others interested in Alaskan resources also included the Delta Junction area in their visit to Alaska.

Travel information inquiries continue in good numbers. A significant showing was the greatly increased number of mountaineering groups visiting Alaska. Indications are that mountaineering groups will continue to increase in number.

During the year we received a considerable number of individual visitors from Anchorage, Juneau, Petersburg, Yakutat, and Sitka and assisted them with making contacts and supplying information on their needs. In addition, a large number of inquiries were received from Alaska by mail.

In November Senator Clem Tillion and Commissioner H. Phillip Hubbard visited Tokyo. At the same time a six-man Alaska Grain Trade Commission arrived in Tokyo. A busy schedule of visits for each group was set up with Japanese Government officials, oil organizations, fishery associations and the main trading firms. The two groups joined forces in Hokkaido where Governor Dogakinai and his staff and K. Sato, President of the Hokkaido Alaska Association and Vice President of the Hokkaido Chamber of Commerce, cooperated in setting up meetings and visits. The Governor invited all the Alaskans to his official residence for a dinner of entirely Hokkaido products. The State of Alaska hosted a buffet reception for Hokkaido's leaders in government and economic circles. A courtesy call on Mayor Tohmine of Chitose, sister city to Anchorage, was made by Senator Tillion and Commissioner Hubbard upon landing at the Chitose Airport.

On December 20 newly elected Lieutenant Governor Terry Miller dedicated the newly upgraded Alaska State Asian Office and met with U.S. Embassy, Japanese Government officials and others. The dedication was celebrated by a buffet dinner reception at the Hotel Okura attended by over 150 Japanese government, parliamentarians, executive members from banking, fishery, forestry, petroleum and trading interests reflecting the deep interest held in Alaska by Japan's economic and political circles.

Please allow us this opportunity to express our appreciation for the co-operation extended to us by the various offices of the State Government without which we could not have tended satisfactorily to the needs and requirements of our many contacts in Japan. May we also thank those who were instrumental in moving our office to the new location to enable us to a better and more efficient operation.

STATISTICAL DATA - JANUARY TO DECEMBER 1978

Number of calls made to industrial and trading contacts, and others	477
Number of visitors received from above	329
Number of inquiries received from individuals and organi- zations	539
Number of visitors received from travel industries	549
Number of individual visitors re: travel	192
Number of requests on travel received	241
Number of visitors received from mountaineering clubs	129
Number of requests from TV and movie production firms	48
Number of exhibits held	3
Number of requests received from PR firms, school, textbook publishing companies, magazines and newspapers	182
	TOTAL <u>2689</u>

HANDOUTS

Economic, industrial and statistical data	1489
Articles copied from magazines and newspapers	84
Travel brochures including Alaska airline's and other Alaskan tour operators	<u>20325</u>
	TOTAL <u>21898</u>

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House CS for Senate Bill 116
 Title An Act Relating to Public Employee Benefit
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 and 01-71-1-00-00
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		17.5				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		13.3	8.3	8.3	8.3	8.3
TOTAL		30.8	8.3	8.3	8.3	8.3

FUNDING (Thousands of Dollars)

GENERAL FUND		25.2	6.9	6.9	6.9	6.9
FEDERAL FUNDS		1.4	0.4	0.4	0.4	0.4
VETERAN'S FUND		0.1				
FISH & GAME FUND		0.2				
HIGHWAY FUND		0.4	0.1	0.1	0.1	0.1
AIRPORT FUND		0.9	0.2	0.2	0.2	0.2
CAPITAL FUND		2.6	0.7	0.7	0.7	0.7
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS

Sections 1,2,3,5

1. It is estimated that an average of approximately \$5.0 will be incurred by the State for those individuals receiving additional benefits from the banked medical leave.
2. Estimate that approximately \$5.0 has been incurred as a result of the retroactive provision in Section 5 of the bill.

Section 4

1. Of the three employees at the Alaska State office in Tokyo, it is indicated that two will elect to join PERS and one will elect a cash payout.
2. The "cash payout" will increase the operating budget for the Office of the Governor (onetime) by \$17,542 (assuming one dollar will purchase 195 yen).
3. The present value of the benefits provided to the two individuals electing to join the PERS has been calculated to be \$44,859. These benefits will be funded with level payments of \$3,311 per year for the next 25 years, resulting in a total cash outlay by the State of \$82,775.

IV. DATE 4-13-79

PREPARED BY Paul B. Arnoldt, Director

Division of Retirement & Benefits



Alaska State Legislature

Senate

Office of the Secretary

February 15, 1979

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

MEMORANDUM TO: Finance Committee
From: Senate Secretary *AM*
Subject: Report to the Legislature
Activities and Accomplishments, 1978
Alaska State Office, Tokyo, Japan

Enclosed is a copy of the Governor's letter with the accompanying annual report for the Alaska State Office Tokyo, Japan in accordance with AS 44.19.670.

The President this date referred this report to your committee and the Commerce Committee. The Commerce Committee will receive a separate copy of this report.

*Put in
supplemental
to report*

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 116
 Title Participation by Employees of the Alaska State Office in Tokyo in PERS
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 and 01-71-1-07-00-00
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		17.5				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		3.3	3.3	3.3	3.3	3.3
TOTAL		20.8	3.3	3.3	3.3	3.3

FUNDING (Thousands of Dollars)

GENERAL FUND		20.3	2.8	2.8	2.8	2.8
FEDERAL FUNDS		0.1	0.1	0.1	0.1	0.1
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND		0.1	0.1	0.1	0.1	0.1
CAPITAL FUND		0.3	0.3	0.3	0.3	0.3
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- Of the three employees at the Alaska State office in Tokyo, it is indicated that two will elect to join PERS and one will elect a cash payout.
- The "cash payout" will increase the operating budget for the Office of the Governor (one-time) by \$17,542 (assuming one dollar will purchase 195 yen).
- The present value of the benefits provided to the two individuals electing to join the PERS has been calculated to be \$44,859. These benefits will be funded with level payments of \$3,311 per year for the next 25 years, resulting in a total cash outlay by the State of \$82,775.

Paul B. Arnoldt

IV. DATE 2/05/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management

ENGLISH: LIAISON
SERVICES: 71113

February 6, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill to include the employees of Alaska's Tokyo Office in the Public Employee Retirement System.

The bill is quite similar to one which was introduced late last year by the Senate Judiciary Committee (SB 627). There is no reason not to regularize the status of our Tokyo Office employees. Passage of this legislation is required to allow them to buy into the retirement system or to opt out.

Sincerely,

S/ JSH

Jay S. Hammond
Governor

Introduced: 2/7/79
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 116

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 participation by employees of the
7 Alaska State Office in Tokyo in the public employees'
8 retirement system; and providing for an effective
9 date."

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

11 * Section 1. AS 39.35 is amended by adding a new section to read:

12 Sec. 39.35.157. ALASKA STATE OFFICE IN TOKYO EMPLOYEES. An
13 employee of the Alaska State Office in Tokyo (AS 44.19.640 - 44.19.-
14 680) who, before the effective date of this Act, has not been treated
15 as being included in the system may be included retroactively in the
16 system and receive service credit for time previously served as an
17 employee if, before July 1, 1980, he authorizes the state to contribute
18 to the system the amount held by the state on his behalf in an indivi-
19 dual account in the Far East severance account within the Department
20 of Administration. If the employee does not make the election to be
21 included retroactively, the state shall pay the employee the amount
22 held by the state on the employee's behalf in the Far East severance
23 account on July 1, 1980, at the rate of 300 yen to one dollar.

24 * Sec. 2. This Act takes effect July 1, 1979.



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

3/23/90
Date



BENEFICIAL FINANCE
SYSTEM - SINCE 1914

(705)

SB 118

(415) 837-3392

DOUGLAS S. BISBEE
REGIONAL PUBLIC RELATIONS DIRECTOR

*Call when comes up
in Committee*

BENEFICIAL MANAGEMENT CORPORATION OF AMERICA
3028 ROUND HILL ROAD ALAMO, CA, 94507

COMMITTEE REPORT
SENATE

3/5/79

FURTHER:

Date: March 13, 1979

Mr. President:

The Committee on FINANCE has had SB 118

small loans

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 ^{Commerce}CS for SB 118 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]
CHAIRMAN

COMMITTEE REPORT
SENATE

3/5/79

FURTHER:

Date: March 13, 1979

Mr. President:

The Committee on FINANCE has had SB 118

small loans

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 ^{Commerce}CS for SB 118 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

CHAIRMAN

Original sponsor: Commerce Committee

Offered: 3/5/79
Referred: Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 118

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 small loans."

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

8 * Section 1. AS 06.20 is amended by adding new sections to read:

9 Sec. 06.20.285. OPEN-END LOANS. (a) A licensee may make open-end
10 loans not exceeding an aggregate total of \$5,000 and may contract for
11 and receive interest on open-end loans as provided in AS 06.20.230, and
12 for other charges permitted under this chapter. Interest on open-end
13 loans may be computed daily or monthly on the unpaid principal balance
14 or the average unpaid principal balance if the interest charged as a
15 result of these computations does not exceed the rates stated in
16 AS 06.20.230 when the interest is computed according to the interest-
17 bearing or actuarial method.

18 (b) The billing cycle for open-end loans is monthly, and the
19 unpaid principal balance on a certain day is computed by adding to the
20 balance unpaid on the beginning of that day, or the average unpaid daily
21 balance for that billing cycle, all advances and other permissible
22 amounts charged to the borrower and deducting all payments and other
23 credits made or received that day.

24 (c) A licensee may secure the payment of an open-end loan in the
25 same manner as other loans under this chapter may be secured.

26 (d) The licensee shall deliver a copy of the open-end loan agree-
27 ment to the borrower at the time the open-end loan account is opened.
28 The open-end loan agreement must contain the name and address of the
29 licensee and the borrower and must contain disclosures of finance

1 charges and agreed terms as may be required by regulations adopted by
2 the department and the Board of Governors of the Federal Reserve System.

3 (e) At the end of each billing cycle in which there is an out-
4 standing balance in the account for which a finance charge is imposed,
5 the licensee shall deliver to the borrower a statement in the form
6 required by regulations adopted by the department and the Board of
7 Governors of the Federal Reserve System. This subsection does not apply
8 to accounts which the licensee considers uncollectible or for which an
9 action to collect past due amounts has been filed.

10 Sec. 06.20.287. CREDIT INSURANCE ON OPEN-END LOANS. (a) A licen-
11 see may obtain credit life, credit disability, and property insurance on
12 open-end loans under this chapter. The credit life and credit dis-
13 ability insurance obtained by a licensee shall satisfy the requirements
14 of AS 21.57. The property insurance obtained by a licensee shall
15 satisfy the requirements of AS 21.39 and AS 21.42. The licensee shall
16 comply with AS 21.36.160 and 21.36.165 during all transactions with
17 borrowers involving credit life, credit disability and property
18 insurance.

19 (b) The licensee shall calculate the charge for credit life or
20 disability insurance in each billing cycle by adding to the unpaid
21 balance in the borrower's account the current monthly premium rate for
22 the coverage required at the rate set under AS 21.57, using the method
23 specified in the loan agreement for determining the unpaid balance.

24 (c) A licensee may not cancel credit life or disability insurance
25 obtained for an open-end loan if the borrower is delinquent in paying
26 his monthly installments unless an installment is delinquent for 90 days
27 or longer. The licensee shall advance to the insurer amounts necessary
28 to keep the policy in force until the 90-day delinquency period has
29 elapsed, and the borrower's account may be charged for the amounts

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advanced to the insurer.

* Sec. 2. AS 06.20.230 is amended by adding a new subsection to read:

(b) Notwithstanding the provisions of (a) of this section, a licensee who makes open-end loans under this chapter may elect to charge, contract for, and receive interest not to exceed one and one-half per cent a month computed according to the actuarial method on the unpaid principal balance as determined in AS 06.20.285(b).

* Sec. 3. AS 06.20.250(a) is amended to read:

(a) Interest shall not be paid, deducted, or received in advance. Except for open-end loans made under AS 06.20.285, interest [INTEREST] shall be computed and paid only on unpaid principal balances and shall not be compounded; however, if part or all of the consideration for a loan contract is the unpaid principal balance of a prior loan, the principal amount payable under the loan contract may include any unpaid charges on the prior loan which have accrued within 60 days before the making of the loan contract. The maximum interest permitted on loans made under this chapter shall be computed on the basis of the number of days actually elapsed. For the purpose of these computations a month is any period of 30 consecutive days.

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

(c) Except for open-end loans under AS 06.20.285, no [NO] licensee may enter into any contract for a loan that provides for a scheduled repayment of principal over more than the maximum terms set out below opposite the respective size of loans.

Principal amount of loan to	Maximum term
\$1,000.	24 and 1/2 months
Over \$1,000 to \$2,500	48 and 1/2 months
Over \$2,500 to \$5,000	60 and 1/2 months

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

1 (5) reasonable fees paid by a licensee for appraisals,
2 surveys, and title insurance or reports if the loan is secured by an
3 interest in real estate.

4 * Sec. 6. AS 06.20.270 is amended to read:

5 Sec. 06.20.270. REQUIREMENTS FOR MAKING AND PAYMENT OF LOANS.
6 Except as provided in AS 06.20.285 for open-end loans, every [EVERY]
7 licensee shall

8 (1) deliver to the borrower at the time a loan is made a
9 statement containing a printed copy of AS 06.20.230 - 06.20.260 in the
10 English language and showing in clear and distinct terms the amount and
11 date of the loan and its maturity, the nature of the security, if any,
12 for the loan, the name and address of the borrower and the licensee, and
13 the agreed rate of charge;

14 (2) give to the borrower a plain and complete receipt for all
15 payments made on account of the loan at the time payments are made,
16 specifying the amount applied to interest and the amount, if any,
17 applied to principal, and stating the unpaid principal balance, if any,
18 of the loan;

19 (3) permit payment to be made in advance in any amount on a
20 contract of loan at any time, but the licensee may apply the advance
21 payment first to all interest in full at the agreed rate up to the date
22 of payment;

23 (4) upon repayment of the loan in full, mark indelibly every
24 obligation and security signed by the borrower with the word "Paid" or
25 "Cancelled," and release any mortgage, restore any pledge, cancel and
26 return any note, and cancel and return any assignment given to the
27 licensee by the borrower;

28 (5) display prominently in each licensed place of business a
29 full and accurate schedule, approved by the department, of the charges

1 to be made and the method of computing them.

2 * Sec. 7. AS 06.20.320 is amended by adding a new subsection to read:

3 (c) If a penalty for failure to comply with financing disclosure
4 requirements under regulations adopted by the Board of Governors of the
5 Federal Reserve System is imposed by the federal authorities, the de-
6 partment may not impose a civil penalty under this section for the same
7 act or omission.

8 * Sec. 8. AS 06.20.900 is amended by adding a new paragraph to read:

9 (3) "open-end loan" means a loan made by a licensee under
10 this chapter under an agreement between the licensee and a borrower
11 which provides that

12 (A) the borrower may obtain advances of money from the
13 licensee from time to time or the licensee may advance money on
14 behalf of the borrower from time to time as directed by the
15 borrower;

16 (B) the amount of each advance and interest and charges
17 will be added to the borrower's open-end loan account and payments
18 and other credits are deducted from that account;

19 (C) interest will be computed on the unpaid principal
20 balance or the average unpaid principal balance of the open-end
21 loan account;

22 (D) the borrower may pay all or any part of the unpaid
23 principal balance of his open-end loan account or, if the account
24 is not in default, in monthly installments of fixed amounts as
25 provided in the loan agreement; and

26 (E) the agreement covers open-end loans under this
27 chapter.

28 * Sec. 9. AS 21.57.020 is amended to read:

29 Sec. 21.57.020. SCOPE OF CHAPTER. All life insurance and all

1 disability insurance in connection with loans or other credit trans-
2 actions shall be subject to the provisions of this chapter except
3 insurance in connection with a loan or other credit transaction of five
4 years or more duration involving a loan or other credit transaction
5 which exceeds \$5,000; insurance may not be subject to the provisions of
6 this chapter if the issuance of the insurance is an isolated transaction
7 on the part of the insurer not related to an agreement or a plan for
8 insuring debtor of the creditor.

Introduced: 2/8/79
Referred: Commerce and
Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 SENATE BILL NO. 118

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 small loans."

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

8 * Section 1. AS 06.20 is amended by adding new sections to read:

9 Sec. 06.20.285. OPEN-END LOANS. (a) A licensee may make open-end
10 loans not exceeding an aggregate total of \$5,000 and may contract for
11 and receive interest on open-end loans as provided in AS 06.20.230.
12 Interest on open-end loans may be computed daily or monthly on the
13 unpaid principal balance or the average unpaid principal balance if the
14 interest charged as a result of these computations does not exceed the
15 rates stated in AS 06.20.230 when the interest is computed according to
16 the interest-bearing or actuarial method.

17 (b) The billing cycle for open-end loans is monthly, and the
18 unpaid principal balance on a certain day is computed by adding to the
19 balance unpaid on the beginning of that day, or the average unpaid daily
20 balance for that billing cycle, all advances and other permissible
21 amounts charged to the borrower and deducting all payments and other
22 credits made or received that day.

23 (c) A licensee may secure the payment of an open-end loan in the
24 same manner as other loans under this chapter may be secured.

25 (d) The licensee shall deliver a copy of the open-end loan agree-
26 ment to the borrower at the time the open-end loan account is opened.
27 The open-end loan agreement must contain the name and address of the
28 licensee and the borrower and must contain disclosures of finance
29 charges and agreed terms as may be required by regulations adopted by

1 the department and the Board of Governors of the Federal Reserve System.

2 (e) At the end of each billing cycle in which there is an out-
3 standing balance in the account for which a finance charge is imposed,
4 the licensee shall deliver to the borrower a statement in the form
5 required by regulations adopted by the department and the Board of
6 Governors of the Federal Reserve System.

7 Sec. 06.20.287. CREDIT INSURANCE ON OPEN-END LOANS. (a) A licen-
8 see may obtain credit life, disability, and property insurance on open-
9 end loans under this chapter. The insurance obtained by a licensee
10 shall satisfy the requirements of AS 21.57.

11 (d) The licensee shall calculate the charge for credit life or
12 disability insurance in each billing cycle by adding to the unpaid
13 balance in the borrower's account the current monthly premium rate for
14 the coverage required at the rate set under AS 21.57, using the method
15 specified in the loan agreement for determining the unpaid balance.

16 (c) A licensee may not cancel credit life or disability insurance
17 obtained for an open-end loan if the borrower is delinquent in paying
18 his monthly installments unless an installment is delinquent for 90 days
19 or longer. The licensee shall advance to the insurer amounts necessary
20 to keep the policy in force until the 90-day delinquency period has
21 elapsed, and the borrower's account may be charged for the amounts
22 advanced to the insurer.

23 * Sec. 2. AS 06.20.230 is amended by adding a new subsection to read:

24 (b) Notwithstanding the provisions of (a) of this section, a
25 licensee who makes open-end loans under this chapter may elect to
26 charge, contract for, and receive interest not to exceed one and one-
27 half per cent a month on the unpaid principal balance of an open-end
28 loan account computed according to the actuarial method.

29 * Sec. 3. AS 06.20.250(a) is amended to read:

1 (a) Interest shall not be paid, deducted, or received in advance.
 2 Except for open-end loans made under AS 06.20.285, interest [INTEREST]
 3 shall be computed and paid only on unpaid principal balances and shall
 4 not be compounded; however, if part or all of the consideration for a
 5 loan contract is the unpaid principal balance of a prior loan, the
 6 principal amount payable under the loan contract may include any unpaid
 7 charges on the prior loan which have accrued within 60 days before the
 8 making of the loan contract. The maximum interest permitted on loans
 9 made under this chapter shall be computed on the basis of the number of
 10 days actually elapsed. For the purpose of these computations a month is
 11 any period of 30 consecutive days.

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

13 (c) Except for open-end loans under AS 06.20.285, no [NO] licensee
 14 may enter into any contract for a loan that provides for a scheduled
 15 repayment of principal over more than the maximum terms set out below
 16 opposite the respective size of loans.

Principal amount of loan to	Maximum term
\$1,000.	24 and 1/2 months
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22 Sec. 06.20.270. REQUIREMENTS FOR MAKING AND PAYMENT OF LOANS.
 23 Except as provided in AS 06.20.285 for open-end loans, every [EVERY]
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25 (1) deliver to the borrower at the time a loan is made a
 26 statement containing a printed copy of AS 06.20.230 - 06.20.260 in the
 27 English language and showing in clear and distinct terms the amount and
 28 date of the loan and its maturity, the nature of the security, if any,
 29 for the loan, the name and address of the borrower and the licensee, and

1 the agreed rate of charge;

2 (2) give to the borrower a plain and complete receipt for all
3 payments made on account of the loan at the time payments are made,
4 specifying the amount applied to interest and the amount, if any,
5 applied to principal, and stating the unpaid principal balance, if any,
6 of the loan;

7 (3) permit payment to be made in advance in any amount on a
8 contract of loan at any time, but the licensee may apply the advance
9 payment first to all interest in full at the agreed rate up to the date
10 of payment;

11 (4) upon repayment of the loan in full, mark indelibly every
12 obligation and security signed by the borrower with the word "Paid" or
13 "Cancelled," and release any mortgage, restore any pledge, cancel and
14 return any note, and cancel and return any assignment given to the
15 licensee by the borrower;

16 (5) display prominently in each licensed place of business a
17 full and accurate schedule, approved by the department, of the charges
18 to be made and the method of computing them.

19 * Sec. 6. AS 06.20.320 is amended by adding a new subsection to read:

20 (c) If a penalty for failure to comply with financing disclosure
21 requirements under regulations adopted by the Board of Governors of the
22 Federal Reserve System is imposed by the federal authorities, the de-
23 partment may not impose a civil penalty under this section for the same
24 act or omission.

25 * Sec. 7. AS 06.20.900 is amended by adding a new paragraph to read:

26 (3) "open-end loan" means a loan made by a licensee under
27 this chapter under an agreement between the licensee and a borrower
28 which provides that

29 (A) the borrower may obtain advances of money from the

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licensee from time to time or the licensee may advance money on behalf of the borrower from time to time as directed by the borrower;

(B) the amount of each advance and interest and charges will be added to the borrower's open-end loan account and payments and other credits are deducted from that account;

(C) interest will be computed on the unpaid principal balance or the average unpaid principal balance of the open-end loan account;

(D) the borrower may pay all or any part of the unpaid principal balance of his open-end loan account or, if the account is not in default, in monthly installments of fixed amounts as provided in the loan agreement; and

(E) the agreement covers open-end loans under this chapter.

BILL ANALYSIS

ASSIGNMENT DATE _____

UNASSIGNED _____

DEPARTMENT Commerce & Economic Development	SPONSOR (PRINCIPAL) Commerce Committee	BILL NO. SB 118
DEPARTMENT POSITION Not opposed.		
DIVISION DIRECTOR Julius J. Brecht Banking & Securities	DATE 2/21/79	COMMISSIONER DATE
GOVERNOR'S OFFICE USE		
<input type="checkbox"/> POSITION NOTED	<input type="checkbox"/> POSITION APPROVED	<input type="checkbox"/> POSITION DISAPPROVED
BY:		DATE:
SUMMARY		
(1) RELATED BILLS (SIMILAR OR CONFLICTING)	None of which I am aware.	
(2) OTHER AGENCIES AFFECTED BY BILL	None of which I am aware.	
(2) a. ORGANIZATIONAL SUPPORT FOR BILL Finance industry in the State. (HFC and BFC)		(2) b. ORGANIZATIONAL OPPOSITION TO BILL None of which I am aware.
(3) PROGRAM EFFECTS OF BILL		
(i) Would allow a finance company licensed under AS 06.20 to provide revolving credit plans. Such plans involve the establishment of a line of credit for an applicant, execution of a loan agreement authorizing the lender to make cash advances under certain terms and conditions outlined in the agreement, and a monthly billing statement reflecting all debits, credits and interest charges and other information required by the Federal Truth in Lending Act.		
(ii) Would allow a finance company licensed under AS 06.20 to obtain credit life, disability and property insurance on revolving credit plans.		
(4) FISCAL IMPACT: <input checked="" type="checkbox"/> NONE <input type="checkbox"/> FISCAL ANALYSIS ATTACHED		
(5) AMENDMENTS PROPOSED:		
Section 287(a) should give the borrower, and not the licensee, authority to obtain credit life, disability and property insurance on revolving credit plans.		

(6) COMMENTS: The finance industry in this State has requested that the Senate Commerce Committee submit this bill. An industry spokesman has stated that the bill would accomplish a number of things including: (i) simplifying of record-keeping; (ii) reducing paperwork; (iii) providing of more convenient service for borrowers; (iv) reducing of costs of operation for lenders; (v) saving of time and expense for borrowers and (vi) reducing of State examination time. I assume that that spokesman will substantiate these claims at the committee hearing on the bill.

The bill does allow for an alternative calculation of interest of 1½% per month on the unpaid balance. Revolving credit plans of the nature proposed by this bill have been enacted in twenty states. The division has in its possession, letters from several individuals of other states (Arizona, California, Colorado, Indiana, and Wyoming) who are responsible for administering finance company statutes

(Over)

) having provisions for revolving credit plans, i.e., open-ended credit plans. No serious difficulty has been experienced in those states in administering such plans nor has there been a large volume of consumer complaints regarding those plans.

TESTIMONY FOR SB 118

Offered by DS Bisbee 2/27/79

SB 118

Last year the Alaska legislature updated small loan statutes under which consumer finance companies are permitted to operate. The changes made at that time have greatly improved the operating environment for branch offices as well as providing increased benefits for Alaska consumers. The proposed bill, SB 118, offers another opportunity to encourage lenders to enter the Alaska market with additional investment capital and will also stimulate competition in this area of consumer lending. At the same time, it offers consumers an added service at reduced cost. This type of lending is available in 20 states. (list attached)

The bill speaks to "open end loans" which is commonly known as revolving credit. The concept involves establishment of a line of credit for the applicant, execution of a loan agreement authorizing the lender to make cash advances under certain terms and conditions, a monthly billing statement reflecting all debits, credits, and interest charges as well as certain other information required by Federal Truth and Lending laws.

The benefits of the proposed bill to the lender are:

- A Simplification of record keeping
- B Reduction of paperwork
- C Reduction of office costs

The benefits to the consumer will be:

- A More convenient service.
- B Savings of time and expense normally used for negotiation of refinancing.
- C Reduction of State Examination time (administrative affidavits on file with committee chairman)
- D Reduced cost of money

The last item, reduced cost of money, is the most important feature of the bill. As a direct result of a more efficient way of doing business, the lender passes on a substantial savings to the borrower by charging interest of only 18% per annum on the unpaid balance compared with an average charge of approximately 25% on a closed end loan.

Experience has shown that on more than half of consumer loans, borrowers desire to borrow additional funds before the loans are paid in full. Some loans are rewritten several times before being paid in full. The rewriting of a loan includes preparing a new note, disclosure statement and statement of loan, and sometimes a new security agreement, all of which is a costly process. Under the proposed bill, additional advances could be made without rewriting the loan, yet all the protections for the borrower presently applicable under closed end loans would continue. Borrowers would get more and better disclosure because they not only get a copy of the documents at the loan inception, but also with each monthly billing statement a disclosure is made of the amounts and dates of payments, the amount of finance charge debited, the annual percentage rate, the balance on which the charge was computed, the outstanding balance, and the amount of payment required.

Thus, open end loans are a benefit to the borrower and the lender. An additional benefit derived from the elimination of unnecessary paperwork and wasteful expense could be the removal of pressure for the need of future rate increases., thus holding down customer expense and making Alaska a more attractive business market.

This concludes my prepared remarks and I will be glad to answer any questions that the committee may have.

BILL ANALYSIS

ASSIGNMENT DATE _____

UNASSIGNED _____

DEPARTMENT Commerce & Economic Development	SPONSOR (PRINCIPAL) Commerce Committee	BILL NO. SB 118
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DEPARTMENT POSITION
Not opposed.

DIVISION DIRECTOR Julius J. Brecht Banking & Securities	DATE 2/21/79	COMMISSIONER	DATE
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GOVERNOR'S OFFICE USE

POSITION NOTED POSITION APPROVED POSITION DISAPPROVED

BY: _____ DATE: _____

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING) None of which I am aware.
 (2) OTHER AGENCIES AFFECTED BY BILL None of which I am aware.

(2) a. ORGANIZATIONAL SUPPORT FOR BILL Finance industry in the State. (HFC and BFC)		(2) b. ORGANIZATIONAL OPPOSITION TO BILL None of which I am aware.
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(3) PROGRAM EFFECTS OF BILL

(i) Would allow a finance company licensed under AS 06.20 to provide revolving credit plans. Such plans involve the establishment of a line of credit for an applicant, execution of a loan agreement authorizing the lender to make cash advances under certain terms and conditions outlined in the agreement, and a monthly billing statement reflecting all debits, credits and interest charges and other information required by the Federal Truth in Lending Act.

(ii) Would allow a finance company licensed under AS 06.20 to obtain credit life, disability and property insurance on revolving credit plans.

(4) FISCAL IMPACT: NONE FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

Section 287(a) should give the borrower, and not the licensee, authority to obtain credit life, disability and property insurance on revolving credit plans.

(6) COMMENTS: The finance industry in this State has requested that the Senate Commerce Committee submit this bill. An industry spokesman has stated that the bill would accomplish a number of things including: (i) simplifying of record-keeping; (ii) reducing paperwork; (iii) providing of more convenient service for borrowers; (iv) reducing of costs of operation for lenders; (v) saving of time and expense for borrowers and (vi) reducing of State examination time. I assume that that spokesman will substantiate these claims at the committee hearing on the bill.

The bill does allow for an alternative calculation of interest of 1½% per month on the unpaid balance. Revolving credit plans of the nature proposed by this bill have been enacted in twenty states. The division has in its possession, letters from several individuals of other states (Arizona, California, Colorado, Indiana, and Wyoming) who are responsible for administering finance company statutes

) having provisions for revolving credit plans, i.e., open-ended credit plans. No serious difficulty has been experienced in those states in administering such plans nor has there been a large volume of consumer complaints regarding those plans.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 118

Title "An Act relating to small loans"

Requested by The Commerce Committee

Date 3-12-79

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development

Program Category Affected Public Protection

Budget Request Unit(s) Affected Banking & Securities

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

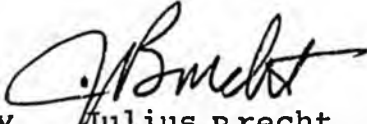
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify)	0	0	0	0	0	0

POSITIONS

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

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

IV. DATE March 12, 1979

PREPARED BY  Julius Brecht, Banking & Securities
AGENCY Commerce & Econ. Dev.

Original: Legislative Finance

PHONE 465-2521

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Introduced: 2/8/79
Referred: Commerce and
Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 SENATE BILL NO. 118

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 small loans."

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

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9 Sec. 06.20.285. OPEN-END LOANS. (a) A licensee may make open-end
10 loans not exceeding an aggregate total of \$5,000 and may contract for
11 and receive interest on open-end loans as provided in AS 06.20.230.
12 Interest on open-end loans may be computed daily or monthly on the
13 unpaid principal balance or the average unpaid principal balance if the
14 interest charged as a result of these computations does not exceed the
15 rates stated in AS 06.20.230 when the interest is computed according to
16 the interest-bearing or actuarial method.

17 (b) The billing cycle for open-end loans is monthly, and the
18 unpaid principal balance on a certain day is computed by adding to the
19 balance unpaid on the beginning of that day, or the average unpaid daily
20 balance for that billing cycle, all advances and other permissible
21 amounts charged to the borrower and deducting all payments and other
22 credits made or received that day.

23 (c) A licensee may secure the payment of an open-end loan in the
24 same manner as other loans under this chapter may be secured.

25 (d) The licensee shall deliver a copy of the open-end loan agree-
26 ment to the borrower at the time the open-end loan account is opened.
27 The open-end loan agreement must contain the name and address of the
28 licensee and the borrower and must contain disclosures of finance
29 charges and agreed terms as may be required by regulations adopted by

1 the department and the Board of Governors of the Federal Reserve System.

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3 standing balance in the account for which a finance charge is imposed,
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8 see may obtain credit life, disability, and property insurance on open-
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15 specified in the loan agreement for determining the unpaid balance.

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21 elapsed, and the borrower's account may be charged for the amounts
22 advanced to the insurer.

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26 charge, contract for, and receive interest not to exceed one and one-
27 half per cent a month on the unpaid principal balance of an open-end
28 loan account computed according to the actuarial method.

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29 for the loan, the name and address of the borrower and the licensee, and

1 the agreed rate of charge;

2 (2) give to the borrower a plain and complete receipt for all
3 payments made on account of the loan at the time payments are made,
4 specifying the amount applied to interest and the amount, if any,
5 applied to principal, and stating the unpaid principal balance, if any,
6 of the loan;

7 (3) permit payment to be made in advance in any amount on a
8 contract of loan at any time, but the licensee may apply the advance
9 payment first to all interest in full at the agreed rate up to the date
10 of payment;

11 (4) upon repayment of the loan in full, mark indelibly every
12 obligation and security signed by the borrower with the word "Paid" or
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14 return any note, and cancel and return any assignment given to the
15 licensee by the borrower;

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22 Federal Reserve System is imposed by the federal authorities, the de-
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24 act or omission.

25 * Sec. 7. AS 06.20.900 is amended by adding a new paragraph to read:

26 (3) "open-end loan" means a loan made by a licensee under
27 this chapter under an agreement between the licensee and a borrower
28 which provides that

29 (A) the borrower may obtain advances of money from the

1 licensee from time to time or the licensee may advance money on
2 behalf of the borrower from time to time as directed by the
3 borrower;

4 (B) the amount of each advance and interest and charges
5 will be added to the borrower's open-end loan account and payments
6 and other credits are deducted from that account;

7 (C) interest will be computed on the unpaid principal
8 balance or the average unpaid principal balance of the open-end
9 loan account;

10 (D) the borrower may pay all or any part of the unpaid
11 principal balance of his open-end loan account or, if the account
12 is not in default, in monthly installments of fixed amounts as
13 provided in the loan agreement; and

14 (E) the agreement covers open-end loans under this
15 chapter.
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Original sponsor: Commerce Committee

Offered: 3/5/79
Referred: Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 118

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 small loans."

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

8 * Section 1. AS 06.20 is amended by adding new sections to read:

9 Sec. 06.20.285. OPEN-END LOANS. (a) A licensee may make open-end
10 loans not exceeding an aggregate total of \$5,000 and may contract for
11 and receive interest on open-end loans as provided in AS 06.20.230, and
12 for other charges permitted under this chapter. Interest on open-end
13 loans may be computed daily or monthly on the unpaid principal balance
14 or the average unpaid principal balance if the interest charged as a
15 result of these computations does not exceed the rates stated in
16 AS 06.20.230 when the interest is computed according to the interest-
17 bearing or actuarial method.

18 (b) The billing cycle for open-end loans is monthly, and the
19 unpaid principal balance on a certain day is computed by adding to the
20 balance unpaid on the beginning of that day, or the average unpaid daily
21 balance for that billing cycle, all advances and other permissible
22 amounts charged to the borrower and deducting all payments and other
23 credits made or received that day.

24 (c) A licensee may secure the payment of an open-end loan in the
25 same manner as other loans under this chapter may be secured.

26 (d) The licensee shall deliver a copy of the open-end loan agree-
27 ment to the borrower at the time the open-end loan account is opened.
28 The open-end loan agreement must contain the name and address of the
29 licensee and the borrower and must contain disclosures of finance

1 charges and agreed terms as may be required by regulations adopted by
2 the department and the Board of Governors of the Federal Reserve System.

3 (e) At the end of each billing cycle in which there is an out-
4 standing balance in the account for which a finance charge is imposed,
5 the licensee shall deliver to the borrower a statement in the form
6 required by regulations adopted by the department and the Board of
7 Governors of the Federal Reserve System. This subsection does not apply
8 to accounts which the licensee considers uncollectible or for which an
9 action to collect past due amounts has been filed.

10 Sec. 06.20.287. CREDIT INSURANCE ON OPEN-END LOANS. (a) A licen-
11 see may obtain credit life, credit disability, and property insurance on
12 open-end loans under this chapter. The credit life and credit dis-
13 ability insurance obtained by a licensee shall satisfy the requirements
14 of AS 21.57. The property insurance obtained by a licensee shall
15 satisfy the requirements of AS 21.39 and AS 21.42. The licensee shall
16 comply with AS 21.36.160 and 21.36.165 during all transactions with
17 borrowers involving credit life, credit disability and property
18 insurance.

19 (b) The licensee shall calculate the charge for credit life or
20 disability insurance in each billing cycle by adding to the unpaid
21 balance in the borrower's account the current monthly premium rate for
22 the coverage required at the rate set under AS 21.57, using the method
23 specified in the loan agreement for determining the unpaid balance.

24 (c) A licensee may not cancel credit life or disability insurance
25 obtained for an open-end loan if the borrower is delinquent in paying
26 his monthly installments unless an installment is delinquent for 90 days
27 or longer. The licensee shall advance to the insurer amounts necessary
28 to keep the policy in force until the 90-day delinquency period has
29 elapsed, and the borrower's account may be charged for the amounts

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advanced to the insurer.

* Sec. 2. AS 06.20.230 is amended by adding a new subsection to read:

(b) Notwithstanding the provisions of (a) of this section, a licensee who makes open-end loans under this chapter may elect to charge, contract for, and receive interest not to exceed one and one-half per cent a month computed according to the actuarial method on the unpaid principal balance as determined in AS 06.20.285(b).

* Sec. 3. AS 06.20.250(a) is amended to read:

(a) Interest shall not be paid, deducted, or received in advance. Except for open-end loans made under AS 06.20.285, interest [INTEREST] shall be computed and paid only on unpaid principal balances and shall not be compounded; however, if part or all of the consideration for a loan contract is the unpaid principal balance of a prior loan, the principal amount payable under the loan contract may include any unpaid charges on the prior loan which have accrued within 60 days before the making of the loan contract. The maximum interest permitted on loans made under this chapter shall be computed on the basis of the number of days actually elapsed. For the purpose of these computations a month is any period of 30 consecutive days.

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

(c) Except for open-end loans under AS 06.20.285, no [NO] licensee may enter into any contract for a loan that provides for a scheduled repayment of principal over more than the maximum terms set out below opposite the respective size of loans.

Principal amount of loan to	Maximum term
\$1,000.	24 and 1/2 months
Over \$1,000 to \$2,500	48 and 1/2 months
Over \$2,500 to \$5,000	60 and 1/2 months

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

1 (5) reasonable fees paid by a licensee for appraisals,
2 surveys, and title insurance or reports if the loan is secured by an
3 interest in real estate.

4 * Sec. 6. AS 06.20.270 is amended to read:

5 Sec. 06.20.270. REQUIREMENTS FOR MAKING AND PAYMENT OF LOANS.

6 Except as provided in AS 06.20.285 for open-end loans, every [EVERY]
7 licensee shall

8 (1) deliver to the borrower at the time a loan is made a
9 statement containing a printed copy of AS 06.20.230 - 06.20.260 in the
10 English language and showing in clear and distinct terms the amount and
11 date of the loan and its maturity, the nature of the security, if any,
12 for the loan, the name and address of the borrower and the licensee, and
13 the agreed rate of charge;

14 (2) give to the borrower a plain and complete receipt for all
15 payments made on account of the loan at the time payments are made,
16 specifying the amount applied to interest and the amount, if any,
17 applied to principal, and stating the unpaid principal balance, if any,
18 of the loan;

19 (3) permit payment to be made in advance in any amount on a
20 contract of loan at any time, but the licensee may apply the advance
21 payment first to all interest in full at the agreed rate up to the date
22 of payment;

23 (4) upon repayment of the loan in full, mark indelibly every
24 obligation and security signed by the borrower with the word "Paid" or
25 "Cancelled," and release any mortgage, restore any pledge, cancel and
26 return any note, and cancel and return any assignment given to the
27 licensee by the borrower;

28 (5) display prominently in each licensed place of business a
29 full and accurate schedule, approved by the department, of the charges

1 to be made and the method of computing them.

2 * Sec. 7. AS 06.20.320 is amended by adding a new subsection to read:

3 (c) If a penalty for failure to comply with financing disclosure
4 requirements under regulations adopted by the Board of Governors of the
5 Federal Reserve System is imposed by the federal authorities, the de-
6 partment may not impose a civil penalty under this section for the same
7 act or omission.

8 * Sec. 8. AS 06.20.900 is amended by adding a new paragraph to read:

9 (3) "open-end loan" means a loan made by a licensee under
10 this chapter under an agreement between the licensee and a borrower
11 which provides that

12 (A) the borrower may obtain advances of money from the
13 licensee from time to time or the licensee may advance money on
14 behalf of the borrower from time to time as directed by the
15 borrower;

16 (B) the amount of each advance and interest and charges
17 will be added to the borrower's open-end loan account and payments
18 and other credits are deducted from that account;

19 (C) interest will be computed on the unpaid principal
20 balance or the average unpaid principal balance of the open-end
21 loan account;

22 (D) the borrower may pay all or any part of the unpaid
23 principal balance of his open-end loan account or, if the account
24 is not in default, in monthly installments of fixed amounts as
25 provided in the loan agreement; and

26 (E) the agreement covers open-end loans under this
27 chapter.

28 * Sec. 9. AS 21.57.020 is amended to read:

29 Sec. 21.57.020. SCOPE OF CHAPTER. All life insurance and all

1 disability insurance in connection with loans or other credit trans-
2 actions shall be subject to the provisions of this chapter except
3 insurance in connection with a loan or other credit transaction of five
4 years or more duration involving a loan or other credit transaction
5 which exceeds \$5,000; insurance may not be subject to the provisions of
6 this chapter if the issuance of the insurance is an isolated transaction
7 on the part of the insurer not related to an agreement or a plan for
8 insuring debtor of the creditor.