LEG. FINANCE - BILLS 1979 - 1980 1381

SB 535, 528, 529, 530

1381

RECORDS CERTIFICATION

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

James O. Smith
Signature of Camera Operator

3/23/90
Date

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 863 (SB 535)
Title An Act providing for a task force on fire prevention and control
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Local Government Assistance
(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		68.2	73.6	79.5	85.9	92.7
200 TRAVEL		76.7	82.8	89.4	96.6	104.3
300 CONTRACTUAL		53.4	57.7	62.3	67.3	72.7
400 COMMODITIES		5.5	5.9	6.4	6.9	7.5
500 EQUIPMENT		1.6	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		205.4	220.0	237.6	256.7	277.2

FUNDING (Thousands of Dollars)

GENERAL FUND		205.4	220.0	237.6	256.7	277.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

All the above costs are increased at 8% a year for inflation. Attached is a breakdown of the costs.

IV. DATE 3-27-80 PREPARED BY McKie Campbell
AGENCY Community & Regional Affairs
PHONE 465-4735

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

33-001 (Rev. 12/79)

Contractual Services

Communications	7,500
Advertising & Printing (annual report, info to task force members & advertising of public hearings)	7,000
Space expense	
Meetings	1,500
Office 400 sq. ft. @ $2.00	9,600
Equipment rental	
Mag card @ $232/mo.	2,800
Professional fees (study performed by professionals could be more than one contract)	25,000
	53,400

Commodities

Office supplies	3,000
Photo/video supplies	2,000
misc. operating supplies	500
	$5,500

Equipment

1 file cabinet	200
2 desks	750
2 chairs	300
other	350
	$1,600

Cost Summary

Personal Services	$ 68,157
Travel	76,680
Contractual	53,400
Commodities	5,500
Equipment	1,600
	$205,337

Personal Services

Project Coordinator (20A) $2845	$54,130
Benefits @ .1465	5,002
FICA @ .0665	2,270
Health Insurance	1,524
	$42,936

Administrative Assistant I (12A) $1628	$19,536
Benefits @ .1465	2,862
FICA @ .0665	1,299
Health Insurance	1,524
	$25,221

Based on new partially-exempt salary schedule effective 3/16/80. $68,157

Benefits are based on FY81 budget instructions.

Fixed	.1394
Office of Governor variable	.0071
	.1465

Travel

Project Director

Transportation - 20 instate trips @ $350	$ 7,000
Per diem @ $70 for 60 days	4,200
	$11,200

Administrative Assistant

Transportation - 12 instate trips @ $750	$4,200
Per diem @ $70 for 36 days	2,520
	$6,720

(Locations averaged for transportation estimate)

Task Force members

Transportation - 9 members/4 regular meetings @ $350	$12,600
Per diem - 9 members/4 regular meetings for 3 days @ $70	7,560
	$20,160

(Estimate 5 of 9 at hearings)

Transportation - 5 members/12 regular hearings @ $350 plus 5.0 for charter to villages	$26,000
Per diem - 5 members/12 meetings/hearings for 3 days @ $70	12,600
	$38,600

$76,680

COMMITTEE REPORT

SENATE

FURTHER: None

5/7/80

Date: _____

Mr. President:

The Committee on FINANCE has had SB 535

providing for a Task Force on Fire Prevention and Control

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

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

_____
CHAIRMAN

S 60 (Rev. 12/78)

COMMITTEE REPORT

SENATE

FURTHER: Finance

4/2/80

Date: _____

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 535

providing for a Task Force on Fire Prevention and Control

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

[ ] do pass [ ] do not pass

[X] do pass with attached amendments(s)

[ ] same title

[ ] replace with CS for _____ [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
/ Tim Kelly	2 Jerry Stimson No Rec

Arlin Stangeland
CHAIRMAN

/ Do Pass.

S 60 (Rev. 12/78)

AMENDMENT

OFFERED IN THE SENATE: BY: SENATE C/RA

To: _____ SENATE BILL No. 535

HOUSE BILL No. _____

PAGE: _____ LINE: _____

PAGE 1, LINE 26: Delete one public member and insert State Fire Marshall or his designee.

PAGE 3, LINE 10: Delete 1984 and insert 1983

PAGE 3, LINE 15: Delete 1984 and insert 1983

SB 535

Introduced: 3/27/80
Referred: Commerce, Community & Regional Affairs and Finance

IN THE SENATE BY THE COMMERCE COMMITTEE

SENATE BILL NO. 535

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for a Task Force on Fire Prevention and Control; and providing for an effective date."

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

* Section 1. TASK FORCE ON FIRE PREVENTION AND CONTROL. The Alaska Task Force on Fire Prevention and Control is established in the Department of Community and Regional Affairs.

* Sec. 2. MEMBERSHIP. (a) The Alaska Task Force on Fire Prevention and Control consists of nine members appointed by the governor, without regard to political affiliation, to be selected as follows:

(1) one member from the Alaska State Firefighters Association from a list of nominees provided by the association;

(2) one member from the International Association of Firefighters from a list of nominees provided by the association;

(3) one member from the Alaska Fire Chiefs Association from a list of nominees provided by the association;

(4) one member representative of the insurance industry;

(5) a contractor or architect licensed under AS 08.18;

(6) a commissioner or executive officer of a regional native housing authority created under AS 18.55.996;

(7) an educator from the state public school system;

(8) one public member; and

(9) one member representative of the Alaska Municipal League from a list of nominees provided by the league.

(b) There shall be at least one member from each judicial district.

* Sec. 3. OBJECTIVES. The objectives of the task force are to

(1) identify and provide a detailed account of the fire loss problem in the state, including causal factors;

(2) identify and define the present roles and relationships of the agencies in the state which are involved in fire protection activities at the local, regional, state and federal levels;

(3) recommend organizational or operational modifications to improve the effectiveness of the state's fire protection system;

(4) provide documentation that will assist all government agencies and fire fighting services in effectively meeting their fire protection responsibilities.

* Sec. 4. CHAIRMAN. The members of the Task Force on Fire Prevention and Control shall elect a chairman from the membership of the task force.

* Sec. 5. PROJECT DIRECTOR. The Task Force on Fire Prevention and Control shall hire an executive director to function as an impartial investigator and project director. The executive director shall be under the direction of the chairman and may, with the approval of the chairman, employ additional staff as necessary.

* Sec. 6. MEETINGS AND HEARINGS. The Task Force on Fire Prevention and Control shall meet at least once every three months. The first meeting shall be held not later than 60 days following the appointment of the nine members to the task force. Public hearings and meetings shall be held in areas of the state that are representative of its urban and rural fire protection problems.

* Sec. 7. COMPENSATION. The members of the Task Force on Fire Prevention and Control serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions.

* Sec. 8. DUTIES. The Task Force on Fire Prevention and Control shall

(1) request and review information concerning the causes and

SB 535

nature of fire losses in the state;

(2) hold public hearings and meetings to determine the extent of public awareness of existing fire protection systems;

(3) study the activities of the various fire protection agencies in the state;

(4) submit an annual report with recommendations for the improvement of fire prevention and control in the state to the governor and the legislature; the first annual report shall be submitted by January 1, 1982; and

(5) by January 1, 1984, submit to the governor and the legislature its final report which shall identify those interim report recommendations which have been implemented, evaluate the practical effects of the implementation of the recommendations, and make further recommendations on the improvement of fire prevention and control.

* Sec. 9. This Act terminates on June 30, 1984.

* Sec. 10. This Act takes effect immediately in accordance with AS 01.10.-070(c).

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 535

By THE COMMERCE COMMITTEE

"An Act providing for a Task Force on Fire Prevention and Control; and providing for an effective date."

Introduced in the Senate 3/27/, 1980

#8404 - Sofo

31-001

HISTORY IN THE SENATE

1980

Read first time and referred to Committee on

3 27 Commerce, Community & Regional Affairs & Finance

4 2 Commerce [illegible] - to CRA

Reported back with recommendation that

5 7 CRA 2 do pass w/ am - 1 no rec - to Finance

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. ....

Introduced: 3/27/80
Referred: Commerce, Community & Regional Affairs and Finance

IN THE SENATE BY THE COMMERCE COMMITTEE

SENATE BILL NO. 535

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for a Task Force on Fire Prevention and Control; and providing for an effective date."

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

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(2) one member from the International Association of Firefighters from a list of nominees provided by the association;

(3) one member from the Alaska Fire Chiefs Association from a list of nominees provided by the association;

(4) one member representative of the insurance industry;

(5) a contractor or architect licensed under AS 08.18;

(6) a commissioner or executive officer of a regional native housing authority created under AS 18.55.996;

(7) an educator from the state public school system;

(8) one public member; and

(9) one member representative of the Alaska Municipal League from a list of nominees provided by the league.

(b) There shall be at least one member from each judicial district.

* Sec. 3. OBJECTIVES. The objectives of the task force are to

(1) identify and provide a detailed account of the fire loss problem in the state, including causal factors;

(2) identify and define the present roles and relationships of the agencies in the state which are involved in fire protection activities at the local, regional, state and federal levels;

(3) recommend organizational or operational modifications to improve the effectiveness of the state's fire protection system;

(4) provide documentation that will assist all government agencies and fire fighting services in effectively meeting their fire protection responsibilities.

* Sec. 4. CHAIRMAN. The members of the Task Force on Fire Prevention and Control shall elect a chairman from the membership of the task force.

* Sec. 5. PROJECT DIRECTOR. The Task Force on Fire Prevention and Control shall hire an executive director to function as an impartial investigator and project director. The executive director shall be under the direction of the chairman and may, with the approval of the chairman, employ additional staff as necessary.

* Sec. 6. MEETINGS AND HEARINGS. The Task Force on Fire Prevention and Control shall meet at least once every three months. The first meeting shall be held not later than 60 days following the appointment of the nine members to the task force. Public hearings and meetings shall be held in areas of the state that are representative of its urban and rural fire protection problems.

* Sec. 7. COMPENSATION. The members of the Task Force on Fire Prevention and Control serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions.

* Sec. 8. DUTIES. The Task Force on Fire Prevention and Control shall

(1) request and review information concerning the causes and

nature of fire losses in the state;

(2) hold public hearings and meetings to determine the extent of public awareness of existing fire protection systems;

(3) study the activities of the various fire protection agencies in the state;

(4) submit an annual report with recommendations for the improvement of fire prevention and control in the state to the governor and the legislature; the first annual report shall be submitted by January 1, 1982; and

(5) by January 1, 1984, submit to the governor and the legislature its final report which shall identify those interim report recommendations which have been implemented, evaluate the practical effects of the implementation of the recommendations, and make further recommendations on the improvement of fire prevention and control.

* Sec. 9. This Act terminates on June 30, 1984.

* Sec. 10. This Act takes effect immediately in accordance with AS 01.10.-070(c).

AMENDMENT

OFFERED IN THE SENATE: BY: SENATE C/RA

TO: _____ SENATE BILL No. 535

HOUSE BILL No. _____

PAGE: _____ LINE: _____

PAGE 1, LINE 26: Delete one public member and insert State Fire Marshall or his designee.

PAGE 3, LINE 10: Delete 1984 and insert 1983

PAGE 3, LINE 15: Delete 1984 and insert 1983

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

SENATE BILL NO. 535

"An Act providing for a Task Force on Fire Prevention and Control; and providing for an effective date."

The Emergency Medical Services Section of the Division of Public Health, Department of Health and Social Services, supports the concept of establishing a Task Force on Fire Prevention and Control.

Alaska has the highest per capita death by fire rate in the nation. Nineteen persons died in fires in Alaska in 1979; in 1978, twenty-eight persons perished and an additional 100 were burned. The costs in terms of human suffering and property damage are enormous. It is hoped that the Task Force, in meeting the objectives set forth in this bill, will be able to improve the effectiveness of the state's fire protection system and reduce the rate of death, injury and property damage by fire.

Recommended by: D F Tirador

Dean F. Tirador, M.D.
Director, Division
of Public Health

Date: 4/8/80

Approved by: Helen D. Beirne

Helen D. Beirne
Commissioner

Date: 4/11/80

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 535
Title "...providing for a Task Force on Fire Prevention and Control;"
Requested by Commissioner's Office Date 4/8/80

II. FISCAL DETAIL
Agency Affected Department of Health and Social Services
Program Category Affected Health/Division of Public Health
BRU, Program, or Subprogram(s) Affected Emergency Medical Services Section
(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)

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

Prepared by: Mary Deaver M. Deaver Date: 4/8/80
Division/Office: P.H. Admin. PH: 3090
Department of Health & Social Services

33--001 (Rev. 12/79)
Modify by DHSS (11-28-79)

Approval DHSS Mgt. & Bdgt: [illegible] Date: 4/11/80

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

SENATE BILLS NO. 301 AND 302
HOUSE BILLS NO. 513, 534, 535, AND 536

"An Act authorizing the state, through the Department of Public Safety, to participate in the Alaska avalanche warning system; and providing for an effective date."

"An Act making a special appropriation to the Department of Public Safety for participation in the Alaska avalanche warning system; and providing for an effective date."

"An Act directing the Department of Transportation and Public Facilities to implement an avalanche warning and control system; and providing for an effective date."

"An Act authorizing the state, through the Department of Public Safety, to participate in the Alaska avalanche warning system and providing for an effective date."

"An Act appropriating to the Department of Public Safety for participation in the Alaska avalanche warning system during fiscal year 1981; and providing for an effective date."

"An Act appropriating to the Department of Public Safety for participation in the Alaska avalanche warning system during fiscal year 1980; and providing for an effective date."

The Emergency Medical Services Section of the Division of Public Health, Department of Health & Social Services, supports the concept of implementing an avalanche warning and control system. A neutral position is taken on whether the Department of Transportation and Public Facilities or the Department of Public Safety should have overall responsibility for this system. A neutral position also is taken with respect to the amount of money to be appropriated for such a system.

The Department does believe that an avalanche warning and control system is necessary to reduce the risk of avalanche which occasionally results in serious injuries or deaths.

Recommended by: _____
Dean F. Tirador
Director, Division
of Public Health

Date: 1/31/80

Approved by: _____
Commissioner
Department of Health
and Social Services

Date: 2-3-80

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILLS NO. 301 AND 302; HOUSE BILLS NO. 513, 534, 535 AND 536

Title Acts authorizing the implementation of an avalanche warning system in Alaska

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Health & Social Services

Program Category Affected Health

BRU, Program, or Subprogram(s) Affected Public Health/Emergency Medical Services Section

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

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	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)

Appropriation for implementation of the Alaska avalanche warning system will be made to either the Department of Public Safety or the Department of Transportation and Public Facilities.

IV. DATE January 22, 1980 PREPARED BY Division of Public Health

AGENCY Health & Social Services

PHONE 465-3090

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Revised by Michael Oachoa
Division of Mgt + Budget
DHSS 1/24/80

33-001 (Rev. 12/78)

1

CATEGORY: AGENCY: DEPARTMENT OF HEALTH & SOCIAL SERVICES

PROGRAM: PUBLIC HEALTH BRU(s): EMERGENCY MEDICAL SERVICES

Accidents are the leading cause of death among Alaskans and ranks as the fourth most frequent cause nationally. Alaskans die from the trauma of accidents more than twice as often as the overall U.S. population. For every 100,000 people in the State, 100 died as the result of an accident in 1977. Nationally, only 45 of every 100,000 lost their lives due to accidents.

The goal of the Emergency Medical Service (EMS) BRU is to reduce premature death and disability arising from accidental injury or sudden illness. The strategy being employed to further that goal is that of building a comprehensive system of emergency medical services able to provide timely and appropriate care in the pre-hospital, emergency room, critical care, and rehabilitation phases of treatment. Federal law mandates that fifteen components be included in each EMS system. Examples of those mandatory components include manpower, transportation, communications, facilities, critical care units and evaluation.

The previous 8 EMS regions have been consolidated into 3 regions consistent with the boundaries of the three Health Service Areas (HSA's) in the State. Each service region is eligible for up to five years' of funding under this program. The five year period is divided into three distinct phases: one year of planning, two years of Basic Life Support System implementation and two years of Advanced Life Support System implementation. Each of the 3 regions is in a different phase of the Federal funding cycle. A phase-out of Federal fund support will begin after next year. The Southeast Region has one more year of eligibility, the Northern Region has 2 more years of eligibility, and the Southern Region has 3 more years of eligibility.

The EMS program receives direction from an eleven member Advisory Council, members of which are appointed by the Governor, and from a physician medical advisor.

The FY 81 budget recommendation includes an increase of $403,400 to further develop the life support systems in the three regions.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: HEALTH PROGRAM: EMERGENCY MEDICAL SERVICES
AGENCY: DEPARTMENT OF HEALTH & SOCIAL SERVICES

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR --
ADMINISTRATION	932.9	1104.5	1094.7	292.2			251.5
EMS ADVISORY COUNCIL				31.0			28.5
EMS GRANTS				907.3			1279.3
** TOTAL	932.9	1104.5	1094.7	1230.5			1559.3
** CHANGE VERSUS 80 AUTH							26.7%
OBJECT DESCRIPTION							
PERS. SERV.	132.9	152.3	152.3	161.9			161.3
TRAVEL	39.1	39.9	40.4	42.2			42.4
CONTRACTUAL	95.8	76.'	68.2	116.4			70.1
COMMODITIES	2.5	5.0	3.2	2.7			6.2
EQUIPMENT		22.6	22.1				
GRANTS, CLNS	662.6	808.6	808.5	907.3			1279.3
FUNDING SOURCE							
FED. RECEIPT	682.4	837.3	837.3	980.0			1282.0
G. F. MATCH							234.4
GENERAL FUND	250.5	254.7	244.9	250.5			42.9
OTHER FUNDS		12.5	12.5				
** GENERAL FUND CHANGE VS. 80 AUTH							10.6%
POSITIONS							
FULL-TIME	4.0	5.0	5.0	5.0			4.0
PART-TIME							1.0
STAFF MONTHS	48.0	60.0	60.0	60.0			54.0

RECORDS CERTIFICATION

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

James O. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT

SENATE

FURTHER: None

3/21/80

Date: _____

Mr. President:

The Committee on FINANCE has had SB 529 making a special appropriation to Dept of Commerce & Economic Development for alternative energy research, development, and demonstration fund

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

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

S 60 (Rev. 12/78)

529

Funding Information
General Fund $5,000,000
Other Funds -0-
$5,000,000

Introduced: 3/21/80
Referred: Finance

BY THE RULES COMMITTEE
BY REQUEST OF THE
LEGISLATIVE COUNCIL

IN THE SENATE

SENATE BILL NO. 529

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Commerce and Economic Development for deposit in the alternative energy research, development, and demonstration fund; and providing for an effective date."

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

* Section 1. The sum of $5,000,000 is appropriated from the general fund to the Department of Commerce and Economic Development for deposit in the alternative energy research, development, and demonstration fund (AS 45.88.-050).

* Sec. 2. This Act takes effect on the effective date of a version of an Act entitled "An Act relating to alternative energy research, development, and demonstration."

COMMITTEE COPY

#8353 - Vassar

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 529

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

"An Act making a special appropriation to the Department of Commerce and Economic Development for deposit in the alternative energy research, development, and demonstration fund; and providing for an effective date."

Introduced in the Senate 3/21/, 19 80

31-001

HISTORY IN THE SENATE

19		
80		Read first time and referred to Committee on
3	21	Finance
		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 President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		
		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

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

STATE OF ALASKA

JAY S HAMMOND
GOVERNOR

DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT
DIVISION OF ENERGY & POWER DEVELOPMENT

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April 15, 1980

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

Dear Senator Sackett:

Larry Caudle of Senator Hohman's staff has informed me of an interest on the part of the Committee in additional backup information for Senate Bills 528 and 529 relating to an alternative energy research development and demonstration program.

The proposed legislation will formalize existing Divisional R & D efforts which have been underway during the past couple of years. To date limited funding has prevented the establishment of a comprehensive energy R & D program which addresses in a systematic and prioritized manner the use of local energy resources throughout the state and the development of applicable technologies and applications for utilizing these resources. Unfortunately, our efforts have been piecemeal and heavily dependent upon federal funding. If the proposed legislation were enacted, the Division would be able to launch an aggressive and orderly program for "bringing on line" those technologies and non-traditional energy resources which will be instrumental in achieving the what, I believe, is a realistic goal of Alaskan energy self-sufficiency.

BACKGROUND

Alaska has known opportunities for alternative energy development which are unsurpassed by any other state. For example, hydropower may very well meet the electrical requirements of 95% of Alaska's residents by the year 2000. Regional hydropower based power grids may serve Southeastern and Railbelt consumers. Other areas under study by the Alaska Power Authority for hydropower include Bristol Bay and the Lower Kuskokwim where feasibility of regional power systems is still being determined. There remain, however, many areas of the State where hydropower may not be appropriate or possible. Also, there are many other transportation and direct use applications which lend themselves to the use of non-traditional fuels and energy sources.

Particularly important for remote rural communities is the need to use local energy sources, such as coal, peat, wood and wind, whenever possible. As you know, the major contributing factor to the extremely high costs in the bush for goods and services, including energy, is transportation. Elimination of this element, or at least its reduction in cost, is essential to the very survival of some villages.

The technologies to achieve this shift to alternative and, ideally, renewable energy resources are in various stages of development. However, a real danger exists. The inappropriate use of a new technology in the Alaskan setting may result in "setting back" the transition to alternative energy by several years. For example, many people believe that medium scale (15 Kw or larger) wind systems can now be purchased, installed and used with the same reliability as diesel powered generators. This is not true. Their commercial use in remote villages is still several years away. Without controlled testing and demonstration of these systems, early failures will actually delay the its eventual widespread use in the state.

Although reiterated ad nauseam, conditions in Alaska <u>are</u> unique and often have little or nothing in common with the other 49 states. New hardware and systems in the lower 48 are not designed or engineered to meet the strains and stresses which are "par for the course" when attempting to operate and maintain mechanical and electrical systems in remote locations. In fact, regional differences within the state also mean what may work in Southeastern will not necessarily work in Barrow.

Without a strong State-sponsored alternate energy R & D program, the alternative energy resources will not be developed in a timely manner nor will technologies become Alaskan tested and proven. Rather than an acceleration of the transition away from existing oil and gas based systems, the process will actually be slowed down or halted because of ill-timed, poorly planned and inadequately financed projects which eventually fail.

An organized and planned State-financed alternate energy R & D program will eliminate these problems.

<u>APPROACH</u>

At least during the early years of the program, the State should not expend funding for basic research under this program unless it is clearly demonstrated that <u>significant</u> progress toward achieving the energy self-sufficiency objective will be realized in the near to mid-term time frames. These longer term projects should take a secondary role in the beginning.

Emphasis will be placed on those technologies and applications that are in the near commercialization phase or have actually been demonstrated in the lower 48, but have not been tested and evaluated in the rigors of the Alaskan climates and operating conditions.

Because of the severe and worsening energy problem in the smaller rural communities, the lion's share of the funding will address community scale problems and applications such as electrification, fuel production and use in these areas. It is recognized, however, that important components of these community scale efforts are individual residential and commercial applications such as transportation and home heating. Conservation (efficient energy production and use) will also be included as an alternative energy since it probably has the most potential for immediate benefit and savings.

The Plan

Many of the early stages of planning have already been completed by the Division. Under the federally-funded regional assessment and other programs, an evaluation of the State's energy resources and their development status and potential have been completed. A preliminary analysis of the technologies required for the extraction and eventual use of these resources has also been conducted. Opportunities for alternative energy development within the State's diverse regions have been identified and preliminary R & D work begun.

In order to maximize the financial support available, it is essential that a detailed and systematic R & D program which identifies and prioritizes areas of concentration be developed at the onset. In addition to the criteria outlined above a measurement of the impact the technology's use will have on the State must be a key consideration in the priortization process. For example, once developed, should it be able to be used at only one site serving a small number of people, the technology or application would not be a high priority item.

Quantifiable objectives, specific timetables, estimated costs for the project completion, private sector involvement and commercialization follow-through must be explained in detail.

One of the major failures of the United States Department of Energy's multi-million dollar R & D program has been the inability to make the crucial step from technology development to private sector commercialization and ultimate use by the public. Because of this, early and direct involvement by the business sector is necessary to the success of the program.

Special attention will be placed on detailed market analysis assuring private sector follow through once the technologies are ready for widespread use. Other existing state and federal programs, such as the Alaska Renewable Resources Corporation, will be investigated as possible sources for providing the private sector with needed commercialization capital. Once Alaskan proven, other traditional financing mechanisms such as the bond market, the Rural Electrification Administration (REA) and the Alaska Power Authority are also available sources of funding.

Division personnel will serve primarily as Project Managers with all work carried out under contract. Contracts will be let on a competitive basis to Alaskan individuals, businesses, and other organizations such as the University of Alaska. It must be noted that in some instances it is necessary to bring in outside expertise. When this takes place, a portion of the work will be performed by an Alaskan contractor. In this way the learning experience and knowledge acquired in the process will also be retained in-State. Although the Outside expert leaves the State when completed, his or her knowledge remains. This approach has worked very successfully in several Division projects.

IMPLEMENTATION

Although the plan is a key element for the success of the program, there are several technologies and resources which have already been identified and can contribute greatly to solving the worsening rural energy problem and can be pursued immediately.

Because of limited time, I will briefly outline known high priority projects which deserve immediate attention during the first year of the program.

Wind Power

The use of wind energy as a supplemental electrical power generation and primary heat source at the community level offers one of the best near and mid-term opportunities for meeting escalating energy costs particularly for rural Alaskans.

The Nelson Lagoon Wind Demonstration Project (Attachment No. 1) has verified the technical feasibility of integrating a wind generation system into a diesel powered community electrical grid. The Division's experience with this larger (15Kw +) wind system has been verified by other federal and private wind efforts. The conclusion - the larger systems are still very much developmental in nature. Field testing and evaluation to-date has been limited and confined to a small number of sites and applications. Even more important is that the machines <u>have not</u> been and <u>are not</u> being designed to meet Alaskan conditions.

Design, Construction and Demonstration of an Alaskan Wind Turbine Generation (WTG) System

Transportation and on-site construction limitations will prevent the widespread use of large wind systems in the bush. Because of this a "wind farm" concept will eventually be utilized to meet the energy needs for communities of varying sizes. It is likely that the WTG will fall within the range of 50Kw-100Kw rated capacity, although the exact size has yet to be determined.

Initial engineering and design criteria identified include:

- Electrical power generation and resistive heating capabilities
- Survival to 150 mph, -50°F temperature, high humidity and salt spray
- Transportable within C-130 (Hercules) aircraft
- Erection without need for a crane and within remote community support constraints
- High reliability with minimum maintenance functions
- Twenty-year lifetime
- Payback period of no more than seven years

The possible assembly of the wind system within Alaska will be investigated. Maintenance and support service requirements and costs will also be delineated.

It is not intended that totally new design concepts be developed under this program. Much work and effort has already been expended in this area by researchers and manufacturers of wind systems. The approach is to modify existing basic designs and engineering to meet unique Alaskan criteria.

Estimated total cost of the three-year program including manufacture and two-year testing and demonstration of the prototype unit is estimated at $1.5 million.

Grumman Corporation's preliminary market analysis has identified an Alaskan market of wind machines under 100 Kw of up to 1600 units.

Biomass

Other very promising readily available local energy sources are biomass or plant material (Attachment No. 2). In addition to the large interior and coastal forests, thousands of tons of wood debris are found along the states waterways and coasts.

In many communities throughout the state wood has become an extensively used supplement and often primary residential heating source. To date, the harvesting and collection of the wood has been carried out on a random and individual basis.

The use of wood as commercial fuel source is now receiving a great deal of interest and attention both in Alaska and the lower 48. Gasification and liquification of wood and other organic materials offer promise as local fuel sources for electrical power generation units now using diesel fuel.

Unless the State of Alaska initiates a major effort to include consideration of Alaskan conditions in the development of these, technologies gasification and liquifaction units will not operate successfully in the State. Because these are one of the few promising mid-term alternatives to the continued use of diesel fuel as the energy source for electrical generationin small communities, the acceleration of its development is critical. If it does not take place, the cost of diesel powered electrical generation will become unaffordable in many communities.

Although reliable and proven gasification units for remote villages are at least five to ten years in the future, a State R & D effort will assure the development and delivery of dependable and usable units. Because many of the systems handle a variety of materials under development now such as coal and peat, two other abundant alternative energy sources, development of these systems become even more attractive.

Biomass Gasification Project

In 1979, the Alaska State Legislature appropriated $150,000 for Phase I of the AVEC Wood Gasification Project. (Attachment No. 3) The United States Department of Energy has also recently awarded the Division of Energy and Power Development an additional $175.000 for continuation of the project. Phase II efficiency and endurance testing of the unit which will result in the preparation of production unit procurement specifications for a remote environment unit.

Follow-on phases include manufacturing, testing and demonstration of the Alaskan gasification unit which can run in conjunction with slightly modified existing diesel generator sets now in use throughout the State.

Simultaneous with the hardware development will be on-going resource

inventory (with particularattention to river and beach logs), environmental analyses assessments of harvesting and transportation methods and technologies, and evaluations of total community use of the resource for power generation and other direct uses such as hot water and space heating. Market and cost/benefit analyses of system start-up, operation and maintenance will be conducted. The result will be a detailed commercialization program and schedule for production units. Also included will be a determination of in-state manufacture of some components and/or assembly.

It is estimated that total development costs including demonstration for a reliable and economic gasification system will be $1.4 million over a five-year period.

Solar

For many years the potential for solar energy utilization in the State was summarily discounted as unrealistic. Recent analysis and residential projects are proving these early assumptions wrong. Once again the escalation in energy costs are now making these once "exotic" systems cost effective and practical.

There are today many opportunities to achieve significant energy and dollar savings through the incorporation of both passive and active solar systems in new and existing buildings. Benefits from solar energy projects can be realized almost immediately anywhere within the State.

In order to stimulate and encourage early use of these systems in the state, three projects will be funded during year one of the program. They are:

- Residential Building Active Solar Demonstration Project
- Commercial/Institutional Building Active Solar Demonstration Project
- Solar Photovoltaic Demonstration Project

Approximate total cost of these projects is $1.0 million.

Because of time limitations, I will will identify other known and promising R & D efforts which deserve serious consideration for support under the alternative energy R & D program.

Those include in no order of priorily feasibility studies and demonstration projects in the following areas:

- Energy efficient bush transportation systems
- Alcohol fuels from biomass
- Peat gasification/liquifaction
- Waste heat utilization from existing small diesel generators
- Low-temperature geothermal power generation

Also being forwarded order separate cover is a listing of current energy R & D projects being carried out by the Division.

Thank you for the opportunity to respond to your inquiry and your interest in this proposed legislation.

I will be happy to answer any further questions you may have.

Sincerely,

Clarissa M Quinlan

Clarissa Quinlan
Director

Enclosures

cc: Larry Caudle
Bert Wagnon

Attachment #1

MEMORANDUM State of Alaska

TO: Honorable Bill Miles, Co-Chairman
Resources Committee
Alaska House of Representatives

DATE: March 26, 1980

FILE NO

TELEPHONE NO:

FROM: Clarissa Quinlan, Director
Division of Energy & Power Development
Department of Commerce and
Economic Development

SUBJECT: Nelson Lagoon Wind
Demonstration Project

In response to a recent inquiry from your office, a summary of progress to date and a description of the Nelson Lagoon Wind Demonstration Project follows:

BACKGROUND

The use of wind power as a supplemental electrical power generation source at the community level offers one of the best near to mid-term opportunities for meeting the rapidly rising energy costs facing rural Alaskans, particularly. In late 1977, the Division of Energy and Power Development initiated a demonstration project to determine the technical and economic feasibility of a wind energy conversion system operated in a remote rural community.

The concept to be addressed was the integration of a wind generation system into a diesel-powered community electrical grid. In this instance, storage of wind-generated electricity was not considered because of the costly and limited capacity of existing battery storage systems.

The energy and dollar savings from the wind-intertie approach occur through reduction of fuel usage by the diesel generators when wind power is being produced. At no time are the diesel plants completely shut down. When wind is available, the wind turbine "supplements" the diesel power system which picks up the balance of the community load.

SEQUENCE OF EVENTS

Spring 1977 — A small community diesel powered electrical system was was installed in the village of Nelson Lagoon located on the lower Alaskan Peninsula. Ten homes, a community building and school were connected.

October 1977 — Installation of a Grumman Windstream 25 prototype electrical wind turbine was completed. Rated at 20KW in 29 mph winds, the Windstream 25 was the sixth unit produced by Grumman Energy Systems, a subsidiary of Grumman Aerospace Corporation.

November 1977 Following sustained winds of over 75 mph for two days, a loss of two blades of the wind generator and subsequent tower failure takes place.

Two related causes for failure were identified: (1) Response of the wind system to high wind gusts results in a yawing effect as the machine turns into the gust. As the high winds continued, the blades began dipping further downward and hitting guy wires. Eventually, the stress was too great and two blades were thrown from the machine causing extreme inbalance. (2) The tower used was a radio tower previously used at Cold Bay (90 miles north) and then cut down to the desired height. Although stress and structural analyses were completed by Alaskans and Grumman engineers, the fact that the tower was not new, it is speculated that unknown fatique points may have been present, thereby, reducing the structural integrity of the tower. (3) Substandard aircraft strength pins were used to connect the blade to the hub of the wind turbine. This finding by Grumman resulted in repercussions throughout the aircraft related operations of the company. A suit against the pin manufacturer was contemplated.

April 1978 Erection of a new 40 foot lattice tower (identical in design as first tower) and installation of a "beefed-up" Windstream 25 were completed.

June 1978
August 1978 Electrical failures due to system short-circuits took place. Manual blade feathering mechanism were made inoperative leaving only the "speed brakes" located on the ends of each blade the only operative backup to prevent over-speeding during high wind periods. Corrosion resulting from the moisture had been identified as the cause for the repeated short-cicruit. The nacelle and exposed parts of the turbine were thoroughly sealed to prevent moisture and salt spray from effecting electronic circuits.

November 1978 Following the final electrical backup failure and inability to keep out the corrosive moisture, it was determined jointly by the State and Grumman that further attempts to solve the problem would not be effective. The continued problem was attributed to an inherent design deficiency.

A "second-generation" machine was in the design stage by Grumman as part of a contract with the U.S. Department of Energy. It was decided to continue the project with this new Windstream 33. Much of the concerns and deficiencies learned in the Nelson Lagoon experience were identified and dealt with in the design of the new Windstream 33. Particular emphasis has been placed on producing a more simplified machine that can be installed, operated and maintained in a remote rural setting.

Summer 1980 — The Windstream 33 will be installed and operated for at least one year as a continuation of the demonstration project.

FINDINGS

To date, the Nelson Lagoon Project has resulted in several significant findings which verify the promising future use of wind as an energy source in rural Alaska:

1. It is possible to furnish up to 90% of the villages total electrical need with wind power. During the final high-speed run of the system in August, the Windstream 25 was the primary source of electricity in the community. Prior to this time, it was not known by the engineers whether more than 40% of the total load could be provided by wind generated power.

2. High wind speeds can be endured by a large wind system in a full operational mode. The Windstream 25 and new tower sustained occasional 90 mph plus wind speeds for a period of over 24 hours while the blades were in full operational pitch. The only mechanism preventing the machine from essentially "tearing itself apart" was the speed brakes which deployed as designed. Examination of the wind turbine and tower revealed no major damage to either.

3. Larger wind turbines can be erected in a remote setting without large construction equipment such as cranes. The use of the "gin pole" as the erection device for the second unit proved very successful.

FURTHER NEEDS

It is necessary to obtain long-term operational and maintenance data from the Nelson Lagoon machine. It must be determined that the wind system is not only technically capable of enduring Alaska's harsh climate and operating conditions, but will be economically feasible as well.

It is anticipated that the Nelson Lagoon Project will be the first of several demonstrations of community size wind systems of differing size, type and application.

Should you have any questions or comments, please feel free to contact me.

CQ/kkk3/12

cc: Bertram L. Wagnon
Grant Peterson

Attachment #2

BIOMASS IN ALASKA

May 5, 1979

Biomass includes a wide range of resources. The scope of this estimate of the biomass resources of Alaska is limited to trees, kelp, agricultural residues, and municipal wastes. Clearly, these sources are not all-inclusive. However, they are the most likely to be used in energy conversion.

TREES

Sixteen percent of the forest land in the United States is found in Alaska. Of these 119 million acres of forest located in the State, 28.2 million are classified as commercial, characterized by growth of at least 20 cubic feet/acre/year (Hutchison 1967).

Because stocking on commercial forest land in interior Alaska was often far below capacity, annual growth was only 212 million cubic feet. Hutchison estimates that the annual allowable cut for a 100-year rotation and management of these lands would be 358 million cubic feet. Using data from Hutchison and Schumann (1976), Braathe calculates an annual yield of 675 million cu. ft. from commercial forests. He estimates that, using proper management, average annual growth per acre would increase by 30 to 40 million cubic feet, raising potential commercial forest yields to one billion cubic feet per year. This higher figure did not assume peatland drainage, forest fertilization, or production from 4.6 million acres of marginal forest lands with annual growth rates of 15 to 20 cubic feet/acre.

Coastal Alaska has 13.2 million acres of forest land, of which 5.7 million are classified as commercial. Calculations using Hutchison's data reveal that coastal young-growth stands (stands in which the majority of the volume is in trees less than 150 years of age) have an average annual increment of 76 cubic feet/acre. At the time of the study, Hutchison assumed that the net growth of old-growth stands was zero. If it is assumed that gross growth is the same in new and old-growth stands, annual growth of coastal commercial forest lands (excluding 60,000 acres of nonstocked areas) is 435 million cubic feet.

Thus, summing the figures from the two regions described above provides a statewide total of between .647 billion and 1.435 billion cubic feet/year, depending upon management practices. This total includes only commercial forests, only the trees in those forests, and only the marketable portions of those trees.

While density and heating value vary with different species, the seasoned white spruce figures of 30 lbs/cu. ft. (Carol E. Lewis, U of A Agricultural Experiment Station 1978) has been used for these calculations. Moisture-free, resin-free (increases heating value) wood of any species is approximately 8,300 Btu/lb. (Corder 1973 in Grantham). The resulting range of energy available annually from the biomass sources is from 161 Btu x 10^{12} to 357 Btu x 10^{12}.

Non-forest and non-commercial forest areas contribute substantially to the State's biomass. Logging residue, which does not include biomass other than that from trees, is also important, as can be seen in the

figure on the following page. While figures will vary depending upon species, age, location, and other factors, a representative hemlock operation in Southeast Alaska has a logging residue of 23.3%. This included broken logs, long butts, unused volume up to an 8 inch top, volume between the used top and total height of the tree, and cut logs left in the woods (Woodfin 1976). Estimated logging residue in 1970 in coastal Alaska was 39 million cubic feet from growing stock and 27 million cubic feet from other sources.

These figures do not imply that these materials were available at a reasonable price. As is often the situation with biomass resources, the economics of collection are likely to be unfavorable. Twelve years ago, 38 percent of the 5.3 million acres of commercial forests in Alaska's coastal National Forests were classified inaccessible (Hutchison 1967).

The State's pulp and paper industry is able to absorb a large portion of the wood residue generated, although 8 million cubic feet of primary manufacturing residue (excluding bark) went unused in 1970 (Grantham, 1974). Louisiana Pacific Corporation in Ketchikan generates power from its own wood residues and also those from Ketchikan Spruce and Annette Hemlock. In Wrangell, Alaska Lumber and Pulp and Alaska Wood Products, Inc. use their residues for generation. Alaska Wood Products sells excess electricity to the town of Wrangell.

An important source of wood residue is that which washes up on the coastal shores of Alaska. While much of this occurs naturally, logs lost during river transportation are also a major contributor. It has

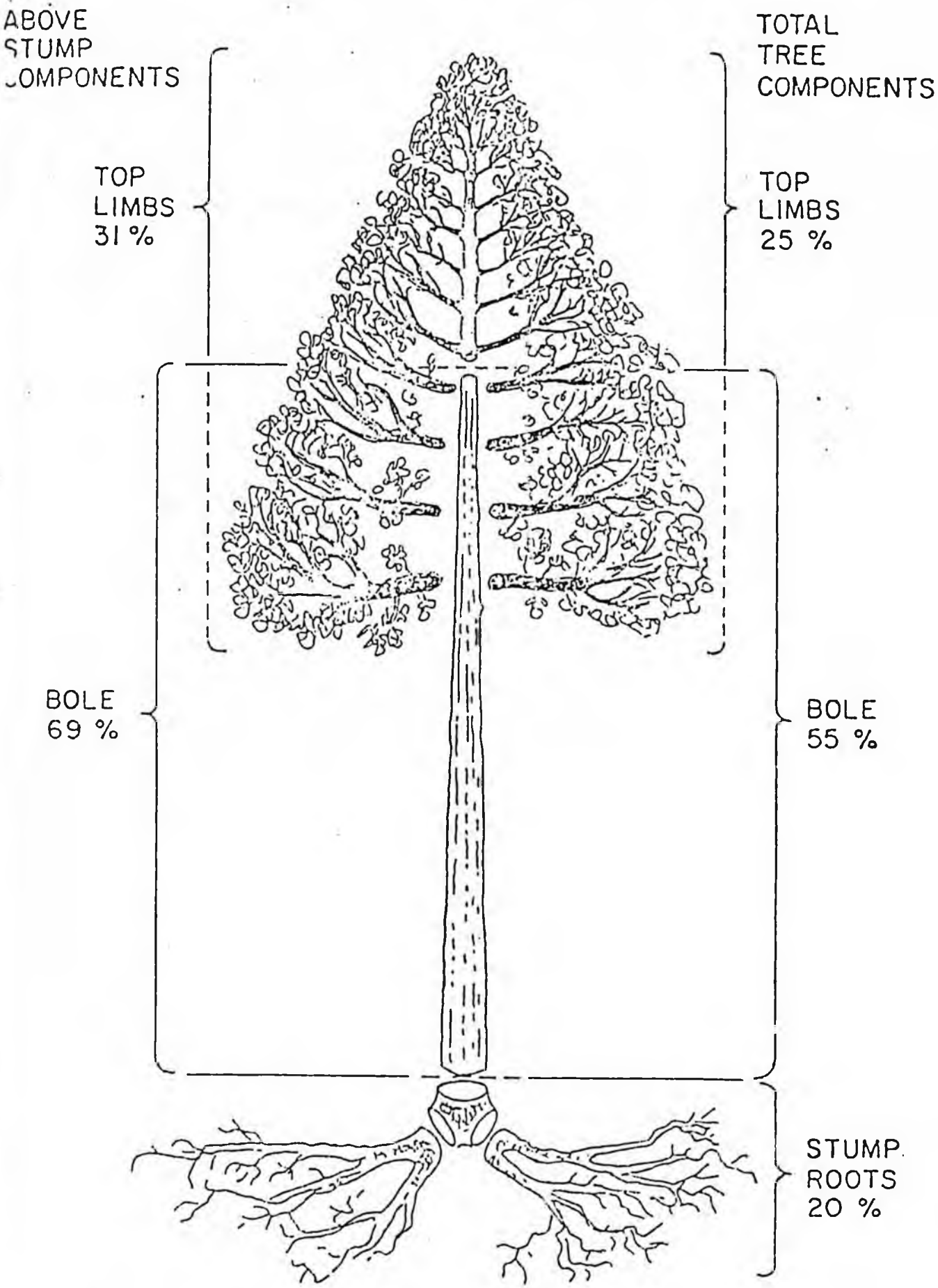

Figure 3.14 - Component proportions of fresh weight of complete trees and shrubs.

been estimated that as much as 200 million board feet may be available in Southeast Alaska. The question of legal ownership of some of the logs is one of the barriers preventing exploitation of this wood residue. A large quantity of wood that has fallen naturally into the waters of the Yukon and Kuskokwim Rivers is carried out to sea. A greater portion of these logs was once used by those living along the river for subsistence needs than is used today.

John Galea of the U.S. Forest Service has suggested the increased use of wood for fuel in the Alaskan bush. Most rural communities use expensive diesel fuel even when they live in forested areas. A pilot project could subsidize the conversion to wood and cover any costs over normal diesel expenses. Residents could gather and process the wood, providing local employment and greater control over fuel supplies (Galea 1978).

However, large scale use of wood for energy may not be practical in parts of the State. Richard Seifert estimates that an annual timber harvest of about 16,000 acres would be required to meet only one-half of the home heating requirements of the Fairbanks - North Star Borough's present population of 42,000 civilians. High grade timber covers approximately 800,000 acres of the Borough, but it is doubtful that such a high yield could be sustained (Seifert 1977).

A current example of the wood residue problem is seen in the Delta area southeast of Fairbanks. The State has agreed to clear 60,000 acres of land recently sold for agricultural purposes. It is estimated that a minimum of 1.5 million board feet of trees and stems as well as an

additional 10 tons per acre of non-sawable organic material could be recovered. Removal of this material would take with it about $180 to $300 worth of nutrients per acre. But even ignoring this cost, it has not been economically feasible to collect the biomass from this land (Linn 1978).

Similarly, logs are being burned on Unalaska Island after clearing river channels of log jams. Floating from Southeastern Alaska and Canada, the logs clog the rivers of the Alaska Peninsula and block the migration of salmon. The State Division of Fisheries Rehabilitation, Enhancement and Development feels it will require at least four years to complete the clearing project ("Streams Cleared for Migrating Salmon 1978).

KELP

Early interest in the use of the kelp for fertilizer resulted in a series of U.S. Department of Agriculture studies (ed. Frank K. Camerom Potash From Kelp, 1915). One of the articles (George B. Rigg, "The Kelp Beds of Western Alaska") estimated the standing kelp stocks in Western Alaska to be 3,567,000 tons. Estimates from "Standing Stocks of Kelp on the American Pacific Coast" (USDA 1915) set Western Alaskan standing stocks at 2,437,000 and Southeastern standing stocks at 7,833,000.

Since Alaskan waters have remained relatively unpolluted, C. Peter McRoy of the University of Alaska's Institute of Marine Science states that these early estimates of the Alaskan Pacific kelp resources are probably still valid (1971). He goes on to place the potential kelp harvest for

the complete state at two million tons [assumed to be dry annual harvest].

This large harvest is possible due to the rapid rate of growth characteristic of many species of kelp. Experiments on eelgrass found in Southeast Alaska shows a growth rate of 27 grams dry weight per square meter on days with 15 hours of productivity (McRoy 1970). This corresponds roughly to the Danish study which doubled the maximum standing stock to approximate annual eelgrass production (Petersen 1914).

,tanding crops range up to five kilograms per square meter (McRoy 1971). The productivity of these beds is highly dependent on the methods of harvest. Kelp is harvested as a Japanese delicacy in Bristol Bay and Prince William Sound. The recently prohibited practice of raking the kelp into the boats not only pulled the kelp out by the roots, but also caused substantial disruption of the ocean floor. For the last couple years, hand harvesting has been required, permitting selective cutting of commercial species and regrowth of harvested plants (Haanpaa, Alaska Division of Commercial Fisheries, May 1, 1979).

Eelgrass dries to about one ninth of its fresh weight. The l·aves contain 4211 calories per ash free gram and the roots and rhizomes contain 3571. Unfortunately, ash comprises 20 percent of the dry weight (McRoy 1970). Thus, an annual kelp harvest could provide 33.36 Btu x 10^{12}.

AGRICULTURAL

Due to the climate of Alaska, agriculture is not a major source of biomass for the State. An estimate of the number of acres devoted to the major Alaskan crops in 1978 is given below:

CROP	ACRES	PRINCIPAL AREA
Barley	4,000	Delta, Matanuska Valley
Oats	600	
Hay	13,000	
Silage	2,400	
Vegetables	1,000	
Rayse & Wheat	1,000	
Grass Seed	125	

(DeLon Brown, U.S. Department of Agriculture, May 2, 1979).

While different crops and growing conditions will clearly alter the quantity and quality of biomass available, cereal and grass seed crops produce two to three tons of clean collectable residue per acre. Applying an average of 2.5 tons per acre to Alaskan fields yields 44,250 tons of biomass.

At harvest straw moisture is only 10-15 percent (Thomas R. Miles 1978). Yielding 7500 Btu/lb at 10% moisture (The Science and Public Policy Program, University of Oklahoma 1975), Alaskan crop residues could provide approximately 664,000 MMBtu.

Brown estimated 1978 livestock levels in the State to be:

LIVESTOCK	NUMBER	PRINCIPAL AREAS
Cattle	8,500	Kenai, Aleutians Matanuska Valley
Hogs		
Dec. 1	1,100	Matanuska Valley
Summer	2,200	Tanana Valley
Sheep	5,500	Aleutians
Chickens		
Dec. 1	28,000	
Summer	100,000	

The manure from 8,500 cattle could be used to generate .34 MMCF per day of gas (Elizabeth Coppinger 1978) with a heating value of approximately 600 Btu per cubic foot.

Arbitrarily assigning manure levels of 15 percent of that of cattle for hogs, 10 percent for sheep and 1 percent for chickens, brings the total Btu's obtainable by gasification to approximately 87,000 MMBtu annually.

Solid Waste

Refuse derived fuel is one energy source which is likely to increase in Alaska due to population growth. Metcalf & Eddy, Inc. completed a solid waste resource recovery study for the Municipality of Anchorage, Elmendorf Air Force Base, and Fort Richardson in January 1979.

They found that 4.59 lb/capita/day of refuse (1977) were generated in the Anchorage Bowl study area. From the population of 215,101 in the area, 360 million pounds of solid waste must be disposed of annually. The raw refuse has a heating value of 6,013 Btu/lb. Even without increasing the heating value by separating non-combustible (and often

recyclable) components, the refuse derived fuel provides 2.168 Btu x 10^{12}. With specified conditions, the study concludes that solid waste resource recovery is economically feasible.

Assuming that solid waste generation per person is consistent throughout the State, the energy potential for the 403,000 population (State Division of Economic Enterprise, September 1, 1978) is 4.063 Btu x 10^{12}.

CONCLUSION

Below is a summary of the potential energy annually available from biomass sources in Alaska:

Source	10^{12} Btu/Year	
Forests		
Present growth rate	161.	
Minimal management (Hutchison)		197.
Non-intensive management (Braathe)	357.	
Kelp		33.
Agriculture		
Crop		.664
Animal		.087
Solid Waste		4.063
		235.

As noted in the discussion of trees, this estimate is low in that many biomass resources were not included. It is high in the practical sense that it is not economically, socially, or environmentally desirable to collect all available biomass for energy conversion. All of the above resources have non-energy applications and costs which must be considered. Still, the State's potential is enormous and merits additional attention.

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Attachment #3

AVEC WOOD GASIFICATION PROJECT

1. Background:

A. Problem: There are some 200 small communities across Alaska that currently have no electricity, or where they have electricity, costs are currently in the order of 40¢ per KWH for residential consumers and will soon be higher with scheduled further oil price increases by OPEC and other major suppliers. This is the highest cost in the Nation and is some ten times the National average. These high rates are discouraging to improved health, educational, and living standards of the people involved, and are causing cutoffs through inability to pay, both for older people and to vital public facilities such as water and sewer systems. The high costs in outlying areas are due to a number of factors, including high construciton costs, loss of all economy of scale in power generation, high costs of outside maintenance support requirements, relatively low thermal efficiency of small size diesel units in the typical load profile experienced, and the very high costs of diesel fuel delivered over a high cost and seasonal transportation system.

B. Potential: AVEC is looking at a number of possible alternate energy sources. Biomass conversion has particular appeal in that it offers a possibility of a system that could operate 24

hours a day, 365 days a year, utilizing a renewable resource in the form of wood which could be grown and processed locally. In addition, the project could create local jobs in areas with high unemployment. This would have the double benefit of injecting dollars into the local economy, and reduce National petroleum requirements and resultant balance of payment deficits for oil procurement. Wind systems require substantial alternate backup systems to fill in during the gaps when the wind is not blowing strong enough or is blowing too strong, and therefore must be evaluated strictly on a fuel substitute basis, rather than as a complete alternate system to supply the typical village load as it has developed. Hydro projects are limited to only a few locations and and involve extremely high capital costs including transmission lines. This has limited the feasibility of connecting communities together.

The intent is to perfect a biomass converter which will provide a reliable and efficient source of energy conversion for use in generation of electricity and other energy needs for moderate sized communities in rural areas of Alaska or other isolated locations around the world where the cost of transmission lines to tie into central power grids is prohibitive. In order to achieve this, it is necessary to develop and test a unit that is: a) reliable, b) relatively simple to operate, c) capable of operating unattended for periods of up to 24 hours, d) has minimized maintenance

consisting primarily of carbon monoxide, hydrogen, and methane, which in turn can be used either for direct conbustion or with internal combustion engines.

The initial project has been funded for $150,000.00 by the State of Alaska. AVEC will put up, in addition, approximately $25,000.00 of funds for this project through the very preliminary phases. It should be noted, however, that AVEC has the highest electric rates of any REA cooperative in the Nation, and has substantial demands on its cash flow just to meet the new higher prices of fuel each year. There is not even sufficient margin generated at the current time to even pay for the increased replacement cost of fuel each year. Therefore, it is not desirable that AVEC put much money into this type of project irrespective of the promise, given the very demanding situation at present just to survive with the current high costs and rates. Therefore, additional outside support is required to investigate these promising alternate energy resources.

On January 18, 1980, a test was initiated at Biomass, Inc. Yuba City, California to operate a new design gasifier for use in small rural communities in Alaska. The gasifier was plumbed to a G353 Caterpillar generator set, modified to operate on a low BTU gas. The test was performed with wood chips (Ponderosa pine) for fuel.

requirements and simple so they can be performed almost 100% at the local level, e) include the necessary safety systems to reduce possibility of accidents, f) improved overall thermal efficiency at various output profiles and take maximum advantage of waste heat generated, g) using a variety of fuels to establish thermal efficiency and associated operational limitations, h) establish that air quality standards can be maintained with the unit under a variety of loads, fuels, and start up and slow down conditions, and i) investigate all aspects of required fuel procurement, transportation, handling, and related economics.

2. History of Current Project:

A. The current project was conceptualized in the spring of 1979 when information became available on a new type of downdraft gasifier being developed by Biomass Corp. in Yuba City, California. While there have been other small scale biomass converters developed through the years, this unit seemed to offer particular promise with ability to meet tight air pollution standards within the State of California. The University of California-Davis has been doing extensive work in this area in order to develop the units to use primarily for agricultural waste. The unit does have excellent potential to use wood chips, as well as peat and coal, for conversion to producer gas. This is a relatively low BTU gas

The gasifier required approximately 20 minutes to build sufficient gas to operate the engine. The engine was started and time set for the low BTU gas operation. The test included operation under load with an electrical load bank. In operation the units produced 115 KW continous output with the gasifier at full capacity. After testing, the engines spark plugs indicated the scrubber was not operating correctly allowing tars to pass through and into the combustion chambers. This was unsatisfactory for operations and full acceptance was rejected until modifications of the scrubber could be accomplished.

Final acceptance after scrubber modifications is to be held the week of March 10, 1980.

3. Statement of Work:

The objective of the efficiency and endurance testing phase is to optimize a biomass gasifier which will operate reliably and efficiently in the production of electricity and heat in rural Alaska. We expect to be prepared to start the testing by May 1980, utilizing the gasifier and engine generator purchased during the first phase of the project. Efficiency and endurance testing will be conducted as follows:

1) Select the most suitable fuel which can be made available at the source of village generation at the lowest predicted overall cost averaged over 25 years per BTU of output.

2) Procure enough fuel and storage capability to conduct a sustained endurance test of 3 months.

3) Select the most suitable unit based on Phase I or other evaluation data available to conduct sustained endurance test.

4) Define test requirements and obtain all required instrumentation for sustained endurance test.

5) Conduct 3 month sustained endurance test 24 hours per day (manned 50 if time).

6) Write endurance test report together with all recommended design changes.

7) Prepare production unit procurement specifications to obtain optimum reliability, efficiency, maintainability, and durability.

8) Investigate all aspects of converting gasification/power generation waste heat for community use.

9) Prepare written report detailing findings, conclusions, and recommendations including costs and timetables for subsequent phases of the program. Develop fifteen (15) minute audio/visual presentation of the project to date.

Organization:

The Division of Energy and Power Development will retain total project responsibility with Loyd Hodson, General Manager of Alaska Village Electric Cooperative (AVEC), continuing as Project Manager through a subcontract with the Division.

Budget:

Phase I and II will be equally cost-shared by the State of Alaska and the Federal Government.

A. Phase I - Construction and completion of intial gasifier tests in Yuba City, California. Installation of unit in Anchorage, Alaska.

State of Alaska	$150,000.00
AVEC	25,000.00
	$175,000.00

B. Phase II - Alaska efficiency and endurance testing Anchorage, Alaska. Preparation of production unit procurement specifications.

United States Department of Energy	$175,000.00

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 528 and SB 529

Title "An Act Relating to Alternative Energy Research Development and Demonstration."

Requested by _____ Date 4/10/80

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Division of Energy and Power Development

(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		237.4	256.4	276.9	299.0	322.9
200	TRAVEL		14.4	19.5	21.0	23.0	26.0
300	CONTRACTUAL		130.1	113.5	122.6	132.4	143.0
400	COMMODITIES		4.8	2.4	2.6	3.8	4.9
500	EQUIPMENT		6.0	.5	.7	1.0	1.0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		392.7	392.3	423.8	459.2	497.8

FUNDING (Thousands of Dollars)

*Note: 8% inflation factor and $5 million annual appropriation assumed for subsequent years

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The budget outlined reflects the costs over and above the division's FY '81 capital budget. The request covers the administration, contracting, granting, program development, review reporting and monitoring of funds allocated for projects. It also covers additional workload for development of an Alternative Energy Development Plan.

The budget is designed around a $5 million funding level as specified in SB 529

IV. REVISED DATE April 11, 1980 REVISED VERSION

PREPARED BY David Creekman

AGENCY Department of Commerce & Economic Development

PHONE 465-2504

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

33--001 (Rev. 12/79)

Alternative Energy Research Development and Demonstration

100	Personal Services		$237,415.00
	1 Energy Program Coordinator (Range 23A) @ $3,746/mo. x 12 months plus 25.5% payroll burden	$56,414.00	
	1/2 Energy Administrator (Range 21) @ $3,260/mo. x 6 months plus 25.5% payroll burden (other 1/2 to be covered in Division FY '81 Capital Budget request)	24,548.00	
	1 Grant Administrator (Range 17) @ $2,455/mo. x 12 months plus 30% payroll burden	36,972.00	
	1 Accounting Technician 1 (Range 12) @ $1,761/mo. x 12 months plus 30% payroll burden	27,472.00	
	2 Energy Specialist I (Range 16) 2 @ $2,991/mo. x 12 months plus 30% payroll burden	69,005.00	
	1 Clerk Typist III Range 09A) @ $1,475/mo. x 12 months plus 30% payroll burden	23,004.00	
200	Travel		$ 14,440.00
	4 trips @ $600.00 = $2,600.00 16 days per diem @ $65 = $1,040.00		
	12 trips @ $210.00 = $2,520.00 36 days per diem @ $65 = $2,340.00		
	2 trips @ $300.00 = $3,600.00 36 days per diem @ $45 = $2,340.00		
300	Contractual		$130,100.00
	Professional Services - Technical review of profits and program development	83,600.00	
	Other - Telephone, postage, printing, copying, advertising, equipment rental, space rental	46,500.00	
400	Commodities		$ 4,800.00

500	Equipment			$ 6,009.28
	5 file cabinets	@ $210.00	1,050.00	
	3 book shelves	@ $ 90.00	270.00	
	1 calculator	@ $240.00	240.00	
	2 tables	@ $145.00	290.00	
	5 chairs	@ $ 76.46	382.30	
	1 desk	@ $380.00	380.00	
	1 credenza	@ $309.00	309.00	
	3 desks	@ $387.70	1,163.10	
	1 typewriter	@ $902.48	902.48	
	1 Lanier dictation machine	@ $511.35	511.35	
	1 Lanier transcriber	@ $511.35	511.35	
		TOTAL		$392,764.28

CATEGORY: DEVELOPMENT **AGENCY:** COMMERCE AND ECONOMIC DEVELOPMENT

PROGRAM: ECONOMIC DEVELOPMENT **BRU (s):** ENERGY AND POWER DEVELOPMENT

The goal of the Energy and Power Development BRU is to assure Alaskan residents and businesses of an adequate supply of energy at a reasonable cost with minimum impact on the environment. Emphasis is placed on using the State's vast quantity of primary energy resources to increase the supply provided by in-state sources. Energy conservation and alternative energies are also given considerable attention. The Components include Energy Administration; Energy Conservation Program; Energy Extension Service; and Weatherization, which are all in the Division of Energy and Power Development. The Division's key activities include:

Energy Planning: The Division assesses Alaska's energy supply and demand in order to provide a sound data base for decision making. Potential sources of energy are inventoried and criteria for development determined. Knowledge of energy demand by user and end-use allows optimal matching between supply and demand. The FY 81 operating budget includes an increase of $70,000 and the capital budget $100,000 for assesments of energy supply and demand.

Rural Energy: Rural villages are more vulnerable to disrupted energy supplies and usually experience higher costs than urban areas of Alaska. Provision of bulk fuel storage tanks can alleviate some of the problems associated with fuel oils. The Division monitors rural energy problems, identifies solutions, and implements these solutions (i.e.. locating surplus bulk fuel storage tanks) when possible. The FY 81 budget includes an increase of $128,800 to coordinate the rural energy program.

Alternative Energy: Alternative energy technologies offer significant potential for small and dispersed energy users. However, these technologies must demonstrate cost-effective operation under Alaskan conditions. The Division receives federal and state funding ($550,000 of G.F. in FY 81 capital budget) for the demonstration of existing hardware relative to Alaskan conditions. Once proven, the Division will depend on the private sector for market development. The Division does not attempt to undertake basic research efforts.

Energy Conservation: The Energy Extension Service, State Energy Conservation Program and Weatherization Program are federally funded programs which provide public information and assistance to reduce energy consumption in residential and commercial buildings. The FY 81 capital budget includes $1,770,000 federal funds and $885,000 state match for energy conservation projects. The Weatherization Program was in the Social Services category with the Department of Community and Regional Affairs in FY 80.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
ENERGY ADMINISTRATION	356.9	383.2	373.7	299.2		132.2	513.7
ENERGY CONS	385.9	476.8	408.2	330.0			468.7
ENERGY EXTENSION SERVICE		15.0		296.7		225.2	419.6
WEATHERIZATION						138.4	2488.0
** TOTAL	742.8	875.0	781.9	925.9		495.8	3890.0
** CHANGE VERSUS 80 AUTH							80.6%
OBJECT DESCRIPTION							
PERS. SERV.	425.2	504.9	492.9	515.9		132.2	791.0
TRAVEL	49.8	52.0	28.0	38.4		66.8	103.9
CONTRACTUAL	252.1	304.4	252.1	344.5		235.7	702.2
COMMODITIES	6.5	7.7	6.9	6.3		6.6	21.0
EQUIPMENT	9.2	6.0	2.0	2.8		25.1	12.4
GRANTS, CLMS	-0-	-0-	-0-	-0-		29.4	2259.5
MISC.				18.0			
FUNDING SOURCE							
FED. RECEIPT	-0-	15.0	-0-	626.7		495.8	3250.5
G.F. MATCH							125.8
GENERAL FUND	742.8	860.0	781.9	299.2			513.7
** GENERAL FUND CHANGE VS. 80 AUTH							113.7%
POSITIONS							
FULL-TIME	14.0	14.0	14.0	17.0		2.0	29.7
PART-TIME							2.0
STAFF MONTHS	168.0	168.0	168.0	204.0		27.0	344.0

FISCAL NOTE

I REQUEST
Bill/Resolution No SB 528 and SB 529
Title "An Act related to Alternative Energy Research Development and Demonstration"
Requested by Rules Committee Date 3/31/80

II. FISCAL DETAIL
Agency Affected Department of Commerce and Economic Development
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Division of Energy and Power Development
(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		181.0	195.5	211.1	22.0	246.2
200 TRAVEL		14.4	19.5	21.0	23.0	26.0
300 CONTRACTUAL		130.1	113.5	122.6	132.4	148.0
400 COMMODITIES		4.8	2.4	2.6	3.8	4.9
500 EQUIPMENT		6.0	.5	.7	1.0	1.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		336.3	331.4	358.1	182.2	421.1

FUNDING (Thousands of Dollars)

*NOTE: 8% inflation rate and $5 million annual appropriation assumed for subsequent year

GENERAL FUND					
FEDERAL FUNDS					
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME	5	5	5	5	5
PART TIME					
TEMPORARY					

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

The Budget outlined reflects the costs over and above the Division's FY81 Capital Budget. The request covers the administration, contracting, granting, program development, review reporting and monitoring of funds allocated for projects. It also covers additional work load for development of an Alternative Energy Development Plan.

The Budget is designed around a $5,000,000 funding level as specified in SB 529.

ATTN: Dave Creekman
April 1, 1980

Alternative Energy Research, Development and Demonstration

100	Personal Services		$ 181,001.00
	½ Energy Administrator (Range 21) @ 3,260/mo. X 6 months plus 25.5% payroll burden	$ 24,548.00	
	(other ½ to be covered in Division FY81 (other ½ to be covered in Division FY81 Capitol Budget request)		
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	12 trips @ $210.00 = $2,520.00 36 days per diem @ $65 = $2,340.00		
	2 trips @ $300.00 = $3,600.00 36 days per diem @ $45 = $2,340.00		
300	Contractual		$ 130,100.00
	Professional Services - Technical Review of profits and program development	83,600.00	
	Other _ Telephone, postage, printing, copying, advertising, equipment rental, space rental	46,500.00	

400	Commodities		$ 4,800.00
500	Equipment		
	5 File cabinets	@ $210.00	$ 1,050.00
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	1 Calcualtor	@ $240.00	240.00
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WEATHERIZATION						138.4	2488.0
** TOTAL	742.8	875.0	781.9	925.9		495.8	3890.0
** CHANGE VERSUS 80 AUTH							80.6%
OBJECT DESCRIPTION							
PERS. SERV.	425.2	504.9	492.9	515.9		132.2	791.0
TRAVEL	49.8	52.0	28.0	38.4		66.8	103.9
CONTRACTUAL	252.1	304.4	252.1	344.5		235.7	702.2
COMMODITIES	6.5	7.7	6.9	6.3		6.6	21.0
EQUIPMENT	9.2	6.0	2.0	2.8		25.1	12.4
GRANTS, CLMS	-0-	-0-	-0-	-0-		29.4	2259.5
MISC.				18.0			
FUNDING SOURCE							
FED. RECEIPT	-0-	15.8	-0-	626.7		495.8	3250.5
G.F. MATCH							125.8
GENERAL FUND	742.8	860.0	781.9	299.2			513.7
** GENERAL FUND CHANGE VS. 80 AUTH							113.7%
POSITIONS							
FULL-TIME	14.0	14.0	14.0	17.0		2.0	29.7
PART-TIME							2.0
STAFF MONTHS	168.0	168.0	168.0	204.0		27.0	344.0

Introduced: 3/21/80
Referred: Finance

Funding Information
General Fund $5,000,000
Other Funds -0-
$5,000,000

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

IN THE SENATE

SENATE BILL NO. 529

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Commerce and Economic Development for deposit in the alternative energy research, development, and demonstration fund; and providing for an effective date."

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

* Section 1. The sum of $5,000,000 is appropriated from the general fund to the Department of Commerce and Economic Development for deposit in the alternative energy research, development, and demonstration fund (AS 45.88.-050).

* Sec. 2. This Act takes effect on the effective date of a version of an Act entitled "An Act relating to alternative energy research, development, and demonstration."

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

April 15, 1980

ANALYSIS OF SENATE BILL NO. 530

An Act raising the upper limits on the rate of interest charged on consumer credit...

The bill would amend AS 45.10.120.

Title 45. Trade and Commerce
Chapter 10. Alaska Retail Installment Sales Act
Section 120. Extent of Service Charges

The amendment would increase the maximum monthly charge as follows:

Section 1. Balances not over $1,000
from 5/6% (5/6% x 12 = 10%)
to 1 1/6% (1 1/6% x 12 = 14%)

Section 2. Portion of balances over $1,000
from 2/3% (2/3% x 12 = 8%)
to 1% (1% x 12 = 12%)

W. HOGAN

alaska national
bank of the north

COLLEGE OFFICE AND ADMINISTRATIVE CENTER P O BOX 80730 FAIRBANKS, ALASKA 99708 (907) 479-2261

April 9, 1980

APR 15 1980

The Honorable John Sackett
Alaska State Senate
Pouch "V", State Capitol Building
Juneau, AK 99811

Dear John:

As you are undoubtedly aware, with the general tightening of credit throughout the country, one of the areas initially squeezed was the credit card customer. As a consequence, the banks have virtually ceased issuing new credit cards. The two basic reasons are (1) the high cost of funds, which is now in the area of 16-17%; and (2) the realization the rate banks can charge in Alaska on credit card balances over $1,000 is 12%.

Approval of the attached amendments would allow the participating banks to continue to offer credit cards. Basically the amendments would keep the rate where it is on balances under $1,000 (18%) but allow the rate to float with the Federal Discount rate on balances over $1,000.

John, I would appreciate any help you could provide in this regard.

Looking forward to seeing you in Anchorage on the 19th.

Sincerely,

Frank H. Murkowski
President

FHM:js

AN ACT

Relating to service charges and fees applicable to bank credit cards and retail charge agreements; and providing for an effective date.

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

Section 1. AS 06.05.209 (b) is amended by adding the following:

(b) ... Further, in addition, a bank may, as a condition to issuance of a credit or transaction card, charge a fee for the issuance or use of the card. Such fee shall be excluded in the computation of the aforementioned limits for service charges.

Section 2. AS 45.10.120 (c) is amended to provide as follows:

(2) If the outstanding balance is more than $1,000, [one percent per month] one-twelfth per month of the annual percentage rate permitted under AS 45.45.010 (b) on the excess over $1,000 of the outstanding balance.

COMMITTEE REPORT

SENATE

FURTHER: None

3/21/80

Date: _____

Mr. President:

The Committee on FINANCE has had SB 530

raising the upper limits on the rate of interest charges in consumer credit arrangements

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

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

S 60 (Rev. 12/78)

SB 530

Introduced: 3/21/80
Referred: Finance

IN THE SENATE BY THE COMMERCE COMMITTEE

SENATE BILL NO. 530

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act raising the upper limits on the rate of interest charged in consumer credit arrangements; and providing for an effective date."

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

* Section 1. AS 45.10.120(b)(1) and (2) are amended to read:

(1) on so much of the unpaid balance as does not exceed $1,000, [FIVE-SIXTHS OF] one and one-sixth percent;

(2) if the unpaid balance exceeds $1,000, on so much of the unpaid balance as exceeds $1,000, [TWO-THIRDS OF] one percent;

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

COMMITTEE COPY

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 530

By THE COMMERCE COMMITTEE

"An Act raising the upper limits on the rate of interest charges in consumer credit arrangements; and providing for an effective date."

Introduced in the Senate 3/21/, 19 80

HISTORY IN THE SENATE

19	80	
3	21	Read first time and referred to Committee on Finance
		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 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. .....

31-001

SB 530

& Constr. Co-Alas., Inc., Sup. Ct. Op. No. 1492 (File No. 2983), 568 P.2d 1007 (1977).

Noncompliance with AS 45.05.788(c). — Where noncompliance with the notice of sale provision of AS 45.05.788(c) has been shown, the burden of proving that the market value of the collateral was received at the sale is upon the secured party. Weaver v. O'Meara Motor Co., Sup. Ct. Op. No. 535 (File No. 961), 452 P.2d 87 (1969).

Where the creditor was the only bidder at the foreclosure sale and "sold" the property to itself, which amount was credited against the balance due on the note that had been executed by the debtor, this price at which the creditor bought the collateral that secured the debt was not a reliable indicator of the fair market value of the collateral because the transaction was self-serving. Kobuk Eng'r & Contracting Servs., Inc. v. Superior Tank & Constr. Co-Alas., Inc., Sup. Ct. Op. No. 1492 (File No. 2983), 568 P.2d 1007 (1977).

Effect of commercially unreasonable sale. — The commercially unreasonable sale made by a secured party acts to decrease the amount of the deficiency judgment which it is entitled to recover from the debtor, and the fair and reasonable value of the collateral at the time of repossession should be offset against the balance due on the security agreement. Kobuk Eng'r & Contracting Servs., Inc. v. Superior Tank & Constr. Co-Alas., Inc., Sup. Ct. Op. No. 1492 (File No. 2983), 568 P.2d 1007 (1977).

Cited in Stanley v. Foodcrafters, Inc., 7 Alas. L.J. No. 3, p. 435 (Sept. 23, 1968); Blumenstein v. Phillips Ins. Center, Inc., Sup. Ct. Op. No. 748 (File No. 1253), 490 P.2d 1213 (1971).

Chapter 10. Alaska Retail Installment Sales Act.

Section
50. Catalog sales
120. Extent of service charge
215. Scope of chapter

Sec. 45.10.050. Catalog sales. (a) A retail installment contract, or retail charge agreement, negotiated and entered into by mail or telephone without personal solicitation by a salesman or representative of the seller and based upon a catalog of the seller or other printed solicitation of business, if the catalog or other printed solicitation clearly sets out the cash sale prices and other terms of sales to be made through this medium, shall be made as provided in this section. The provisions of this chapter with respect to retail installment contracts and retail charge agreements are applicable to these sales, except that the retail installment contract when completed by the buyer need not contain the items required by § 30 of this chapter.

(b) When the retail installment contract is received from the retail buyer, the seller shall prepare a written memorandum containing all of the information required by § 30 of this chapter to be included in a retail installment contract. Instead of delivering a copy of the contract to the retail buyer as provided in § 20 of this chapter, the seller shall deliver to the buyer a copy of the memorandum before the due date of the first installment payable under the contract. If the catalog or other printed solicitation does not set out all of the other terms of sales in addition to the cash sales prices, the memorandum shall be delivered to the buyer before or at the time of delivery of the goods or services. (§ 6 ch 141 SLA 1962; am § 1 ch 45 SLA 1978)

Effect of amendment. — The 1978 amendment, effective November 1, 1978, in subsection (a), inserted "or retail charge agreement" in the first sentence and "and retail charge agreements" in the second sentence and substituted "shall be made" for "may be made" in the first sentence. In subsection (b), the amendment inserted "retail installment" near the beginning of the first sentence.

Sec. 45.10.120. Extent of service charge. (a) The service charge shall include all charges incident to investigating and making the retail installment contract or charge agreement and for the privilege of making the installment payments under the contract or agreement. No other fee, expense, or charge may be taken, received, reserved, or contracted for investigating and making the contract or agreement, or for the privilege of making the payments.

(b) A seller or holder of a retail installment contract may charge, receive and collect a service charge which shall not exceed the following rates multiplied by the number of months, including a fraction of a month in excess of 15 days as one month, elapsing between the date of the contract and the due date of the last installment,

(1) on so much of the unpaid balance as does not exceed $1,000, five-sixths of one per cent;

(2) if the unpaid balance exceeds $1,000, on so much of the unpaid balance as exceeds $1,000, two-thirds of one per cent;

(3) if the total service charge so computed is less than $12, but if the due date of the last installment of the contract is eight months or less after its effective date, $10.

(c) A seller or holder of a retail charge agreement, revolving charge agreement or other retail charge agreement may charge, receive and collect a service charge not to exceed the following rates computed on the outstanding balances from month to month,

(1) on so much of the outstanding balance as does not exceed $1,000, one and one-half per cent per month;

(2) if the outstanding balance is more than $1,000, one per cent per month on the excess over $1,000 of the outstanding balance;

(3) if the service charge so computed is less than $1 for any month, $1;

(4) the service charge may be computed on a schedule of fixed amounts if as so computed it is applied to all amounts of outstanding balances equal to the fixed amount minus a differential of not more than $5 provided that it is also applied to all amounts of outstanding balances equal to the fixed amount plus at least the same differential. (§ 13 ch 141 SLA 1962; am § 1 ch 154 SLA 1966)

Cross reference. — As to revolving credit plans, see AS 06.05.208.

Effect of amendment. — The 1966 amendment designated the former provisions of this section as subsection (a) and added subsections (b) and (c).

Chapter 10. Alaska Retail Installment Sales Act.

Sec. 45.10.010. The contract document. (a) A retail installment contract must be contained in a single document. The document must contain the entire agreement of the parties including promissory notes and other evidences of indebtedness between the parties relating to the transaction, except as provided in §§ 40, 50, and 100 of this chapter.

(b) If the buyer's obligation to pay the time balance is represented by a promissory note secured by a chattel mortgage, a provision of the mortgage by which the buyer undertakes to do something besides pay a sum certain in money is considered to be contained in a separate document for the purpose of determining the negotiability of the note unless the provision is expressly incorporated in the note by reference to the provision of the mortgage.

(c) The contract must be dated, signed by the retail buyer, and completed as to all essential provisions, except as otherwise provided in §§ 50 and 60 of this chapter. (§ 2 ch 141 SLA 1962)

Revisor's note.—This chapter (AS 45.10) takes effect on January 1, 1963.

Legislative committee report.—For legislative committee report on original bill, see House Journal (1962), page 547.

Am. Jur. reference.—47 Am. Jur., Sales, §§ 839 to 846.

Sec. 45.10.020. Buyer's copy. The retail seller shall deliver to the retail buyer, or mail to him at his address shown on the retail installment contract, a copy of the contract as accepted by the seller. Until the seller does so, the buyer is obligated to pay only the cash sale price. An acknowledgment by the buyer of delivery of a copy of the contract must appear directly above the buyer's signature. (§ 3 ch 141 SLA 1962)

Sec. 45.10.030. Contents of contract. (a) The retail installment contract must contain the names of the seller and the buyer, the place of business of the seller, the residence or other address of the buyer as named by the buyer, and a description or identification of the goods sold or to be sold or services furnished or ren-

dered or to be furnished or rendered. The contract must also contain the following items:

(1) the cash sale price of each item of goods or services;

(2) the amount of the buyer's down payment, identifying the amounts paid in money and allowed for goods traded in;

(3) the difference between items (1) and (2);

(4) the aggregate amount included for insurance, if a separate identified charge is made for insurance, specifying the types of insurance and the terms of coverage;

(5) the aggregate amount of official fees;

(6) the principal balance, which is the sum of items (3), (4), and (5);

(7) the amount or rate of the service charge;

(8) any other charges;

(9) the amount of the time balance owed by the buyer to the seller, which is the sum of items (6), (7), if (7) is stated in a dollar amount, and (8);

(10) except as provided in (c) of this section, the maximum number of installment payments required and the amount of each installment and the due date of each payment necessary to pay the balance.

(b) Additional items may be included to explain the calculations involved in determining the balance to be paid by the buyer.

(c) If the installment payments other than the final payment are stated as a series of equal scheduled amounts and if the amount of the final installment payment does not substantially exceed the scheduled amount of each preceding installment payment, the maximum number of payments and the amount and due date of each payment need not be separately stated, and the amount of the scheduled final installment payment may be stated as the remaining unpaid balance. The due date of the first installment payment may be fixed by a day or date or may be fixed by reference to the date of the contract or to the time of delivery or installation. (§ 4 ch 141 SLA 1962)

Sec. 45.10.040. Other documents. (a) A retail installment contract may be contained in more than one document, if one is an original document signed by the retail buyer stated to be applicable to purchases of goods or services to be made by the retail buyer from time to time. In this case the document, together with the sales slip, account book, or other written statement relating to each purchase, must set out all of the information required by § 30 of this chapter and constitute the retail installment contract for each purchase.

(b) On each succeeding purchase under the original document,

option of the seller constitute the memorandum required by § 100 of this chapter. (§ 5 ch 141 SLA 1962)

Sec. 45.10.050. Catalog sales. (a) A retail installment contract negotiated and entered into by mail or telephone without personal solicitation by a salesman or representative of the seller and based upon a catalog of the seller or other printed solicitation of business, if the catalog or other printed solicitation clearly sets out the cash sale prices and other terms of sales to be made through this medium, may be made as provided in this section. The provisions of this chapter with respect to retail installment contracts are applicable to these sales, except that the retail installment contract when completed by the buyer need not contain the items required by § 30 of this chapter.

(b) When the contract is received from the retail buyer, the seller shall prepare a written memorandum containing all of the information required by § 30 of this chapter to be included in a retail installment contract. Instead of delivering a copy of the contract to the retail buyer as provided in § 20 of this chapter, the seller shall deliver to the buyer a copy of the memorandum before the due date of the first installment payable under the contract. If the catalog or other printed solicitation does not set out all of the other terms of sales in addition to the cash sales prices, the memorandum shall be delivered to the buyer before or at the time of delivery of the goods or services. (§ 6 ch 141 SLA 1962)

Sec. 45.10.060. Signing of incomplete contracts. The seller may not obtain the signature of the buyer to a contract if it contains blank spaces of items which are essential provisions of the transaction, except as provided in § 50 of this chapter. However, if delivery of the goods is not made at the time of the execution of the contract, the identifying numbers or marks of the goods or similar information and the due date of the first installment may be inserted by the seller in the seller's counterpart of the contract after it has been signed by the buyer. (§ 7 ch 141 SLA 1962)

Sec. 45.10.070. Prepayment. (a) A retail installment contract must contain a statement that the buyer may pay the total unpaid balance on the contract at any time. A buyer who prepays in full the unpaid balance at any time before its final due date shall, if the contract is not in default more than two months, receive a refund credit of the unearned portion of the service charge for the prepayment.

(b) The amount of the refund credit shall be computed according to the "rule of 78ths"; that is, it shall represent at least as great a proportion of the original service charge over $25 in case of a retail installment sale of a motor vehicle, or $10 in case of a retail in-

of the monthly or other periodic unpaid balances under the schedule of payments in the contract beginning as of the date after the prepayment which is the next succeeding monthly or other periodic anniversary date of the due date of the first installment under the contract, or, if the prepayment is before the due date of the first installment under the contract, then as of the date after the prepayment which is the next succeeding monthly or other periodic anniversary date of the date of the contract bears to (2) the sum of all the monthly or other periodic unpaid balances under the schedule of installment payments in the contract.

(c) If the amount of refund credit is less than $1, no refund credit need be made. (§ 8 ch 141 SLA 1962)

Sec. 45.10.080. Delivery and collection charges, and other provisions. (a) The holder of a retail installment contract may not collect any delinquency or collection charge other than attorney fees, court costs, and disbursements unless the contract so provides. In this case, the charge shall be reasonable, and no attorney fee may be recovered unless the contract is referred for collection to an attorney not a salaried employee of the holder.

(b) The contract may contain other provisions not inconsistent with the purposes of this chapter. (§ 9 ch 141 SLA 1962)

Sec. 45.10.090. Receipts and requests for statements. (a) A buyer shall be given a written receipt for any payment when made in cash.

(b) Upon written request of the buyer, the holder of a retail installment contract shall give or forward to the buyer a written statement of the dates and amounts of payments and the total amount unpaid under the contract. This statement shall be given the buyer once without charge; if an additional statement is requested by the buyer, it shall be supplied by the holder at a charge not in excess of $1 for each additional statement supplied. (§ 10 ch 141 SLA 1962)

Sec. 45.10.100. Consolidation of contracts. (a) If, in a retail installment transaction, a retail buyer makes a purchase of goods or services from a retail seller from whom he has previously purchased goods or services under a retail installment contract, and the amount under the previous contract has not been fully paid, the subsequent purchase may, at the seller's option, be included in and consolidated with the previous contract. This chapter, with respect to a retail installment contract, is applicable to the subsequent purchase. In the event of consolidation, the seller shall furnish to the buyer, before the due date of the first installment of the consolidated contract, the items of information under § 30 or 40 of this

(1) the outstanding balance of the previous contract or contracts;

(2) the amount of the time balance owed by the buyer to the seller for the subsequent purchase;

(3) the consolidated time balance; and

(4) the revised installments applicable to the consolidated time balance.

(b) The seller shall deliver a copy of the memorandum to the buyer before the due date of the first installment of the consolidated contract.

(c) When the subsequent purchase is made, if the seller has retained title or taken a lien or other security interest in any of the goods purchased under one of the contracts included in the consolidation,

(1) the entire amount of all payments made before the subsequent purchase is considered to have been applied on the previous purchase;

(2) if the amount of each installment payment is not increased in connection with the subsequent purchase, the subsequent payments are considered to be allocated first to the previous purchase;

(3) if the amount of each installment payment is increased in connection with the subsequent purchase, an amount equal to the original periodic payment is allocated first to the previous purchase, and the amount of the increase may, at the seller's option, be considered to be allocated to the subsequent purchase;

(4) the amount of a down payment on the subsequent purchase is allocated in its entirety to the subsequent purchase.

(d) The provisions of (c) of this section do not apply to a case where the previous and subsequent purchases involve equipment, parts, or other goods attached or affixed to goods previously purchased and not fully paid, or to services in connection with goods previously purchased and not fully paid, rendered by the seller at the buyer's request. (§ 11 ch 141 SLA 1962)

Sec. 45.10.110. Notice of service charge and monthly statement. (a) At or before the time a retail charge agreement is made, the seller shall advise the buyer in writing on the application form or otherwise, or orally that a service charge will be computed on the outstanding balance for each month (which need not be a calendar month) or other regular period agreed upon, the schedule or rate by which the service charge will be computed, and that the buyer may pay his total unpaid balance at any time. If this information is given orally, the seller shall, upon approval of the buyer's credit, deliver to the buyer or mail to him at his address a memorandum setting out this information.

(b) The seller or holder of a retail charge agreement shall

monthly period (which need not be a calendar month) or other regular period agreed upon in which there is an unpaid balance. The statement must include the unpaid balance under the retail charge agreement and the amount of a service charge for the period. (§ 12 ch 141 SLA 1962)

Sec. 45.10.120. Extent of service charge. The service charge shall include all charges incident to investigating and making the retail installment contract or charge agreement and for the privilege of making the installment payments under the contract or agreement. No other fee, expense, or charge may be taken, received, reserved, or contracted for investigating and making the contract or agreement, or for the privilege of making the payments. (§ 13 ch 141 SLA 1962)

Sec. 45.10.130. Insurance. If the cost of insurance is included in the retail installment contract or retail charge agreement and a separate charge is made to the buyer for the insurance,

(1) the contract or agreement must state the nature, purpose, and amount of the insurance, and in connection with the sale of a motor vehicle, the contract must state that the insurance coverage ordered under the terms of this contract does or does not include "bodily injury liability," "public liability," and "property damage liability" coverage, as applicable;

(2) the contract or agreement must state whether the insurance is to be procured by the buyer or the seller;

(3) the amount included for the insurance may not exceed the premiums chargeable in accordance with the rate fixed for the insurance by the insurer except where the amount is less than $1; and if the insurance is cancelled or terminated for any reason, the refund for unearned insurance premiums received by the seller or his assignee, together with the unearned portion of the service charge applicable to the insurance, shall be credited to the final maturing installments of the retail installment contract or retail charge agreement, and the remaining balance of the unearned insurance premiums shall be refunded to the buyer; however, no cash refund is required if the amount is less than $1;

(4) if the insurance is to be procured by the seller or holder, he shall, within 45 days after delivery of the goods or furnishing of the services under the contract, deliver, mail, or cause to be mailed to the buyer at his address as specified in the contract a notice that the insurance is procured, a copy of the policy or policies of insurance, or a certificate of the insurance so procured. (§ 14 ch 141 SLA 1962)

Am. Jur. reference—47 Am. Jur.

Sec. 45.10.140. Agreement not to assert claim. A provision of a retail installment contract or retail charge agreement by which the buyer agrees not to assert a claim or defense arising out of the sale against the seller or an assignee is invalid. (§ 15 ch 141 SLA 1962)

Sec. 45.10.150. Nonwaiver of chapter. No act or agreement of the retail buyer before or at the time of the making of a retail installment contract, retail charge agreement, or purchases under the contract or agreement constitutes a valid waiver of any of the provisions of this chapter or of any remedies granted to the buyer by law. (§ 16 ch 141 SLA 1962)

Sec. 45.10.160. Contracts and agreements executed before 1963. This chapter does not invalidate or make unlawful a retail installment contract or retail charge agreement executed before January 1, 1963. (§ 22 ch 141 SLA 1962)

Sec. 45.10.170. Action by attorney general. The attorney general may bring an action in the name of the state against a person to restrain and prevent a violation of this chapter. (§ 19 ch 141 SLA 1962)

Sec. 45.10.180. Assurance of discontinuance. (a) In the enforcement of this chapter, the attorney general may accept an assurance of discontinuance of an act or practice considered in violation of this chapter from a person engaging in or who has engaged in the act or practice. The assurance shall be in writing and be filed with and subject to the approval of the superior court of the district in which the alleged violator resides or has his principal place of business.

(b) Failure to perform the terms of the assurance is prima facie proof of a violation of this chapter for the purpose of securing an injunction as provided in § 170 of this chapter, and for the purpose of § 190 of this chapter. (§ 20 ch 141 SLA 1962)

Sec. 45.10.190. Barring recovery for noncompliance. A seller who enters into a contract or agreement which does not comply with the provisions of this chapter or who violates a provision of this chapter except as a result of an accident or bona fide error may not recover a service charge, official fee, or a delinquency or collection charge under or in connection with the related retail installment contract or purchases under a retail charge agreement. The seller or holder may nevertheless recover from the buyer an amount equal to the cash price of the goods or services and the cost to the

monthly period (which need not be a calendar month) or other regular period agreed upon in which there is an unpaid balance. The statement must include the unpaid balance under the retail charge agreement and the amount of a service charge for the period. (§ 12 ch 141 SLA 1962)

Sec. 45.10.120. Extent of service charge. The service charge shall include all charges incident to investigating and making the retail installment contract or charge agreement and for the privilege of making the installment payments under the contract or agreement. No other fee, expense, or charge may be taken, received, reserved, or contracted for investigating and making the contract or agreement, or for the privilege of making the payments. (§ 13 ch 141 SLA 1962)

Sec. 45.10.130. Insurance. If the cost of insurance is included in the retail installment contract or retail charge agreement and a separate charge is made to the buyer for the insurance,

(1) the contract or agreement must state the nature, purpose, and amount of the insurance, and in connection with the sale of a motor vehicle, the contract must state that the insurance coverage ordered under the terms of this contract does or does not include "bodily injury liability," "public liability," and "property damage liability" coverage, as applicable;

(2) the contract or agreement must state whether the insurance is to be procured by the buyer or the seller;

(3) the amount included for the insurance may not exceed the premiums chargeable in accordance with the rate fixed for the insurance by the insurer except where the amount is less than $1; and if the insurance is cancelled or terminated for any reason, the refund for unearned insurance premiums received by the seller or his assignee, together with the unearned portion of the service charge applicable to the insurance, shall be credited to the final maturing installments of the retail installment contract or retail charge agreement, and the remaining balance of the unearned insurance premiums shall be refunded to the buyer; however, no cash refund is required if the amount is less than $1;

(4) if the insurance is to be procured by the seller or holder, he shall, within 45 days after delivery of the goods or furnishing of the services under the contract, deliver, mail, or cause to be mailed to the buyer at his address as specified in the contract a notice that the insurance is procured, a copy of the policy or policies of insurance, or a certificate of the insurance so procured. (§ 14 ch 141 SLA 1962)

Am. Jur. reference, 47 Am. Jur.

Sec. 45.10.140. Agreement not to assert claim. A provision of a retail installment contract or retail charge agreement by which the buyer agrees not to assert a claim or defense arising out of the sale against the seller or an assignee is invalid. (§ 15 ch 141 SLA 1962)

Sec. 45.10.150. Nonwaiver of chapter. No act or agreement of the retail buyer before or at the time of the making of a retail installment contract, retail charge agreement, or purchases under the contract or agreement constitutes a valid waiver of any of the provisions of this chapter or of any remedies granted to the buyer by law. (§ 16 ch 141 SLA 1962)

Sec. 45.10.160. Contracts and agreements executed before 1963. This chapter does not invalidate or make unlawful a retail installment contract or retail charge agreement executed before January 1, 1963. (§ 22 ch 141 SLA 1962)

Sec. 45.10.170. Action by attorney general. The attorney general may bring an action in the name of the state against a person to restrain and prevent a violation of this chapter. (§ 19 ch 141 SLA 1962)

Sec. 45.10.180. Assurance of discontinuance. (a) In the enforcement of this chapter, the attorney general may accept an assurance of discontinuance of an act or practice considered in violation of this chapter from a person engaging in or who has engaged in the act or practice. The assurance shall be in writing and be filed with and subject to the approval of the superior court of the district in which the alleged violator resides or has his principal place of business.

(b) Failure to perform the terms of the assurance is prima facie proof of a violation of this chapter for the purpose of securing an injunction as provided in § 170 of this chapter, and for the purpose of § 190 of this chapter. (§ 20 ch 141 SLA 1962)

Sec. 45.10.190. Barring recovery for noncompliance. A seller who enters into a contract or agreement which does not comply with the provisions of this chapter or who violates a provision of this chapter except as a result of an accident or bona fide error may not recover a service charge, official fee, or a delinquency or collection charge under or in connection with the related retail installment contract or purchases under a retail charge agreement. The seller or holder may nevertheless recover from the buyer an amount equal to the cash price of the goods or services and the cost to the

Introduced: 3/21/80
Referred: Finance

IN THE SENATE BY THE COMMERCE COMMITTEE

SENATE BILL NO. 530

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act raising the upper limits on the rate of interest charged in consumer credit arrangements; and providing for an effective date."

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

* Section 1. AS 45.10.120(b)(1) and (2) are amended to read:

(1) on so much of the unpaid balance as does not exceed $1,000, [FIVE-SIXTHS OF] one and one-sixth percent;

(2) if the unpaid balance exceeds $1,000, on so much of the unpaid balance as exceeds $1,000, [TWO-THIRDS OF] one percent;

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