

LEG. FINANCE - BILLS 1979 - 1980 1291
SB 165 cont., thru SB 170 1291

TELEGRAM

ROY ALASKA COMMUNICATIONS, INC.

PHONE 500-4442

UNIVERSITY BLVD. ANCHORAGE, ALASKA 99503

22012 ANCHORAGE ALASKA 26 04-18 916A AST

370 APR 18 PM 12 35

PMS DEPT OF COMMERCE AND ECONOMIC DEVELOPMENT 465-2500

ATTN DEBBIE POUCH D

2700

JUNEAU AK 99811

IN RESPONSE TO HOUSE VERSION OF AHFC MORTGAGE INSURANCE FUND
REQUEST, I WOULD RECOMMEND PASSAGE OF SENATE BILL 165 AT THE
EARLIEST POSSIBLE DATE.

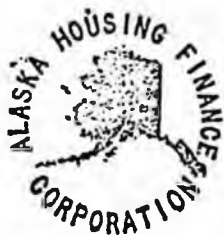
J W LINTON EXECUTIVE DIRECTOR ALASKA

HOUSING FINANCE CORPORATION

RECEIVED

APR 18 1979

OFFICE OF THE
COMMISSIONER



P.O. Box 1020
Anchorage, AK.
99510

TO: Bert Wagon
Deputy Commissioner

DATE: April 17, 1979

FROM: *E. L. Johnson*
Eima L. Johnson
Finance Officer

RECEIVED
APR 13 1979

OFFICE OF THE
COMMISSIONER

Pursuant to your phone call of this date requesting copies of action taken by the Board of Directors of Alaska Housing Finance Corporation at their Annual meeting on April 16, 1979, I am enclosing copies of two resolutions that were approved for adoption. Please note the three red asterisks located on pages 2, 3, and 4 of the Emergency Regulations. An amendment to these regulations was adopted to allow the Fairbanks North Star Borough the same loan amounts as the remote, underdeveloped or blighted areas. In all other respects, both resolutions were approved as shown.

Additional information will be sent to you as soon as it is available.

ELJ/djd

RESOLUTION ADOPTING AMENDMENTS TO
THE REGULATIONS OF THE CORPORATION.

BE IT RESOLVED by the Board of Directors of Alaska Housing Finance Corporation as follows:

1. The Corporation, having duly given public notice of the proposed action by publishing notice thereof in at least three (3) newspapers of general circulation in the State and otherwise complying with the provisions of AS 18.56.083(d), and having held public hearings thereon on March 19, 1979, hereby adopts the following amendments to its regulations:

(a) 3 AAC 92.020 is amended by adding the following subparagraph thereto:

(c) The borrower is a Veteran qualifying for a mortgage loan for a single-family residence pursuant to AS 26.15.130 and the Regulations published thereunder as certified by the Department of Commerce and Economic Development in such form as shall be satisfactory to the Executive Director.

(b) 3 AAC 92.060(16) is amended to read as follows:

(16) "remote, underdeveloped or blighted" area for purposes of AS 18.56.088(c)(1) is defined as all areas of the state situate outside the boundaries of the Municipality of Anchorage, the Fairbanks North Star Borough, the City and Borough of Juneau, and the Ketchikan Gateway Borough. The area within the Municipality of Anchorage may be referred to as category "C", the area within the Fairbanks North Star Borough, the City and Borough of Juneau, and the Ketchikan Gateway Borough may be referred to as category "B", and all other areas of the State may be referred to as category "A". The aforesaid political subdivisions each contain a population of 10,000 or more according to the latest estimate for state revenue sharing prepared by the Department of Community and Regional Affairs.

2. This resolution shall take effect immediately.

RESOLUTION ADOPTING EMERGENCY REGULATIONS
OF THE ALASKA HOUSING FINANCE CORPORATION.

BE IT RESOLVED by the Board of Directors of Alaska Housing Financing Corporation as follows:

1. Pursuant to AS 18.56.088(e) it is hereby determined that an emergency exists requiring the immediate amendment of the Corporation's regulations and that the adoption of the amendment is necessary for the immediate preservation of the orderly operation of the Corporation's loan and bonding programs. The statement of facts which constitute the emergency are as follows:

The building season in Alaska is fast approaching and the Corporation's borrowing and lending limits have not kept pace with inflation in the State of Alaska. Therefore, numerous persons of lower or moderate income will be ineligible for residential mortgage loans unless the Corporation takes immediate action to increase the adjusted income for borrowers who are persons of lower or moderate income, as well as to increase the maximum loan amount. The Corporation has not acted since May, 1978, to increase permitted adjusted gross income or loan amounts. During this period of time the rate of inflation in Alaska has exceeded 10%. The imminence of the building season and the other factors cited above makes immediate action necessary in order to preserve the orderly operation of the Corporation's loan and bonding programs.

2. Pursuant to the finding in section 1 hereof, the Corporation hereby adopts the following amendments to its Regulations:

(a) 3 AAC 92.020 is amended to read as follows:

3 AAC 92.020. BORROWER ELIGIBILITY. A person is eligible for a residential mortgage loan to finance the purchase of a dwelling designed for residential use and intended as the principal residence of the borrower pursuant to AS 18.56. A loan to finance the purchase of a dwelling includes a loan to an owner/builder constituting the first permanent financing of a dwelling which has been newly constructed by the owner/builder. To be eligible one of the following requirements must be met:

(a) The borrower is a person of lower or moderate income which is defined by area in Alaska to be persons with adjusted income per family listed below

Adjusted Income by Size of Family

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dist. 1	Ketchikan, Prince of Wales	25,500	29,100	33,400	36,400	38,700	41,000	43,200
Dist. 2	Wrangell	26,400	30,200	34,600	37,700	40,100	42,500	44,800
Dist. 3	Sitka	26,400	30,200	34,600	37,700	40,100	42,500	44,800
Dist. 4	Juneau	25,500	29,100	33,400	36,400	38,700	41,000	43,200
Dist. 5	Lynn Canal	27,400	31,300	35,800	39,200	41,600	44,100	46,500
Dist. 6	Cordova, Valdez	29,500	33,700	38,500	42,200	44,800	47,400	50,000
Dist. 7	Mat-Su Borough	26,400	30,200	34,600	37,700	40,100	42,500	44,800
Dist. 8	Anchorage	25,500	29,100	32,800	36,400	38,700	41,000	43,200
Dist. 9	Seward	27,400	31,300	35,800	39,200	41,600	44,100	46,500
Dist. 10	Kenai, Cook Inlet	27,400	31,300	35,800	39,200	41,600	44,100	46,500
Dist. 11	Kodiak	27,400	31,300	35,800	39,200	41,600	44,100	46,500
Dist. 12	Aleutian Islands	32,900	37,700	42,800	47,000	50,000	52,900	55,900
Dist. 13	Bristol Bay	32,900	37,700	42,800	47,000	50,000	52,900	55,900
Dist. 14	Bethel	34,200	39,000	46,800	48,800	51,900	54,900	58,000
Dist. 15	Aniak, Cantwell, McGrath, Nenana, Minto	35,400	40,500	46,000	50,600	53,800	57,000	65,200
Dist. 16a	S. of Arctic Circle- Fairbanks, Fort Yukon	29,500	33,700	37,900	42,200	44,800	47,400	50,100
Dist. 16b	N. of Arctic Circle	35,400	40,500	46,000	50,600	53,800	54,900	65,200
Dist. 17	Barrow, Kotzebue	35,400	40,500	46,000	50,600	53,800	54,900	65,200
Dist. 18	Nome	34,200	39,000	43,900	48,800	51,900	54,900	58,000
Dist. 19	Wade Hampton	34,200	39,000	46,800	48,800	51,900	54,900	58,000

(b) The dwelling for which a loan is sought is located in a [rural] remote, underdeveloped or blighted area.

(b) 3 AAC 92.030(b) is amended to read as follows:

(b) A residential mortgage loan purchased by the Corporation in order to finance a single-family residence shall contain the following terms and conditions:

(1) the loan must not exceed [\$75,000] \$82,500, except that the amount of a mortgage loan for a residence located in a [rural] remote, underdeveloped or blighted area, must not exceed \$90,000;
*and the Fairbanks North Star Borough

(2) the loan-to-value ratio for loans purchased in connection with the special rural housing program established under AS 18.56.090 must be no greater than 90 percent for loans in excess of \$75,000 and no greater than 95 percent for loans of \$75,000 or less and the

loan-to-value ratio for all other loans must be no greater than 90 percent for loans in excess of \$72,500 [\$65,000], and no greater than 95 percent for loans of \$72,500 [\$65,000] and less, except that (i) the loan-to-value ratio on loans insured by FHA shall be limited to the amount allowed by FHA regulations, and (ii) the downpayment together with the amount of the guarantee of the loan by the Federal Veterans Administration must equal at least 25 percent of the value on loans guaranteed by the Federal Veterans Administration; and

(3) the single-family residence must be occupied by the owner.

(c) 3 AAC 92.030(c)(1), (c)(2)(a) and (d)(1) are amended to read as follows:

(c) A residential mortgage loan purchased by the Corporation in order to finance a unit in a condominium project or in a planned unit development project ("condominium or PUD project") shall contain the following terms and conditions:

(1) the loan must not exceed \$82,500 [\$75,000], except that the amount of a mortgage loan for a unit in a condominium or PUD project located in a [rural] remote, underdeveloped or blighted area must not exceed \$90,000;

Name: The Fairbanks North Star Borough

(2)(A) the loan-to-value ratio for a unit in a condominium or PUD project for a loan purchased in connection with the special rural housing program established under AS 18.56.090 must be no greater than 90 percent for loans in excess of \$75,000 and no greater than 95 percent for loans of \$75,000 or less, and the loan-to-value ratio for all other loans for a unit in an FNMA or FHLMC approved condominium or PUD project must be no greater than 90 percent for loans in excess of \$72,500 [\$65,000] and 95 percent for loans of \$72,500 [\$65,000] and less, except that if the loan is insured by FHA, the loan-to-value ratio shall be the percentage permitted by FHA regulations and if the loan is guaranteed by the Veterans Administration, the loan-to-value requirement is met if the amount of the guarantee and the amount of the downpayment equal at least 25 percent of the value, and

(d) A residential mortgage loan purchased by the Corporation in order to finance a duplex shall contain the following terms and conditions:

(1) the loan must not exceed \$90,000 except that the amount of a mortgage loan for a duplex in a [rural]

remote, underdeveloped or blighted area must not exceed
\$130,000.

*File the Fairbanks North Star
Borough.*

3. This resolution shall take effect immediately. The Board shall give notice of the adoption of this resolution within ten (10) days hereof and shall comply with the procedure for amendment of regulations set forth in AS 18.56.088(d) within 120 days hereof.



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

OS SB168

SENATE FINANCE COMMITTEE
BILL CHECKLIST

1. Committee Copy-Current Bill ✓
2. History Cover Form ✓
3. Printed Copies:
 - Original Bill ✓
 - Committee Substitutes or Amendments ✓
4. SFC Committee Report Form ✓
5. Fiscal Information:
 - Note in File ✓
 - Note Requested Date
 - Other Financial Backup
 - (See Below)
6. Backup:
 - Handouts
 - Letter from Governor
 - Letter from Sponsor
 - Completed Committee Reports
 - Committee State Affairs ✓
 - Other

Letter of Intent - State Affairs
MEMO - Garry Paska

F. Billfeld

April 10, 1979

Senator John C. Sackett, Chairman
Senate Finance Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: ~~Committee Substitute~~
~~SB 168~~

Dear Senator Sackett:

The above referenced Senate Bill was written and introduced by Senator Pat Rodey after i pointed out to him the inequality of the present Section 39.35.360, of the Alaska Statutes, entitled "Earlier Service" with regard to credit for retirement. Why were the security guards of the Civil Aeronautics Administration singled out and the Radio Operators aka Communicators completely ignored. There would not have been any need for security if there had not been Radio Operators to man the stations, guarding the airways, taking weather observations, controlling air traffic and acting as security guards on the bush airports. During WW II we had to all pass top security in order to hold our positions.

My understanding on the issue of not passing this out of the Senate Finance Committee is that it will cost the State money. I would like to point out that this is indeed a perfect example of false economy in government which seems to be prevalent throughout the entire U.S. today. To illustrate my deduction on this please bear with me and I will use my own situation as an example.

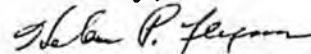
I have worked for the State and received enough promotions to be making almost \$1800 per month, I will be 62 years old in July of this year and would really like to retire since I have been working for 49 years the 15th of this month. I am widowed so getting credit for my "Earlier Service" is really very important to me. It is the difference between just getting by and having a normal retirement. The State could hire a replacement for me for approximately \$400 a month less than I am making and although I have not as yet figured what the States contribution would be to pay for my 2 1/2 to 3 years of C.A.A. service would cost, I do know that it would be less than the difference in the two salaries.

In adding insult to injury, my husband and I had been recruited by the Navy in the early part of 1943, to go to the San Diego Training Station to teach radio communications. We resigned our positions with the C.A.A. and traveled to Bremerton, Washington for examinations and

physicals. We both passed everything in grand style and were to be sworn in at 8:00 A.M. the following day, but our swearing in was prevented by a telegram from Washington, D.C. freezing us in our C. A. A. positions and ordering us back to Alaska for further duty. If this had not occurred I would have had military time during the war and there would not have been any difficulty in my getting credit for it. This is not an attempt to pin point myself as a special case, merely a means of pointing out the unfairness of the Statute and its leaning into the area of discrimination.

Another view on the subject is that there are only nine of us that would qualify and I also know that at least one of them is in a situation similar to mine. In due time the necessity of financing would phase out, we can't all live forever but would like to enjoy life a bit while we are here after our years of dedication to the State and Territory. My record will show that I have never been, nor do I ever want to be a lame-duck employee.

Sincerely,



Helen P. Flynn
3906 Hayes St.
Anchorage, Alaska 99503

March 29, 1979

Legislative Board of Retirement Benefits analysis and recommendations on:

CS for Senate Bill No. 168:

The board endorses the attached fiscal note as its fiscal analysis of CSSB 168.

A majority of the members of the board recommend that CSSB 168 do not pass; two members were absent and there is one vacancy on the board.

Original sponsor: Ray

Offered: 3/12/79
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 168

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 earlier service retirement credit
7 for territorial employees."

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

9 * Section 1. AS 39.35.360(a) is amended to read:

10 (a) An employee who completes three years of service with the
11 state after January 1, 1961, for which he makes contributions required
12 by this chapter is entitled to credited service for employment rendered
13 to the State and former Territory of Alaska before January 1, 1961,
14 regardless of the office, department, division, or agency of the state
15 or territory in which he was employed, including (1) service as a commis-
16 sioned officer of the United States Public Health Service, (2) service
17 with the United States District court and the United States Commis-
18 sioner's court serving the Territory and State of Alaska succeeded to by
19 the Alaska court system, (3) persons employed as United States marshals,
20 United States deputy marshals, Civil Aeronautics Administration security
21 guards and United States Corps of Engineers security guards, (4)
22 employees of the Alaska Jail System of the United States Department of
23 Justice, (5) Civil Aeronautics Administration radio operators and heavy
24 equipment operators, (6) employees of the United States Fish and Wild-
25 life Service, (7) employees of the Alaska Road Commission and Bureau of
26 Public Roads, (8) employees of the Alaska Communications System, [AND]
27 (9) those peace officers of the territory, or of a political subdivision
28 of the territory, who are employees of the state or a participating
29 political subdivision of the state on July 1, 1978, (10) United States

SUMMARY OF CS SB 168

Retirement system affected: PERS

This bill adds three categories of territorial employees entitled to earlier service retirement credit. The three classes are:

- (1) Civil Aeronautics Administration radio operators;
- (2) United States Corps of Engineers Civil Service personnel; and
- (3) United States Navy Civil Service personnel.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Original sponsor: Ray

Offered: 3/12/79
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 168

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

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7 for territorial employees."

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10 (a) An employee who completes three years of service with the
11 state after January 1, 1961, for which he makes contributions required
12 by this chapter is entitled to credited service for employment rendered
13 to the State and former Territory of Alaska before January 1, 1961,
14 regardless of the office, department, division, or agency of the state
15 or territory in which he was employed, including (1) service as a commis-
16 sioned officer of the United States Public Health Service, (2) service
17 with the United States District court and the United States Commis-
18 sioner's court serving the Territory and State of Alaska succeeded to by
19 the Alaska court system, (3) persons employed as United States marshals,
20 United States deputy marshals, Civil Aeronautics Administration security
21 guards and United States Corps of Engineers security guards, (4)
22 employees of the Alaska Jail System of the United States Department of
23 Justice, (5) Civil Aeronautics Administration radio operators and heavy
24 equipment operators, (6) employees of the United States Fish and Wild-
25 life Service, (7) employees of the Alaska Road Commission and Bureau of
26 Public Roads, (8) employees of the Alaska Communications System, [AND]
27 (9) those peace officers of the territory, or of a political subdivision
28 of the territory, who are employees of the state or a participating
29 political subdivision of the state on July 1, 1978, (10) United States

1 Corps of Engineers Civil Service personnel, and (11) United States Navy
2 Civil Service personnel. The retirement benefits payable to an employee
3 under this section which are attributable to employment rendered to the
4 State and former Territory of Alaska before January 1, 1961, shall be
5 reduced by the amount of the retirement pension benefits paid to him by
6 the United States government for the same period of service.

SUMMARY OF CS SB 168

Retirement system affected: PERS

This bill adds three categories of territorial employees entitled to earlier service retirement credit. The three classes are:

- (1) Civil Aeronautics Administration radio operators;
- (2) United States Corps of Engineers Civil Service personnel; and
- (3) United States Navy Civil Service personnel.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 168
Title Earlier Service Retirement Credit for Federal Territorial Employees
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
(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						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		15.6	15.6	15.6	15.6	15.6
TOTAL		15.6	15.6	15.6	15.6	15.6

FUNDING (Thousands of Dollars)

GENERAL FUND	12.8	12.8	12.8	12.8	12.8
FEDERAL FUNDS	0.7	0.7	0.7	0.7	0.7
VETERAN'S FUND					
FISH & GAME FUND	0.1	0.1	0.1	0.1	0.1
HIGHWAY FUND	0.2	0.2	0.2	0.2	0.2
AIRPORT FUND	0.5	0.5	0.5	0.5	0.5
CAPITAL FUND	1.3	1.3	1.3	1.3	1.3
PERS					
TRS					

POSITIONS NONE

FULL TIME					
PART TIME					
TEMPORARY					

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

1. It is estimated that 25 individuals will claim prior federal territorial service under SB 168 with an average of 2.25 years service per employee.
2. Estimate FY 80 covered State payroll to be \$241,000,000.
3. Increase in State employer contribution rate would be .0055% of covered payroll.
4. The total present value (unfunded liability) of the benefits provided under this bill amounts to \$210,815, or an average of \$8,433 per employee. These benefits will be funded with level contributions of \$15.6 for the next 25 years at which time the total unfunded liability will be paid in full.

Paul B. Arnoldt

IV. DATE 3/02/79 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4450

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

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill 168
Title Earlier Service Retirement Credit for Federal Territorial Employees
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
(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						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		21.8	21.8	21.8	21.8	21.8
TOTAL		21.8	21.8	21.8	21.8	21.8

FUNDING (Thousands of Dollars)

GENERAL FUND		17.9	17.9	17.9	17.9	17.9
FEDERAL FUNDS		1.0	1.0	1.0	1.0	1.0
VETERAN'S FUND						
FISH & GAME FUND		0.1	0.1	0.1	0.1	0.1
HIGHWAY FUND		0.3	0.3	0.3	0.3	0.3
AIRPORT FUND		0.7	0.7	0.7	0.7	0.7
CAPITAL FUND		1.8	1.8	1.8	1.8	1.8
PERS						
TRS						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. It is estimated that 35 individuals will claim prior federal territorial service under CSSB 168 with an average of 2.25 years service per employee.
2. Estimate FY 80 covered State payroll to be \$241,000,000.
3. Increase in State employer contribution rate would be .0091% of covered payroll.
4. The total present value (unfunded liability) of the benefits provided under this bill amounts to \$295,141, or an average of \$8,433 per employee. These benefits will be funded with level contributions of \$21.8 for the next 25 years at which time the total unfunded liability will be paid in full.

IV. DATE 3/14/79

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)

MEMORANDUM

TO: File for SB 168

FROM: Garrey Peska

DATE: March 14, 1979

RE: Fiscal Note

The attached fiscal note was written originally for SB 174 to provide for coverage of the Civil Aeronautic Administration radio operators. That coverage was added to SB 168 by the State Affairs Committee Substitute.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 174
 Title Earlier Service Retirement Credit for Federal Territorial Employees
 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
 (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						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		6.2	6.2	6.2	6.2	6.2
TOTAL		6.2	6.2	6.2	6.2	6.2

FUNDING (Thousands of Dollars)

GENERAL FUND		5.1	5.1	5.1	5.1	5.1
FEDERAL FUNDS		0.3	0.3	0.3	0.3	0.3
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND		0.1	0.1	0.1	0.1	0.1
AIRPORT FUND		0.2	0.2	0.2	0.2	0.2
CAPITAL FUND		0.5	0.5	0.5	0.5	0.5
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. It is estimated that 10 individuals will claim prior federal territorial service under SB 174 with an average of 2.25 years service per employee.
2. Estimated FY 80 covered State payroll to be \$241,000,000.
3. Increase in State employer contribution rate would be .0026% of covered payroll.
4. The total present value (unfunded liability) of the benefits provided under this bill amounts to \$84,326, or an average of \$8,433 per employee. These benefits will be funded through level contributions of \$6.2 for the next 25 years at which time the total unfunded liability will be paid in full.

Paul B. Arnoldt

IV. DATE 3/02/79 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) Senator Rodey
 Office of the Governor (Keith Specking)

COMMITTEE REPORT
SENATE

FURTHER: Finance

2/13/79

Date: 3/9/79

Mr. President:

The Committee on State Affairs has had SB 168
relating to earlier service retirement credit for territorial employees

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 168 [same title [] new title
- and recommends DO PASS WITH
- AND attaches a "Letter of Intent" [] New Fiscal Note
- [] reports it back without recommendation
- [] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

13
1 Tom Kelly
1 Brad Bentley
1 PAT ROMNEY
1 [Signature]

1 [Signature]
CHAIRMAN

Original sponsor: Ray

Offered: 3/12/79
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 168

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 earlier service retirement credit
7 for territorial employees."

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

9 * Section 1. AS 39.35.360(a) is amended to read:

10 (a) An employee who completes three years of service with the
11 state after January 1, 1961, for which he makes contributions required
12 by this chapter is entitled to credited service for employment rendered
13 to the State and former Territory of Alaska before January 1, 1961,
14 regardless of the office, department, division, or agency of the state
15 or territory in which he was employed, including (1) service as a commis-
16 sioned officer of the United States Public Health Service, (2) service
17 with the United States District court and the United States Commis-
18 sioner's court serving the Territory and State of Alaska succeeded to by
19 the Alaska court system, (3) persons employed as United States marshals,
20 United States deputy marshals, Civil Aeronautics Administration security
21 guards and United States Corps of Engineers security guards, (4)
22 employees of the Alaska Jail System of the United States Department of
23 Justice, (5) Civil Aeronautics Administration radio-operators and heavy
24 equipment operators, (6) employees of the United States Fish and Wild-
25 life Service, (7) employees of the Alaska Road Commission and Bureau of
26 Public Roads, (8) employees of the Alaska Communications System, [ASE]
27 (9) those peace officers of the territory, or of a political subdivision
28 of the territory, who are employees of the state or a participating
29 political subdivision of the state on July 1, 1976, (10) United States

COMMITTEE COPY

1 Corps of Engineers Civil Service personnel, and (11) United States Navy
2 Civil Service personnel. The retirement benefits payable to an employee
3 under this section which are attributable to employment rendered to the
4 State and former Territory of Alaska before January 1, 1961, shall be
5 reduced by the amount of the retirement pension benefits paid to him by
6 the United States government for the same period of service.
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SB 168

Introduced: 2/13/79
Referred: State Affairs
and Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 168

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 earlier service retirement credit
7 for territorial employees."

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

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14 regardless of the office, department, division, or agency of the state
15 or territory in which he was employed, including (1) service as a
16 commissioned officer of the United States Public Health Service, (2)
17 service with the United States District court and the United States
18 Commissioner's court serving the Territory and State of Alaska succeeded
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20 marshals, United States deputy marshals, Civil Aeronautics Administra-
21 tion security guards and United States Corps of Engineers security
22 guards, (4) employees of the Alaska Jail System of the United States
23 Department of Justice, (5) Civil Aeronautics Administration heavy equip-
24 ment operators, (6) employees of the United States Fish and Wildlife
25 Service, (7) employees of the Alaska Road Commission and Bureau of
26 Public Roads, (8) employees of the Alaska Communications System, [AND]
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29 political subdivision of the state on July 1, 1978, (10) the United

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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill 168
 Title Earlier Service Retirement Credit for Federal Territorial Employees
 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

(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						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		21.8	21.8	21.8	21.8	21.8
TOTAL		21.8	21.8	21.8	21.8	21.8

FUNDING (Thousands of Dollars)

GENERAL FUND		17.9	17.9	17.9	17.9	17.9
FEDERAL FUNDS		1.0	1.0	1.0	1.0	1.0
VETERAN'S FUND						
FISH & GAME FUND		0.1	0.1	0.1	0.1	0.1
HIGHWAY FUND		0.3	0.3	0.3	0.3	0.3
AIRPORT FUND		0.7	0.7	0.7	0.7	0.7
CAPITAL FUND		1.8	1.8	1.8	1.8	1.8
PERS						
TRS						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- It is estimated that 35 individuals will claim prior federal territorial service under CSSB 168 with an average of 2.25 years service per employee.
- Estimate FY 80 covered State payroll to be \$241,000,000.
- Increase in State employer contribution rate would be .0091% of covered payroll.
- The total present value (unfunded liability) of the benefits provided under this bill amounts to \$295,141, or an average of \$8,433 per employee. These benefits will be funded with level contributions of \$21.8 for the next 25 years at which time the total unfunded liability will be paid in full.

IV. DATE 3/14/79 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)

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

SENATE BILL..... NO. 168....

By ¹ RAY.....

"An Act relating to earlier service retirement credit for territorial employees."

Introduced in the Senate ... 2/13, 19...79

HISTORY IN THE SENATE

19	79	Read first time and referred to Committee on												
2	13	State Affairs & Finance												
3	12	Reported back with recommendation that <i>replace w/CS & ltr of Intent. 50 pass to finance</i>												
		Read second time and												
		Read third time and												
		<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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Yeas	Yeas													
Nays	Nays													
Absent	Absent													
Excused	Excused													
		<table border="0"> <tr><td>Reconsideration</td><td></td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration														
PASS	Effective Date													
Yeas	Yeas													
Nays	Nays													
Absent	Absent													
Excused	Excused													
		Reported correctly engrossed Signed by President Sent to House												
SECRETARY OF THE SENATE														

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on												
		Reported back with recommendation that												
		Read second time and												
		Read third time and												
		<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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PASS	Effective Date													
Yeas	Yeas													
Nays	Nays													
Absent	Absent													
Excused	Excused													
		Reported correctly engrossed Signed by Speaker Returned to Senate												
CHIEF CLERK OF THE HOUSE														

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
	 by Governor
		Filed with Lt. Governor
		Chapter No.

SENATE STATE AFFAIRS COMMITTEE

LETTER OF INTENT

FOR SENATE BILLS NO. 168 AND NO. 174

AS 39.35.360 provides that State employees may receive credited service in the Public Employees' Retirement System (PERS) for periods of employment prior to 1961 with the Territory of Alaska; however, it further provides that service in a variety of employment categories, primarily with federal agencies, may also be credited. Inasmuch as the employees receive this service credit for free because no contributions of any type are required, the cost of providing benefits which are derived from this service must be borne entirely by additional State funds paid into the PERS.

AS 39.35.010 states that the purpose of the PERS is to encourage qualified personnel to enter and remain in the service of the State. To fulfill the purpose of the PERS as established by the Legislature, this committee believes that any proposed modifications to the PERS which would increase costs to the State must be based on a demonstrated need to recruit or retain personnel, which would be served by amending the law. The members of this committee feel that after nearly twenty years of statehood, little, if any, need remains to recruit personnel from the pre-statehood era; most of those choosing to pursue a public service career are already in the employ of the State or local government. Permitting the crediting of additional service in the PERS, particularly at no cost to the employee, only encourages employees to retire earlier than they otherwise would.

Therefore, it is the intent of the Senate State Affairs Committee that, following the enactment of SB 168 and SB 174, there be no further amendments to AS 39.35.360 which would have the effect of allowing service with agencies or in employment categories, other than those already enumerated therein, to be credited under the Public Employees' Retirement System. It is the determination of this Committee that the purpose of the chapter as stated in AS 39.35.010 will not be served by other agencies or employment categories being added to Sec. 360 by subsequent amendment.



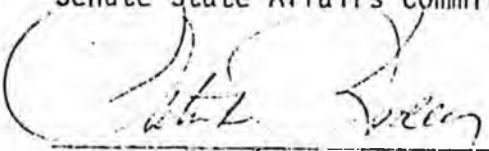
Senator Bob Mulcahy, Chairman
Senate State Affairs Committee



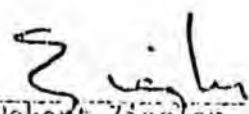
Senator Tim Kelly, Vice-Chairman
Senate State Affairs Committee



Senator W. E. "Brad" Bradley, Member
Senate State Affairs Committee



Senator Patrick Rodey, Member
Senate State Affairs Committee



Senator Robert Ziegler, Member
Senate State Affairs Committee

S.B. 174
10

P. Analyze CS
see what they added - get CS
fiscal note

only change is in
item # 5 not \$6,200
\$A there or relief
fiscal note?

Original sponsor: Ray

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IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 168

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to earlier service retirement credit for territorial employees."

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

* Section 1. AS 39.35.360(a) is amended to read:

(a) An employee who completes three years of service with the state after January 1, 1961, for which he makes contributions required by this chapter is entitled to credited service for employment rendered to the State and former Territory of Alaska before January 1, 1961, regardless of the office, department, division, or agency of the state or territory in which he was employed, including (1) service as a commissioned officer of the United States Public Health Service, (2) service with the United States District court and the United States Commissioner's court serving the Territory and State of Alaska succeeded to by the Alaska court system, (3) persons employed as United States marshals, United States deputy marshals, Civil Aeronautics Administration security guards and United States Corps of Engineers security guards, (4) employees of the Alaska Jail System of the United States Department of Justice, (5) Civil Aeronautics Administration radio operators and heavy equipment operators, (6) employees of the United States Fish and Wildlife Service, (7) employees of the Alaska Road Commission and Bureau of Public Roads, (8) employees of the Alaska Communications System, (AND) (9) those peace officers of the territory, or of a political subdivision of the territory, who are employees of the state or a participating political subdivision of the state on July 1, 1978, (10) United States

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Corns of Engineers Civil Service personnel, and (11) United States Navy Civil Service personnel. The retirement benefits payable to an employee under this section which are attributable to employment rendered to the State and former Territory of Alaska before January 1, 1961, shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service.

Introduced: 2/13/79
Referred: State Affairs
and Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 168

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Original sponsor: Ray

Offered: 3/12/79
Referred: Finance

1 IN THE SENATE

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COMMITTEE REPORT
SENATE

FURTHER: Finance

2/13/79

Date: 3/9/79

Mr. President:

The Committee on State Affairs has had SB 168

relating to earlier service retirement credit for territorial employees

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 168 [same title
[] new title

and recommends DO PASS WITH

AND attaches a "Letter of Intent" [] New Fiscal Note

[] reports it back without recommendation

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

13
1 Tom Kelly
1 Brad Hoke
1 Pat Romney
1 [Signature]

1 [Signature]
CHAIRMAN

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Introduced: 2/13/79
Referred: State Affairs
and Finance

1 IN THE SENATE

BY RAY

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Original sponsor: Ray

Offered: 3/12/79
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

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COMMITTEE REPORT
SENATE

FURTHER: Finance

2/13/79

Date: 3/9/79

Mr. President:

The Committee on State Affairs has had SB 168

relating to earlier service retirement credit for territorial employees

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 168 [same title [] new title

and recommends DO PASS WITH

AND attaches a "Letter of Intent" [] New Fiscal Note

[] reports it back without recommendation

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

13
1 Tom Kelly
1 Brad Hokeney
1 PAT ROMNEY
1 [Signature]

1 [Signature]
CHAIRMAN

February 14, 1979

The Honorable Bill Ray
Senator, District C
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Ray:

Thank you for offering me the opportunity to comment on the letter you recently received from Ms. B. Charlene Stewart, concerning AS 39.35.360, Earlier Service. Although I cannot agree with Ms. Stewart's suggestion that Sec. 360 should be expanded to permit the crediting of all federal service rendered in Alaska prior to 1961 under the Public Employees' Retirement System (PERS), I do appreciate her concerns and I can understand how she concludes that her suggestion would remedy the situation. I share her concerns, but propose a different remedy; i.e., Sec. 360 should not be applicable to any members joining the PERS after July 1, 1979.

Sec. 360 was originally enacted by the Legislature to be effective January 1, 1961, the same time the PERS was established. However, in its original form Sec. 360 authorized only the crediting of service rendered while an employee of the Territory of Alaska, and required that the employee subsequently work for the State in a covered capacity (making contributions) for a period of five (5) years before such service could be credited. Then, as now, no contributions were required for creditable employment segments prior to statehood. As I understand it, the original purpose of Sec. 360 was to reward those career Territorial/State employees with a retirement benefit for service rendered to the Alaskan government and citizenry prior to the time when a comprehensive PERS existed.

Since that time Sec. 360 has been amended on at least eight (8) different occasions. Those amendments have reduced the period of service which must be rendered to the State to three (3) years, and expanded the eligible employment segments to include service as an elected official with the Territory or political subdivision thereof, service as a peace officer of a participating political subdivision, service with certain political subdivision detention facilities, and specified types of employment with

nine (9) different federal agencies. I repeat, no contributions are required for any of this service prior to 1961.

Each time Sec. 360 has been amended, it appears that the same basic argument is advanced: The affected individuals performed de facto, if not de jure, service for the State and for that reason should have that time credited for retirement purposes. While the law does provide that any PERS retirement benefits shall be offset by any U. S. government pension received for the same period of service, it does not provide the same offset for any pension payable from a political subdivision. Even the U. S. pension offset is of questionable fiscal value to the PERS, since the only source from which we can obtain that information is the affected individual; reporting a federal pension is essentially a matter of good faith.

As Sec. 360 now reads, one can easily appreciate Ms. Stewart's contention that it is unfair to keep expanding the coverage for select groups of persons, without making it available to everyone. Reading that section from the employee's perspective, it easily appears that it has been amended without rhyme or reason. As she notes, it is difficult to appreciate how service as a Civil Aeronautics Administration heavy equipment operator is of any greater value to the State than her service with the Federal Housing Administration. In fact, it is difficult to explain how service in the current eligible categories was of any greater value in the development of Alaska than work as a miner, logger, commercial fisherman, etc., during that period. However, in my opinion the solution to resolving inequities which now exist lays not in adding to the list of selected "elite" groups, thereby merely altering the perspective of some persons, but rather by reexamining validity of allowing any select groups to profit in the future. Aside from the social policy ramifications of crediting all types of federal service prior to statehood under the PERS, we must consider the horrendous costs of such a move to the Alaskan taxpayer.

Without extensive research, I cannot know the true fiscal impact of legislation as suggested by Ms. Stewart, nor can I state the cost to the taxpayer of the various amendments to Sec. 360 made over the years. But I do know that they have been terribly expensive; we need only look to the latest amendment as an example.

As you know, last year the legislature amended Sec. 360 to provide credit to former employees of the Alaska Communications System and former peace officers of the Territory or participating political subdivisions of the Territory. In preparing a fiscal note on those provisions, we estimated that no more than 60 employees out of approximately 21,000 active and retired members would benefit from the amendment. However, to pay the additional benefits which would be due to these fortunate few, our actuary determined that the PERS required contributions in the amount of \$154,000 per year over a 30 year amortization period. The total present day value of the additional benefits thereby provided amounts to \$2,246,850, or an average of \$37,448 per affected employee. Of course, this expense is borne by the taxpayer.

When contemplating issues of expanding creditable service under the PERS, we must remind ourselves of the purpose underlying the creation of the retirement system. When the system was originally established, the legislature provided at AS 39.35.010(a):

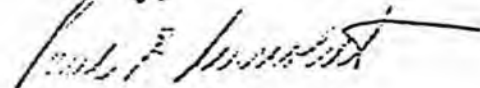
The purpose of this chapter is to encourage qualified personnel to enter and remain in the service of the state by establishing a system for the payment of retirement, disability, and death benefits to or on behalf of the employees.

To fulfill this purpose, the PERS must provide competitive inducements to attract qualified employees. However, we cannot endorse system enhancements at the expense of the taxpayer, when no demonstratable need exists in order to fulfill its purpose. Nearly 20 years after statehood, I suspect that little if any need exists to attract former federal employees of the Territorial era by providing more benefits. On the other hand, the crediting of additional federal service from that period works somewhat at cross-purposes to the chapter; it not only costs money, but it actually encourages those employees not to remain in State service, by increasing the amount of service they may apply towards a service retirement.

In light of these considerations, I once more suggest that employees hired on or after July 1, 1979, not be entitled to any service credit under Sec. 360, and that Sec. 360 be expanded no further. While this will not wholly resolve the inequities perceived by Ms. Stewart, it will halt further perpetuation of those perceived inequities, and the increased costs which must be paid by the public.

I thank you again for the opportunity to comment on this matter. Should you have any questions, please do not hesitate to contact me at 465-4450.

Sincerely,



Paul B. Arnoldt
Director

PBA/BAC/jb
cc: All Members
11th Alaska State Legislature



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

SB 169

SENATE FINANCE COMMITTEE
BILL CHECKLIST

- 1. Committee Copy-Current Bill
- 2. History Cover Form
- 3. Printed Copies:
 - Original Bill _____
 - Committee Substitutes or Amendments *draft*
- 4. SFC Committee Report Form
- 5. Fiscal Information:
 - Note in File *SB 169 05/27/67*
 - Note Requested _____ Date _____
 - Other Financial Backup _____
 - (See Below) _____
- 6. Backup:
 - Handouts _____
 - Letter from Governor _____
 - Letter from Sponsor _____
 - Completed Committee Reports _____
 - Committee Industry
 - Other _____

- Letter - Sen. Ziegler
 - Minutes (Summary) Judiciary Committee

BY FERGUSON

IN THE SENATE

BY FINANCE COMMITTEE

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 169

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act increasing the number of superior court judges;
and providing for an effective date."

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

*Section 1. AS 22.10.120 is amended to read:

Sec. 22.10.120. NUMBER OF JUDGES. The superior court consists of 21 [20] judges, four of whom shall be judges in the first judicial district, two [ONE] of whom shall be judges [JUDGE] in the second judicial district, ten of whom shall be judges in the third judicial district and five of whom shall be judges in the fourth judicial district. At the time of submitting the names of nominees to the governor to fill a vacancy on the superior court bench, the judicial council shall also designate the district in which the appointee is to reside and serve.

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

COMMITTEE REPORT

SENATE

FURTHER:

3/14/79

Date: _____

Mr. President:

The Committee on FINANCE has had SB 169
increasing the number of superior court judges

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

- | | |
|--------------------------------------------------------------|--------------------------------------|
| <input type="checkbox"/> do pass | <input type="checkbox"/> do not pass |
| <input type="checkbox"/> do pass with attached amendments(s) | |
| <input type="checkbox"/> replace with CS for _____ | <input type="checkbox"/> same title |
| | <input type="checkbox"/> new title |
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

COMMITTEE REPORT
SENATE

2/13/79

FURTHER: Finance

Date: 3/13/79

Mr. President:

The Committee on Judiciary has had SB 169 increasing the number of superior court judges

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

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

MEMBERS SIGNING
DO PASS

Delmond

MEMBERS HAVING
OTHER RECOMMENDATIONS:

2 _____ - No Rec

1 _____ No Rec

CHAIRMAN

169

Introduced: 2/13/79
Referred: Judiciary and
Finance

1 IN THE SENATE

BY FERCUSON

2 SENATE BILL NO. 169

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the number of superior court judges;
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8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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11 22 [20] judges, four of whom shall be judges in the first judicial
12 district, two [ONE] of whom shall be judges [JUDGE] in the second judi-
13 cial district, 11 [TEN] of whom shall be judges in the third judicial
14 district, and five of whom shall be judges in the fourth judicial dis-
15 trict. At the time of submitting the names of nominees to the governor
16 to fill a vacancy on the superior court bench, the judicial council
17 shall also designate the district in which the appointee is to reside
18 and serve.

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

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COMMITTEE COPY

SB 169

ALASKA STATE LEGISLATURE

LEGISLATURE Session

SENATE BILL..... NO. ..169..

By BERGUSON.....

"An Act increasing the number of superior court judges; and providing for an effective date."

Introduced in the Senate 2/23....., 1972

HISTORY IN THE SENATE

19	79	Read first time and referred to Committee on										
2	13	Judiciary & Finance										
3	14	Reported back with recommendation that <i>Judiciary do pass, to move, to Sen</i>										
		Read second time and										
		Read third time and										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reconsideration										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reported correctly engrossed										
		Signed by President										
		Sent to House										
SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on										
	Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reconsideration										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed										
	Signed by Speaker										
	Returned to Senate										
CHIEF CLERK OF THE HOUSE											

HISTORY IN THE SENATE

19	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.

BUDGET DETAIL - SB 169

Kotzebue

Personnel:	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Superior Court Judge	\$57,072	\$5,567	\$62,639
Less: District Court Judge	48,252	5,214	(53,466)
Secretary/In-Court Clk	23,208	7,392	<u>30,600</u>
			\$39,773

Equipment:	<u>Judge</u>	<u>Secretary</u>	
Desk	463	426	
Chair	163	188	
Typewriter		820	
Bookcases	164		
Legal Reference			
Materials	700		
Credenza	282		
	<u>1,772</u>	<u>1,434</u>	<u>3,206</u>
		Kotzebue Total	\$42,979

Anchorage

Personnel:	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Superior Court Judge	\$48,576	\$5,227	\$53,803
Secretary	16,812	6,260	23,072
In-Court Clerk	16,812	6,260	<u>23,072</u>
			\$99,947

Equipment:	<u>Judge</u>	<u>Secretary</u>	<u>In-Court</u>	
Desk	463	426	426	
Chair	163	188	188	
Typewriter		820		
Recorder			1,000	
Bookcases	168			
Legal Reference	700			
Materials				
Credenza	282			
	<u>1,776</u>	<u>1,434</u>	<u>1,164</u>	4,824
		Anchorage Total		\$104,771

Total FY 80 Cost - Kotzebue: \$ 42,979
 Anchorage: 104,771
 \$147,750

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SB 169
 Title An Act Relating to the Number of Superior Court Judges
 Requested by Senate Judiciary Date March 20, 1979

II. FISCAL DETAIL

Agency Affected Alaska Court System
 Program Category Affected Administration of Justice
 BRU, Program, or Subprogram(s) Affected Alaska Court System
 (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		39.8	42.2	44.7	47.4	50.2
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT		3.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		43.0	42.2	44.7	47.4	50.2

FUNDING (Thousands of Dollars)

GENERAL FUND		43.0	42.2	44.7	47.4	50.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

SB 169 creates one Superior Court judge position in Kotzebue and one Secretary Clerk in Kotzebue. The judge position is an upgrade and transfer of the existing district court judge position in Nome.

IV. DATE March 20, 1979 PREPARED BY John C. Sackett, Chairman Senate Finance
 AGENCY Legislative Finance Division
 Original: Legislative Finance PHONE 465-3795
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 169
 Title An Act Relating to the Number of Superior Court Judges
 Requested by Senate Judiciary Date February 21, 1979

II. FISCAL DETAIL

Agency Affected Alaska Court System
 Program Category Affected Administration of Justice
 Budget Request Unit(s) Affected Alaska Court System

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		139.7	148.1	157.0	166.4	176.4
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT		8.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		147.7	148.1	157.0	166.4	176.4

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		147.7	148.1	157.0	166.4	176.4
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		4	4	4	4	4
PART TIME						
TEMPORARY						

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

SB 169 creates two Superior Court judge positions - one in Kotzebue and one in Anchorage. The Kotzebue position is an upgrade and transfer of the existing district court judge position in Nome, while the Anchorage judgeship requires the establishment of a new position.

A detailed summary of the costs associated with each position is provided on the attachment budget detail.

IV. DATE February 28, 1979 PREPARED BY Richard P. Barrier

AGENCY Alaska Court System

Original: Legislative Finance PHONE 264-0545

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

A M E N D M E N T

OFFERED IN THE SENATE:

BY: Finance Committee

To: _____ SENATE BILL No. 169

HOUSE BILL No. _____

PAGE: 1

LINE: _____

Line 11: Change "22" to "21"

Line 13: Delete "11 [TEN] and add the word "ten"

Joy or
Cathy

We cannot find where
it has gone through
our committee.

Rm 128



Official Business

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

Monday

MEMO March 14, 1979
TO SENATOR SACKETT
FROM SENATOR ZIEGLER
RE SB 169

*Joyce
Cathy: Please get me a copy of
the testimony on the bill*

We passed Fergie's Kotzebue Superior Court judge bill out of Judiciary on March 13th. When Art Snowden testified before us, he acknowledged the fact that he anticipated problems with financing the additional judge for Anchorage. However, Kotzebue should fly because there are offsetting cost savings which will be made by abolishing, in the Kotzebue case, the District Court judgeship in Nome, as well as expenses entailed in the preemptory challenge system.

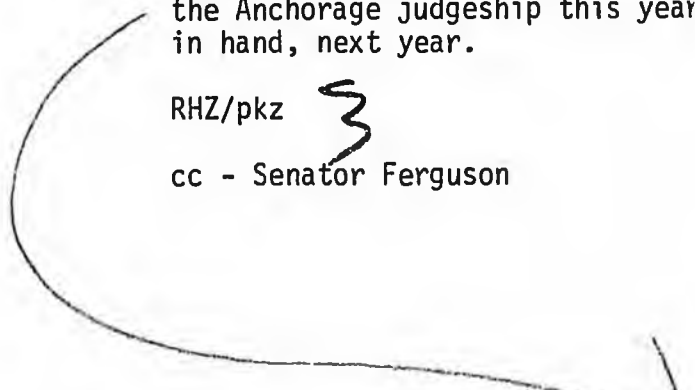
I could go on in detail, but I think you grasp the basic picture.

Caveat: Snowden wanted to go on record as saying if he didn't get the Anchorage judgeship this year, he would have to come back, hat in hand, next year.

RHZ/pkz

3

cc - Senator Ferguson



*9. - for agenda
Work it down to
one.*

*This is in
Rules*

SENATE JUDICIARY COMMITTEE

March 13, 1979

Present: Ziegler, Ray, Meland
Excused: Bennett, Dankworth

HB 195, 196 and HCR 5am - sentencing

These bills were considered as a package because they all relate to the problem of racial discrimination in the judicial system. A recent Judicial Council study has pointed up that discrimination is a reality, and this legislation was designed to further look into the matter. Representative Anderson, prime sponsor, explained the HB 195 creates an advisory committee to work with the Judicial Council in further studying of the problem; 196 appropriates \$90,000 to fund the work; HCR 5 directs the study. On line 21 of the resolution, Mr. Anderson indicated he would not object to an arbitrary date's being substituted for the phrase, "the present date."

Teri White of the Judicial Council is the research supervisor who was involved in the initial study. The Council has no objections to this package and feels that the work resulting from another study would be better than the first one, with a better opportunity to implement the results. The study would involve identification of all points in the system where disparities occur.

Don Clocksin of Alaska Legal Services also spoke in favor of the bills. He mentioned two additional factors that are not listed in the legislation but which he felt should also be investigated. One is the kind of lawyer, i.e. public defender, that minority defendants are apt to utilize. If the quality of legal service they receive is inferior, is this because public defenders are less qualified, or is it because they are overworked? In addition, Mr. Clocksin felt that there currently exist indefinite sentencing criteria, and the difficulty many native Alaskans have in articulating mitigates against what criteria do exist being applied to them. To amend the resolution, he suggested changing "the present date" to "July 1, 1979" and deleting "and in the years" on line 25. These amendments were adopted.

Art Snowden of the court system stated that his agency fully supports the concept of these bills and will do everything they can to cooperate.

The package was reported out "Do Pass" with amendments.

SB 96 - motor vehicle registration

The original bill has been combined with SB 117, also relating to registration, in the form of a committee substitute. This was done by the Senate Finance committee. Mr. Stickles of the Department of Public Safety testified in favor of the bill and proposed several amendments. Since Senator Dankworth is the prime sponsor of SB 117, the amendments will be presented to him for his approval or disapproval. The CS was reported out "Do Pass."

SB 169 - Superior Court judgeships

This bill would create two additional Superior Court positions, one in Kotzebue and one in Anchorage. Art Snowden explained the necessity for the Kotzebue judge. In the Second Judicial District, there are now a Superior Court judge and a District Court judge, both based in Nome. The Nome caseload is equalled, if not surpassed, by the Kotzebue caseload. In addition, the right any defendant has to preemptorily disqualify a Superior Court judge means that another judge must be brought in from another judicial district each time this occurs. This is costly and creates hardship in the other districts as well. A judge based in Kotzebue could also serve Barrow and Bethel. Money was appropriated last year to renovate the court building in Kotzebue, and this is being done. It is estimated that cost savings can be made, and this new judge will cost about \$40,000 as a result. Most are in the \$150,000 range. If the bill does not pass, the District Court judge will be moved to Kotzebue, but this is only a partial solution because his powers are limited. Creating another Superior Court position in Anchorage will cost approximately \$105,000. Mr. Snowden explained that the case load in Anchorage has risen 30% since the last judge was added, some seven or eight years ago; they expect a 8-9% increase this year. The civil case load is such that it takes almost two years between filing and trial. He recognized that the legislature might only allow for one new judgeship this year and stated that the Kotzebue situation should take priority. The bill was reported out "Do Pass."

SB 7 - judicial forfeiture

The third committee substitute, incorporating changes arising from previous testimony on this bill, was reported out "Do Pass."

Fiscal notes
SD169

SD169 creates one Superior Court judge
position in Kotzebue and one Secretary/Clerk
in Kotzebue. The judge position is
an upgrade and transfer of the existing
district court judge position in Nome.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 169
 Title An Act Relating to the Number of Superior Court Judges
 Requested by Senate Judiciary Date February 21, 1979

II. FISCAL DETAIL
 Agency Affected Alaska Court System
 Program Category Affected Administration of Justice
 Budget Request Unit(s) Affected Alaska Court System

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		139.9	148.1	157.0	166.4	176.4
200 TRAVEL		39.2	42.2	44.7	47.4	50.2
300 CONTRACTUAL						
400 COMMODITIES		2.2				
500 EQUIPMENT		8.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		147.7	148.1	157.0	166.4	176.4

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		147.7	148.1	157.0	166.4	176.4
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

ask for Secretary Kluck
 SB 169 creates ^{OK} two Superior Court judge positions ~~one~~ in Kotzebue and one ~~in Anchorage~~. The Kotzebue position is an upgrade and transfer of the existing district court judge position in Nome, while the Anchorage judgeship requires the establishment of a new position.

A detailed summary of the costs associated with each position is provided on the attachment budget detail.

IV. DATE February 28, 1979 PREPARED BY Richard P. Barrier
 AGENCY Alaska Court System
 PHONE 264-0545
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



Official Business

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

MEMO March 14, 1979
TO SENATOR SACKETT
FROM SENATOR ZIEGLER
RE SB 169

Muday

*Do you
want
testimony on the bill
copy of the bill*

We passed Fergie's Kotzebue Superior Court judge bill out of Judiciary on March 13th. When Art Snowden testified before us, he acknowledged the fact that he anticipated problems with financing the additional judge for Anchorage. However, Kotzebue should fly because there are offsetting cost savings which will be made by abolishing, in the Kotzebue case, the District Court judgeship in Nome, as well as expenses entailed in the preemptory challenge system.

I could go on in detail, but I think you grasp the basic picture.

Caveat: Snowden wanted to go on record as saying if he didn't get the Anchorage judgeship this year, he would have to come back, hat in hand, next year.

RHZ/pkz

3

cc - Senator Ferguson

*Q. - for agenda
Work it down to
one.*

*This is in
Rules*

Superior Judges have 2 clerks

BUDGET DETAIL - SB 169

Kotzebue

Personnel:		<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
	Superior Court Judge	\$57,072	\$5,567	\$62,639
Less:	District Court Judge	48,252	5,214	(53,466)
	Secretary/In-Court Clk	23,208	7,392	<u>30,600</u>
				\$39,773

Equipment:	<u>Judge</u>	<u>Secretary</u>	
Desk	463	426	
Chair	163	188	
Typewriter		820	
Bookcases	164		
Legal Reference Materials	700		
Credenza	282		
	<u>1,772</u>	<u>1,434</u>	<u>3,206</u>
		Kotzebue Total	\$42,979

Anchorage

Personnel:		<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
	Superior Court Judge	\$48,576	\$5,227	\$53,803
	Secretary	16,812	6,260	23,072
	In-Court Clerk	16,812	6,260	<u>23,072</u>
				\$99,947

Equipment:	<u>Judge</u>	<u>Secretary</u>	<u>In-Court</u>	
Desk	463	426	426	
Chair	163	188	188	
Typewriter		820		
Recorder			1,000	
Bookcases	168			
Legal Reference Materials	700			
Credenza	282			
	<u>1,776</u>	<u>1,434</u>	<u>1,164</u>	<u>4,824</u>
		Anchorage Total		\$104,771

Total FY 80 Cost - Kotzebue:	\$ 42,979
Anchorage:	<u>104,771</u>
	\$147,750

COMMITTEE REPORT
SENATE

2/13/79

FURTHER: Finance

Date: 3/13/79

Mr. President:

The Committee on Judiciary has had SB 169

increasing the number of superior court judges

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) same title
- replace with CS for _____ 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

3
1 Ireland
1 [Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

2 Dan B... - No Rec
2 Bill King NO REC

1 3 [Signature]
CHAIRMAN

Introduced: 2/13/79
Referred: Judiciary and
Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 169

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the number of superior court judges;
7 and providing for an effective date."

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

9 * Section 1. AS 22.10.120 is amended to read:

10 Sec. 22.10.120. NUMBER OF JUDGES. The superior court consists of
11 21 [20] judges, four of whom shall be judges in the first judicial
12 district, two [ONE] of whom shall be judges [JUDGE] in the second judi-
13 cial district, 11 ^{+ 8 N} ~~(TEN)~~ of whom shall be judges in the third judicial
14 district, and five of whom shall be judges in the fourth judicial dis-
15 trict. At the time of submitting the names of nominees to the governor
16 to fill a vacancy on the superior court bench, the judicial council
17 shall also designate the district in which the appointee is to reside
18 and serve.

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

SB 170

SENATE FINANCE COMMITTEE
BILL CHECKLIST

- 1. Committee Copy-Current Bill ✓
- 2. History Cover Form ✓
- 3. Printed Copies:
 - Original Bill ✓
 - Committee Substitutes or Amendments ✓
- 4. SFC Committee Report Form ✓
- 5. Fiscal Information:
 - Note in File ✓
 - Note Requested Date
 - Other Financial Backup
 - (See Below)
- Backup:
 - Handouts
 - Letter from Governor
 - Letter from Sponsor
 - Completed Committee Reports
 - Committee Commerce ✓
 - Other

- Keltie Report - w/ Summary
- Design of Alk General Stock Ownership Plan
- Alk General Stock Ownership Corp.

**COMMITTEE REPORT
SENATE**

1/15/80

FURTHER: None

Date: _____

Mr. President:

The Committee on FINANCE has had SSSB 170
creating the Alaska General Stock Ownership Corporation

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

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

**MEMBERS SIGNING
DO PASS**

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

CHAIRMAN

COMMITTEE REPORT
SENATE

Supp

3/6/79

FURTHER: None

Date: March 15, 1979

Mr. President:

The Committee on COMMERCE has had SSSB 170
creating the Alaska General Stock Ownership Corporation

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

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

MEMBERS SIGNING
DO PASS

Brad Bradley

Tom Stinson

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Jason No Rec

Tim Kelly - Further study

Ardis Sturgulovich - ~~Further study~~

[Signature]

Brad Bradley
CHAIRMAN

Original sponsors: Colletta, Stimson,
and Fahrenkamp

Offered: 4/27/79
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 170

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 general stock ownership corpora-
7 tions and creating the Alaska General Stock Ownership
8 Corporation; changing Rule 23.1, Rules of Civil Proce-
9 dure; and providing for an effective date."

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

11 * Section 1. AS 10 is amended by adding a new chapter to read:

12 CHAPTER 50. GENERAL STOCK OWNERSHIP CORPORATIONS.

13 ARTICLE 1. SUBSTANTIVE PROVISIONS.

14 Sec. 10.50.005. PURPOSES. A general stock ownership corporation
15 may be organized under this chapter for any lawful purpose unless limited
16 by the chartering legislation of a corporation.

17 Sec. 10.50.010. GENERAL STOCK OWNERSHIP CORPORATIONS. (a) A
18 corporation organized under this chapter is a general stock ownership
19 corporation and shall be formed in accordance with subchapter U, chapter
20 1 of the Internal Revenue Code of 1954, as amended (26 U.S.C. secs.
21 1391 - 1397), and with this chapter. A corporation is subject to the
22 provisions of this chapter and subchapter U, chapter 1 of the Internal
23 Revenue Code of 1954, as amended (26 U.S.C. sec. 1391 - 1397).

24 (b) A corporation is not an agency, instrumentality, or political
25 subdivision of the state for any purpose.

26 Sec. 10.50.015. GENERAL POWERS. A corporation may

17 (1) have perpetual succession in its corporate name unless a
limited period of duration is stated in its articles of incorporation;

(2) sue and be sued in its corporate name;

1 (3) adopt a corporate seal and alter it, and use it by having
2 it or a facsimile of it impressed, affixed or reproduced;

3 (4) buy, lease, or otherwise acquire, own, hold, improve, use
4 and otherwise deal in, real or personal property or any interest in
5 property, except that the corporation may not invest in property ac-
6 quired by it, or for its benefit, through the right of eminent domain;

7 (5) sell or otherwise dispose of all or any part of its
8 property and assets;

9 (6) lend money to its employees other than its officers and
10 directors, and otherwise assist its employees, officers and directors;

11 (7) buy or otherwise acquire, own, hold, vote, use, sell,
12 mortgage, lend, pledge, or otherwise dispose of, and otherwise use and
13 deal in shares or other interests in, or obligations of, other corpora-
14 tions, associations, partnerships or individuals, or in direct or in-
15 direct obligations of the United States or of any other government,
16 state, territory, or municipality or of any instrumentality of them;

17 (8) make contracts and incur liabilities, borrow money at the
18 rates of interest the corporation determines, issue notes, bonds, and
19 other obligations, and secure its obligations by mortgage or pledge of
20 all or any of its property, franchise and income;

21 (9) lend money for its corporate purposes, invest and rein-
22 vest its funds, and take and hold real and personal property as security
23 for the payment of funds loaned or invested;

24 (10) conduct business, carry on operations, and have offices
25 and exercise the powers granted by this chapter in a state, territory,
26 district, or possession of the United States, or in a foreign country;

27 (11) elect or appoint officers and agents of the corporation,
28 define their duties, and fix their compensation;

29 (12) make and alter bylaws not inconsistent with its articles

1 of incorporation or with the laws of the state, for the administration
2 and regulation of the affairs of the corporation;

3 (13) donate for the public welfare or for charitable, scienti-
4 fic or educational purposes, and in time of war donate in aid of war
5 activities;

6 (14) transact lawful business in time of war in aid of the
7 United State in the prosecution of the war;

8 (15) pay pensions and establish pension plans, pension trusts,
9 profit-sharing plans, and other incentive plans for its directors,
10 officers and employees;

11 (16) cease its corporate activities and surrender its corporate
12 franchise;

13 (17) have and exercise the powers of a limited or general
14 partner or a joint adventurer in association with one or more persons,
15 corporations, partnerships or associations;

16 (18) have and exercise lawful powers necessary to carry out
17 the purposes for which the corporation is organized.

18 Sec. 10.50.020. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES
19 AND AGENTS; INSURANCE. (a) A corporation may indemnify a person who
20 was or is a party or is threatened to be made a party to a threatened,
21 pending, or completed action or proceeding, whether civil, criminal,
22 administrative, or investigative, other than an action by or in the
23 right of the corporation, by reason of the fact that he is or was a
24 director, officer, employee or agent of the corporation, or is or was
25 serving at the request of the corporation as a director, officer,
26 employee or agent of another corporation, partnership, joint venture,
27 trust or other enterprise. Indemnification may be against expenses
28 including attorney fees, judgments, fines, and amounts paid in settle-
29 ment actually and reasonably incurred by him in connection with the

1 action or proceeding if he acted in good faith and in a manner he
2 reasonably believed to be in or not opposed to the best interests of the
3 corporation, and, with respect to a criminal action or proceeding, had
4 no reasonable cause to believe his conduct was unlawful. The termina-
5 tion of an action or proceeding by judgment, order, settlement, convic-
6 tion, or upon a plea of nolo contendere or its equivalent, does not, of
7 itself, create a presumption that the person did not act in good faith
8 and in a manner which he reasonably believed to be in or not opposed to
9 the best interests of the corporation, and, with respect to a criminal
10 action or proceeding, had reasonable cause to believe that his conduct
11 was unlawful.

12 (h) A corporation may indemnify a person who was or is a party or
13 is threatened to be made a party to a threatened, pending or completed
14 action by or in the right of the corporation to procure a judgment in
15 its favor by reason of the fact that he is or was a director, officer,
16 employee, or agent of the corporation, or is or was serving at the re-
17 quest of the corporation as a director, officer, employec, or agent of
18 another corporation, partnership, joint venture, trust or other enter-
19 prise. Indermnification may be against expenses, including attorney
20 fees, actually and reasonably incurred by him in connection with the
21 defense or settlement of the action if he acted in good faith and in a
22 manner he reasonably believed to be in or not opposed to the best inter-
23 ests of the corporation. However, indemnification may not be made for
24 any claim, issue or matter as to which the person has been adjudged to
25 be liable for negligence or misconduct in the performance of his duty to
26 the corporation except to the extent that the court in which the action
27 was brought determines upon application that, despite the adjudication
28 of liability, in view of all the circumstances of the case the person is
29 fairly and reasonably entitled to indemnity for the expenses which the

1 court considers proper.

2 (c) To the extent that a director, officer, employee or agent of a
3 corporation has been successful on the merits or otherwise in defense of
4 an action or proceeding referred to in (a) or (b) of this section, or in
5 defense of any claim, issue or matter in the action or proceeding, he
6 shall be indemnified against expenses, including attorney fees, actually
7 and reasonably incurred by him in connection with it.

8 (d) Indemnification under (a) or (b) of this section, unless
9 ordered by a court, shall be made by the corporation only as authorized
10 in the specific case upon a determination that indemnification of the
11 director, officer, employee or agent is proper in the circumstances
12 because he has met the applicable standard of conduct set out in (a) and
13 (b) of this section. This determination shall be made

14 (1) by the board of directors by a majority vote of a quorum
15 consisting of directors who were not parties to the action or proceed-
16 ing, or

17 (2) if such a quorum is not obtainable, or, even if obtain-
18 able if a quorum of disinterested directors so directs, by independent
19 legal counsel in a written opinion, or

20 (3) by the stockholders.

21 (e) Expenses incurred in defending a civil or criminal action or
22 proceeding may be paid by the corporation in advance of the final dis-
23 position of the action or proceeding as authorized by the board of
24 directors in the specific case upon receipt of an undertaking by or on
25 behalf of the director, officer, employee or agent to repay the amount
26 unless it is ultimately determined that he is entitled to be indemini-
27 fied by the corporation as authorized in this section.

28 (f) The indemnification provided by this section is not exclusive
29 of any other rights to which a person seeking indemnification may be

1 entitled under any bylaw, agreement, vote of stockholders or disinter-
2 ested directors or otherwise, both as to action in his official capacity
3 and as to action in another capacity while holding the office, and
4 continues as to a person who has ceased to be a director, officer,
5 employee or agent, and inures to the benefit of the heirs, executors and
6 administrators of that person.

7 (g) A corporation may purchase and maintain insurance on behalf of
8 a person who is or was a director, officer, employee or agent of the
9 corporation, or is or was serving at the request of the corporation as a
10 director, officer, employee or agent of another corporation, partner-
11 ship, joint venture, trust or other enterprise against any liability
12 asserted against him and incurred by him in such a capacity, or arising
13 out of his status as such, whether or not the corporation would have the
14 power to indemnify him against the liability under the provisions of
15 this section.

16 Sec. 10.50.030. DEFENSE OF ULTRA VIRES. No act of a corporation
17 and no conveyance or transfer of real or personal property to or by a
18 corporation is invalid because the corporation did not have capacity or
19 power to perform the act or to convey or receive the property. However,
20 lack of capacity or power may be asserted as follows.

21 (1) The assertion may be made in a proceeding by a share-
22 holder against the corporation to enjoin the performance of any act or
23 the transfer of real or personal property by or to the corporation. If
24 the unauthorized act or transfer sought to be enjoined is being or to be
25 performed or made under a contract to which the corporation is a party,
26 the court may, if the parties to the contract are parties to the pro-
27 ceeding and if the court considers it equitable, set aside and enjoin
28 the performance of the contract, and in so doing may allow compensation
29 to the corporation or to the other parties to the contract for the loss

1 or damage sustained by either of them resulting from the action of the
2 court in setting aside and enjoining the performance of the contract.
3 The court may not award anticipated profits to be derived from the
4 performance of the contract as a loss or damage sustained.

5 (2) The assertion may be made in a proceeding by the corpora-
6 tion, whether acting directly or through a receiver, trustee, or other
7 legal representative, or through shareholders in a representative suit,
8 against the incumbent or former officers or directors of the corpora-
9 tion.

10 (3) The assertion may be made in a proceeding by the attorney
11 general to dissolve the corporation, or to enjoin the corporation from
12 the transaction of unauthorized business.

13 Sec. 10.50.035. CORPORATE NAME. The corporate name shall contain
14 the words "general stock ownership corporation" or an abbreviation of
15 these words. It may not contain a word or phrase which indicates or
16 implies that it is organized for a purpose other than the purpose con-
17 tained in the articles of incorporation. It may not be the same as, or
18 deceptively similar to, the name of a domestic corporation existing
19 under the laws of the state or a foreign corporation authorized to
20 transact business in the state, or a name which has been reserved or
21 registered as provided in this chapter.

22 Sec. 10.50.040. RESERVATION OF CORPORATE NAME. (a) The exclusive
23 right to the use of a corporate name may be reserved by

24 (1) a person intending to organize a corporation under this
25 chapter;

26 (2) a corporation intending to change its name.

27 (b) Reservation of a corporate name is made by filing an applica-
28 tion with the commissioner. If the commissioner finds that the name is
29 available for corporate use, and not a reserved or registered business

1 name as set out in AS 10.35.010 - 10.35.090, he shall reserve it for the
2 exclusive use of the applicant for a period of two years. A reservation
3 of corporate name may be renewed for one year.

4 (c) The holder of a reserved corporate name may transfer the right
5 to the exclusive use of the corporate name to another person by filing a
6 notice of transfer with the commissioner, signed by the holder and
7 specifying the name and address of the transferee.

8 Sec. 10.50.045. FOREIGN GENERAL STOCK OWNERSHIP CORPORATIONS.
9 Corporations organized under the laws of another state shall be governed
10 according to AS 10.05.

11 Sec. 10.50.050. REGISTERED OFFICE AND REGISTERED AGENT. A corpor-
12 ation shall continuously maintain in the state a registered office which
13 may be, but need not be, the same as its place of business, and a regis-
14 tered agent. The registered agent may be either an individual resident
15 of the state whose business office is the same as the registered office,
16 or a corporation organized under AS 10.05 whose business office is the
17 same as the registered office.

18 Sec. 10.50.055. FILING LIST OF REGISTERED CORPORATIONS WITH SUPER-
19 IOR COURT. The commissioner shall file a list of the name of each
20 corporation, the address of the registered office, and the name and
21 address of the registered agent with each clerk of the superior court.
22 The commissioner shall provide a periodic supplement to the list indi-
23 cating additions, deletions and changes at least once every six months.
24 The commissioner shall make the list available to the public for a fee
25 prescribed by him.

26 Sec. 10.50.060. CHANGE OF REGISTERED OFFICE OR AGENT. (a) A
27 corporation may change its registered office, agent, or both, by filing
28 with the department a verified statement signed by the president or
29 vice-president setting out

- 1 (1) the name of the corporation;
- 2 (2) the address of its registered office;
- 3 (3) the address of its new registered office if the regis-
- 4 tered office is to be changed;
- 5 (4) the name of its registered agent;
- 6 (5) the name of its new registered agent, if its registered
- 7 agent is to be changed;
- 8 (6) that the change is authorized by resolution of its board
- 9 of directors.

10 (b) If the commissioner finds that the verified statement complies
11 with this chapter, he shall file it in his office. The change becomes
12 effective when the statement is filed.

13 Sec. 10.50.065. REGISTRATION OF REGISTERED AGENT. (a) If the
14 registered agent of a corporation changes the location of his office
15 from one address to another within a city or town, or from one city or
16 town in the state to another, he may change the registered office for
17 each corporation for whom he is acting as registered agent by filing in
18 the office of the commissioner a statement setting out

- 19 (1) the name of the agent;
- 20 (2) the address of his office before change;
- 21 (3) the address to which the office is changed; and
- 22 (4) a list of corporations for whom he is furnishing a regis-
- 23 tered office.

24 (b) The statement in (a) of this section must be executed by the
25 registered agent in his individual name and, if the agent is a corpora-
26 tion it must be executed by its president or a vice-president and veri-
27 fied by him. The statement must be delivered to the commissioner and if
28 he finds that the statement complies with this chapter, he shall file it
29 in his office. The change becomes effective when the statement is

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filed.

(c) A registered agent may resign by filing a written notice, executed in duplicate, with the commissioner. The written notice of resignation shall set out the latest address of the principal office of the corporation and the names, addresses and titles of the most recent officers of the corporation known by the agent. The commissioner shall immediately mail a copy of the notice to the corporation at its principal office. The appointment of the agent terminates 30 days after receipt of the notice by the commissioner.

Sec. 10.50.070. SERVICE OF PROCESS ON CORPORATION. (a) The registered agent of a corporation is an agent upon whom process, notice or demand required or permitted by law to be served upon the corporation may be served.

(b) When a corporation fails to appoint or maintain a registered agent in the state, or when its registered agent cannot, with reasonable diligence, be found at the registered office, the commissioner is an agent of the corporation upon whom the process, notice, or demand may be served. Service is made upon the commissioner as agent by leaving with him, or with a clerk having charge of the corporation department of his office, duplicate copies of the process, notice or demand. When process, notice or demand is served on the commissioner, he shall immediately forward a copy of it by registered mail to the corporation at its registered office. Service on the commissioner is returnable in not less than 30 days.

(c) The commissioner shall keep a record of processes, notices and demands served upon him showing the time of service and his action with reference to the service. This chapter does not limit or affect the right to serve process, notice or demand required or permitted by law to be served upon a corporation in any other manner permitted by law.

1 Sec. 10.50.075. CREATION AND ISSUANCE OF SHARES. A corporation
2 may create and issue the number of shares stated in its articles of
3 incorporation and as provided in AS 10.50.320(a)(5) - (7). The shares
4 shall be without par value.

5 Sec. 10.50.080. CONSIDERATION FOR SHARES. (a) Shares may be
6 issued without consideration or for consideration fixed by the share-
7 holders before the issuance. Consideration for shares shall be fixed by
8 a vote of a majority of the shares voting on the issue.

9 (c) Treasury shares may be disposed of by the corporation for
10 consideration not more than the book value of the shares.

11 Sec. 10.50.085. PAYMENT FOR SHARES. (a) Consideration for the
12 issuance of shares if required may be paid, in whole or in part, in
13 money, in other property, tangible or intangible, or in labor or ser-
14 vices actually performed for the corporation. When payment of the
15 consideration for shares is received by the corporation, the shares are
16 considered fully paid and nonassessable.

17 (b) A promissory note or future service does not constitute pay-
18 ment or part payment for shares of a corporation.

19 Sec. 10.50.090. JUDGMENT OF BOARD OR SHAREHOLDER AS TO VALUE OF
20 CONSIDERATION CONCLUSIVE. In the absence of fraud in the transaction,
21 the judgment of the board of directors or the shareholders as to the
22 value of the consideration received for shares is conclusive.

23 Sec. 10.50.095. EXPENSES OF ORGANIZATION, REORGANIZATION AND
24 FINANCING. The reasonable charges and expenses of organization or
25 reorganization of a corporation, and the reasonable expenses of and
26 compensation for the sale or underwriting of its shares, may be paid or
27 allowed by the corporation out of the consideration received by it in
28 payment for its shares without rendering the shares not fully paid and
29 nonassessable.