

BILLS 1981 - 1982 1520  
HB 460 cont. - HB 478 1520

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 460  
 Title Relating to the fisheries and salmon enhancement taxes  
 Requested by House Resources Committee Date 4/13/81

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No change in revenues.

IV. DATE 4/13/81 PREPARED BY Robert W. Elliott  
 AGENCY Revenue  
 Original: Legislative Finance PHONE 465-2309  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Page 1, line 23. After the word "frozen" add ",or other goods  
or services"

Page 2, between lines 11 and 12, add a new subsection:

(b) a person is not liable for the fisheries business tax if the fisheries resource he is processing was purchased and is owned by another person.

Page 2, line 29. Add new sections 5 & 6:

\* Sec. 5. AS 43.75.140 (7) is amended to read:

"value" means the compensation actually received from a fisheries business or other person purchasing fisheries resources [actual price paid] for a [the] fisheries resource by the person taking the fisheries resource [the fisheries business], including indirect consideration such as fuel, supplies, or gear, whether paid at the time of purchase of the fisheries resource or tendered as a deferred or delayed payment, except that "value" means the market value of the fishery resource if the taking of the fishery resource is undertaken [procures] in company owned or company-subsidized boats operated by employees of the fisheries business or in boats which are operated under lease or other arrangement;

\* Sec. 6. AS 43.75.140 is amended by adding a new paragraph to read:

(9) "taking" means in any manner pursuing, fishing, capturing, or killing fisheries resources.

RENUMBER REMAINING SECTIONS ACCORDINGLY.



# UNITED FISHERMEN OF ALASKA

Accepted

MAILING ADDRESS & OFFICE  
197 SOUTH FRANKLIN ST.  
JUNEAU, ALASKA 99801  
907 586-2820

Rodger Painter  
Executive Director

Proposed amendment to CSHB 460 (Res)

Insert on page two, line 29 and renumber:

\*Sec. 5. AS 43.75.140 (7) is amended to read:

"value" means the compensation actually received from a fisheries business or other person purchasing fisheries resources (ACTUAL PRICE PAID) for a (THE) fisheries resource by the person taking the fisheries resource (THE FISHERIES BUSINESS), including indirect consideration such as fuel, supplies, or gear, whether paid at the time of purchase of the fisheries resource or tendered as a deferred or delayed payment, except that "value" means the market value of the fishery resource if the taking of the fishery resource is undertaken (PROCURES) in company owned or company-subsidized boats operated by employees of the fisheries business or in boats which are operated under lease or other arrangement;

\*Sec. 6. AS 43.75.140 is amended by adding a new paragraph to read:

(9) "taking" means in any manner pursuing, fishing, capturing, or killing fisheries resources.

revised

AMENDMENT HB 460  
by MALONE

PAGE 1 LINE 23  
ADD AFTER THE WORD "FROZEN"  
OR OTHER GOODS OR SERVICES,

PAGE 2, between LINES 11 & 12, ADD  
A NEW SUBSECTION

~~§ 208.95.010~~ (b) a person is not liable for the fisheries  
Business tax if ~~the fisheries resource~~ the fisheries  
resource he is processing was purchased and is owned by another person.

~~equally~~

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 460 (Resources)  
 Title Fisheries & Salmon Enhancement Taxes  
 Requested by House Resources Date April 3, 1981

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ General Government \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

CSHB 460 (Resources) increases the percentage of refund to local governments.

There is no additional administrative cost associated with this bill.

IV. DATE April 27, 1981 PREPARED BY Philip A. Wall  
 AGENCY Revenue  
 PHONE 465-2313  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 460 (Resources)  
 Title Relating to the fisheries and salmon enhancement taxes  
 Requested by House Finance Committee Date 4/22/81

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No change in revenues.

*Robert W. Elliott*

IV. DATE 4/22/81 PREPARED BY Robert W. Elliott  
 AGENCY Revenue  
 PHONE 465-2309  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5  
JUNEAU, ALASKA 99811

April 28, 1981

The Honorable Samuel R. Cotten  
Chairman  
House Finance Committee  
Room 519 - Capitol Building  
Juneau, Alaska

Dear Mr. Cotten:

Re: CS for House Bill No. 460 (Resources)

CS for House Bill No. 460 (Resources), an Act relating to the fisheries and salmon enhancement taxes, was referred in the House on April 20, 1981 by the House Resources Committee to the House Finance Committee.

For the consideration of the House Finance Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary L. Jenkins, Director, Audit Division; Mr. Phil Wall, Director, Administrative Services Division and Mr. Robert W. Elliott, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

RDS/rdh

cc: Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Phil Wall, Director  
Administrative Services Division  
Department of Revenue

Gary L. Jenkins, Director  
Audit Division  
Department of Revenue

Robert W. Elliott  
Research Section  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CSHB 460 (Resources)  
 Title An Act relating to the fisheries and salmon enhancement taxes.  
 Requested by House Resources Committee Date April 22, 1981

II. FISCAL DETAIL  
 Agency Affected Department of Revenue  
 Program Category Affected Revenue Collection and Management  
 BRU, Program, or Subprogram(s) Affected Audit Division  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) NONE


	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memo to R.D. Stevenson dated April 22, 1981.

IV. DATE April 22, 1981 PREPARED BY   
 AGENCY Audit Division  
 PHONE 465-2320

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

# MEMORANDUM

# State of Alaska

TO: R. D. Stevenson  
Legislative Assistant

DATE: April 22, 1981

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: CSHB 460 (Resources)

The committee substitute for HB 460 is basically the same language as that in the original bill except that several sections have been deleted. Those deleted sections would have solved some serious problems which exist in the present fisheries enhancement tax regarding who is responsible for the collection of the tax.

As recommended in my comments on the initial draft of the bill, I would suggest the legislature give consideration to clarifying a few of the proposed provisions. First, Sec. 3 of the bill establishes an exclusion from the Fisheries Business Tax provided certain conditions are met. For purposes of effective administration, I recommend one additional condition be added to AS 43.75.017(a), which is:

(4) the fishery resource is sold by the person claiming the exclusion from tax to a fisheries business licensed under AS 43.75.

This provision will insure our ability to reasonably enforce the law because the tax will be reportable by taxpayers with whom we are already dealing and we will not be required to go out and try to find other persons who might buy the fishery resource and who would then be required to pay the tax.

When the need for the provisions of this bill were discussed previously with some members of the House Resources Committee, it was suggested that the Salmon Enhancement Tax law be clarified regarding whether the taxable event was the act of catching salmon in one of the established regions or was the act of selling salmon in the region regardless of where caught. It was our original understanding that the taxable event was the act of catching salmon in a region, however, during the course of discussions with various legislators, it has become clear that there is a divergence of opinion as to which event is the taxable event. I would strongly urge the legislature to clarify that point by amending AS 43.76.010 and AS 43.76.011.

Finally, I would also recommend that if this bill is amended to require any buyer to collect the tax, an additional section be added to the bill for the purpose of defining the term "buyer". The following language is suggested for the Legislature's consideration:

"Buyer" means any person who acquires possession of salmon from the person who caught the salmon regardless of whether there is an actual sale of the salmon but excluding any transfer to a person engaged solely in interstate transportation of goods for hire.

This broad language is being proposed to insure that deliveries of salmon to a cooperative would be included. This would preclude an argument that a delivery to a cooperative was not an actual sale upon which the tax would not apply.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 460 (Resources)  
 Title Fisheries & Salmon Enhancement Taxes  
 Requested by House Resources Date April 3, 1981

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ General Government \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

CSHB 460 (Resources) increases the percentage of refund to local governments.

There is no additional administrative cost associated with this bill.

IV. DATE April 27, 1981 PREPARED BY Philip A. Wall  
 AGENCY Revenue  
 PHONE 465-2313  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 460 (Resources)  
 Title Relating to the fisheries and salmon enhancement taxes  
 Requested by House Finance Committee Date 4/22/81

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No change in revenues.

*Robert W. Elliott*

IV. DATE 4/22/81 PREPARED BY Robert W. Elliott  
 AGENCY Revenue  
 PHONE 465-2309  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Original sponsor: Resources Committee

Offered: 4/20/81  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 460 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fisheries and salmon enhance-  
7 ment taxes; and providing for an effective date."

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

9 \* Section 1. AS 43.75.015(b) is amended to read:

10 (b) Instead of the taxes levied by (a) of this section, a person  
11 who processes [ENGAGED IN A FISHERY BUSINESS WHICH INCLUDES PROCESSING]  
12 a developing commercial fish species is liable for and shall pay a tax  
13 equal to

14 (1) one percent of the value of the developing commercial  
15 fish species processed by a shore-based fisheries business during the  
16 year; and

17 (2) three percent of the value of the developing commercial  
18 fish species processed by a floating fisheries business during the  
19 year.

20 \* Sec. 2. AS 43.75.015(c) is amended to read:

21 (c) A person engaging or attempting to engage in a fisheries  
22 business who first actually and physically processes the fishery re-  
23 source, or a person who purchases a fishery resource which is frozen  
24 from a person excluded by AS 43.75.017 from liability for the tax, is  
25 liable for and shall pay to the department the entire tax imposed by  
26 this section. In determining this tax liability, the person may not  
27 deduct from the value of the fishery resources processed the value of  
28 fishery resources that are canned or processed for other fisheries busi-  
29 nesses, but shall include that value as part of the value of the fishery

resources processed.

\* Sec. 3. AS 43.75 is amended by adding a new section to read:

Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. (a) A person is not processing a fishery resource under AS 43.75.015 when the fishery resource is frozen aboard a fishing vessel if

(1) the vessel is operated as a commercial fishing vessel under a valid commercial fishing license;

(2) the fishery resource is not processed beyond heading, gutting or cleaning, freezing and glazing; and

(3) the fishery resource which is frozen was caught by the vessel.

\* Sec. 4. AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay

(1) to each municipality unified under AS 29.68.240 - 29.68.440, and to each city located in the unorganized borough, 50 [20] percent of the amount of tax revenue collected in the municipality from taxes levied by AS 43.75;

(2) to each city located within a borough, 25 [10] percent of the amount of tax revenue collected in the city from taxes levied by AS 43.75; and

(3) to each borough

(A) 50 [20] percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied by AS 43.75; and

(B) 25 [10] percent of the amount of tax revenue collected in cities located within the borough from taxes levied by AS 43.75.

\* Sec. 5. AS 43.76.020(a) is amended to read:

1 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-  
2 76.011 may be terminated by the commissioner of revenue upon majority  
3 vote at an election held under AS 43.76.015 in the region in which the  
4 salmon enhancement tax is levied.

5 \* Sec. 6. AS 43.75.136 is repealed.

6 \* Sec. 7. TRANSITION. The taxes paid for the 1980 calendar year under  
7 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130  
8 as that section read before its amendment by sec. 4 of this Act. The taxes  
9 paid for the 1981 calendar year and for each succeeding calendar year shall  
10 be shared with municipalities in accordance with AS 43.75.130 as amended by  
11 sec. 4 of this Act.

12 \* Sec. 8. Sections 2 and 3 of this Act are retroactive to January 1,  
13 1981, and apply to tax years beginning after December 31, 1980.

14 \* Sec. 9. Section 4 of this Act takes effect July 1, 1981.

15 \* Sec. 10. Sections 1 - 3 and 5 - 8 of this Act take effect immediately  
16 in accordance with AS 01.10.070(c).

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AMENDMENT HB 460

by MALONE

PAGE 1 LINE 23

ADD AFTER THE WORD "FROZEN

OR OTHER GOODS OR SERVICES,

PAGE 2, between LINES 11 & 12, ADD  
A NEW SUBSECTION

~~§ 223.95.001~~ (b) a person is not liable for the fisheries

Business tax if ~~the fisheries~~ the fisheries

resource he is processing was purchased and is owned by another person.

~~§ 223.95.001~~

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

(CORRECTED)

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CSHB 460 (Resources)  
 Title Fisheries & Salmon Enhancement Taxes  
 Requested by House Resources Date April 3, 1981

II. FISCAL DETAIL  
 Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ General Government \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_ Administration & Support, Management Services \_\_\_\_\_  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	Ø	Ø	Ø	Ø	Ø	Ø

FUNDING (Thousands of Dollars)

GENERAL FUND		(5,907.0)				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						


POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

CSHB 460 (Resources) increases the percentage of refund to local governments by 150 percent or 5,907.0. This is in addition to the 3,938.0 requested in the FY 82 budget.

There is no additional administrative cost associated with this bill.

IV. DATE May 8, 1981 PREPARED BY  Philip A. Wall  
 AGENCY Revenue  
 Original: Legislative Finance PHONE 465-2313  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

Original sponsor: Resources Committee

Offered: 4/20/81  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 460 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fisheries and salmon enhance-  
7 ment taxes; and providing for an effective date."

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

9 \* Section 1. AS 43.75.015(b) is amended to read:

10 (b) Instead of the taxes levied by (a) of this section, a person  
11 who processes [ENGAGED IN A FISHERY BUSINESS WHICH INCLUDES PROCESSING]  
12 a developing commercial fish species is liable for and shall pay a tax  
13 equal to

14 (1) one percent of the value of the developing commercial  
15 fish species processed by a shore-based fisheries business during the  
16 year; and

17 (2) three percent of the value of the developing commercial  
18 fish species processed by a floating fisheries business during the  
19 year.

20 \* Sec. 2. AS 43.75.015(c) is amended to read:

21 (c) A person engaging or attempting to engage in a fisheries  
22 business who first actually and physically processes the fishery re-  
23 source, or a person who purchases a fishery resource which is frozen  
24 from a person excluded by AS 43.75.017 from liability for the tax, is  
25 liable for and shall pay to the department the entire tax imposed by  
26 this section. In determining this tax liability, the person may not  
27 deduct from the value of the fishery resources processed the value of  
28 fishery resources that are canned or processed for other fisheries busi-  
29 nesses, but shall include that value as part of the value of the fishery

resources processed.

\* Sec. 3. AS 43.75 is amended by adding a new section to read:

Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. (a) A person is not processing a fishery resource under AS 43.75.015 when the fishery resource is frozen aboard a fishing vessel if

(1) the vessel is operated as a commercial fishing vessel under a valid commercial fishing license;

(2) the fishery resource is not processed beyond heading, gutting or cleaning, freezing and glazing; and

(3) the fishery resource which is frozen was caught by the vessel.

\* Sec. 4. AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay

(1) to each municipality unified under AS 29.68.240 - 29.68.440, and to each city located in the unorganized borough, 50 [20] percent of the amount of tax revenue collected in the municipality from taxes levied by AS 43.75;

(2) to each city located within a borough, 25 [10] percent of the amount of tax revenue collected in the city from taxes levied by AS 43.75; and

(3) to each borough

(A) 50 [20] percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied by AS 43.75; and

(B) 25 [10] percent of the amount of tax revenue collected in cities located within the borough from taxes levied by AS 43.75.

\* Sec. 5. AS 43.76.020(a) is amended to read:

1 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-  
2 76.011 may be terminated by the commissioner of revenue upon majority  
3 vote at an election held under AS 43.76.015 in the region in which the  
4 salmon enhancement tax is levied.

5 \* Sec. 6. AS 43.75.136 is repealed.

6 \* Sec. 7. TRANSITION. The taxes paid for the 1980 calendar year under  
7 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130  
8 as that section read before its amendment by sec. 4 of this Act. The taxes  
9 paid for the 1981 calendar year and for each succeeding calendar year shall  
10 be shared with municipalities in accordance with AS 43.75.130 as amended by  
11 sec. 4 of this Act.

12 \* Sec. 8. Sections 2 and 3 of this Act are retroactive to January 1,  
13 1981, and apply to tax years beginning after December 31, 1980.

14 \* Sec. 9. Section 4 of this Act takes effect July 1, 1981.

15 \* Sec. 10. Sections 1 - 3 and 5 - 8 of this Act take effect immediately  
16 in accordance with AS 01.10.070(c).

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Introduced: 4/2/81  
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 460

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fisheries and salmon enhance-  
7 ment taxes; and providing for an effective date."

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

9 \* Section 1. AS 43.75.015(b) is amended to read:

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13 equal to

14 (1) one percent of the value of the developing commercial  
15 fish species processed by a shore-based fisheries business during the  
16 year; and

17 (2) three percent of t e value of the developing commercial  
18 fish species processed by a floating fisheries business during the  
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22 business who first actually and physically processes the fishery re-  
23 source, or a person who purchases a fishery resource which is frozen  
24 from a person excluded by AS 43.75.017 from liability for the tax, is  
25 liable for and shall pay to the department the entire tax imposed by  
26 this section. In determining this tax liability, the person may not  
27 deduct from the value of the fishery resources processed the value of  
28 fishery resources that are canned or processed for other fisheries busi-  
29 nesses, but shall include that value as part of the value of the fishery

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Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. (a) A person is not processing a fishery resource under AS 43.75.015 when the fishery resource is frozen aboard a fishing vessel if

(1) the vessel is operated as a commercial fishing vessel under a valid commercial fishing license;

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(3) the fishery resource which is frozen was caught by the vessel.

\* Sec. 4. AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay

(1) to each municipality unified under AS 29.68.240 - 29.68.440, and to each city located in the unorganized borough, 50 [20] percent of the amount of tax revenue collected in the municipality from taxes levied by AS 43.75;

(2) to each city located within a borough, 25 [10] percent of the amount of tax revenue collected in the city from taxes levied by AS 43.75; and

(3) to each borough

(A) 50 [20] percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied by AS 43.75; and

(B) 25 [10] percent of the amount of tax revenue collected in cities located within the borough from taxes levied by AS 43.75.

\* Sec. 5. AS 43.76.010(a) is amended to read:

1 (a) A person holding a limited entry permit under AS 16.43 shall  
2 pay a salmon enhancement tax at the rate of three percent of the value  
3 of salmon, as defined in AS 43.75.140(7), that the person removes from  
4 the state or sells to a buyer in the state. If the salmon are sold to  
5 a buyer, the buyer [PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCES-  
6 SOR] shall collect the salmon enhancement tax at the time of the sale.

7 \* Sec. 6. AS 43.76.011(a) is amended to read:

8 (a) A person holding a limited entry permit under AS 16.43 shall  
9 pay a salmon enhancement tax at the rate of two percent of the value of  
10 salmon, as defined in AS 43.75.140(7), that the person removes from the  
11 state or sells to a buyer in the state. If the salmon are sold to a  
12 buyer, the buyer [PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR]  
13 shall collect the salmon enhancement tax at the time of the sale.

14 \* Sec. 7. AS 43.76.020(a) is amended to read:

15 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-  
16 76.011 may be terminated by the commissioner of revenue upon majority  
17 vote at an election held under AS 43.76.015 in the region in which the  
18 salmon enhancement tax is levied.

19 \* Sec. 8. AS 43.76.025(a) is amended to read:

20 (a) A buyer [PROCESSOR] who buys fisheries resources which are  
21 subject to the salmon enhancement tax imposed by AS 43.76.010 or  
22 43.76.011 shall collect the salmon enhancement tax at the time of  
23 purchase, and shall remit the total salmon enhancement tax collected  
24 during each month to the Department of Revenue by the last day of the  
25 next month.

26 \* Sec. 9. AS 43.76.025(b) is amended to read:

27 (b) A buyer [PROCESSOR] who collects the salmon enhancement tax  
28 shall

29 (1) maintain records reflecting the region designated under

1 AS 16.10.375 in which the fishery resource was caught; and

2 (2) report to the Department of Revenue by March 1 of each  
3 year the total value, as defined in AS 43.75.140(7), of the salmon  
4 caught in each region designated under AS 16.10.375 which the buyer  
5 [PROCESSOR] has purchased during the preceding year.

6 \* Sec. 10. AS 43.76 is amended by adding a new section to read:

7 Sec. 43.76.028. LIABILITY FOR TAX ON SALMON SHIPPED FROM STATE.

8 (a) The owner of salmon removed from the state is liable for payment  
9 of the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 if,  
10 at the time the salmon are removed from the state, the tax payable on  
11 the salmon has not been collected by a buyer.

12 (b) If the owner of salmon is liable for payment of the salmon  
13 enhancement tax under (a) of this section, he shall comply with the  
14 requirement of AS 43.76.025(b) to report his liability for payment of  
15 the tax.

16 \* Sec. 11. AS 43.75.136 is repealed.

17 \* Sec. 12. TRANSITION. The taxes paid for the 1981 calendar year under  
18 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130  
19 as that section read before its amendment by sec. 4 of this Act. The taxes  
20 paid for the 1982 calendar year and for each succeeding calendar year shall  
21 be shared with municipalities in accordance with AS 43.75.130 as amended by  
22 sec. 4 of this Act.

23 \* Sec. 13. Sections 2 and 3 of this Act are retroactive to January 1,  
24 1981, and apply to tax years beginning after December 31, 1980.

25 \* Sec. 14. Section 4 of this Act takes effect July 1, 1981.

26 \* Sec. 15. Sections 1 - 3 and 5 - 13 of this Act take effect immediately  
27 in accordance with AS 01.10.070(c).

# COMMITTEE REPORT

## HOUSE

FURTHER:

(11)

2/24/82

Date:

4/16/82

Mr. Speaker:

The Committee on FINANCE has had HB 464

"An Act relating to vision and hearing examinations in public schools; and providing for an effective date."

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

464 (H255)

same title  
 new title

and recommends it do pass

AND attaches a "Letter of Intent"  New Fiscal Note

reports it back without recommendation

referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
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CHAIRMAN

Original sponsors: Zharoff and Beirne

Offered: 2/24/82  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 464 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to vision and hearing examinations in  
7 public schools; and providing for an effective date."

7

8

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

9

\* Section 1. AS 14.30 is amended by adding a new section to read:

10

Sec. 14.30.075. VISION AND HEARING SCREENING EXAMINATIONS. (a) A

11

vision and hearing screening examination shall be given to each child

12

attending public school in the state. The examination shall be made

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when the child enters school or as soon thereafter as is practicable,

14

and at regular intervals specified by regulation by the governing body

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of the district.

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(b) The Department of Health and Social Services shall

17

(1) set standards for the performance of vision and hearing

18

screening;

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(2) train and certify public health nurses and school district

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employees to conduct hearing and vision screening tests;

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(3) assist with referral and follow-up of children needing

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professional examination or treatment; and

23

(4) assist with maintenance and repair of screening equipment.

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(c) The Department of Health and Social Services shall pay school

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districts for vision and hearing screening examination. Payment shall

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be based on the cost per child for each examination.

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\* Sec. 2. This Act takes effect July 1, 1982.

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POSITION PAPER

CS for House Bill No. 464 (HESS)

"An Act relating to vision and hearing examinations in public schools; and providing for an effective date."

OVERVIEW

Periodic examination of school children to detect hearing impairment and vision abnormalities has long been considered a valuable and cost-effective preventive health measure. Simple tests can effectively and efficiently screen large numbers of children who are in need of corrective medical care or premedical education intervention. Early identification of hearing and vision abnormalities is critical in order to provide an opportunity for each child to maximize his learning experience.

The initiation of periodic vision and hearing examination of school children has been uniformly supported by the Departments of Education and Health and Social Services, local school districts, public health nurses, Native Corporations, the Governor's Council for the Handicapped and Gifted, and the private medical community. In spite of this widespread support, no uniform program currently exists in the State of Alaska. Recent reports by the Governor's Council for the Handicapped and Gifted and by the Blue Ribbon Committee on Otitis Media and Hearing Impairment strongly recommend legislation to establish a comprehensive program to provide for periodic vision and hearing examination of school children.

With the dramatic rise in health costs in Alaska and in the United States, efforts are increasingly being directed to preventive services and to use, where possible, nonmedical personnel. Screening examinations to identify children with hearing impairment or vision abnormalities can be performed effectively, rapidly, and inexpensively by appropriately trained lay personnel. The proposed legislation will allow vision and hearing tests to be performed by the lay people who are appropriately trained to conduct the examination. Periodic screening of all children in Alaska schools will allow for early intervention so that children with readily treatable impairments can be ameliorated and children with chronic or permanent impairments can be offered medical habilitation and educational program support.

The Department of Health and Social Services will have the responsibility to provide training and certification for persons doing vision and hearing screening and to assist with the needed referral and follow-up services.

This HESS Committee Substitute for HB 464 now has the features that were unanimously supported by the State Board of Education at its April 22, 1981 meeting. It contains all the features that our Department feels are essential for development of a quality vision and hearing screening program.

POSITION

The Department of Health and Social Services supports passage of this bill.

Approved by *Adrian J. Byrne*  
Commissioner of Health  
and Social Services

Approved by: *Marshall D. King*  
Commissioner of  
Education

Date: *4/21/82*

Date: *4/21/82*

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 464 (HESS)  
 Title An act relating to vision and hearing screening in public schools  
 Requested by House Finance Date 4/12/82

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected Family Health/Public Health  
 BRU, Program, Or Subprogram(s) Affected Child & Family Health  
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	0	43.3	47.6	52.3	57.5	63.3
200 TRAVEL	0	20.0	22.0	15.0	15.0	15.0
300 CONTRACTUAL	0	5.0	4.0	4.0	4.0	4.0
400 COMMODITIES	0	4.0	4.0	4.0	4.0	4.0
500 EQUIPMENT	0	4.2	3.0	2.0	1.5	1.5
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	199.3	220.0	240.0	260.0	280.0
TOTAL	0	276.3	300.6	317.3	342.0	367.8

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	0	276.3	300.6	317.3	342.0	367.8
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	0	1	1	1	1	1
PART TIME	0	0	0	0	0	0
TEMPORARY						

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

This fiscal note reflects the associated cost of a Public Health Nurse III, Range 18, Vision Health Consultant who will train nurses and para-professionals in vision screening skills and in management of the referral and follow-up of children found to be abnormal. This position will be located in Anchorage to minimize the extensive statewide travel requirements. Clerical support can be provided by continue funding of the Communicative Disorders Program, since there are features of hearing and vision screening activities that overlap. See attachment for a cost breakdown of this position.

The grant funds would be directed to school districts that request these funds for their costs in this screening activity.

IV. DATE 4/13/82 PREPARED BY David A. Spence  
 AGENCY H&SS/Public Health/Family Health  
 Original: Legislative Finance PHONE 465-3100  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

100 Personal Services		
Salary and benefits, Range 18, Anchorage		43,250
200 Travel		
In-state: 20 week long trips to regional centers throughout Alaska - Typical trip - Anchorage/Ft.Yukon/Anchorage		
Airfare	\$286	
Per diem X 5	450	
	<u>\$736</u>	
Average trip= \$800 X 20 trips =		16,000
Out of State		
Vision consultant travel to National Assoc. of Blind annual meeting on screening in New York		1,450
Hearing consultant to national meeting of hearing screening consultants - ex. Chicago		1,250
Guest speaker at an Alaska education meeting to emphasize importance of screening to educators		1,300
TOTAL		20,000
300 Contractual		
Office space 150 sq.ft. X \$1.00/sq. ft	1,800	
telephones and teleconference	1,000	
printing of materials, manuals	2,200	
TOTAL		5,000
400 Commodities		
Purchase of training materials, films, screening supplies, office supplies		4,000
500 Equipment		
Office furniture - desk, chairs, files	1,500	
Puretone audiometer	909	
Slide and film projector and other audio-visual equipment - vision testing equipment	1,800	
TOTAL		4,209

44  
(PFF)

Original sponsors: Zharoff and Beirne

Offered: 2/24/82  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

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CS FOR HOUSE BILL NO. 464 (HESS)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to vision and hearing examinations in public schools; and providing for an effective date."

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

\* Section 1. AS 14.30 is amended by adding a new section to read:

Sec. 14.30.075. VISION AND HEARING SCREENING EXAMINATIONS. (a) A vision and hearing screening examination shall be given to each child attending public school in the state. The examination shall be made when the child enters school or as soon thereafter as is practicable, and at regular intervals specified by regulation by the governing body of the district.

(b) The Department of Health and Social Services shall

(1) set standards for the performance of vision and hearing screening;

(2) train and certify public health nurses and school district employees to conduct hearing and vision screening tests;

(3) assist with referral and follow-up of children needing professional examination or treatment; and

(4) assist with maintenance and repair of screening equipment.

(c) The Department of Health and Social Services shall pay school districts for vision and hearing screening examination. Payment shall be based on the cost per child for each examination.

\* Sec. 2. This Act takes effect July 1, 1982.

POSITION PAPER

CS HB 465 (HESS)

"An Act making special appropriations to the Department of Health and Social Services for a vision and hearing screening program; and providing for an effective date."

EFFECTS OF THIS LEGISLATION:


Section 1. This amount of \$76,459 will support salary, travel, and material support for a vision consultant. The analogous activity in regard to hearing screening can be assumed by the existing appropriations to the Communicative Disorders Program component in the Child and Family Health BRU. The Department of Health and Social Service's responsibilities outlined in CS HB 464 can reasonably be accomplished with these resources.

Section 2. This amount of \$199,836 was determined by multiplying the number of public school children in the five grades which should be screened for vision or hearing times a cost of \$3 per screening event. This figure was derived from analysis of similar screening activity in other states. It assumes that larger school districts would continue to use school nurses to organize this activity and that smaller, rural districts would continue to use Public Health Nurses. This incremental cost will be for some equipment and supplies, for training of volunteers, and for salary support where necessary. We have received input from a number of districts, both large and small, that they will gladly perform the screening if our Department would just provide the necessary training and organizational support to make vision and hearing screening a truly effective program.

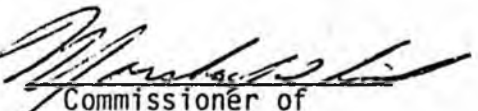
POSITION

The Department of Health and Social Services and the Department of Education both support passage of this bill.

Approved by:

  
Commissioner of Health  
and Social Services

Approved by:

  
Commissioner of  
Education

Date:

4-14-82

Date:

4/19/82

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 465 (HESS)  
Title Vision & Hearing Screening  
Requested by House Finance Date 4/2/82

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
Program Category Affected Health/Public Health  
BRU, Program, Or Subprogram(s) Affected \_\_\_\_\_

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

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
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 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 Instruction, Section III)

This bill has no fiscal impact on the Department of Health & Social Services but is an appropriation bill to offset the financial impact of CSHB 464 (HESS).

IV. DATE April 12 1982 PREPARED BY David A. Spence, M.D. ACC  
AGENCY Section of Family Health /  
Original: Legislative Finance PHONE 465-3100  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)  
33-001 (Rev. 12/81)

PH  
CPKE

Original sponsors: Zharoff and Beirne

Offered: 2/24/82  
Referred: Finance

<u>Funding Information</u>	
General Fund	\$276,295
Other Funds	-0-
	<u>\$276,295</u>

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 465 (HESS)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Department  
7 of Health and Social Services for a vision and hearing  
8 screening program; and providing for an effective  
9 date."

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

11 \* Section 1. The sum of \$76,459 is appropriated from the general fund to  
12 the Department of Health and Social Services for a vision consultant position  
13 and expenses in training public health nurses and school personnel to conduct  
14 hearing and vision screening tests for children in public schools as required  
15 by AS 14.30.075.

16 \* Sec. 2. The sum of \$199,836 is appropriated from the general fund to  
17 the Department of Health and Social Services for payment to school districts  
18 for conducting hearing and vision screening tests as required by AS 14.30.075.

19 \* Sec. 3. This Act takes effect on the effective date of an Act entitled  
20 "An Act relating to vision and hearing examinations in public schools, and  
21 providing for an effective date."

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Introduced: 4/2/81  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY ZHAROFF

2 HOUSE BILL NO. 464

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to vision and hearing examinations in  
7 public schools; and providing for an effective date."

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

9 \* Section 1. AS 14.30 is amended by adding a new section to read:

10 Sec. 14.30.075. VISION AND HEARING SCREENING EXAMINATIONS. (a)

11 A vision and hearing screening examination shall be given to each child  
12 attending public school in the state. The examination shall be made  
13 when the child enters school or as soon thereafter as is practicable,  
14 and at regular intervals considered advisable by the governing body of  
15 the district.

16 (b) The Department of Health and Social Services shall train and  
17 certify public health nurses and school district employees to conduct  
18 hearing and vision screening tests, assist with referral and follow-up  
19 of children needing professional examination or treatment, and assist  
20 with maintenance and repair of screening equipment.

21 (c) The Department of Education shall pay school districts for  
22 vision and hearing screening examination. Payment shall be based on  
23 the cost per child for each examination.

24 \* Sec. 2. This Act takes effect July 1, 1981.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 464  
 Title An Act relating to vision and hearing screening in public schools  
 Requested by Commissioner's Office Date 2/9/82

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected Health/Public Health  
 BRU, Program, Or Subprogram(s) Affected Child and Family Health  
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	0	43,250	47,575	52,332	57,565	63,321
200 TRAVEL	0	20,000	22,000	15,000	15,000	15,000
300 CONTRACTUAL	0	5,000	4,000	4,000	4,000	4,000
400 COMMODITIES	0	4,000	4,000	4,000	4,000	4,000
500 EQUIPMENT	0	4,209	3,000	2,000	1,500	1,500
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>76,459</b>	<b>80,575</b>	<b>77,332</b>	<b>82,065</b>	<b>87,821</b>

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	0	76,459	80,575	77,332	82,065	87,821
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	1	1	1	1	1	1
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

This fiscal note reflects the associated cost of a Public Health Nurse III, Range 18, Vision Health Consultant who will train nurses and para-professionals in vision screening skills and in management of the referral and follow-up of children found to be abnormal. This position will be located in Anchorage to minimize the extensive statewide travel requirements. Clerical support can be provided by continued funding of the Communicative Disorders Program, since there are features of hearing and vision screening activities that overlap.

SEE ATTACHMENT

IV. DATE 2/9/82

PREPARED BY: David A. Spence, M.D.

AGENCY Dept. of Health & Social Services

PHONE 465-3100

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

*Jcc*

## POSITION PAPER

HB 464 and HB 465

"Acts relating to vision and hearing examinations in public schools and providing special appropriations..."

OVERVIEW

Periodic examination of school children to detect hearing impairment and visual abnormalities has long been considered a valuable and cost effective preventive health measure. Simple tests can effectively and efficiently screen large numbers of children at minimal cost in order to identify those children who are in need of further corrective medical or remedial intervention. Early identification of hearing and vision abnormalities is critical in order to provide an opportunity for each child to maximize his learning experience.

The initiation of periodic vision and hearing examination of school children has been uniformly supported by the Departments of Education and Health & Social Services, local school districts, public health nurses, Native Corporations, the Governor's Council on the Gifted and Handicapped, and the private medical community. In spite of this widespread support, no uniform program currently exists in the State of Alaska. Recent reports by the Governor's Council on the Gifted and Handicapped and by a Blue Ribbon Committee on Otitis Media and Hearing Impairment strongly recommend legislation to establish a comprehensive program to provide for periodic vision and hearing examination of school children.

With the dramatic rise in health costs in Alaska and in the United States, efforts are increasingly being directed to preventive services and to the use, where possible, of non-medical personnel. Screening examinations which can identify children with hearing impairment or visual abnormalities can be performed effectively, rapidly, and inexpensively by appropriately trained lay personnel. Children who fail the initial screening examination are then referred for further evaluation, diagnosis, treatment, and remediation. A cost-effective program relies upon the use of trained lay personnel. The proposed legislation will allow vision and hearing tests to be performed by lay people who are appropriately trained to conduct the examinations. Periodic screening of all children in Alaska schools will allow for early intervention so that children with readily identifiable and readily treatable impairments can be identified. Children with chronic or permanent impairments will be offered remedial educational programs.

The Department of Health and Social Services will have the responsibility to provide training and certification for persons doing vision and hearing screening and to assist with the needed referral and follow-up services. During its April 22, 1981, regular meeting, the State Board of Education voted unanimously to support the concept of HB-464 and to recommend that Section 2 of HB-465 be amended by making the appropriation to the Department of Health and Social Services rather than the Department of Education.

DISCUSSION

The Department of Health and Social Services attempted to implement this same program by regulation under AS 14.30.065-120. However, the public hearing on that proposal pointed out the need for a statute of this nature, because of the requirement for a physician or nurse to do the examination under existing statute.

In addition to HB 464, p. 1, line 16 of "... .. and Social Services shall set standards for performance of vision and hearing screening, shall train and ... .." and the addition to p. 1, line 14, of "... .. and at regular intervals as specified by regulation [considered advisable] by the ... .." would improve the ability of the State to ensure a quality program.

This legislation will enable the screening activities to be conducted in a comprehensive and coordinated fashion, combining the support services of both health and education agencies.

POSITION: With the proposed amendment, the departments support these bills.

Approved by: *H. D. Bair*  
Commissioner of Health  
and Social Services

Approved by: *J. M. ...*  
Commissioner of  
Education

Date: *4/28/81*

Date: *5/1/81*



February 23, 1981

## LEGISLATIVE PROPOSAL

### VISION AND HEARING SCREENING OF SCHOOL-AGE CHILDREN

SE: The State of Alaska should insure that adequate resources are provided so that all school-age children receive periodic vision and hearing screening.

There is a definite relationship between a child's physical well-being and his/her readiness to learn. Seventy-five per cent of all learning is attained through the sense of vision. A great deal of learning is obtained by auditory means. Undetected vision and hearing difficulties can and do adversely affect a child's school adjustment, learning, and health.

While many school districts (22 of 33 districts which responded to a 1980 survey) conduct some type of vision and hearing screening, other districts do not. There is presently no requirement for all children to receive vision and hearing screening.

#### RECOMMENDATIONS:

School vision and hearing screening programs should be required to:

1. Identify children who may have vision or hearing problems.
2. Inform parents of each child who fails screening of the possibility of a problem.
3. Recommend to the parents, when appropriate, that professional examination and/or treatment be sought and instituted.
4. Refer children who have a vision or hearing impairment (as identified by a physician, audiologist or eye specialist) for evaluation of the educational and communication implications of the hearing loss or vision impairment.
5. Inform the child's teacher of the vision or hearing difficulty.
6. Maintain records of the status of children referred to insure that needed services are obtained whenever possible.
7. Maintain records of the over-all screening program activities and complete and transmit reports of these activities at the close of each school year.

PROGRAM: A statewide screening system must include the following:

1. Regulations, program standards and guidelines adopted by the Department of Health and Social Services in conjunction with the Department of Education.
2. General supervision of school district screening programs by the Department of Health and Social Services:

Vision Consultant Public Health Nurse in the Division of Public Health for vision screening.

Communicative Disorders Program in the Division of Public Health for hearing screening.

3. Training and certification of screening personnel by the Department of Health and Social Services.
4. Funding for local school districts on a cost per child basis and funding for general statewide program supervision and training of screening personnel.

RATIONALE: The Department of Health and Social Services position states that:

Screening to detect vision and hearing impairments is a valuable and cost-effective preventive health measure. Simple tests can effectively and efficiently screen large numbers of children at minimal cost in order to identify those children in need of further treatment or intervention. Early identification is critical in order to provide an opportunity for each child to maximize his/her learning experience.

The initiation of periodic vision and hearing screening of school children has been uniformly supported by the Departments of Education and Health and Social Services, local school districts, public health nurses, native corporations, the Governor's Council for the Handicapped and Gifted, and the private medical community.

With the dramatic rise in health costs in Alaska and the United States, efforts are increasingly being directed to preventive services and to the use, where possible, of non-medical personnel. Screening examinations which can identify children with vision or hearing impairments can be performed effectively, rapidly, and inexpensively by appropriately trained lay personnel. Children who fail the initial screening are referred for further evaluation, diagnosis, treatment, and remediation. Children with chronic or permanent impairments will be identified so that remedial or special education programs can be appropriately provided.

LEGISLATIVE OPTIONS:

PRIORITY 1: New legislation under educational statutes, Section 14 as follows:

"An Act relating to vision and hearing screening in the schools,  
and providing for an effective date."

Section 14.30.080. Vision and hearing screening required. Vision and hearing screening shall be required for all school children.

(a) Screening shall be done in accordance with regulations promulgated by the Department of Health and Social Services in cooperation with the Department of Education.

(b) The Department of Health and Social Services shall train local school district screening personnel, assist with referral and follow-up of children needing professional examination or treatment, and assist with maintenance and repair of screening equipment.

(c) Local personnel conducting vision and hearing screening shall be trained and certified by the Department of Health and Social Services.

(d) School districts shall receive funds for screening from the Department of Education on the basis of cost per child per screening event.

(e) This Act takes effect July 1, 1981.

PRIORITY 2: Amend existing physical examination statute as follows:

Section 1. AS 14.30.070 is amended by adding a new sub-section to read:

(d) Vision and hearing screening examinations required by regulations promulgated under AS 14.30.065 shall be made by a competent individual authorized by the commissioner of health and social services to perform such tests.

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



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

Health, Education & Social Services

Pouch V  
State Capitol  
Juneau, Alaska 99811

February 22, 1982

The Honorable Al Adams, Chairman  
House Committee on Finance  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

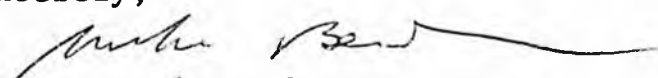
Dear Mr. Chairman:

The House Committee on Health, Education and Social Services is referring House Bills 464 and 465 to your committee with the recommendation that the scope of the bills be broadened to include private school children as candidates for vision and hearing examinations. These examinations will be funded through the Department of Health and Social Services.

The Committee did not amend these bills in this respect because they were awaiting legal clarification of the constitutionality of this point. This opinion is attached for your reference.

The Committee feels that preventive examinations should be made available to the full range of children in the school system. Children in private schools also need this preventive care and might miss their opportunity if they move from one system to another. In order to enhance the health of the state's residents as a whole, the recommendation for amendment is offered.

Sincerely,

  
Representative Mike Beirne  
Chairman  
House Committee on Health, Education  
and Social Services

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 17, 1982

SUBJECT:           Constitutionality of providing state-sponsored  
                  vision and hearing examinations to private  
                  school pupils (CSHB 464 (HESS))

TO:                Representative Michael F. Beirne  
                  Chairman, House Health, Education  
                  and Social Services Committee

FROM:             Edward H. Hein *EHA*  
                  Legislative Counsel

You have asked whether it would be constitutional to extend to private school children the state sponsored vision and hearing examinations proposed for public school children in CSHB 464 (HESS).

Under both the federal and Alaska constitutions the legislature is prohibited from making laws "respecting an establishment of religion". U.S. Constitution, Amendments I, XIV; Alaska Constitution, Article I, Sec. 4. State aid to private schools does not violate the establishment clause if the aid is for a clearly secular purpose, neither advances nor inhibits religion, and does not foster excessive entanglements by the state with religion. Committee for Public Education v. Nyquist, 413 U.S. 756 (1973). Under this test, providing funds for vision and hearing examinations for all school children would not violate the establishment clause.

The Alaska Constitution, Article VII, Sec. 1 also provides that "no money shall be paid from public funds for the direct benefit of any religious or other private educational institution". The test under this section is whether the aid would directly benefit the private school. As our Supreme Court has stated,

Representative Michael F. Béirne  
Page 2  
February 17, 1982

Though any state assistance that relieves the burden on a private school to provide for the health and welfare of its students will free the school to concentrate its funds on its private educational mission, numerous delegates (at the constitutional convention) voiced their understanding that the direct benefit clause would not bar such incidental support.

Sheldon Jackson College v. State, 599 P.2d 127, 130 (Alaska 1979).

Providing for vision and hearing exams would clearly be for the health and welfare of students. Under the proposed plan, schools and school districts would merely be the conduit for providing this benefit to the students. The students, and not the schools, would directly benefit from the examinations.

Thus, providing for vision and hearing examinations for both public and private school children would violate neither the federal nor the Alaska Constitutions.

EHH:ljb

Enclosure

Introduced: 4/2/81  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY ZHAROFF

2 HOUSE BILL NO. 464

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to vision and hearing examinations in  
7 public schools; and providing for an effective date."

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

9 \* Section 1. AS 14.30 is amended by adding a new section to read:

10 Sec. 14.30.075. VISION AND HEARING SCREENING EXAMINATIONS. (a)

11 A vision and hearing screening examination shall be given to each child  
12 attending public school in the state. The examination shall be made  
13 when the child enters school or as soon thereafter as is practicable,  
14 and at regular intervals considered advisable by the governing body of  
15 the district.

16 (b) The Department of Health and Social Services shall train and  
17 certify public health nurses and school district employees to conduct  
18 hearing and vision screening tests, assist with referral and follow-up  
19 of children needing professional examination or treatment, and assist  
20 with maintenance and repair of screening equipment.

21 (c) The Department of Education shall pay school districts for  
22 vision and hearing screening examination. Payment shall be based on  
23 the cost per child for each examination.

24 \* Sec. 2. This Act takes effect July 1, 1981.

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Original sponsors: Zharoff and Beirne

Offered: 2/24/82  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 464 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to vision and hearing examinations in  
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11 vision and hearing screening examination shall be given to each child  
12 attending public school in the state. The examination shall be made  
13 when the child enters school or as soon thereafter as is practicable,  
14 and at regular intervals specified by regulation by the governing body  
15 of the district.

16 (b) The Department of Health and Social Services shall

17 (1) set standards for the performance of vision and hearing  
18 screening;

19 (2) train and certify public health nurses and school district  
20 employees to conduct hearing and vision screening tests;

21 (3) assist with referral and follow-up of children needing  
22 professional examination or treatment; and

23 (4) assist with maintenance and repair of screening equipment.

24 (c) The Department of Health and Social Services shall pay school  
25 districts for vision and hearing screening examination. Payment shall  
26 be based on the cost per child for each examination.

27 \* Sec. 2. This Act takes effect July 1, 1982.

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COMMITTEE REPORT

HOUSE

FURTHER:

(11)

2/24/82

Date: 4/16/82

Mr. Speaker:

The Committee on FINANCE has had HB 465

"An Act making special appropriations for a vision and hearing screening program; and providing for an effective date."

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 HB 465 (1/855)  same title  
 new title  
 and recommends it do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

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[Signature]  
CHAIRMAN

Original sponsors: Zharoff and Beirne

Offered: 2/24/82  
Referred: Finance

Funding Information

General Fund	\$276,295
Other Funds	-0-
	<u>\$276,295</u>

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 465 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Department  
7 of Health and Social Services for a vision and hearing  
8 screening program; and providing for an effective  
9 date."

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

11 \* Section 1. The sum of \$76,459 is appropriated from the general fund to  
12 the Department of Health and Social Services for a vision consultant position  
13 and expenses in training public health nurses and school personnel to conduct  
14 hearing and vision screening tests for children in public schools as required  
15 by AS 14.30.075.

16 \* Sec. 2. The sum of \$199,836 is appropriated from the general fund to  
17 the Department of Health and Social Services for payment to school districts  
18 for conducting hearing and vision screening tests as required by AS 14.30.075.

19 \* Sec. 3. This Act takes effect on the effective date of an Act entitled  
20 "An Act relating to vision and hearing examinations in public schools; and  
21 providing for an effective date."

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Original sponsors: Zharoff and Beirne

Offered: 2/24/82  
Referred: Finance

Funding Information

General Fund	\$276,295
Other Funds	-0-
	<u>\$276,295</u>

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

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CS FOR HOUSE BILL NO. 465 (HESS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making special appropriations to the Department of Health and Social Services for a vision and hearing screening program; and providing for an effective date."

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\* Sec. 3. This Act takes effect on the effective date of an Act entitled "An Act relating to vision and hearing examinations in public schools; and providing for an effective date."

Funding Information  
General Fund \$276,295  
Other Funds -0-  
\$276,295

Introduced: 4/2/81  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY ZHAROFF

2 HOUSE BILL NO. 465

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for a vision and  
7 hearing screening program; and providing for an effec-  
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19 "An Act relating to vision and hearing examinations in public schools; and  
20 providing for an effective date."

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COMMITTEE REPORT

HOUSE

FURTHER:

4/3/81

(11)

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 469

"An Act making a special appropriation for the Fairbanks Outboard Association; and providing for an effective date."

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:

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CHAIRMAN

*Dofa*  
*12-1168*

Funding Information  
General Fund \$10,000  
Other Funds -0-  
\$10,000

Introduced: 4/3/81  
Referred: Finance

1 IN THE HOUSE

BY MOSS

2 HOUSE BILL NO. 469

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for the  
7 Fairbanks Outboard Association; and providing for an  
8 effective date."

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

10 \* Section 1. The sum of \$10,000 is appropriated from the general fund to  
11 the Department of Community and Regional Affairs for payment as a grant to  
12 the Fairbanks Outboard Association.

13 \* Sec. 2. The appropriation made by this Act shall be disbursed in  
14 accordance with AS 37.05.315.

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

ALASKA STATE LEGISLATURE

TWELFTH. Legislature FIRST... Session

HOUSE BILL..... NO. ...469.

By .MOSS.....

"An Act making a special appropriation for the Fairbanks Outboard Association; and providing for an effective date."

Spec. appro./Fairbanks Outboard Assoc.

Introduced in the House ..4/3....., 19. 81

HISTORY IN THE HOUSE

1981	Read first time and referred to Committee on												
Apr 3	Finance												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
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PASS	Effective Date												
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Nays	Nays												
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Excused	Excused												
	Reported correctly engrossed												
	Signed by Speaker												
	Sent to Senate												
CHIEF CLERK OF THE HOUSE													

HISTORY IN THE SENATE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
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PASS	Effective Date												
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	Reported correctly engrossed												
	Signed by President												
	Returned to House												
SECRETARY OF THE SENATE													

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor  ..... by Governor
	Filed with Lt. Governor
	Chapter No. ....

Funding Information  
General Fund \$10,000  
Other Funds -0-  
\$10,000

Introduced: 4/3/81  
Referred: Finance

1 IN THE HOUSE

BY MOSS

2

HOUSE BILL NO. 469

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation for the

7

Fairbanks Outboard Association; and providing for an

8

effective date."

9

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

10

\* Section 1. The sum of \$10,000 is appropriated from the general fund to

11

the Department of Community and Regional Affairs for payment as a grant to

12

the Fairbanks Outboard Association.

13

\* Sec. 2. The appropriation made by this Act shall be disbursed in

14

accordance with AS 37.05.315.

15

\* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

16

070(c).

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# **CORRECTION**

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

Funding Information

General Fund \$10,000  
Other Funds -0-  
\$10,000

Introduced: 4/3/81  
Referred: Finance

1 IN THE HOUSE

BY MOSS

2 HOUSE BILL NO. 469

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for the  
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15 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
16 070(c).

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Original sponsor: Resources Committee

Offered: 4/20/81  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 472 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the maximum amounts which may be  
7 loaned under the fisheries enhancement loan program."

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8

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

9

\* Section 1. AS 16.10.520(a) is amended to read:

10

(a) A single fisheries enhancement loan may not exceed

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\$10,000,000 [\$6,000,000] for a hatchery or other enhancement or

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rehabilitation activity conducted under a permit granted to a qualified

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regional association which has formed a nonprofit corporation, or to a

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local nonprofit corporation approved by a qualified regional associa-

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tion. A loan for any other nonprofit hatchery corporation project may

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not exceed \$1,000,000.

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## SALMON ENHANCEMENT LOAN FUND ADJUSTMENT

### Position Paper

The Salmon Enhancement loan limit should be increased from the present \$6 million maximum to \$10 million maximum per facility for several reasons: (1) inflation of construction costs; (2) improved return on investment of larger facilities; (3) changing enhancement strategies that are directed towards improving the Alaskan salmon industry's competitive position by a sustained production at a higher level; and (4) to allow for better fisheries management of wild and hatchery fish and longer availability of fish to harvestors.

(1) Construction Inflation. Major public hatcheries, even those started several years ago, when completed cost in excess of \$10 million, eg. Klawock, Hidden Falls, Snettisham, Main Bay, Ship Creek, Russell Creek. Inflation, while diminishing lately, has caused numerous cost increases after bid acceptance. Full economic benefits are quite difficult to realize when projects are only partially constructed, thus unable to meet planning assumptions. The production necessary to have hatcheries cover fixed and variable costs may require expenditures above what can be provided within a \$6 million ceiling.

(2) Improved Return on Investment. The unit cost of producing salmon has been demonstrated to drop when more are raised at individual facilities. Lower unit costs result in a lower percentage of the total hatchery production having to be sold for operations and debt retirement. Consequently more fish are available to subsistence, sports and commercial fishermen and women--the central objective of the salmon enhancement program.

(3) Salmon Industry Competitive Position. The long run world output of salmon is increasing due to improved management, as well as the output of Russian, Japanese and North American hatcheries. Salmon are an international commodity, and if Alaska is to maintain and improve its market share and economic position, our industry must be as cost competitive as possible. By constructing larger, more cost effective hatcheries, a higher base level of production can be developed. Extreme environmentally caused variations in run sizes that are characteristic of wild fish (six-fold between 1974 and 1982) may well be reduced to as low as two-fold. Processors can consequently produce a steadier output. Much needed private investment in the processing sector becomes significantly more attractive.

(4) Fisheries Management. In order to insure maximum protection to wild fish, hatcheries are better off raising several

stocks and species of salmon, eg., and early and late returning stock of the same species will minimize interaction of local mid-run timed wild stocks. Also, fish will be available for catching and processing for a longer period of time. Multi-stock and species hatcheries, however, do require larger initial investments but may actually have lower operational costs due to fewer fish being present at any one time.

Ronald W. Wendte

Ronald W. Wendte  
Executive Director  
Southern Southeast Regional  
Aquaculture Association

Armin F. Koernig

Armin Koernig  
President  
Prince William Sound  
Aquaculture Corporation

Thomas E. Mears

for Floyd Heimbuch  
Executive Director  
Cook Inlet Aquaculture  
Association

Peter Esquiro

Peter Esquiro  
General Manager  
Northern Southeast Regional  
Aquaculture Association

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 472 -- An act relating to the maximum amounts which may be loaned  
 Title under the fisheries enhancement loan program  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Commerce & Economic Development  
 Program Category Affected Development  
 BRU, Program, or Subprogram(s) Affected Division of Business Loans  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The additional loans to be generated by the increased limits can be processed and serviced by the existing staff.

IV. DATE 4-22-81 PREPARED BY Sharon Traylor, Director  
 AGENCY Commerce & Economic Dev., Division of Business Loans  
 PHONE 465-2510  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

# COMMITTEE REPORT

## HOUSE

4/20/81

FURTHER:

(11)

Date: May 14, 1981

Mr. Speaker:

The Committee on FINANCE has had HE 472

"An Act relating to the maximum amounts which may be loaned under the fisheries enhancement loan program."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HE 472 (LCS)  same title
- new title
- and recommends individual loan
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

[Signature]  
\_\_\_\_\_  
[Signature]  
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[Signature]  
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[Signature]  
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\_\_\_\_\_

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

[Signature]  
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[Signature]  
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[Signature]  
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\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
CHAIRMAN

Original sponsor: Resources Committee

Offered: 4/20/81  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 472 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the maximum amounts which may be  
7 loaned under the fisheries enhancement loan program."

7

8

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

9

\* Section 1. AS 16.10.520(a) is amended to read:

10

(a) A single fisheries enhancement loan may not exceed

11

\$10,000,000 [\$6,000,000] for a hatchery or other enhancement or

12

rehabilitation activity conducted under a permit granted to a qualified

13

regional association which has formed a nonprofit corporation, or to a

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local nonprofit corporation approved by a qualified regional associa-

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tion. A loan for any other nonprofit hatchery corporation project may

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not exceed \$1,000,000.

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FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 472 -- An act relating to the maximum amounts which may be loaned  
 Title under the fisheries enhancement loan program  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Commerce & Economic Development  
 Program Category Affected Development  
 BRU, Program, or Subprogram(s) Affected Division of Business Loans  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The additional loans to be generated by the increased limits can be processed and serviced by the existing staff.

IV. DATE 4-22-81

PREPARED BY Sharon Traylor, Director  
 AGENCY Commerce & Economic Dev., Division of Business Loans  
 PHONE 465-2510

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

Introduced: 4/3/81  
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 472

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the maximum amounts which may be  
7 loaned under the fisheries enhancement loan program."

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

9 \* Section 1. AS 16.10.520(a) is amended to read:

10 (a) A single fisheries enhancement loan may not exceed  
11 \$10,000,000 [\$6,000,000] for a hatchery or other enhancement or  
12 rehabilitation activity conducted under a permit granted to a qualified  
13 regional association which has formed a nonprofit corporation, or to a  
14 local nonprofit corporation approved by a qualified regional associa-  
15 tion unless the legislature has approved the loan by concurrent resolu-  
16 tion. A loan for any other nonprofit hatchery corporation project may  
17 not exceed \$1,000,000.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

HB 472

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 472 -- An act relating to the maximum amounts which may be loaned  
Title under the fisheries enhancement loan program.  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development  
 Program Category Affected Development  
 BRU, Program, or Subprogram(s) Affected Division of Business Loans  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The additional loans to be generated by the increased limits can be processed and serviced by the existing staff.

*Sharon Traylor*

IV. DATE 4/9/81 PREPARED BY Sharon Traylor, Director  
 AGENCY Commerce & Economic Dev., Division of Business Loans  
 PHONE 465-2510  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)





# COMMITTEE REPORT

## HOUSE

4/16

FURTHER: FINANCE

4/3/81

(11)

Date: 4/15/81

Mr. Speaker:

The Committee on RESOURCES has had HB 471

"An Act making a special appropriation for the fisheries enhancement revolving loan fund; and providing for an effective date."

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
- and recommends \_\_\_\_\_  new title
- 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:**

Terry Gardini

Paul T. Zboroff

Joseph H. ...

Eric G. Sutcliffe

Ben ...

...

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

J. Smith No Rec

\_\_\_\_\_

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Terry Gardini  
Co-CHAIRMAN

Paul T. Zboroff

Guthrie/Crow  
12-12-71

Funding Information  
General Fund \$25,000,000  
Other Funds -0-  
\$25,000,000

Introduced: 4/3/81  
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 471

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for the fish-  
7 eries enhancement revolving loan fund; and providing  
8 for an effective date."

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

10 \* Section 1. The sum of \$25,000,000 is appropriated from the general  
11 fund to the Department of Commerce and Economic Development for the fisheries  
12 enhancement revolving loan fund (AS 16.10.505).

13 \* Sec. 2. This Act takes effect July 1, 1981.  
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COMMITTEE COPY

**ALASKA STATE LEGISLATURE**

TWELFTH Legislature FIRST Session

HOUSE ...BILL..... NO. ...471.

By THE RESOURCES COMMITTEE...

"An Act making a special appropriation for the fisheries enhancement revolving loan fund and providing for an effective date."

Spec. appro./fisheries enhancement revolving loan fund

Introduced in the House ...4/3..., 19...81

**HISTORY IN THE HOUSE**

19	21	Read first time and referred to Committee on <b>Resources and Finance</b>										
Apr	3	Reported back with recommendation that										
		Read second time and										
		Read third time and										
		<table border="0"> <tr> <td><b>PASS</b></td> <td><b>Effective Date</b></td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	<b>PASS</b>	<b>Effective Date</b>	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
<b>PASS</b>	<b>Effective Date</b>											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		<p style="text-align: center;">Reconsideration</p> <table border="0"> <tr> <td><b>PASS</b></td> <td><b>Effective Date</b></td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	<b>PASS</b>	<b>Effective Date</b>	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
<b>PASS</b>	<b>Effective Date</b>											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reported correctly engrossed Signed by Speaker Sent to Senate										

CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

19		Read first time and referred to Committee on										
		Reported back with recommendation that										
		Read second time and										
		Read third time and										
		<table border="0"> <tr> <td><b>PASS</b></td> <td><b>Effective Date</b></td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	<b>PASS</b>	<b>Effective Date</b>	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
<b>PASS</b>	<b>Effective Date</b>											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		<p style="text-align: center;">Reconsideration</p> <table border="0"> <tr> <td><b>PASS</b></td> <td><b>Effective Date</b></td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	<b>PASS</b>	<b>Effective Date</b>	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
<b>PASS</b>	<b>Effective Date</b>											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reported correctly engrossed Signed by President Returned to House										

SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19		Received from Senate
		Concurred in Senate amendment thus adopting: <b>VOTE</b>
		Failed to concur in Senate amendment; asked Senate to recede <b>VOTE</b>
		Senate receded from amendment <b>VOTE</b>
		Senate failed to recede from amendment <b>VOTE</b>
		CC appointed by House
		CC appointed by Senate
		CC adopted by House <b>VOTE</b>
		CC adopted by Senate <b>VOTE</b>
		To enrolling Reported correctly enrolled Sent to Governor  ..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

Funding Information  
General Fund \$25,000,000  
Other Funds -0-  
\$25,000,000

Introduced: 4/3/81  
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

HOUSE BILL NO. 471

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation for the fish-  
7 eries enhancement revolving loan fund; and providing  
8 for an effective date."

9

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

10

\* Section 1. The sum of \$25,000,000 is appropriated from the general  
11 fund to the Department of Commerce and Economic Development for the fisheries  
12 enhancement revolving loan fund (AS 16.10.505).

13

\* Sec. 2. This Act takes effect July 1, 1981.

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THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

HB 471

I. REQUEST

Bill/Resolution No. HB 471 -- An act making a special appropriation for the fisheries enhancement revolving loan fund.  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development  
Program Category Affected Development  
BRU, Program, or Subprogram(s) Affected Division of Business Loans  
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE 4/9/81

PREPARED BY Sharon Traylor, Director  
AGENCY Commerce & Economic Dev., Division of Business Loans  
PHONE 465-2510

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

011917

# **CORRECTION**

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

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

HB 471

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 471 -- An act making a special appropriation for the fisheries enhancement revolving loan fund.

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Division of Business Loans

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

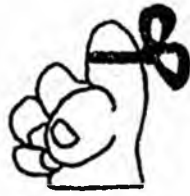
No fiscal impact.

IV. DATE 4/9/81 PREPARED BY Sharon Traylor, Director  
 AGENCY Commerce & Economic Dev., Division of Business Loans  
 PHONE 465-2510

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

# Alaska House of Representatives

## MEMO



Phone: 465-3725  
Room: 214 Capitol

From the desk of CHIEF CLERK

TO: FINANCE DATE: 2/8

*pick up*

Please return HB 478 to the Chief Clerk's Office as it has been withdrawn by sponsor.

Thank you.

*519*

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL  
JUNEAU, ALASKA 99811

465-3600

March 31, 1981

Honorable Don Bennett  
Honorable Ed Dankworth  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Re: Lower Kuskokwim REAA claim  
Our file: J-77-149-81

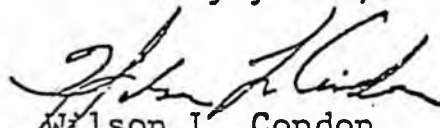
Dear Senators Bennett and Dankworth:

This responds to your request for advice on this matter.

First, there is an arguable basis for ultimate liability on the part of the state for contractor claims arising from school construction projects by a rural educational attendance area. It is our position that the state is, at most, morally obligated to make good on the claim. But a contractor could argue that school construction is a state responsibility and that, assuming the claim to be valid, the state must pay.

Second, notwithstanding the above, legislation for a contingent appropriation for the Lower Kuskokwim claim is not called for at this time. Should the parties get well along in the arbitration process and should a substantial likelihood of a large award emerge, then a contingent appropriation would be appropriate. Until that occurs, and it may well never occur, the legislature's acting on this matter might well constitute an unnecessary intrusion into the dispute resolution process.

Sincerely yours,

  
Wilson L. Condon  
Attorney General

WLC/pjg

cc: Edward A. Merdes, Esq.  
Stephen L. Nourse, Esq.  
Saul R. Friedman, Esq.

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6 For an Act entitled: "An Act making a special contingency appropriation to  
7 the Department of Transportation and Public Facilities  
8 for the Lower Kuskokwim REAA; and providing for an ef-  
9 fective date."

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

1 \* Section 1. An amount not to exceed the total of the claim stated in  
2 the Claim for Additional and Change Work on the Bethel area schools pre-  
3 sented by Modern Construction, Inc. (Modern) and dated December 3, 1980, is  
4 appropriated to the Department of Transportation and Public Facilities to  
5 pay the amount of any arbitration award or settlement made on that claim  
6 pursuant to the settlement agreement between Modern and the Lower Kuskokwim  
7 REAA (REAA) dated July 16, 1980. Any settlement agreement must be approved  
8 by the Attorney General. If the Attorney General neither approves nor disap-  
9 proves a settlement agreement within 60 days after it is entered into by  
0 Modern and the REAA; then it will be deemed to be approved. Any arbitration  
1 award must be certified by the attorney general to be a bona fide, final, and  
2 binding award. If the Attorney General neither certifies nor states in  
3 writing that he declines to certify that an arbitration award is bona fide,  
4 final and binding award within 60 days after the award is entered, then the  
5 award will be deemed to be certified. Any part of the amount which exceeds  
6 the award or settlement lapses upon the making of the award. This appropri-  
7 ation is void if its existence is made known to the arbitrators by Modern or  
8 anyone acting in Modern's behalf, or is otherwise used in any way by Modern  
9 or anyone acting in Modern's behalf which reasonably could be construed to

1 be an attempt to influence the award in favor of Modern. This contingency  
2 appropriation is in no way a finding that any award should be made. It is  
3 made solely because, if any award is made or settlement reached, it will likely  
4 occur during the interim, and it could not be paid unless an appropriation  
5 has been made by law for that purpose.

6 \* Sec. 2. The amount of \$50,000 is appropriated to the Department of Law  
7 for the fiscal years 1981 and 1982 for costs of ascertaining the bona fides  
8 of any award or settlement of the claim by Modern against the REAA.

9 \* Sec. 3. Section 1 of this Act takes effect on the date the attorney  
0 general certifies that a bona fide arbitration award has been made under the  
1 settlement agreement dated July 16, 1980, or approves a settlement agreement  
2 between Modern and the REAA.

3 \* Sec. 4. Section 2 of this Act takes effect immediately in accordance  
4 with AS 01.10.070(c).

For an Act entitled: "An Act making a special contingency appropriation to the Department of Transportation and Public Facilities for the Lower Kuskokwim REAA; and providing for an effective date."

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

\* Section 1. An amount not to exceed the total of the claim stated in the Claim for Additional and Change Work on the Bethel area schools presented by Modern Construction, Inc. (Modern) and dated December 3, 1980, is appropriated to the Department of Transportation and Public Facilities to pay the amount of any arbitration award or settlement made on that claim pursuant to the settlement agreement between Modern and the Lower Kuskokwim REAA (REAA) dated July 16, 1980. Any settlement agreement must be approved by the Attorney General. If the Attorney General neither approves nor disapproves a settlement agreement within 60 days after it is entered into by Modern and the REAA, then it will be deemed to be approved. Any arbitration award must be certified by the attorney general to be a bona fide, final, and binding award. If the Attorney General neither certifies nor states in writing that he declines to certify that an arbitration award is bona fide, final and binding award within 60 days after the award is entered, then the award will be deemed to be certified. Any part of the amount which exceeds the award or settlement lapses upon

upon the making of the award. This appropriation is void if its existence is made known to the arbitrators by Modern or anyone acting in Modern's behalf, or is otherwise used in any way by Modern or anyone acting in Modern's behalf which reasonably could be construed to be an attempt to influence the award in favor of Modern. This contingency appropriation is in no way a finding that any award should be made. It is made solely because, if any award is made or settlement reached, it will likely occur during the interim, and it could not be paid unless an appropriation has been made by law for that purpose.

\* Sec. 2. The amount of \$50,000 is appropriated to the Department of Law for the fiscal years 1981 and 1982 for costs of ascertaining the bona fides of any award or settlement of the claim by Modern against the REAA.

\* Sec. 3. The Commissioner of Transportation and Public Facilities is authorized to loan to Modern out of the funds appropriated by Section 1 the sum of \$6,000,000 or the amount of the claim whichever is less. The loan shall bear interest at the legal rate established by AS 45.50.010(a) and shall be fully secured by adequate collateral. Principal and interest shall be due and payable in full in one sum upon the certification of the settlement or arbitration award by the Attorney General except that interest shall be waived to the extent of any sum awarded Modern which offsets the loan.

\* Sec. 4. Section 2 of this Act takes effect immediately in accordance with AS 01.10.070(c).

Introduced: 4/6/81  
Referred: Finance

1 IN THE HOUSE

BY ROGERS, VASKA AND MOSS

2 HOUSE BILL NO. 478

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Transporta-  
7 tion and Public Facilities the amount of money neces-  
8 sary to settle the claims of Modern Construction, Inc.  
9 against the Lower Kuskokwim Regional Educational  
10 Attendance Area; and providing for an effective date."

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

12 \* Section 1. There is hereby appropriated from the general fund to the  
13 Department of Transportation and Public Facilities the sum of money neces-  
14 sary to pay the award by the conciliator made February 27, 1981, under the  
15 July 18, 1980 settlement agreement between the Lower Kuskokwim Regional  
16 Educational Attendance Area and Modern Construction, Inc.; however, only the  
17 amount that the parties agree to be due to Modern Construction, Inc. in  
18 voluntary settlement of the dispute or the amount awarded by arbitration or  
19 court decree to Modern Construction, Inc. may be expended and any remainder  
20 shall lapse into the general fund.

21 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

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