

LEG. FINANCE - BILLS 1979 - 1980 1338

SB 341 thru SB 344 338



RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

3/23/90
Date

orig.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 341
 Title Scheduling of oil and gas lease sales
 Requested by Natural Resources Date Jan. 14, 1980

II. FISCAL DETAIL
 Agency Affected Natural Resources
 Program Category Affected NRMEC
 BRU, Program, or Subprogram(s) Affected Mineral and Energy Management
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assumption:

1) The proposed changes to AS 38.05.180 (c), (d), (w) and Transitional Provisions would give the Department more flexibility to readjust the Five-Year Oil and Gas Lease Schedule. No additional funding will be required as a result of this change, since it is anticipated that the number of sales in any one year would remain the same, even if the order of sales is rearranged.

IV. DATE Jan. 14, 1980 PREPARED BY Jeff Haynes, Deputy Commissioner
 AGENCY Natural Resources
 Original: Legislative Finance PHONE 465-2400
 cc. Budget and Management
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA -- BUDGET UNIT SUMMARY

23:54

1/03/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: OIL & GAS MANAGEMENT

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
LEASE SALES							1206.8
LEASE SALE ADMIN							398.7
RESERVOIR MANAGEMENT							
ROYALTY INCOME ACCOUNTING							200.3
** TOTAL							1805.8
** CHANGE VERSUS 80 AUTH							100.0%
OBJECT DESCRIPTION							
PERS. SERV.							1301.2
TRAVEL							69.2
CONTRACTUAL							375.2
COMMODITIES							48.4
EQUIPMENT							11.8
FUNDING SOURCE							
GENERAL FUND							1805.8
** GENERAL FUND CHANGE VS. 80 AUTH							100.0%
POSITIONS							
FULL-TIME							35.6
STAFF MONTHS							428.0

CATEGORY: NATURAL RESOURCES MANAGEMENT AND ENVIRONMENTAL CONSERVATION

PROGRAM: MANAGEMENT OF MINERAL AND ENERGY RESOURCES

AGENCY: NATURAL RESOURCES

BRU (s): RESOURCE INVENTORY/ASSESSMENT

The goal of this BRU is to obtain accurate information and data on the natural resources of the State and compile it in a form which is usable by government and the public for natural resources decision making. This BRU has two components.

The Geological Investigations/Mapping component conducts field investigations to determine the existence and distribution of oil and gas, minerals, timber, water, soils and other resources; and the publication of such information to make it available to government and the public.

The Geologic Hazards Identification component conducts investigation of the characteristics of natural hazards in the State, such as volcanos, earthquakes and avalanches, and publishes and disseminates this information so that the public is aware of the dangers involved.

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Phone Contact for more information: Tom Bergstrom 465-2442

SERVICE MEASURES	FY 79		FY 80	FY 81	
	Plan	Actual	Plan	Continuation	Total
Number of Project Investigations Completed				3	3
% of Upper Cook Inlet Earthquake Hazard Study Completed				100%	100%
% of Avalanche Hazards Study Along Seward and Sterling Highways Completed				100%	100%
% of Support of Alaska Avalanche Warning System Undertaken				100%	100%

COMMITTEE REPORT
SENATE

Finance
FURTHER: ~~None~~

2/14/80

Date: _____

Mr. President:

The Committee on RESOURCES has had SSSB 341
~~relating to~~ scheduling oil and gas lease sales

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 *as follows*
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

2 *[Signature]* No Re
2 *[Signature]* No Re
2 *[Signature]* ✓
2 *[Signature]* " Rec
2 *[Signature]* " Re

[Signature]
 CHAIRMAN

Introduced: 2/14/80
Referred: Resources and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 341

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to scheduling oil and gas lease
7 sales; and providing for an effective date."

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

9 * Section 1. AS 38.05.180(b) is amended to read:

10 (b) The commissioner shall annually prepare and submit to the
11 legislature, between the first and the fifteenth day of each regular
12 legislative session, a five-year proposed oil and gas leasing program
13 consisting of a schedule of proposed lease sales and specifying as
14 precisely as practicable the location of tracts proposed to be offered
15 for oil and gas leasing during the [THIRD AND FOURTH CALENDAR YEARS
16 FOLLOWING THE] calendar year in which the proposed program is submitted
17 to the legislature and the following four calendar years.

18 * Sec. 2. AS 38.05.180(c) is amended to read:

19 (c) Except as provided in (d) and (w) of this section, no oil
20 and gas lease sale may be held [ISSUED BY THE COMMISSIONER SHALL BE
21 VALID] unless it was included in the [A] proposed leasing programs
22 [PROGRAM] submitted to the legislature during the three [THIRD AND
23 FOURTH] calendar years preceding the year in which the sale [LEASE]
24 is held [ISSUED, EXCEPT THAT AN AREA PROPOSED FOR LEASING IN THE
25 FOURTH CALENDAR YEAR AFTER THE YEAR IN WHICH THE PROGRAM IS SUBMITTED
26 TO THE LEGISLATURE MAY BE LEASED IF THE COMMISSIONER RESUBMITS THE
27 AREA TO THE FOLLOWING REGULAR LEGISLATIVE SESSION]. A lease sale may
28 be held in the calendar year for which it was scheduled in the program
29 in which it initially was proposed or in any calendar year thereafter,

COMMITTEE COPY

1 but may not be held in an earlier calendar year.

2 * Sec. 3. AS 38.05.180(d) is amended to read:

3 (d) The commissioner may issue oil and gas leases in an area
4 that has not been included in a leasing program submitted, in accord-
5 ance with (b) of this section, to the legislature if

6 (1) the land to be leased was previously subject to a valid
7 state or federal oil and gas lease; or

8 (2) the land to be leased is contiguous to land already
9 under state, federal or private lease and the commissioner makes a
10 written finding, after hearing, that leasing of the land would result
11 in a substantial probability of early evaluation and development of
12 the land to be leased; or

13 (3) the land to be leased is adjacent to land owned or
14 controlled by another party on which a discovery of commercial quanti-
15 ties of oil or gas has been made, and where the commissioner finds,
16 after hearing, that there is a reasonable probability that the land to
17 be leased contains oil or gas in communication with the oil or gas
18 discovered on the land of the other party; or

19 (4) the land to be leased is adjacent to land included in
20 the federal five-year Outer Continental Shelf leasing program under 43
21 U.S.C. sec. 1344, and the commissioner makes a written finding, after
22 hearing, that coordinated or simultaneous leasing with the federal
23 government would be in the public interest.

24 * Sec. 4. AS 38.05.180(e)(2) is amended to read:

25 (2) if determined, a description of the bidding methods to
26 be used for all lease sales to be held during the current and next two
27 succeeding calendar years [AND, IF DETERMINED, THE BIDDING METHODS TO
28 BE USED];

29 * Sec. 5. AS 38.05.180(w) is amended to read:

1 (w) Notwithstanding any other provision of this section, land
2 which has been offered for lease within the previous five years and
3 which received no bids at competitive sale or for which no bid was
4 accepted may be, at the discretion of the commissioner, immediately
5 offered for lease, under regulations adopted by him, upon terms appear-
6 ing most advantageous to the state; however, non-competitive leasing
7 is prohibited. The commissioner shall establish a royalty as he
8 determines to be in the public interest but not less than 12 1/2 per-
9 cent. A lease must provide for payment to the state or rental but
10 need not adhere to the rental schedule in (n) of this section or to
11 the 5,760-acres-per-lease limitation in (m) of this section. The
12 lease term may not exceed five years except as provided in (m) and (o)
13 of this section.

14 * Sec. 6. Section 7, ch. 155 SLA 1978, as amended by sec. 2, ch. 65 SLA
15 1979, is amended to read:

16 Sec. 7. TRANSITIONAL PROVISIONS. By the 20th day of the First
17 Session of the Eleventh Legislature the commissioner of natural re-
18 sources shall submit a proposed oil and gas leasing program to the
19 legislature in accordance with AS 38.05.180(b), except that the pro-
20 posed program shall cover all areas to be leased in 1979 through 1983.
21 No lease, except as authorized under AS 38.05.180(d) or 38.05.180(w),
22 shall be issued during 1979, 1980, [OR] 1981, or 1982 unless the land
23 to be leased was included in this proposed leasing program.

24 * Sec. 7. TRANSITIONAL PROVISIONS. By the thirtieth day following the
25 effective date of this Act, the commissioner of natural resources may sub-
26 mit to the legislature a revised five-year leasing program making those re-
27 visions in the January 23, 1980 "State Five-Year Leasing Program Presented
28 to the Second Session, Eleventh Alaska Legislature," which that document
29 indicated would be desirable in the event AS 38.05.180 and ch. 155 SLA are

1 amended in the manner set out in secs. 1 - 6 above. It is the legislature's
2 intent that this section be construed as authorizing the commissioner of
3 natural resources to make the indicated program revisions and to conduct
4 lease sales in accordance with the revised program as if the revised pro-
5 gram had been submitted by the fifteenth day of the Second Session of the
6 Eleventh Legislature.

7 * Sec. 8. Sections 1 -- 5 of this Act are retroactive to January 14,
8 1980.

9 * Sec. 9. Section 6 of this Act is retroactive to January 1, 1979.

10 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

February 12, 1980

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

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a sponsor substitute for SB 341, a bill to amend the state's oil and gas leasing statute, AS 38.05.180, regarding scheduling lease sales. Because of the complexity of the bill, I am attaching, for your convenience, a section-by-section analysis which explains the substitute bill and the differences between it and the currently pending version.

Sincerely,

S/JS4

Jay S. Hammond
Governor

SECTION-BY-SECTION ANALYSIS

AS 38.05.180(b) requires the Department of Natural Resources to submit to the legislature annually a schedule for proposed oil and gas leasing of state-owned land in the third and fourth calendar years following the year in which the schedule was submitted. Under AS 38.05.180(c), no oil and gas lease issued by the state is valid unless it was listed on the schedule submitted three and four calendar years before the lease is issued, with some exceptions which are listed in AS 38.05.180(d) and 38.05.180(w). Under AS 38.05.180(e), the commissioner also must annually submit a report to the legislature containing, among other things, a description of all lease sales to be held during that calendar year and the next two succeeding years and, if determined, the bidding methods to be used.

In preparing the required submission to the Second Session of the Eleventh Legislature, the department encountered serious difficulty in adhering to both the statutory scheduling scheme and the purposes of the oil and gas leasing statute as set out in AS 38.05.180(a), which are to maximize the recovery of the resources, maximize competition, maximize the use of Alaska's human resources, recognize varying conditions throughout the state, and minimize the adverse impact of oil and gas development. In addition, certain potential legal problems with the statute were identified, stemming primarily from rather confusing language in the statute.

SB 341, the bill on this subject originally introduced at my request, would have solved some of those problems. However, review of that measure in light of the final schedule submitted to the legislature on January 23, 1980 indicated that certain additional amendments would further reduce confusion and the number of legal questions surrounding the state's oil and gas leasing activities. The attached sponsor substitute will accomplish those objectives.

One area of confusion results from a lack of uniformity in the terms employed in the various subsections. AS 38.05.180(b) calls for a proposed oil and gas leasing "program" describing the "location of tracts" to be leased during the third and fourth calendar years following submission of the "program;" AS 38.05.180(c) provides that no oil and gas "lease" may be issued unless "it" was included in the "program" submitted three and four years earlier, except an "area" may be leased if the commissioner "resubmits" it; AS 38.05.180(e) requires the submission of a "report" to include a "description" of "lease sales" to be held during the current and next two succeeding calendar years.

These provisions, taken together, require that the commissioner provide the legislature annually with a comprehensive proposed five-year oil and gas leasing program, identifying the timing and areas of proposed lease sales. Section 1 of this bill

would amend AS 38.05.180(b) to make that clear by requiring the commissioner to annually prepare and submit to the legislature a five-year proposed oil and gas leasing program consisting of a schedule of proposed oil and gas lease sales to be held during the year of submission and the following four calendar years. To avoid confusion, section 4 would amend AS 38.05.-180(e) to remove the requirement of a "description" of sales to be held in the current calendar year and the next two succeeding calendar years, but leaving the requirement that the "report" under that subsection include a description of the bidding methods to be used during those three years if determined.

A major difficulty encountered by the department in preparing this year's submission was that the existing statutory provisions governing scheduling allow virtually no flexibility in updating and resubmitting a previously submitted five-year leasing schedule. Because existing AS 38.05.180(c) provides that no oil and gas lease is valid unless it was included in the proposed leasing programs submitted to the legislature during the third and fourth calendar years preceeding the year in which the lease is issued, no new sales may be added in the final year of the previously submitted program even if the advisability of such an addition becomes apparent only after the schedule has been submitted to the legislature. This is precisely what occurred in rcviewing the leasing schedule

submitted to the First Session of the Eleventh Legislature and updating it for submission to the Second Session.

The purposes of the oil and gas leasing statute can best be served by scheduling an Eastern Gulf of Alaska sale during calendar year 1983. While announcing such a sale at this time will give adequate opportunity for public comment and orderly decision-making regarding the terms and conditions of such a sale, thereby satisfying the legislative intent underlying the statute, a literal reading of the language of existing AS 38.05.180(c) could result in the invalidity of any leases ultimately issued as the result of such a sale. The amendment proposed in sec. 2 of this bill would provide sufficient flexibility to allow the addition of previously unannounced oil and gas lease sales in the third calendar year (the last year of the proposed program submitted the previous year) following the year in which the schedule was submitted to the legislature.

It should be noted that AS 38.05.180(b), both as it exists now and as it would be amended by this bill, still would require the preparation and submission to the legislature of a proposed leasing program five years in advance; the amendment would merely authorize the addition of lease sales in the last year of the program submitted the previous year. (Section 1 of SB 341 as originally introduced would have accomplished this result; in this aspect the attached sponsor substitute does

not differ from the bill originally introduced.)

Section 2 also would change the legal consequence of a failure to comply with the statutory scheduling provisions by substituting a prohibition on holding nonconforming sales for the current consequence, lease invalidity. I believe that the statutory provisions enacted by the legislature as procedural safeguards on the disposal of state resources must accomplish the desired result. At the same time, I believe that the state should make every effort to ensure that leases it ultimately issues are valid. The prohibition on holding lease sales which do not satisfy the statutory scheduling provisions would preclude the commissioner from proceeding with a nonconforming lease sale while removing the threat that leases issued might, at some remote future point in time, be ruled invalid.

Section 2 also makes substantial changes in language in AS 38.05.180(c). There is virtual unanimity of opinion that subsection (c), as it currently exists, is very confusing. This section would amend AS 38.05.180(c) to provide that every lease sale (except exempt acreage sales), at minimum, would have to have been listed on the proposed five-year oil and gas leasing program submitted each of the three preceding years. In addition, it would provide that any given lease sale, once it has been included as part of a proposed five-year oil and

gas leasing program, could not be held in a calendar year earlier than the calendar year for which it was initially proposed. These two requirements would ensure that every oil and gas lease sale (except exempt acreage sales) would be announced a minimum of three years in advance, with almost all sales announced a full four years in advance.

Finally, sec. 2 would make clear that, while a lease sale may not be held in an earlier year than initially scheduled, it may be held in a calendar year later than the one for which it was initially scheduled. Although it appears that the existing statutory language would permit such a delay, see Op. Atty. Gen. dated January 16, 1980, it is not absolutely certain that the courts would reach that result. I firmly believe that a decision to delay a lease sale should not be made lightly; however, if there are legitimate reasons for delaying a lease sale, that decision should be made on the merits of delay and not on its possible legal effect. By making it clear that a delay in holding a lease sale will not prohibit the sale altogether, the Department of Natural Resources will not have to choose between holding the sale as scheduled, even if a delay of one or more years is desirable, and delaying the sale a minimum of four years to reschedule it as part of the next oil and gas leasing program submitted to the legislature.

Because of the state's desire to coordinate offshore submerged land sales with the federal government when possible, and because the federal Outer Continental Shelf oil and gas leasing schedule may subject to change, I believe it is desirable for the state to have sufficient flexibility to make changes in and additions to an already submitted schedule when necessary to allow for coordinated or simultaneous sales with the federal government. Accordingly, Sec. 3 of this bill would amend AS 38.05.180(d) to permit the leasing of adjacent state-owned land, even if that leasing does not conform to an already submitted state five-year oil and gas leasing schedule, if the commissioner of natural resources makes a written finding, after hearing, that coordinated or simultaneous leasing with the federal government would be in the public interest. (This section appears as sec. 2 in SB 341.)

AS 38.05.180(w) exempts "land which has been offered for lease within the previous five years and which received no bids at competitive sale" from the scheduling requirements discussed above. Experience has shown that there are two ways in which land which has been offered for lease will not be leased: (1) if no bids are received, and (2) if, although bids are received, none is accepted. From a policy standpoint, there appears to be no reason to distinguish land which is not leased because no bids are received from land which is not leased because none of

the bids received is accepted. Accordingly, sec. 5 of this bill would amend AS 38.05.180(w) to exempt from scheduling requirements land previously offered for lease but for which no bid was either received or accepted. (This section appears as sec. 3 in SB 341.)

In preparing the schedule for submission to the Second Session of the Eleventh Legislature, a problem with the transitional provisions of ch. 155 SLA 1978, the law which established the requirements, was discovered. The transitional provisions provide that no leases could be issued during 1979, 1980 or 1981 unless the land to be leased was included in the proposed leasing program submitted in 1979 to the First Session of the Eleventh Legislature. That proposed leasing program was the first prepared under the new law. The validity of leases issued in 1982 and thereafter would be governed by the substantive provisions of AS 38.05.180(b) and (c). However, 1982 is the third calendar year following the year in which that first schedule was submitted. As a direct result, any lease sale held in 1982 would not have been included in a proposed leasing program submitted to the legislature during both the third and fourth preceeding calendar years; the fourth calendar year preceeding 1982 was 1978 and, of course, no proposed leasing schedule was submitted that year. To ensure the validity of any leases issued as the result of a sale in 1982, sec. 6 of

this bill would permit leases to be issued during 1982 if the land to be leased was included in the proposed leasing program submitted to the First Session of the Eleventh Legislature. This section would also make a technical amendment to the transitional provisions of ch. 155 SLA 1978 to recognize the statutory exemption from scheduling requirements contained in AS 38.05.180(w). (This section appears as sec. 4 in SB 341.)

Finally, as the Department of Natural Resources indicated in the proposed oil and gas leasing program it submitted to the Second Session of the Eleventh Legislature on January 23, 1980, the amendments proposed in this bill have been proposed because the lack of flexibility in the existing statutory scheme would not permit the department to present the optimum leasing program. The department indicated that it would make certain changes to the program submitted if the amendments contained in this bill were enacted. Section 7 of this bill is a transitional provision which will permit the department to revise the program already submitted to conform with what the department indicated in its submittal would be the optimum program, the department would adopt if the scheduling provisions of the existing statute were amended to permit such a revision.

Sections 7 and 8 of this bill would make these amendments retroactive as appropriate, and sec. 9 would make the bill effective immediately.

January 17, 1980

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

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to amend the state's oil and gas leasing statute, AS 38.05.180.

AS 38.05.180(b) requires the Department of Natural Resources to submit to the legislature annually a schedule for proposed oil and gas leasing of state-owned land in the third and fourth calendar years following the year in which the schedule is submitted. Under AS 38.05.180(c), no oil and gas lease issued by the state is valid unless it was listed on the schedule submitted three and four calendar years before the lease is issued, with some exceptions which are listed in AS 38.05.180(d) and 38.05.180(w). In preparing the schedule for submission to the Second Session of the Eleventh Alaska State Legislature, the department encountered serious difficulty in adhering to both the current statutory scheduling scheme and the overall intent of the oil and gas leasing statute, as set out in AS 38.05.180(a), which is to maximize the recovery of the resources, maximize competition, maximize the use of Alaska's human resources, recognize varying conditions throughout the state, and minimize the adverse impact of oil and gas development.

The basic difficulty encountered by the department was that the current scheduling provisions allow virtually no flexibility in updating and resubmitting a previously submitted five-year leasing schedule. Because no oil and gas lease is valid unless it was included in the proposed leasing program submitted to the legislature during the third and fourth calendar years preceding the year in which the lease is issued, no new sales may be added in the final year of a previously submitted program even if the advisability

of such an addition becomes apparent only after the schedule has been submitted to the legislature. This is precisely what has happened in revising the leasing schedule submitted to the First Session of the Eleventh Alaska State Legislature. In reviewing that schedule in light of the legislative findings in AS 38.05.180(a), it now appears that the purposes of the oil and gas leasing statute can best be served by scheduling an Eastern Gulf of Alaska sale during calendar 1983. While announcing such a sale at this time will give adequate opportunity for public comment and orderly decision-making regarding the terms and conditions of such a sale, thereby satisfying the legislative intent underlying the statute, the literal language of AS 38.05.180(c) would result in any leases ultimately issued as a result of such a sale being invalid. The amendment which would be accomplished by sec. 1 of this bill would provide sufficient flexibility to allow the addition of previously-unannounced oil and gas lease sales in the third calendar year (the last year of the proposed program submitted the previous year) following the year in which the schedule is submitted to the legislature while still requiring the preparation and submission to the legislature of a proposed leasing program a minimum of five years in advance.

Because of the state's desire to coordinate sales with the federal government when possible, and because the federal oil and gas leasing schedule has not been finalized, I believe it is desirable for the state to have sufficient flexibility to make changes in and additions to an already-submitted schedule when necessary to allow for coordinated or simultaneous sales with the federal government. Accordingly, sec. 2 of this bill would amend AS 38.05.180(d) to permit the leasing of state-owned land, even if that leasing does not conform to an already-submitted state five-year oil and gas leasing schedule, if the commissioner of natural resources makes a written finding, after hearing, that coordinated or simultaneous leasing with the federal government would be in the public interest.

AS 38.05.180(w) exempts "land which has been offered for lease within the previous five years and which received no bids at competitive sale" from the scheduling requirements discussed above. Experience has shown that there are two ways in which land which has been offered for lease will not be leased: (1) if no bids are received, and (2) if, while bids are received, none is accepted. From a policy standpoint,

there appears to be no reason to distinguish land which is not leased because no bids are received from land which is not leased because none of the bids received is accepted. Accordingly, sec. 3 of this bill would amend AS 38.05.180(w) to exempt from scheduling requirements land previously offered for lease but for which no bid was accepted.

Finally, in preparing the schedule for submission to the Second Session of the Eleventh Alaska State Legislature, a problem with the transitional provisions of ch. 155 SLA 1978, the law which established the scheduling requirements, was discovered. The transitional provisions provide that no leases should be issued during 1979, 1980 or 1981 unless the land to be leased was included in the proposed leasing program submitted in 1979 to the First Session of the Eleventh Alaska State Legislature. That proposed leasing program was the first prepared under the new law. The validity of leases issued in 1982 and thereafter would be governed by the substantive provisions of AS 38.05.180(b) -- 38.05.180(c). However, 1982 was the third calendar year following the year in which that first schedule was submitted. As a direct result, any lease sale held in 1982 would not have been included in a proposed leasing program submitted to the legislature during both the third and fourth preceding calendar years; the fourth calendar year preceding 1982 was 1978 and, of course, no proposed leasing schedule was submitted that year. To ensure the validity of any leases issued as a result of a sale in 1982, sec. 4 of this bill would permit leases to be issued during 1982 if the land to be leased was included in the proposed leasing program submitted to the First Session of the Eleventh Alaska State Legislature. This section also would make a technical amendment to the transitional provisions of ch. 155 SLA 1978 to recognize the statutory exemption from scheduling requirements contained in AS 38.05.180(w).

Sections 5 and 6 of this bill would make these amendments retroactive as appropriate, and sec. 7 would make the bill effective immediately.

Sincerely,

S/JS H

Jay S. Hammond
Governor

SENATE JOURNAL

LETTER OF INTENT

for


Sponsor Substitute for Senate Bill 341

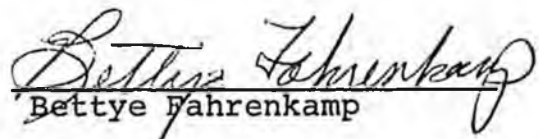
It is the intent of the Senate Resources Committee that the legislative finding stated in AS 38.05.180 be reaffirmed: "...the people of Alaska have an interest in the development of the state's oil and gas resources to (A) maximize the economic and physical recovery of the resources; (B) maximize the competition among parties seeking to explore and develop the resources; (C) maximize use of Alaska's human resources in the development of the resources."

It is also the intent of the Senate Resources Committee that maximization of competition should include making the oil and gas leasing program accessible to individual bidders who do not possess the financial resources of major oil companies. To this end, it is the intent of the Senate Resources Committee that the Commissioner of Natural Resources explore other methods of increasing competition within the state including expanding the number of lease sales per year and any other method whereby the citizens of the state will be able to participate more fully in oil and gas resource development.

It is further the intent of the Senate Resources Committee that, as part of any presale analysis performed by the Department of Natural Resources pursuant to AS 38.05.180, the Commissioner consider means of making oil and gas lease sales accessible to small bidders and implement such means in a manner consistent with the objectives of AS 38.05.180, including, but not limited to, offering leases in smaller tract sizes.

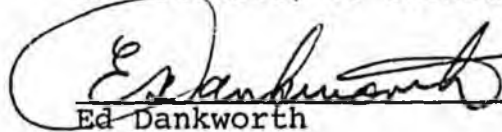
Senate Resources Committee

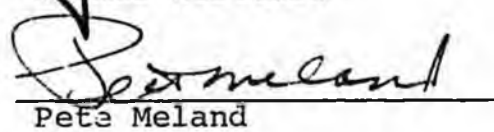

Bill Sumner, Chairman

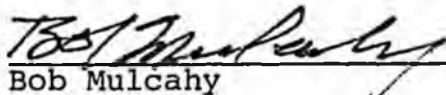

Bettye Fahrenkamp


Don Bennett, V. Chairman


Jalmar Kerttula


Ed Dankworth


Pete Meland


Bob Mulcahy

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 341

Title Scheduling of oil and gas lease sales

Requested by Natural Resources

Date Jan. 14, 1980

II. FISCAL DETAIL

Agency Affected Natural Resources

Program Category Affected NRMEC

BRU, Program, or Subprogram(s) Affected Mineral and Energy Management

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assumption:

1) The proposed changes to AS 38.05.180 (c), (d), (w) and Transitional Provisions would give the Department more flexibility to readjust the Five-Year Oil and Gas Lease Schedule. No additional funding will be required as a result of this change, since it is anticipated that the number of sales in any one year would remain the same, even if the order of sales is rearranged.

IV. DATE Jan. 14, 1980

PREPARED BY Jeff Haynes, Deputy Commissioner
AGENCY Natural Resources

Original: Legislative Finance

PHONE 465-2400

cc: Budget and Management

Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

55 SENATE BILL NO. 341

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to scheduling oil and gas lease sales; and providing for an effective date."

Introduced in the Senate 1/13/80, 19.....

HISTORY IN THE SENATE

19	80	Read first time and referred to Committee on Resources												
1	18	<i>SS into Resources + Finance</i>												
2	14													
	4 25	Reported back with recommendation that <i>I depend on Letter of Int, 5/25/80 to Finance</i>												
		Read second time and												
		Read third time and												
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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												
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		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.

1. 2. 3. 4. 5. 6. 7. 8. 9. 10.

11. 12. 13. 14. 15.

16. 17. 18. 19. 20.

Introduced: 2/14/80
Referred: Resources and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 341

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to scheduling oil and gas lease
7 sales; and providing for an effective date."

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

9 * Section 1. AS 38.05.180(b) is amended to read:

10 (b) The commissioner shall annually prepare and submit to the
11 legislature, between the first and the fifteenth day of each regular
12 legislative session, a five-year proposed oil and gas leasing program
13 consisting of a schedule of proposed lease sales and specifying as
14 precisely as practicable the location of tracts proposed to be offered
15 for oil and gas leasing during the [THIRD AND FOURTH CALENDAR YEARS
16 FOLLOWING THE] calendar year in which the proposed program is submitted
17 to the legislature and the following four calendar years.

18 * Sec. 2. AS 38.05.180(c) is amended to read:

19 (c) Except as provided in (d) and (w) of this section, no oil
20 and gas lease sale may be held [ISSUED BY THE COMMISSIONER SHALL BE
21 VALID] unless it was included in the [A] proposed leasing programs
22 [PROGRAM] submitted to the legislature during the three [THIRD AND
23 FOURTH] calendar years preceding the year in which the sale [LEASE]
24 is held [ISSUED, EXCEPT THAT AN AREA PROPOSED FOR LEASING IN THE
25 FOURTH CALENDAR YEAR AFTER THE YEAR IN WHICH THE PROGRAM IS SUBMITTED
26 TO THE LEGISLATURE MAY BE LEASED IF THE COMMISSIONER RESUBMITS THE
27 AREA TO THE FOLLOWING REGULAR LEGISLATIVE SESSION]. A lease sale may
28 be held in the calendar year for which it was scheduled in the program
29 in which it initially was proposed or in any calendar year thereafter,

1 but may not be held in an earlier calendar year.

2 * Sec. 3. AS 38.05.180(d) is amended to read:

3 (d) The commissioner may issue oil and gas leases in an area
4 that has not been included in a leasing program submitted, in accord-
5 ance with (b) of this section, to the legislature if

6 (1) the land to be leased was previously subject to a valid
7 state or federal oil and gas lease; or

8 (2) the land to be leased is contiguous to land already
9 under state, federal or private lease and the commissioner makes a
10 written finding, after hearing, that leasing of the land would result
11 in a substantial probability of early evaluation and development of
12 the land to be leased; or

13 (3) the land to be leased is adjacent to land owned or
14 controlled by another party on which a discovery of commercial quanti-
15 ties of oil or gas has been made, and where the commissioner finds,
16 after hearing, that there is a reasonable probability that the land to
17 be leased contains oil or gas in communication with the oil or gas
18 discovered on the land of the other party; or

19 (4) the land to be leased is adjacent to land included in
20 the federal five-year Outer Continental Shelf leasing program under 43
21 U.S.C. sec. 1344, and the commissioner makes a written finding, after
22 hearing, that coordinated or simultaneous leasing with the federal
23 government would be in the public interest.

24 * Sec. 4. AS 38.05.180(e)(2) is amended to read:

25 (2) if determined, a description of the bidding methods to
26 be used for all lease sales to be held during the current and next two
27 succeeding calendar years [AND, IF DETERMINED, THE BIDDING METHODS TO
28 BE USED];

29 * Sec. 5. AS 38.05.180(w) is amended to read:

1 (w) Notwithstanding any other provision of this section, land
2 which has been offered for lease within the previous five years and
3 which received no bids at competitive sale or for which no bid was
4 accepted may be, at the discretion of the commissioner, immediately
5 offered for lease, under regulations adopted by him, upon terms appear-
6 ing most advantageous to the state; however, non-competitive leasing
7 is prohibited. The commissioner shall establish a royalty as he
8 determines to be in the public interest but not less than 12 1/2 per-
9 cent. A lease must provide for payment to the state or rental but
10 need not adhere to the rental schedule in (n) of this section or to
11 the 5,760-acres-per-lease limitation in (m) of this section. The
12 lease term may not exceed five years except as provided in (m) and (o)
13 of this section.

14 * Sec. 6. Section 7, ch. 155 SLA 1978, as amended by sec. 2, ch. 65 SLA
15 1979, is amended to read:

16 Sec. 7. TRANSITIONAL PROVISIONS. By the 20th day of the First
17 Session of the Eleventh Legislature the commissioner of natural re-
18 sources shall submit a proposed oil and gas leasing program to the
19 legislature in accordance with AS 38.05.180(b), except that the pro-
20 posed program shall cover all areas to be leased in 1979 through 1983.
21 No lease, except as authorized under AS 38.05.180(d) or 38.05.180(w),
22 shall be issued during 1979, 1980, [OR] 1981, or 1982 unless the land
23 to be leased was included in this proposed leasing program.

24 * Sec. 7. TRANSITIONAL PROVISIONS. By the thirtieth day following the
25 effective date of this Act, the commissioner of natural resources may sub-
26 mit to the legislature a revised five-year leasing program making those re-
27 visions in the January 23, 1980 "State Five-Year Leasing Program Presented
28 to the Second Session, Eleventh Alaska Legislature," which that document
29 indicated would be desirable in the event AS 38.05.180 and ch. 155 SLA are

1 amended in the manner set out in secs. 1 - 6 above. It is the legislature's
2 intent that this section be construed as authorizing the commissioner of
3 natural resources to make the indicated program revisions and to conduct
4 lease sales in accordance with the revised program as if the revised pro-
5 gram had been submitted by the fifteenth day of the Second Session of the
6 Eleventh Legislature.

7 * Sec. 8. Sections 1 -- 5 of this Act are retroactive to January 14,
8 1980.

9 * Sec. 9. Section 6 of this Act is retroactive to January 1, 1979.

10 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

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February 12, 1980

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

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a sponsor substitute for SB 341, a bill to amend the state's oil and gas leasing statute, AS 38.05.180, regarding scheduling lease sales. Because of the complexity of the bill, I am attaching, for your convenience, a section-by-section analysis which explains the substitute bill and the differences between it and the currently pending version.

Sincerely,

S/JS#

Jay S. Hammond
Governor

SECTION-BY-SECTION ANALYSIS

AS 38.05.180(b) requires the Department of Natural Resources to submit to the legislature annually a schedule for proposed oil and gas leasing of state-owned land in the third and fourth calendar years following the year in which the schedule was submitted. Under AS 38.05.180(c), no oil and gas lease issued by the state is valid unless it was listed on the schedule submitted three and four calendar years before the lease is issued, with some exceptions which are listed in AS 38.05.180(d) and 38.05.180(w). Under AS 38.05.180(e), the commissioner also must annually submit a report to the legislature containing, among other things, a description of all lease sales to be held during that calendar year and the next two succeeding years and, if determined, the bidding methods to be used.

In preparing the required submission to the Second Session of the Eleventh Legislature, the department encountered serious difficulty in adhering to both the statutory scheduling scheme and the purposes of the oil and gas leasing statute as set out in AS 38.05.180(a), which are to maximize the recovery of the resources, maximize competition, maximize the use of Alaska's human resources, recognize varying conditions throughout the state, and minimize the adverse impact of oil and gas development. In addition, certain potential legal problems with the statute were identified, stemming primarily from rather confusing language in the statute.

SB 341, the bill on this subject originally introduced at my request, would have solved some of those problems. However, review of that measure in light of the final schedule submitted to the legislature on January 23, 1980 indicated that certain additional amendments would further reduce confusion and the number of legal questions surrounding the state's oil and gas leasing activities. The attached sponsor substitute will accomplish those objectives.

One area of confusion results from a lack of uniformity in the terms employed in the various subsections. AS 38.05.180(b) calls for a proposed oil and gas leasing "program" describing the "location of tracts" to be leased during the third and fourth calendar years following submission of the "program;" AS 38.05.180(c) provides that no oil and gas "lease" may be issued unless "it" was included in the "program" submitted three and four years earlier, except an "area" may be leased if the commissioner "resubmits" it; AS 38.05.180(e) requires the submission of a "report" to include a "description" of "lease sales" to be held during the current and next two succeeding calendar years.

These provisions, taken together, require that the commissioner provide the legislature annually with a comprehensive proposed five-year oil and gas leasing program, identifying the timing and areas of proposed lease sales. Section 1 of this bill

would amend AS 38.05.180(b) to make that clear by requiring the commissioner to annually prepare and submit to the legislature a five-year proposed oil and gas leasing program consisting of a schedule of proposed oil and gas lease sales to be held during the year of submission and the following four calendar years. To avoid confusion, section 4 would amend AS 38.05.-180(e) to remove the requirement of a "description" of sales to be held in the current calendar year and the next two succeeding calendar years, but leaving the requirement that the "report" under that subsection include a description of the bidding methods to be used during those three years if determined.

A major difficulty encountered by the department in preparing this year's submission was that the existing statutory provisions governing scheduling allow virtually no flexibility in updating and resubmitting a previously submitted five-year leasing schedule. Because existing AS 38.05.180(c) provides that no oil and gas lease is valid unless it was included in the proposed leasing programs submitted to the legislature during the third and fourth calendar years preceeding the year in which the lease is issued, no new sales may be added in the final year of the previously submitted program even if the advisability of such an addition becomes apparent only after the schedule has been submitted to the legislature. This is precisely what occurred in reviewing the leasing schedule

submitted to the First Session of the Eleventh Legislature and updating it for submission to the Second Session.

The purposes of the oil and gas leasing statute can best be served by scheduling an Eastern Gulf of Alaska sale during calendar year 1983. While announcing such a sale at this time will give adequate opportunity for public comment and orderly decision-making regarding the terms and conditions of such a sale, thereby satisfying the legislative intent underlying the statute, a literal reading of the language of existing AS 38.05.180(c) could result in the invalidity of any leases ultimately issued as the result of such a sale. The amendment proposed in sec. 2 of this bill would provide sufficient flexibility to allow the addition of previously unannounced oil and gas lease sales in the third calendar year (the last year of the proposed program submitted the previous year) following the year in which the schedule was submitted to the legislature.

It should be noted that AS 38.05.180(b), both as it exists now and as it would be amended by this bill, still would require the preparation and submission to the legislature of a proposed leasing program five years in advance; the amendment would merely authorize the addition of lease sales in the last year of the program submitted the previous year. (Section 1 of SB 341 as originally introduced would have accomplished this result; in this aspect the attached sponsor substitute does

not differ from the bill originally introduced.)

Section 2 also would change the legal consequence of a failure to comply with the statutory scheduling provisions by substituting a prohibition on holding nonconforming sales for the current consequence, lease invalidity. I believe that the statutory provisions enacted by the legislature as procedural safeguards on the disposal of state resources must accomplish the desired result. At the same time, I believe that the state should make every effort to ensure that leases it ultimately issues are valid. The prohibition on holding lease sales which do not satisfy the statutory scheduling provisions would preclude the commissioner from proceeding with a nonconforming lease sale while removing the threat that leases issued might, at some remote future point in time, be ruled invalid.

Section 2 also makes substantial changes in language in AS 38.05.180(c). There is virtual unanimity of opinion that subsection (c), as it currently exists, is very confusing. This section would amend AS 38.05.180(c) to provide that every lease sale (except exempt acreage sales), at minimum, would have to have been listed on the proposed five-year oil and gas leasing program submitted each of the three preceding years. In addition, it would provide that any given lease sale, once it has been included as part of a proposed five-year oil and

gas leasing program, could not be held in a calendar year earlier than the calendar year for which it was initially proposed. These two requirements would ensure that every oil and gas lease sale (except exempt acreage sales) would be announced a minimum of three years in advance, with almost all sales announced a full four years in advance.

Finally, sec. 2 would make clear that, while a lease sale may not be held in an earlier year than initially scheduled, it may be held in a calendar year later than the one for which it was initially scheduled. Although it appears that the existing statutory language would permit such a delay, see Op. Atty. Gen. dated January 16, 1980, it is not absolutely certain that the courts would reach that result. I firmly believe that a decision to delay a lease sale should not be made lightly; however, if there are legitimate reasons for delaying a lease sale, that decision should be made on the merits of delay and not on its possible legal effect. By making it clear that a delay in holding a lease sale will not prohibit the sale altogether, the Department of Natural Resources will not have to choose between holding the sale as scheduled, even if a delay of one or more years is desirable, and delaying the sale a minimum of four years to reschedule it as part of the next oil and gas leasing program submitted to the legislature.

Because of the state's desire to coordinate offshore submerged land sales with the federal government when possible, and because the federal Outer Continental Shelf oil and gas leasing schedule may subject to change, I believe it is desirable for the state to have sufficient flexibility to make changes in and additions to an already submitted schedule when necessary to allow for coordinated or simultaneous sales with the federal government. Accordingly, Sec. 3 of this bill would amend AS 38.05.180(d) to permit the leasing of adjacent state-owned land, even if that leasing does not conform to an already submitted state five-year oil and gas leasing schedule, if the commissioner of natural resources makes a written finding, after hearing, that coordinated or simultaneous leasing with the federal government would be in the public interest. (This section appears as sec. 2 in SB 341.)

AS 38.05.180(w) exempts "land which has been offered for lease within the previous five years and which received no bids at competitive sale" from the scheduling requirements discussed above. Experience has shown that there are two ways in which land which has been offered for lease will not be leased: (1) if no bids are received, and (2) if, although bids are received, none is accepted. From a policy standpoint, there appears to be no reason to distinguish land which is not leased because no bids are received from land which is not leased because none of

the bids received is accepted. Accordingly, sec. 5 of this bill would amend AS 38.05.180(w) to exempt from scheduling requirements land previously offered for lease but for which no bid was either received or accepted. (This section appears as sec. 3 in SB 341.)

In preparing the schedule for submission to the Second Session of the Eleventh Legislature, a problem with the transitional provisions of ch. 155 SLA 1978, the law which established the requirements, was discovered. The transitional provisions provide that no leases could be issued during 1979, 1980 or 1981 unless the land to be leased was included in the proposed leasing program submitted in 1979 to the First Session of the Eleventh Legislature. That proposed leasing program was the first prepared under the new law. The validity of leases issued in 1982 and thereafter would be governed by the substantive provisions of AS 38.05.180(b) and (c). However, 1982 is the third calendar year following the year in which that first schedule was submitted. As a direct result, any lease sale held in 1982 would not have been included in a proposed leasing program submitted to the legislature during both the third and fourth preceeding calendar years; the fourth calendar year preceeding 1982 was 1978 and, of course, no proposed leasing schedule was submitted that year. To ensure the validity of any leases issued as the result of a sale in 1982, sec. 6 of

this bill would permit leases to be issued during 1982 if the land to be leased was included in the proposed leasing program submitted to the First Session of the Eleventh Legislature. This section would also make a technical amendment to the transitional provisions of ch. 155 SLA 1978 to recognize the statutory exemption from scheduling requirements contained in AS 38.05.180(w). (This section appears as sec. 4 in SB 341.)

Finally, as the Department of Natural Resources indicated in the proposed oil and gas leasing program it submitted to the Second Session of the Eleventh Legislature on January 23, 1980, the amendments proposed in this bill have been proposed because the lack of flexibility in the existing statutory scheme would not permit the department to present the optimum leasing program. The department indicated that it would make certain changes to the program submitted if the amendments contained in this bill were enacted. Section 7 of this bill is a transitional provision which will permit the department to revise the program already submitted to conform with what the department indicated in its submittal would be the optimum program, the department would adopt if the scheduling provisions of the existing statute were amended to permit such a revision.

Sections 7 and 8 of this bill would make these amendments retroactive as appropriate, and sec. 9 would make the bill effective immediately.

January 17, 1980

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

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to amend the state's oil and gas leasing statute, AS 38.05.180.

AS 38.05.180(b) requires the Department of Natural Resources to submit to the legislature annually a schedule for proposed oil and gas leasing of state-owned land in the third and fourth calendar years following the year in which the schedule is submitted. Under AS 38.05.180(c), no oil and gas lease issued by the state is valid unless it was listed on the schedule submitted three and four calendar years before the lease is issued, with some exceptions which are listed in AS 38.05.180(d) and 38.05.180(w). In preparing the schedule for submission to the Second Session of the Eleventh Alaska State Legislature, the department encountered serious difficulty in adhering to both the current statutory scheduling scheme and the overall intent of the oil and gas leasing statute, as set out in AS 38.05.180(a), which is to maximize the recovery of the resources, maximize competition, maximize the use of Alaska's human resources, recognize varying conditions throughout the state, and minimize the adverse impact of oil and gas development.

The basic difficulty encountered by the department was that the current scheduling provisions allow virtually no flexibility in updating and resubmitting a previously submitted five-year leasing schedule. Because no oil and gas lease is valid unless it was included in the proposed leasing program submitted to the legislature during the third and fourth calendar years preceding the year in which the lease is issued, no new sales may be added in the final year of a previously submitted program even if the advisability

of such an addition becomes apparent only after the schedule has been submitted to the legislature. This is precisely what has happened in revising the leasing schedule submitted to the First Session of the Eleventh Alaska State Legislature. In reviewing that schedule in light of the legislative findings in AS 38.05.180(a), it now appears that the purposes of the oil and gas leasing statute can best be served by scheduling an Eastern Gulf of Alaska sale during calendar 1983. While announcing such a sale at this time will give adequate opportunity for public comment and orderly decision-making regarding the terms and conditions of such a sale, thereby satisfying the legislative intent underlying the statute, the literal language of AS 38.05.180(c) would result in any leases ultimately issued as a result of such a sale being invalid. The amendment which would be accomplished by sec. 1 of this bill would provide sufficient flexibility to allow the addition of previously-unannounced oil and gas lease sales in the third calendar year (the last year of the proposed program submitted the previous year) following the year in which the schedule is submitted to the legislature while still requiring the preparation and submission to the legislature of a proposed leasing program a minimum of five years in advance.

Because of the state's desire to coordinate sales with the federal government when possible, and because the federal oil and gas leasing schedule has not been finalized, I believe it is desirable for the state to have sufficient flexibility to make changes in and additions to an already-submitted schedule when necessary to allow for coordinated or simultaneous sales with the federal government. Accordingly, sec. 2 of this bill would amend AS 38.05.180(d) to permit the leasing of state-owned land, even if that leasing does not conform to an already-submitted state five-year oil and gas leasing schedule, if the commissioner of natural resources makes a written finding, after hearing, that coordinated or simultaneous leasing with the federal government would be in the public interest.

AS 38.05.180(w) exempts "land which has been offered for lease within the previous five years and which received no bids at competitive sale" from the scheduling requirements discussed above. Experience has shown that there are two ways in which land which has been offered for lease will not be leased: (1) if no bids are received, and (2) if, while bids are received, none is accepted. From a policy standpoint,

there appears to be no reason to distinguish land which is not leased because no bids are received from land which is not leased because none of the bids received is accepted. Accordingly, sec. 3 of this bill would amend AS 38.05.180(w) to exempt from scheduling requirements land previously offered for lease but for which no bid was accepted.

Finally, in preparing the schedule for submission to the Second Session of the Eleventh Alaska State Legislature, a problem with the transitional provisions of ch. 155 SLA 1978, the law which established the scheduling requirements, was discovered. The transitional provisions provide that no leases should be issued during 1979, 1980 or 1981 unless the land to be leased was included in the proposed leasing program submitted in 1979 to the First Session of the Eleventh Alaska State Legislature. That proposed leasing program was the first prepared under the new law. The validity of leases issued in 1982 and thereafter would be governed by the substantive provisions of AS 38.05.180(b) -- 38.05.180(c). However, 1982 was the third calendar year following the year in which that first schedule was submitted. As a direct result, any lease sale held in 1982 would not have been included in a proposed leasing program submitted to the legislature during both the third and fourth preceding calendar years; the fourth calendar year preceding 1982 was 1978 and, of course, no proposed leasing schedule was submitted that year. To ensure the validity of any leases issued as a result of a sale in 1982, sec. 4 of this bill would permit leases to be issued during 1982 if the land to be leased was included in the proposed leasing program submitted to the First Session of the Eleventh Alaska State Legislature. This section also would make a technical amendment to the transitional provisions of ch. 155 SLA 1978 to recognize the statutory exemption from scheduling requirements contained in AS 38.05.180(w).

Sections 5 and 6 of this bill would make these amendments retroactive as appropriate, and sec. 7 would make the bill effective immediately.

Sincerely,

JSH

Jay S. Hammond
Governor

SENATE JOURNAL

LETTER OF INTENT

for


Sponsor Substitute for Senate Bill 341

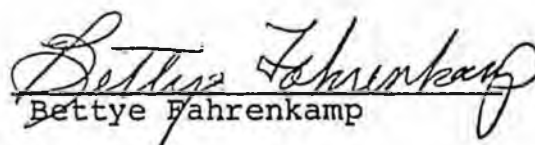
It is the intent of the Senate Resources Committee that the legislative finding stated in AS 38.05.180 be reaffirmed: "...the people of Alaska have an interest in the development of the state's oil and gas resources to (A) maximize the economic and physical recovery of the resources; (B) maximize the competition among parties seeking to explore and develop the resources; (C) maximize use of Alaska's human resources in the development of the resources."

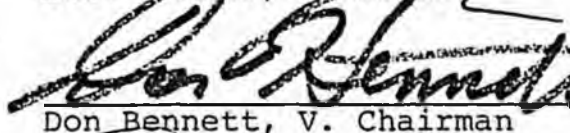
It is also the intent of the Senate Resources Committee that maximization of competition should include making the oil and gas leasing program accessible to individual bidders who do not possess the financial resources of major oil companies. To this end, it is the intent of the Senate Resources Committee that the Commissioner of Natural Resources explore other methods of increasing competition within the state including expanding the number of lease sales per year and any other method whereby the citizens of the state will be able to participate more fully in oil and gas resource development.

It is further the intent of the Senate Resources Committee that, as part of any presale analysis performed by the Department of Natural Resources pursuant to AS 38.05.180, the Commissioner consider means of making oil and gas lease sales accessible to small bidders and implement such means in a manner consistent with the objectives of AS 38.05.180, including, but not limited to, offering leases in smaller tract sizes.

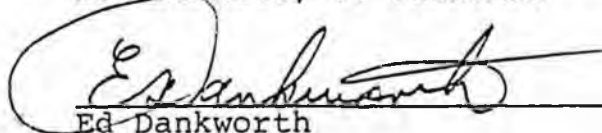
Senate Resources Committee

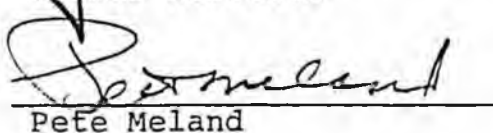

Bill Sumner, Chairman

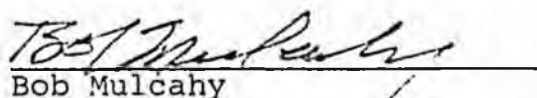

Bettye Fahrenkamp


Don Bennett, V. Chairman


Jalmar Kerttola


Ed Dankworth


Pete Meland


Bob Mulcahy

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 341

Title Scheduling of oil and gas lease sales

Requested by Natural Resources

Date Jan. 14, 1980

II. FISCAL DETAIL

Agency Affected Natural Resources

Program Category Affected NRMEC

BRU, Program, or Subprogram(s) Affected Mineral and Energy Management

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assumption:

1) The proposed changes to AS 38.05.130 (c), (d), (w) and Transitional Provisions would give the Department more flexibility to readjust the Five-Year Oil and Gas Lease Schedule. No additional funding will be required as a result of this change, since it is anticipated that the number of sales in any one year would remain the same, even if the order of sales is rearranged.

IV. DATE Jan. 14, 1980

PREPARED BY Jeff Haynes, Deputy Commissioner
AGENCY Natural Resources

Original: Legislative Finance

PHONE 465-2400

cc: Budget and Management

Prime Sponsor (First Legislator Named)



RECORDS



CERTIFICATION

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

James O. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT
SENATE

FURTHER: Finance

1/18/80

Date: 3-5-80

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had ~~SB~~ SB 343 providing for issuance of general obligation bonds in amount of \$20,500,000 for capital improvements for University of Alaska facilities

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 343 ~~same title~~ new title

and recommends ~~and reports it back as follows~~ *reports it back as follows*

- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

1 *Fabian King*

MEMBERS HAVING
OTHER RECOMMENDATIONS:

2 *Ferguson - no rec*
2 *Stingulinski - no rec*
2 *Collitta no rec*

1 *Blum Hackney*
CHAIRMAN
DO PASS

Original sponsor: Rules/Governor

Offered: 3/6/80
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 343

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$34,616,000 for the purpose
8 of paying the cost of capital improvements for Univer-
9 sity of Alaska facilities; and providing for an effec-
10 tive date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for University of Alaska facilities, general obligation bonds of the state in
14 the principal amount of not more than \$34,616,000 shall be issued and sold.
15 The full faith, credit and resources of the state are pledged to the payment
16 of the principal of and interest and redemption premium, if any, on these
17 bonds. These bonds shall be issued under the provisions of AS 37.15 as those
18 provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1980
21 University of Alaska Facilities Construction Fund" shall be established, to
22 which shall be credited the proceeds of the sale of the bonds described in
23 sec. 1 of this Act except for the accrued interest and premiums. The amount
24 of \$34,616,000 is appropriated from the "1980 University of Alaska Facilities
25 Construction Fund" to the University of Alaska. The proceeds of these bonds
26 shall be allocated in accordance with the following projects and estimates:

27 Project	Amount
28 STATEWIDE ADMINISTRATION:	
29 (1) campus development plan	\$ 395,000

- | | | |
|---|---|---------|
| 1 | (2) on-line computer system | 470,000 |
| 2 | (3) university/legislative teleconference | |
| 3 | link | 52,000 |

4 UNIVERSITY OF ALASKA, FAIRBANKS:

- | | | |
|----|--------------------------------------|-----------|
| 5 | (4) instructional equipment | 353,000 |
| 6 | (5) Seward Marine Center | 2,000,000 |
| 7 | (6) roads, streets and parking | 500,000 |
| 8 | (7) central receiving facility | 1,300,000 |
| 9 | (8) utilities modification | 800,000 |
| 10 | (9) utilities monitoring system | 200,000 |
| 11 | (10) physical plant and improvements | 500,000 |
| 12 | (11) Yak Estates improvements | 600,000 |

13 UNIVERSITY OF ALASKA, ANCHORAGE:

- | | | |
|----|--|-----------|
| 14 | (12) instructional equipment | 296,000 |
| 15 | (13) handicap barrier removal | 100,000 |
| 16 | (14) building improvements | 100,000 |
| 17 | (15) roads, streets and parking | 500,000 |
| 18 | (16) engineering equipment | 300,000 |
| 19 | (17) art department equipment | 220,000 |
| 20 | (18) construct bookstore to serve university | |
| 21 | and community college campuses | 5,200,000 |

22 UNIVERSITY OF ALASKA, JUNEAU:

- | | | |
|----|---|-----------|
| 23 | (19) instructional equipment | 162,000 |
| 24 | (20) handicap barrier removal | 100,000 |
| 25 | (21) roads, streets and parking | 150,000 |
| 26 | (22) construct University Center, phase I | 6,000,000 |
| 27 | (23) land acquisition | 150,000 |
| 28 | (24) Pratt/Ely property improvements | 600,000 |

29 COMMUNITY COLLEGES, RURAL EDUCATION, AND EXTENSION CENTERS:

Project	Community College	Amount
(25) instructional equipment	Anchorage	\$ 492,000
(26) handicap barrier removal	Anchorage	150,000
(27) building improvements	Anchorage	600,000
(28) roads, streets and parking	Anchorage	250,000
(29) purchase adult basic education program building	Anchorage	220,000
(30) instructional equipment	Chukchi	43,000
(31) roads, streets and parking	Chukchi	30,000
(32) vocational building and equipment	Chukchi	250,000
(33) instructional equipment	Kenai Peninsula	210,000
(34) construct classroom/shop building	Kenai Peninsula	5,600,000
(35) instructional equipment	Ketchikan	105,000
(36) handicap barrier removal	Ketchikan	120,000
(37) building improvements	Ketchikan	30,000
(38) roads, streets and parking	Ketchikan	175,000
(39) instructional equipment	Kodiak	54,000
(40) building improvements	Kodiak	75,000
(41) roads, streets and parking	Kodiak	110,000
(42) instructional equipment	Kuskokwim	17,000
(43) handicap barrier removal	Kuskokwim	15,000
(44) building improvements	Kuskokwim	15,000
(45) roads, streets and parking	Kuskokwim	100,000
(46) instructional equipment	Matanuska-Susitna	54,000
(47) handicap barrier removal	Matanuska-Susitna	15,000
(48) building improvements	Matanuska-Susitna	50,000
(49) roads, streets and parking	Matanuska-Susitna	450,000

1	(50)	instructional equipment	Northwest	114,000
2	(51)	handicap barrier removal	Northwest	25,000
3	(52)	building improvements	Northwest	70,000
4	(53)	roads, streets and parking	Northwest	100,000
5	(54)	construct classroom/office/	Prince William	
6		library building	Sound	1,500,000
7	(55)	instructional equipment	Sitka	119,000
8	(56)	building improvements	Sitka	10,000
9	(57)	roads, streets and parking	Sitka	200,000
10	(58)	sewer connection to com-		
11		munity system	Sitka	75,000
12	(59)	instructional equipment	Tanana Valley	774,000
13		Project	Location	Amount
14	(60)	construct learning center	Galena	750,000
15	(61)	vocational-technical equip-		
16		ment for rural education		
17		extension	statewide	50,000
18	(62)	instructional equipment		
19		for cooperative educa-		
20		tion service	statewide	51,000

* Sec. 3. If the issuance of these bonds is authorized by the qualified voters of the state, the amount of \$122,000 or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 4. The amount withdrawn from the public facility planning fund for

1 the purpose of advance planning for the improvements financed under this Act
2 shall be reimbursed to the fund from the proceeds of the sale of bonds autho-
3 rized by this Act.

4 * Sec. 5. The question whether the bonds authorized in this Act are to be
5 issued shall be submitted to the qualified voters of the state at the next
6 general election and shall read substantially as follows:

7 Proposition

8 State General Obligation University of Alaska Facilities

9 Construction Bonds \$34,616,000

10 Shall the State of Alaska issue its general obligation bonds in
11 the principal amount of not more than \$34,616,000 for the purpose
12 of paying the cost of capital improvements for University of Alaska
13 facilities?

14 Bonds Yes []

15 Bonds No []

16 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

Introduced: 1/18/80
Referred: Health, Education
& Social Services and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 343

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$20,550,000 for the
8 purpose of paying the cost of capital improvements
9 for University of Alaska facilities; and providing
10 for an effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for University of Alaska facilities, general obligation bonds of the state
14 in the principal amount of not more than \$20,550,000 shall be issued and
15 sold. The full faith, credit and resources of the state are pledged to the
16 payment of the principal of and interest and redemption premium, if any, on
17 these bonds. These bonds shall be issued under the provisions of AS 37.15
18 as those provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1980
21 University of Alaska Facilities Construction Fund" shall be established, to
22 which shall be credited the proceeds of the sale of bonds described in sec.
23 1 of this Act except for accrued interest and premiums. There is appro-
24 priated from the "1980 University of Alaska Facilities Construction Fund"
25 to the University of Alaska the amount of \$20,550,000, allocated in accord-
26 ance with the following projects and estimates:

	<u>Project</u>	<u>Location</u>	<u>Amount</u>
28	(1) Removal of handicap		
29	barriers	Statewide	\$ 525,000

1	(2) Perform major maintenance		
2	and repairs	Statewide	950,000
3	(3) Modify utilities	Fairbanks	800,000
4	(4) Modify plumbing and insu-		
5	lation on university housing		
6	-- Yak Estates	Fairbanks	600,000
7	(5) Construct fine arts		
8	building	Anchorage	12,000,000
9	(6) Construct sewer connection		
10	between college and com-		
11	munity system	Sitka	75,000
12	(7) Construct classroom/shop	Kenai/Soldotna	5,600,000

13 * Sec. 3. If the issuance of these bonds is authorized by the qualified
14 voters of the state, the amount of \$71,900 or as much of that amount as is
15 found necessary is appropriated from the general fund of the state to the
16 state bond committee to carry out the provisions of this Act and to pay
17 expenses incident to the sale and issuance of the bonds authorized in this
18 Act. The amounts expended from the appropriation authorized by this section
19 shall be reimbursed to the general fund from the proceeds of the sale of
20 the bonds authorized by this Act.

21 * Sec. 4. The amount withdrawn from the public facility planning fund
22 for the purpose of advance planning for the improvements financed under
23 this Act shall be reimbursed from the proceeds of the sale of bonds author-
24 ized by this Act.

25 * Sec. 5. The question whether the bonds authorized in this Act are to
26 be issued shall be submitted to the qualified voters of the state at the
27 next general election and shall read substantially as follows:

28 Proposition

29 State General Obligation University of Alaska Facilities

1 Construction Bonds

\$20,550,000

2 Shall the State of Alaska issue its general obligation bonds in
3 the principal amount of not more than \$20,550,000 for the purpose
4 of paying the cost of capital improvements for University of
5 Alaska facilities?

6 Bonds Yes []

7 Bonds No []

8 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
9 10.070(c).

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COMMITTEE COPY



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 17, 1980

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

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a package of bond legislation consisting of 3 bills proposing bond issues as follows:

-- water and sewer systems --	25,520,000
-- University of Alaska facilities --	20,550,000
-- fisheries resources protection facilities --	4,218,800

Backup information will be furnished by my staff.

Sincerely,

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

Jay S. Hammond
Governor

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 343

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act providing for the issuance of general obligation bonds in the amount of \$20,550,000 for the purpose of paying the cost of capital improvements for University of Alaska facilities; and providing for an effective date."

Introduced in the Senate 1/18/1980

HISTORY IN THE SENATE

19 80

1 18

36

Read first time and referred to Committee on Health, Education & Social Services and Finance

Reported back with HESS recommendation that *up to all WES-2 do pass - 3 mo. to go to gov.*

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
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

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
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.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 10, 1980

The Honorable John Sackett
Chairman
Senate Finance Committee
Room 522 - Capitol Building
Juneau, Alaska 99811

Dear Senator Sackett:

Re: CS for Senate Bill No. 343

CS for Senate Bill No. 343, an Act providing for the issuance of general obligation bonds in the amount of \$34,616,000 for the purpose of paying the cost of capital improvements for University of Alaska facilities, was referred on March 6, 1980 by the Senate Health, Education and Social Services Committee to the Senate Finance Committee.

The State's Bond Counsel has advised that general obligation bonds of the State and nearly all other states and local government bonds are issued in the denomination of \$5,000, the standard unit.

Using CS for Senate Bill No. 343 as an example, according to the Bond Counsel, this would result in issuing less than the total amount of bonds authorized or in issuing one odd bond in the denomination of \$1,000 along with 6,923 bonds in the usual denomination of \$5,000. Issuing a bond in an odd denomination requires the printing of one bond with all of its special interest coupons and causes problems in closing and in sales by bond buyers.

Consequently, it is respectfully recommended that your Committee round off the principle amount of the proposed bond issue to the nearest \$5,000 and make an adjustment of one of the projects enumerated in the bill to conform with new total authorization.

Sincerely,



R. D. Stevenson
Special Assistant

cc: Thomas K. Williams
Commissioner of Revenue
Secretary, State Bond Committee

Eric E. Wohlforth, Attorney
Wohlforth & Flint
Anchorage, Alaska

JAY S. HAMMOND
GOVERNOR.



343

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 17, 1980

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

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a package of bond legislation consisting of 3 bills proposing bond issues as follows:

-- water and sewer systems --	25,520,000
-- University of Alaska facilities --	20,550,000
-- fisheries resources protection facilities --	4,218,800

Backup information will be furnished by my staff.

Sincerely,

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

Jay S. Hammond
Governor

Introduced: 1/18/80
Referred: Health, Education
& Social Services and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 343

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$20,550,000 for the
8 purpose of paying the cost of capital improvements
9 for University of Alaska facilities; and providing
10 for an effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for University of Alaska facilities, general obligation bonds of the state
14 in the principal amount of not more than \$20,550,000 shall be issued and
15 sold. The full faith, credit and resources of the state are pledged to the
16 payment of the principal of and interest and redemption premium, if any, on
17 these bonds. These bonds shall be issued under the provisions of AS 37.15
18 as those provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1980
21 University of Alaska Facilities Construction Fund" shall be established, to
22 which shall be credited the proceeds of the sale of bonds described in sec.
23 1 of this Act except for accrued interest and premiums. There is appro-
24 priated from the "1980 University of Alaska Facilities Construction Fund"
25 to the University of Alaska the amount of \$20,550,000, allocated in accord-
26 ance with the following projects and estimates:

<u>Project</u>	<u>Location</u>	<u>Amount</u>
(1) Removal of handicap barriers	Statewide	\$ 525,000

1	(2) Perform major maintenance		
2	and repairs	Statewide	950,000
3	(3) Modify utilities	Fairbanks	800,000
4	(4) Modify plumbing and insu-		
5	lation on university housing		
6	-- Yak Estates	Fairbanks	600,000
7	(5) Construct fine arts		
8	building	Anchorage	12,000,000
9	(6) Construct sewer connection		
10	between college and com-		
11	munity system	Sitka	75,000
12	(7) Construct classroom/shop	Kenai/Soldotna	5,600,000

13 * Sec. 3. If the issuance of these bonds is authorized by the qualified
14 voters of the state, the amount of \$71,900 or as much of that amount as is
15 found necessary is appropriated from the general fund of the state to the
16 state bond committee to carry out the provisions of this Act and to pay
17 expenses incident to the sale and issuance of the bonds authorized in this
18 Act. The amounts expended from the appropriation authorized by this section
19 shall be reimbursed to the general fund from the proceeds of the sale of
20 the bonds authorized by this Act.

21 * Sec. 4. The amount withdrawn from the public facility planning fund
22 for the purpose of advance planning for the improvements financed under
23 this Act shall be reimbursed from the proceeds of the sale of bonds author-
24 ized by this Act.

25 * Sec. 5. The question whether the bonds authorized in this Act are to
26 be issued shall be submitted to the qualified voters of the state at the
27 next general election and shall read substantially as follows:

28 Proposition

29 State General Obligation University of Alaska Facilities

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Construction Bonds

\$20,550,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than \$20,550,000 for the purpose of paying the cost of capital improvements for University of Alaska facilities?

Bonds Yes []

Bonds No []

* Sec. 6. This Act takes effect immediately in accordance with AS 01.-10.070(c).

Original sponsor: Rules/Governor

Offered: 3/6/80
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 343

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act providing for the issuance of general obligation bonds in the amount of \$34,616,000 for the purpose of paying the cost of capital improvements for University of Alaska facilities; and providing for an effective date."

7

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

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* Section 1. For the purpose of paying the cost of capital improvements for University of Alaska facilities, general obligation bonds of the state in the principal amount of not more than \$34,616,000 shall be issued and sold. The full faith, credit and resources of the state are pledged to the payment of the principal of and interest and redemption premium, if any, on these bonds. These bonds shall be issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

* Sec. 2. If the issuance of these bonds is authorized by the qualified voters of the state, a special fund of the state to be known as the "1980 University of Alaska Facilities Construction Fund" shall be established, to which shall be credited the proceeds of the sale of the bonds described in sec. 1 of this Act except for the accrued interest and premiums. The amount of \$34,616,000 is appropriated from the "1980 University of Alaska Facilities Construction Fund" to the University of Alaska. The proceeds of these bonds shall be allocated in accordance with the following projects and estimates:

Project	Amount
STATEWIDE ADMINISTRATION:	
(1) campus development plan	\$ 395,000

1	(2) on-line computer system	470,000
2	(3) university/legislative teleconference	
3	link	52,000
4	UNIVERSITY OF ALASKA, FAIRBANKS:	
5	(4) instructional equipment	353,000
6	(5) Seward Marine Center	2,000,000
7	(6) roads, streets and parking	500,000
8	(7) central receiving facility	1,300,000
9	(8) utilities modification	800,000
10	(9) utilities monitoring system	200,000
11	(10) physical plant and improvements	500,000
12	(11) Yak Estates improvements	600,000
13	UNIVERSITY OF ALASKA, ANCHORAGE:	
14	(12) instructional equipment	296,000
15	(13) handicap barrier removal	100,000
16	(14) building improvements	100,000
17	(15) roads, streets and parking	500,000
18	(16) engineering equipment	300,000
19	(17) art department equipment	220,000
20	(18) construct bookstore to serve university	
21	and community college campuses	5,200,000
22	UNIVERSITY OF ALASKA, JUNEAU:	
23	(19) instructional equipment	162,000
24	(20) handicap barrier removal	100,000
25	(21) roads, streets and parking	150,000
26	(22) construct University Center, phase I	6,000,000
27	(23) land acquisition	150,000
28	(24) Pratt/Ely property improvements	600,000
29	COMMUNITY COLLEGES, RURAL EDUCATION, AND EXTENSION CENTERS:	

	Project	Community College	Amount
1			
2	(25) instructional equipment	Anchorage	\$ 492,000
3	(26) handicap barrier removal	Anchorage	150,000
4	(27) building improvements	Anchorage	600,000
5	(28) roads, streets and parking	Anchorage	250,000
6	(29) purchase adult basic educa-		
7	tion program building	Anchorage	220,000
8	(30) instructional equipment	Chukchi	43,000
9	(31) roads, streets and parking	Chukchi	30,000
10	(32) vocational building and		
11	equipment	Chukchi	750,000
12	(33) instructional equipment	Kenai Peninsula	210,000
13	(34) construct classroom/		
14	shop building	Kenai Peninsula	5,600,000
15	(35) instructional equipment	Ketchikan	105,000
16	(36) handicap barrier removal	Ketchikan	120,000
17	(37) building improvements	Ketchikan	30,000
18	(38) roads, streets and parking	Ketchikan	175,000
19	(39) instructional equipment	Kodiak	54,000
20	(40) building improvements	Kodiak	75,000
21	(41) roads, streets and parking	Kodiak	110,000
22	(42) instructional equipment	Kuskokwim	17,000
23	(43) handicap barrier removal	Kuskokwim	15,000
24	(44) building improvements	Kuskokwim	15,000
25	(45) roads, streets and parking	Kuskokwim	100,000
26	(46) instructional equipment	Matanuska-Susitna	54,000
27	(47) handicap barrier removal	Matanuska-Susitna	15,000
28	(48) building improvements	Matanuska-Susitna	50,000
29	(49) roads, streets and parking	Matanuska-Susitna	450,000

1	(50)	instructional equipment	Northwest	114,000
2	(51)	handicap barrier removal	Northwest	25,000
3	(52)	building improvements	Northwest	70,000
4	(53)	roads, streets and parking	Northwest	100,000
5	(54)	construct classroom/office/ library building	Prince William Sound	1,500,000
6	(55)	instructional equipment	Sitka	119,000
7	(56)	building improvements	Sitka	10,000
8	(57)	roads, streets and parking	Sitka	200,000
9	(58)	sewer connection to com- munity system	Sitka	75,000
10	(59)	instructional equipment	Tanana Valley	774,000
11		Project	Location	Amount
12	(60)	construct learning center	Galena	750,000
13	(61)	vocational-technical equip- ment for rural education extension	statewide	50,000
14	(62)	instructional equipment for cooperative educa- tion service	statewide	51,000

21 * Sec. 3. If the issuance of these bonds is authorized by the qualified
 22 voters of the state, the amount of \$122,000 or as much of that amount as is
 23 found necessary is appropriated from the general fund of the state to the
 24 state bond committee to carry out the provisions of this Act and to pay
 25 expenses incident to the sale and issuance of the bonds authorized in this
 26 Act. The amounts expended from the appropriation authorized by this section
 27 shall be reimbursed to the general fund from the proceeds of the sale of the
 28 bonds authorized by this Act.

29 * Sec. 4. The amount withdrawn from the public facility planning fund for

1 the purpose of advance planning for the improvements financed under this Act
2 shall be reimbursed to the fund from the proceeds of the sale of bonds autho-
3 rized by this Act.

4 * Sec. 5. The question whether the bonds authorized in this Act are to be
5 issued shall be submitted to the qualified voters of the state at the next
6 general election and shall read substantially as follows:

7 Proposition

8 State General Obligation University of Alaska Facilities

9 Construction Bonds \$34,616,000

10 Shall the State of Alaska issue its general obligation bonds in
11 the principal amount of not more than \$34,616,000 for the purpose
12 of paying the cost of capital improvements for University of Alaska
13 facilities?

14 Bonds Yes []

15 Bonds No []

16 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

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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

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 344 - "An Act providing for \$4,218,800 in GO bonds for
 Title fisheries resource protection facilities" (120 foot patrol vessel).
 Requested by Sen. Sumner Date 1/29/80

II. FISCAL DETAIL

Agency Affected Public Safety
 Program Category Affected NRMEC
 BRU, Program, or Subprogram(s) Affected Vessel Section (Marine Enforcement)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES			324.2	324.2	324.2	
200 TRAVEL			7.0	7.0	7.0	
300 CONTRACTUAL			103.2	123.9	123.9	
400 COMMODITIES			250.3	300.5	300.5	
500 EQUIPMENT			0	10.0	10.0	
600 LAND & STRUCTURES				-	-	
700 GRANTS, CLAIMS, ETC.				-	-	
TOTAL	0	0	684.7	765.6	765.6	

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	684.7	765.6	765.6	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	6	6	6	
PART TIME			1	1	1	
TEMPORARY						

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

Crewmember salary and benefit costs are: Lt. \$60.0; 1st Sgt. \$52.5; Cpl. \$50.7; 2 troopers \$47.8 each; Boat Engineer II \$45.4; and a part-time cook \$20.0. These costs include sea pay, similar to overtime and shift differential, to compensate crewmembers for shipboard duty. Both salary and other costs are comparable to the Vigilant's operating needs.

In contractual services, major items are: \$55.0 for repairs & maintenance and \$55.1 for insurance. In commodities, fuel use is estimated at 50 gallons/hour for 12 hours/day during 250 days at sea. The 150,000 gallons needed would cost \$270.0 using \$1.80/gallon as the price for diesel fuel.

Estimating vessel delivery on 9-1-81, major FY82 operating costs have been adjusted except for salary. Crew training is needed on other vessels until acceptance of the new vessel. Present costs are used for all expenses except fuel estimated at FY83 cost.

IV. DATE 1/29/80 PREPARED BY *Mike Clemens*
Mike Clemens
 AGENCY Public Safety
 PHONE 465-4336
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

CATEGORY: NATURAL RESOURCE MANAGEMENT AND ENVIRONMENTAL CONSERVATION

PROGRAM: FISH AND WILDLIFE PROTECTION

AGENCY: PUBLIC SAFETY

BRU (s): FISH AND WILDLIFE PROTECTION ENFORCEMENT; DIRECTOR'S OFFICE; AIRCRAFT SECTION; MARINE ENFORCEMENT

This program consists of the following BRU's within the Division of Fish and Wildlife Protection; F &WP Enforcement, Director's Office, Aircraft Section, and Marine Enforcement.

The common aim of these BRU's is the protection of the State's renewable fish and game resources and the provision of an adequate level of enforcement to insure an optimum opportunity for management of the State's fish and wildlife resources on a sustained yield bases.

The Fish and Wildlife Protection Enforcement BRU funds the routine law enforcement, investigatory, surveillance, and other operational activities of the Fish and Wildlife Protection Division. This program maintains Fish and Wildlife Protection Officers in 33 locations (five regions) within the State and its adjacent territorial waters. The program emphasizes the prevention of violations via deterrence patrols and good public relations/education programs. The FY 81 budget contains funding for increased resource surveillance.

The Director's Office BRU provides the necessary leadership, planning and other support services to assure efficient and effective implementation of five regional Detachment operations, an Aircraft Section, a Vessels Section and an Investigative Unit. These programs aim to protect wildlife and fishery resources from violators of State fish and game management laws and regulations.

The Aircraft Section BRU provides the Department of Public Safety (Fish and Wildlife Protection and Alaska State Troopers) with safe, dependable aircraft to meet their emergency and specialized needs. In addition to provision and maintenance of aircraft, this program screens and trains all Department of Public Safety pilots. It also coordinates rental and charter aircraft use.

The Marine Enforcement BRU provides vessel support for the Enforcement BRU's Protection Enforcement Program. This program operates one 100' vessel and two 65' vessels. These boats, complete with crew, are used on a year-round basis. This BRU also funds the operation of one 42' vessel, three 30' vessels, and three 25' vessels. The Governor's FY 81 Capital Budget includes funding for a new 120' patrol vessel. This BRU occasionally provides criminal enforcement in remote villages and communities, search and rescue operations, and pollution control on the seas.

-229-

Phone Contact for more information:

Col. F.M. Woldstad 264-5532

SERVICE MEASURES	FY 79		FY 80	FY 81	
	Plan	Actual	Plan	Continuation	Total
Commercial Fish - The percentage of estimated violators who are actually apprehended	26%	26%	26%	26%	27%
Game - The percentage of estimated violators who are actually apprehended	19%	19%	19%	19%	20%
Sport Fish - The percentage of estimated violators who are actually apprehended	11%	11%	11%	11%	12%

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 344 - "An Act providing for \$4,218,800 in GO bonds for
Title fisheries resource protection facilities" (120 foot patrol vessel).
 Requested by Sen. Sumner Date 1/29/80

II. FISCAL DETAIL

Agency Affected Public Safety
 Program Category Affected NRMEC
 BRU, Program, or Subprogram(s) Affected Vessel Section (Marine Enforcement)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES			324.2	324.2	324.2	
200 TRAVEL			7.0	7.0	7.0	
300 CONTRACTUAL			103.2	123.9	123.9	
400 COMMODITIES			250.3	300.5	300.5	
500 EQUIPMENT			0	10.0	10.0	
600 LAND & STRUCTURES				-	-	
700 GRANTS. CLAIMS. ETC.				-	-	
TOTAL	0	0	684.7	765.6	765.6	

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	684.7	765.6	765.6	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	6	6	6	
PART TIME			1	1	1	
TEMPORARY						

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

Crewmember salary and benefit costs are: Lt. \$60.0; 1st Sgt. \$52.5; Cpl. \$30.7; 2 troopers \$47.8 each; Boat Engineer II \$45.4; and a part-time cook \$20.0. These costs include sea pay, similar to overtime and shift differential, to compensate crewmembers for shipboard duty. Both salary and other costs are comparable to the Vigilant's operating needs.

In contractual services, major items are: \$55.0 for repairs & maintenance and \$55.1 for insurance. In commodities, fuel use is estimated at 50 gallons/hour for 12 hours/day during 250 days at sea. The 150,000 gallons needed would cost \$270.0 using \$1.80/gallon as the price for diesel fuel.

Estimating vessel delivery on 9-1-81, major FY82 operating costs have been adjusted except for salary. Crew training is needed on other vessels until acceptance of the new vessel. Present costs are used for all expenses except fuel estimated at FY83 cost.

IV. DATE 1/29/80 PREPARED BY Mike Clemens
 AGENCY Public Safety
 PHONE 465-4336
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

COMMITTEE REPORT
SENATE

FURTHER: Finance

1/18/80

Date: 2/20/80

Mr. President:

The Committee on RESOURCES has had SB 344

providing for issuance of general obligation bonds in amount of \$4,218,800 for capital improvements for fisheries resources protection facilities

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 344 same title
 new title
- and recommends do pass
- 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:

[Signature]
 1 Fabrizio
 1 De Melker
 1 [Signature]
 1 [Signature]
 1 Bob Mulvaney

1 [Signature]
 CHAIRMAN

Original sponsor: Rules/Governor

Offered: 3/7/80
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 344

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$4,218,800 for the purpose
8 of paying the cost of capital improvements for a fish-
9 eries resources protection vessel; and providing for an
10 effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for a fisheries resources protection vessel, general obligation bonds of the
14 state in the principal amount of not more than \$4,218,800 shall be issued and
15 sold. The full faith, credit, and resources of the state are pledged to the
16 payment of the principal of and interest and redemption premium, if any, on
17 these bonds. These bonds shall be issued under the provision of AS 37.15 as
18 those provisions read at the time of issuance.

19 * Sec. 2. (a) If the issuance of these bonds is authorized by the
20 qualified voters of the state, a special fund of the state to be known as the
21 "1980 Fisheries Resources Protection Vessel Construction Fund" shall be
22 established, to which shall be credited the proceeds of the sale of bonds
23 described in sec. 1 of this Act except for accrued interest and premiums.

24 (b) The amount of \$4,218,800 is appropriated from the "1980 Fisheries
25 Resources Protection Vessel Construction Fund" to the Department of Public
26 Safety for the purchase of one 120-foot patrol vessel to be based at Kodiak.

27 * Sec. 3. If the issuance of these bonds is authorized by the qualified
28 voters of the state, the amount of \$14,800 or as much of that amount as is
29 found necessary is appropriated from the general fund of the state to the

1 state bond committee to carry out the provisions of this Act and to pay
2 expenses incident to the sale and issuance of the bonds authorized in this
3 Act. The amounts expended from the appropriation authorized by this section
4 shall be reimbursed to the general fund from the proceeds of the sale of the
5 bonds authorized by this Act.

6 * Sec. 4. The amount withdrawn from the public facility planning fund for
7 the purpose of advance planning for the improvements financed under this Act
8 shall be reimbursed from the proceeds of the sale of bonds authorized by this
9 Act.

10 * Sec. 5. The question whether the bonds authorized in this Act are to be
11 issued shall be submitted to the qualified voters of the state at the next
12 general election and shall read substantially as follows:

13 Proposition

14 State General Obligation Fisheries Resources Protection Vessel
15 Construction Bonds \$4,218,800

16 Shall the State of Alaska issue its general obligation bonds in
17 the principal amount of not more than \$4,218,800 for the purpose
18 of paying the cost of capital improvements for a fisheries
19 resources protection vessel?

20 Bonds Yes []
21 Bonds No []

22 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).

Introduced: 1/18/80
Referred: Resources and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 344

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$4,218,800 for the purpose
8 of paying the cost of capital improvements for fish-
9 eries resources protection facilities; and providing
10 for an effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for fisheries resources protection and enhancement facilities, general ob-
14 ligation bonds of the state in the principal amount of not more than
15 \$4,218,800 shall be issued and sold. The full faith, credit, and resources
16 of the state are pledged to the payment of the principal of and interest
17 and redemption premium, if any, on these bonds. These bonds shall be issued
18 under the provision of AS 37.15 as those provisions read at the time of is-
19 suance.

20 * Sec. 2. (a) If the issuance of these bonds is authorized by the
21 qualified voters of the state, a special fund of the state to be known as
22 the "1980 Fisheries Resources Facilities Construction Fund" shall be estab-
23 lished, to which shall be credited the proceeds of the sale of bonds
24 described in sec. 1 of this Act except for accrued interest and premiums.

25 (b) There is appropriated from the "1980 Fisheries Resources Facil-
26 ities Construction Fund" to the Department of Public Safety the amount of
27 \$4,218,800, for the purchase of one 120-foot patrol vessel to be based at
28 Kodiak.

29 * Sec. 3. If the issuance of these bonds is authorized by the qualified

COMMITTEE COPY.

1 voters of the state, the amount of \$14,800 or as much of that amount as is
2 found necessary is appropriated from the general fund of the state to the
3 state bond committee to carry out the provisions of this Act and to pay
4 expenses incident to the sale and issuance of the bonds authorized in this
5 Act. The amounts expended from the appropriation authorized by this
6 section shall be reimbursed to the general fund from the proceeds of the
7 sale of the bonds authorized by this Act.

8 * Sec. 4. The amount withdrawn from the public facility planning fund
9 for the purpose of advance planning for the improvements financed under
10 this Act shall be reimbursed from the proceeds of the sale of bonds author-
11 ized by this Act.

12 * Sec. 5. The question whether the bonds authorized in this Act are to
13 be issued shall be submitted to the qualified voters of the state at the
14 next general election and shall read substantially as follows:

15 Proposition

16 State General Obligation Fisheries Resources Construc-
17 tion Bonds \$4,218,800

18 Shall the State of Alaska issue its general obligation bonds in
19 the principal amount of not more than \$4,218,800 for the purpose
20 of paying the cost of capital improvements for fisheries
21 resources protection and enhancement facilities?

22 Bonds Yes []
23 Bonds No []

24 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
25 10.070(c).

JAY S. HAMMOND
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 17, 1980

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

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a package of bond legislation consisting of 3 bills proposing bond issues as follows:

-- water and sewer systems --	25,520,000
-- University of Alaska facilities --	20,550,000
-- fisheries resources protection facilities --	4,218,800

Backup information will be furnished by my staff.

Sincerely,

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

Jay S. Hammond
Governor

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 344

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act providing for the issuance of general obligation bonds in the amount of \$4,218,800 for the purpose of paying the cost of capital improvements for fisheries resources protection facilities; and providing for an effective date."

Introduced in the Senate 1/15/80, 19....

HISTORY IN THE SENATE

19	80	Read first time and referred to Committee on Resources and Finance										
1	18											
3	7	Reported back with <i>Resources</i> recommendation that <i>to depend w/CS. 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
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
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	Reconsideration										
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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.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 10, 1980

The Honorable John Sackett
Chairman
Senate Finance Committee
Room 522 - Capitol Building
Juneau, Alaska 99811

Dear Senator Sackett:

Re: CS for Senate Bill No. 344

CS for Senate Bill No. 344, an Act providing for the issuance of general obligation bonds in the amount of \$4,218,800 for the purpose of paying the cost of capital improvements for a fisheries resources protection vessel, was referred on March 7, 1980 by the Senate Resources Committee to the Senate Finance Committee.

The State's Bond Counsel has advised that general obligation bonds of the State and nearly all other states and local government bonds are issued in the denomination of \$5,000, the standard unit.

Using CS for Senate Bill No. 344 as an example, according to the Bond Counsel, this would result in issuing less than the total amount of bonds authorized or in issuing one odd bond in the denomination of \$3,800 along with 843 bonds in the usual denomination of \$5,000. Issuing a bond in an odd denomination requires the printing of one bond with all of its special interest coupons and causes problems in closing and in sales by bond buyers.

Consequently, it is respectfully recommended that your Committee round off the principle amount of the proposed bond issue to the nearest \$5,000.

Sincerely,



R. D. Stevenson
Special Assistant

cc: Thomas K. Williams
Commissioner of Revenue
Secretary, State Bond Committee

Eric E. Wohlforth, Attorney
Wohlforth & Flint
Anchorage, Alaska