

LEG. FINANCE - BILLS 1981 - 1982 1726

SB 830 cont. - SB 836 1726

SB168 MAILING LIST

<u>Community</u>	<u>Contact Person</u>	<u>Comments</u>
Twin Hills	Arthur Sharp, President Twin Hills Village Council General Delivery Twin Hills, Alaska 99576	972-8001
Usibelli	POSTMASTER - PLEASE POST Village of Usibelli General Delivery Usibelli, Alaska	
Venetie	Donald R. Wright, Grant Administrator Native Village of Venetie General Delivery Venetie, Alaska 99781	Application rec'd 2/3/82 849-8001
Whale Pass	John Gildersleeve Pouch B Ketchikan, Alaska 99901	
Info Only	Glen Marurdey Mukluk News Box 192 Tok, Alaska 99780	

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SR830/SR836
 Title An Act extending the time during which assistance for municipalities & *
 Requested by Senate Finance Date 3/5/82

II. FISCAL DETAIL.

Agency Affected Department of Community and Regional Affairs
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Training, Development & RDA
 (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 LANL & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	

FUNDING (Thousands of Dollars)

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

POSITIONS

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

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

No additional program costs are expected over and above the original legislative appropriation for this program.

IV. DATE 3/7/82

PREPARED BY Richard Aks
 AGENCY DCRA
 PHONE 465-4700

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

33-001 (Rev. 12/80) *Unincorporated communities is paid under ch. 60, SLA 1981;
 An act extending appropriations made for entitlements to municipalities & unincorporated communities...

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 830

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending the time during which assistance for
7 municipalities and unincorporated communities is paid
8 under ch. 60, SLA 1981; and providing for an effective
9 date."

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

11 * Section 1. Section 1(a), ch. 60, SLA 1981 is amended to read:

12 (a) By June 30, 1983 [DURING THE FISCAL YEAR ENDING JUNE 30,
13 1982], the Department of Administration shall compute and pay an entitle-
14 ment to each qualified municipality. An entitlement to a municipality
15 with a population of at least 1,000 shall be used for social services
16 and capital projects at the discretion of the municipality. An entitle-
17 ment to a municipality with a population of less than 1,000 shall be
18 used for social services, capital projects, or operating expenses of
19 capital projects at the discretion of the municipality. The entitlement
20 for each municipality shall be computed in accordance with (b) of this
21 section, and is payable by the Department of Administration in accor-
22 dance with AS 37.05.315 - 37.05.319 [AS 37.05.315] to the extent that
23 the provisions of AS 37.05.315 - 37.05.319 [AS 7.05.315] are consistent
24 with (c), (d), and (e) of this section.

25 * Sec. 2. Section 2(a), ch. 60, SLA 1981 is amended to read:

26 (a) By June 30, 1983 [DURING THE FISCAL YEAR ENDING JUNE 30,
27 1982], the Department of Community and Regional Affairs shall compute
28 and pay an entitlement to each unincorporated community in the unorga-
29 nized borough. The entitlement for each community shall be computed in

1 accordance with (b) of this section, and is payable by the Department of
2 Community and Regional Affairs in accordance with (c) of this section.

3 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

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FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB830
 Title An Act Extending the time frame for municipal aid monies
 Requested by Senator Dankworth Date March 9, 1982

II. FISCAL DETAIL
 Agency Affected Department of Administration
 Program Category Affected General Government
 BRU, Program, Or Subprogram(s) Affected Municipal Grants
 (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						
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 Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The Department of Administration endorses SB830 as written. This housekeeping measure removes any question concerning this Department's ability to administer otherwise lapsing funds intended for municipalities who have not yet applied for them.

IV. DATE March 11, 1982 PREPARED BY Kenneth R. Ryals
 AGENCY Department of Administration
 Original: Legislative Finance PHONE 465-2277
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

CORRECTION

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

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB830
 Title An Act Extending the time frame for municipal aid monies
 Requested by Senator Dankworth Date March 9, 1982

II. FISCAL DETAIL
 Agency Affected Department of Administration
 Program Category Affected General Government
 BRU, Program, Or Subprogram(s) Affected Municipal Grants
 (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						
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)


	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

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

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

The Department of Administration endorses SB830 as written. This housekeeping measure removes any question concerning this Department's ability to administer otherwise lapsing funds intended for municipalities who have not yet applied for them.

IV. DATE March 11, 1982 PREPARED BY Kenneth R. Ryals 
 AGENCY Department of Administration
 Original: Legislative Finance PHONE 465-2277
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

COMMITTEE REPORT
HOUSE

(11)

4/12/82

FURTHER:

Date: 4-24-82

Mr. Speaker: (Taken from Rules and Referred to Finance 4/12/82)

The Committee on FINANCE has had SB 331

"An Act relating to insurance policies and contracts."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 331 (4C) same title
 new title
- and recommends do pass w/ amendment
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]
CHAIRMAN

HOUSE JOURNAL

AMENDMENT

OFFERED IN THE HOUSE

BY: FINANCE COMMITTEE

TO: HCSSB 831 (L&C)

PAGE 1, LINE 16 ADD A NEW SECTION 2:

* Sec. 2. AS 21.54 is amended by adding a new section to read:

Sec. 21.54.055. DISCLOSURE OF EMPLOYEE CLAIMS PROHIBITED. An insurer providing employee group or blanket disability insurance to an employer or to trustees of a fund established by an employer may not disclose an employee's claim unless the employee authorizes the disclosure in writing.

RENUMBER REMAINING SECTIONS.

Original sponsor: Labor and Commerce
Committee

Offered: 4/2/82
Referred: Rules

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 831 (L&C)
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 insurance; and providing for an
7 effective date."

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

9 * Section 1. AS 21.09.260 is amended to read:

10 Sec. 21.09.260. VIOLATIONS - PENALTIES. An insurer violating the
11 provisions of AS 21.09.250 [AS 21.09.220 - 21.09.250] is guilty of a
12 misdemeanor and upon conviction is punishable by a fine of not more than
13 \$500 for each violation. In the event of conviction the insurance
14 director may suspend or revoke the license of the insurer, but violation
15 shall not invalidate the insurance contract.

16 * Sec. 2. AS 36 is amended by adding a new chapter to read:

17 CHAPTER 94. MISCELLANEOUS PROVISIONS.

18 Sec. 36.94.010. INSURANCE REQUIREMENTS IN CONSTRUCTION CONTRACTS.

19 (a) In requesting bids and awarding state construction contracts an
20 instrumentality of the state may not require a contractor to obtain
21 workers' compensation, general liability, or other required insurance
22 from a particular insurer, agent, or broker and may not agree to provide
23 insurance to a contractor who is awarded a state construction contract.

24 (b) As used in this section "instrumentality of the state" means a
25 state department or agency in the legislative, judicial, or executive
26 branch, and includes such agencies as the Alaska Power Authority, the
27 University of Alaska, and the Alaska State Housing Authority.

28 * Sec. 3. AS 21.09.220, 21.09.230, and 21.09.240 are repealed.

29 * Sec. 4. Section 2 of this Act takes effect immediately in accordance

1 with AS 01.10.070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HCS for S.B. 831 and SB 878
 Title An Act relating to insurance
 Requested by Labor & Commerce Date 4/17/82

II. FISCAL DETAIL Department of Commerce, Alaska Power Authority
 Agency Affected Department of Administration, Div. of Risk Management
 Program Category Affected Alaska Power Authority, Division of Risk Management
 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				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME		NONE				
PART TIME						
TEMPORARY						

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

IV. DATE 4/17/82 PREPARED BY House Finance Committee
 AGENCY _____
 PHONE _____

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Al Adams, Chair
 House Finance Committee

AMENDMENT TO HCS SB 831 (L&C)

By Colletta

Add:

AS 21.54 is amended by adding a new section to read:

Sec. 21.54.055. DISCLOSURE OF EMPLOYEE CLAIMS PROHIBITED.

An insurer providing employee group or blanket disability insurance to an employer or to trustees of a fund established by an employer may not disclose an employee's claim unless the employee authorizes the disclosure in writing.

Original sponsor: Labor and Commerce
Committee

Offered: 4/2/82
Referred: Rules

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2

HOUSE CS FOR SENATE BILL NO. 831 (L&C)

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 insurance; and providing for an
7 effective date."

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

9

* Section 1. AS 21.09.260 is amended to read:

10

Sec. 21.09.260. VIOLATIONS - PENALTIES. An insurer violating the
11 provisions of AS 21.09.250 [AS 21.09.220 - 21.09.250] is guilty of a
12 misdemeanor and upon conviction is punishable by a fine of not more than
13 \$500 for each violation. In the event of conviction the insurance
14 director may suspend or revoke the license of the insurer, but violation
15 shall not invalidate the insurance contract.

16

* Sec. 2. AS 36 is amended by adding a new chapter to read:

17

CHAPTER 94. MISCELLANEOUS PROVISIONS.

18

Sec. 36.94.010. INSURANCE REQUIREMENTS IN CONSTRUCTION CONTRACTS.

19

(a) In requesting bids and awarding state construction contracts an
20 instrumentality of the state may not require a contractor to obtain
21 workers' compensation, general liability, or other required insurance
22 from a particular insurer, agent, or broker and may not agree to provide
23 insurance to a contractor who is awarded a state construction contract.

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(b) As used in this section "instrumentality of the state" means a
25 state department or agency in the legislative, judicial, or executive
26 branch, and includes such agencies as the Alaska Power Authority, the
27 University of Alaska, and the Alaska State Housing Authority.

28

* Sec. 3. AS 21.09.220, 21.09.230, and 21.09.240 are repealed.

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* Sec. 4. Section 2 of this Act takes effect immediately in accordance

1 with AS 01.10.070(c).

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Introduced: 3/4/82
Referred: Labor & Commerce

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 831

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 insurance policies and contracts."

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

8 * Section 1. AS 21.09.260 is amended to read:

9 Sec. 21.09.260. VIOLATIONS - PENALTIES. An insurer violating the
10 provisions of AS 21.09.250 [AS 21.09.220 - 21.09.250] is guilty of a
11 misdemeanor and upon conviction is punishable by a fine of not more than
12 \$500 for each violation. In the event of conviction the insurance
13 director may suspend or revoke the license of the insurer, but violation
14 shall not invalidate the insurance contract.

15 * Sec. 2. AS 21.09.220, 21.09.230, and 21.09.240 are repealed.

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 831

Title An act relating to Insurance Policies and Contracts

Requested by Labor and Commerce Committee Date 3/4/82

II. FISCAL DETAIL

Agency Affected Division of Insurance

Program Category Affected Public Protection

BRU, Program, Or Subprogram(s) Affected Division Insurance

(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					
200 TRAVEL	0					
300 CONTRACTUAL	0					
400 COMMODITIES	0					
500 EQUIPMENT	0					
600 LAND & STRUCTURES	0					
700 GRANTS, CLAIMS, ETC.	0					
TOTAL	0					

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME	0					
PART TIME	0					
TEMPORARY	0					

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

IV. DATE March 15, 1982

PREPARED BY Kenneth C. Moore, Div. of Insurance

AGENCY Commerce & Economic Development

Original: Legislative Finance

PHONE 465-2515

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS for S.B. 831 and S.B. 878

Title An Act relating to insurance.

Requested by Labor & Commerce

Date 4/08/82

II. FISCAL DETAIL

Department of Commerce, Alaska Power Authority
Agency Affected Department of Administration, Division of Risk Management

Program Category Affected Alaska Power Authority, Division of Risk Management
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	50	53	56	60	65
200 TRAVEL						
300 CONTRACTUAL	881	4,455	8,509	10,058	20,833	20,766
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	881	4,505	8,562	10,114	20,893	20,831

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	881	4,505	8,562	10,114	20,893	20,831
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

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

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

Passage of HCSSB831 would eliminate the right of the State and its agency, the Alaska Power Authority as owner and provider of funds for the hydro-electric projects, to protect itself with the best insurance coverage at the lowest price. "Wrap-up" insurance programs have been used on most major construction projects for the past forty years and substantial savings are well documented. Passage of HCSSB831 would increase costs to the State of Alaska in the following areas:

- 1) Increased insurance premiums (\$36,645,000)
- 2) Loss of earnings on loss reserves not yet paid out (\$9,228,000)
- 3) Necessity of purchasing "stop-gap" insurance (\$13,087,000)
- 4) Increased litigation expense (\$6,542,000)
- 5) Increased administrative expense (\$284,000)

Total increase in state cost through FY 87 if "wrap-up" program prohibited = \$65,786,000.

IV. DATE 4/08/82

PREPARED BY John Haywood

AGENCY Administration/Risk Management

Original: Legislative Finance.

PHONE 465-2180

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

HOUSE JOURNAL

AMENDMENT

OFFERED IN THE HOUSE

BY: FINANCE COMMITTEE

TO: HCSSB 831 (L&C)

PAGE 1, LINE 16 ADD A NEW SECTION 2:

* Sec. 2. AS 21.54 is amended by adding a new section to read:

Sec. 21.54.055. DISCLOSURE OF EMPLOYEE CLAIMS PROHIBITED. An insurer providing employee group or blanket disability insurance to an employer or to trustees of a fund established by an employer may not disclose an employee's claim unless the employee authorizes the disclosure in writing.

RENUMBER REMAINING SECTIONS.

AMENDMENT TO HCS SB 831 (L&C)

By Colletta

Add:

AS 21.54 is amended by adding a new section to read:

Sec. 21.54.055. DISCLOSURE OF EMPLOYEE CLAIMS PROHIBITED.

An insurer providing employee group or blanket disability insurance to an employer or to trustees of a fund established by an employer may not disclose an employee's claim unless the employee authorizes the disclosure in writing.

Introduced: 3/4/82
Referred: Labor & Commerce

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 831

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 insurance policies and contracts."

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

8 * Section 1. AS 21.09.260 is amended to read:

9 Sec. 21.09.260. VIOLATIONS - PENALTIES. An insurer violating the
10 provisions of AS 21.09.250 [AS 21.09.220 - 21.09.250] is guilty of a
11 misdemeanor and upon conviction is punishable by a fine of not more than
12 \$500 for each violation. In the event of conviction the insurance
13 director may suspend or revoke the license of the insurer, but violation
14 shall not invalidate the insurance contract.

15 * Sec. 2. AS 21.09.220, 21.09.230, and 21.09.240 are repealed.
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COMMITTEE REPORT
SENATE

5/4/82

FURTHER: ^{None}

Date: May 1982

Mr. President:

The Committee on FINANCE has had SB 835
establishing a National Petroleum Reserve, Alaska, trust fund account

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 835 (Fin) same title
 new title
- and recommends Do Pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 835 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a National Petroleum Reserve,
7 Alaska, special revenue fund; and providing for an
8 effective date."

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

10 * Section 1. FINDINGS. The legislature finds that

11 (1) the United States Congress, by P.L. 96-514 (94 Stat. 2964,
12 December 12, 1980), provided that the state shall receive 50 percent of
13 receipts derived from competitive leasing of oil and gas in the National
14 Petroleum Reserve in Alaska;

15 (2) virtually all of the National Petroleum Reserve in Alaska lies
16 within the corporate limits of the North Slope Borough, a home rule political
17 subdivision of the state; and

18 (3) because of the continuing nature of the congressional appro-
19 priation a special revenue fund should be established to comply with the
20 directive of the federal Act.

21 * Sec. 2. NATIONAL PETROLEUM RESERVE, ALASKA, SPECIAL REVENUE FUND. (a)
22 The National Petroleum Reserve, Alaska, special revenue fund is established.
23 The fund shall consist of money received by the state from the federal govern-
24 ment under P.L. 96-514.

25 (b) The commissioner of revenue shall manage the special revenue fund
26 in accordance with AS 37.10.070.

27 (c) The commissioner of revenue shall pay to those subdivisions of the
28 state that are most directly or severely impacted by development of oil and
29 gas in the National Petroleum Reserve in Alaska amounts appropriated from the

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1 special revenue fund by the legislature for that purpose. It is the intent of
2 the legislature that these amounts equal 50 percent of the amount received
3 from the federal government under the federal Act, and that this percentage
4 be reviewed by the legislature every five years following the passage of this
5 Act.

6 (d) Amounts received by the state under (a) of this section that are
7 not paid under (c) of this section shall be used by the state, subject to
8 appropriation by law, for the following activities and services:

9 (1) planning;

10 (2) construction, maintenance, and operation of essential public
11 facilities; and

12 (3) other necessary public services.

13 (e) Amounts paid to subdivisions of the state under (c) of this section
14 shall be used by the subdivisions only for the following activities and
15 services in conjunction with development of the National Petroleum Reserve in
16 Alaska and a program of competitive leasing of oil and gas from that reserve:

17 (1) planning;

18 (2) construction, maintenance, and operation of essential public
19 facilities by the subdivisions; and

20 (3) other necessary public services provided by the subdivisions.

21 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10-
22 070(c).

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FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 835(Res) (5/4/82)
 Title Establishing a National Petroleum Reserve, Alaska, Special Revenue Fund
 Requested by Senate Finance Committee Date 5/7/82

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		15.7	17.3			
200 TRAVEL						
300 CONTRACTUAL		48.0	48.0			
400 COMMODITIES		2.0	2.0			
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		65.7	67.3	----	INDETERMINATE	---

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		65.7	67.3			
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME		1/6mm	1/6mm			
TEMPORARY						

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

Establishes a National Petroleum Reserve, Alaska, Special Revenue Fund. Consists of amounts received by it from federal government for leasing of oil & gas tracts in National Petroleum Reserve, Alaska. Commissioner of Revenue to invest fund. Monies to be disbursed as grants and used directly by legislative appropriation from fund.

Personal Services for half-time Accounting Tech. II (R14,G) for accounting/reporting/allocation/distribution. Contractual Services: Comm. \$5.0; Print & Adv. \$5.0; Safekeeping and related reporting/accounting \$32.0; Audit \$3.0; Misc. \$3.0.

Above analysis of costs valid for range of receipts/ave. fund balance of \$50-100 million, use of special revenue fund that is not a separately invested fund but with separate accountability. FY 85-87 listed as indeterminate because rate of drawdown unknown.

A. Staack

IV. DATE May 7, 1982 PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue, Treasury Division

Original: Legislative Finance PHONE 465-2350

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 835

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 835 (3/5/82)
Title Relating to National Petroleum Reserve, Alaska, Trust Fund Account
Requested by Senate Resources Committee Date 3/16/82

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		15.7	17.3	19.0		
200 TRAVEL						
300 CONTRACTUAL		48.0	35.2	19.4		
400 COMMODITIES		2.0	1.5	1.0		
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		65.7	54.0	39.4		

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		65.7	54.0	39.4		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME		1/6mm	1/6mm	1/6mm		
TEMPORARY						

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

Establishes National Petroleum Reserve, Alaska, Trust Fund Account. To receive amts. appropriated to it; estimated at \$107.0 million. 50% distribution to North Slope Borough plus 50% of account income. State to utilize balances for purposes indicated in legislation. Account duration within range of 3 years. Above assumes full utilization of corpus by third year.

Personal Services for half-time Accounting Tech. II (R14,G) for accounting/reporting/allocation/distribution. Contractual Services: Comm. \$5.0; Print & Adv. \$5.0; Safekeeping and related reporting/accounting \$25.0; Audit \$10.0; Misc. \$3.0.

A. Staack

IV. DATE March 16, 1982

PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Dept. of Revenue, Treasury Division
PHONE 465-2350

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Introduced: 3/5/32
Referred: Resources and
Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 835

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a National Petroleum Reserve,
7 Alaska, trust fund account and providing for uses of
8 the money placed in the account; and providing for an
9 effective date."

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

11 * Section 1. FINDINGS. The legislature finds that:

12 (1) the United States Congress, by P.L. 96-514 (94 Stat. 2964,
13 December 12, 1980), appropriated \$107,001,000 for a program of com-
14 petitive leasing of oil and gas in the National Petroleum Reserve in
15 Alaska;

16 (2) virtually all of the National Petroleum Reserve in Alaska
17 lies within the corporate limits of the North Slope Borough, a home
18 rule political subdivision of the state; and

19 (3) because of the continuing nature of the congressional appro-
20 priation a trust fund should be established to comply with the direc-
21 tive of the federal Act.

22 * Sec. 2. NATIONAL PETROLEUM RESERVE, ALASKA, TRUST FUND ACCOUNT. (a)
23 The National Petroleum Reserve, Alaska, trust fund account is established.
24 The fund shall consist of funds appropriated to it by the Legislature equal
25 to the amount of funds received by the state from the federal government
26 under P.L. 96-514.

27 (b) The commissioner of revenue shall manage the trust fund
28 account in accordance with AS 37.14.160 - 37.14.170.

29 (c) Within 30 days of receipt, the commissioner of revenue shall
X

1 pay to the North Slope Borough a minimum of 50 percent of amounts
2 received from the federal government under (a) of this section and a
3 minimum of 50 percent of amounts earned from investments of the balance
4 of the trust fund account.

5 (d) Amounts received by the state under (a) of this section which
6 are not appropriated in accordance with (c) of this section shall be
7 used by the state, subject to appropriation by law, for the following
8 activities and services in conjunction with the exploration of the
9 National Petroleum Reserve in Alaska and a program of competitive
10 leasing of oil and gas from that reserve:

11 (1) planning;

12 (2) construction, maintenance, and operation of essential
13 public facilities; and

14 (3) other necessary public services.

15 (e) When making appropriations under (d) of this section, the
16 legislature shall give priority to expenditures for planning, for
17 public facilities, and for public services for communities which
18 are adjacent to, but not within, the boundaries of the National Petro-
19 leum Reserve in Alaska and for facilities and services not provided by
20 municipalities.

21 (f) Amounts paid to the North Slope Borough under (c) of this
22 section shall be used by the North Slope Borough only for the following
23 activities and services in conjunction with the exploration of the Na-
24 tional Petroleum Reserve in Alaska and a program of competitive leasing
25 of oil and gas from that reserve:

26 (1) planning;

27 (2) construction, maintenance, and operation of essential
28 public facilities by the North Slope Borough; and

29 (3) other necessary public services provided by the North
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1 Slope Borough.

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

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Official Business

Alaska State Legislature

Senate

Committee on Finance

Pouch V
State Capitol
Juneau, Alaska 99811

June 3, 1982

The Senate Finance Committee has reviewed CSSB 835 (Fin) am H (establishing a National Petroleum Reserve, Alaska, special revenue fund; eff. date) and recommends that the Senate concur in the bill passed by the House.

A handwritten signature in cursive script, appearing to read "Don Bennett".

Don Bennett, Co-chairman
Senate Finance Committee

A handwritten signature in cursive script, appearing to read "Ed Dankworth".

Ed Dankworth, Co-chairman
Senate Finance Committee



JUNEAU, ALASKA

Alaska State Legislature
House

MESSAGE TO THE SENATE

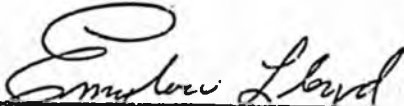
Date June 2, 1982

MR. PRESIDENT:

The House has passed CSSB 835(Fin) (establishing a National Petroleum Reserve, Alaska, special revenue fund; eff date) with the following amendment:

Page 2, Line 4: Delete "five years" add "year"

and CSSB 835(Fin) am H is transmitted herewith for consideration.



Chief Clerk of the House



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

CS for SB 835 (Finance)

The Finance Committee substitute makes one change from the Resources Committee substitute on page one, line 26

after AS delete: (37.14.160-37.14.170) U of A trust fund

insert: 37.10.070 Dept. of Revenue trust fund policy ✓

The purpose of this Act is to provide federal impact funds for those communities adversely impacted by oil and gas development around the National Petroleum Reserve-Alaska.

The fiscal impact of the legislation as developed by the Department of Revenue is \$65.7.

Note: Legislative Counsel advises that Senate Bill 835 will not violate the provisions of SJR 61 "Resource Fund."

Original sponsor: Finance Committee

Offered: 5/4/82
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 835 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a National Petroleum Reserve,
7 Alaska, special revenue fund; and providing for an
8 effective date."

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

10 * Section 1. FINDINGS. The legislature finds that

11 (1) the United States Congress, by P.L. 96-514 (94 Stat. 2964,
12 December 12, 1980), provided that the state shall receive 50 percent of
13 receipts derived from competitive leasing of oil and gas in the National
14 Petroleum Reserve in Alaska;

15 (2) virtually all of the National Petroleum Reserve in Alaska lies
16 within the corporate limits of the North Slope Borough, a home rule political
17 subdivision of the state; and

18 (3) because of the continuing nature of the congressional appro-
19 priation a special revenue fund should be established to comply with the
20 directive of the federal Act.

21 * Sec. 2. NATIONAL PETROLEUM RESERVE, ALASKA, SPECIAL REVENUE FUND. (a)
22 The National Petroleum Reserve, Alaska, special revenue fund is established.
23 The fund shall consist of money received by the state from the federal govern-
24 ment under P.L. 96-514.

25 (b) The commissioner of revenue shall manage the special revenue fund
26 in accordance with AS 37.14.160 - 37.14.170.

27 (c) The commissioner of revenue shall pay to those subdivisions of the
28 state that are most directly or severely impacted by development of oil and
29 gas in the National Petroleum Reserve in Alaska amounts appropriated from the

1 special revenue fund by the legislature for that purpose. It is the intent of
2 the legislature that these amounts equal 50 percent of the amount received
3 from the federal government under the federal Act, and that this percentage
4 be reviewed by the legislature every five years following the passage of this
5 Act.

6 (d) Amounts received by the state under (a) of this section that are
7 not paid under (c) of this section shall be used by the state, subject to
8 appropriation by law, for the following activities and services:

- 9 (1) planning;
- 10 (2) construction, maintenance, and operation of essential public
11 facilities; and
- 12 (3) other necessary public services.

13 (e) Amounts paid to subdivisions of the state under (c) of this section
14 shall be used by the subdivisions only for the following activities and
15 services in conjunction with development of the National Petroleum Reserve in
16 Alaska and a program of competitive leasing of oil and gas from that reserve:

- 17 (1) planning;
- 18 (2) construction, maintenance, and operation of essential public
19 facilities by the subdivisions; and
- 20 (3) other necessary public services provided by the subdivisions.

21 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10-
22 070(c).

COMMITTEE REPORT

HOUSE

5/29/82

(11)

FURTHER:

Date: 6/1/82

Mr. Speaker: (Resources waived 5/28/82)

The Committee on FINANCE has had CSSE 835 (Fin)

"An Act establishing a National Petroleum Reserve, Alaska, special revenue fund; eff date."

under consideration and reports it back as follows:

- 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 65.7
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

John J. Fuller

Robert B. Owens

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Matthew J. R

David W. ...

Robert B. Owens

CHAIRMAN

Original sponsor: Finance Committee

Offered: 5/10/82
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 835 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing a National Petroleum Reserve,
7 Alaska, special revenue fund; and providing for an
8 effective date."

9

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

10

* Section 1. FINDINGS. The legislature finds that

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December 12, 1980), provided that the state shall receive 50 percent of

13

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14

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15

(2) virtually all of the National Petroleum Reserve in Alaska lies

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within the corporate limits of the North Slope Borough, a home rule political

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subdivision of the state; and

18

(3) because of the continuing nature of the congressional appro-

19

priation a special revenue fund should be established to comply with the

20

directive of the federal Act.

21

* Sec. 2. NATIONAL PETROLEUM RESERVE, ALASKA, SPECIAL REVENUE FUND. (a)

22

The National Petroleum Reserve, Alaska, special revenue fund is established.

23

The fund shall consist of money received by the state from the federal govern-

24

ment under P.L. 96-514.

25

(b) The commissioner of revenue shall manage the special revenue fund

26

in accordance with AS 37.10.070.

27

(c) The commissioner of revenue shall pay to those subdivisions of the

28

state that are most directly or severely impacted by development of oil and

29

gas in the National Petroleum Reserve in Alaska amounts appropriated from the

1 special revenue fund by the legislature for that purpose. It is the intent of
2 the legislature that these amounts equal 50 percent of the amount received
3 from the federal government under the federal Act, and that this percentage
4 be reviewed by the legislature every five years following the passage of this
5 Act.

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13 (e) Amounts paid to subdivisions of the state under (c) of this section
14 shall be used by the subdivisions only for the following activities and
15 services in conjunction with development of the National Petroleum Reserve in
16 Alaska and a program of competitive leasing of oil and gas from that reserve:

- 17 (1) planning;
18 (2) construction, maintenance, and operation of essential public
19 facilities by the subdivisions; and
20 (3) other necessary public services provided by the subdivisions.

21 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10-
22 070(c).

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28
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of committee

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CSSB 835(Fin) (5/10/82)

Title: Establishing a National Petroleum Reserve, Alaska, Special Revenue Fund

Requested by: Senate Finance Committee

Date: 5/13/82

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected: Treasury Management

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

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	15.7	17.3	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	48.0	48.0	-	-	-
400 COMMODITIES	-	2.0	2.0	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	65.7	67.3	INDETERMINATE		

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-	65.7	67.3	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	-	-	-	-	-
PART TIME	-	1/6mm	1/6mm	-	-	-
TEMPORARY	-	-	-	-	-	-

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

Establishes a National Petroleum Reserve, Alaska, Special Revenue Fund. Consists of amounts received by it from federal government for leasing of oil & gas tracts in National Petroleum Reserve, Alaska. Commissioner of Revenue to invest fund. Monies to be disbursed as grants and used directly by legislative appropriation from fund.

Personal Services for half-time Accounting Tech. II (14,G) for accounting/reporting/allocation/distribution. Contractual Services: Comm. \$5.0; Print & Adv. \$5.0; Safekeeping and related reporting/accounting \$32.0; Audit \$3.0; Misc. \$3.0.

Above analysis of costs valid for range of receipts/ave. fund balance of \$50-100 million, use of special revenue fund that is not a separately invested fund but with separate accountability. FY 85-87 listed as indeterminate because rate of drawdown unknown.

IV. DATE: May 13, 1982

PREPARED BY: Anselm C. Staack, Treasury Comptroller

AGENCY: Dept. of Revenue, Treasury Division

PHONE: 465-2350

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

5

VAN NESS, FELDMAN & SUTCLIFFE

A PROFESSIONAL CORPORATION

SUITE 500

1220 NINETEENTH STREET, N.W.

WASHINGTON, D. C. 20036

(202) 331-9400

S. LYNN SUTCLIFFE
HOWARD J. FELDMAN
WILLIAM J. VAN NESS, JR.
GERRY LEVENBERG, P. C.
G. WILLIAM FRICK
BEN YAMAGATA
ROBERT G. SZABO
GRENVILLE GARSIDE

ALAN L. MINTZ
GARY D. BACHMAN
ELLEN L. PARTRIDGE
R. KEITH GUTHRIE
PETER D. DICKSON

December 20, 1979

MEMORANDUM

TO: Mayor Eben Hopson
North Slope Borough

Edward Hopson
President
Arctic Slope Regional Corporation

FROM: G. William Frick *gwf*

RE: Summary of NPR-A Meeting

This memorandum will summarize the meeting held with representatives of the Arctic Slope Regional Corporation, North Slope Borough and others in Anchorage on December 7, 1979. The persons who attended the meeting are on the attached list.

A. Arctic Gas Pipeline

The first item of discussion was a presentation by Jack Bachman (907-276-2900), the Alaska representative of Northwest Pipeline, who provided an update on the Salt Lake City meeting between Mayor Hopson and other Borough representatives, and John McMillian and Northwest Pipeline staff. Bachman indicated that Northwest Pipeline was pleased with the interest of the North Slope Borough to participate in some manner in the project and was interested in providing an opportunity for the local as well as state involvement if possible. He did note that state actions thus far had been disappointing. He indicated that Northwest Pipeline hoped to begin civil construction in 1981, begin laying pipe in 1982, and finish the line in the warm weather of 1985.

He pointed out that the Northwest Pipeline Company has no direct responsibility for the conditioning plant, although it is extremely interested in its construction as an essential part of the overall system. While the state has indicated it wants to do "something" on the conditioning plant, it has not yet formulated a position. Bachman did note that moving the conditioning plant to Fairbanks would prevent the pipeline from being built. Northwest Pipeline is looking at producers as "overrun insurance," who will be turned to if necessary for completion of the line; the Department of Justice has problems with producers owning the line. Larry Dinneen pointed out that ARCO has expressed interest in knowing what the North Slope Borough and ASRC plan to do regarding the conditioning plant.

Mayor Hopson expressed concern about the failure of the North Slope Borough to have been consulted on issues surrounding the conditioning plant and the pipeline that affect the North Slope Borough. He also emphasized that while NSB had proposed having some involvement, it was subject to further decisions and negotiations involving the NSB and ASRC.

Follow-up actions from the discussion with Bachman are:

1. This firm is to contact Howard Butner, Vice President for Finance of Northwest Alaska Pipeline in Washington. Butner apparently has a variety of studies and other documents regarding various financial schemes for financing the pipeline that may be of use to the NSB in reviewing its potential participation.
2. This firm is to develop a brief analysis summarizing what has transpired with the gas pipeline to date and to prepare recommendations to the Borough on what future actions to take on this issue.

B. NPRA Legislation

The next item discussed was the position of ASRC and NSB on the NPRA legislation now being drafted by the Department of the Interior. Under this legislation NPR-A would be designated a "National Conservation Area." Mayor Hopson emphasized that the North Slope Borough supported any effort, including private leasing, that would open up NPR-A for exploration and development as the North Slope Borough's contribution to the national goal of improving energy supplies. Mayor Hopson emphasized that the Borough has always supported onshore development.

There was general agreement with the basic statutory positions that DOI had indicated would be included in the legislation.

Conrad Bagne suggested that the bill include provisions allowing local access to non-commercial and commercial discoveries found near communities on the North Slope. Herb Bartel pointed out that the BLM had already developed several years of planning analysis and data on NPR-A and that this experience should not be lost in the transition to the NCA management scheme. In particular, with respect to the four areas that were to be given special attention, the governmental offices charged with responsibility for those special areas, assuming it is not BLM, should be required to utilize BLM analysis.

Jon Buchholdt noted that the four areas cited for special consideration are possibly the most promising for private leasing; the boundaries, terms, and access of those areas should be examined carefully to insure development is not precluded. Herb Bartel also observed that the protection for fishing sites should not be limited to designated sites but rather to "systems" that would allow movement within fishing areas as the fish populations, and other influences on fishing, change.

With respect to the leasing systems, it was pointed out that a "nominating" system should be used in order to give the Borough, as well as the federal government, advance notice of what areas should be studied to determine the need for environmental or other protection. There was general agreement that any leasing system should, to the maximum extent possible, utilize bids that would internalize non-economic factors such as environmental protection and local hire. In addition, local considerations and provisions encouraging participation by small companies should be included into a system. Senator Gravel apparently is looking into developing such a program independently of the Department of the Interior. It was also pointed out that the Teshekpuk Lake had already been identified as an area that should be protected for the Native community. This should be kept in mind as the provisions regulating the Teshekpuk Lake area are formulated.

Senator Stevens joined the meeting at this point and made the following comments:

1. He considers the letter of Acting Secretary Joseph, regarding the legislative program of NPR-A, to be balanced but is concerned about those areas that DOI proposes to "set aside." He also feels that any provisions relating to the Mineral Leasing Act may present problems.
2. He is concerned about the revenue sharing provisions and feels it may be hard to hold the 50% now proposed

to be allocated to the state because of the large royalty already received by the state from Prudhoe Bay. Provisions guaranteeing local share from the revenues to the state would help maintain this provision.

3. He supports the NCA being administered by the BLM but is concerned about BLM continuing to apply the approaches they have traditionally followed under the Mineral Leasing Act. Stevens indicated he was meeting with Guy Martin on the legislation on December 10.
4. He is quite committed to keeping this bill separate from D-2 and indicated that this was the view of Secretary Andrus. Senator Stevens cautioned about trying to put D-2 related Native amendments on the bill when it comes from the House.
5. Senator Stevens vigorously emphasized the need to slow the Beaufort Sea sale. He is very concerned about drilling in the Beaufort Sea and feels that the international situation will result in a compressing of the time for leasing of NPR-A.
6. He is very interested in getting small companies involved in the development of NPR-A.
7. He supports the efforts to find a new agency or agencies to fund and administer NARL. He mentioned also the possibility of turning over the gas field at Barrow to the North Slope Borough and providing authority for requiring federal facilities to pay for gas from the field.

In the afternoon we were joined by representatives of the Department of the Interior: Gerry Gilliland, Curt McVie, Irene Rowan, Jim Wicks, and Ed Eisenson.

Gerry Gilliland outlined the Department's views on the legislation. He emphasized that the legislation is to encourage oil and gas development while protecting the unique surface values and lifestyle of the native residents. BLM is to administer the area in a multiple use manner and the local residents are to assist BLM in land use planning and in its lease program. He noted also that the bill included language that would lead to transfer of the Barrow gas field to the North Slope Borough.

With respect to leasing, the Department hopes to have a minimum time schedule that would result in the first lease within twenty months of the legislation. The legislation would provide

broad leasing authority to the BLM to establish terms and conditions. He emphasized that the authority would allow stipulations to protect the environment and require access yet he noted that the proposal did not have any corridors specifically set aside. He said that the bill would provide the Secretary with discretionary authority to lease minerals but only local leasing of coal would be specifically allowed. The report from Gilliland basically coincided with the information provided in Undersecretary Joseph's letter.

Gilliland indicated that the legislation was being reviewed within the Administration but that there had been no major changes proposed. The only objections from other agencies involved issues unrelated to the direct administration of NPR-A, e.g., the Department of Justice was concerned about anti-trust language, some agency was concerned about the size of the tracts being too large and thereby inhibiting participation by local companies, and there was concern over the name of the NCA. Gilliland does not know the exact timetable for submission of the bill to Congress but expects it to happen before January. He felt it was too late for any additional input at this time from the local community although the Department remains interested in the local reaction.

With respect to the four special areas he emphasized that the bill would only have Congress stating that BLM is to give those areas special consideration; it would be left up to the BLM, after consultation with an Advisory Committee, to determine exactly what those special considerations should be. BLM proposes to use the Federal Land Policy Management Act (FLPMA) planning process to establish appropriate restrictions. He also pointed out that Section 603 of FLPMA would not apply nor would the 1876 Mineral Act. This would preclude hard rock mining and provide no protection of existing claims. It was pointed out by Charlie Edwardson that there might be some outstanding claims that existed before the formulation of NPR-A.

Gilliland agreed that the leasing approach authority in the bill would allow internalization of costs but such leasing would not be mandated by the legislation.

Mayor Hopson emphasized the importance of sharing information from prior exploration of NPR-A inasmuch as the data is a key factor affecting exploration on the Slope. Mayor Hopson expressed his desire that the legislation should turn over leasing totally to private companies so that the Federal government would not be involved in the actual exploration.

Gilliland agreed that the applicability of the North Slope Borough ordinances to activities taking place in NPR-A would be part of the planning process. This means that the BLM could decide to apply them but that they were not automatically incorporated into the plan. He also noted that there was no local hire provision in the bill, which produced substantial discussion about the need for such provision. Gilliland and Curt McVie agreed that this was a point that deserved additional examination and indicated a willingness to have the Department consider taking a position on such a provision in the letter of transmittal of the bill to Congress or in the testimony of the Administration on the bill, inasmuch as it was too late to make any change to the legislation at this point.

Follow-up activities.

1. We should draft for the Department of the Interior an analysis of the need for an affirmative action program mentioning the adverse economic as well as societal impacts of not utilizing local residents. We should also draft appropriate language for such provision.
2. We should write to the Department requesting that they include reference to such a provision in their testimony or in the letter of transmittal to Congress.
3. We should attempt to have included in the legislation a specific guarantee of a portion of the state's revenue being allocated to the North Slope Borough.
4. We should examine other National conservation areas, and BLM regulations regulating activities in those areas, to identify deficiencies in the management program that should be addressed in the legislation or in Report language.

cc: Conrad Bagne Oliver Leavitt
Tom Smythe Larry Dinneen
Jon Buchholdt Jim Wickwire

ATTENDANCE LIST

December 7, 1979 Meeting

Anchorage, Alaska

Mayor Eben Hopson, NSB

Eugene Brower, NSB

Tom Smythe, NSB

Conrad Bagne, NSB

Herb Bartel, NSB

Jon Buchholdt, NSB

Gerry White, NSB

Ralph Anderson, NSB

Bob Dupere, NSB

Lou Dishner, Lobbyist for NSB

Larry Dinneen, ASRC

Oliver Leavitt, ASRC

Eddie Hopson, ASRC

Jim Wickwire, Seattle

Bill Van Ness, Washington, D. C.

G. William Frick, Washington, D. C.

Ken Forsen, Arctic Technical

Services

Jack Bachman, North West Pipeline



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

DEC 4 1979

Honorable Eben Hopson
Mayor of North Slope Borough
Box 69
Barrow, Alaska 99723

Dear Eben:

The Naval Petroleum Reserves Production Act of 1976 instructed the Department of the Interior to submit to Congress by January 1, 1980, legislation suggesting the best procedures for petroleum development of the National Petroleum Reserve in Alaska (NPR-A). This legislation must consider the economic and environmental concerns which affect both management of the lands and the best procedures for pursuing the petroleum potential of this area.

With your assistance, and that of many others, the Department has completed a great deal of study on NPR-A, and has prepared legislation which will be sent to Congress within the statutory deadline. The Secretary has assigned me the lead role in representing the Administration on this legislation, and my first objective is to continue the excellent working relationships which have been formed during the various studies. To begin, I would like to sponsor, at your earliest opportunity, a briefing and discussion session, at which time we will outline the various provisions of the legislative approach proposed by the Department. While the bill itself is still in the internal clearance process of the Executive branch, I have attached a copy of the Secretary's letter to the President setting out the features of our proposal.

Based on work you have done during the study period, and other expressions of opinion, I believe you will be pleased with the direction and balance of the proposed legislation. The basic proposal is for BLM management of the area, which is to be designated as a National Conservation Area.

Prompt oil and gas exploration through a leasing program is emphasized, and is coupled with the creation of several special management areas to protect the unique surface resources of the Utukok Uplands, Teshekpuk Lake area, the Colville River Valley and Icy Cape/Kasegaluk lagoon. In addition, the legislation protects continued subsistence uses of the area for local rural residents and sets up broad, flexible leasing authority for the region. Most important, the legislation provides for extensive public participation in developing the land use plan and leasing program. Other provisions are

set out in the Secretary's letter, but these are the key concepts. We believe we have constructed a bill which is sensitive to the environmental and social needs of the NPR-A region while fostering the necessary petroleum exploration to meet the energy demands of the nation as a whole.

We are extremely interested in meeting with you informally as soon as possible to discuss the proposal which we will be presenting to Congress. I am anxious that these sessions begin soon and continue into next year, so that we work together toward a satisfactory program for this important area.

I intend to do as much as I can personally to lead these discussions, but I do not want to delay starting them if I cannot attend. To facilitate this, I have asked Curt McVee, the Alaska State Director for the Bureau of Land Management, Jerry Gilliland, the Secretary's representative in Alaska, and Diane Josephy of my staff, to set up early meetings with you since I have no plans to travel to Alaska before the first of the year. Of course, if you are in Washington, please let me know so that both BLM Director Frank Gregg and I can discuss this issue with you.

I look forward to meeting with you on the proposed legislation and on the plans for the future of this region.

With best regards, I am

Sincerely,

Guy R. Martin

Guy R. Martin
Assistant Secretary for
Land and Water Resources

Enclosure

cc: Mr. Tom Smythe
Mr. John Bucholdt



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

NOV 30 1979

The President
The White House
Washington, DC 20500

Dear Mr. President:

The Department of the Interior has completed detailed studies of the National Petroleum Reserve in Alaska (NPR-A) as instructed by Congress in the Naval Petroleum Reserves Production Act of 1976. Our evaluations have covered designation and management of the lands in NPR-A, alternative procedures for the development, production, and transportation of the petroleum resources of the Reserve, and the environmental and economic consequences of these procedures.

The Act calls for you to submit to the Congress by January 1, 1980, your recommendations on the best procedures for development of the petroleum resources in NPR-A along with proposed legislation to implement these procedures. Responsibility for developing this proposal was assigned to this Department. In a separate section the Act also provides that I submit to Congress my recommendations for the best uses and designation of the lands in NPR-A. Because the procedures for petroleum development and land use designations are so closely intertwined, I considered the results of the studies and related options for NPR-A development at the same time. I am presenting both sets of recommendations and proposed implementing legislation for your consideration.

Your April 1979 Energy Address announced that NPR-A would be opened to oil and gas leasing by private companies. In the context of this announcement, I considered the need to structure a balance between encouraging oil and gas activities in all promising areas of the Reserve and protecting the unique surface and wildlife values and the Native subsistence lifestyle. I believe the legislation I am proposing will accomplish these objectives.

The principal features of the proposed legislation are:

- Establishing all of NPR-A as the Western Arctic National Conservation Area with management under the principles of multiple use as set forth in the Federal Land Policy and Management Act of 1976 (FLPMA). The statutory withdrawals of the NPR-A from oil and gas leasing and the prohibitions against development and production in the Naval Petroleum Reserves Production Act would be removed.

- Emphasis on early oil and gas leasing through an accelerated planning process. The initial plan for the area, including a full oil and gas leasing program and an environmental impact statement, would be completed within 16 months of passage of the legislation. The program gives added emphasis to early exploration and development by requiring the first lease sale within 20 months of the date of passage. The wilderness study requirements of FLPMA that would unnecessarily delay an oil and gas leasing program are specifically waived. Application of other FLPMA provisions would be discretionary.
- Creation of special management areas for the Utukok Uplands, the Teshekpuk Lake Area, the Colville River Valley, and Icy Cape/Kasegaluk Lagoon. Appropriate actions would be taken to prevent significant adverse impacts to surface and wildlife resources in these areas.
- Broad leasing authority, with flexibility and discretion to establish terms and conditions appropriate for the high risks and unusual operating conditions of the area, with provisions to obtain fair market value for minerals leased. The legislation includes a wide range of competitive bidding systems, regulatory authorities needed to protect the environment, and lease cancellation authority for extraordinary circumstances.
- Creation of an Advisory Committee with representatives from State and local governments, the Native community, industry, and other interested organizations to assist in land use planning and development of the leasing program.
- Sharing of revenues with the State of Alaska at 50 percent of the production value of the oil and gas, with a specific requirement for State assistance to the most directly and severely affected localities.
- A discretionary system for permitting and leasing of minerals other than oil and gas to the extent consistent with petroleum exploration and development and protection of wildlife values.
- Provisions to protect and benefit Alaska Natives, through payments to the Native Fund, continuation of subsistence uses of the lands, and continuation of a gas supply to Barrow.
- Authority to assure access for transportation into and through the area, particularly across wild and scenic rivers.

Copies of the two major studies which formed the basis for my recommendations are attached. The Act assigns the responsibility for the economic and environmental study to the President and you are to transmit it to Congress by January 1, 1980, with your legislative recommendations. We have left this study in draft form in order to reflect your final recommendations in the transmittal to Congress. The economic and environmental evaluations consider a full range of policies toward future activity in NPR-A. Various leasing systems and other terms and conditions related to petroleum operations and environmental effects are discussed.

As part of the economic study, the Interior Department conducted a preliminary assessment of the petroleum potential of NPR-A based on an evaluation by experts in the U.S. Geological Survey and using a computer simulation model developed expressly for NPR-A. This evaluation considered the data gathered to date in the Government exploration program, including information from 15 wells and over 11,000 line miles of seismic data.

Based on this evaluation, we continue to be optimistic about the potential of the area. While there have been no discoveries of commercial quantities of oil and gas, our current estimate is that the 23 million-acre Reserve contains an average value of 7.1 billion barrels of oil in place and 14.1 trillion cubic feet of gas in place. Of these potential in place resources, under current economic conditions, we estimate an average of 1.9 billion barrels of oil and 4.0 trillion cubic feet of gas could be delivered to market; there is a 5 percent chance that 4.8 billion barrels of oil and 13.8 trillion cubic feet of gas could be delivered. These estimates will be updated as additional data become available.

A task force consisting of Federal agencies, the State of Alaska, and the North Slope Borough prepared the land use study. I submitted this study to Congress on April 12 of this year as required by the Naval Petroleum Reserves Production Act. This study lays out in detail the characteristics of the lands in NPR-A and the primary resource values other than petroleum.

Based on this information, I considered a range of options for management of NPR-A. These included continued management as a petroleum reserve with primary emphasis on oil and gas exploration and production, multiple use management under the provisions of Federal Land Policy and Management Act (FLPMA), management as a wildlife refuge, and designation of certain parts of the Reserve as parks or wilderness areas. As I indicated earlier, I decided the best approach is multiple use management, leaving

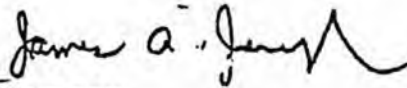
the entire area potentially open for oil and gas leasing, but designating it a National Conservation Area to protect the unique surface resource and wildlife values of certain parts of the Reserve.

In conducting the studies and developing my recommendations, we had extensive public involvement. After public briefings in August, we had a formal comment period. A number of oil companies, industry groups, environmental groups, and several individual citizens gave us their views. We also asked the North Slope Borough and the State of Alaska for their recommendations on options for future activity. I gave careful consideration to the views of Mayor Hopson and Governor Hammond. We also consulted with the Department of Energy, and I considered its recommendations as well as those of several other Federal agencies.

I urge that you make early passage of this legislation an Administration priority during the next session of Congress. Exploration of NPR-A by a number of private companies will provide a better basis for assuring early production from NPR-A than will continuation of the Government exploration program based on a single exploration strategy. The legislation will allow exploration and any subsequent development to be conducted within a sound and defensible framework. Assuming passage of this legislation during the next session of this Congress, we will initiate accelerated planning and should be in a position to commence leasing during the early part of 1982.

We will provide whatever assistance is necessary to assure timely transmittal of the legislation and study to Congress.

Sincerely,



~~Not in~~SECRET

Enclosures

REPORT LANGUAGE FOR HR 7724

Provisions Affecting Exploration of
National Petroleum Reserve in Alaska

The bill provides \$194,251,000 to initiate and carry out the leasing of the National Petroleum Reserve in Alaska, a Federal land holding of 23 million acres which is entirely located on the North Slope of Alaska. In addition to providing funds, the House bill provides substantive requirements directing the Secretary how such leasing is to be carried out. The Committee has agreed to the House provisions, with certain changes. The Committee believes that private leasing of the NPRA is extremely important and that it should proceed as expeditiously as possible. It is important, however, that the Congress also provide guidance to the Secretary on how that leasing should take place.

The social, economic, and environmental conditions in the Arctic are extremely fragile. The sudden influx of workers and money into an area can be extremely disruptive to the local community and put a strain on governmental services. There is also great potential for harm to the environment from the equipment and other activities associated with the exploration and development. Therefore, it is extremely important that the Secretary develop and implement a leasing program that gives proper consideration to the effects on the local community and political jurisdiction whose lands involved will be most directly

affected by the economic and social impacts. Because of these concerns, the Committee has made several changes in the House bill.

First, the House bill exempted the lease program from Sections 202 and 603 of the Federal Lands Policy and Management Act of 1976. While the Committee agrees that those sections of FLPMA should not operate to delay the leasing program, the sections would also have provided authority for important interaction between the Secretary and the State and local governments. The Committee considers it very important that the Secretary consult with the State and local jurisdictions regarding the lease program and insure important State and local decisions regarding land use control, environmental protection and preservation of subsistence use by local residents are made part of any leasing program. The Committee amendment would require the Secretary to recognize and insure application of these local requirements, even though the FLPMA sections are otherwise not applicable. The Committee believes that this will not delay the lease program in any way.

Second, the Committee has added language that will lead to greater participation in the jobs and business contracts associated with the leasing program by disadvantaged Native groups. Natives have historically gained the least from the economic activity associated with oil and gas development. Efforts were made in connection with construction of the Trans-Alaska pipeline

and the proposed Alaska Natural Gas Transportation System to encourage hiring of Natives. The unemployment rate for Natives in the North Slope is perhaps the highest in the country and it is appropriate that they have a role in the development of the resources from the area in which they live. This amendment makes more explicit the Federal goal that Natives have a preference in the employment and contracts that will be generated by the leasing program of NPRA authorized by the bill.

Third, the Committee recognizes that the impacts of oil and gas development increases costs for local governmental units. In addition, the Committee considers it important that such local jurisdictions share in the financial rewards associated with the development of resources of land within their jurisdictions, even though fee ownership may still be with the Federal government. The House bill provides that 50% of the lease sale proceeds, the royalties, and other income from the NPRA be returned to the State of Alaska, with a directive that the State allocate the funds to benefit the jurisdictions most affected by the development of NPRA.

The Committee supports the concept of returning funds to local jurisdictions but is concerned that those funds be available to benefit the jurisdictions most directly affected by the development and the activities that produce the income. The State is subject, understandably, to pressures from jurisdictions throughout the state for distribution of its revenues; past

experience indicates that certain areas, particularly those less populated, may not receive distribution appropriate to their needs or to the impacts that they have suffered. Furthermore, the State has restricted the authority of local jurisdictions to raise revenues by taxing property associated with oil and gas development. This has had its most serious impact on those locations where the oil and gas exploration and development is taking place and substantial amounts of property are located. Consequently, the Committee has preserved the 50% allocation to the State and its local jurisdictions but has directed distribution within the state so that a reasonable portion goes to the North Slope Borough, the local jurisdiction most affected by development of NPRA; the NPRA is composed of lands located totally within the North Slope Borough boundaries. Given the priority set forth in the House bill that the funds go to the jurisdictions most impacted by development, the Committee considers it appropriate to make the allocation explicit in the bill.

Finally, the Committee has rejected the request by the Administration that the bill require transfer of the Barrow gas field, which at present is under the jurisdiction of the Secretary of the Interior. The gas from that field is essential to life in Barrow, our northernmost community. The gas is used for heat and electricity, and a reliable supply of gas is necessary during the severe Arctic winters. While the Committee agrees that the source and cost of long-term energy supplies for

Barrow, as well as other North Slope Borough Villages, should be examined by the Secretary and discussed with the local community, it is inappropriate for the Congress to direct that a transfer take place in advance of studies and other data that demonstrate how energy supplies can best be funded. The Committee wants to avoid hurriedly choosing an unrealistic operating situation which might endanger the continued supply of fuel for heat to the community.

The leasing of NPRA provides a good opportunity for the Secretary to study energy needs on the North Slope and determine how North Slope Villages, including Barrow, can gain access to indigenous energy supplies. While the Barrow gas field would obviously not be included in any leasing program, the Secretary should consider lease conditions on tracts which will be leased that will guarantee access to any discovered oil or gas by the villages. Following development of such information, the Congress will be better able to respond in an appropriate manner to the Administration's request for transfer of the Barrow gas fields.



Official Business

Alaska State Legislature

House of Representatives

Committee on Finance

Pouch V
State Capitol
Juneau, Alaska 99811

May 28, 1982

MEMORANDUM

TO: Representative Al Adams

FROM: Cheryl Frasca *CF*

SUBJECT: CSSB 835

Attached is a sectional analysis of CSSB 835 which proposes to establish a National Petroleum Reserve, Alaska, special revenue fund. Briefly, the fund would consist of the 50% the state receives in royalties derived from oil and gas leases in the NPR-A. One half of that 50% would be earmarked for the local political subdivisions impacted by NPR-A development, while the other half would go for specified statewide purposes.

Also attached are memorandums and letters concerning the original federal legislation which enabled the state to receive NPR-A royalties. As you will note, it appears very clear that it was Congress' intent that upon passage of the federal legislation providing for the federal government to share royalties with the state, these funds would, in turn, be passed along to the local communities that were impacted by NPR-A development. This is expressed in the report language for HR 7724, a letter from the U.S. Department of Interior and in a summary of an NPR-A meeting at which Senator Stevens attended. These are attached for you further reference.

Additional background information is available should further details be desired.

CSSB 835 (Finance) Establishing a National Petroleum Reserve,
Alaska, special revenue fund

Section 1. FINDINGS. The U.S. Congress provided by law in 1980 that Alaska shall receive 50% of the royalties derived from competitive leasing of oil and gas in NPRA. Nearly all of the NPRA lies within the boundaries of the North Slope Borough. Therefore, because of the continuing nature of the congressional appropriation, the legislation establishes a special revenue fund to comply with the federal Act.

Section 2. NATIONAL PETROLEUM RESERVE, ALASKA, SPECIAL REVENUE FUND. The fund shall consist of money received from the federal government and shall be managed by the Commissioner of Revenue. Fifty percent of the funds received shall be paid to those state subdivisions most severely impacted by oil and gas development in NPRA. The other 50% shall be used by the state, as appropriated, for specified purposes: planning, construction, maintenance and operation of essential public facilities, and other necessary public services. Those subdivisions receiving funds may only use them for purposes that are in conjunction with development of NPRA and with a competitive oil and gas leasing program. These shall also include planning, construction, maintenance and operation of essential public facilities and other necessary public services.

Section 3. Immediate effective date.

THE LEGISLATURE OF THE STATE OF ALASKA CSSB 835(Fin)
TWELFTH LEGISLATURE

*Rec'd 5/14/82
After bill
reported out
of committee*

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CSSB 835(Fin) (5/10/82)

Title: Establishing a National Petroleum Reserve, Alaska, Special Revenue Fund

Requested by: Senate Finance Committee

Date: 5/13/82

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected: Treasury Management

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

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	15.7	17.3	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	48.0	48.0	-	-	-
400 COMMODITIES	-	2.0	2.0	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	65.7	67.3	-----INDETERMINATE-----		

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-	65.7	67.3	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	-	-	-	-	-
PART TIME	-	1/6mm	1/6mm	-	-	-
TEMPORARY	-	-	-	-	-	-

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

Establishes a National Petroleum Reserve, Alaska, Special Revenue Fund. Consists of amounts received by it from federal government for leasing of oil & gas tracts in National Petroleum Reserve, Alaska. Commissioner of Revenue to invest fund. Monies to be disbursed as grants and used directly by legislative appropriation from fund.

Personal Services for half-time Accounting Tech. II (14,G) for accounting/reporting/allocation/distribution. Contractual Services: Comm. \$5.0; Print & Adv. \$5.0; Safekeeping and related reporting/accounting \$32.0; Audit \$3.0; Misc. \$3.0.

Above analysis of costs valid for range of receipts/ave. fund balance of \$50-100 million, use of special revenue fund that is not a separately invested fund but with separate accountability. FY 85-87 listed as indeterminate because rate of drawdown unknown.

IV. DATE: May 13, 1982

PREPARED BY: Anselm C. Staack, Treasury Comptroller

AGENCY: Dept. of Revenue, Treasury Division

PHONE: 465-2350

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Original sponsor: Finance Committee

Offered: 5/10/82
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 835 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing a National Petroleum Reserve,
7 Alaska, special revenue fund; and providing for an
8 effective date."

9

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

10

* Section 1. FINDINGS. The legislature finds that

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(1) the United States Congress, by P.L. 96-514 (94 Stat. 2964,

12

December 12, 1980), provided that the state shall receive 50 percent of
13 receipts derived from competitive leasing of oil and gas in the National
14 Petroleum Reserve in Alaska;

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(2) virtually all of the National Petroleum Reserve in Alaska lies

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within the corporate limits of the North Slope Borough, a home rule political
17 subdivision of the state; and

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(3) because of the continuing nature of the congressional appro-

19

priation a special revenue fund should be established to comply with the
20 directive of the federal Act.

21

* Sec. 2. NATIONAL PETROLEUM RESERVE, ALASKA, SPECIAL REVENUE FUND. (a)

22

The National Petroleum Reserve, Alaska, special revenue fund is established.

23

The fund shall consist of money received by the state from the federal govern-
24 ment under P.L. 96-514.

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(b) The commissioner of revenue shall manage the special revenue fund

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in accordance with AS 37.10.070.

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(c) The commissioner of revenue shall pay to those subdivisions of the

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state that are most directly or severely impacted by development of oil and

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gas in the National Petroleum Reserve in Alaska amounts appropriated from the

1 special revenue fund by the legislature for that purpose. It is the intent of
2 the legislature that these amounts equal 50 percent of the amount received
3 from the federal government under the federal Act, and that this percentage
4 be reviewed by the legislature every five years following the passage of this
5 Act.

6 (d) Amounts received by the state under (a) of this section that are
7 not paid under (c) of this section shall be used by the state, subject to
8 appropriation by law, for the following activities and services:

9 (1) planning;

10 (2) construction, maintenance, and operation of essential public
11 facilities; and

12 (3) other necessary public services.

13 (e) Amounts paid to subdivisions of the state under (c) of this section
14 shall be used by the subdivisions only for the following activities and
15 services in conjunction with development of the National Petroleum Reserve in
16 Alaska and a program of competitive leasing of oil and gas from that reserve:

17 (1) planning;

18 (2) construction, maintenance, and operation of essential public
19 facilities by the subdivisions; and

20 (3) other necessary public services provided by the subdivisions.

21 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10-
22 070(c).

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Introduced: 3/5/82
Referred: Community &
Regional Affairs and Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 836

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending appropriations made for entitlements
7 to municipalities and unincorporated communities and
8 for extending appropriations for administering the
9 entitlements; and providing for an effective date."

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

11 * Section 1. Section 3(a), ch. 61, SLA 1981, as amended by sec. 63, ch.
12 92, SLA 1981, is amended to read:

13 (a) The sum of \$200,000,000 is appropriated from the general fund
14 to the Department of Administration for payment of entitlements to
15 qualified municipalities [FOR THE FISCAL YEAR ENDING JUNE 30, 1982,] in
16 accordance with legislation authorizing the payments.

17 * Sec. 2. Section 4(a), ch. 61, SLA 1981, as amended by sec. 64, ch. 92,
18 SLA 1981, is amended to read:

19 (a) The sum of \$13,131,100 is appropriated from the general fund
20 to the Department of Community and Regional Affairs for payment of
21 entitlements to unincorporated communities in the unorganized borough
22 [FOR THE FISCAL YEAR ENDING JUNE 30, 1982,] in accordance with legisla-
23 tion authorizing the payments.

24 * Sec. 3. Chapter 61, SLA 1981 is amended by adding a new section to
25 read:

26 Sec. 9. The unexpended and unobligated balances of the appropria-
27 tions made by secs. 3(a), 4(a), 5, and 6 of this Act lapse into the
28 general fund June 30, 1983.

29 * Sec. 4. This Act takes effect on the effective date of a version of an

1 Act entitled "An Act extending the time during which assistance for muni-
2 cipalities and unincorporated communities is paid under ch. 60, SLA 1981; and
3 providing for an effective date."
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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB836
 Title An Act Extending Appropriations made for Municipal Assistance
 Requested by Senator Dankworth Date _____

II. FISCAL DETAIL
 Agency Affected Department of Administration
 Program Category Affected General Government
 BRU, Program, Or Subprogram(s) Affected Municipal Grants
 (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						
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)

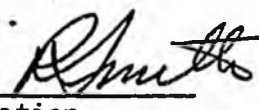
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The Department of Administration endorses SB836 as written. This housekeeping measure clarifies the Legislature's intention that the Department is to administer \$295,000,000 during Fiscal Years 1982 and 1983 for municipal assistance entitlements.

IV. DATE March 11, 1982 PREPARED BY Kenneth R. Ryals 
 AGENCY Department of Administration
 Original: Legislative Finance PHONE 465-2277
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

MARCH 10, 1982

SEE FILE FOR SB 830 FOR BACKUP RELATING

TO SB 836.



From The
**SENATE
FINANCE COMMITTEE**

MARCH 8, 1982

ADVISED TAM COOK AT LEGISLATIVE
AFFAIRS OF TYPO NOTED IN C&RA
MEMO. LEGISLATIVE AFFAIRS'
INVESTIGATION DETERMINED THAT
REFERENCES TO Ch. 61 CONTAINED
IN SB 836 ARE CORRECT AS STATED.

Kathy Holmquist
Committee Secretary



Official Business

Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

465-4934

465-4935

Pouch V

State Capitol

Juneau, Alaska 99811

Donald Gilman, Chairman
Robert H. Ziegler, Sr., Vice-Chairman
Mike Colletta
Arless Sturgulewski
Frank Ferguson

March 8, 1982

Note to the Finance Committee:

Ken Ryals, from the Department of Administration, telephoned this morning to say that there were three serious typographical errors in SB 836 that should be corrected:

Lines 11, 17 and 24 - The referral should be to Ch. 60, not ch. 61.

A handwritten signature in cursive script that reads "Betty Kiefer".

Betty Kiefer
Secretary

Introduced: 3/5/82
Referred: Community &
Regional Affairs and Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 836

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending appropriations made for entitlements
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12 92, SLA 1981, is amended to read:

13 (a) The sum of \$200,000,000 is appropriated from the general fund
14 to the Department of Administration for payment of entitlements to
15 qualified municipalities [FOR THE FISCAL YEAR ENDING JUNE 30, 1982,] in
16 accordance with legislation authorizing the payments.

17 * Sec. 2. Section 4(a), ch. 61, SLA 1981, as amended by sec. 64, ch. 92,
18 SLA 1981, is amended to read:

19 (a) The sum of \$13,131,100 is appropriated from the general fund
20 to the Department of Community and Regional Affairs for payment of
21 entitlements to unincorporated communities in the unorganized borough
22 [FOR THE FISCAL YEAR ENDING JUNE 30, 1982,] in accordance with legisla-
23 tion authorizing the payments.

24 * Sec. 3. Chapter 61, SLA 1981 is amended by adding a new section to
25 read:

26 Sec. 9. The unexpended and unobligated balances of the appropria-
27 tions made by secs. 3(a), 4(a), 5, and 6 of this Act lapse into the
28 general fund June 30, 1983.

29 * Sec. 4. This Act takes effect on the effective date of a version of an

1 Act entitled "An Act extending the time during which assistance for muni-
2 cipalities and unincorporated communities is paid under ch. 60, SLA 1981; and
3 providing for an effective date."
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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB836

Title An Act Extending Appropriations made for Municipal Assistance

Requested by Senator Dankworth Date _____

II. FISCAL DETAIL

Agency Affected Department of Administration

Program Category Affected General Government

BRU, Program, Or Subprogram(s) Affected Municipal Grants

(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						
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 Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The Department of Administration endorses SB836 as written. This housekeeping measure clarifies the Legislature's intention that the Department is to administer \$295,000,000 during Fiscal Years 1982 and 1983 for municipal assistance entitlements.

IV. DATE March 11, 1982

PREPARED BY Kenneth R. Ryals

AGENCY Department of Administration

Original: Legislative Finance

PHONE 465-2277

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

