

LEG. FINANCE - BILLS 1979 - 1980 1379

SB 516 thru SB 524

1379



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

3/23/90
Date

SB 516

Introduced: 3/10/80
Referred: Finance

| Funding Information | |
|---------------------|---------------------|
| General Fund | \$26,000,000 |
| Other Funds | -0- |
| | <u>\$26,000,000</u> |

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 516

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for ex-
8 tension of the road from Manley Hot Springs to Tanana;
9 and providing for an effective date."

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

11 * Section 1. The sum of \$26,000,000 is appropriated from the general fund
12 to the Department of Transportation and Public Facilities for extension of
13 the road from Manley Hot Springs to Tanana.

14 * Sec. 2. The appropriation made by this Act is for a capital project and
15 is subject to AS 37.25.020.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

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GUARANTEED COPY

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 516

By THE RULES COMMITTEE
BY REQUEST OF THE LEGISLATIVE COUNCIL BY REQUEST

"An Act making a special appropriation to the Department of Transportation and Public Facilities for extension of the road from Manley Hot Springs to Tanana; and providing for an effective date."

Introduced in the Senate 3/10/80, 19....

HISTORY IN THE SENATE

| | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------|------|------|------|------|--------|--------|---------|---------|-----------------|--|------|----------------|------|------|------|------|--------|--------|---------|---------|
| 19 | 80 | Read first time and referred to Committee on Finance | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 10 | Reported back with recommendation that | | | | | | | | | | | | | | | | | | | | | | |
| | | Read second time and | | | | | | | | | | | | | | | | | | | | | | |
| | | Read third time and | | | | | | | | | | | | | | | | | | | | | | |
| | | <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused | Reconsideration | | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused |
| PASS | Effective Date | | | | | | | | | | | | | | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | | | | | | | | | | | | | | |
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| Absent | Absent | | | | | | | | | | | | | | | | | | | | | | | |
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| Reconsideration | | | | | | | | | | | | | | | | | | | | | | | | |
| PASS | Effective Date | | | | | | | | | | | | | | | | | | | | | | | |
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| 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 | | | | | | | | | | | | | | | | | | | | | | |
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| 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. SB 516
 Title Appropriation to DOT/PF for road from Manley to Tanana
 Requested by Legislative Finance - Jay Hoqan Date _____
Committee and immediate

II. FISCAL DETAIL
 Agency Affected DOT/PF
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____

(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 | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | 52,900.0 | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | 52,900.0 | | | | |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|--|----------|--|--|--|--|
| GENERAL FUND | | 52,900.0 | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

SEE ATTACHED

IV. DATE 3/17/80 PREPARED BY Larry Linder
 AGENCY DOT/PF
 PHONE 479-4784
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Manley Hot Springs (Eureka) to Tanana

| | |
|------------------------------------------|-------------------|
| 52 miles @ \$500,000/Mile | \$ 26,000,000 |
| Bridge across Yukon River | <u>20,000,000</u> |
| | \$ 46,000,000 |
| 15% Engineering Overhead and contingency | <u>6,900,000</u> |
| Total | \$ 52,900,000 |

ASSUME:

28' Gravel Top
32" Wide Bridge
Fair to Good Soil Conditions
Adequate Material Sites
(Cost estimate does not include royalty payment for gravel)
Average 6 culverts/Mile
5% Guardrail
No Right-of-way Acquisition Cost

Estimated time needed for completion is 5 years minimum:

2 years minimum - Environmental clearance and right-of-way from BLM
3 years construction - assumes normal construction seasons.

Source: Interior region Design and Construction

Introduced: 3/10/80
Referred: Finance

Funding Information
General Fund \$26,000,000
Other Funds -0-
\$26,000,000

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL BY REQUEST

1 IN THE SENATE

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3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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7 ment of Transportation and Public Facilities for ex-
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James O. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT
SENATE

FURTHER:

Finance

3/12/80

Date: MARCH 24, 1980

Mr. President:

The Committee on STATE AFFAIRS has had SB 521
Alaska Commercial Fishing and Agriculture Bank

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with (CS for SB 521) same title
 new title
- and recommends as follows
- 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:

1 Bob Mulvihill

1 Tim Kelly

2 Patrick Roney NO REC

2 Ziglar " "

Bob Mulvihill
CHAIRMAN

Original sponsor: State Affairs Committee

Offered: 4/3/80
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 521

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Commercial Fishing and
7 Agriculture Bank; and providing for an effective date."

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

9 * Section 1. AS 44.54.020(a) is amended to read:

10 (a) The bank shall be managed by a board of directors consisting
11 of seven members. At least one member of the board shall be an Alaska
12 farmer with at least 10 years of Alaskan farm experience. Initial
13 appointments to the board shall be made by the governor. Two of the
14 initial appointments shall be made at the time of the first annual
15 membership meeting of the bank. Thereafter, five board members shall be
16 elected by the members of the bank [SHAREHOLDERS], with at least one of
17 the elected board members being an Alaska farmer with at least 10 years
18 of Alaskan farm experience, and two board members shall be appointed by
19 the governor until the repurchase of all the nonvoting, preferred shares
20 initially issued by the bank and purchased by agencies of the state.
21 After repurchase is completed, all board members shall be elected by the
22 members of the bank [SHAREHOLDERS]. The board members shall annually
23 elect a chairman from among themselves. The purpose of the board is to
24 manage the assets of the bank.

25 * Sec. 2. AS 44.54.060(b) is amended to read:

26 (b) Loans made to members [SHAREHOLDERS] of the bank under the
27 provisions of this chapter shall be in accordance with a schedule of
28 maximum amounts adopted by the board of directors based upon proportion-
29 al ownership of membership shares.

1 * Sec. 3. AS 44.54.070 is repealed and re-enacted to read:

2 Sec. 44.54.070. PRESIDENT; OFFICERS AND EMPLOYEES. (a) The board
3 of directors shall employ a president. The president may not be a
4 member of the board of directors. The president serves at the pleasure
5 of the board of directors. The president is the chief executive officer
6 of the bank.

7 (b) The board of directors shall appoint one or more vice-presi-
8 dents, as prescribed in the bylaws of the bank, a secretary, a treasurer
9 and other officers as the board of directors considers necessary. The
10 board of directors may appoint one person to more than one of the posi-
11 tions described in this subsection. The officers described in this sub-
12 section are not required to be members of the board of directors.

13 (c) The president may hire employees of the bank reasonably neces-
14 sary for the efficient performance of the functions of the bank. Sub-
15 ject to the approval of the board of directors, the president may also
16 contract for and engage the services of professional and technical
17 advisors. The board of directors shall prescribe the duties and com-
18 pensation of employees of the bank.

19 * Sec. 4. AS 44.54.150(a) is amended to read:

20 (a) Neither the members of the board of directors, the president
21 [EXECUTIVE DIRECTOR], staff, nor a person executing the bonds is liable
22 personally on the bonds or subject to personal liability or account-
23 ability by reason of the issuance of the bonds.

24 * Sec. 5. AS 44.54.210(1) is amended to read:

25 (1) make variable rate or fixed rate loans to individuals who
26 are residents and who are engaged in commercial agriculture or fishing,
27 including harvesters, processors, suppliers and marketers, or to cor-
28 porations, partnerships or joint ventures [PRIMARILY] engaged in com-
29 mercial agriculture or fishing, the majority interest of which is bene-

1 ficially owned by residents of the state and a majority of the owners of
2 which are residents of the state, if the recipient of the loan is a
3 member [SHAREHOLDER] of the bank; however, the bank may make a loan
4 under this paragraph to a corporation, partnership, or joint venture for
5 the purchase of a new or existing fishing vessel or for the repair or
6 renovation of an existing fishing vessel, the primary purpose of which
7 is to commercially harvest fishery resources, only if the corporation,
8 partnership, or joint venture is wholly owned and controlled by
9 residents of the state and if the recipient of the loan is a member
10 [SHAREHOLDER] of the bank.

11 * Sec. 6. AS 44.54.210(16) is amended to read:

12 (16) provide technical services to members of the bank [SHARE-
13 HOLDERS]; for the purposes of this paragraph, "technical services"
14 includes services that will enhance the ability of the member [SHARE-
15 HOLDER] to obtain financial assistance from the bank;

16 * Sec. 7. AS 44.54.210 is amended by adding a new paragraph to read:

17 (21) indemnify a director, officer or employee of the bank and
18 his heirs, executors and administrators against all liabilities and
19 related expenses including, but not limited to, court costs and attorney
20 fees, judgments, and the cost of reasonable settlements, incurred by him
21 in connection with or arising out of an action or proceeding brought
22 against him because of an act or omission in the performance of his
23 official duties as director, officer or employee of the bank regardless
24 of whether he is a director, officer or employee at the time the ex-
25 penses or liabilities are incurred.

26 * Sec. 8. AS 44.54.210 is amended by adding a new subsection to read:

27 (b) The provisions of (a)(21) of this section do not authorize the
28 bank to indemnify a director, officer or employee of the bank who is
29 adjudged liable for negligence or misconduct in the performance of his

1 official duties.

2 * Sec. 9. AS 44.54.230(a) is amended to read:

3 (a) A loan under AS 44.54.210(20) for the purchase of a limited
4 entry permit may be made only upon certification by the commission
5 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION (AS 16.43.020)] that the
6 fisherman is a person who qualifies as a transferee for the permit under
7 AS 16.43 and the regulations adopted by the commission.

8 * Sec. 10. AS 44.54.230(b) is amended to read:

9 (b) Upon approval by the bank, the permit to be purchased may be
10 pledged as security for a loan under (a) of this section, if

11 (1) the certificate for the pledged permit lists [THE EXECU-
12 TIVE DIRECTOR OF] the bank as the legal owner of the permit;

13 (2) the certificate for the pledged permit lists the debtor
14 as the equitable owner of the permit;

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

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

19 (5) co-signers or other sureties for performance under the
20 note are not vested with any rights in the pledged permit and their
21 obligation is limited to satisfaction of the note and payment of costs
22 directly incurred by the bank in administering the loan.

23 * Sec. 11. AS 44.54.230(c) is amended to read:

24 (c) Upon satisfaction of the note by the debtor, the bank [EXECU-
25 TIVE DIRECTOR] shall certify to the commission that the note has been
26 satisfied.

27 * Sec. 12. AS 44.54.240 is amended to read:

28 Sec. 44.54.240. DEFAULT AND FORECLOSURE OF LOANS FOR LIMITED ENTRY
29 PERMITS. (a) If the debtor defaults upon a note for which a limited

1 entry permit has been pledged as security under AS 44.54.230, [THE
2 EXECUTIVE DIRECTOR OF] the bank shall provide the debtor, by registered
3 or certified mail sent to his last known address on file with the bank,
4 with a notice of default which includes

5 (1) a description of the security given for the note includ-
6 ing the number assigned to the pledged permit by the commission [ALASKA
7 COMMERCIAL FISHERIES ENTRY COMMISSION];

8 (2) the date upon which the default occurred;

9 (3) the amount of arrearages as of the date of the notice,
10 the total amount remaining on the note less unearned interest, and the
11 amount of daily interest;

12 (4) a statement that the debtor may, within 15 days of the
13 postmark date of the notice, request a hearing at which he may submit
14 evidence showing he has not defaulted;

15 (5) a statement that the note may be reinstated if brought
16 current within 60 days from the postmark date of the notice;

17 (6) a statement that the note may be paid in full less un-
18 earned interest within 90 days from the postmark date of the notice;

19 (7) the place where reinstatement or payment in full may be
20 made; and

21 (8) a notice in at least 10-point bold type stating: "IMPOR-
22 TANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE
23 SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT AND
24 THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

25 (b) Upon the debtor's failure to reinstate or satisfy the note
26 within the time specified in (a) of this section, his equitable interest
27 is terminated by operation of law without further notice. Any entry
28 permit cards issued to him under the permit shall be cancelled immedi-
29 ately upon receipt by the commission of a certificate of termination

1 containing a copy of the notice required by (a) of this section issued
2 by [THE EXECUTIVE DIRECTOR OF] the bank.

3 * Sec. 13. AS 44.54.250(a) is amended to read:

4 (a) Upon a foreclosure on an entry permit as provided in AS 44.-
5 54.240, [THE EXECUTIVE DIRECTOR OF] the bank shall offer the commission
6 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] a right of first refusal
7 if the permit is subject to a buy-back program under AS 16.43.290 -
8 16.43.330 at a price equal to the amount outstanding on the note plus
9 any costs the bank directly incurred in administering the loan.

10 * Sec. 14. AS 44.54.250(c) is amended to read:

11 (c) If the debtor is unable to nominate a qualified person to
12 assume the note under (b) of this section, the permit must be made
13 available to a qualified person, chosen as provided in this section, who
14 shall assume the note subject to all rights and liabilities of the
15 original debtor. The commission [ALASKA COMMERCIAL FISHERIES ENTRY
16 COMMISSION] shall provide the bank with a list of persons chosen by
17 lottery who qualify as transferees of entry permits under AS 16.43 and
18 regulations adopted by the commission and who have met the residency and
19 commercial fishing participation requirements of AS 44.54.210(20). The
20 [EXECUTIVE DIRECTOR OF THE] bank shall then determine, in order of
21 presentation, any remaining qualifications. The bank [EXECUTIVE DIREC-
22 TOR] shall allow the first applicant meeting all qualifications to
23 assume the note.

24 * Sec. 15. AS 44.54.250(d) is amended to read:

25 (d) Nothing in this section affects the right of [THE EXECUTIVE
26 DIRECTOR OF] the bank to institute legal action for a deficiency result-
27 ing from a default on a note given under AS 44.54.230. In addition to
28 any deficiency, the debtor is liable for the costs of administering the
29 note and for costs and attorney fees.

1 * Sec. 16. AS 44.54 is amended by adding a new section to read:

2 Sec. 44.54.260. DEFINITIONS. In this chapter

3 (1) "bank" means the Alaska Commercial Fishing and Agricul-
4 ture Bank;

5 (2) "comm. on" means the Alaska Commercial Fisheries Entry
6 Commission (AS 16.43.020);

7 (3) "member of the bank" includes a holder of a share of
8 membership stock of the bank or a patron of the bank with retained
9 patronage earnings of \$2,500 or more to his credit.

10 (4) "supplier" means a person whose main source of income is
11 from providing goods or services that are directly related to commercial
12 fishing or agriculture to individuals, corporations, partnerships or
13 joint ventures engaged in commercial fishing or agriculture.

14 * Sec. 17. This Act takes effect immediately in accordance with AS 01.10.
15 070(c).

SB 521

Introduced: 3/12/80
Referred: State Affairs
and Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE BILL NO. 521

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7 Agriculture Bank; and providing for an effective date."

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

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11 of directors shall employ a president. The president may not be a
12 member of the board of directors. The president serves at the pleasure
13 of the board of directors. The president is the chief executive officer
14 of the bank.

15 (b) The board of directors shall appoint one or more vice-presi-
16 dents, as prescribed in the bylaws of the bank, a secretary, a treasurer
17 and other officers as the board of directors considers necessary. The
18 board of directors may appoint one person to more than one of the posi-
19 tions described in this subsection.

20 (c) The president may hire employees of the bank reasonably neces-
21 sary for the efficient performance of the functions of the bank. Sub-
22 ject to the approval of the board of directors, the president may also
23 contract for and engage the services of professional and technical
24 advisors. The board of directors shall prescribe the duties and com-
25 pensation of employees of the bank.

26 * Sec. 2. AS 44.54.150(a) is amended to read:

27 (a) Neither the members of the board of directors, the president
28 [EXECUTIVE DIRECTOR], staff, nor a person executing the bonds is liable
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COMMITTEE COPY

1 ability by reason of the issuance of the bonds.

2 * Sec. 3. AS 44.54.210(1) is amended to read:

3 (1) make variable rate or fixed rate loans to individuals who
4 are residents and who are engaged in commercial agriculture or fishing,
5 including harvesters, processors, suppliers and marketers, or to cor-
6 porations, partnerships or joint ventures [PRIMARYLY] engaged in com-
7 mercial agriculture or fishing, the majority interest of which is bene-
8 ficially owned by residents of the state and a majority of the owners of
9 which are residents of the state, if the recipient of the loan is a
10 shareholder of the bank; however, the bank may make a loan under this
11 paragraph to a corporation, partnership, or joint venture for the pur-
12 chase of a new or existing fishing vessel or for the repair or renova-
13 tion of an existing fishing vessel, the primary purpose of which is to
14 commercially harvest fishery resources, only if the corporation, partner-
15 ship, or joint venture is wholly owned and controlled by residents of
16 the state and if the recipient of the loan is a shareholder of the bank.

17 * Sec. 4. AS 44.54.210 is amended by adding a new paragraph to read:

18 (21) indemnify a director, officer or employee of the bank and
19 his heirs, executors and administrators against all liabilities and
20 related expenses including, but not limited to, court costs and attorney
21 fees, judgments, and the cost of reasonable settlements, incurred by him
22 in connection with or arising out of an action or proceeding brought
23 against him because of an act or omission in the performance of his
24 official duties as director, officer or employee of the bank regardless
25 of whether he is a director, officer or employee at the time the ex-
26 penses or liabilities are incurred.

27 * Sec. 5. AS 44.54.210 is amended by adding a new subsection to read:

28 (b) The provisions of (a)(21) of this section do not authorize the
29 bank to indemnify a director, officer or employee of the bank who is

1 adjudged liable for negligence or misconduct in the performance of his
2 official duties.

3 * Sec. 6. AS 44.54.230(a) is amended to read:

4 (a) A loan under AS 44.54.210(20) for the purchase of a limited
5 entry permit may be made only upon certification by the commission
6 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION (AS 16.43.020)] that the
7 fisherman is a person who qualifies as a transferee for the permit under
8 AS 16.43 and the regulations adopted by the commission.

9 * Sec. 7. AS 44.54.230(b) is amended to read:

10 (b) Upon approval by the bank, the permit to be purchased may be
11 pledged as security for a loan under (a) of this section, if

12 (1) the certificate for the pledged permit lists [THE EXECU-
13 TIVE DIRECTOR OF] the bank as the legal owner of the permit;

14 (2) the certificate for the pledged permit lists the debtor
15 as the equitable owner of the permit;

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

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

20 (5) co-signers or other sureties for performance under the
21 note are not vested with any rights in the pledged permit and their
22 obligation is limited to satisfaction of the note and payment of costs
23 directly incurred by the bank in administering the loan.

24 * Sec. 8. AS 44.54.230(c) is amended to read:

25 (c) Upon satisfaction of the note by the debtor, the bank [EXECU-
26 TIVE DIRECTOR] shall certify to the commission that the note has been
27 satisfied.

28 * Sec. 9. AS 44.54.240 is amended to read:

29 Sec. 44.54.240. DEFAULT AND FORECLOSURE OF LOANS FOR LIMITED ENTRY

UNOFFICIAL COPY

12521

1 PERMITS. (a) If the debtor defaults upon a note for which a limited
2 entry permit has been pledged as security under AS 44.54.230, [THE
3 EXECUTIVE DIRECTOR OF] the bank shall provide the debtor, by registered
4 or certified mail sent to his last known address on file with the bank,
5 with a notice of default which includes

6 (1) a description of the security given for the note including
7 the number assigned to the pledged permit by the commission [ALASKA
8 COMMERCIAL FISHERIES ENTRY COMMISSION];

9 (2) the date upon which the default occurred;

10 (3) the amount of arrearages as of the date of the notice,
11 the total amount remaining on the note less unearned interest, and the
12 amount of daily interest;

13 (4) a statement that the debtor may, within 15 days of the
14 postmark date of the notice, request a hearing at which he may submit
15 evidence showing he has not defaulted;

16 (5) a statement that the note may be reinstated if brought
17 current within 60 days from the postmark date of the notice;

18 (6) a statement that the note may be paid in full less un-
19 earned interest within 90 days from the postmark date of the notice;

20 (7) the place where reinstatement or payment in full may be
21 made; and

22 (8) a notice in at least 10-point bold type stating: "IMPOR-
23 TANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE
24 SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT AND
25 THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

26 (b) Upon the debtor's failure to reinstate or satisfy the note
27 within the time specified in (a) of this section, his equitable interest
28 is terminated by operation of law without further notice. Any entry
29 permit cards issued to him under the permit shall be cancelled immedi-

1 ately upon receipt by the commission of a certificate of termination
2 containing a copy of the notice required by (a) of this section issued
3 by [THE EXECUTIVE DIRECTOR OF] the bank.

4 * Sec. 10. AS 44.54.250(a) is amended to read:

5 (a) Upon a foreclosure on an entry permit as provided in AS 44.54.
6 240, [THE EXECUTIVE DIRECTOR OF] the bank shall offer the commission
7 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] a right of first refusal
8 if the permit is subject to a buy-back program under AS 16.43.290 -
9 16.43.330 at a price equal to the amount outstanding on the note plus
10 any costs the bank directly incurred in administering the loan.

11 * Sec. 11. AS 44.54.250(c) is amended to read:

12 (c) If the debtor is unable to nominate a qualified person to
13 assume the note under (b) of this section, the permit must be made
14 available to a qualified person, chosen as provided in this section, who
15 shall assume the note subject to all rights and liabilities of the
16 original debtor. The commission [ALASKA COMMERCIAL FISHERIES ENTRY
17 COMMISSION] shall provide the bank with a list of persons chosen by
18 lottery who qualify as transferees of entry permits under AS 16.43 and
19 regulations adopted by the commission and who have met the residency and
20 commercial fishing participation requirements of AS 44.54.210(20). The
21 [EXECUTIVE DIRECTOR OF THE] bank shall then determine, in order of
22 presentation, any remaining qualifications. The bank [EXECUTIVE DIREC-
23 TOR] shall allow the first applicant meeting all qualifications to
24 assume the note.

25 * Sec. 12. AS 44.54.250(d) is amended to read:

26 (d) Nothing in this section affects the right of [THE EXECUTIVE
27 DIRECTOR OF] the bank to institute legal action for a deficiency result-
28 ing from a default on a note given under AS 44.54.230. In addition to
29 any deficiency, the debtor is liable for the costs of administering the

1 note and for costs and attorney fees.

2 * Sec. 13. AS 44.54 is amended by adding a new section to read:

3 Sec. 44.54.260. DEFINITIONS. In this chapter

4 (1) "bank" means the Alaska Commercial Fishing and Agricul-
5 ture Bank;

6 (2) "commission" means the Alaska Commercial Fisheries Entry
7 Commission (AS 16.43.020);

8 (3) "shareholder" includes a holder of a share of membership
9 stock of the bank, a holder of a share of capital stock of the bank, or
10 a patron of the bank with retained patronage earnings of \$2,500 or more
11 to his credit.

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

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 521
By THE STATE AFFAIRS COMMITTEE

"An Act relating to the Alaska Commercial Fishing and Agriculture Bank; and providing for an effective date."

Introduced in the Senate 3/12/80, 19....

HISTORY IN THE SENATE

19 80
3 12 Read first time and referred to Committee on State Affairs and Finance

43 Reported back with *St. aff.* recommendation that *replace w/CS, 2 do pass, 2 no rec to fin*

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. SB 521
 Title Rel. to Commercial Fish and Ag. Bank, Effective date.
 Requested by Legislative Finance Date April 23, 1980

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected CFAB
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

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

POSITIONS

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

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

There is no additional fiscal impact associated with passage of this bill.

IV. DATE 4-23-80 PREPARED BY David Creekman
 AGENCY Dept. of Commerce & Economic Development
 PHONE 465-2504
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsor: State Affairs Committee

Offered: 4/3/80
Referred: Finance

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 521

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Commercial Fishing and
7 Agriculture Bank; and providing for an effective date."

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

9 * Section 1. AS 44.54.020(a) is amended to read:

10 (a) The bank shall be managed by a board of directors consisting
11 of seven members. At least one member of the board shall be an Alaska
12 farmer with at least 10 years of Alaskan farm experience. Initial
13 appointments to the board shall be made by the governor. Two of the
14 initial appointments shall be made at the time of the first annual
15 membership meeting of the bank. Thereafter, five board members shall be
16 elected by the members of the bank [SHAREHOLDERS], with at least one of
17 the elected board members being an Alaska farmer with at least 10 years
18 of Alaskan farm experience, and two board members shall be appointed by
19 the governor until the repurchase of all the nonvoting, preferred shares
20 initially issued by the bank and purchased by agencies of the state.
21 After repurchase is completed, all board members shall be elected by the
22 members of the bank [SHAREHOLDERS]. The board members shall annually
23 elect a chairman from among themselves. The purpose of the board is to
24 manage the assets of the bank.

25 * Sec. 2. AS 44.54.060(b) is amended to read:

26 (b) Loans made to members [SHAREHOLDERS] of the bank under the
27 provisions of this chapter shall be in accordance with a schedule of
28 maximum amounts adopted by the board of directors based upon proportion-
29 al ownership of membership shares.

1 * Sec. 3. AS 44.54.070 is repealed and re-enacted to read:

2 Sec. 44.54.070. PRESIDENT; OFFICERS AND EMPLOYEES. (a) The board
3 of directors shall employ a president. The president may not be a
4 member of the board of directors. The president serves at the pleasure
5 of the board of directors. The president is the chief executive officer
6 of the bank.

7 (b) The board of directors shall appoint one or more vice-presi-
8 dents, as prescribed in the bylaws of the bank, a secretary, a treasurer
9 and other officers as the board of directors considers necessary. The
10 board of directors may appoint one person to more than one of the posi-
11 tions described in this subsection. The officers described in this sub-
12 section are not required to be members of the board of directors.

13 (c) The president may hire employees of the bank reasonably neces-
14 sary for the efficient performance of the functions of the bank. Sub-
15 ject to the approval of the board of directors, the president may also
16 contract for and engage the services of professional and technical
17 advisors. The board of directors shall prescribe the duties and com-
18 pensation of employees of the bank.

19 * Sec. 4. AS 44.54.150(a) is amended to read:

20 (a) Neither the members of the board of directors, the president
21 [EXECUTIVE DIRECTOR], staff, nor a person executing the bonds is liable
22 personally on the bonds or subject to personal liability or account-
23 ability by reason of the issuance of the bonds.

24 * Sec. 5. AS 44.54.210(1) is amended to read:

25 (1) make variable rate or fixed rate loans to individuals who
26 are residents and who are engaged in commercial agriculture or fishing,
27 including harvesters, processors, suppliers and marketers, or to cor-
28 porations, partnerships or joint ventures [PRIMARILY] engaged in com-
29 mercial agriculture or fishing, the majority interest of which is bene-

1 ficially owned by residents of the state and a majority of the owners of
2 which are residents of the state, if the recipient of the loan is a
3 member [SHAREHOLDER] of the bank; however, the bank may make a loan
4 under this paragraph to a corporation, partnership, or joint venture for
5 the purchase of a new or existing fishing vessel or for the repair or
6 renovation of an existing fishing vessel, the primary purpose of which
7 is to commercially harvest fishery resources, only if the corporation,
8 partnership, or joint venture is wholly owned and controlled by
9 residents of the state and if the recipient of the loan is a member
10 [SHAREHOLDER] of the bank.

11 * Sec. 6. AS 44.54.210(16) is amended to read:

12 (16) provide technical services to members of the bank [SHARE-
13 HOLDERS]; for the purposes of this paragraph, "technical services"
14 includes services that will enhance the ability of the member [SHARE-
15 HOLDER] to obtain financial assistance from the bank;

16 * Sec. 7. AS 44.54.210 is amended by adding a new paragraph to read:

17 (21) indemnify a director, officer or employee of the bank and
18 his heirs, executors and administrators against all liabilities and
19 related expenses including, but not limited to, court costs and attorney
20 fees, judgments, and the cost of reasonable settlements, incurred by him
21 in connection with or arising out of an action or proceeding brought
22 against him because of an act or omission in the performance of his
23 official duties as director, officer or employee of the bank regardless
24 of whether he is a director, officer or employee at the time the ex-
25 penses or liabilities are incurred.

26 * Sec. 8. AS 44.54.210 is amended by adding a new subsection to read:

27 (b) The provisions of (a)(21) of this section do not authorize the
28 bank to indemnify a director, officer or employee of the bank who is
29 adjudged liable for negligence or misconduct in the performance of his

1 official duties.

2 * Sec. 9. AS 44.54.230(a) is amended to read:

3 (a) A loan under AS 44.54.210(20) for the purchase of a limited
4 entry permit may be made only upon certification by the commission
5 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION (AS 16.43.020)] that the
6 fisherman is a person who qualifies as a transferee for the permit under
7 AS 16.43 and the regulations adopted by the commission.

8 * Sec. 10. AS 44.54.230(b) is amended to read:

9 (b) Upon approval by the bank, the permit to be purchased may be
10 pledged as security for a loan under (a) of this section, if

11 (1) the certificate for the pledged permit lists [THE EXECU-
12 TIVE DIRECTOR OF] the bank as the legal owner of the permit;

13 (2) the certificate for the pledged permit lists the debtor
14 as the equitable owner of the permit;

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

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

19 (5) co-signers or other sureties for performance under the
20 note are not vested with any rights in the pledged permit and their
21 obligation is limited to satisfaction of the note and payment of costs
22 directly incurred by the bank in administering the loan.

23 * Sec. 11. AS 44.54.230(c) is amended to read:

24 (c) Upon satisfaction of the note by the debtor, the bank [EXECU-
25 TIVE DIRECTOR] shall certify to the commission that the note has been
26 satisfied.

27 * Sec. 12. AS 44.54.240 is amended to read:

28 Sec. 44.54.240. DEFAULT AND FORECLOSURE OF LOANS FOR LIMITED ENTRY
29 PERMITS. (a) If the debtor defaults upon a note for which a limited

1 entry permit has been pledged as security under AS 44.54.230, [THE
2 EXECUTIVE DIRECTOR OF] the bank shall provide the debtor, by registered
3 or certified mail sent to his last known address on file with the bank,
4 with a notice of default which includes

5 (1) a description of the security given for the note includ-
6 ing the number assigned to the pledged permit by the commission [ALASKA
7 COMMERCIAL FISHERIES ENTRY COMMISSION];

8 (2) the date upon which the default occurred;

9 (3) the amount of arrearages as of the date of the notice,
10 the total amount remaining on the note less unearned interest, and the
11 amount of daily interest;

12 (4) a statement that the debtor may, within 15 days of the
13 postmark date of the notice, request a hearing at which he may submit
14 evidence showing he has not defaulted;

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16 current within 60 days from the postmark date of the notice;

17 (6) a statement that the note may be paid in full less un-
18 earned interest within 90 days from the postmark date of the notice;

19 (7) the place where reinstatement or payment in full may be
20 made; and

21 (8) a notice in at least 10-point bold type stating: "IMPOR-
22 TANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE
23 SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT AND
24 THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

25 (b) Upon the debtor's failure to reinstate or satisfy the note
26 within the time specified in (a) of this section, his equitable interest
27 is terminated by operation of law without further notice. Any entry
28 permit cards issued to him under the permit shall be cancelled immedi-
29 ately upon receipt by the commission of a certificate of termination

1 containing a copy of the notice required by (a) of this section issued
2 by [THE EXECUTIVE DIRECTOR OF] the bank.

3 * Sec. 13. AS 44.54.250(a) is amended to read:

4 (a) Upon a foreclosure on an entry permit as provided in AS 44.-
5 54.240, [THE EXECUTIVE DIRECTOR OF] the bank shall offer the commission
6 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] a right of first refusal
7 if the permit is subject to a buy-back program under AS 16.43.290 -
8 16.43.330 at a price equal to the amount outstanding on the note plus
9 any costs the bank directly incurred in administering the loan.

10 * Sec. 14. AS 44.54.250(c) is amended to read:

11 (c) If the debtor is unable to nominate a qualified person to
12 assume the note under (b) of this section, the permit must be made
13 available to a qualified person, chosen as provided in this section, who
14 shall assume the note subject to all rights and liabilities of the
15 original debtor. The commission [ALASKA COMMERCIAL FISHERIES ENTRY
16 COMMISSION] shall provide the bank with a list of persons chosen by
17 lottery who qualify as transferees of entry permits under AS 16.43 and
18 regulations adopted by the commission and who have met the residency and
19 commercial fishing participation requirements of AS 44.54.210(20). The
20 [EXECUTIVE DIRECTOR OF THE] bank shall then determine, in order of
21 presentation, any remaining qualifications. The bank [EXECUTIVE DIREC-
22 TOR] shall allow the first applicant meeting all qualifications to
23 assume the note.

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26 DIRECTOR OF] the bank to institute legal action for a deficiency result-
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28 any deficiency, the debtor is liable for the costs of administering the
29 note and for costs and attorney fees.

1 * Sec. 16. AS 44.54 is amended by adding a new section to read:

2 Sec. 44.54.260. DEFINITIONS. In this chapter

3 (1) "bank" means the Alaska Commercial Fishing and Agricul-
4 ture Bank;

5 (2) "commission" means the Alaska Commercial Fisheries Entry
6 Commission (AS 16.43.020);

7 (3) "member of the bank" includes a holder of a share of
8 membership stock of the bank or a patron of the bank with retained
9 patronage earnings of \$2,500 or more to his credit;

10 (4) "supplier" means a person whose main source of income is
11 from providing goods or services that are directly related to commercial
12 fishing or agriculture to individuals, corporations, partnerships or
13 joint ventures engaged in commercial fishing or agriculture.

14 * Sec. 17. This Act takes effect immediately in accordance with AS 01.10.
15 070(c).

Introduced: 3/12/80
Referred: State Affairs
and Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2

SENATE BILL NO. 521

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Alaska Commercial Fishing and
7 Agriculture Bank; and providing for an effective date."

7

8

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

9

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12 member of the board of directors. The president serves at the pleasure
13 of the board of directors. The president is the chief executive officer
14 of the bank.

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(b) The board of directors shall appoint one or more vice-presi-
16 dents, as prescribed in the bylaws of the bank, a secretary, a treasurer
17 and other officers as the board of directors considers necessary. The
18 board of directors may appoint one person to more than one of the posi-
19 tions described in this subsection.

20

(c) The president may hire employees of the bank reasonably neces-
21 sary for the efficient performance of the functions of the bank. Sub-
22 ject to the approval of the board of directors, the president may also
23 contract for and engage the services of professional and technical
24 advisors. The board of directors shall prescribe the duties and com-
25 pensation of employees of the bank.

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9 which are residents of the state, if the recipient of the loan is a
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1 PERMITS. (a) If the debtor defaults upon a note for which a limited
2 entry permit has been pledged as security under AS 44.54.230, [THE
3 EXECUTIVE DIRECTOR OF] the bank shall provide the debtor, by registered
4 or certified mail sent to his last known address on file with the bank,
5 with a notice of default which includes

6 (1) a description of the security given for the note including
7 the number assigned to the pledged permit by the commission [ALASKA
8 COMMERCIAL FISHERIES ENTRY COMMISSION];

9 (2) the date upon which the default occurred;

10 (3) the amount of arrearages as of the date of the notice,
11 the total amount remaining on the note less unearned interest, and the
12 amount of daily interest;

13 (4) a statement that the debtor may, within 15 days of the
14 postmark date of the notice, request a hearing at which he may submit
15 evidence showing he has not defaulted;

16 (5) a statement that the note may be reinstated if brought
17 current within 60 days from the postmark date of the notice;

18 (6) a statement that the note may be paid in full less un-
19 earned interest within 90 days from the postmark date of the notice;

20 (7) the place where reinstatement or payment in full may be
21 made; and

22 (8) a notice in at least 10-point bold type stating: "IMPOR-
23 TANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE
24 SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT AND
25 THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

26 (b) Upon the debtor's failure to reinstate or satisfy the note
27 within the time specified in (a) of this section, his equitable interest
28 is terminated by operation of law without further notice. Any entry
29 permit cards issued to him under the permit shall be cancelled immedi-

1 ately upon receipt by the commission of a certificate of termination
2 containing a copy of the notice required by (a) of this section issued
3 by [THE EXECUTIVE DIRECTOR OF] the bank.

4 * Sec. 10. AS 44.54.250(a) is amended to read:

5 (a) Upon a foreclosure on an entry permit as provided in AS 44.54.-
6 240, [THE EXECUTIVE DIRECTOR OF] the bank shall offer the commission
7 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] a right of first refusal
8 if the permit is subject to a buy-back program under AS 16.43.290 -
9 16.43.330 at a price equal to the amount outstanding on the note plus
10 any costs the bank directly incurred in administering the loan.

11 * Sec. 11. AS 44.54.250(c) is amended to read:

12 (c) If the debtor is unable to nominate a qualified person to
13 assume the note under (b) of this section, the permit must be made
14 available to a qualified person, chosen as provided in this section, who
15 shall assume the note subject to all rights and liabilities of the
16 original debtor. The commission [ALASKA COMMERCIAL FISHERIES ENTRY
17 COMMISSION] shall provide the bank with a list of persons chosen by
18 lottery who qualify as transferees of entry permits under AS 16.43 and
19 regulations adopted by the commission and who have met the residency and
20 commercial fishing participation requirements of AS 44.54.210(20). The
21 [EXECUTIVE DIRECTOR OF THE] bank shall then determine, in order of
22 presentation, any remaining qualifications. The bank [EXECUTIVE DIREC-
23 TOR] shall allow the first applicant meeting all qualifications to
24 assume the note.

25 * Sec. 12. AS 44.54.250(d) is amended to read:

26 (d) Nothing in this section affects the right of [THE EXECUTIVE
27 DIRECTOR OF] the bank to institute legal action for a deficiency result-
28 ing from a default on a note given under AS 44.54.230. In addition to
29 any deficiency, the debtor is liable for the costs of administering the

1 note and for costs and attorney fees.

2 * Sec. 13. AS 44.54 is amended by adding a new section to read:

3 Sec. 44.54.260. DEFINITIONS. In this chapter

4 (1) "bank" means the Alaska Commercial Fishing and Agricul-
5 ture Bank;

6 (2) "commission" means the Alaska Commercial Fisheries Entry
7 Commission (AS 16.43.020);

8 (3) "shareholder" includes a holder of a share of membership
9 stock of the bank, a holder of a share of capital stock of the bank, or
10 a patron of the bank with retained patronage earnings of \$2,500 or more
11 to his credit.


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



RECORDS CERTIFICATION



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Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT
SENATE

3/18/80

FURTHER: None

Date: _____

Mr. President:

The Committee on FINANCE has had SB 522

enacting and entering into the Compact for Education and designating the members of the Education 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} without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Steve Hacking

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bill Kay No Rec

Mr. Sackett
CHAIRMAN
Do Rec.

SB 522, Senate HESS Meeting of March 17, 1980

Senator Colletta: If I might ask, on page 10, line 8, why should one of the designated members be the President of the State Board of Education?

Marilu Madden: The language of this particular legislation is taken directly out of the language of the Compact. I have no idea why when the Compact was originally drawn up that they chose the President of the State Board of Education to be a mandated member, except I would assume because of the central policy making role that state boards of education do play in educational policy in various states.

Senator Colletta: True, but if it's my recollection of what this board did, and if it parallels what it has done in the past, then it is no different than the national association that legislators belong to. We do have an exception with ours, they are for two year terms but here you are appointing an individual who is president of the board which is most generally a one-year term so by the time he or her activity could come to pass they are no longer in that position.

Marilu Madden: I see your concern about the fairly frequent turnover of that particular position. My only response is that this language was drafted by the commission itself . . .

Sen. Hackney: In other words, this is uniform across the country . . .

Marilu Madden: I don't know what kind of flexibility, quite frankly, the legislature does have in changing a member of the commission from the different states. We can look into that if you would like.

Senator Colletta: It seems you should because although it is uniform language nonetheless it is Alaskan statute.

Marilu Madden: We would be happy to inquire into that if you'd like.

Senator Hackney: Yes, I think we would like to have that information and again, I would like to pass this along to Finance if there is no objection.

Please give the information to the Finance Committee.

Introduced: 3/13/80
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE BILL NO. 522

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act enacting and entering into the Compact for
7 Education and designating the members of the Education
8 Commission; and providing for an effective date."

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

10 * Section 1. AS 14.40 is amended by adding new sections to read:

11 ARTICLE 8. COMPACT FOR EDUCATION.

12 Sec. 14.40.700. Entry into Compact. The Compact for Education is
13 enacted into law and entered into in behalf of the State of Alaska with
14 all other states and jurisdictions legally joining in it in a form
15 substantially as contained in AS 14.40.710.

16 Sec. 14.40.710. TERMS AND PROVISIONS OF COMPACT. The terms and
17 provisions of the compact referred to in AS 14.40.700 are as follows:

18 COMPACT FOR EDUCATION.

19 ARTICLE I. PURPOSE AND POLICY.

20 Section A. It is the purpose of this compact to:

- 21 (1) establish and maintain close cooperation and understand-
22 ing among executive, legislative, professional educational and la
23 leadership on a nationwide basis at the state and local levels;
- 24 (2) provide a forum for the discussion, development, crystal-
25 lization and recommendation of public policy alternatives in the field
26 of education;
- 27 (3) provide a clearinghouse of information on matters
28 relating to educational problems and how they are being met in different
29 places throughout the nation, so that the executive and legislative

1 branches of state government and of local communities may have ready
2 access to the experience and record of the entire country, and so that
3 both lay and professional groups in the field of education may have
4 additional avenues for the sharing of experience and the interchange of
5 ideas in the formation of public policy in education;

6 (4) facilitate the improvement of state and local educational
7 systems so that all of them will be able to meet adequate and desirable
8 goals in a society which requires continuous qualitative and quantita-
9 tive advance in educational opportunities, methods and facilities.

10 Section B. It is the policy of this compact to encourage and
11 promote local and state initiative in the development, maintenance,
12 improvement and administration of educational systems and institutions
13 in a manner which will accord with the needs and advantages of diversity
14 among localities and states.

15 Section C. The party states recognize that each of them has an
16 interest in the quality and quantity of education furnished in each of
17 the other states, as well as in the excellence of its own educational
18 systems and institutions, because of the highly mobile character of
19 individuals within the nation, and because the products and services
20 contributing to the health, welfare and economic advancement of each
21 state are supplied in significant part by persons educated in other
22 states.

23 ARTICLE II. THE COMMISSION.

24 Section A. The Education Commission of the States, hereinafter
25 called "the commission," is hereby established. The commission shall
26 consist of seven members representing each party state. In addition to
27 any other principles or requirements which a state may establish for the
28 appointment and service of its members of the commission, the guiding
29 principle for the composition of the membership on the commission from

1 each party state shall be that the members representing such state
2 shall, by virtue of their training, experience, knowledge or affili-
3 ations be in a position collectively to reflect broadly the interests of
4 the state government, higher education, the state education system,
5 local education and lay and professional public and nonpublic educa-
6 tional leadership. In addition to the members of the commission
7 representing the party states, there may be not to exceed 10 nonvoting
8 commissioners selected by the steering committee for terms of one year.
9 Such commissioners shall represent leading national organizations of
10 professional educators or persons concerned with educational adminis-
11 tration.

12 Section B. The members of the commission shall be entitled to one
13 vote each on the commission. No action of the commission shall be bind-
14 ing unless taken at a meeting at which a majority of the total number of
15 votes on the commission are cast in favor thereof. Action of the com-
16 mission shall be only at a meeting at which a majority of the commis-
17 sioners are present. The commission shall meet at least once a year.
18 In its bylaws, and subject to such directions and limitations as may be
19 contained therein, the commission may delegate the exercise of any of
20 its powers to the steering committee or the executive director, except
21 for the power to approve budgets or requests for appropriations, the
22 power to make policy recommendations pursuant to Article III and
23 adoption of the annual report pursuant to Article II (j).

24 Section C. The commission shall have a seal.

25 Section D. The commission shall elect annually, from among its
26 members, a chairman, who shall be a governor, a vice chairman and a
27 treasurer. The commission shall provide for the appointment of an
28 executive director. Such executive director shall serve at the pleasure
29 of the commission, and together with the treasurer and such other

1 personnel as the commission may deem appropriate shall be bonded in such
2 amount as the commission shall determine. The executive director shall
3 be secretary.

4 Section E. Irrespective of the civil service, personnel or other
5 merit system laws of any of the party states, the executive director
6 subject to the approval of the steering committee shall appoint, remove
7 or discharge such personnel as may be necessary for the performance of
8 the functions of the commission, and shall fix the duties and compensa-
9 tion of such personnel. The commission in its bylaws shall provide for
10 the personnel policies and programs of the commission.

11 Section F. The commission may borrow, accept or contract for the
12 services of personnel from any party jurisdiction, the United States, or
13 any subdivision or agency of the aforementioned governments, or from any
14 agency of two or more of the party jurisdictions or their subdivisions.

15 Section G. The commission may accept for any of its purposes and
16 functions under this compact any and all donations, and grants of money,
17 equipment, supplies, materials and services, conditional or otherwise,
18 from any state, the United States, or any other governmental agency, or
19 from any person, firm, association, foundation, or corporation, and may
20 receive, utilize and dispose of the same. Any donation or grant
21 accepted by the commission pursuant to this paragraph or services
22 borrowed pursuant to paragraph (f) of this article shall be reported in
23 the annual report of the commission. Such report shall include the
24 nature, amount and conditions, if any, of the donation, grant, or
25 services borrowed, and the identity of the donor or lender.

26 Section H. The commission may establish and maintain such facili-
27 ties as may be necessary for the transacting of its business. The
28 commission may acquire, hold, and convey real and personal property and
29 any interest therein.

1 Section I. The commission shall adopt bylaws for the conduct of
2 its business and shall have the power to amend and rescind these bylaws.
3 The commission shall publish its bylaws in convenient form and shall
4 file a copy thereof and a copy of any amendment thereto, with the
5 appropriate agency or officer in each of the party states.

6 Section J. The commission annually shall make to the governor and
7 legislature of each party state a report covering the activities of the
8 commission for the preceding year. The commission may make such
9 additional reports as it may deem desirable.

10 ARTICLE III. POWERS.

11 In addition to authority conferred on the commission by other
12 provisions of the compact, the commission shall have authority to:

13 (1) collect, correlate, analyze and interpret information and
14 data concerning educational needs and resources;

15 (2) encourage and foster research in all aspects of educa-
16 tion, but with special reference to the desirable scope of instruction,
17 organization, administration, and instructional methods and standards
18 employed or suitable for employment in public educational systems;

19 (3) develop methods for adequate financing of education as a
20 whole and at each of its may levels;

21 (4) conduct or participate in research of the types referred
22 to in this article in any instance where the commission finds that such
23 research is necessary for the advancement of the purposes and policies
24 of this compact, utilizing fully the resources of national associations,
25 regional compact organizations for higher education, and other agencies
26 and institutions, both public and private;

27 (5) formulate suggested policies and plans for the improve-
28 ment of public education as a whole, or for any segment thereof, and
29 make recommendations with respect thereto available to the appropriate

1 governmental units, agencies and public officials;

2 (6) do such other things as may be necessary or incidental to
3 the administration of any of its authority or functions pursuant to this
4 compact.

5 ARTICLE IV. COOPERATION WITH FEDERAL GOVERNMENT.

6 Section A. If the laws of the United States specifically so
7 provide, or if administrative provision is made therefor within the
8 federal government, the United States may be represented on the com-
9 mission by not to exceed 10 representatives. Any such representative or
10 representatives of the United States shall be appointed and serve in
11 such manner as may be provided by or pursuant to federal law, and may be
12 drawn from any one or more branches of the federal government, but no
13 such representative shall have a vote on the commission.

14 Section B. The commission may provide information and make
15 recommendations to any executive or legislative agency or officer of the
16 federal government concerning the common educational policies of the
17 states, and may advise with any such agencies or officers concerning any
18 matter of mutual interest.

19 ARTICLE V. COMMITTEES.

20 Section A. To assist in the expeditious conduct of its business
21 when the full commission is not meeting, the commission shall have a
22 steering committee of 32 members which, subject to the provisions of
23 this compact and consistent with the policies of the commission, shall
24 be constituted and function as provided in the bylaws of the commission.
25 One-fourth of the membership of the steering committee shall consist of
26 governors, one-fourth shall consist of legislators, and the remainder
27 shall consist of other members of the commission. A federal representa-
28 tive on the commission may serve with the steering committee, but
29 without vote. The voting members of the steering committee shall serve

1 for terms of two years, except that members elected to the first
2 steering committee of the commission shall be elected as follows: 16 for
3 one year and 16 for two years. The chairman, vice chairman, and
4 treasurer of the commission shall be members of the steering committee
5 and, anything in this paragraph to the contrary notwithstanding, shall
6 serve during their continuance in these offices. Vacancies in the
7 steering committee shall not affect its authority to act, but the
8 commission at its next regularly ensuing meeting following the occur-
9 rence of any vacancy shall fill it for the unexpired term. No person
10 shall serve more than two terms as a member of the steering committee;
11 provided that service for a partial term of one year or less shall not
12 be counted toward the two term limitation.

13 Section B. The commission may establish advisory and technical
14 committees composed of state, local and federal officials, and private
15 persons to advise it with respect to any one or more of its functions.
16 Any advisory or technical committee may, on request of the states
17 concerned, be established to consider any matter of special concern to
18 two or more of the party states.

19 Section C. The commission may establish such additional committees
20 as its bylaws may provide.

21 ARTICLE VI. FINANCE.

22 Section A. The commission shall advise the governor or designated
23 officer or officers of each party state of its budget and estimated
24 expenditures for such period as may be required by the laws of that
25 party state. Each of the commission's budgets of estimated expenditures
26 shall contain specific recommendations of the amount or amounts to be
27 appropriated by each of the party states.

28 Section B. The total amount of appropriation requests under any
29 budget shall be apportioned among the party states as follows: one-third

1 in equal shares; and the remainder in proportion to the population of
2 each party state as shown in the most recent decennial census of popula-
3 tion taken by the United States Bureau of the Census, or any agency
4 successor thereto.

5 Section C. The commission shall not pledge the credit of any party
6 state. The commission may meet any of its obligations in whole or in
7 part with funds available to it pursuant to article II(g) of this com-
8 pact, provided that the commission takes specific action setting aside
9 such funds prior to incurring an obligation to be met in whole or in
10 part in such manner. Except where the commission makes use of funds
11 available to it pursuant to article II(g) thereof, the commission shall
12 not incur any obligation prior to the allotment of funds by the party
13 states adequate to meet the same.

14 Section D. The commission shall keep accurate accounts of all
15 receipts and disbursements. The receipts and disbursements of the
16 commission shall be subject to the audit and accounting procedures
17 established by its bylaws. However, all receipts and disbursement of
18 funds handled by the commission shall be audited yearly by a qualified
19 public accountant, and the report of the audit shall be included in and
20 become part of the annual reports of the commission.

21 Section E. The accounts of the commission shall be open at any
22 reasonable time for inspection by duly constituted officers of the party
23 states and by any persons authorized by the commission.

24 Section F. Nothing contained herein shall be construed to prevent
25 commission compliance with laws relating to audit or inspection of
26 accounts by or on behalf of any government contributing to the support
27 of the commission.

28 **ARTICLE VII. ELIGIBLE PARTIES: ENTRY INTO AND WITHDRAWAL.**

29 Section A. This compact shall have as eligible parties all states,

1 territories, and possessions of the United States, the District of
2 Columbia, and the Commonwealth of Puerto Rico. In respect of any such
3 jurisdiction not having a governor, the term "governor," as used in this
4 compact, shall mean the closest equivalent official of such jurisdic-
5 tion.

6 Section B. Any state or other eligible jurisdiction may enter into
7 this compact and it shall become binding thereon when it has adopted the
8 same; provided that in order to enter into initial effect, adoption by
9 at least 10 eligible party jurisdictions shall be required.

10 Section C. Any party state or jurisdiction may withdraw from this
11 compact by enacting a statute repealing the same, but no such withdrawal
12 shall take effect until one year after the governor of the withdrawing
13 state or other jurisdiction has given notice in writing of the with-
14 drawal to the governors of all other party states and jurisdictions. No
15 withdrawal shall affect any liability already incurred by or chargeable
16 to a party state or jurisdiction prior to the time of such withdrawal.

17 ARTICLE VIII. CONSTRUCTION AND SEVERABILITY.

18 This compact shall be liberally construed so as to effectuate the
19 purposes thereof. The provisions of this compact shall be severable and
20 if any phrase, clause, sentence or provision of this compact is declared
21 to be contrary to the constitution of any state or of the United States,
22 or the applicability thereof to any government, agency, person or
23 circumstance is held invalid, the validity of the remainder of this
24 compact and the applicability thereof to any government, agency, person,
25 or circumstance shall not be affected thereby. If this compact shall be
26 held contrary to the constitution of any state participating therein,
27 the compact shall remain in full force and effect as to the state
28 affected as to all severable matters.

29 ARTICLE IX. STATE DEFINED.

1 As used in this compact, "state," means a state, territory, or
2 possession of the United States, the District of Columbia or the
3 Commonwealth of Puerto Rico.

4 Sec. 14.40.720. MEMBERS OF THE COMMISSION. (a) One of the com-
5 mission members shall be the governor; one shall be the state commis-
6 sioner of education; two shall be members of the state legislature
7 selected by its respective houses and serving in the manner the legis-
8 lature may determine; one shall be the president of the state Board of
9 Education; and two shall be appointed at large by and serve at the
10 pleasure of the governor.

11 (b) The terms of office of the at-large members shall be four
12 years; however, the first members shall be appointed as follows: one for
13 two years, and one for four years. Each member shall hold office until
14 his successor is appointed and qualified.

15 (c) The legislative and at-large members of the commission serve
16 without compensation but are entitled to per diem and travel expenses
17 provided by law for other state boards and commissions.

18 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
19 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB-522
 Title An Act relating to the Compact for Education
 Requested by Senate HESS Date 3/18/80

II. FISCAL DETAIL

Agency Affected Education
 Program Category Affected Elementary and Secondary Education
 BRU, Program, or Subprogram(s) Affected Office of the Commissioner

(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 | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |

TOTAL

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|--|------|------|------|------|------|
| GENERAL FUND | | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |

POSITIONS

| | | | | | | |
|-----------|--|-----|-----|-----|-----|-----|
| FULL TIME | | -0- | -0- | -0- | -0- | -0- |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

Cost related to membership dues, not adjusted for inflation.

IV. DATE 3/18/80 PREPARED BY William D. Thomas
 AGENCY Education
 PHONE 465-2800
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



RECORDS



CERTIFICATION

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James A. Daniel
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT

SENATE

FURTHER: Finance

3/18/80

Date: 3/25/80

Mr. President:

The Committee on JUDICIARY has had SB 524
allowing credits against fisheries taxes

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

- do pass do not pass
- do pass with attached amendments(s) same title
- replace with CS for _____ new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back with ~~out~~ ^{NO} recommendation, ~~A~~
- referred to the as follows _____ Committee

MEMBERS SIGNING
DO PASS

1 Meland

MEMBERS HAVING
OTHER, RECOMMENDATIONS:

2 Bill Kay No Rec
2 Jon Almond No Rec
2 Danworth No Rec.

1 Zeiger
CHAIRMAN NO PASS

Introduced: 3/18/80
Referred: *Judiciary and Finance*
By [Signature]
Leg. [Signature]

BY THE RULES COMMITTEE BY REQUEST
OF THE LEGISLATIVE COUNCIL BY
REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 524

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act allowing credits against fisheries taxes; and
7 providing for an effective date."

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

9 * Section 1. AS 43.75 is amended by adding a new section to read:

10 Sec. 43.75.035. SEAFOOD ASSOCIATION CREDIT. (a) A person is
11 allowed as a credit against the tax levied under AS 43.75.015 or 43.-
12 75.100 an amount equal to the amount that person donated during the tax
13 year to a corporation described in (b) of this section and included on
14 the list prepared under (d) of this section. The credit allowed by this
15 section may not exceed 15 percent of the total tax liability under
16 AS 43.75.015 or 43.75.100 as computed without the credit allowed in this
17 section.

18 (b) A person is entitled to a credit under this section for the
19 amount he donated during the tax year to a nonprofit corporation orga-
20 nized under AS 10.20 which

21 (1) is organized for the purposes of

22 (A) assisting the Alaska seafood industry to improve the
23 quality and purity of seafood produced in Alaska; and

24 (B) assisting in the development and maintenance of
25 markets for seafood produced in Alaska;

26 (2) represents commercial fishermen and fish processors in
27 each of the administrative areas established by the Alaska Commercial
28 Fisheries Entry Commission under AS 16.43.100(a)(3);

29 (3) provides services for fishermen and processors of all

COMMITTEE COPY

1 species of fish and their by-products which are harvested in Alaska and
2 processed for human consumption;

3 (4) includes on its board of directors representatives of
4 commercial fishermen and of fish processors;

5 (5) establishes quality control programs for the seafood
6 harvested and processed in Alaska by the members of the corporation;

7 (6) prepares an annual market research and product develop-
8 ment plan for the promotion of all species of fish and their by-products
9 which are harvested in Alaska and processed for human consumption;

10 (7) submits an annual report to the governor and the legisla-
11 ture describing its activities; and

12 (8) permits the commissioner of revenue or his designee to
13 inspect its offices and its accounts to determine whether it meets the
14 criteria described in (1) - (7) of this subsection.

15 (c) A donation to a corporation that has as its main purpose the
16 promotion of or the development and maintenance of markets for a speci-
17 fic brand of Alaska seafood may not be allowed as a credit under this
18 section.

19 (d) By January 1 of each year the Department of Revenue shall
20 prepare and make available to the public a list of corporations which
21 meet the criteria established in (b) of this section.

22 * Sec. 2. This Act is retroactive to January 1, 1980, and applies to tax
23 years beginning after December 31, 1979.

24 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 524

By THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL BY REQUEST

"An Act allowing credits against fisheries taxes; and providing for an effective date."

Introduced in the Senate 3/18/80, 19....

HISTORY IN THE SENATE

| | | | | | | | | | | | |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------|------|------|------|------|--------|--------|---------|---------|
| 19 80 | Read first time and referred to Committee on | | | | | | | | | | |
| 3 18 | Judiciary and Finance | | | | | | | | | | |
| 3 26 | Reported back with recommendation that <i>2 do pass, 3 more. Finance.</i> | | | | | | | | | | |
| | Read second time and | | | | | | | | | | |
| | Read third time and | | | | | | | | | | |
| | <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused |
| PASS | Effective Date | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | |
| | Reconsideration | | | | | | | | | | |
| | <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused |
| PASS | Effective Date | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | |
| | Reported correctly engrossed | | | | | | | | | | |
| | Signed by President | | | | | | | | | | |
| | Sent to House | | | | | | | | | | |
| | SECRETARY OF THE SENATE | | | | | | | | | | |

HISTORY IN THE HOUSE

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

HISTORY IN THE SENATE

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

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S.B. 524
 Title "An Act allowing credits against fisheries taxes"
 Requested by Rules by Legislative Council by Request Date March 18, 1980

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected fisheries business tax donation fund
 (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 | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | 1,500.0 | | | | |
| TOTAL | | 1,500.0 | | | | |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|--|---------|--|--|--|--|
| GENERAL FUND | | 1,500.0 | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

* See attached schedule

Note: This appropriation is for the first year start-up of the Alaska Seafood Marketing program to commence during FY 81. In future years the marketing effort will be funded directly by fishery processors for which they will receive a credit against their raw fish tax payment under AS 43.75.015 or AS 43.75.100

IV. DATE _____ PREPARED BY _____

AGENCY _____

Original: Legislative Finance

PHONE _____

cc: Budget and Management

Prime Sponsor (First Legislator Named)

ALASKA SEAFOOD FOUNDATION

Estimated Budget Requirements, May 1, 1980 through April 30, 1981.

| <u>PROGRAM ELEMENT</u> | <u>COST</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| I. ORGANIZATION | |
| A. Establish office, appoint promotion and technical committees, select public relations and advertising contractors, conduct membership drive, hold annual meeting | \$200,000 |
| II. 1980 SPECIAL PROGRAMS | |
| A. Salmon: Public relations/advertising/product development/market research | |
| 1. Canned | |
| a. Foodservice | 100,000 |
| b. Consumer | 200,000 |
| 2. Fresh/Frozen | |
| a. Foodservice | 200,000 |
| b. Consumer | 100,000 |
| B. Salmon: Technical/Quality Assurance | |
| 1. Monitor Prince William Sound vessel inspection program; develop statewide recommendations for vessels; develop in-plant quality improvement recommendations; develop transportation, storage, and distribution quality improvement recommendations; design guidelines for ASF member participation | 100,000 |
| III. DEVELOPMENT OF CONTINUING PROGRAMS | |
| A. Consumer market survey to determine desired product forms, in U.S. and European markets for salmon, crab, shrimp, halibut, sablefish and bottomfish | 100,000 |
| B. Shellfish: Public relations/advertising/product development | |
| 1. King crab | |
| 2. Snow crab | 200,000 |
| 3. Other shellfish | |
| C. Other Finfish | |
| 1. Sablefish | |
| 2. Halibut | 300,000 |
| 3. Bottomfish | |
| D. Reserve Fund | |
| TOTAL ESTIMATED BUDGET | \$1,500,000 |

* The King crab budget is low due to the continued existence in 1980 of the Alaska King Crab Marketing and Quality Control Board.

ALASKA SEAFOOD FOUNDATION

Estimated Budget Requirements, May 1, 1980 through April 30, 1981.

| <u>PROGRAM ELEMENT</u> | <u>COST</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| I. ORGANIZATION | |
| A. Establish office, appoint promotion and technical committees, select public relations and advertising contractors, conduct membership drive, hold annual meeting | \$200,000.00 |
| II. 1980 SPECIAL PROGRAMS | |
| A. Salmon: Public relations/advertising/product development/market research | |
| 1. Canned | |
| a. Foodservice | 200,000.00 |
| b. Consumer | 500,000.00 |
| 2. Fresh/Frozen | |
| a. Foodservice | 400,000.00 |
| b. Consumer | 200,000.00 |
| B. Salmon: Technical/Quality Assurance | |
| 1. Monitor Prince William Sound vessel inspection program; develop statewide recommendations for vessels; develop in-plant quality improvement recommendations; develop transportation, storage, and distribution quality improvement recommendations; design guidelines for ASF member participation | 200,000.00 |
| III. DEVELOPMENT OF CONTINUING PROGRAMS | |
| A. Consumer market survey to determine desired product forms, in U.S. and European markets for salmon, crab, shrimp, halibut, sablefish and bottomfish | 150,000.00 |
| B. Shellfish: Public relations/advertising/product development | |
| 1. King crab | 100,000.00* |
| 2. Snow crab | 300,000.00 |
| 3. Other shellfish | 100,000.00 |
| C. Other Finfish | |
| 1. Sablefish | 300,000.00 |
| 2. Halibut | 50,000.00 |
| 3. Bottomfish | 300,000.00 |
| D. Reserve Fund | <u>500,000.00</u> |
| TOTAL ESTIMATED BUDGET | \$3,500,000.00 |

* The King crab budget is low due to the continued existence in 1980 of the Alaska King Crab Marketing and Quality Control Board.

ALASKA SEAFOOD FOUNDATION

Estimated Budget Requirements, May 1, 1980 through April 30, 1981.

| <u>PROGRAM ELEMENT</u> | <u>COST</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| I. ORGANIZATION | |
| A. Establish office, appoint promotion and technical committees, select public relations and advertising contractors, conduct membership drive, hold annual meeting | \$200,000.00 |
| II. 1980 SPECIAL PROGRAMS | |
| A. Salmon: Public relations/advertising/product development/ market research | |
| 1. Canned | |
| a. Foodservice | 200,000.00 |
| b. Consumer | 500,000.00 |
| 2. Fresh/Frozen | |
| a. Foodservice | 400,000.00 |
| b. Consumer | 200,000.00 |
| B. Salmon: Technical/Quality Assurance | |
| 1. Monitor Prince William Sound vessel inspection program; develop statewide recommendations for vessels; develop in-plant quality improvement recommendations; develop transportation, storage, and distribution quality improvement recommendations; design guidelines for ASF member participation | 200,000.00 |
| III. DEVELOPMENT OF CONTINUING PROGRAMS | |
| A. Consumer market survey to determine desired product forms, in U.S. and European markets for salmon, crab, shrimp, halibut, sablefish and bottomfish | 150,000.00 |
| B. Shellfish: Public relations/advertising/product development | |
| 1. King crab | 100,000.00* |
| 2. Snow crab | 300,000.00 |
| 3. Other shellfish | 100,000.00 |
| C. Other Finfish | |
| 1. Sablefish | 300,000.00 |
| 2. Halibut | 50,000.00 |
| 3. Bottomfish | 300,000.00 |
| D. Reserve Fund | <u>500,000.00</u> |
| TOTAL ESTIMATED BUDGET | \$3,500,000.00 |

* The King crab budget is low due to the continued existence in 1980 of the Alaska King Crab Marketing and Quality Control Board.

ALASKA SEAFOOD FOUNDATION

Estimated Budget Requirements, May 1, 1980 through April 30, 1981.

| <u>PROGRAM ELEMENT</u> | <u>COST</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| I. ORGANIZATION | |
| A. Establish office, appoint promotion and technical committees, select public relations and advertising contractors, conduct membership drive, hold annual meeting | \$200,000.00 |
| II. 1980 SPECIAL PROGRAMS | |
| A. Salmon: Public relations/advertising/product development/ market research | |
| 1. Canned | |
| a. Foodservice | 200,000.00 |
| b. Consumer | 500,000.00 |
| 2. Fresh/Frozen | |
| a. Foodservice | 400,000.00 |
| b. Consumer | 200,000.00 |
| B. Salmon: Technical/Quality Assurance | |
| 1. Monitor Prince William Sound vessel inspection program; develop statewide recommendations for vessels; develop in-plant quality improvement recommendations; develop transportation, storage, and distribution quality improvement recommendations; design guidelines for ASF member participation | 200,000.00 |
| III. DEVELOPMENT OF CONTINUING PROGRAMS | |
| A. Consumer market survey to determine desired product forms, in U.S. and European markets for salmon, crab, shrimp, halibut, sablefish and bottomfish | 150,000.00 |
| B. Shellfish: Public relations/advertising/product development | |
| 1. King crab | 100,000.00* |
| 2. Snow crab | 300,000.00 |
| 3. Other shellfish | 100,000.00 |
| C. Other Finfish | |
| 1. Sablefish | 300,000.00 |
| 2. Halibut | 50,000.00 |
| 3. Bottomfish | 300,000.00 |
| D. Reserve Fund | <u>500,000.00</u> |
| TOTAL ESTIMATED BUDGET | \$3,500,000.00 |

* The King crab budget is low due to the continued existence in 1980 of the Alaska King Crab Marketing and Quality Control Board.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 25, 1980

The Honorable Robert Ziegler, Sr.
Chairman
Senate Judiciary Committee
Room 107 - Capitol Building
Juneau, Alaska 99811

Dear Senator Ziegler:

Re: Senate Bill No. 524

Senate Bill No. 524, an Act allowing credits against fisheries taxes, was introduced in the Senate on March 18, 1980 and was referred to the Senate Judiciary and Finance Committees.

For the consideration of the Senate Judiciary Committee, I am enclosing copies of Fiscal Notes prepared by Gary Jenkins, Director, Audit Division and Vincent Wright, Research Section, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable John Sackett
Chairman
Senate Finance Committee

Gary Jenkins, Director
Audit Division
Department of Revenue

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 524
 Title An Act allowing credits against fisheries taxes.
 Requested by Senate Judiciary & Finance Committees Date 3/24/80

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 BRU, Program, or Subprogram(s) Affected Audit Division

(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 | | 37.5 | 37.5 | 37.5 | 37.5 | 37.5 |
| 200 TRAVEL | | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| 300 CONTRACTUAL | | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 |
| 400 COMMODITIES | | .5 | .5 | .5 | .5 | .5 |
| 500 EQUIPMENT | | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 |

FUNDING (Thousands of Dollars)


| | | | | | | |
|-----------------------------|--|------|------|------|------|------|
| GENERAL FUND | | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |

POSITIONS

| | | | | | | |
|-----------|--|---|---|---|---|---|
| FULL TIME | | 1 | 1 | 1 | 1 | 1 |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

See attached memorandum to R. D. Stevenson dated 3/24/80.

IV. DATE March 24, 1980 PREPARED BY 
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 524
 Title An Act allowing credits against fisheries taxes.
 Requested by Senate Judiciary & Finance Committees Date 3/24/80

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ Fiscal Services _____
 BRU, Program, or Subprogram(s) Affected _____ Audit Division _____

(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 | | 37.5 | 37.5 | 37.5 | 37.5 | 37.5 |
| 200 TRAVEL | | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| 300 CONTRACTUAL | | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 |
| 400 COMMODITIES | | .5 | .5 | .5 | .5 | .5 |
| 500 EQUIPMENT | | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|--|------|------|------|------|------|
| GENERAL FUND | | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |

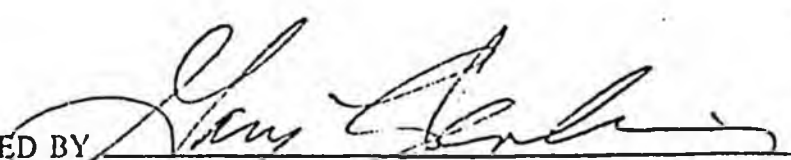
POSITIONS

| | | | | | | |
|-----------|--|---|---|---|---|---|
| FULL TIME | | 1 | 1 | 1 | 1 | 1 |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

See attached memorandum to R. D. Stevenson dated 3/24/80.

IV. DATE March 24, 1980

PREPARED BY 
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320

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

CATEGORY: GENERAL GOVERNMENT
PROGRAM: REVENUE COLLECTION AND MANAGEMENT

AGENCY: REVENUE
BRU (S): AUDIT; PETROLEUM REVENUE; ENFORCEMENT; TREASURY MANAGEMENT; ADMINISTRATION AND SUPPORT

All Department of Revenue DRU's in the Revenue Collection and Management cover program are included herein. A major emphasis on identifying the "invisible taxpayer" is planned in the FY 81 budget, primarily in the DRUs of Audit, Enforcement, and Administration and Support.

The goals of the Audit BRU are to achieve effective compliance by taxpayers with the tax laws of Alaska, and to raise revenues through an effective audit program. The Revenue Audit staff concentrates on corporate and individual income tax, estate taxes, excise taxes, business license tax, fisheries tax, mining license tax, and the issuance of permits for games or skill or chance.

The goals of the Petroleum Revenue BRU are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

The goal of the Enforcement BRU is to enforce the collection of taxes from all taxpayers in a fair and equitable manner. The Division is responsible for billing and collecting all delinquent tax accounts.

The goals of the Treasury Management BRU are to manage available funds for a maximum return consistent with statutory limitations; to place general bonded debt as needed for capital projects at minimum cost to the State; and to report the management of funds in accordance with current reporting standards. The Treasury Management Division works closely with the State Bond Committee in performing these functions. Fund management is centralized for the Public Employees Retirement Fund, the Teachers Retirement Fund, and the General Fund, as well as other special funds.

The Administration and Support BRU includes the Office of the Commissioner, Administrative Services, and Fish and Game Licensing. The Commissioner's Office oversees all functions of the Department of Revenue. The Research Section, under the Office of the Commissioner, performs special studies in analyzing and developing revenue sources, as well as projecting State cash flow through revenue estimating models and information provided by State agencies. The Administrative Services component provides centralized general services for the Department of Revenue, including personnel, budget, payroll, purchasing, mail, etc. This section also provides certain technical services such as administering business licenses, processing tax and license remittances, and initial processing of tax returns. The Fish and Game Licensing component is being transferred to this BRU from the Natural Resources category for FY 81. This component processes revenues received from the sales of fish and game licenses statewide. Most of the licenses are sold by contract vendors such as sporting goods stores.

| COMPONENT DESCRIPTION | 79 AUTH | 79 FINAL | 79 ACT | 80 AUTH | 80 SUPL | 80 RP | GOVERNOR |
|------------------------------------|---------|----------|--------|---------|---------|-------|----------|
| AUDIT | 2461.5 | 2530.6 | 2513.1 | 2691.6 | | | 3223.6 |
| PETROLEUM REVENUE | 1279.6 | 1240.1 | 1187.3 | 1435.0 | | | 1447.2 |
| ENFORCEMENT | 1196.5 | 1335.4 | 1324.7 | 1217.0 | | | 1366.3 |
| TREASURY MANAGEMENT | 1232.3 | 1227.9 | 1120.3 | 1357.1 | | | 1436.9 |
| OFFICE OF THE COMMISSIONER | 877.3 | 1077.4 | 1054.4 | 757.6 | | | 964.5 |
| ADMINISTRATIVE SERVICES | 1630.0 | 1783.7 | 1746.5 | 1773.6 | | | 2361.4 |
| FISH AND GAME LICENSING | 572.1 | 580.6 | 531.6 | 259.0 | | | 298.0 |
| MM TOTAL | 9249.3 | 9775.7 | 9477.9 | 9490.9 | | | 11097.9 |
| MM CHANGE VERSUS 80 AUTH | | | | | | | 16.9% |
| OBJECT DESCRIPTION | | | | | | | |
| PERS. SERV. | 6294.0 | 6685.5 | 6654.2 | 6784.4 | | | 7519.5 |
| TRAVEL | 336.8 | 333.8 | 316.3 | 315.7 | | | 419.6 |
| CONTRACTUAL | 2218.2 | 2320.1 | 2075.1 | 2031.5 | | | 2728.1 |
| COMMODITIES | 68.5 | 69.3 | 59.0 | 58.2 | | | 80.9 |
| EQUIPMENT | 23.5 | 58.7 | 65.3 | | | | 37.0 |
| LANDS/BLDGS | 308.3 | 308.3 | 308.0 | 301.1 | | | 312.8 |
| FUNDING SOURCE | | | | | | | |
| GENERAL FUND | 8446.3 | 9040.7 | 8835.4 | 8956.9 | | | 10520.7 |
| PGM RECEIPTS | 308.0 | 240.0 | 217.5 | | | | |
| OTHER FUNDS | 495.0 | 495.0 | 425.0 | 534.0 | | | 577.2 |
| MM GENERAL FUND CHANGE VS. 80 AUTH | | | | | | | 17.4% |
| POSITIONS | | | | | | | |
| FULL-TIME | 220.0 | 220.0 | 220.0 | 224.0 | | | 237.0 |
| PART-TIME | 8.0 | 8.0 | 8.0 | 8.0 | | | 21.6 |
| TEMPORARY | 14.0 | 14.0 | 14.0 | 13.0 | | | |
| STAFF MONTHS | 2715.1 | 2715.1 | 2715.1 | 2784.0 | | | 2944.2 |

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 24, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 524

This bill provides for the establishment of fisheries industry trade associations which would be funded by the State of Alaska through the form of a special tax credit given to fish processors on their fish processing tax returns. Each processor would be allowed a credit on a dollar for dollar basis for contributions to the fishery association in an amount up to 15 percent of the fish processors' tax due.

There would appear to be a legitimate question regarding whether there is a clear need for the State of Alaska to directly fund trade associations for the fishing industry, an industry which, incidentally, is largely dominated by Japanese interests. The fishing industry is already provided income tax incentives to improve their processing facilities in the form of the investment credit, both at the federal and state levels. It should also be noted that any expenditures made by a processor which are in any way a business expense related to processing or marketing of fish products, are tax deductible under the corporate income tax. Further, it would seem logical that all processors would be putting forth maximum effort to produce a product which has the best possible appeal in the market place.

With regard to enhancing the quality of the product itself, the State of Alaska already has inspectors from the Department of Health and Social Services and the Department of Natural Resources working with processors in an effort to ensure proper quality of the product produced.

Inasmuch as every processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

| | | | | | | | | | | | | | | | | |
|--------------------------------------|---------------------------------------|--------------------|-------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------|-----|--------|--------|--|--|--|--|--|--|
| 1 | POSITION TITLE Revenue Auditor III | | | | RANGE/STEP 18 A | BARG. UNIT. G | LOCATION Juneau | GOV | APPROV | DISAPP | | | | | | |
| 2 | TYPE OF POSITION PFT | STAFF MONTHS 12 | RP No. | PCN No. | PRIORITY | | FORM 12 PAGE/LINE | LEG | | | | | | | | |
| 3 | TYPE OF EXPENDITURE | | | AMOUNT | | JUSTIFICATION: | | | | | | | | | | |
| | 1 | 2 | 3 | | | | | | | | | | | | | |
| 4 | PERSONAL SERVICES: SALARY | | 29,580 | | <p>Inasmuch as every fish processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).</p> | | | | | | | | | | | |
| 5 | BENEFITS | | 4,399 | | | | | | | | | | | | | |
| 6 | FICA | | 1,967 | | | | | | | | | | | | | |
| 7 | HEALTH INS. | | 1,524 | | | | | | | | | | | | | |
| 8 | TOTAL PERSONAL SERVICES | | 37,470 | | | | | | | | | | | | | |
| 9 | TRAVEL | | 5,500 | | | | | | | | | | | | | |
| 10 | CONTRACTUAL | | 3,160 | | | | | | | | | | | | | |
| 11 | COMMQUITIES | | 450 | | | | | | | | | | | | | |
| 12 | EQUIPMENT | | 1,200 | | | | | | | | | | | | | |
| 13 | OTHER | | | | | | | | | | | | | | | |
| 14 | TOTAL COST | | 47,780 | | | | | | | | | | | | | |
| 15 | CODE | FUNDING SOURCE | | | | | | | | | | | | | | |
| 16 | | FED RCPTS. | | | | | | | | | | | | | | |
| 17 | | GF MATCH. | | | | | | | | | | | | | | |
| 18 | | GEN. FUND | | 47,780 | | | | | | | | | | | | |
| 19 | | I-A RCPTS. | | | | | | | | | | | | | | |
| 20 | | PGM RCPTS | | | | | | | | | | | | | | |
| 21 | | OTHER | | | | | | | | | | | | | | |
| 21 | CONTINUATION | | | | | | | | | | | | | | | |
| 22 | ADDITION | X | FOR DATA USE ONLY | | | | | | | | | | | | | |
| 1A KEY NUMBER _____ COLUMN NO. _____ | | | | | | | | | | | | | | | | |

AGENCY Department of Revenue PROGRAM AREA Revenue Collection and Management

BRU Audit Division

FY 81

13 REQUEST FOR NEW
POSITION.

COMPONENT _____

Page _____ of _____

REVISED
DATE _____

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 524
Title An act allowing credits against Fisheries Taxes
Requested by _____ Date 3-25-80

II. FISCAL DETAIL

Agency Affected _____
Program Category Affected _____
BRU, Program, or Subprogram(s) Affected _____
(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 | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | | | | | |

FUNDING (Millions of Dollars)

| | | | | | | |
|-----------------------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | ----- | (1.2) | ----- | ----- | ----- | ----- |
| FEDERAL FUNDS | | | | | ----- | ----- |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

The above mentioned assumes that 25% of the taxpayer credits are actually taken. The basis for the FY 81 data is the forecast in the Revenue Source Book which incorporates catch and price projections.

The cost to the general fund in subsequent fiscal years is indeterminate but dependant on varying credits, harvests and prices. It is likely that there will be a slight increase over time in credits taken.

IV. DATE 3/25/80 PREPARED BY Vincent Wright
AGENCY Revenue
PHONE 2391
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 524

Title An act allowing credits against Fisheries Taxes

Requested by _____ Date 3-25-80

II. FISCAL DETAIL

Agency Affected _____

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

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

FUNDING (Millions of Dollars)

| | | | | | | |
|-----------------------------|-------|-------|-------|-------|---------------|-------|
| GENERAL FUND | ----- | (1.2) | ----- | ----- | ---unknown--- | ----- |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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The above mentioned assumes that 25% of the taxpayer credits are actually taken. The basis for the Fy 81 data is the forecast in the Revenue Source Book which incorporates catch and price projections.

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IV. DATE 3/25/80

PREPARED BY Vincent Wright

AGENCY Revenue

PHONE 2391

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

CATEGORY: GENERAL GOVERNMENT
PROGRAM: REVENUE COLLECTION AND MANAGEMENT

AGENCY: REVENUE
BRU (s): AUDIT; PETROLEUM REVENUE; ENFORCEMENT; TREASURY MANAGEMENT; ADMINISTRATION AND SUPPORT

All Department of Revenue BRU's in the Revenue Collection and Management cover program are included herein. A major emphasis on identifying the "invisible taxpayer" is planned in the FY 81 budget, primarily in the BRUs of Audit, Enforcement, and Administration and Support.

The goals of the Audit BRU are to achieve effective compliance by taxpayers with the tax laws of Alaska, and to raise revenues through an effective audit program. The Revenue Audit staff concentrates on corporate and individual income tax, estate taxes, excise taxes, business license tax, fisheries tax, mining license tax, and the issuance of permits for games or skill or chance.

The goals of the Petroleum Revenue BRU are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

The goal of the Enforcement BRU is to enforce the collection of taxes from all taxpayers in a fair and equitable manner. The Division is responsible for billing and collecting all delinquent tax accounts.

The goals of the Treasury Management BRU are to manage available funds for a maximum return consistent with statutory limitations; to place general bonded debt as needed for capital projects at minimum cost to the State; and to report the management of funds in accordance with current reporting standards. The Treasury Management Division works closely with the State Bond Committee in performing these functions. Fund management is centralized for the Public Employees Retirement Fund, the Teachers Retirement Fund, and the General Fund, as well as other special funds.

The Administration and Support BRU includes the Office of the Commissioner, Administrative Services, and Fish and Game Licensing. The Commissioner's Office oversees all functions of the Department of Revenue. The Research Section, under the Office of the Commissioner, performs special studies in analyzing and developing revenue sources, as well as projecting State cash flow through revenue estimating models and information provided by State agencies. The Administrative Services component provides centralized general services for the Department of Revenue, including personnel, budget, payroll, purchasing, mail, etc. This section also provides certain technical services such as administering business licenses, processing tax and license remittances, and initial processing of tax returns. The Fish and Game Licensing component is being transferred to this BRU from the Natural Resources category for FY 81. This component processes revenues received from the sales of fish and game licenses statewide. Most of the licenses are sold by contract vendors such as sporting goods stores.

| COMPONENT DESCRIPTION | 79 AUTH | 79 FINAL | 79 ACT | 80 AUTH | 80 SUPL | 80 RP | GOVERNOR |
|------------------------------------|---------|----------|--------|---------|---------|-------|----------|
| AUDIT | 2461.5 | 2530.6 | 2513.1 | 2691.6 | | | 3223.6 |
| PETROLEUM REVENUE | 1279.6 | 1240.1 | 1187.3 | 1435.0 | | | 1447.2 |
| ENFORCEMENT | 1196.5 | 1335.4 | 1324.7 | 1217.0 | | | 1366.3 |
| TREASURY MANAGEMENT | 1232.3 | 1227.9 | 1120.3 | 1357.1 | | | 1436.9 |
| OFFICE OF THE COMMISSIONER | 877.3 | 1077.4 | 1054.4 | 757.6 | | | 964.5 |
| ADMINISTRATIVE SERVICES | 1630.0 | 1783.7 | 1746.5 | 1773.6 | | | 2361.4 |
| FISH AND GAME LICENSING | 572.1 | 580.6 | 531.6 | 259.0 | | | 298.0 |
| MM TOTAL | 9249.3 | 9775.7 | 9477.9 | 9490.9 | | | 11097.9 |
| MM CHANGE VERSUS 80 AUTH | | | | | | | 16.9% |
| OBJECT DESCRIPTION | | | | | | | |
| PERS. SERV. | 6294.0 | 6685.5 | 6654.2 | 6784.4 | | | 7519.5 |
| TRAVEL | 336.8 | 333.8 | 316.3 | 315.7 | | | 419.6 |
| CONTRACTUAL | 2218.2 | 2320.1 | 2075.1 | 2031.5 | | | 2728.1 |
| COMMODITIES | 68.5 | 69.3 | 59.0 | 58.2 | | | 80.9 |
| EQUIPMENT | 23.5 | 58.7 | 65.3 | | | | 37.0 |
| LANDS/BLDGS | 308.3 | 308.3 | 308.0 | 301.1 | | | 312.8 |
| FUNDING SOURCE | | | | | | | |
| GENERAL FUND | 8446.3 | 9040.7 | 8835.4 | 8956.9 | | | 10520.7 |
| PGM RECEIPTS | 308.0 | 240.0 | 217.5 | | | | |
| OTHER FUNDS | 495.0 | 495.0 | 425.0 | 534.0 | | | 577.2 |
| MM GENERAL FUND CHANGE VS. 80 AUTH | | | | | | | 17.4% |
| POSITIONS | | | | | | | |
| FULL-TIME | 220.0 | 220.0 | 220.0 | 224.0 | | | 237.0 |
| PART-TIME | 8.0 | 8.0 | 8.0 | 8.0 | | | 21.0 |
| TEMPORARY | 14.0 | 14.0 | 14.0 | 13.0 | | | |
| STAFF MONTHS | 2715.1 | 2715.1 | 2715.1 | 2784.0 | | | 2944.2 |

Introduced: 3/18/80
Referred: Judiciary and
Finance

BY THE RULES COMMITTEE BY REQUEST
OF THE LEGISLATIVE COUNCIL BY
REQUEST

1 IN THE SENATE

2 SENATE BILL NO.524

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act allowing credits against fisheries taxes; and
7 providing for an effective date."

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

9 * Section 1. AS 43.75 is amended by adding a new section to read:

10 Sec. 43.75.035. SEAFOOD ASSOCIATION CREDIT. (a) A person is
11 allowed as a credit against the tax levied under AS 43.75.015 or 43.-
12 75.100 an amount equal to the amount that person donated during the tax
13 year to a corporation described in (b) of this section and included on
14 the list prepared under (d) of this section. The credit allowed by this
15 section may not exceed 15 percent of the total tax liability under
16 AS 43.75.015 or 43.75.100 as computed without the credit allowed in this
17 section.

18 (b) A person is entitled to a credit under this section for the
19 amount he donated during the tax year to a nonprofit corporation orga-
20 nized under AS 10.20 which

21 (1) is organized for the purposes of

22 (A) assisting the Alaska seafood industry to improve the
23 quality and purity of seafood produced in Alaska; and

24 (B) assisting in the development and maintenance of
25 markets for seafood produced in Alaska;

26 (2) represents commercial fishermen and fish processors in
27 each of the administrative areas established by the Alaska Commercial
28 Fisheries Entry Commission under AS 16.43.100(a)(3);

29 (3) provides services for fishermen and processors of all

1 species of fish and their by-products which are harvested in Alaska and
2 processed for human consumption;

3 (4) includes on its board of directors representatives of
4 commercial fishermen and of fish processors;

5 (5) establishes quality control programs for the seafood
6 harvested and processed in Alaska by the members of the corporation;

7 (6) prepares an annual market research and product develop-
8 ment plan for the promotion of all species of fish and their by-products
9 which are harvested in Alaska and processed for human consumption;

10 (7) submits an annual report to the governor and the legisla-
11 ture describing its activities; and

12 (8) permits the commissioner of revenue or his designee to
13 inspect its offices and its accounts to determine whether it meets the
14 criteria described in (1) - (7) of this subsection.

15 (c) A donation to a corporation that has as its main purpose the
16 promotion of or the development and maintenance of markets for a speci-
17 fic brand of Alaska seafood may not be allowed as a credit under this
18 section.

19 (d) By January 1 of each year the Department of Revenue shall
20 prepare and make available to the public a list of corporations which
21 meet the criteria established in (b) of this section.

22 * Sec. 2. This Act is retroactive to January 1, 1980, and applies to tax
23 years beginning after December 31, 1979.

24 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER : POUCH S - JUNEAU 99811

March 25, 1980

The Honorable Robert Ziegler, Sr.
Chairman
Senate Judiciary Committee
Room 107 - Capitol Building
Juneau, Alaska 99811

Dear Senator Ziegler:

Re: Senate Bill No. 524

Senate Bill No. 524, an Act allowing credits against fisheries taxes, was introduced in the Senate on March 18, 1980 and was referred to the Senate Judiciary and Finance Committees.

For the consideration of the Senate Judiciary Committee, I am enclosing copies of Fiscal Notes prepared by Gary Jenkins, Director, Audit Division and Vincent Wright, Research Section, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable John Sackett
Chairman
Senate Finance Committee

Gary Jenkins, Director
Audit Division
Department of Revenue

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate Bill No. 524
 Title An Act allowing credits against fisheries taxes.
 Requested by Senate Judiciary & Finance Committees Date 3/24/80

II. FISCAL DETAIL
 Agency Affected _____ Revenue _____
 Program Category Affected _____ Fiscal Services _____
 BRU, Program, or Subprogram(s) Affected _____ Audit Division _____
 (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 | | 37.5 | 37.5 | 37.5 | 37.5 | 37.5 |
| 200 TRAVEL | | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| 300 CONTRACTUAL | | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 |
| 400 COMMODITIES | | .5 | .5 | .5 | .5 | .5 |
| 500 EQUIPMENT | | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 |

FUNDING (Thousands of Dollars)


| | | | | | | |
|-----------------------------|--|------|------|------|------|------|
| GENERAL FUND | | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |

POSITIONS

| | | | | | | |
|-----------|--|---|---|---|---|---|
| FULL TIME | | 1 | 1 | 1 | 1 | 1 |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

See attached memorandum to R. D. Stevenson dated 3/24/80.

IV. DATE March 24, 1980 PREPARED BY 
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

CATEGORY: GENERAL GOVERNMENT
PROGRAM: REVENUE COLLECTION AND MANAGEMENT

AGENCY: REVENUE
BRU (s): AUDIT; PETROLEUM REVENUE; ENFORCEMENT; TREASURY MANAGEMENT; ADMINISTRATION AND SUPPORT

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| ** CHANGE VERSUS 80 AUTH | | | | | | | 16.9% |
| OBJECT DESCRIPTION | | | | | | | |
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| PART-TIME | 8.0 | 8.0 | 8.0 | 8.0 | | | 21.0 |
| TEMPORARY | 14.0 | 14.0 | 14.0 | 13.0 | | | |
| STAFF MONTHS | 2715.1 | 2715.1 | 2715.1 | 2784.0 | | | 2944.2 |

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 24, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 524

This bill provides for the establishment of fisheries industry trade associations which would be funded by the State of Alaska through the form of a special tax credit given to fish processors on their fish processing tax returns. Each processor would be allowed a credit on a dollar for dollar basis for contributions to the fishery association in an amount up to 15 percent of the fish processors' tax due.

There would appear to be a legitimate question regarding whether there is a clear need for the State of Alaska to directly fund trade associations for the fishing industry, an industry which, incidentally, is largely dominated by Japanese interests. The fishing industry is already provided income tax incentives to improve their processing facilities in the form of the investment credit, both at the federal and state levels. It should also be noted that any expenditures made by a processor which are in any way a business expense related to processing or marketing of fish products, are tax deductible under the corporate income tax. Further, it would seem logical that all processors would be putting forth maximum effort to produce a product which has the best possible appeal in the market place.

With regard to enhancing the quality of the product itself, the State of Alaska already has inspectors from the Department of Health and Social Services and the Department of Natural Resources working with processors in an effort to ensure proper quality of the product produced.

Inasmuch as every processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).