

LEG. FINANCE - BILLS 1979 - 1980 1378

CSSB 509 cont., SB 512 1378

ATTACHMENT TO FISCAL NOTE - SB 509

FUNDING SOURCE

<u>OFFSET</u>	<u>GF</u>	<u>Federal</u>	<u>Inter-Agency</u>	<u>Program Receipts</u>
APBC	3854.5			
Division of Communications				
Support to State Agencies	1596.2		293.5	
Remote Village Radio	205.7			
TV Demonstration Project	2850.6			
Telecommunications Planner (DPDP)	60.0			
3 Telecommunications Planners (DOTPF)	161.6			
Legal Fees (Legal Services, Law)	<u>133.0</u>			
TOTAL	8861.6	Ø	293.5	Ø

TOTAL OFFSET: \$9,155.1

Note: a portion of the offset of salaries of existing positions would be the allocation of Salary & Benefits increases from the Office of the Governor.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 509 (RLS) AM
 Title An Act Establishing Telecommunications Divisions in the Dept. of Comm. & Econ. Devel.
 Requested by _____ Date May 20, 1980

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Telecommunications
 (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		215.5				
200 TRAVEL		96.3				
300 CONTRACTUAL		146.0				
400 COMMODITIES		2.5				
500 EQUIPMENT		49.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		509.5				

FUNDING (Thousands of Dollars)

GENERAL FUND		509.5				
FEDERAL FUNDS		-0-				
OTHER (Specify Fund Source)		-0-				

POSITIONS

FULL TIME		6				
PART TIME		-0-				
TEMPORARY		-0-				

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

Assumptions:

1. Transfer will take place on July 1, 1980
2. Costs reflected on this fiscal note represent unbudgeted support services in the Department of Commerce and Economic Development, costs for equipment and office furnishings for all new positions and travel and per diem costs of the advisory board.
3. Assumes all appropriations will be consolidated under the General Government Budget Category.
4. Office space is currently available and budgeted in all areas except Juneau. New office quarters will be required in Juneau for 31 employees/6,000 s.f. @ \$1.25/s.f.
5. Five positions will be deleted in Anchorage and reestablished in Juneau. Potential cost for moving existing employees and families @ \$7,000 each.

IV. (Revised) DATE May 20, 1980 PREPARED BY Lois J. Cook, Director
 AGENCY Division of Administrative Services, Department
 of Commerce & Economic Development
 PHONE 465-2505

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

Personal Services

Personnel Section

Reclassification Personnel Officer I to II (16 to 18)	2.1
Reclassification Personnel Assistant I to II (12 to 14)	2.1
Accounting Clerk III Range 10	18.0
Accounting Clerk I Range 8	16.0

*Supply Section

Supply Officer II Range 16	26.5
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Accounting Section

Accounting Supervisor III Range 18	31.3
Accounting Clerk III Range 10	18.0

Deputy Commissioner

Grade 28	<u>54.5</u>
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TOTAL SALARIES	168.5
BENEFITS AT 30%	<u>47.0</u>

TOTAL PERSONAL SERVICES		215.5
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Travel

Deputy Commissioner & Staff	30.0
Advisory Board Travel (9 members):	
Transportation	16.2
Per Diem	15.1
Moving Cost 5 Anchorage to Juneau @7.0 ea.	35.0

TOTAL TRAVEL		96.3
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Contractual

Communications - \$500.00 Month	6.0
Professional Fees & Services	50.0
Rent - 6,000 s.f. @\$1.25	90.0
(All remaining contractual costs will be provided within transferred appropriations)	

TOTAL CONTRACTUAL SERVICES		146.0
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Commodities

\$500/5 employees - new employees within C&ED	2.5
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Equipment

Office furniture 4 employees/\$710 each	25.6
File Cabinets - 10 @\$259.94 + \$12.50 lock	2.7
Partitioning	5.0
Typewriters 13 @\$900 each/28 calculators @\$150	<u>15.0</u>

TOTAL EQUIPMENT		<u>49.2</u>
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TOTAL REQUEST		<u>509.5</u>
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* HCSSB 509 (RLS) am transfers the telecommunications functions presently assigned to the Department of Transportation and Public Facilities to the Department of Commerce and Economic Development. PCN 252603, Supply Officer II, has been performing supply activities in support of the Division of Communications, DOTPF. This position is presently assigned to the Administrative Support Services BRU within DOTPF. This Fiscal Note assumes the transfer of PCN 252603 to the Department of Commerce and Economic Development with the transfer of the Division of Communications.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 934

Title An Act establishing telecommunications divisions in the Dept of Commerce & E.D.

Requested by _____ Date March 2, 1980

II. FISCAL DETAIL

Agency Affected Dept of Transportation & Public Facilities

Program Category Affected Transportation

BRU, Program, or Subprogram(s) Affected Administrative Support Services DOTPF

(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		(30.9)				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		(30.9)				

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		(30.9)				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		(1.0)				
PART TIME						
TEMPORARY						

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

House Bill 934 transfers the telecommunications functions presently assigned to the Dept of Transportation & Public Facilities to the Dept of Commerce and Economic Development. PCN 252603, Supply Officer II, has been performing supply activities in support of the Division of Communications, DOTPF. This position is presently assigned to the Administrative Support Services BRU within DOTPF. This Fiscal Note assumes the transfer of PCN 252603 to the Dept of Commerce and Economic Development with the transfer of the Division of Communications.

IV. DATE March 3, 1980

PREPARED BY Robert W. Steele

AGENCY DOTPF

PHONE 364-2121 ext 258

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

Original sponsor: Finance Committee

Offered: 4/1/80

1 IN THE SENATE

BY THE RULES COMMITTEE

2

CS FOR SENATE BILL NO. 509 (Rules)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing telecommunications divisions in the Department of Commerce and Economic Development; transferring telecommunications functions to those divisions; and changing the name of the department to the Department of Commerce, Economic Development, and Telecommunications; and providing for an effective date."

7

8

9

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

10

* Section 1. INTENT AND PURPOSE. The legislature finds and declares that

11

(1) adequate telecommunications facilities and services available

12

at reasonable and affordable rates are essential to the conduct of govern-

13

ment, commerce and private life and that these facilities and services should

14

be available, to the extent possible, to all agencies and citizens of the

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state regardless of location;

16

(2) the generation, processing, exchange and use of information

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have become increasingly vital elements of social, economic, political and

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government processes, and constitute both an integral part of and an essen-

19

tial element in support of those processes;

20

(3) telecommunications may often offer the only effective alter-

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native to time-consuming and increasingly expensive transportation of persons

22

and the information they possess;

23

(4) current and projected public, business and government needs

24

for additional and enhanced telecommunications and information transfer

25

services and equipment are highly diverse, reflecting the increasingly com-

1 plex and interactive character of the social and economic systems and in-
2 stitutions of the state, and the increasingly important and diversified role
3 of information in these systems and institutions;

4 (5) the future development of the state's public and private
5 sectors will depend greatly on the innovative use of new telecommunications
6 services and techniques now becoming available;

7 (6) telecommunications can help reduce the isolation of Alaskans
8 within the state and from the remainder of the states of the United States
9 and the countries of the world;

10 (7) the existing locally controlled and operated public noncommer-
11 cial radio and television system must continue to be encouraged and supported
12 by the state, and, in order to provide this service to all of Alaska's citi-
13 zens, planned growth of the system must be supervised and coordinated by the
14 state;

15 (8) improved and more widely available educational oportunties
16 for all Alaskans can be greatly facilitated by exploiting the ability of
17 telecommunications technologies to make available the highest quality edu-
18 cation and instruction in all parts of the state;

19 (9) it is in the interest of all citizens of the state for the
20 state to facilitate the development of both basic and advanced telecommuni-
21 cations services and facilities to be available to all its citizens for their
22 individual and mutual benefit; and

23 (10) these goals can be best accomplished by coordinating all of
24 the state telecommunications activities through one department, to assure
25 increased efficiency in providing the public benefits of

26 (A) comprehensive telecommunications planning for the state;

27 (B) increased accountability for adequate, reliable, and
28 cost-effective telecommunications system development;

29 (C) increased effectiveness in coordinating and assisting

1 public service telecommunications users;

2 (D) the establishment of consistent public policy for the
3 state related to telecommunications systems and services, and better public
4 understanding of the state's policies and programs.

5 * Sec. 2. AS 44.33 is amended by adding new sections to read:

6 ARTICLE 11. TELECOMMUNICATIONS.

7 Sec. 44.33.501. TELECOMMUNICATIONS DIVISIONS. There is estab-
8 lished in the department

- 9 (1) a division of public telecommunications services; and
10 (2) a division of telecommunications systems.

11 Sec. 44.33.503. DEPUTY COMMISSIONER. (a) The telecommunications
12 divisions shall be administered by a deputy commissioner of the depart-
13 ment appointed by the governor.

14 (b) The deputy commissioner shall

- 15 (1) provide executive direction for the activities of the
16 telecommunications divisions;
17 (2) perform other departmental duties as may be assigned by
18 the commissioner.

19 Sec. 44.33.507. POWERS AND DUTIES OF THE TELECOMMUNICATIONS DIVI-
20 SIONS. (a) The telecommunications divisions shall

- 21 (1) advise the governor on matters of policy and comprehen-
22 sive state planning for telecommunications services;
23 (2) make an annual report to the governor and to the legis-
24 lature on the activities of the telecommunications divisions;
25 (3) provide for representation of the public interest in
26 matters pertaining to the availability, adequacy, cost and design of
27 telecommunications services and facilities before state and federal
28 legal and regulatory forums;

- 29 (4) coordinate, manage, and supervise existing state programs

1 in telecommunications, including the management of those telecommuni-
2 cation services for the state obtained from common carriers and from the
3 communications industry;

4 (5) when requested provide technical and consulting assist-
5 ance to the executive, judicial, and legislative branches of state
6 government, to the University of Alaska, and to private noncommercial
7 agencies which request such assistance in facility procurement and
8 leasing and in identifying long-range goals and objectives for the state
9 and its political subdivisions in all aspects of telecommunications,
10 including public, educational, and instructional telecommunications;

11 (6) prepare and maintain a state comprehensive telecommuni-
12 cations development plan to further state telecommunications development
13 and to meet state telecommunications needs and prepare and maintain a
14 comprehensive inventory of all state communications facilities;

15 (7) procure services from private enterprise whenever feas-
16 ible; contract for the construction, management, operation and main-
17 tenance of telecommunications systems and develop a procurement policy
18 under AS 37.05; the procurement policy will account for all factors when
19 deciding the method of procurement, including lease, purchase, rental,
20 or combinations of lease, purchase and rental; the factors include but
21 are not limited to life cycle costing, direct or secondary impacts which
22 may reasonably be expected in long distance or local telephone rates,
23 and realizeable improvements and cost factors in both state government
24 and the affected portions of the communications industry;

25 (8) provide information and assistance to state agencies to
26 promote governmental coordination and unity in the preparation of agency
27 plans and programs involving the use of telecommunications;

28 (9) apply for and accept federal and private money, property,
29 or assistance, that may be appropriated, granted or otherwise made

1 available to the telecommunications divisions and use and disperse money
2 and property for purposes consistent with the terms of AS 44.33.501 -
3 44.33.517 subject to reasonable limitations imposed by the grantor;

4 (10) participate with other countries, provinces, states or
5 governmental units in international or interstate planning, and assist
6 Alaska's local governments, governmental conferences and councils, in
7 planning and coordinating their activities relating to telecommuni-
8 cations;

9 (11) provide for the orderly transition to new telecommuni-
10 cations services and systems by state agencies;

11 (12) serve as a clearinghouse for information, data, and other
12 materials which may be necessary or helpful to federal, state or local
13 governmental agencies in the development of telecommunication systems;
14 and

15 (13) coordinate their services and activities with those of
16 other state departments and agencies to the fullest extent possible to
17 avoid unnecessary duplication.

18 (b) The telecommunications divisions may

19 (1) coordinate their functions with local, regional, state
20 and federal officials, private groups and individuals, and with offi-
21 cials, of other countries, provinces and states;

22 (2) enter into contracts and subcontracts on behalf of the
23 state to carry out the provisions of AS 44.33.501 - 44.33.517;

24 (3) act for the state in the initiation, investigation,
25 evaluation of or participation in programs related to the purposes of
26 the telecommunications divisions which involve more than one government
27 or governmental unit;

28 (4) on behalf of the state, apply for, accept and expend
29 gifts or grants made to the state if the gifts or grants are for the

1 purposes of furthering the objectives of the telecommunications divi-
2 sions;

3 (5) hold public hearings to obtain information for the pur-
4 pose of carrying out the provisions of AS 44.33.501 - 44.33.517.

5 (c) In proceedings before the Alaska Public Utilities Commission
6 the department shall reimburse the Alaska Public Utilities Commission
7 for the reasonable costs of obtaining outside counsel under AS 42.05.-
8 111(b) if the attorney general elects to represent the telecommuni-
9 cations divisions. .

10 Sec. 44.33.509. DIVISION OF PUBLIC TELECOMMUNICATIONS SERVICES.

11 (a) The division of public telecommunications services shall be ad-
12 ministered by a director appointed by the commissioner.

13 (b) The division of public telecommunications services shall pro-
14 vide technical consultation and grants to educational and public tele-
15 communications users in order to assist in the comprehensive development
16 of telecommunications services for all specialized public purposes. The
17 division shall provide

18 (1) coordination and support to telecommunications services
19 for instruction, including technical assistance and assistance in pre-
20 paration of applications for grants related to program development as
21 may be requested by

22 (A) public school districts and the Department of Edu-
23 cation;

24 (B) the University of Alaska; and

25 (C) other state agencies as approved by the deputy
26 commissioner;

27 (2) coordination and support for all public broadcasting
28 functions in the state as follows:

29 (A) the division shall encourage responsible local

1 control of all public broadcast entities in the state;

2 (B) the division may contract with competent stations or
3 production centers for services;

4 (C) the division shall receive and review requests for
5 operating and capital support from public broadcasting entities,
6 and may award grants to those entities;

7 (D) the division shall pursue the development of public
8 broadcast services to all residents of the state;

9 (E) the division may not control or be responsible for
10 the program content or policy of public broadcasters except that
11 grants or technical assistance may not be given to a broadcaster
12 who is in violation of federal or state laws or regulations;

13 (3) coordination and support for health and safety-related
14 functions, including the administrative and client services provided by

15 (A) state agencies,

16 (B) federal agencies,

17 (C) private agencies;

18 (4) coordination and support to telecommunications services
19 for public participation in state-financed services, as may be statu-
20 torily required or otherwise appropriate;

21 (5) assistance to the regionalization of instructional tele-
22 communications services by local school districts or other local and
23 regional education agencies, through design, development, and promotion
24 by the division of public telecommunications services;

25 (6) establishment of operational policies by the division of
26 public telecommunications services; for public service telecommunica-
27 tions uses, after consideration of the recommendations of the Public
28 Telecommunications Advisory Board;

29 (7) assistance to advisory councils representative of the

1 specialized instructional, public broadcasting, health or safety-related,
2 public participation, or regional interests described in this section,
3 as necessary to perform assigned division functions.

4 (c) The division of public telecommunications services may not
5 own, operate, or be the licensee of a public noncommercial broadcast
6 station or production center.

7 (d) Nothing in this section is intended to imply division re-
8 sponsibility for programming content. Program design, production, and
9 use remain the responsibility of the program-sponsoring agency, not the
10 division.

11 Sec. 44.33.511. PUBLIC TELECOMMUNICATIONS ADVISORY BOARD. (a)
12 There is the Public Telecommunications Advisory Board in the department.
13 The board shall advise the division of public telecommunications ser-
14 vices with regard to the policies and regulations of the division.

15 (b) The board consists of 10 members appointed as follows:

16 (1) two members appointed by the state Board of Education
17 (AS 14.07.080), one of whom shall also be a member of a local school
18 board;

19 (2) one member of the house of representatives appointed by
20 the speaker of the house;

21 (3) one member of the senate appointed by the president of
22 the senate;

23 (4) one member of the judicial system appointed by the chief
24 justice of the supreme court;

25 (5) two members appointed by the commissioner of the Depart-
26 ment of Health and Social Services, including one member from the Ad-
27 visory Council on Emergency Medical Services (AS 18.08.020) from a list
28 of nominees provided by the Advisory Council on Emergency Medical Ser-
29 vices; and

1 (6) three members who are employees, officers, or directors
2 of public nonprofit broadcasting stations, appointed by vote of the
3 public broadcast licensees; the election shall be conducted by the
4 division of public telecommunications services.

5 (c) Members of the board shall be appointed to overlapping terms
6 of four years. Three of the first appointments to the board shall be
7 for two-year terms, three for three-year terms and three for four-year
8 terms. Terms of office expire on June 30. Before the expiration of the
9 term of a member, the appointing authority shall appoint a successor to
10 succeed the member whose term is expiring. A successor shall assume
11 board member duties on July 1 following the appointment. A person
12 appointed to the board may not serve more than two consecutive terms, or
13 a maximum of eight years. Unless a vacancy is caused by the normal
14 expiration of a member's term, the appointing authority shall make an
15 appointment to become immediately effective for the duration of the
16 unexpired term.

17 (d) The board shall meet in public session quarterly and may hold
18 public hearings and other meetings as necessary throughout the state.
19 The board shall determine an appropriate quorum for conducting business.

20 (e) Members of the board serve without compensation, but are
21 entitled to per diem and travel expenses authorized under AS 39.20.180.

22 Sec. 44.33.513. DIVISION OF TELECOMMUNICATIONS SYSTEMS. (a) The
23 division of telecommunications systems shall be administered by a direc-
24 tor appointed by the commissioner.

25 (b) Except as provided in (c) of this section, the division of
26 telecommunications systems shall

27 (1) plan, design, construct, manage and operate all tele-
28 communications systems owned or leased by state executive agencies;

29 (2) manage centrex and other telephone-related services of

1 the state;

2 (3) be responsible for state telecommunications systems and
3 design generally; and

4 (4) coordinate with executive agencies in performing their
5 data and word processing tasks.

6 (c) Nothing in AS 44.33.501 - 44.33.517 prohibits a state agency
7 from developing telecommunications systems within its own agency if the
8 commissioner gives written authorization for the agency to engage in its
9 own design, development, management, or operation. The commissioner may
10 authorize independent development only upon a showing of necessity.

11 (d) An agency authorized to develop an internal telecommunications
12 system shall, to the maximum feasible extent, coordinate its design,
13 development, management, and operation with the division of telecommuni-
14 cations systems.

15 Sec. 44.33.517. DEFINITIONS. In AS 44.33.501 - 44.33.517,

16 (1) "board" means the Public Telecommunications Advisory
17 Board;

18 (2) "commissioner" means the commissioner of the Department
19 of Commerce, Economic Development, and Telecommunications;

20 (3) "department" means the Department of Commerce, Economic
21 Development, and Telecommunications;

22 (4) "deputy commissioner" means the deputy commissioner of
23 telecommunications in the department who administers the telecommuni-
24 cations divisions;

25 (5) "executive agencies" means all departments, divisions and
26 offices in the executive branch of state government but does not mean
27 the University of Alaska;

28 (6) "public broadcasting" means the delivery of radio or
29 television noncommercial programming intended for the general public by

1 any method of telecommunications;

2 (7) "public service telecommunications" means telecommuni-
3 cations which serve public broadcasting, general educational, instruc-
4 tional, medical, safety, emergency, or public participation functions;

5 (8) "telecommunications" means the transmission and reception
6 of messages, impressions, pictures and signals by means of electro-
7 magnetic transmission with or without benefit of a closed transmission
8 medium including all instrumentalities, facilities, apparatus, and
9 services, whether conveyed by cable, wire, radiated through space, or
10 transmitted through other media within a specified area or between
11 designated points;

12 (9) "telecommunications systems" means those systems in which
13 the principal service and functions are telecommunications;

14 (10) "telecommunications divisions" means the division of
15 public telecommunications services and the division of telecommuni-
16 cations systems.

17 * Sec. 3. AS 44.15.010(8) is amended to read:

18 (8) Department of Commerce, [AND] Economic Development,
19 and Telecommunications

20 *Sec. 4. AS 44.21.160 is amended by adding a new subsection to read:

21 (f) The department and its division of data processing shall
22 coordinate with the divisions of telecommunications of the Department of
23 Commerce, Economic Development, and Telecommunications in providing for
24 the effective transfer of information by telecommunications through the
25 establishment of compatible systems and common standards.

26 * Sec. 5. AS 44.33.020 is amended by adding a new paragraph to read:

27 (24) study, design, implement, and manage the telecommunica-
28 tions systems and services of the state under AS 44.33.501 - 44.33.517.

29 * Sec. 6. AS 44.42.020 is amended to read:

1 Sec. 44.42.020. POWERS AND DUTIES. (a) The department shall

2 (1) plan, design, construct and maintain all state modes of
3 transportation and transportation facilities [, COMMUNICATION FACILI-
4 TIES,] and all docks, floats, breakwaters, buildings and similar faci-
5 lities;

6 (2) study existing transportation modes and facilities [AND
7 COMMUNICATION FACILITIES] in the state to determine how they might be
8 improved or whether they should continue to be maintained;

9 (3) study alternative means of improving transportation [AND
10 COMMUNICATION] in the state with regard to the economic costs of each
11 alternative and its environmental and social effects;

12 (4) develop a comprehensive, long-range intermodal trans-
13 portation plan for the state;

14 (5) study alternatives to existing modes of transportation in
15 urban areas and develop plans to improve urban transportation;

16 (6) cooperate and coordinate with and enter into agreements
17 with federal, state and local government agencies and private organiza-
18 tions and persons in exercising its powers and duties;

19 (7) manage, operate, and maintain state transportation faci-
20 lities [, COMMUNICATION FACILITIES,] and all docks, floats, breakwaters
21 and buildings, including all state highways, vessels, railroads, pipe-
22 lines, airports, and aviation facilities;

23 (8) study alternative means of transportation in the state,
24 considering the economic, social, and environmental impacts of each
25 alternative;

26 (9) coordinate and develop state and regional transportation
27 systems, considering deletions, additions, and the absence of altera-
28 tions;

29 (10) develop facility program plans for transportation [AND

1 COMMUNICATION FACILITIES] and state buildings, docks and breakwaters
2 required to implement the duties set out in this section, including but
3 not limited to (A) functional performance criteria; and (B) schedules
4 for completion;

5 (11) supervise and maintain all state automotive and mechan-
6 ical equipment, aircraft, and vessels, except vessels and aircraft used
7 by the Department of Fish and Game or the Department of Public Safety;
8 [AND]

9 (12) supervise aeronautics [AND COMMUNICATIONS] inside the
10 state, under AS 02.10; and [.]

11 (13) complete and maintain a current inventory of public
12 facilities, including a projection of the serviceability of the facili-
13 ties and projections of replacements and additions to facilities needed
14 to provide the level of services programmed by the various user agencies,
15 for municipalities with populations of less than 12,000 and for unincor-
16 porated communities, and perform those duties on a cooperative basis
17 with larger municipalities.

18 (b) The department may

19 (1) engage in experimental projects relating to available or
20 future modes of transportation and any means of improving existing
21 transportation facilities and service [AND COMMUNICATION];

22 (2) exercise the power of eminent domain, including the
23 declaration of taking as provided in AS 09.55.

24 * Sec. 7. AS 44.42.055(b)(3)(F) is amended to read:

25 (F) [COMMUNICATIONS FACILITIES AND] transportation
26 facilities;

27 * Sec. 8. All references to the Department of Commerce and Economic
28 Development and to the commissioner of commerce and economic development in
29 the Alaska Statutes shall be read as the Department of Commerce, Economic

1 Development, and Telecommunications and the commissioner of commerce, eco-
2 nomic development, and telecommunications, respectively, in order to carry
3 out the intent and purpose of this Act.

4 * Sec. 9. The balance of the appropriation to the Department of Trans-
5 portation and Public Facilities found in sec. 23, page 48, lines 15 - 37, and
6 sec. 25, page 79, lines 31 - 36, and page 80, lines 1 - 22, ch. 80, SLA 1979,
7 are transferred to the Department of Commerce, Economic Development, and
8 Telecommunications.

9 * Sec. 10. The balance of the appropriation to the Alaska Public Broad-
10 casting Commission found in sec. 23, page 9, line 23, ch. 80, SLA 1979, is
11 transferred to the Department of Commerce, Economic Development, and Telecom-
12 munications.

13 * Sec. 11. The balances of the appropriations for capital projects made
14 to the Alaska Public Broadcasting Commission in sec. 25, page 55, lines 28 -
15 36, and page 56, lines 4 - 12, ch. 80, SLA 1979, are transferred to the
16 Department of Commerce, Economic Development, and Telecommunications.

17 * Sec. 12. The unexpended balances of any other appropriations for capi-
18 tal projects made to the Alaska Public Broadcasting Commission and the De-
19 partment of Transportation and Public Facilities, division of communications,
20 are transferred to the Department of Commerce, Economic Development, and
21 Telecommunications.

22 * Sec. 13. AS 14.58 is repealed.

23 * Sec. 14. This Act takes effect July 1, 1980.
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Original sponsor: Finance Committee

Offered: 3/26/80
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 509

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act establishing telecommunications divisions in
7 the Department of Commerce and Economic Development;
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18

be available, to the extent possible, to all agencies and citizens of the

19

state regardless of location;

20

(2) the generation, processing, exchange and use of information

21

have become increasingly vital elements of social, economic, political and

22

government processes, and constitute both an integral part of and an essen-

23

tial element in support of those processes;

24

(3) telecommunications may often offer the only effective alter-

25

native to time-consuming and increasingly expensive transportation of persons

26

and the information they possess;

27

(4) current and projected public, business and government needs

28

for additional and enhanced telecommunications and information transfer

29

services and equipment are highly diverse, reflecting the increasingly com-

1 plex and interactive character of the social and economic systems and in-
2 stitutions of the state, and the increasingly important and diversified role
3 of information in these systems and institutions;

4 (5) the future development of the state's public and private
5 sectors will depend greatly on the innovative use of new telecommunications
6 services and techniques now becoming available;

7 (6) telecommunications can help reduce the isolation of Alaskans
8 within the state and from the remainder of the states of the United States
9 and the countries of the world;

10 (7) the existing locally controlled and operated public non-
11 commercial radio and television system must continue to be encouraged and
12 supported by the state, and, in order to provide this service to all of
13 Alaska's citizens, planned growth of the system must be supervised and coor-
14 dinated by the state;

15 (8) improved and more widely available educational opportunities
16 for all Alaskans can be greatly facilitated by exploiting the ability of
17 telecommunications technologies to make available the highest quality edu-
18 cation and instruction in all parts of the state;

19 (9) it is in the interest of all citizens of the state for the
20 state to facilitate the development of both basic and advanced telecommuni-
21 cations services and facilities to be available to all its citizens for their
22 individual and mutual benefit; and

23 (10) these goals can be best accomplished by coordinating all of
24 the state telecommunications activities through one department, to assure
25 increased efficiency in providing the public benefits of

- 26 (A) comprehensive telecommunications planning for the state;
27 (B) increased accountability for adequate, reliable, and
28 cost-effective telecommunications system development;
29 (C) increased effectiveness in coordinating and assisting

1 public service telecommunications users;

2 (D) the establishment of consistent public policy for the
3 state related to telecommunications systems and services, and better public
4 understanding of the state's policies and programs.

5 * Sec. 2. AS 44.33 is amended by adding new sections to read:

6 ARTICLE 11. TELECOMMUNICATIONS.

7 Sec. 44.33.501. TELECOMMUNICATIONS DIVISIONS. There is estab-
8 lished in the department

9 (1) a division of public telecommunications services; and

10 (2) a division of telecommunications systems.

11 Sec. 44.33.503. DEPUTY COMMISSIONER. (a) The telecommunications
12 divisions shall be administered by a deputy commissioner of the depart-
13 ment appointed by the governor.

14 (b) The deputy commissioner shall

15 (1) provide executive direction for the activities of the
16 telecommunications divisions;

17 (2) perform other departmental duties as may be assigned by
18 the commissioner.

19 Sec. 44.33.507. POWERS AND DUTIES OF THE TELECOMMUNICATIONS DIVI-
20 SIONS. (a) The telecommunications divisions shall

21 (1) advise the governor on matters of policy and comprehen-
22 sive state planning for telecommunications services;

23 (2) make an annual report to the governor and to the legis-
24 lature on the activities of the telecommunications divisions;

25 (3) provide for representation of the public interest in
26 matters pertaining to the availability, adequacy, cost and design of
27 telecommunications services and facilities before state and federal
28 legal and regulatory forums;

29 (4) coordinate, manage, and supervise existing state programs

1 in telecommunications, including the management of those telecommuni-
2 cation services for the state obtained from common carriers and from the
3 communications industry;

4 (5) when requested provide technical and consulting assist-
5 ance to the executive, judicial, and legislative branches of state
6 government, to the University of Alaska, and to private noncommercial
7 agencies which request such assistance in facility procurement and
8 leasing and in identifying long-range goals and objectives for the state
9 and its political subdivisions in all aspects of telecommunications,
10 including public, educational, and instructional telecommunications;

11 (6) prepare and maintain a state comprehensive telecommuni-
12 cations development plan to further state telecommunications development
13 and to meet state telecommunications needs and prepare and maintain a
14 comprehensive inventory of all state communications facilities;

15 (7) plan, design, construct, manage and operate telecommuni-
16 cation systems owned or leased by executive agencies as necessary to
17 achieve the objectives of AS 44.33.501 - 44.33.517;

18 (8) contract with common carriers or private enterprise when
19 in the best interests of the state, for the construction, operation, and
20 maintenance of telecommunications systems and develop a procurement
21 policy, under AS 37.05, which emphasizes competition and reliance on the
22 private sector;

23 (9) provide information and assistance to state agencies to
24 promote governmental coordination and unity in the preparation of agency
25 plans and programs involving the use of telecommunications;

26 (10) apply for and accept federal and private money, property,
27 or assistance, that may be appropriated, granted or otherwise made
28 available to the telecommunications divisions and use and disperse money
29 and property for purposes consistent with the terms of AS 44.33.501 -

1 44.33.517 subject to reasonable limitations imposed by the grantor;

2 (11) participate with other countries, provinces, states or
3 governmental units in international or interstate planning, and assist
4 Alaska's local governments, governmental conferences and councils, in
5 planning and coordinating their activities relating to telecommuni-
6 cations;

7 (12) provide for the orderly transition to new telecommuni-
8 cations services and systems by state agencies;

9 (13) serve as a clearinghouse for information, data, and other
10 materials which may be necessary or helpful to federal, state or local
11 governmental agencies in the development of telecommunication systems;
12 and

13 (14) coordinate their services and activities with those of
14 other state departments and agencies to the fullest extent possible to
15 avoid unnecessary duplication.

16 (b) The telecommunications divisions may

17 (1) coordinate their functions with local, regional, state
18 and federal officials, private groups and individuals, and with offi-
19 cials, of other countries, provinces and states;

20 (2) enter into contracts and subcontracts on behalf of the
21 state to carry out the provisions of AS 44.33.501 - 44.33.517;

22 (3) act for the state in the initiation, investigation,
23 evaluation of or participation in programs related to the purposes of
24 the telecommunications divisions which involve more than one government
25 or governmental unit;

26 (4) on behalf of the state, apply for, accept and expend
27 gifts or grants made to the state if the gifts or grants are for the
28 purposes of furthering the objectives of the telecommunications divi-
29 sions;

1 (5) hold public hearings to obtain information for the pur-
2 pose of carrying out the provisions of AS 44.33.501 - 44.33.517.

3 (c) In proceedings before the Alaska Public Utilities Commission
4 the department shall reimburse the Alaska Public Utilities Commission
5 for the reasonable costs of obtaining outside counsel under AS 42.05.-
6 111(b) if the attorney general elects to represent the telecommuni-
7 cations divisions.

8 Sec. 44.33.509. DIVISION OF PUBLIC TELECOMMUNICATIONS SERVICES.

9 (a) The division of public telecommunications services shall be ad-
10 ministered by a director appointed by the commissioner.

11 (b) The division of public telecommunications services shall pro-
12 vide technical consultation and grants to educational and public tele-
13 communications users in order to assist in the comprehensive development
14 of telecommunications services for all specialized public purposes. The
15 division shall provide

16 (1) coordination and support to telecommunications services
17 for instruction, including technical assistance and assistance in pre-
18 paration of applications for grants related to program development as
19 may be requested by

20 (A) public school districts and the Department of Edu-
21 cation;

22 (B) the University of Alaska; and

23 (C) other state agencies as approved by the deputy
24 commissioner;

25 (2) coordination and support for all public broadcasting
26 functions in the state as follows:

27 (A) the division shall encourage responsible local
28 control of all public broadcast entities in the state;

29 (B) the division may contract with competent stations or

1 production centers for services;

2 (C) the division shall receive and review requests for
3 operating and capital support from public broadcasting entities,
4 and may award grants to those entities;

5 (D) the division shall pursue the development of public
6 broadcast services to all residents of the state;

7 (E) the division may not control or be responsible for
8 the program content or policy of public broadcasters except that
9 grants or technical assistance may not be given to a broadcaster
10 who is in violation of federal or state laws or regulations;

11 (3) coordination and support for health and safety-related
12 functions, including the administrative and client services provided by

13 (A) state agencies,

14 (B) federal agencies,

15 (C) private agencies;

16 (4) coordination and support to telecommunications services
17 for public participation in state-financed services, as may be statu-
18 torily required or otherwise appropriate;

19 (5) assistance to the regionalization of instructional tele-
20 communications services by local school districts or other local and
21 regional education agencies, through design, development, and promotion
22 by the division of public telecommunications services;

23 (6) establishment of operational policies by the division of
24 public telecommunications services; for public service telecommunica-
25 tions uses, after consideration of the recommendations of the Public
26 Telecommunications Advisory Board;

27 (7) assistance to advisory councils representative of the
28 specialized instructional, public broadcasting, health or safety-
29 related, public participation, or regional interests described in this

1 section, as necessary to perform assigned division functions.

2 (c) The division of public telecommunications services may not
3 own, operate, or be the licensee of a public noncommercial broadcast
4 station or production center.

5 (d) Nothing in this section is intended to imply division re-
6 sponsibility for programming content. Program design, production, and
7 use remain the responsibility of the program-sponsoring agency, not the
8 division.

9 Sec. 44.33.511. PUBLIC TELECOMMUNICATIONS ADVISORY BOARD. (a)
10 There is the Public Telecommunications Advisory Board in the department.
11 The board shall advise the division of public telecommunications ser-
12 vices with regard to the policies and regulations of the division.

13 (b) The board consists of 10 members appointed as follows:

14 (1) two members appointed by the state Board of Education
15 (AS 14.07.080), one of whom shall also be a member of a local school
16 board;

17 (2) one member of the house of representatives appointed by
18 the speaker of the house;

19 (3) one member of the senate appointed by the president of
20 the senate;

21 (4) one member of the judicial system appointed by the chief
22 justice of the supreme court;

23 (5) two members appointed by the commissioner of the Depart-
24 ment of Health and Social Services, including one member from the Ad-
25 visory Council on Emergency Medical Services (AS 18.08.020) from a list
26 of nominees provided by the Advisory Council on Emergency Medical Ser-
27 vices; and

28 (6) three members who are employees, officers, or directors
29 of public nonprofit broadcasting stations, appointed by vote of the

1 public broadcast licensees; the election shall be conducted by the
2 division of public telecommunications services.

3 (c) Members of the board shall be appointed to overlapping terms
4 of four years. Three of the first appointments to the board shall be
5 for two-year terms, three for three-year terms and three for four-year
6 terms. Terms of office expire on June 30. Before the expiration of the
7 term of a member, the appointing authority shall appoint a successor to
8 succeed the member whose term is expiring. A successor shall assume
9 board member duties on July 1 following the appointment. A person
10 appointed to the board may not serve more than two consecutive terms, or
11 a maximum of eight years. Unless a vacancy is caused by the normal
12 expiration of a member's term, the appointing authority shall make an
13 appointment to become immediately effective for the duration of the
14 unexpired term.

15 (d) The board shall meet in public session quarterly and may hold
16 public hearings and other meetings as necessary throughout the state.
17 The board shall determine an appropriate quorum for conducting business.

18 (e) Members of the board serve without compensation, but are
19 entitled to per diem and travel expenses authorized under AS 39.20.180.

20 Sec. 44.33.513. DIVISION OF TELECOMMUNICATIONS SYSTEMS. (a) The
21 division of telecommunications systems shall be administered by a direc-
22 tor appointed by the commissioner.

23 (b) Except as provided in (c) of this section, the division of
24 telecommunications systems shall

25 (1) plan, design, construct, manage and operate all tele-
26 communications systems owned or leased by state executive agencies;

27 (2) manage centrex and other telephone-related services of
28 the state;

29 (3) be responsible for state telecommunications systems and

1 design generally; and

2 (4) coordinate with executive agencies in performing their
3 data and word processing tasks.

4 (c) Nothing in AS 44.33.501 - 44.33.517 prohibits a state agency
5 from developing telecommunications systems within its own agency if the
6 commissioner gives written authorization for the agency to engage in its
7 own design, development, management, or operation. The commissioner may
8 authorize independent development only upon a showing of necessity.

9 (d) An agency authorized to develop an internal telecommunications
10 system shall, to the maximum feasible extent, coordinate its design,
11 development, management, and operation with the division of telecommuni-
12 cations systems.

13 Sec. 44.33.517. DEFINITIONS. In AS 44.33.501 - 44.33.517,

14 (1) "board" means the Public Telecommunications Advisory
15 Board;

16 (2) "commissioner" means the commissioner of the Department
17 of Commerce, Economic Development, and Telecommunications;

18 (3) "department" means the Department of Commerce, Economic
19 Development, and Telecommunications;

20 (4) "deputy commissioner" means the deputy commissioner of
21 telecommunications in the department who administers the telecommuni-
22 cations divisions;

23 (5) "executive agencies" means all departments, divisions and
24 offices in the executive branch of state government but does not mean
25 the University of Alaska;

26 (6) "public broadcasting" means the delivery of radio or
27 television noncommercial programming intended for the general public by
28 any method of telecommunications;

29 (7) "public service telecommunications" means telecommuni-

1 cations which serve public broadcasting, general educational, instruc-
2 tional, medical, safety, emergency, or public participation functions;

3 (8) "telecommunications" means the transmission and reception
4 of messages, impressions, pictures and signals by means of electro-
5 magnetic transmission with or without benefit of a closed transmission
6 medium including all instrumentalities, facilities, apparatus, and
7 services, whether conveyed by cable, wire, radiated through space, or
8 transmitted through other media within a specified area or between
9 designated points;

10 (9) "telecommunications systems" means those systems in which
11 the principal service and functions are telecommunications;

12 (10) "telecommunications divisions" means the division of
13 public telecommunications services and the division of telecommuni-
14 cations systems.

15 * Sec. 3. AS 44.15.010(8) is amended to read:

16 (8) Department of Commerce, [AND] Economic Development,
17 and Telecommunications

18 *Sec. 4. AS 44.21.160 is amended by adding a new subsection to read:

19 (f) The department and its division of data processing shall
20 coordinate with the divisions of telecommunications of the Department of
21 Commerce, Economic Development, and Telecommunications in providing for
22 the effective transfer of information by telecommunications through the
23 establishment of compatible systems and common standards.

24 * Sec. 5. AS 44.33.020 is amended by adding a new paragraph to read:

25 (24) study, design, implement, and manage the telecommunica-
26 tions systems and services of the state under AS 44.33.501 - 44.33.517.

27 * Sec. 6. AS 44.42.020 is amended to read:

28 Sec. 44.42.020. POWERS AND DUTIES. (a) The department shall

29 (1) plan, design, construct and maintain all state modes of

1 transportation and transportation facilities [, COMMUNICATION FACILI-
2 TIES,] and all docks, floats, breakwaters, buildings and similar faci-
3 lities;

4 (2) study existing transportation modes and facilities [AND
5 COMMUNICATION FACILITIES] in the state to determine how they might be
6 improved or whether they should continue to be maintained;

7 (3) study alternative means of improving transportation [AND
8 COMMUNICATION] in the state with regard to the economic costs of each
9 alternative and its environmental and social effects;

10 (4) develop a comprehensive, long-range intermodal trans-
11 portation plan for the state;

12 (5) study alternatives to existing modes of transportation in
13 urban areas and develop plans to improve urban transportation;

14 (6) cooperate and coordinate with and enter into agreements
15 with federal, state and local government agencies and private organiza-
16 tions and persons in exercising its powers and duties;

17 (7) manage, operate, and maintain state transportation faci-
18 lities [, COMMUNICATION FACILITIES,] and all docks, floats, breakwaters
19 and buildings, including all state highways, vessels, railroads, pipe-
20 lines, airports, and aviation facilities;

21 (8) study alternative means of transportation in the state,
22 considering the economic, social, and environmental impacts of each
23 alternative;

24 (9) coordinate and develop state and regional transportation
25 systems, considering deletions, additions, and the absence of altera-
26 tions;

27 (10) develop facility program plans for transportation [AND
28 COMMUNICATION FACILITIES] and state buildings, docks and breakwaters
29 required to implement the duties set out in this section, including but

1 not limited to (A) functional performance criteria; and (B) schedules
2 for completion;

3 (11) supervise and maintain all state automotive and mechan-
4 ical equipment, aircraft, and vessels, except vessels and aircraft used
5 by the Department of Fish and Game or the Department of Public Safety;
6 [AND]

7 (12) supervise aeronautics [AND COMMUNICATIONS] inside the
8 state, under AS 02.10, and [.]

9 (13) complete and maintain a current inventory of public
10 facilities, including a projection of the serviceability of the facili-
11 ties and projections of replacements and additions to facilities needed
12 to provide the level of services programmed by the various user
13 agencies, for municipalities with populations of less than 12,000 and
14 for unincorporated communities, and perform those duties on a coopera-
15 tive basis with larger municipalities.

16 (b) The department may

17 (1) engage in experimental projects relating to available or
18 future modes of transportation and any means of improving existing
19 transportation facilities and service [AND COMMUNICATION];

20 (2) exercise the power of eminent domain, including the
21 declaration of taking as provided in AS 09.55.

22 * Sec. 7. AS 44.42.055(b)(3)(F) is amended to read:

23 (F) [COMMUNICATIONS FACILITIES AND] transportation
24 facilities;

25 * Sec. 8. All references to the Department of Commerce and Economic
26 Development and to the commissioner of commerce and economic development in
27 the Alaska Statutes shall be read as the Department of Commerce, Economic
28 Development, and Telecommunications and the commissioner of commerce, eco-
29 nomic development, and telecommunications, respectively, in order to carry

1 out the intent and purpose of this Act.

2 * Sec. 9. The balance of the appropriation to the Department of Trans-
3 portation and Public Facilities found in sec. 23, page 48, lines 15 - 37, and
4 sec. 25, page 79, lines 31 - 36, and page 80, lines 1 - 22, ch. 80, SLA 1979,
5 are transferred to the Department of Commerce, Economic Development, and
6 Telecommunications.

7 * Sec. 10. The balance of the appropriation to the Alaska Public Broad-
8 casting Commission found in sec. 23, page 9, line 23, ch. 80, SLA 1979, is
9 transferred to the Department of Commerce, Economic Development, and Telecom-
10 munications.

11 * Sec. 11. The balances of the appropriations for capital projects made
12 to the Alaska Public Broadcasting Commission in sec. 25, page 55, lines 28 -
13 36, and page 56, lines 4 - 12, ch. 80, SLA 1979, are transferred to the
14 Department of Commerce, Economic Development, and Telecommunications.

15 * Sec. 12. The unexpended balances of any other appropriations for capi-
16 tal projects made to the Alaska Public Broadcasting Commission and the De-
17 partment of Transportation and Public Facilities, division of communications,
18 are transferred to the Department of Commerce, Economic Development, and
19 Telecommunications.

20 * Sec. 13. AS 14.58 is repealed.

21 * Sec. 14. This Act takes effect July 1, 1980.
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LETTER OF INTENT
HCS FOR CS FOR SENATE BILL 509

The primary goal of HCS for CSSB 509 is to aggregate the state's telecommunications activities into one agency to assure responsibility and accountability in state telecommunications activity.

The major intent and purposes of HCS for CSSB 509 are set out in the intent and purposes section. This letter of intent is to clarify the powers and duties of the telecommunications divisions and of the telecommunications commissions, as well as to provide intent for the continued operation of the Satellite Television Project.

Two major divisions are established in the Department of Commerce, Economic Development and Telecommunications: (1) the public telecommunications services division; and (2) the telecommunications systems division. Both divisions are to be supervised by a deputy commissioner. It is the intent of the legislation that the deputy commissioner be familiar with the various aspects of telecommunications and be skilled in the various aspects of executive management.

The public telecommunications services division is intended to serve the needs of noncommercial public broadcasting, instructional telecommunications, and health, technical, consultative, and other assistance and coordination as necessary to these constituencies, as specified in sec. 44.-33.509.

The public telecommunications services division will serve as a primary state funding agency for grants to public

broadcasting licensees, and shall establish policies and regulations for these grant services with the approval of the Public Broadcasting Commission. The division shall provide the Public Broadcasting Commission with staff approved by the Commission to directly supervise the public broadcasting activities of the division. The division shall also provide public broadcasting licensees with the staff support and assistance necessary to conduct Public Broadcasting Commission membership elections.

The public telecommunications services division will serve as a primary state funding agency for grants to educational and other public services agencies for telecommunications and other activities as are necessary to the successful utilization of telecommunications for education and public services. The division shall establish policies and regulations for these education services grants with the approval of the Instructional Telecommunications Commission. The division shall provide the Instructional Telecommunications Commission with staff approved by the Commission to directly supervise these instructional support activities.

For the first time in Alaska, state law will specifically prohibit state agency interference with and control of the content of any programming or communication delivered for any public purpose by any technology. Program content responsibility remains with the individual agency or entity providing program production or distribution.

The Committee believes strong and vigorous user-controlled Commissions performing "watch-dog" functions with regard to the actions of the divisions is central to an enlightened telecommunications policy. The possibility of even the appearance of government influence or control of broadcast schedules or material is too great a threat to constitutionally

Letter of Intent
Page 3
May 16, 1980

guaranteed rights of free speech and press for the legislation to call for less than strong Commissions with direct access to the Governor, the Legislature, and the citizenry.

The newly constituted Public Broadcasting Commission and Instructional Telecommunications Commission provide more insulation for recipients of state funds in these areas than the current system. The Commissions are also given, for the first time in statutory language, direct access to the Governor and the Legislature for their positions and recommendations. HCS for CSSB 509 requires that division recommendations for Public Broadcasting and Instructional Telecommunications grants and the recommendations of the respective Commissions both be forwarded to the Commissioner, the Governor, and the Legislature, so that the Governor and the Legislature can be fully informed of any conflict that may exist between the division and the respective commissions. In addition, the deputy commissioner is charged with the responsibility to report to the Governor, the Legislature and the Public Broadcasting and Instructional Telecommunications Commissions any attempt to influence the airing of any program or the content of any program.

The telecommunications systems division is established to provide a full range of planning, design, development, management and consultative services for telecommunications used by state agencies and public institutions. These technical services are intended to assist the state's executive branch agencies and related organizations (i.e. policy advisory committees) in coordinating their use and development of telecommunications services. It is not intended that the division provide legislative or judicial branch services, unless specifically requested to do so by agencies within those branches of state government. It is further the intent of the Committee that the division shall not seek to

construct or operate telecommunications facilities to the detriment of existing commercially available services and, indirectly, to the detriment of the communications rate payers of Alaska. The division shall be bound by AS 37.05 and by current FCC Rules and Regulations in procuring communications services for state agencies.

It is the intent of the Committee to continue the state-funded Satellite Television Project. As soon as is practical, the telecommunications systems division is to contract for the continued operation of the satellite delay center, and is to monitor the technical performance of the operations contractor. Specific language is included in HCS for CSSB 509 to assure the continuation of the Satellite Television Project as it is currently constituted. This language, for the first time, incorporates into statute the major role played by commercial stations and their network affiliates and the Rural Alaska Television Network as a selection mechanism for programming transmitted to rural areas. The language also protects existing contractual arrangements between and among the commercial stations and their affiliated networks and program suppliers.

Respectfully submitted,

Representative Fred E. Brown

Joyce Munson
Representative Joyce Munson

Hugh Malone
Representative Hugh Malone

Alvin Osterback
Representative Alvin Osterback

Richard Haltford
Representative Richard Haltford

Bob Betteworth
Representative Bob Betteworth

Richard L. Randolph
Representative Richard L. Randolph



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 A. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT
SENATE

FURTHER Finance

3/5/80

Date: 4-3-80

Mr. President:

COMMUNITY AND REGIONAL

The Committee on AFFAIRS has had SB 510

exempting business inventory from municipal property tax levy

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

do pass do not pass

do pass with attached amendments(s)

replace with CS for CS SB 510 same title
 new title

and recommends _____

AND attaches a "Letter of Intent" New Fiscal Note

reports it back without recommendation

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bob Mulcahy
Tim Kelly
Patrick Rodery
Tommy Patterson

Cedric Staszulowski
CHAIRMAN
Do Pass

Original sponsor: Rules Committee by request

Offered: 4/8/80
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 510

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting business inventory from municipal
7 property tax levy, and providing for reimbursement to
8 municipalities of tax revenues lost by operation of the
9 exemption; and providing for an effective date."

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

11 * Section 1. AS 29.53 is amended by adding a new section to read:

12 Sec. 29.53.023. BUSINESS INVENTORY TAX EXEMPTION. (a) Except as
13 provided in (e) of this section, the inventory of a business holding a
14 business license issued under AS 43.70.020 is exempt from taxation under
15 this section.

16 (b) The Department of Community and Regional Affairs shall reim-
17 burse a borough or city for revenues lost to it by operation of the
18 exemption provided by this section on the basis of the application of
19 the tax rate of the borough or city to the value of business inventory.
20 Reimbursement to municipalities under this section is subject to legis-
21 lative appropriation to the Department of Community and Regional Affairs
22 for the purpose. The department may adopt regulations to carry out the
23 provisions of this section.

24 (c) A borough or city claiming reimbursement under this section
25 shall require businesses to report the value of business inventory under
26 AS 29.53.070(a) based on

27 (1) the determination of the value of the inventory by the
28 business for purposes of the Alaska Net Income Tax Act (AS 43.20);

29 (2) the value of business inventory as of January 1 of the

1 assessment year; or

2 (3) the average monthly value of business inventory.

3 (d) If, during any fiscal year of the state, the amount of money
4 appropriated is insufficient to fully reimburse a borough or city for
5 revenues lost to it by operation of the exemption granted in (a) of this
6 section, the commissioner of community and regional affairs shall cer-
7 tify the amount of estimated reimbursement due each city and borough
8 under (b) of this section and the ratio of the reimbursement appro-
9 priated for all cities and boroughs to the total reimbursement which is
10 due all cities and boroughs under (b) of this section, expressed as a
11 percentage. The commissioner shall issue his certificate not later than
12 30 days after the date of final adjournment of the regular session of
13 the legislature during which the appropriation was made.

14 (e) A borough or city may levy and collect a property tax against
15 the value of the inventory of a business at the rate applicable to the
16 levy and collection of property taxes authorized by this chapter. The
17 levy is limited to a levy on the portion of the value of the business
18 inventory of a taxpayer which is not exempt from taxation under this
19 subsection. For purposes of this subsection, the portion of the value
20 of the business inventory of a taxpayer which is exempt from taxation
21 under this subsection is equal to the total value of the business in-
22 ventory of the taxpayer reported under (c) of this section multiplied by
23 the percentage determined by the commissioner of community and regional
24 affairs and certified under (d) of this section.

25 * Sec. 2. AS 29.53.060(b) and (c) are repealed.

26 * Sec. 3. This Act is retroactive to January 1, 1980 and applies to
27 assessment years after December 31, 1979.

28 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).

Introduced: 3/5/80
Referred: Community &
Regional Affairs and Finance

BY THE RULES COMMITTEE
BY REQUEST (for the Interim
Tax Policy Committee)

1 IN THE SENATE

2 SENATE BILL NO. 510

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting business inventory from municipal
7 property tax levy, and providing for reimbursement to
8 municipalities of tax revenues lost by operation of the
9 exemption; and providing for an effective date."

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

11 * Section 1. AS 29.53.020(a) is amended by adding a new paragraph to
12 read:

13 (7) the inventory of a business holding a business license
14 issued under AS 43.70.020.

15 * Sec. 2. AS 29.53.020(g) is amended to read:

16 (g) The state shall reimburse a borough or city, as appropriate,
17 for the real property tax revenues lost to it by the operation of (e) of
18 this section and for the property tax revenues lost to it by the exemp-
19 tion of business inventories under (a)(7) of this section. Reimbursement
20 shall [HOWEVER, REIMBURSEMENT WILL] be made to a borough or city

21 (1) for revenue lost to it by the operation of (e) of this
22 section only to the extent that the loss exceeds an exemption which was
23 granted by the borough or city, or which upon proper application by an
24 individual would have been granted by the borough or city, under AS 29.-
25 53.025(a);

26 (2) for revenue lost to it by operation of (a)(7) of this
27 section in the manner provided by AS 29.53.065.

28 * Sec. 3. AS 29.53 is amended by adding a new section to read:

29 Sec. 29.53.065. REIMBURSEMENT FOR TAX REVENUES LOST BY BUSINESS

COMMITTEE COPY

1 INVENTORY EXEMPTION. (a) The state shall reimburse a borough or city
2 for revenues lost to it by operation of the exemption provided by AS 29.-
3 53.020(a)(7) on the basis of the application of the tax rate of the
4 borough or city to the value of business inventory reported to the state
5 by businesses for purposes of taxation under the Alaska Net Income Tax
6 Act (AS 43.20). A borough or city claiming reimbursement under this
7 section shall require businesses to report the value of business inven-
8 tory under AS 29.53.070(a) based on the determination of the value of
9 the inventory by the business for purposes of the Alaska Net Income Tax
10 Act.

11 (b) Reimbursement to municipalities under this section is subject
12 to legislative appropriation to the Department of Community and Regional
13 Affairs for the purpose. The department may adopt regulations to carry
14 out the provisions of this section.

15 * Sec. 4. AS 29.53.060(b) and (c) are repealed.

16 * Sec. 5. This Act takes effect January 1, 1980.

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 510

By THE RULES COMMITTEE BY REQUEST (for the Interim Tax Policy Committee)

"An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date."

Introduced in the Senate 3/5/80, 1980

HISTORY IN THE SENATE

19	80	Read first time and referred to Committee on
3	5	Community & Regional Affairs and Finance
4	8	Reported back with recommendation that <i>CRA</i>
		<i>5 do pass w/CS to Fin</i>
		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.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 510

Title Exempts business inventory from taxation-Lost revenues reimbursed by state

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Community Assistance Grant

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

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			39.3	42.4	45.8	49.5
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES			14.4	14.4	14.4	14.4
500 EQUIPMENT			5.0	1.0	1.0	1.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			12,329.2	13,192.2	14,115.7	15,103.8
TOTAL			12,387.9	13,250.0	14,176.9	15,168.7

FUNDING (Thousands of Dollars)

GENERAL FUND			12,387.9	13,250.0	14,176.9	15,168.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			2	2	2	2
PART TIME						
TEMPORARY						

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

General Comments:

The figures following are based upon information received by this office in 1979 from municipalities involved. The updated figures were obtained by taking into account, the inflationary rate, the general decrease of mill rates, and the expected growth of businesses around the state.

Factual Data:

The estimated data used was as follows:

inflationary rate	=	+12%
decrease of millrates	=	-22%
business growth	=	+5%
increase in assessed value	=	+12%
1980 overall increase factor	=	+7%

IV. DATE _____

PREPARED BY Steve Van Sant

AGENCY Community & Regional Affairs

PHONE 465-4787

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

1979 GENERATED REVENUE BY BUSINESS INVENTORY

<u>Municipality</u>	<u>1979 Revenue</u>	<u>1980 Revenue (7% over 1979)</u>
Anchorage	\$ 7,187,122	\$ 7,690,221
Bristol Bay	17,068	18,263
Haines	181,540	194,248
Juneau	212,156	227,007
Ketchikan	548,902	587,325
Kodiak	12,737	13,629
Matanuska/Susitna	48,767	52,181
North Slope	151,578	162,188
Sitka	67,323	72,036
Dillingham	1,425	1,525
Nenana	3,464	3,706
Nome	53,209	56,934
Pelican	3,332	3,565
Petersburg	35,969	38,487
Skagway	10,111	10,819
Unalaska	3,818	4,085
Wrangell	38,156	40,827
	<u>\$ 8,576,677</u>	<u>\$ 9,177,046</u>

* It is questionable as to whether or not Fairbanks and Kenai, who currently exempt business inventory, would repeal the exemption and begin taxing inventories to take advantage of this program. If these two municipalities did begin taxing inventories, the fiscal note would change as follows:

Fairbanks estimated inventory value 1979	=	\$ 101,016,740
Kenai estimated inventory value 1979	=	71,684,601
Estimated total revenue including 7% increase	=	3,152,165
Total revenue of other municipalities	=	<u>\$ 9,177,046</u>
Estimated total revenue lost	=	\$ 12,329,211

Other Expenditures

According to the Department of Revenue, there were 33,000 business licenses issued statewide in 1979. They expect a 5% increase for 1980. We have assumed 80% of these businesses are located within organized municipalities. It is assumed therefore, the Department will have to process almost 28,000 applications for reimbursement under SB 510. The Department will require two new positions with expenditures as follows:

2 clerk/typist III - Range 8A 1277	=	\$30,648
Benefits @ 28%	=	8,581
Equipment	=	4,000
Supplies	=	1,000
Office space 800 sq.ft. @ \$1.50 psf	=	<u>14,400</u>
		\$58,629
Reimbursement Total	=	\$12,329,211
Total Program Cost	=	\$12,387,840

58
7/10
CATEGORY: DEVELOPMENT

AGENCY: COMMUNITY & REGIONAL AFFAIRS

PROGRAM: COMMUNITY DEVELOPMENT

BRU (s): LOCAL GOVERNMENT ASSISTANCE - GRANTS

The Local Government Assistance - Grants BRU include the following component: Municipal Revenue Sharing, National Forest Receipts, Agriculture Land Exemption, Rural Development Assistance, and Organizational Grants.

Municipal Revenue Sharing provides local governments with financial resources, distributed from current state tax revenues, to help complement and deliver basic municipal service without substantially increasing local taxes. For FY 81, the amount requested for Municipal Revenue Sharing grants is \$26,565.0. This will allow an estimated 100% of community entitlements.

National Forest Receipts are distributed to organized boroughs and unified municipalities which have National Forest land within their boundaries. A borough's share of income from a National Forest is proportional to the area of the National Forest located within the community's boundaries. This income, according to law, must be expended for public schools or community roads. The total National Forest income received by the State in a given fiscal year is 25% of the total annual collection fees received by the U.S. Forest Service during the previous year. During FY 80, total National Forest income received by the State will be \$2,907,500 of which \$916,486 will be distributed to municipalities in the Tongass Chugach National Forests.

Agricultural Lands Exemptions provides owners of agricultural land who derive at least 10% of their annual gross income from use of the land, a deferral taxation. Municipalities establish and maintain records of assessment at full value and at farm use value, provide verification of qualification data, in some cases verify income requirements, compute the tax deferred and submit the applications as a reimbursement request to the State Assessor's office. Funding for this program for FY 81 will be \$189,600 or \$60,000 less than the current fiscal year.

Rural Development Assistance grants are designed to provide financial aid assistance to rural communities so that they may build a more diversified community and economic base. The RDA program was appropriated \$841,900 in grant funds in the FY 80 budget. The FY81 request for RDA grant funding was increased to \$900,800. In FY 80, this program was part of the Community & Rural Development BRU.

The Organizational Grant component is designed to provide funding to assist newly incorporated municipalities transitioning to a functioning local government unit. Funding for this program was \$25,000 in FY 80 and a request of that amount is made for FY 81.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
MUNICIPAL REVENUE SHARING	18688.0	18795.6	18772.4	20236.0			26565.0
AGRICULTURAL LAND EXEMPTION	215.2	215.2	139.1	249.6			139.6
NATIONAL FOREST RECEIPTS	900.0	929.7	929.7	1200.0			1200.0
RURAL DEVELOP GRANTS	842.1	842.1	842.0	841.9			900.8
ORGANIZATIONAL GRANTS	100.0	100.0	87.1	25.0			25.0
COMMUNITY LEGAL ASST GRANTS	20.0	97.6	11.5				
** TOTAL	20765.3	20980.2	20781.8	22552.5			28880.4
** CHANGE VERSUS 80 AUTH							28.0%
OBJECT DESCRIPTION							
TRAVEL		15.0	9.3				
CONTRACTUAL		60.0	52.8				
GRANTS, CLMS	20765.3	20905.2	20719.7	22552.5			28880.4
FUNDING SOURCE							
FED. RECEIPT		929.7	929.7	1200.0			1200.0
GENERAL FUND	20765.3	20050.5	19852.1	21352.5			27680.4
** GENERAL FUND CHANGE VS. 80 AUTH							29.6%



ANCHORAGE, ALASKA

Phone 278-9333
Phone 277-5113

3100 Mountain View Drive

April 3, 1980

Alaska State Legislature
Senator John Sackett
Pouch V
Juneau, Alaska 99811

Senator Sackett

We are finding it increasingly difficult to carry an adequate inventory with rising prices, both in wholesale prices and freight increases.

It would really help the small businessman if we could buy in larger quantities and not have to be careful because of the inventory taxes. It would also help keep down the prices of the merchandise as well as help us carry a more complete line of material. Please do all you can to get SENATE BILL 510 passed.

Thank you,

A handwritten signature in cursive script that reads "Marcia Clark".

SB 510 In S CXRA, then FIN 3-5-80

Original sponsor: Rules Committee by request

Offered: 4/8/80
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 510

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting business inventory from municipal
7 property tax levy, and providing for reimbursement to
8 municipalities of tax revenues lost by operation of the
9 exemption; and providing for an effective date."

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

11 * Section 1. AS 29.53 is amended by adding a new section to read:

12 Sec. 29.53.023. BUSINESS INVENTORY TAX EXEMPTION. (a) Except as
13 provided in (c) of this section, the inventory of a business holding a
14 business license issued under AS 43.70.020 is exempt from taxation under
15 this section.

16 (b) The Department of Community and Regional Affairs shall reim-
17 burse a borough or city for revenues lost to it by operation of the
18 exemption provided by this section on the basis of the application of
19 the tax rate of the borough or city to the value of business inventory.
20 Reimbursement to municipalities under this section is subject to legis-
21 lative appropriation to the Department of Community and Regional Affairs
22 for the purpose. The department may adopt regulations to carry out the
23 provisions of this section.

24 (c) A borough or city claiming reimbursement under this section
25 shall require businesses to report the value of business inventory under
26 AS 29.53.070(a) based on

27 (1) the determination of the value of the inventory by the
28 business for purposes of the Alaska Net Income Tax Act (AS 43.20);

29 (2) the value of business inventory as of January 1 of the

1 assessment year; or

2 (3) the average monthly value of business inventory.

3 (d) If, during any fiscal year of the state, the amount of money
4 appropriated is insufficient to fully reimburse a borough or city for
5 revenues lost to it by operation of the exemption granted in (a) of this
6 section, the commissioner of community and regional affairs shall cer-
7 tify the amount of estimated reimbursement due each city and borough
8 under (b) of this section and the ratio of the reimbursement appro-
9 priated for all cities and boroughs to the total reimbursement which is
10 due all cities and boroughs under (b) of this section, expressed as a
11 percentage. The commissioner shall issue his certificate not later than
12 30 days after the date of final adjournment of the regular session of
13 the legislature during which the appropriation was made.

14 (e) A borough or city may levy and collect a property tax against
15 the value of the inventory of a business at the rate applicable to the
16 levy and collection of property taxes authorized by this chapter. The
17 levy is limited to a levy on the portion of the value of the business
18 inventory of a taxpayer which is not exempt from taxation under this
19 subsection. For purposes of this subsection, the portion of the value
20 of the business inventory of a taxpayer which is exempt from taxation
21 under this subsection is equal to the total value of the business in-
22 ventory of the taxpayer reported under (c) of this section multiplied by
23 the percentage determined by the commissioner of community and regional
24 affairs and certified under (d) of this section.

25 * Sec. 2. AS 29.53.060(b) and (c) are repealed.

26 * Sec. 3. This Act is retroactive to January 1, 1980 and applies to
27 assessment years after December 31, 1979.

28 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).

Introduced: 3/5/80
Referred: Community &
Regional Affairs and Finance

BY THE RULES COMMITTEE
BY REQUEST (for the Interim
Tax Policy Committee)

1 IN THE SENATE

2 SENATE BILL NO. 510

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting business inventory from municipal
7 property tax levy, and providing for reimbursement to
8 municipalities of tax revenues lost by operation of the
9 exemption; and providing for an effective date."

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

11 * Section 1. AS 29.53.020(a) is amended by adding a new paragraph to
12 read:

13 (7) the inventory of a business holding a business license
14 issued under AS 43.70.020.

15 * Sec. 2. AS 29.53.020(g) is amended to read:

16 (g) The state shall reimburse a borough or city, as appropriate,
17 for the real property tax revenues lost to it by the operation of (e) of
18 this section and for the property tax revenues lost to it by the exemp-
19 tion of business inventories under (a)(7) of this section. Reimbursement
20 shall [HOWEVER, REIMBURSEMENT WILL] be made to a borough or city

21 (1) for revenue lost to it by the operation of (e) of this
22 section only to the extent that the loss exceeds an exemption which was
23 granted by the borough or city, or which upon proper application by an
24 individual would have been granted by the borough or city, under AS 29.-
25 53.025(a);

26 (2) for revenue lost to it by operation of (a)(7) of this
27 section in the manner provided by AS 29.53.065.

28 * Sec. 3. AS 29.53 is amended by adding a new section to read:

29 Sec. 29.53.065. REIMBURSEMENT FOR TAX REVENUES LOST BY BUSINESS

1 INVENTORY EXEMPTION. (a) The state shall reimburse a borough or city
2 for revenues lost to it by operation of the exemption provided by AS 29.-
3 53.020(a)(7) on the basis of the application of the tax rate of the
4 borough or city to the value of business inventory reported to the state
5 by businesses for purposes of taxation under the Alaska Net Income Tax
6 Act (AS 43.20). A borough or city claiming reimbursement under this
7 section shall require businesses to report the value of business inven-
8 tory under AS 29.53.070(a) based on the determination of the value of
9 the inventory by the business for purposes of the Alaska Net Income Tax
10 Act.

11 (b) Reimbursement to municipalities under this section is subject
12 to legislative appropriation to the Department of Community and Regional
13 Affairs for the purpose. The department may adopt regulations to carry
14 out the provisions of this section.

15 * Sec. 4. AS 29.53.060(b) and (c) are repealed.

16 * Sec. 5. This Act takes effect January 1, 1980.



RECORDS



CERTIFICATION

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

James O. Smith
Signature of Camera Operator

3/23/90
Date

Pls CS HB 1005

Unassigned

Introduced: 3/5/80
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE

2 SENATE BILL NO. 512

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Trans-
7 portation Commission; and providing for an effective
8 date."

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

10 * Section 1. AS 44.66.010(2) is amended to read:

11 (2) Alaska Transportation Commission (AS 42.07.011) --

12 June 30, 1983 [1979];

13 * Sec. 2. This Act is retroactive to June 30, 1979.

14 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).

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17 ~~*P - get lost space bill that passed
18 the senate & also GCC bill returned.
19 Attach & return -
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I copy all versions are attached.*~~

June 1, 1979

The Honorable Clem Tillion
President of the Senate
The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President and Mr. Speaker:

I have vetoed Free Conference Committee Substitute for Senate Bill 236, an act continuing the existence of the Alaska Transportation Commission and amending laws relating to the commission; and providing for an effective date.

The Department of Law has pointed out serious defects in the language relating to the issuance of stop orders by the Alaska Transportation Commission, the effect of the language would be to dilute the power of the Alaska Transportation Commission's enforcement of its own orders.

Section 12 of the enrolled bill (insurance on exempt carriers) has been previously discussed in regard to the "deregulation" of air service. However, it also should be noted that sec. 12 would require all currently exempt vehicles, including motor vehicles operated by federal, state, and municipal government, those operated by ranchers, farmers, and dairymen under 12,000 pounds gross vehicle weight, and those operated by construction contractors to file insurance coverage with the commission. Such regulation would in fact, increase the scope of regulatory control by the commission and could quite possibly necessitate an increase in commission personnel. Additionally, there is doubt that the language relating to insurance requirements for exempt carriers is clear enough that the provision is enforceable.

Existing law provides that the Alaska Transportation Commission would be terminated June 30, 1979 but would continue in existence until June 30, 1980. Therefore, I

believe that there is sufficient time for the legislature to address the issue in a timely manner. Additionally, it should be noted that the deregulation provisions relating to fixed wing aircraft would not take effect until July 1, 1980. Some operators of light aircraft that the legislature intended to exempt from regulation, i.e., guides, would continue to be regulated due to the proviso for providing 12 months of service.

The fiscal impact of the bill is significant, analysis indicates a cost of 97.7 thousand dollars annually, no funding was provided with the measure.

Sincerely,

Jay S. Hammond
Governor

**COMMITTEE REPORT
SENATE**

3/5/80

FURTHER: None

Date: March 18, 1980

Mr. President:

The Committee on FINANCE has had SB 512

continuing the existence of the Alaska Transportation Commission

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

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

MEMBERS SIGNING
DO PASS

Tom Harkney

MEMBERS HAVING
OTHER RECOMMENDATIONS:

John Kay

John Smith

John Smith

CHAIRMAN

Original sponsor: Commerce Committee

Vetoed

Offered: 5/6/79

1 IN THE SENATE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE BILL NO. 236

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Trans-
7 portation Commission and amending laws relating to the
8 commission; and providing for an effective date."

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

10 * Section 1. AS 42.07.031 is amended to read:

11 Sec. 42.07.031. QUORUM. Two members of the commission constitute
12 a quorum for the transaction of business, for the performance of a duty,
13 or for the exercise of a power of the commission, except as provided in
14 AS 42.07.181(d).

15 * Sec. 2. AS 42.07.141 is amended by adding a new subsection to read:

16 (e) The commission may adopt regulations or issue orders governing
17 the protection, assemblage, exchange, and distribution of information
18 including the allocation of any costs incurred by a person in performing
19 those activities.

20 * Sec. 3. AS 42.07 is amended by adding new sections to read:

21 Sec. 42.07.171. ENFORCEMENT AUTHORITY. An enforcement officer
22 authorized and designated by the commission has the enforcement autho-
23 rity set out in this section in order to enforce regulations and orders
24 of the commission and to enforce the statutes that the commission has
25 the responsibility to administer. The commission may authorize that
26 person to

27 (1) require the operator of any surface or air vehicle which
28 may be subject to or is reasonably believed to be subject to the author-
29 ity of the commission to present documents of vehicle registration,

1 ownership, or other documents required by regulation to be in the pos-
2 session of the operator;

3 (2) issue citations for the violation of a regulation, order,
4 or statute under the jurisdiction of the commission; and

5 (3) apply to a court for an appropriate order.

6 Sec. 42.07.181. STOP ORDERS. (a) The commission may, following a
7 hearing under its regulations, issue a stop order directed to a person
8 violating a regulation, order, or statute under the jurisdiction of the
9 commission.

10 (b) The commission may issue a stop order on its own motion before
11 a hearing if it finds that immediate and irreparable harm is likely to
12 occur to the public if the order is not issued. In addition, the commis-
13 sion may issue a stop order on its own motion if it finds that the party
14 to whom the order is directed

15 (1) has failed to file required insurance or surety bonds;

16 (2) is no longer fit, willing and able to operate properly;

17 (3) is operating without an appropriate certificate or permit
18 allowing him to conduct the transportation in question; or

19 (4) is operating in a manner that will jeopardize the public
20 safety if such an order is not issued.

21 (c) A stop order issued by the commission on its own motion and
22 without a hearing is effective for five days, and the order shall pro-
23 vide the respondent a hearing within five days. If requested by the
24 respondent, the hearing shall be held in the judicial district in which
25 the residence or principal place of business of the respondent is
26 located. If a hearing has been provided within five days, the commis-
27 sion may extend the stop order an additional five days in order that the
28 commission may decide the matter.

29 (d) If a single commissioner finds that a person engaging in

1 transportation does so in a manner that creates a likelihood that the
2 public safety will be jeopardized if a stop order is not issued, he may
3 issue a stop order without a hearing. A stop order issued by a single
4 commissioner is effective for 48 hours or until a stop order is issued
5 by the commission under (c) of this section.

6 (e) A stop order shall be rescinded if the commission finds, upon
7 petition or upon its own motion, that the respondent has complied with
8 the terms of the stop order, or that the stop order was erroneously or
9 improperly issued.

10 (f) If, after a hearing, the commission finds that a respondent
11 violated the stop order, the commission may fine that person not more
12 than \$1,000 for each day the violation of the stop order continues, or
13 an amount equal to any revenue that person earned as a result of violat-
14 ing the stop order, whichever is greater. No fine may be collected if
15 violations or alleged conditions upon which the stop order was issued
16 are found by the commission or by a court not to apply.

17 (g) A respondent who is injured by the stop order or citation and
18 is subsequently determined not to have been in violation of a regula-
19 tion, order, or statute under the jurisdiction of the commission has a
20 claim against the state. A claim under this subsection shall be filed
21 in the superior court. It is not a defense to a claim under this sub-
22 section that the stop order or citation constituted a discretionary act
23 on the part of the commission or the enforcement officer.

24 (h) In this section, "respondent" means a person against whom a
25 stop order or citation is directed.

26 * Sec. 4. The Alaska Transportation Commission shall amend its rules of
27 practice and procedure within 180 days of the effective date of this Act to
28 insure that any person subject to a stop order issued under AS 42.07.181 has
29 the opportunity to have the stop order rescinded because he has complied with

1 its terms.

2 * Sec. 5. AS 02.05.050(d)(1) is amended to read:

3 (1) may, in accordance with his certificate, the limitations
4 established by this chapter and regulations of the commission, utilize
5 in all areas of the state from which he is authorized to operate, air-
6 craft which have a maximum payload capacity determined with reference
7 to federal air regulations of not more than 7,500 pounds and a maximum
8 passenger seating configuration, exclusive of any pilot's seat, of 30
9 [HAVING A MAXIMUM CERTIFICATED TAKEOFF WEIGHT OF 12,500 POUNDS OR LESS]
10 except as authorized on certificates in effect on September 26, 1972 or
11 as otherwise authorized by the commission;

12 * Sec. 6. AS 44.66.010(2) is amended to read:

13 (2) Alaska Transportation Commission (AS 42.07.011) --
14 June 30, 1981 [1979];

15 * Sec. 7. AS 02.05 is amended by adding a new section to read:

16 Sec. 02.05.035. EXEMPT AIR CARRIERS. This chapter applies to all
17 air carriers unless specifically exempted by this section. This chap-
18 ter, except when specifically otherwise provided, does not apply to air
19 carriers based in Alaska who provide 12-month service by

20 (1) the operation of rotary-wing aircraft (helicopters);

21 (2) the operation of unscheduled, single-engine, fixed-wing
22 aircraft with a certified gross takeoff weight of 5,500 pounds or less.

23 * Sec. 8. AS 39.25.120 is amended by adding a new paragraph to read:

24 (12) the director, deputy director, staff legal counsel, and
25 hearing officers of the Alaska Transportation Commission.

26 * Sec. 9. AS 42.07.101 is repealed and re-enacted to read:

27 Sec. 42.07.101. EMPLOYMENT OF COMMISSION PERSONNEL. (a) The
28 commission may employ an executive director who shall have had at least
29 five years of experience in public transportation management or regula-

1 tion, law, accounting, or an allied field. The executive director may
2 be a member of the commission. The commission may employ engineers,
3 hearing officers, staff legal counsel, experts, clerks, accountants, and
4 other agents and assistants it considers necessary. The executive
5 director, if not a member of the commission, his deputy and staff legal
6 counsel, and hearing officers to the commission are in the partially
7 exempt service under AS 39.25.120. All other employees and agents of
8 the commission are in the classified service under AS 39.25.100. The
9 salary of an executive director who is a member of the commission may
10 not exceed that of a superior court judge.

11 (b) In addition to its staff of regular employees, the commission
12 may contract for and engage the services of consultants and experts the
13 commission considers necessary.

14 * Sec. 10. AS 42.07.121 is amended to read:

15 Sec. 42.07.121. GENERAL POWERS AND DUTIES. The Alaska Transporta-
16 tion Commission shall supervise and regulate transportation in the state
17 as provided in this chapter and in AS 02.05, [AND] AS 42.10, and AS
18 42.15, [AS 42.25], and may do all things, whether specifically desig-
19 nated in this chapter or in AS 02.05, [OR] AS 42.10, or AS 42.15,
20 [AS 42.25], or in addition thereto, which are necessary or convenient in
21 the exercise of this power and jurisdiction.

22 * Sec. 11. AS 42.07 is amended by adding a new section to read:

23 Sec. 42.07.126. EXEMPT TRANSPORTATION CARRIERS. The jurisdiction
24 of the commission does not extend to the regulation of ferry transporta-
25 tion.

26 * Sec. 12. AS 42.07.131 is amended to read:

27 Sec. 42.07.131. AUTHORITY LIMITED BY FEDERAL LAW. The provisions
28 of this chapter and AS 02.05 and AS 42.10 [AND AS 42.15] apply to trans-
29 portation carriers engaged in foreign commerce and interstate commerce

1 to the extent permitted by the constitution and laws of the United
2 States.

3 * Sec. 13. AS 42.07 is amended by adding a new section to read:

4 Sec. 42.07.136. INSURANCE OR DEPOSIT OF SECURITY ON EXEMPT
5 CARRIERS. The commission shall require carriers exempted under AS 02.-
6 05.035, AS 42.07.126, and AS 42.10.020 to procure and maintain bodily
7 injury and property damage liability insurance from a company licensed
8 to write insurance in the state or deposit security for the limits of
9 liability and upon the terms and conditions the commission determines
10 necessary for the reasonable protection of the public against damage and
11 injury for which the carrier may be liable by reason of its operation.
12 Evidence of the required insurance shall be filed with the commission.

13 * Sec. 14. AS 42.10.020 is amended by adding a new paragraph to read:

14 (5) motor vehicles under 14,000 pounds GVW operated as tow
15 trucks.

16 * Sec. 15. AS 42.10.090(2) is amended to read:

17 (2) require every private carrier and every exempt carrier
18 except as provided in AS 42.10.020(4) and (5) to file information re-
19 quired by the commission to carry out this chapter, and supervise and
20 regulate each private carrier in all other matters affecting its rela-
21 tionship with the shipping and the general public.

22 * Sec. 16. AS 39.23.060 is amended to read:

23 Sec. 39.23.060. REVIEW OF COMPENSATION AND BENEFITS; OFFICERS
24 COVERED. The commission shall conduct an ongoing review of compensation
25 and retirement benefits for members of the legislature; the governor;
26 the lieutenant governor; commissioners, deputy commissioners, and divi-
27 sion directors of each executive department; members of the Alaska
28 Public Utilities Commission; members of the Alaska Pipeline Commission;
29 members of the Alaska Transportation Commission; members of the Alaska

1 Commercial Fisheries Entry Commission; and the judiciary, to determine
2 the appropriateness of compensation and benefits.

3 * Sec. 17. AS 39.27.011(b) is amended to read:

4 (b) The salary schedule set out in (a) of this section has no
5 effect upon other provisions of law specifying the salary of the gover-
6 nor, lieutenant governor, legislators, judicial officers as defined in
7 AS 22.20.010, department heads, and members of the Alaska Public Utili-
8 ties Commission, the Alaska Transportation Commission, the Alaska Pipe-
9 line Commission, or the Alaska Commercial Fisheries Entry Commission.

10 * Sec. 18. AS 42.07.071 is amended to read:

11 Sec. 42.07.071. COMPENSATION OF MEMBERS OF THE ALASKA TRANSPORTA-
12 TION COMMISSION. The Commissioners are in the exempt service under
13 AS 39.25 and shall receive an annual salary as established under
14 AS 39.23 [SET BY AS 39.27.011(a) FOR RANGE 27, STEP C OF THE STATE PAY
15 PLAN].

16 * Sec. 19. AS 42.15 and AS 42.25 are repealed.

17 * Sec. 20. AS 02.05.035(2), as added by sec. 7 of this Act, takes effect
18 July 1, 1980. AS 02.05.035(1) as added by sec. 7 of this Act and secs. 1 -
19 6, 8 - 15, and 19 of this Act take effect July 1, 1979. Sections 16 and 20
20 of this Act take effect immediately in accordance with AS 01.10.070(c). Sec-
21 tions 17 and 18 of this Act take effect on the effective date of the next
22 recommendation submitted to and accepted by the legislature under AS 39.23.-
23 080(c) following the effective date of sec. 16 of this Act.

Original sponsor: Commerce Committee

Offered: 4/26/79
Referred: Judiciary and
Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2

HOUSE CS FOR SENATE BILL NO. 236 am H

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act continuing the existence of the Alaska Transportation Commission and amending laws relating to the commission; and providing for an effective date."

7

8

9

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

11

* Section 1. AS 44.66.010(2) is amended to read:

12

(2) Alaska Transportation Commission (AS 42.07.011) --

13

June 30, 1981 [1979];

14

* Sec. 2. AS 02.05 is amended by adding a new section to read:

15

Sec. 02.05.035. EXEMPT AIR CARRIERS. This chapter applies to all

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air carriers unless specifically exempted by this section. This chapter,

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except when specifically otherwise provided, does not apply to

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(1) the operation of rotary-wing aircraft (helicopters) by an

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air carrier;

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(2) the operation of unscheduled, single-engine, fixed-wing

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aircraft with a certified gross takeoff weight of 5,500 pounds or less

22

by an air carrier.

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* Sec. 3. AS 39.25.120 is amended by adding a new paragraph to read:

24

(12) the director, deputy director, and staff legal counsel of

25

the Alaska Transportation Commission.

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* Sec. 4. AS 42.07.101 is repealed and re-enacted to read:

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Sec. 42.07.101. EMPLOYMENT OF COMMISSION PERSONNEL. (a) The

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commission may employ an executive director who shall have had at least

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five years of experience in public transportation management or

1 regulation, law, accounting, or an allied field. The executive director
2 may be a member of the commission. The commission may employ engineers,
3 hearing officers, staff legal counsel, experts, clerks, accountants, and
4 other agents and assistants it considers necessary. The executive
5 director, if not a member of the commission, his deputy and staff legal
6 counsel to the commission are in the partially exempt service under
7 AS 39.25.120. All other employees and agents of the commission are in
8 the classified service under AS 39.25.100. The salary of an executive
9 director who is a member of the commission may not exceed that of a
10 superior court judge.

11 (b) In addition to its staff of regular employees, the commission
12 may contract for and engage the services of consultants and experts the
13 commission considers necessary.

14 * Sec. 5. AS 42.07.121 is amended to read:

15 Sec. 42.07.121. GENERAL POWERS AND DUTIES. The Alaska Transporta-
16 tion Commission shall supervise and regulate transportation in the state
17 as provided in this chapter and in AS 02.05 and AS 42.10 [, AS 42.15,
18 AS 42.25], and may do all things, whether specifically designated in
19 this chapter or in AS 02.05 or AS 42.10 [, AS 42.15, AS 42.25], or in
20 addition thereto, which are necessary or convenient in the exercise of
21 this power and jurisdiction.

22 * Sec. 6. AS 42.07 is amended by adding a new section to read:

23 Sec. 42.07.126. EXEMPT TRANSPORTATION CARRIERS. The jurisdiction
24 of the commission does not extend to the regulation of carriers by bus
25 or to the regulation of ferry transportation.

26 * Sec. 7. AS 42.07.131 is amended to read:

27 Sec. 42.07.131. AUTHORITY LIMITED BY FEDERAL LAW. The provisions
28 of this chapter and AS 02.05 and AS 42.10 [AND AS 42.15] apply to trans-
29 portation carriers engaged in foreign commerce and interstate commerce

1 to the extent permitted by the constitution and laws of the United
2 States.

3 * Sec. 8. AS 42.07 is amended by adding a new section to read:

4 Sec. 42.07.136. INSURANCE OR DEPOSIT OF SECURITY ON EXEMPT
5 CARRIERS. The commission shall require carriers exempted under
6 AS 02.05.035, AS 42.07.126, and AS 42.10.020 to procure and maintain
7 bodily injury and property damage liability insurance from a company
8 licensed to write insurance in the state or deposit security for the
9 limits of liability and upon the terms and conditions the commission
10 determines necessary for the reasonable protection of the public against
11 damage and injury for which the carrier may be liable by reason of its
12 operation. Evidence of the required insurance shall be filed with the
13 commission.

14 * Sec. 9. AS 42.10.020 is amended by adding a new paragraph to read:

15 (5) motor vehicles operated as tow trucks.

16 * Sec. 10. AS 42.10.090(2) is amended to read:

17 (2) require every private carrier and every exempt carrier
18 except as provided in AS 42.10.020(4) and (5) to file information re-
19 quired by the commission to carry out this chapter, and supervise and
20 regulate each private carrier in all other matters affecting its rela-
21 tionship with the shipping and the general public.

22 * Sec. 11. AS 39.23.060 is amended to read:

23 Sec. 39.23.060. REVIEW OF COMPENSATION AND BENEFITS; OFFICERS
24 COVERED. The commission shall conduct an on-going review of compensa-
25 tion and retirement benefits for members of the legislature; the gover-
26 nor; the lieutenant governor; commissioners, deputy commissioners, and
27 division directors of each executive department; members of the Alaska
28 Public Utilities Commission; members of the Alaska Pipeline Commission;
29 members of the Alaska Transportation Commission; members of the Alaska

1 Commercial Fisheries Entry Commission; and the judiciary, to determine
2 the appropriateness of compensation and benefits.

3 * Sec. 12. AS 39.27.011(b) is amended to read:

4 (b) The salary schedule set out in (a) of this section has no
5 effect upon other provisions of law specifying the salary of the gover-
6 nor, lieutenant governor, legislators, judicial officers as defined in
7 AS 22.20.010, department heads, and members of the Alaska Public Utili-
8 ties Commission, the Alaska Transportation Commission, the Alaska Pipe-
9 line Commission, or the Alaska Commercial Fisheries Entry Commission.

10 * Sec. 13. AS 42.07.071 is amended to read:

11 Sec. 42.07.071. COMPENSATION OF MEMBERS OF THE ALASKA TRANSPORTA-
12 TION COMMISSION. The Commissioners are in the exempt service under
13 AS 39.25 and shall receive an annual salary as established under AS 39.23
14 [SET BY AS 39.27.011(a) FOR RANGE 27, STEP C OF THE STATE PAY PLAN].

15 * Sec. 14. AS 42.15 and AS 42.25 are repealed.

16 * Sec. 15. AS 02.05.035(2), as added by sec. 2 of this Act, takes effect
17 July 1, 1980. Sections 1 and 3 - 10 and 14 of this Act take effect July 1,
18 1979. Section 11 of this Act takes effect immediately in accordance with
19 AS 01.10.070(c). Sections 12 and 13 of this Act take effect on the effective
20 date of the next recommendation submitted to and accepted by the legislature
21 under AS 39.23.080(c) following the effective date of sec. 11 of this Act.
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Original sponsor: Commerce Committee

Offered: 4/26/79
Referred: Judiciary and
Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 236
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Trans-
7 portation Commission and amending the laws relating to
8 its responsibilities; and providing for an effective
9 date."

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

11 * Section 1. AS 44.66.010(2) is amended to read:

12 (2) Alaska Transportation Commission (AS 42.07.011) --
13 June 30, 1981 [1979];

14 * Sec. 2. AS 02.05 is amended by adding a new section to read:

15 Sec. 02.05.035. EXEMPT AIR CARRIERS. This chapter applies to all
16 air carriers unless specifically exempted by this section. This chap-
17 ter, except when specifically otherwise provided, does not apply to

18 (1) the operation of rotary-wing aircraft (helicopters) by an
19 air carrier;

20 (2) the operation of unscheduled, single-engine, fixed-wing
21 aircraft with a certified gross takeoff weight of 5,500 pounds or less
22 by an air carrier.

23 * Sec. 3. AS 39.25.120 is amended by adding a new paragraph to read:

24 (12) the director, deputy director, and staff legal counsel of
25 the Alaska Transportation Commission.

26 * Sec. 4. AS 42.07.101 is repealed and re-enacted to read:

27 Sec. 42.07.101. EMPLOYMENT OF COMMISSION PERSONNEL. (a) The
28 commission may employ an executive director who shall have had at least
29 five years of experience in public transportation management or

1 regulation, law, accounting, or an allied field. The executive director
2 may be a member of the commission. The commission may employ engineers,
3 hearing officers, staff legal counsel, experts, clerks, accountants, and
4 other agents and assistants it considers necessary. The executive
5 director, if not a member of the commission, his deputy and staff legal
6 counsel to the commission are in the partially exempt service under
7 AS 39.25.120. All other employees and agents of the commission are in
8 the classified service under AS 39.25.100. The salary of an executive
9 director who is a member of the commission may not exceed that of a
10 superior court judge.

11 (b) In addition to its staff of regular employees, the commission
12 may contract for and engage the services of consultants and experts the
13 commission considers necessary.

14 * Sec. 5. AS 42.07.121 is amended to read:

15 Sec. 42.07.121. GENERAL POWERS AND DUTIES. The Alaska Transporta-
16 tion Commission shall supervise and regulate transportation in the state
17 as provided in this chapter and in AS 02.05 and AS 42.10 [, AS 42.15,
18 AS 42.25], and may do all things, whether specifically designated in
19 this chapter or in AS 02.05 or AS 42.10 [, AS 42.15, AS 42.25], or in
20 addition thereto, which are necessary or convenient in the exercise of
21 this power and jurisdiction.

22 * Sec. 6. AS 42.07 is amended by adding a new section to read:

23 Sec. 42.07.126. EXEMPT TRANSPORTATION CARRIERS. The jurisdiction
24 of the commission does not extend to the regulation of carriers by bus
25 or to the regulation of ferry transportation.

26 * Sec. 7. AS 42.07.131 is amended to read:

27 Sec. 42.07.131. AUTHORITY LIMITED BY FEDERAL LAW. The provisions
28 of this chapter and AS 02.05 and AS 42.10 [AND AS 42.15] apply to trans-
29 portation carriers engaged in foreign commerce and interstate commerce

1 to the extent permitted by the constitution and laws of the United
2 States.

3 * Sec. 8. AS 42.07 is amended by adding a new section to read:

4 Sec. 42.07.136. INSURANCE OR DEPOSIT OF SECURITY ON EXEMPT
5 CARRIERS. The commission shall require carriers exempted under
6 AS 02.05.035, AS 42.07.126, and AS 42.10.020 to procure and maintain
7 bodily injury and property damage liability insurance from a company
8 licensed to write insurance in the state or deposit security for the
9 limits of liability and upon the terms and conditions the commission
10 determines necessary for the reasonable protection of the public against
11 damage and injury for which the carrier may be liable by reason of its
12 operation. Evidence of the required insurance shall be filed with the
13 commission.

14 * Sec. 9. AS 42.10.020 is amended by adding a new paragraph to read:

15 (5) motor vehicles operated as tow trucks.

16 * Sec. 10. AS 42.10.090(2) is amended to read:

17 (2) require every private carrier and every exempt carrier
18 except as provided in AS 42.10.020(4) and (5) to file information re-
19 quired by the commission to carry out this chapter, and supervise and
20 regulate each private carrier in all other matters affecting its rela-
21 tionship with the shipping and the general public.

22 * Sec. 11. AS 42.15 and AS 42.25 are repealed.

23 * Sec. 12. AS 02.05.035(2), as added by sec. 2 of this Act, takes effect
24 July 1, 1980. The remainder of this Act takes effect July 1, 1979.

Introduced: 3/8/79
Referred: Commerce

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 SENATE BILL NO. 236

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Trans-
7 portation Commission; and providing for an effective
8 date."

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

10 * Section 1. AS 44.66.010(a)(2) is amended to read:

11 (2) Alaska Transportation Commission (AS 42.07.011) --

12 June 30, 1980 [1979];

13 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).

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9 - hold this for Dec on ATC bill - SB 512

SYNOPSIS OF BILL

The amendment to AS 42.07.010(a) will place certain employees of the Commission in a partially exempt service, rather than the classified service. Such employees will then be in the same class of service as comparable employees of other regulatory agencies such as the APUC. Greater productivity is achieved if employees such as executive directors or hearing officers work in context with commission policy. Since commissioners are appointed for six-year terms of office, they should have the power to employ those who most efficiently carry out objectives of the commission.

The amendment to AS 39.25.120 is needed to implement the change in AS 42.07.010(a).

The amendment to AS 42.07.031 is required to implement provisions of AS 42.07.171 wherein a single commissioner may issue a stop order under prescribed conditions. Without the amendment, it would be necessary for a quorum of the commission to issue the stop order. Since commissioners frequently travel away from the office on hearings, it was felt that to effectively implement the enforcement program provided by the amendment to 171, a single commissioner should be authorized to issue stop orders. The new section entitled enforcement authority which is added as section AS 42.07.171 was passed by both the houses of the legislature during the 1979 legislative session, however, this measure was subsequently vetoed by the governor. As passed, it contained some provisions which virtually wiped out effectiveness of the legislation. This legislation is needed to efficiently and effectively regulate lawful and orderly movement of persons and property in intrastate commerce.

The amendment to AS 02.05.040 is needed to resolve a long-standing problem with present air commerce statutes in that they do not provide for a primary business exclusion for operation of aircraft in air commerce. The proposed amendment is substantially the same as that which was recommended by the legislative audit committee in performing the sunset review of the ATC. It will allow air carriers who use aircraft in the pursuit of another primary business to operate without holding a certificate from the ATC.

The amendment to AS 02.05.050(d) will eliminate the Commission's ability to place certain restrictions on air commerce certificates, specifically geographic restrictions on more than 70 currently-issued certificates, and will increase the weight category of aircraft used by air taxi operators from 12,500 GTOW to 18,000 pounds payload. This will require that the Commission reissue air taxi

20/12/1970

certificates which presently contain a geographically restricted area of operations.

The amendment to AS 02.05.075 changes the application fees to correspond to the new weight limitations.

The amendment to AS 02.05.140 will allow tariff changes to be made on 10 days notice, rather than the 45 days presently required. The ability to change tariff rates on 10 days notice will give air carriers needed flexibility to adjust tariffs in accordance with constantly changing cost factors. These changes usually are made in small increments reflecting inflationary cost increases. The Commission will still retain jurisdiction to suspend what appears to be unwarranted tariff changes.

IN THE LEGISLATURE OF THE STATE OF ALASKA
 ELEVENTH LEGISLATURE - SECOND SESSION
 A BILL

For an Act entitled: "An act relating to the Alaska Transportation Commission and to its regulation of air commerce under the Alaska Air Commerce Act of 1960."

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

* Section 1. AS 44.66.010(a)(2) is amended to read:

(2) Alaska Transportation Commission (AS 42.07.011) --
 June 30, 1983 (1979);

Section 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

* Section 3. AS 42.07.101(a) is amended to read:

(a) The commission may employ engineers, hearing officers, experts, clerks accountants, and other agents and assistants it considers necessary. The Executive director, hearing officers and legal counsel are in the partially exempt service under AS 39.25. All other employees of the commission (EMPLOYEES AND AGENTS OF THE COMMISSION, OTHER THAN LEGAL COUNSEL,) are in the classified service under AS 39.25.

* Section 4. AS 39.25.120 is amended by adding a new paragraph to read:

(12) the executive director, hearing officers, and legal counsel of the Alaska Transportation Commission.

* Section 5. AS 42.07.031 is amended to read:

Sec. 42.07.031. QUORUM. Two members of the commission constitute a quorum for the transaction of business, for the performance of a duty, or for the exercise of a power of the commission, except as provided in AS 42.07.181(d).

* Section 6. AS 42.07 is amended by adding new sections to read:

Section. 42.07.171 ENFORCEMENT AUTHORITY. An enforcement officer authorized and designated by the commission has the enforcement authority set out in this section in order to enforce regulations and orders of the commission and to enforce the statutes that the commission has the responsibility to administer. The Commission may authorize that person to

(1) require the operator of any surface or air vehicle which may be subject to or is reasonably believed to be subject to the authority of the commission to present documents of vehicle registration, ownership, or other documents required by regulation to be in the possession of the operator:

(2) stop any surface or air vehicle which may be subject to or is reasonably believed to be subject to the authority of the commission and request the right to inspect cargo within the vehicle for the purpose of determining whether the operation of the vehicle violates any regulation or order of the commission or violates any statute which the commission has a responsibility to administer; if the operator of that vehicle refuses to permit inspection of the vehicle or its cargo, the enforcement officer may, by placing a seal on or around the cargo, prohibit the discharge of cargo except at the point or points of destination and in the presence of an authorized enforcement officer of the commission;

(3) detain or remove from service a surface or air vehicle which is subject to or is reasonably believed to be subject to the authority of the commission when it reasonably appears that the continued operation of the vehicle would jeopardize the public safety; the enforcement officer may, if he discovers a safety violation which in his opinion will not cause an accident or breakdown, order the vehicle to proceed to a designated repair area where the violation shall be corrected before the vehicle proceeds further;

(4) issue citations for the violation of a regulation, order, or statute under the jurisdiction of the commission; and

(5) apply to a court for an appropriate order.

Sec. 42.07.181. STOP ORDERS. (a) The commission may, following a hearing under its regulations, issue a stop order directed to a person violating or aiding or abetting the violation of a regulation, order, or statute under the jurisdiction of the commission.

(b) The commission may issue a stop order on its own motion if it finds that the party to whom the order is directed

- (1) has failed to file required insurance of surety bonds;
- (2) is no longer fit, willing and able to operate properly;
- (3) does so without an appropriate certificate or permit allowing him to conduct the transportation in question; or

11/14/75
(4) does so in a manner to establish a likelihood that the public safety will be jeopardized if such an order is not issued.

(c) A stop order issued by the commission on its own motion and without a hearing is effective for 10 days, and the order shall provide the person a hearing within 10 days. If requested by the carrier charged, the hearing shall be held in the judicial district in which the principal place of business of the carrier is located. If a hearing has been provided within 10 days, the commission may extend the stop order an additional 30 days in order that the commission may decide the matter.

(d) A single commissioner may issue a stop order without a hearing if he finds that the person engaging in transportation does so in a manner that creates a likelihood that the public safety will be jeopardized if a stop order is not issued.

(e) The regulations of the commission shall provide that a person subject to a stop order is given the opportunity to have the stop order rescinded because he has complied with its terms.

(f) If, after a hearing, the commission finds that a person to whom a stop order is directed violated the stop order, the commission may fine that person \$1,000 for each day the violation of the stop order continues, or an amount equal to any revenue that person earned as a result of violating the stop order, whichever is greater.

(g) A person who refuses to allow an officer of the commission to examine his vehicle or cargo within the vehicle upon request under AS 42.07.171(2) and who is subsequently determined to be in violation of a regulation, order, or statute under the jurisdiction of the commission shall be fined \$1,000 a day for each day of the violation or fined an amount equal to the gross revenues earned by the violator in that particular operation, whichever amount is greater.

* Section 7. The Alaska Transportation Commission shall amend its rules of practice and procedure within 180 days of the effective date of this Act to insure that any person subject to a stop order issued under AS 02.07.181 has the opportunity to have the stop order rescinded because he has complied with its terms.

* Section 8. AS 02.05.040 is amended to read:

Certificates required. Subject to the provisions of Sec. 50 of this chapter, no person may engage in air commerce unless there is in force a certificate issued by the commission authorizing that person to engage in air commerce as a scheduled carrier, contract carrier or air taxi operator (.)

provided however, no person will be required to obtain an air commerce certificate or an exemption from the certification requirements of AS 02.05 if the transportation being performed is conducted as a private carrier other than as a contract carrier, and is incidental to and in furtherance of a primary business other than air commerce.

* Section 9. AS 02.05.05(d) is amended to read:

(1) may (IN ACCORDANCE WITH HIS CERTIFICATE, THE LIMITATIONS ESTABLISHED BY THIS CHAPTER AND REGULATIONS OF THE COMMISSION,) utilize in all areas of the state from which he is authorized to operate aircraft (HAVING A MAXIMUM CERTIFICATED TAKEOFF WEIGHT OF 12,500 POUNDS OR LESS EXCEPT AS AUTHORIZED ON CERTIFICATES IN EFFECT ON THE EFFECTIVE DATE OF THIS ACT OR AS OTHERWISE AUTHORIZED BY THE COMMISSION:) which have a maximum payload capacity of not more than ^{7,500}~~18,000~~ pounds or a maximum passenger seating configuration of ~~30~~ unless the use of larger aircraft is authorized by the commission.

DC-3's

* Section 10. AS 02.05.075(a) is amended to read:

(1) Applications involving aircraft (WEIGHT OF 12,500 POUNDS GROSS TAKE OFF WEIGHT OR LESS.....\$100) having a maximum payload capacity of not more than ^{7,500}~~18,000~~ pounds or a maximum passenger seating configuration of ~~30~~.....\$200.

(2) Applications involving aircraft (WEIGHT OF 12,501 POUNDS GROSS TAKE OFF WEIGHT OR OVER.....\$200) having a payload capacity greater than ^{7,500}~~18,000~~ pounds or a passenger seating configuration greater than ~~30~~.....\$400

* Section 11. AS 02.05.140 is amended to read:

(f) Notice of change in tariff. Unless the commission otherwise orders, no change may be made in a rate, fare, or charge, or a classification, rule, regulation, or practice affecting the rate, fare, or charge or the value of the service thereunder, specified in any effective tariff of a (CERTIFICATED) (scheduled) carrier, air taxi operator or carrier exempt under sec. 50(b) of this chapter, except after (45) 10 days notice to the commission and (30 DAYS NOTICE) to the public. Notice shall be given to the commission by filing with the commission and keeping open for public inspection with revised tariff provisions which shall plainly indicate the changes to be made in the schedules then in force and the time when the changes will go into effect. The commission shall prescribe means by regulation whereby notice is given to the public. (BEFORE OR NO LATER THAN 15 DAYS AFTER THE FILING WHICH SHALL BE REASONABLY ADEQUATE TO NOTIFY CUSTOMERS AFFECTED BY THE FILING.) The commission, for good cause shown, may allow changes to take effect on less than (45) 10 days notice to the commission (OR 30 DAYS NOTICE) And to the public under such conditions as

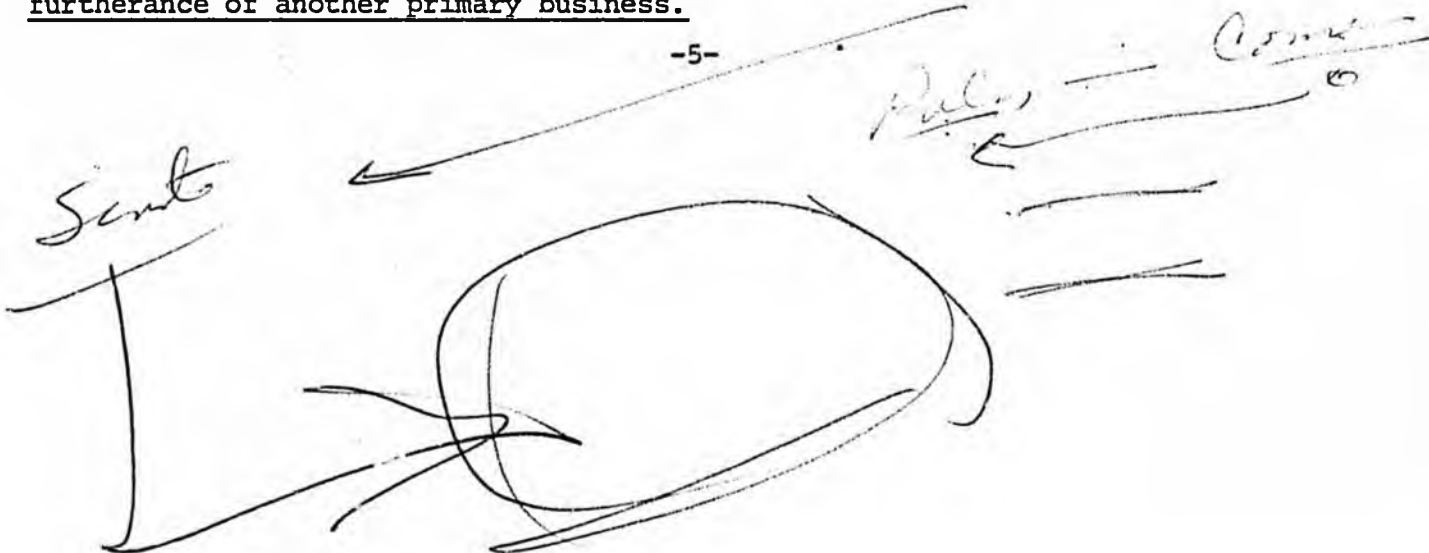
the commission may prescribe.

* Section 12. AS 02.05.250(10) is repealed and re-enacted to read:

(10) "private carrier" means a person who provides transportation by aircraft, but does not hold out to the public expressly or by course of conduct that he furnishes air transportation for compensation or hire, and includes transportation operations that are performed incidental to and in furtherance of another primary business.

Sent

Palos — *Com*



THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 512

Title "An Act continuing the existence of the A.T.C.; effective date."

Requested by Legislative Finance

Date March 6, 1980

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development

Program Category Affected Protection

BRU, Program, or Subprogram(s) Affected Alaska Transportation Commission

(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		1158.0	1273.8	1401.2	1541.3	
200 TRAVEL		49.0	53.9	59.3	65.2	
300 CONTRACTUAL		188.9	207.8	228.6	251.5	
400 COMMODITIES		14.5	16.0	17.6	19.4	
500 EQUIPMENT		.5				
600 LAND & STRUCTURES		5.0	5.5	6.0	6.6	
700 GRANTS, CLAIMS, ETC.						
TOTAL		1415.9	1577.0	1712.7	1884.0	

FUNDING (Thousands of Dollars)

GENERAL FUND		1415.9	1577.0	1712.7	1884.0	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		30	30	30	30	
PART TIME						
TEMPORARY						

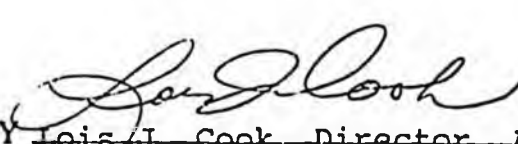
III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

FY 81 figures are based upon Governor Hammond's Executive Budget request.

FY 81 equipment expenditure is a one-time item and is not included in calculations for subsequent fiscal years.

Figures for all subsequent fiscal years are increased by 10% inflation factor.

IV. DATE March 6, 1980

PREPARED BY  Lois J. Cook, Director, Admin. Svcs.
AGENCY Department of Commerce & Economic Dev.
PHONE 465-2505

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

CATEGORY: PUBLIC PROTECTION
PROGRAM: CONSUMER PROTECTION

AGENCY: COMMERCE AND ECONOMIC DEVELOPMENT
BRU (s): ALASKA PUBLIC UTILITIES COMMISSION (APUC)
 ALASKA TRANSPORTATION COMMISSION (ATC)
 ALASKA PIPELINE COMMISSION (APC)

This program consists of the following BRUs: the Alaska Public Utilities Commission; Alaska Transportation Commission; and the Alaska Pipeline Commission.

The Alaska Public Utilities Commission regulates such utilities as natural gas, electric, water, sewer, steam heat, garbage, cable television, long lines and local exchange telephone carriers, and radio common carriers. The primary goal of the Alaska Public Utilities Commission is to assure the users of utilities that the costs they are paying for services are reasonable and that the practices of the management of the utilities are fair. Another goal is to enable each utility to provide its services in the most efficient, safe, reliable, and non-discriminatory manner.

The Alaska Transportation Commission provides economic regulation of the aircraft, trucks, busses, and ferries in commercial use. The Commission is empowered to work jointly with the Interstate Commerce Commission and the Civil Aeronautics Board in matters under federal jurisdiction. The primary goal of the Alaska Transportation Commission is to insure that the public is provided with adequate, dependable, safe, convenient and reasonably priced transportation service within the State of Alaska. Regulation of transportation allows for competition between carriers when it is economically feasible, and allows for the development of the routes and carriers when competition is not economically feasible.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

23:55

1/03/80

CATEGORY: PUBLIC PROTECTION
 AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

PROGRAM: AK PUBLIC UTILITIES COMM.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AK PUBLIC UTILITIES COMM.	1375.8	1416.5	1405.4	1523.1			1674.2
ALASKA TRANSPORTATION COMM.	1303.8		1355.2	1305.0			1415.9
ALASKA PIPELINE COMMISSION	556.0	564.5	490.1	516.3			690.3
** TOTAL	3235.6	1981.0	3250.7	3344.4			3780.4
** CHANGE VERSUS 80 AUTH							13.0%
OBJECT DESCRIPTION							
PERS. SERV.	2542.7	1467.4	2540.4	2578.1			2939.1
TRAVEL	152.6	106.0	134.9	145.7			126.4
CONTRACTUAL	496.8	387.0	539.2	590.0			667.3
COMMODITIES	30.6	13.8	20.1	26.6			32.1
EQUIPMENT	8.9	6.8	12.2				10.5
LANDS/BLDGS	4.0		3.9	4.0			5.0
FUNDING SOURCE							
GENERAL FUND	3235.6	1981.0	3250.7	3239.4			3780.4
PGM RECEIPTS				105.0			
** GENERAL FUND CHANGE VS. 80 AUTH							16.7%
POSITIONS							
FULL-TIME	76.0	37.0	76.0	76.0			79.0
PART-TIME							2.0
STAFF MONTHS	914.8	552.0	831.9	912.0			960.8