

LEG. FINANCE - BILLS 1983 - 1984 2130

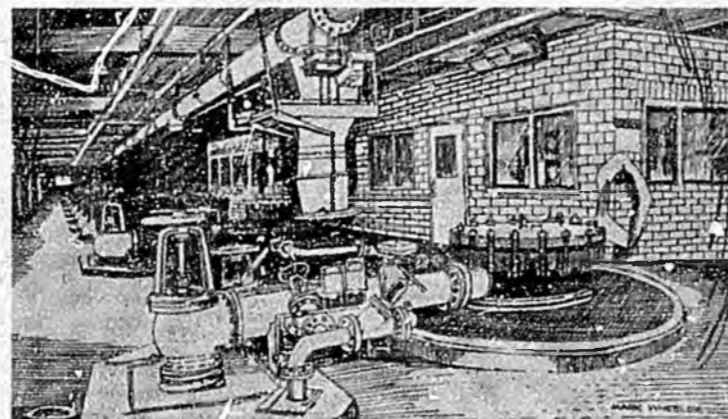
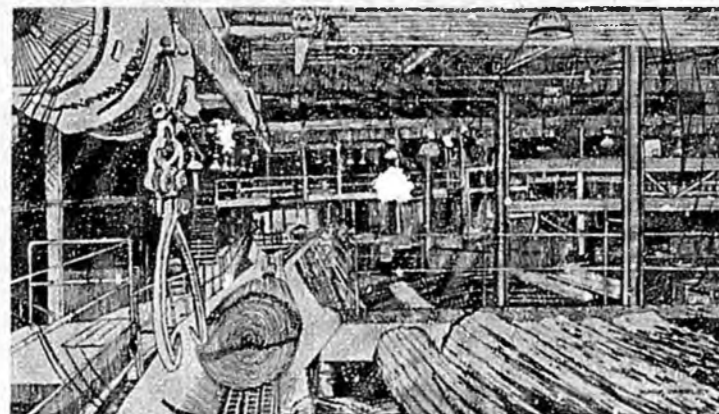
SB 479 cont. - SB 490 2130

## CHIPPING...

Debarked logs not suitable for lumber, enter the whole log chipper. Here an average 20 foot log is reduced to 3/4 inch chips in approximately twelve seconds. A belt conveyor moves the chips to silos for storage. Size uniformity is assured by chip screens while fines and sawdust are conveyed to the power house to be used as fuel. Chips made at sawmills are shipped to the pulp mill in barges. These are unloaded by a dock crane and blown by a pneumatic conveying system to the storage silos.

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The logs enter woodroom no. 1 through the barker and are either reduced to chips or are conveyed to bandsaw and edger for lumber manufacture.



Chips enter the top of these nine digesters where they are cooked in batches for 5 hours and reduced to pulp.

## MAKING PULP...

Wood chips must be dissolved to obtain the individual cellulose fibers. This is done by cooking the chips with steam and chemicals to release the fibers from the lignin or natural binder. There are nine digesters. Each is 58 feet high and 17 feet in diameter. The digester is filled with 110 tons of chips and 55,000 gallons of cooking liquor. The digester is sealed, the temperature rises to 300 degrees F. under a pressure of 120# per square inch for five hours. The pressure is then reduced and the cooked chips are dumped into a large tank.

wegian freighter *Risanger*, destined for Belgium, Holland, and Germany. Since then "Tongacell", the brand name for Ketchikan Pulp Company's pulp, has been shipped all over the world although 75 per cent goes to United States markets.

Ketchikan Pulp Company has *continuously* upgraded the manufacturing plant. Additional digesters were installed in 1957, 1964 and 1969. Additional recovery and acid manufacturing facilities were added in 1967 and 1966. In 1971 a new power plant generator was installed as well as a second woodroom. In 1973 \$6.35 million of environmental projects were completed including an elevated log deck and bundle handling crane. These improvements have resulted in increased production and better utilization of the raw material. The production surpassed the rated 525 tons per day in 1959 with the current mill capacity now at 650 tons per day.

To increase utilization of forest resources Ketchikan Pulp Company acquired Ketchikan Spruce Mills in 1967 and leased Annette Hemlock Mills at Metlakatla in 1971. The Company financed the construction of a sawmill at Klawock which is leased to an independent operator. In 1973 construction was completed on a sawmill as part of the new log deck and existing woodrooms at the Ward Cove plant. This is one of the few sawmills built into the woodroom of a pulp operation.

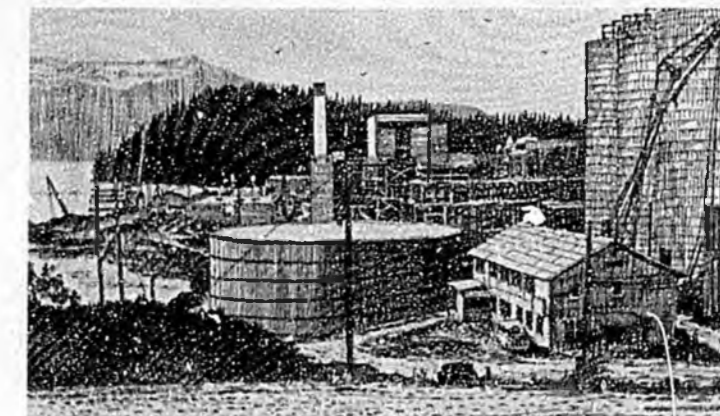
At present Ketchikan Pulp Company is jointly owned by FMC Corporation and Louisiana-Pacific Corporation. In 1963 American Viscose Corpora-

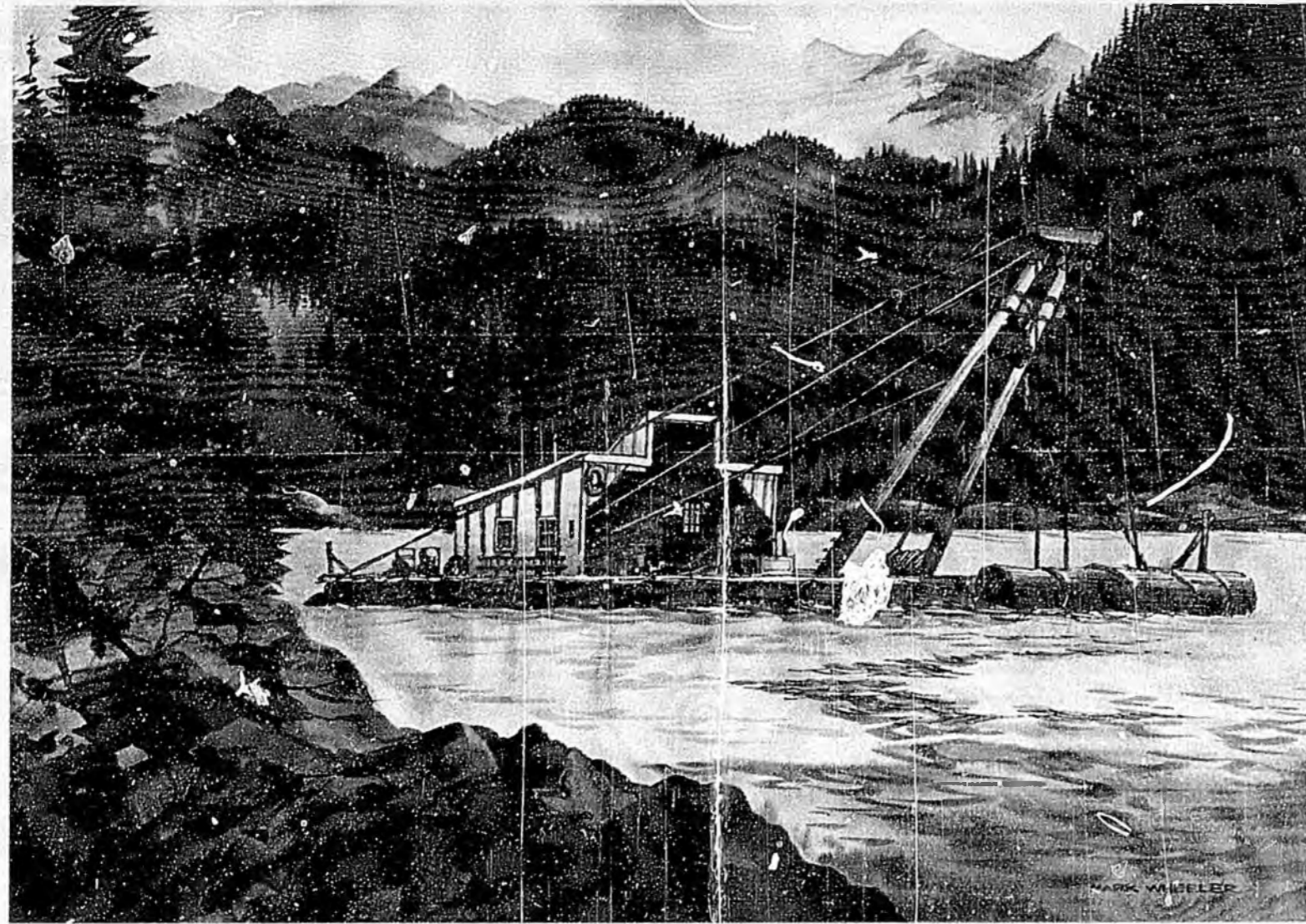
tion was purchased by FMC, and Puget Sound Pulp and Timber merged with Georgia-Pacific Corporation. On January 5, 1973 Georgia-Pacific's interest in Ketchikan Pulp Company was transferred to Louisiana-Pacific Corporation.

Today nearly 1200 people are directly employed by Ketchikan Pulp Company on a year round basis. Six hundred men and women are employed at Ward Cove while another 190 are at Ketchikan Spruce Mills, 150 at Annette Hemlock Mills and 250 at Thorne Bay. Another 750 independent loggers and construction workers supply logs and other needed services bringing the total to nearly 2000 jobs. Local spending for supplies and wages, largely spent in Ketchikan, amounts to over three million dollars a month.

9.

Chip silos, oil storage, woodroom, powerhouse, machine shop, and pulp press building nearing completion - Dec. 7, 1953.





## TOWING AND SORTING...

Rafts of bundled logs are towed by tug boat from logging camps as far away as 200 miles. In the log pond at Ward Cove, the rafts are opened and bundles lifted to the log deck. The log bundle handling crane raises bundles of logs weighing up to 90 tons from the water to the log deck where steel bands are cut and logs sorted by species and grade for best utilization. Here high grade sawlogs and cedar go back to the pond to be rerafted and sent to sawmills.

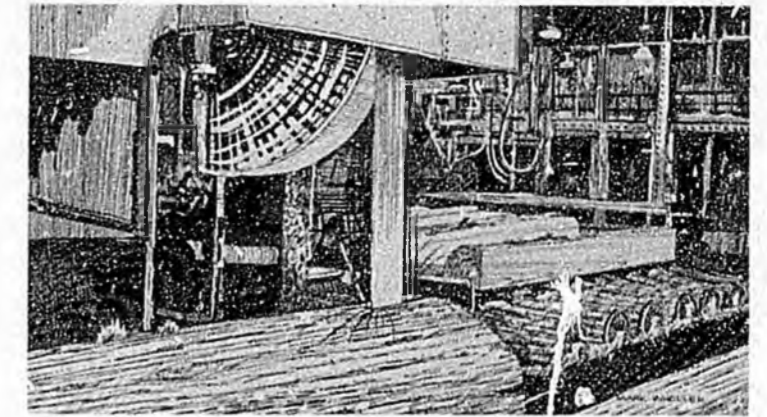
## BARKING...

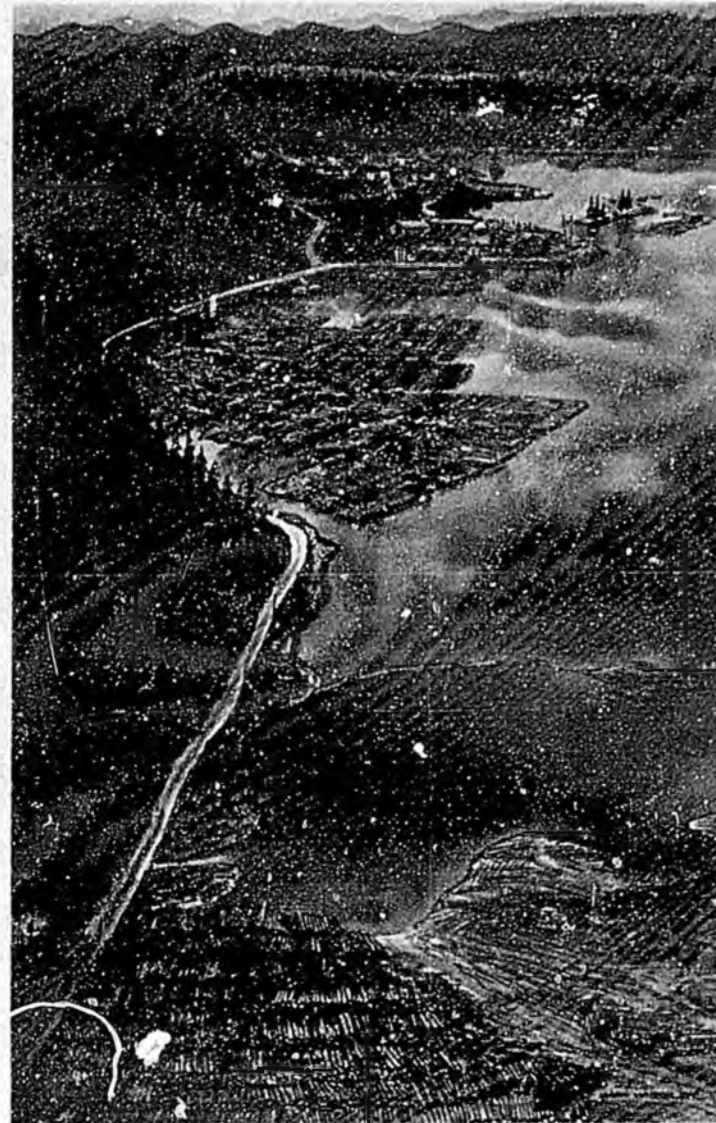
In the #1 woodroom logs are first cut into 20 foot lengths. Bark is blasted loose by water discharged from a nozzle at the tremendous pressure of 1400 pounds per square inch. The #2 woodroom barks and chips logs up to 30 inches in diameter in one continuous straight line. The bark is drained and pressed to remove water and is then burned to make steam which drives the electric turbines.

## CUTTING LUMBER AND CANTS...

Logs which contain quality lumber and cants move to a sawmill integrated with both woodrooms. Here the logs go through a headrig which cuts that portion of the log suitable for lumber. This lumber is cut to precision dimensions, graded, strapped and stored until shipment. It is lightered by barge to ocean-going vessels for loading in Ward cove or at the Ketchikan Spruce Mills dock. Chips from slabs and woodscraps are conveyed to the silos.

This bandsaw in the woodroom is used for breakdown of large logs prior to chipping.





### THORNE BAY...

Company logging operations started in 1953 at Hollis on Prince of Wales Island and were moved to Thorne Bay in 1962. Thorne Bay is the largest logging camp in the United States. Active logging is generally carried on during nine or ten months of the year, but most families stay year around.

The camp is a complete community with all modern conveniences such as lights, television, water, sewers, and streets. There are the customary bunk-houses and mess halls as well as houses for the 60 families who make Thorne Bay home. There is a store, restaurant, movie hall, snack bar, and employee-built church. The Thorne Bay school has all grades including a four year high school. Its basketball team competes with teams from comparable sized schools in Southeastern Alaska. Employees and their families actively participate in a Community Club, Garden Club, and an annual salmon derby.

Until summer 1974 all transportation to and from Thorne Bay has been by air or water. The camp is now connected by road to Craig, Klawock, and the Hollis ferry terminal.

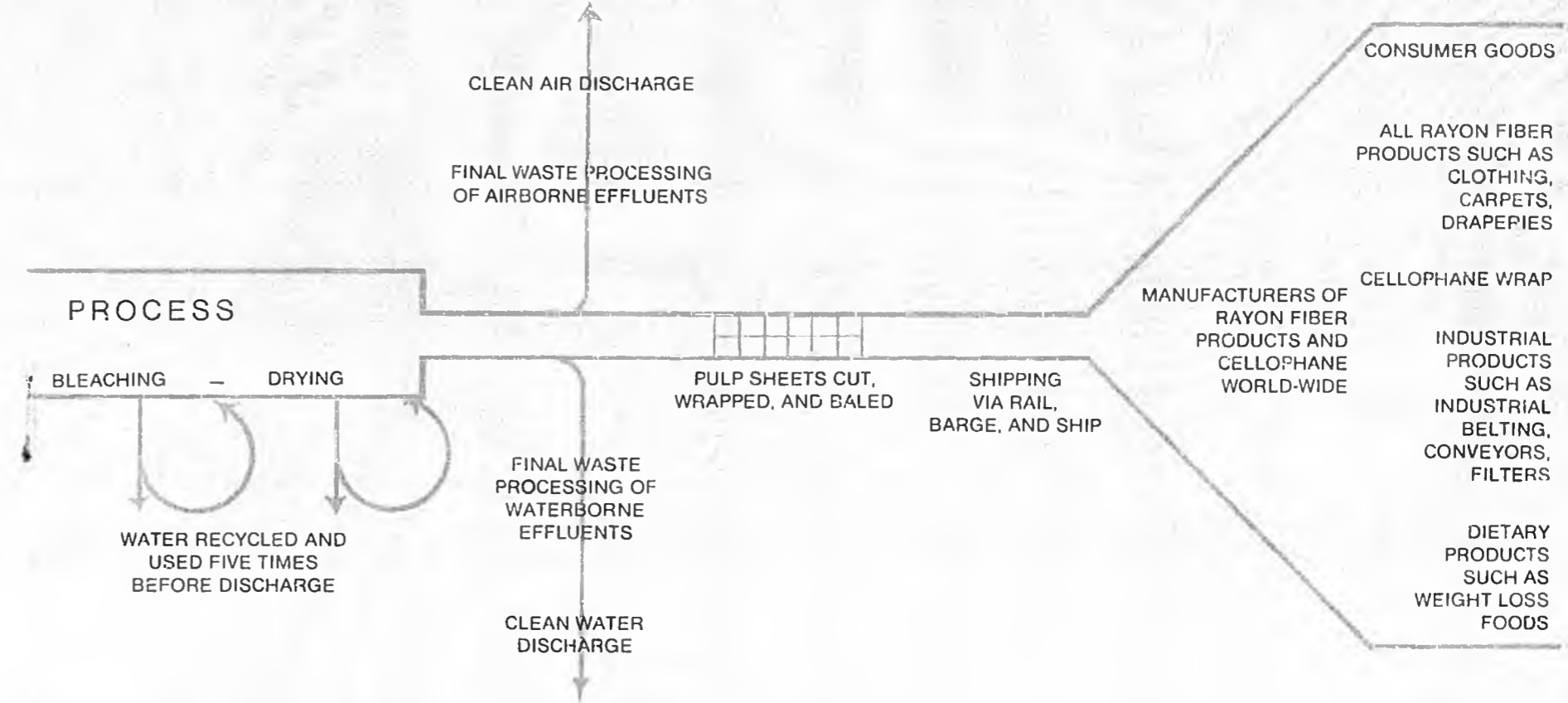
### CONSUMER PRODUCTS...

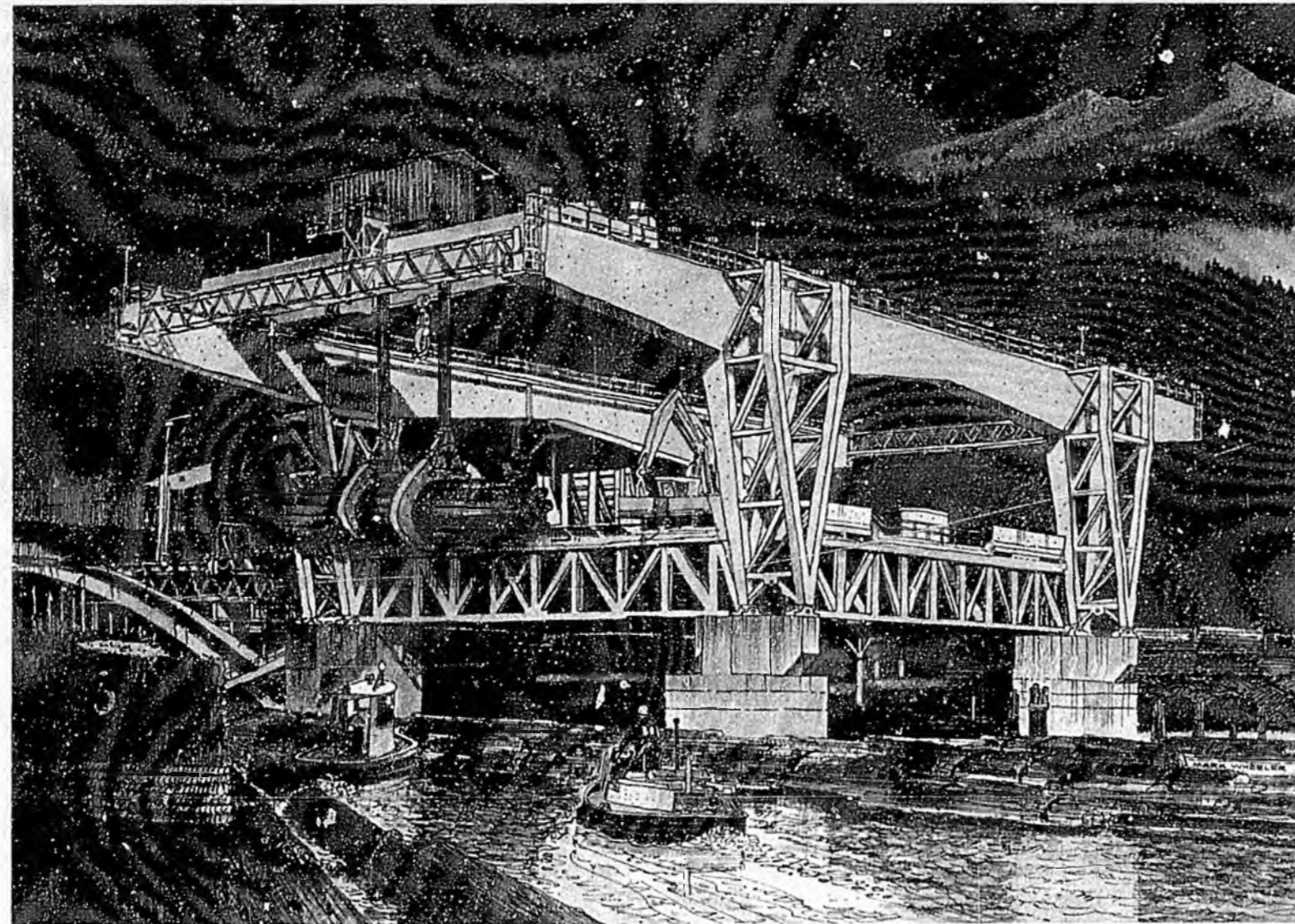
"Tongacell" high quality dissolving pulp is the raw material used for the manufacture of rayon and cellophane. Rayon is manufactured into woven and non-woven fabrics for apparel, draperies, and upholstery. Other non-woven items include disposable diapers and such disposable medical supplies as masks, gowns, drapes, and caps. Rayon is used extensively in industrial products such as tire cord, rope, twine, industrial belting, hose, braids, bris-

...tles, insulation and other products. There are applications for rayon fibers in the plastics, rubber, paper, paint, electrical, chemical and other non-textile industries.

Cellophane has found widespread use as a clear packaging material for a multitude of consumer products.

Another derivative of dissolving pulp is "Avicel" which is used in diet foods, pharmaceutical and cosmetic products.





## WE START IN THE WOODS...

Before actual harvesting begins in the woods, Ketchikan Pulp Company's forestry and engineering department cruises the timber in the proposed logging site. The method of harvest is determined, and timber to be logged is laid out. After a camp is set up and roads are constructed, logging begins.

Logs are loaded upon trucks and hauled to the log dump where they are sorted and bundled. Quality logs are stored on the Thorne Bay dry deck for winter use. Other logs are placed into the water, made into bundle rafts, then towed to Ward Cove and other storage areas.

Approximately one-fourth of the log needs are supplied from the company logging camp at Thorne Bay. Additional logs are secured from logging contractors operating on the Company pulp sale and from independent timber sales acquired from the U.S. Forest Service.

## WE BUILD ROADS...

Road building is an expensive part of harvesting Alaska's timber. Over the past 20 years approximately 500 miles of road have been constructed on Prince of Wales Island for the harvest of timber. These roads have been built to Forest Service standards and many will provide a network of roads to be used by the Forest Service and the public for transportation, recreation, reforestation, and forest protection.

Newly inaugurated ferry service for Prince of Wales Island with the ferry CHILKAT provides the people of this vast island with their first road tie with Ketchikan and the Marine Highway. The Craig-Klawock-Hollis road is an extension of the company-constructed logging road system up the Harris River from the original Hollis logging site. Eventually the road systems of many logging camps will be tied into this transportation system.

With the annual timber harvest, road construction programs, a new airport and sawmill at Klawock, the new ferry terminal at Hollis and a whole new area of recreational possibilities, this is one of the fastest developing areas in Southeastern Alaska.

## HOW WE USE OUR RESOURCE...

Today's fully integrated utilization of Alaskan forests is being achieved because of industrial development and improvements. Of today's log acquisitions 50 per cent are sawed into high quality lumber and cants and 50 per cent are used to make high grade dissolving pulp. In contrast twenty years ago practically all of the logs became pulp.

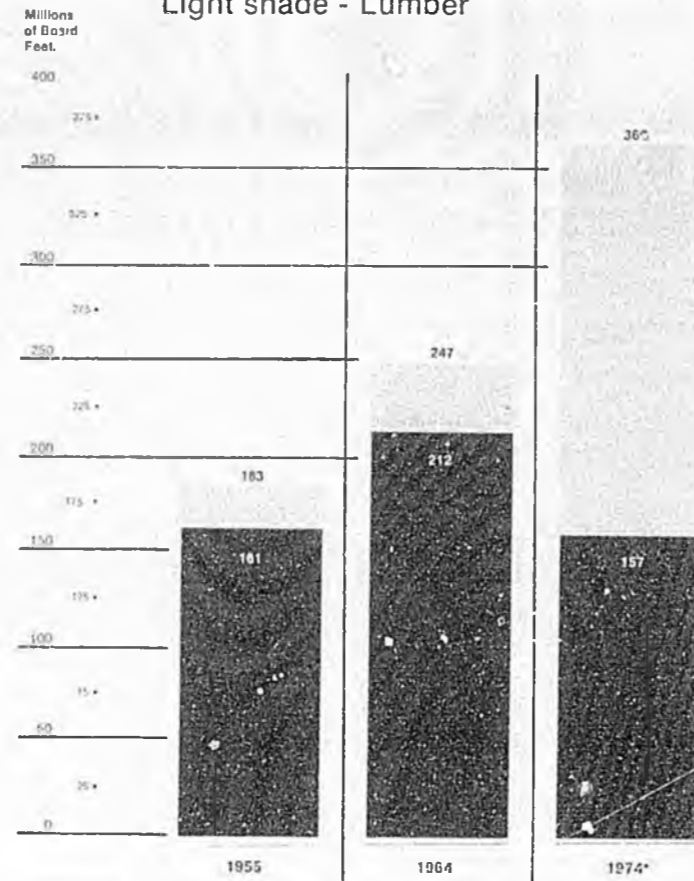
Our goal is the complete utilization of the raw material. Saw logs are towed to one of the sawmills, where the portion suitable for lumber is sawed from the log. The other portion is converted to wood chips for pulp use. The four sawmills have complete waste wood recovery systems producing chips. The pulp mill produces pulp from low grade logs not suitable for sawing and from these sawmill waste-wood recovery chips.

Bark waste and sawdust from the sawmills and pulp mill are utilized for fuel at Ward Cove. This is burned in two power boilers which produce steam for process heating and driving three turbine generators.

Ketchikan Pulp Company and its affiliated sawmills have been industry leaders in Alaska in working toward total utilization of our forest resources. Improved utilization conserves our vital forest resources and guarantees that every tree harvested will provide a full measure of prosperity for Alaska.

Graph shows utilization of whole log for lumber and pulp.

Dark shade - Pulp  
Light shade - Lumber



\*ESTIMATED

All Residuals Are Used As Fuel  
All Sawmills Ship Their Hog Fuel To Ward Cove.

## OUR SAWMILL OPERATIONS...

Ketchikan Spruce Mills, a Ketchikan landmark since 1903, is Alaska's oldest manufacturer. During early years its production of spruce was used for fishboxes, railroad ties, common lumber and airplane stock.

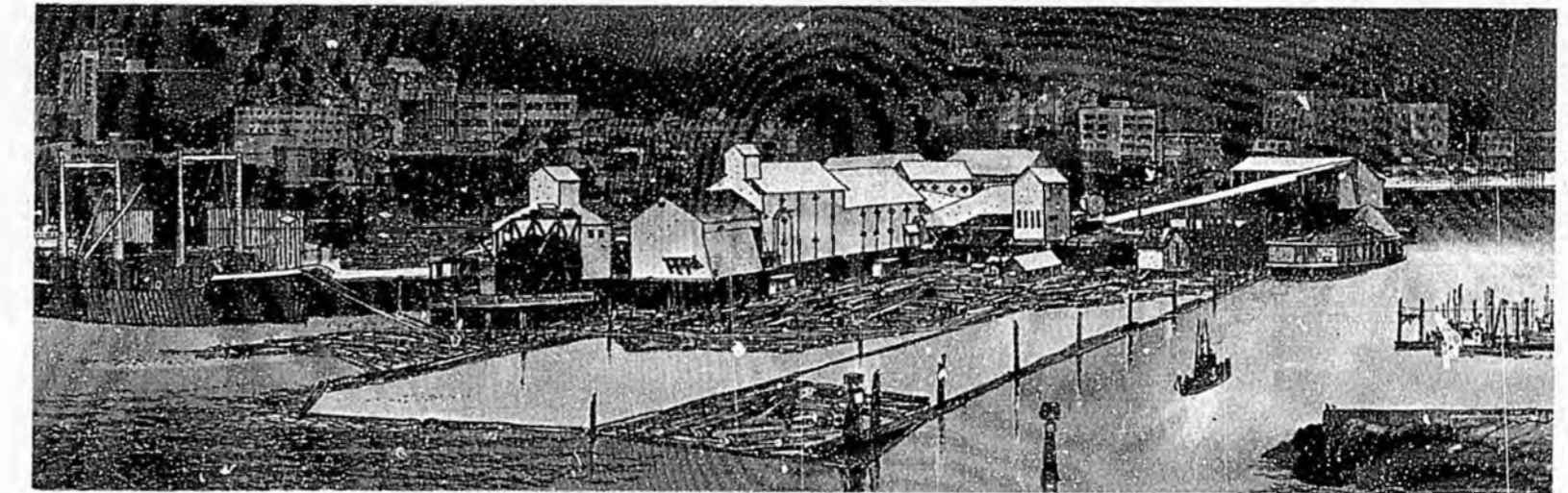
Today the lumber Ketchikan Spruce Mills produce for Japanese, Pacific Northwest and local markets is used for helicopter blades, piano and organ sounding boards, guitar stock, scaffold planks, quality ladders, masts and spars, internal

parts for rocket engines and residential and commercial construction.

Annette Hemlock Mills is operated under lease and located in the Indian community of Metlakatla. Our sawmill located at the Indian village of Klawock is leased to Alaska Timber Corporation. These mills cut high grade, old growth hemlock logs into lumber and cants for export and Northwest markets where cants are resawn into sizes conforming to customer building requirements.

A new sawmill, integrated into the woodrooms at Ward Cove, recovers segments of lumber from lower grade logs formerly used for chips.

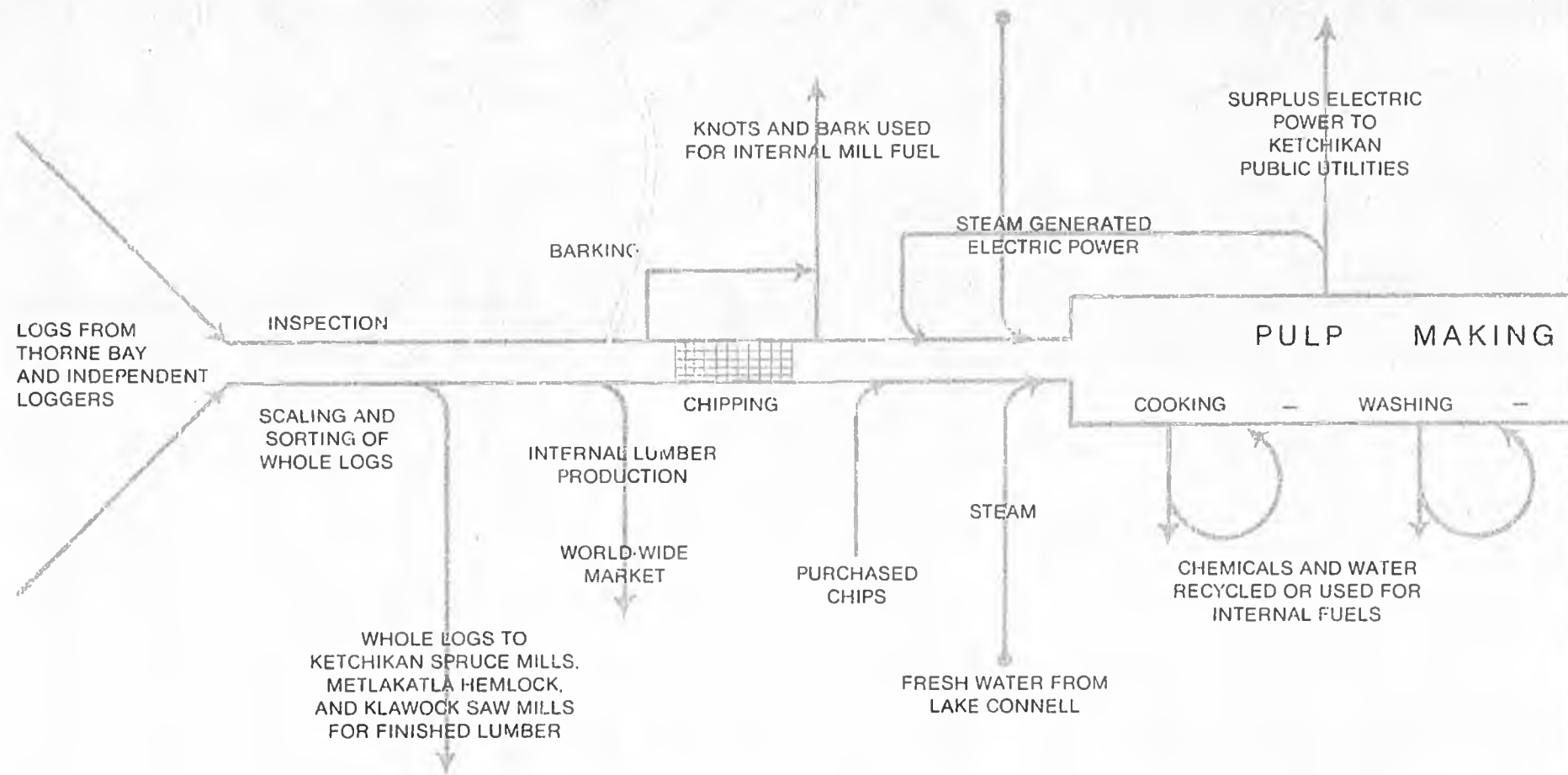
Ketchikan Spruce Mills acquired by Ketchikan Pulp Company in 1967 to produce lumber for domestic and export markets.



## HOW KETCHIKAN PULP WORKS...

In pulp making the glue holding wood together, known as lignin, is dissolved and the fibers chemically purified. The fibers are then formed into sheets and dried, cut and baled for shipping.

16.



## WE PROTECT THE LAND...

Trees are harvested today with tomorrow in mind. In close cooperation with the U.S. Forest Service a sound program of forest management includes the sustained yield principle. Full consideration is given to the multiple use concept including programs of water use, wildlife and fish conservation as well as recreational facilities.

Protection of all natural resources is planned. Road construction and timber harvest is designed for minimum impact on fish and wildlife habitats. When logging roads are no longer needed they are "put to bed." Bridges are removed and the drainage is returned to its original form. In some areas grass is planted to stabilize fragile soil.

Ketchikan Pulp Company cooperates fully with the U. S. Forest Service and other governmental agencies on environmental impacts. The Maybeso Experimental Forest at Hollis, and the program conducted by the Fisheries Research Institute of the University of Washington have studied forest regeneration and the effects of logging on salmon streams. Results show that the responsible logging operator can be beneficial to the spawning salmon.

## AFTER WE LEAVE THE WOODS...

Early logging areas at Hollis and elsewhere in Southeastern Alaska show remarkable regrowth with strong indications that the second crop of timber will yield double the volume per acre of the present over-mature forest.

Southeastern Alaska is fortunate that nature has provided it with a remarkable natural seeding ability. The seeds of the Sitka spruce, western hemlock, western red cedar and Alaska yellow cedar are all light and are easily borne for long distances by frequent high winds. Annual rainfall of between 150 and 200 inches provides ample moisture so that each acre reseeds to its full potential. A new crop of trees is started and the visible effects of the harvest soon disappear. As this new forest takes over, it is protected from fire by the same abundant rainfall that encourages its rapid growth.

13.

COMMITTEE REPORT  
SENATE

*M. C. C. C.*

FURTHER:

3/22/34

Date 5/1/34

Mr. President

The Committee on FINANCE considered SB 479

*invest products - see those loan guaranteed property, etc.*

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for
- new title
- same title and recommends
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to        Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

*[Handwritten signatures]*

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Chairman

Chairman recommendation

Original sponsors: Kerttula and  
Ziegler

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 479 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a forest products business loan  
7 guarantee program; and providing for an effective  
8 date."

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

10 \* Section 1. AS 45 is amended by adding a new chapter to read:

11 CHAPTER 94. FOREST PRODUCTS BUSINESS LOAN GUARANTEE PROGRAM.

12 Sec. 45.94.010. ESTABLISHMENT OF LOAN GUARANTEE FUND. The  
13 forest products business loan guarantee fund is established in the  
14 Department of Revenue.

15 Sec. 45.94.020. FOREST PRODUCTS BUSINESS LOAN GUARANTEE PROGRAM.  
16 The department may use money in the fund to guarantee a loan for the  
17 purpose of financing the purchase of 35 percent or more of the stock  
18 or assets of a forest products business by, on behalf of, or for the  
19 benefit of the employees of that business, as provided in AS 45.94.-  
20 050.

21 Sec. 45.94.030. POWERS AND DUTIES OF THE DEPARTMENT. (a) The  
22 commissioner may

23 (1) designate agents and delegate powers necessary to  
24 implement this chapter;

25 (2) adopt regulations to implement this chapter;

26 (3) make and execute contracts and other instruments to  
27 implement this chapter;

28 (4) acquire real or personal property by purchase, trans-  
29 fer, or foreclosure when the acquisition is necessary to protect an

1 interest in the fund.

2 (b) The commissioner shall require that a loan guaranteed by the  
3 fund be secured by adequate collateral, and that the net cash flow  
4 from the forest products business provides adequate coverage for the  
5 debt service on the loan. The applicant shall provide an economic and  
6 financial feasibility analysis prepared by a firm acceptable to the  
7 department.

8 Sec. 45.94.040. INVESTMENT OF THE FUND. Money in the fund that  
9 is not being used for loan guarantees under this chapter shall be  
10 invested as provided for the investment of state treasury surplus  
11 under AS 37.10.070. Income from investment shall be transferred to  
12 the general fund.

13 Sec. 45.94.050. CONDITIONS OF LOAN GUARANTEES. (a) The depart-  
14 ment may guarantee a loan under this chapter if

15 (1) the term of the loan does not exceed 10 years;

16 (2) the loan is secured by the real or personal property,  
17 inventory or accounts receivable of the forest products business, or  
18 by other collateral acceptable to the department;

19 (3) the loan is originated with and serviced by a state or  
20 federally chartered financial institution; and

21 (4) the loan is made to the employees of the forest pro-  
22 ducts business, to an employee stock ownership trust, or to one or  
23 more corporations or other business associations or entities in which  
24 the controlling interest is held by state residents who are employees  
25 of the forest products business.

26 (b) The department may provide a guarantee from the fund for up  
27 to 50 percent of a loan, but may not guarantee less than \$5,000,000 or  
28 more than \$30,000,000 per borrower. The department may not guarantee  
29 the payment of annual interest on the guaranteed portion of a loan.

1 (c) After a default by a borrower, the maximum liability of the  
2 fund for a loan guarantee under this chapter is equal to the amount  
3 then in default multiplied by a percentage equal to the guaranteed  
4 percentage of the loan. Payments received toward satisfaction of a  
5 default shall be allocated between the lender and the fund according  
6 to the guaranteed percentage of the loan until the principal balance  
7 has been repaid.

8 Sec. 45.94.060. DEFINITIONS. In this chapter

9 (1) "commissioner" means the commissioner of revenue;

10 (2) "department" means the Department of Revenue;

11 (3) "forest products business" means a sole proprietorship,  
12 partnership, corporation or other business organizatio.. formed for the  
13 purpose of harvesting or processing timber or other forest resources;

14 (4) "fund" means the forest products business loan guaran-  
15 tee fund.

16 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
17 10.070(c).  
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STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date

REQUEST

Bill/Resolution No: CS SB 479 (Res)  
Title: Forest Products Loan Guarantee

FISCAL DETAIL

Agency Affected: Revenue  
Program Category Affected: \_\_\_\_\_

Sponsor: Senate Resources  
Requestor: Senate Finance  
Date of Request: 3-23-84

BRU, Program or Subprogram(s) Affected:  
Treasury

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

This fiscal note addresses costs for Treasury to administer the program.

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB  
Division: Treasury

Phone: 465-2350

Date: 3-28-84

Approved by Commissioner: James M. Zullo  
Agency: \_\_\_\_\_

Date: 3/29/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CSSB 479 (Fin) Sectional Analysis

Section 1)

- 45.94.010: Establishes the forest products business loan guarantee fund in the Department of Revenue.
- 45.94.020: Allows the Department to use fund money to guarantee a loan for the purchase of 35% or more of the stock or assets of a forest products business "by, on behalf of, or for the benefit" of the employees of that business.
- 45.94.030: Grants the Department the powers necessary to administer the loan guarantees under the forest products business loan guarantee program. Provides that loans shall be secured by adequate collateral and that the net cash flow is adequate for the debt service on the loan.
- 45.94.040: Department must invest money from the guarantee fund not being used to guarantee loans in investments allowed under 37.10.070.
- 45.94.050 Establishes conditions on loan guarantees as follows:

- 1) Term not to exceed 10 years
- 2) secured by adequate collateral;
- 3) loan to be originated and serviced by state or federally chartered financial institution;
- 4) loans to be made to employees of the business, to an employee stock ownership trust, or to one or more corporations or business associations in which the controlling interest is held by state residents who are employees of the forest products business.

Loans must be greater than \$5 million and less than \$30 million, and the Department may provide a guarantee for up to 50%. The Department may not guarantee the annual interest on the guaranteed portion of the loan.

After a default by a borrower, the liability shall be shared equally between the lender and the fund.

- 45.94.060: Definitions

Section 2) Immediate effective date.

Asper  
5/9/84 ✓

Original sponsor: Mulcahy

Funding Information

General Fund	\$25,000,000
Other Funds	-0-
	<u>\$25,000,000</u>

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 87 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the forest  
7 products business loan guarantee fund; reappropriat-  
8 ing money from the forest products business loan  
9 guarantee fund; and providing for an effective date."

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

11 \* Section 1. The sum of \$25,000,000 is appropriated from the reserve  
12 for emergency operating expenses account in the general fund (AS 37.05.159)  
13 to the forest products business loan guarantee fund (AS 45.94).

14 \* Sec. 2. Money from the appropriation made by sec. 1 of this Act that  
15 is obligated for the purpose of guaranteeing a forest products business  
16 loan is reappropriated to the emergency operating expenses account in the  
17 general fund (AS 37.05.159) as the principal of the guaranteed loan is  
18 paid, in amounts equal to the percentage of the loan guarantee multiplied  
19 by the payments on the principal of the loan.

20 \* Sec. 3. The unexpended and unobligated portion of the appropriation  
21 made by sec. 1 of this Act lapses into the emergency operating expenses  
22 account in the general fund (AS 37.05.159) on the earlier of the following  
23 dates:

24 (1) one year from the effective date of this Act;

25 (2) the date of a proclamation issued by the governor under  
26 AS 37.05.159(b)(1) requiring that money in excess of the balance in the  
27 emergency operating expenses account be used for operating expenses of  
28 state government; the lapse provisions of this paragraph apply only to the  
29 extent of the difference between the amount required by the governor's

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proclamation and the balance of the emergency operating expenses account.

\* Sec. 4. This Act takes effect on the effective date of an Act that establishes a forest products business loan guarantee program.

Introduced: 2/13/84  
Referred: Labor and Commerce  
Resources and  
Finance

1 IN THE SENATE

BY KERTTULA AND ZIEGLER

2

SENATE BILL NO. 479

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to a forest products business loan  
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14 by other collateral acceptable to the department;

15 (3) the loan is originated with and serviced by the Alaska  
16 Commercial Fishir . and Agriculture Bank, or by a state or federally  
17 chartered financi. institution located in the state; and

18 (4) the loan is made to the employees of the forest pro-  
19 ducts business, to an employee stock ownership trust, or to one or  
20 more corporations or other business associations or entities in which  
21 the employees of the forest products business hold an interest that is  
22 equal to or greater than the interest held by the seller of the forest  
23 products business.

24 (b) The department may provide a guarantee from the fund for up  
25 to 50 percent of a loan, but may not guarantee less than \$5,000,000 or  
26 more than \$30,000,000 per borrower. The department may not guarantee  
27 the payment of annual interest on the guaranteed portion of a loan.

28 (c) Upon default by a borrower, the amount of the maximum liabi-  
29 lity of the fund for a loan guarantee under this chapter is the

1 percentage of the amount in default specified by the department in the  
2 guarantee agreement.

3 Sec. 45.94.055. ADDITIONAL GUARANTEES. Not less than 30 days  
4 after the department enters into a contract to guarantee a loan to a  
5 borrower under this chapter, the department may enter into a contract  
6 to guarantee another loan to that borrower under this chapter.

7 Sec. 45.94.060. DEFINITIONS. In this chapter

8 (1) "commissioner" means the commissioner of revenue;

9 (2) "department" means the Department of Revenue;

10 (3) "forest products business" means a sole proprietorship,  
11 partnership, corporation or other business organization formed for the  
12 purpose of harvesting or processing timber or other forest resources;

13 (4) "fund" means the forest products business loan guaran-  
14 tee fund.

15 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
16 10.070(c).

Offered: 3/22/84  
Referred: Finance

Original sponsors: Kerttula and  
Ziegler

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 479 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a forest products business loan  
7 guarantee program; and providing for an effective  
8 date."

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

10 \* Section 1. AS 45 is amended by adding a new chapter to read:

11 CHAPTER 94. FOREST PRODUCTS BUSINESS LOAN GUARANTEE PROGRAM.

12 Sec. 45.94.010. ESTABLISHMENT OF LOAN GUARANTEE FUND. The  
13 forest products business loan guarantee fund is established in the  
14 Department of Revenue.

15 Sec. 45.94.020. FOREST PRODUCTS BUSINESS LOAN GUARANTEE PROGRAM.  
16 The department may use money in the fund to guarantee a loan for the  
17 purpose of financing the purchase of 35 percent or more of the stock  
18 or assets of a forest products business by, on behalf of, or for the  
19 benefit of the employees of that business, as provided in AS 45.94.-  
20 050.

21 Sec. 45.94.030. POWERS AND DUTIES OF THE DEPARTMENT. (a) The  
22 commissioner may

23 (1) designate agents and delegate powers necessary to  
24 implement this chapter;

25 (2) adopt regulations to implement this chapter;

26 (3) make and execute contracts and other instruments to  
27 implement this chapter;

28 (4) acquire real or personal property by purchase, trans-  
29 fer, or foreclosure when the acquisition is necessary to protect an

1 interest in the fund.

2 (b) The commissioner shall require that a loan guaranteed by the  
3 fund be secured by adequate collateral, and that the net cash flow  
4 from the forest products business provides adequate coverage for the  
5 debt service on the loan. The applicant shall provide an economic and  
6 financial feasibility analysis prepared by a firm acceptable to the  
7 department.

8 Sec. 45.94.040. INVESTMENT OF THE FUND. Money in the fund that  
9 is not being used for loan guarantees under this chapter shall be  
10 invested as provided for the investment of state treasury surplus  
11 under AS 37.10.070. Income from investment shall be transferred to  
12 the general fund.

13 Sec. 45.94.050. CONDITIONS OF LOAN GUARANTEES. (a) The depart-  
14 ment may guarantee a loan under this chapter if

15 (1) the term of the loan does not exceed 10 years;

16 (2) the loan is secured by the real or personal property,  
17 inventory or accounts receivable of the forest products business, or  
18 by other collateral acceptable to the department;

19 (3) the loan is originated with and serviced by a state or  
20 federally chartered financial institution; and

21 (4) the loan is made to the employees of the forest pro-  
22 ducts business, to an employee stock ownership trust, or to one or  
23 more corporations or other business associations or entities in which  
24 the controlling interest is held by state residents who are employees  
25 of the forest products business.

26 (b) The department may provide a guarantee from the fund for up  
27 to 50 percent of a loan, but may not guarantee less than \$5,000,000 or  
28 more than \$30,000,000 per borrower. The department may not guarantee  
29 the payment of annual interest on the guaranteed portion of a loan.

1           (c) After a default by a borrower, the amount of the maximum  
2           liability of the fund for a loan guarantee under this chapter is the  
3           percentage of the amount in default specified by the department in the  
4           guarantee agreement, multiplied by the amount then in default. Pay-  
5           ments received toward satisfaction of a default shall be allocated  
6           between the lender and the fund according to the percentage specified  
7           by the department in the guarantee agreement until the principal  
8           balance has been repaid.

9           Sec. 45.94.060. DEFINITIONS. In this chapter

10           (1) "commissioner" means the commissioner of revenue;

11           (2) "department" means the Department of Revenue;

12           (3) "forest products business" means a sole proprietorship,  
13           partnership, corporation or other business organization formed for the  
14           purpose of harvesting or processing timber or other forest resources;

15           (4) "fund" means the forest products business loan guaran-  
16           tee fund.

17           \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
18           10.070(c).

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date

REQUEST

Bill/Resolution No: SB 479  
 Title: Forest Products Business Loan  
Guarantee  
 Sponsor: Kerttula  
 Requestor: Senate Labor & Commerce  
 Date of Request: 2-20-84

FISCAL DETAIL

Agency Affected: Revenue  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected:  
Treasury

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*  
 Division: Treasury  
 Approved by Commissioner: *Ralph O'Heath*  
 Agency: Revenue

Phone: 465-2350  
 Date: 2-23-84  
 Date: 2/28/84

Distribution (by Agency preparing fiscal note):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date

REQUEST

Bill/Resolution No: SB 479  
 Title: Forest Products Business Loan  
Guarantee  
 Sponsor: Kerttula  
 Requestor: Senate Labor & Commerce  
 Date of Request: 2-20-84

FISCAL DETAIL

Agency Affected: Revenue  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program of Subprogram(s) Affected:  
Treasury

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*  
 Division: Treasury

Phone: 465-2350  
 Date: 2-23-84

Approved by Commissioner: *Robert D. Heath*  
 Agency: Revenue

Date: 2/28/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

3/9/84

Date

3-19-84

Mr. President

The Committee on RESOURCES considered SB 479

forest products business loan guarantee program; efd.

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

- do pass  
 do pass with attached amendment(s)  
 replace with/or adopt CS for SB 479 (Res)  
 new title  
 same title and recommends Do pass  
 and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE  
 reports it back without recommendation  
 recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

13  
Ziegler  
Paul Fisher  
William Stangorovich  
McGhee

MEMBERS HAVING  
OTHER RECOMMENDATIONS

2  
Bob Ziegler M/R  
2  
V. Fisher M/R

Debbie Faberkamp  
Chairman  
Do Pass  
Chairman recommendation

COMMITTEE REPORT  
SENATE

FURTHER:

5/11/84

Date 5/11/84

Mr. President

The Committee on FINANCE considered SB 481

*community associations, nonprofit cemetery corporations and cemetery fees.*

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 481 (Finance)
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation *zero fiscal note came w/bill*
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_

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\_\_\_\_\_

Chairman

Chairman recommendation

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

*Added to Bill  
2/14/84*

Revision Date: February 14, 1984

REQUEST

Bill/Resolution No.: SB 481  
Title: An Act relating to Cemetery Associations  
Sponsor: Senator Kerttula  
Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Commerce and Economic Dev.  
Program Category Affected: Consumer Protection  
BRU, Program or Subprogram(s) Affected: Banking, Securities and Corporations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
REVENUE	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Willis F. Kirkpatrick, Director  
Division: Banking, Securities and Corporations

Phone: 465-2521

Date: 2/14/84

Approved by Commissioner: Richard A. Lyon  
Agency: Commerce and Economic Development

Date: 2/21/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Original sponsor: Kerttula

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 481 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to cemetery associations, nonprofit  
7 cemetery corporations and cemetery lots."

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

9 \* Section 1. AS 10.30 is amended by adding a new section to read:

10 Sec. 10.30.055. FORMATION OF NONPROFIT CEMETERY CORPORATION. As  
11 an alternative to the provisions of AS 10.30.010 - 10.30.050, a ceme-  
12 tery may be incorporated under AS 10.20. A nonprofit cemetery corpo-  
13 ration is subject to the provisions of AS 10.20 except to the extent  
14 that those provisions conflict with the provisions of this chapter  
15 relating to cemetery corporations.

16 \* Sec. 2. AS 10.30.060 is amended to read:

17 Sec. 10.30.060. POWER TO ACQUIRE AND DISPOSE OF LANDS, AND  
18 EXEMPTION FROM EXECUTION, TAXATION AND PUBLIC APPROPRIATION. A ceme-  
19 tery association or nonprofit cemetery corporation may buy or take by  
20 gift or devise, and hold, land not exceeding 80 acres, for the sole  
21 purpose of a cemetery. The land is exempt from execution, and from  
22 any appropriation to public purposes, and from taxation if intended to  
23 be used exclusively for burial purposes and in no way for the profit  
24 of the members of the association or trustees, officers or employees  
25 of the corporation.

26 \* Sec. 3. AS 10.30.070 is amended to read:

27 Sec. 10.30.070. CREATION OF IRREDUCIBLE FUND. A cemetery [THE]  
28 association or nonprofit cemetery corporation may by its bylaws pro-  
29 vide that a stated percentage of the money realized from the sale of

1 cemetery lots and [,] donations [, AND OTHER SOURCES OF REVENUE]  
2 constitutes an irreducible fund, which may be invested in the manner  
3 or loaned upon the securities the association or corporation considers  
4 [THE TRUSTEES CONSIDER] proper. The interest or income from the  
5 irreducible fund provided for in a [ANY] bylaw, or as much as may be  
6 necessary, shall be devoted exclusively to (1) the preservation and  
7 embellishment of the grounds, buildings and property of the associa-  
8 tion or corporation that are related to the operation of a cemetery;  
9 (2) the preservation and embellishment of cemetery lots and space in  
10 buildings or on grounds sold to the association or corporation that  
11 are related to the operation of a cemetery; or (3) the payment of  
12 interest and principal of debts authorized by the association or  
13 corporation for the purchase of land or equipment or for the  
14 construction or improvement of buildings that are related to the  
15 operation of a cemetery. Where a bylaw has been enacted for the  
16 creation of an irreducible fund, the percentage stated in the bylaw  
17 [IT] may not be reduced [AMENDED EXCEPT FOR THE PURPOSE OF INCREASING  
18 THE FUND].

19 \* Sec. 4. AS 10.30.080 is amended to read:

20 Sec. 10.30.080. DISPOSITION OF INCOME FROM CEMETERY LAND. After  
21 paying for the land, the future receipts and income of a cemetery  
22 [THE] association or nonprofit cemetery corporation, subject to the  
23 creation of an irreducible fund, whether from the sale of lots, from  
24 donations, rents, or otherwise, shall be applied exclusively to laying  
25 out, preserving, protecting, and embellishing the cemetery and the  
26 avenues leading to it, the erection of buildings necessary or conven-  
27 ient for the cemetery purpose, and to paying the necessary expenses of  
28 the association or corporation.

29 \* Sec. 5. AS 10.30.090 is amended to read:

1           Sec. 10.30.090. DEBTS OF ASSOCIATION. A cemetery association or  
2 nonprofit cemetery corporation may [NOT] contract debts in  
3 anticipation of future receipts[, EXCEPT] for the original purchase of  
4 cemetery land, the laying out and embellishment of the grounds and  
5 avenues of the cemetery, the construction and repair of a building,  
6 mausoleum or columbarium, the purchase or lease of necessary equip-  
7 ment, or other cemetery purposes, for which debts the association or  
8 corporation may issue bonds or notes. An [THE] association or corpo-  
9 ration may secure these debts by mortgage upon its lands, except ceme-  
10 tery lots that [WHICH] have been conveyed to the members of the asso-  
11 ciation or to trustees, officers or employees of the corporation, or  
12 by a security interest in not more than 50 percent of the irreducible  
13 fund.

14 \* Sec. 6. AS 10.30.100 is amended to read:

15           Sec. 10.30.100. TRANSFER OF CEMETERY [BURIAL] LOTS. A cemetery  
16 [THE] association or nonprofit cemetery corporation may adopt [RULES  
17 AND] regulations they consider expedient for disposing of and convey-  
18 ing cemetery [BURIAL] lots.

19 \* Sec. 7. AS 10.30.110 is amended to read:

20           Sec. 10.30.110. SALE OF UNSUITABLE LAND [LANDS]. The trustees  
21 of a cemetery association or nonprofit cemetery corporation may,  
22 whenever in their opinion a portion of cemetery land is unsuitable for  
23 burial purposes, sell the portion and apply the proceeds to the gen-  
24 eral purposes of the association or corporation.

25 \* Sec. 8. AS 10.30.120 is amended to read:

26           Sec. 10.30.120. PURPOSE OF SALE BY LOTS, AND EXEMPTIONS. Ceme-  
27 tery [BURIAL] lots sold by a cemetery [THE] association or a nonprofit  
28 cemetery corporation are for the sole purpose of interment and are  
29 exempt from taxation, execution, attachment, or any other claim, lien,

1 or process, if used exclusively for burial purposes without an inten-  
2 tion to obtain a profit.

3 \* Sec. 9. AS 10.30.130 is amended to read:

4 Sec. 10.30.130. PLANS OF GROUNDS AND CEMETERY LOTS. A cemetery  
5 association or nonprofit cemetery corporation shall have a plan of its  
6 [THEIR] grounds and cemetery lots as laid out [BY THEM] made and  
7 recorded in a book kept for that purpose by the clerk of the associa-  
8 tion or the secretary of the corporation. The cemetery lots shall be  
9 numbered by consecutive numbers.

10 \* Sec. 10. AS. 10.30.140 is amended to read:

11 Sec. 10.30.140. MAINTENANCE OF CEMETERY LAND. A cemetery asso-  
12 ciation or nonprofit cemetery corporation may enclose, improve, and  
13 adorn the grounds and avenues, erect buildings for the use of the  
14 association or corporation, prescribe rules for the designation and  
15 adornment of cemetery lots and for erecting monuments in the cemetery,  
16 and prohibit any use, division, improvement, or adornment of a ceme-  
17 tery lot that the association or corporation considers [WHICH THEY  
18 CONSIDER] improper.

19 \* Sec. 11. AS 10.30.150 is amended to read:

20 Sec. 10.30.150. ANNUAL FINANCIAL STATEMENT. An annual statement  
21 of the financial affairs of a cemetery [THE] association or a nonpro-  
22 fit cemetery corporation shall be made by the clerk of the association  
23 or the secretary of the corporation.

24 \* Sec. 12. AS 10.30 is amended by adding a new section read:

25 Sec. 10.30.155. DEFINITION. In this chapter, "cemetery lot"  
26 means a lot, plot, space, grave, niche, mausoleum, crypt, vault or  
27 columbarium, used or intended to be used for the interment of human  
28 remains.

29 \* Sec. 13. AS 45.50.561 is amended by adding a new paragraph to read:

1                   (9) "cemetery lot" means a lot, plot, space, grave, niche,  
2       mausoleum, crypt, vault or columbarium, used or intended to be used  
3       for the interment of human remains.

4       \* Sec. 14. This Act applies to all assets and funds, including an  
5       irreducible fund, in the possession or control of a cemetery association or  
6       nonprofit cemetery corporation on the effective date of this Act. This Act  
7       does not impair or abrogate any obligation of a cemetery association or  
8       nonprofit cemetery corporation under a contract entered into before the  
9       effective date of this Act.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: March 21, 1984

REQUEST

Bill/Resolution No.: CSSB 481 (L&C)  
Title: An act relating to Cemetary Associations

Sponsor: Senator Kerttula

Requestor: \_\_\_\_\_

Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Commerce and Economic Dev.

Program Category Affected: Consumer Protection

BRU, Program or Subprogram(s) Affected: Banking, Securities and Corporations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
<b>CAPITAL</b>	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
<b>REVENUE</b>	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Willis F. Kirkpatrick, Director  
Division: Banking, Securities and Corporations

Phone: 465-2521

Date: March 21, 1984

Approved by Commissioner: Richard A. Lyon  
Agency: Commerce and Economic Development

Date: 3/22/84

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: March 21, 1984

REQUEST

Bill/Resolution No.: CSSB 481 (L&C)  
 Title: An act relating to Cemetary Associations  
 Sponsor: Senator Kerttula  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Commerce and Economic Dev.  
 Program Category Affected: Consumer Protection  
 BRU, Program or Subprogram(s) Affected: Banking, Securities and Corporations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
REVENUE	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Willis F. Kirkpatrick, Director  
 Division: Banking, Securities and Corporations

Phone: 465-2521  
 Date: March 21, 1984

Approved by Commissioner: Richard A. Lyon  
 Agency: Commerce and Economic Development

Date: 3/22/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

SB 481 "An Act relating to cemetery associations, nonprofit cemetery corporations and cemetery lots."

2-13-84 Introduced by Kerttula  
Referred: Labor and Commerce, Finance

3-19-84 Labor and Commerce CS04, NR01

FISCAL NOTE: ZERO

Summary:

Section 1 allows a nonprofit cemetery to incorporate under AS 10.20 as an alternative to forming as a cemetery association.

Section 2 adds clean-up provisions necessitated by section 1.

Section 3 expands uses to which a cemetery's endowment fund may be applied, to include improvement of the grounds, buildings, and lots, and the repayment of debts.

Section 4 adds clean-up provisions necessitated by section 1.

Section 5 expands a nonprofit cemetery's authority to borrow money to construct and repair buildings and mausoleums, to purchase or lease equipment, and other purposes. Such debts may be secured by mortgages on the cemetery's land, except those burial lots in which association members or corporate officers, trustees, or employees have more than a one-half interest.

Sections 6-11 add clean-up language necessitated by section 1.

Section 12 adds a definition of the term "cemetery lot" for purposes of AS 10.30.

Section 13 adds a definition of the term "cemetery lot" for purposes of the consumer protection statutes in AS 45.50.

Section 14 makes no change to the Alaska Statutes. It states that the Act applies to all assets and funds of a cemetery association only after the Act has taken effect.

The Finance Committee has prepared a Committee Substitute to incorporate two minor technical changes. The phrase "that are related to the operation of a cemetery" is inserted at page 2, line 10, and also at page 2, line 12.

The Labor and Commerce Committee Substitute limits spending from the "irreducible fund" to projects related to the operation of a cemetery.

SB 481 "An Act relating to cemetery associations, nonprofit cemetery corporations and cemetery lots."

The Division of Banking, Securities and Corporation does not oppose passage of SB 481 including the amendment recommended by the Consumer Protection Agency.

The bill if passed would have minimal effect on our program and would bring an old law forward into present times.



Richard A. Lyon, Commissioner

DATE:

3/16/84

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

Bill Sheffield, Governor

POUCH K - STATE CAPITOL  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3600

February 3, 1984

FEB 03 1984

The Honorable Joe Hayes  
Speaker of the House  
Alaska State House of  
Representatives  
Pouch V  
Juneau, AK 99811

Re: House Bill \_\_\_\_\_  
relating to nonprofit  
cemetery corporations

Dear Representative Hayes:

You have asked the Consumer Protection section of the Attorney General's office to review House Bill \_\_\_\_\_ regarding nonprofit cemeteries, and to inform you whether the Department of Law has any difficulties with the overall concept behind the bill, specifically whether it would pose a threat of injury to the consuming public dealing with nonprofit cemeteries in the state.

My understanding of the intent behind the bill is to modernize and clarify the 1949 Nonprofit Cemetery Association statute presently in effect. The bill would allow nonprofit cemetery associations to be incorporated as nonprofit corporations under AS 10.20 and would generally give the nonprofit cemetery association or corporation more flexibility in how it invests the monies in its irreducible fund, how it spends its other revenues and how and for what purposes it may contract debts. The crucial part of this updating was to add a definition of "cemetery lot" to include not only grave spaces but also mausoleum crypts, or crematory niches, since those items are often the preferred choice of modern consumers.

The Consumer Protection section in the Attorney General's office is not opposed to this bill and does not think that it will cause any harm to the public. If anything, the bill will allow those nonprofit cemetery associations operating in the state to better serve their own membership. Since these associations are like cooperatives, owned and controlled by the members, there is little danger of overreaching or abuse of the corporation's cemetery assets. The changes in this statute will only further the worthy purposes of the cemetery associations as

they will be able to respond to the needs of their own association for the erection of new buildings, acquisition of new lands or equipment or development of new cemetery services such as mausoleums.

The last section of the bill also adds a broader definition of "cemetery lot" to the Alaska Unfair Trade Practices and Consumer Protection Act. This definition refers to AS 45.50.471(b)(24), which regulates the sales of funeral or burial goods or services before "need" (i.e. before death). Under 471(b)(24) as it presently exists, a corporation or association making advance sales of funeral goods or services is required to deposit the consumers' monies in a trust fund pending actual use by the consumer. There is presently an exemption from trust deposit for the amount paid for the actual cemetery lot and grave marker. By expanding the definition of cemetery lot, an advance purchase of a mausoleum crypt, or a crematorium deposit space of some sort, would also be exempt from this trust deposit requirement.

The Department of Law does not oppose this change, since it seems reasonable that this broader definition of cemetery lot be adopted to meet with modern day marketing of burial goods such as crematory crypts. The Consumer Protection section does not believe that broadening this definition will lead to any abuse of the advance-need funeral statute, despite what members of the public or Legislature might fear because of the recent debacle with the Valley Memorial Garden Cemetery near Palmer. (Unfortunately, most of the advance-need burial sales made by that cemetery were made before the effective date of AS 45.471(b)(24), and it was the lack of any trust requirement for any portion of the advance-need sales price which allowed the abusive dissipation of those funds by the for-profit cemetery corporation known as Valley Memorial Gardens, Inc.)

If legislators have a concern that the purchase monies from consumers who purchase cemetery lots or crematory crypts in advance need further protection, a further sentence could be added to 471(b)(24) to the effect that cemetery lots (as more broadly defined by this bill) are exempt if they are in fact, upon payment of the purchase price, "transferred" from the seller to the consumer. Although transfer is not usually made in the sense of legal property "title" transfer, designation of the space as a consumer's by the placement of a grave stone marker already marked with the consumer's name and designation of the plot or crypt as the consumer's on the official map of the cemetery should be sufficient protection.

Honorable Joe Hayes  
Speaker of the House

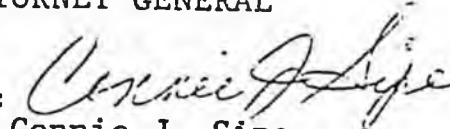
February 3, 1984  
Page 3

Overall, the Attorney General's office does not see significant problems with the enactment of House Bill \_\_\_\_\_.

Sincerely,

NORMAN C. GORSUCH  
ATTORNEY GENERAL

By:



Connie J. Sipe  
Assistant Attorney General  
Consumer Protection Section

STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE AFFAIRS AGENCY

A letter from Ed Hein will be coming recommending change on pg 2 line 9-14

MEMORANDUM

March 19,

(Mainly a technical change)

SUBJECT: Cemetery associations and nonprofit cemetery corporations (CSSB 481 (L&C))

TO: Senator Don Bennett  
Senator John Sackett  
Co-chairmen, Senate Finance Committee

FROM: Edward H. Hein *EHA*  
Legislative Counsel

The Senate Labor and Commerce Committee included in CSSB 481 (L&C) an amendment to Sec. 3 of the bill at page 2, line 8. The purpose of the amendment was to limit spending from the "irreducible fund" to projects related to the operation of a cemetery and not allow investments in unrelated properties.

In reviewing the bill, I have concluded that the phrase "that are related to the operation of a cemetery" should also be inserted at page 2, line 10 after "corporation" and at page 2, line 12 after "buildings" in order to achieve the intended purpose.

I bring this to your attention because the Labor and Commerce Committee passed out the committee substitute before I brought the oversight to their attention and because Senate Finance is the next committee of referral.

EHH:lmb  
WKJ4/102

EVERLASTING

CARE

ENDOWED

MEMBER  
NATIONAL ASSOCIATION OF CEMETERIES

# Angelus Memorial Park

ALASKA'S FIRST MEMORIAL PARK CEMETERY

PHONE 344-1311  
OFFICE HOURS:  
10 A.M. TO 3 P.M.

January 19, 1984

CEMETERY  
AND  
OFFICE  
ON KLATT ROAD

Mr. Randy Phillips  
State Legislator  
Juneau, Alaska

Dear Mr. Phillips:

The Board of Trustees of Angelus Memorial Park Association approved a motion to present to the Legislature, amendments to the Alaska Cemetery Statutes, pertaining to non-profit cemetery associations. A committee was appointed consisting of Mr. Alvah C. Buswell, Jr. and Mr. Robert F. Shary, who are board members and Mr. Sidney Abbott, park manager, were to work on the proposed amendments of the present statutes.

The present Alaska non-profit cemetery statutes were patterned after the Oregon Statutes many years ago before Statehood and are badly out dated. The State of Oregon has since amended their Statutes, twice, and now Alaska needs to do the same, so that a non-profit cemetery can better serve the community. To our knowledge Angelus is the only non-profit cemetery in the state.

Enclosed are copies of Oregon Statutes that have been amended and a copy of our proposed revisions to the Alaska State Cemetery Statutes.

The association really needs these changes in order to grow, as it is now, we can not serve the community as a modern cemetery, because of the way the laws are written. The public wants all the services a cemetery is suppose to supply, such as, a columbarium for inurnment of cremated remains, mausoleum, niche and storage vault. Also we can not even build a much needed administartion building. We now have to rent a very inadequate building for an office. The association has never had a maintenance building. The present laws prevent our growth.

The reason we included association and or corporation is that Angelus intends to incorporate in order to help lessen the personal individual liability of the board members. Angelus board members are non paid.

Sincerely,  
Special Committee  
Mr. Alvah C. Buswell, Jr.  
Chairman

ANGELUS MEMORIAL PARK ASSOCIATION

Enclosures

This material has also been sent to Representative Joe Hayes

Reason behind bill

A NON-PROFIT ASSOCIATION

# MEMORANDUM

State of Alaska

TO: Representative John Cowdery  
Chairman, House Labor & Commerce  
Committee  
Pouch V  
Juneau, Alaska 99811

DATE: February 14, 1984

FILE NO:

TELEPHONE NO: 279-0428

FROM: NORMAN C. GORSUCH  
ATTORNEY GENERAL

SUBJECT: HB569 Nonprofit  
cemetery  
associations

By: *C. J. Sipe*  
Connie J. Sipe  
Assistant Attorney General  
Chief, Consumer Protection Section  
1031 W. 4th, Suite 110  
Anchorage, Alaska 99501

As per the testimony at the teleconference, I suggest the committee include in its Committee Substitute on this bill the following language (as you may choose to re-draft it):

\* Sec. 13. AS 10.30 is amended by adding a new section to read:

Sec. 10.30.160. EFFECT OF AMENDMENTS. As this chapter is from time to time amended, all powers or obligations granted to or imposed upon the non-profit cemetery association or non-profit cemetery corporation shall apply to all assets and funds, including the irreducible fund, in the possession or control of the association or corporation at the time of the effective date of any amendment to this chapter.

*CS HB 569*  
*Sec. 14*

As discussed in the hearing, such an addition is necessary so that the cemetery association is not left with an unworkable division among all its assets: those assets covered by the prior law and those assets covered by the bill's amendments. This is not a retrospective enactment but really a grant of prospective powers to the association or corporation to manage all of its assets in accordance with the new statute. (This section will, of course, also provide for orderly application of any future amendments.)

CJS/aw

cc Representative Joe Hayes (Jeff Day)  
Representative Randy Phillips  
Art Peterson, Ago/Juneau

*Consumer Protection Amendment*

Alaska State Legislature

SENATOR  
ROBERT H. ZIEGLER, SR.  
307 BAWDEN STREET  
KETCHIKAN, ALASKA 99901

While in Juneau  
POUCH V  
JUNEAU, ALASKA 99811

VICE CHAIRMAN  
SENATE RESOURCES COMMITTEE

MEMBER  
SENATE JUDICIARY COMMITTEE

WESTERN STATES LEGISLATIVE  
FORESTRY TASK FORCE

WESTERN CONFERENCE COUNCIL  
OF STATE GOVERNMENTS

Senate

March 12, 1984

Judiciary Concerns

Senator Bill Ray, Chairman  
Senate Judiciary Committee  
Alaska State Legislature  
Juneau, Alaska

Re: SCS CSHB 569.

Dear Senator Ray:

Here is a copy of the proposed SCS CSHB 569, an act relating to cemetery associations, nonprofit cemetery corporations and cemetery lots.

I am told by Representative Phillips, prime sponsor of the original bill, that either Senator Josephson or Pettyjohn will be prepared to carry this bill upon request, inasmuch as the same people who asked Randy to introduce the bill made the same request of the two good senators.

I hope that is the case, for I certainly can't muster up any enthusiasm for the legislation. On the other hand, I have nothing against the bill.

Reason behind amendment

The major change between all other versions of the bill and the bill before you is that on page two, lines seven and eight, we have endeavored to obviate your objection to the earlier language. As I recollect, you thought it was pretty loosely drawn and that interest or income, as applied to property, could be utilized for almost any purpose whatsoever. Now it is restricted to the property of the association or corporation related to operation of a cemetery.

Apparently the residue or balance in an irreducible fund can be dispersed pursuant to other provisions of the law found in Section 10.20.

Finally, I suggest that my final attachment, the letter of February 23rd from Assistant Attorney General Sipe to Speaker Hayes, be disseminated to all members of the Senate whenever the bill is calendared. It explains the bill as well as anything or anybody ever could.

I hope this helps.

Very truly yours,

3-

Robert H. Ziegler, Sr.

RHZ:1k

Enclosures

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

Date 3/15/84

February 13, 1984  
Mr. President

The Committee on LABOR AND COMMERCE considered SB 481

~~"An Act relating to~~ cemetery associations, nonprofit cemetery corporations and cemetery lots."

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 481 (L+C)
- new title
- same title and recommends do pass
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE  
Zero
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

1 [Signature]

1 [Signature]

1 [Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

2 [Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
Chairman

[Signature]  
Chairman recommendation

Offered: 3/19/84  
Referred: Finance

Original sponsor: Kerttula

1 IN THE SENATE

BY THE LABOR AND  
COMMERCE COMMITTEE

2

CS FOR SENATE BILL NO. 481 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to cemetery associations, nonprofit  
cemetery corporations and cemetery lots."

7

8

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

9

\* Section 1. AS 10.30 is amended by adding a new section to read:

10

Sec. 10.30.055. FORMATION OF NONPROFIT CEMETERY CORPORATION. As

11

an alternative to the provisions of AS 10.30.010 - 10.30.050, a ceme-

12

tery may be incorporated under AS 10.20. A nonprofit cemetery corpo-

13

ration is subject to the provisions of AS 10.20 except to the extent

14

that those provisions conflict with the provisions of this chapter

15

relating to cemetery corporations.

16

\* Sec. 2. AS 10.30.060 is amended to read:

17

Sec. 10.30.060. POWER TO ACQUIRE AND DISPOSE OF LANDS, AND

18

EXEMPTION FROM EXECUTION, TAXATION AND PUBLIC APPROPRIATION. A ceme-

19

tery association or nonprofit cemetery corporation may buy or take by

20

gift or devise, and hold, land not exceeding 80 acres, for the sole

21

purpose of a cemetery. The land is exempt from execution, and from

22

any appropriation to public purposes, and from taxation if intended to

23

be used exclusively for burial purposes and in no way for the profit

24

of the members of the association or trustees, officers or employees

25

of the corporation.

26

\* Sec. 3. AS 10.30.070 is amended to read:

27

Sec. 10.30.070. CREATION OF IRREDUCIBLE FUND. A cemetery [THE]

28

association or nonprofit cemetery corporation may by its bylaws pro-

29

vide that a stated percentage of the money realized from the sale of

1 cemetery lots and [,] donations [, AND OTHER SOURCES OF REVENUE]  
2 constitutes an irreducible fund, which may be invested in the manner  
3 or loaned upon the securities the association or corporation considers  
4 [THE TRUSTEES CONSIDER] proper. The interest or income from the  
5 irreducible fund provided for in a [ANY] bylaw, or as much as may be  
6 necessary, shall be devoted exclusively to (1) the preservation and  
7 embellishment of the grounds, buildings and property of the associa-  
8 tion or corporation that are related to the operation of a cemetery;  
9 (2) the preservation and embellishment of cemetery lots and space in  
10 buildings or on grounds sold to the association or corporation; or (3)  
11 the payment of interest and principal of debts authorized by the  
12 association or corporation for the purchase of land or equipment or  
13 for the construction or improvement of buildings [CEMETERY]. Where a  
14 bylaw has been enacted for the creation of an irreducible fund, the  
15 percentage stated in the bylaw [IT] may not be reduced [AMENDED EXCEPT  
16 FOR THE PURPOSE OF INCREASING THE FUND].

17 \* Sec. 4. AS 10.30.080 is amended to read:

18 Sec. 10.30.080. DISPOSITION OF INCOME FROM CEMETERY LAND. After  
19 paying for the land, the future receipts and income of a cemetery  
20 [THE] association or nonprofit cemetery corporation, subject to the  
21 creation of an irreducible fund, whether from the sale of lots, from  
22 donations, rents, or otherwise, shall be applied exclusively to laying  
23 out, preserving, protecting, and embellishing the cemetery and the  
24 avenues leading to it, the erection of buildings necessary or conven-  
25 ient for the cemetery purpose, and to paying the necessary expenses of  
26 the association or corporation.

27 \* Sec. 5. AS 10.30.090 is amended to read:

28 Sec. 10.30.090. DEBTS OF ASSOCIATION. A cemetery association or  
29 nonprofit cemetery corporation may [NOT] contract debts in

1 anticipation of future receipts[, EXCEPT] for the original purchase of  
2 cemetery land, the laying out and embellishment of the grounds and  
3 avenues of the cemetery, the construction and repair of a building,  
4 mausoleum or columbarium, the purchase or lease of necessary equip-  
5 ment, or other cemetery purposes, for which debts the association or  
6 corporation may issue bonds or notes. An [THE] association or corpo-  
7 ration may secure these debts by mortgage upon its lands, except ceme-  
8 tery lots that [WHICH] have been conveyed to the members of the asso-  
9 ciation or to trustees, officers or employees of the corporation, or  
10 by a security interest in not more than 50 percent of the irreducible  
11 fund.

12 \* Sec. 6. AS 10.30.100 is amended to read:

13 Sec. 10.30.100. TRANSFER OF CEMETERY [BURIAL] LOTS. A cemetery  
14 [THE] association or nonprofit cemetery corporation may adopt [RULES  
15 AND] regulations they consider expedient for disposing of and convey-  
16 ing cemetery [BURIAL] lots.

17 \* Sec. 7. AS 10.30.110 is amended to read:

18 Sec. 10.30.110. SALE OF UNSUITABLE LAND [LANDS]. The trustees  
19 of a cemetery association or nonprofit cemetery corporation may,  
20 whenever in their opinion a portion of cemetery land is unsuitable for  
21 burial purposes, sell the portion and apply the proceeds to the gen-  
22 eral purposes of the association or corporation.

23 \* Sec. 8. AS 10.30.120 is amended to read:

24 Sec. 10.30.120. PURPOSE OF SALE BY LOTS, AND EXEMPTIONS. Ceme-  
25 tery [BURIAL] lots sold by a cemetery [THE] association or a nonprofit  
26 cemetery corporation are for the sole purpose of interment and are  
27 exempt from taxation, execution, attachment, or any other claim, lien,  
28 or process, if used exclusively for burial purposes without an inten-  
29 tion to obtain a profit.

1 \* Sec. 9. AS 10.30.130 is amended to read:

2       Sec. 10.30.130. PLANS OF GROUNDS AND CEMETERY LOTS. A cemetery  
3       association or nonprofit cemetery corporation shall have a plan of its  
4       [THEIR] grounds and cemetery lots as laid out [BY THEM] made and  
5       recorded in a book kept for that purpose by the clerk of the associa-  
6       tion or the secretary of the corporation. The cemetery lots shall be  
7       numbered by consecutive numbers.

8 \* Sec. 10. AS. 10.30.140 is amended to read:

9       Sec. 10.30.140. MAINTENANCE OF CEMETERY LAND. A cemetery asso-  
10       ciation or nonprofit cemetery corporation may enclose, improve, and  
11       adorn the grounds and avenues, erect buildings for the use of the  
12       association or corporation, prescribe rules for the designation and  
13       adornment of cemetery lots and for erecting monuments in the cemetery,  
14       and prohibit any use, division, improvement, or adornment of a ceme-  
15       tery lot that the association or corporation considers [WHICH THEY  
16       CONSIDER] improper.

17 \* Sec. 11. AS 10.30.150 is amended to read:

18       Sec. 10.30.150. ANNUAL FINANCIAL STATEMENT. An annual statement  
19       of the financial affairs of a cemetery [THE] association or a nonpro-  
20       fit cemetery corporation shall be made by the clerk of the association  
21       or the secretary of the corporation.

22 \* Sec. 12. AS 10.30 is amended by adding a new section read:

23       Sec. 10.30.155. DEFINITION. In this chapter, "cemetery lot"  
24       means a lot, plot, space, grave, niche, mausoleum, crypt, vault or  
25       columbarium, used or intended to be used for the interment of human  
26       remains.

27 \* Sec. 13. AS 45.50.561 is amended by adding a new paragraph to read:

28       (9) "cemetery lot" means a lot, plot, space, grave, niche,  
29       mausoleum, crypt, vault or columbarium, used or intended to be used

1           for the interment of human remains.

2           \* Sec. 14. This Act applies to all assets and funds, including an  
3 irreducible fund, in the possession or control of a cemetery association or  
4 nonprofit cemetery corporation on the effective date of this Act. This Act  
5 does not impair or abrogate any obligation of a cemetery association or  
6 nonprofit cemetery corporation under a contract entered into before the  
7 effective date of this Act.

Introduced: 2/13/84  
Referred: Labor and Commerce  
and Finance

1 IN THE SENATE

BY KERTTULA

2

SENATE BILL NO. 481

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to cemetery associations, nonprofit  
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8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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3 or loaned upon the securities the association or corporation considers  
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11 association or corporation, prescribe rules for the designation and  
12 adornment of cemetery lots and for erecting monuments in the cemetery,  
13 and prohibit any use, division, improvement, or adornment of a ceme-  
14 tery lot that the association or corporation considers [WHICH THEY  
15 CONSIDER] improper.

16 \* Sec. 11. AS 10.30.150 is amended to read:

17           Sec. 10.30.150. ANNUAL FINANCIAL STATEMENT. An annual statement  
18 of the financial affairs of a cemetery [T.L.] association or a nonpro-  
19 fit cemetery corporation shall be made by the clerk of the association  
20 or the secretary of the corporation.

21 \* Sec. 12. AS 10.30 is amended by adding a new section read:

22           Sec. 10.30.155. DEFINITION. In this chapter, "cemetery lot"  
23 means a lot, plot, space, grave, niche, mausoleum, crypt, vault or  
24 columbarium, used or intended to be used for the interment of human  
25 remains.

26 \* Sec. 13. AS 45.50.561 is amended by adding a new paragraph to read:

27           (9) "cemetery lot" means a lot, plot, space, grave, niche,  
28 mausoleum, crypt, vault or columbarium, used or intended to be used  
29 for the interment of human remains.

COMMITTEE REPORT  
SENATE

FURTHER:

3/6/84

Date 4/11/84

Mr. President

The Committee on FINANCE considered SB 490

supplemental appropriation to the Alaska Court System for the operation of the Alaska Commission on Judicial Conduct; and.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 490 (Finance)
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_  
Chairman

\_\_\_\_\_

Original sponsor: Rules/Governor

Funding Information

General Fund	\$769,044
Other Funds	-0-
	<u>\$769,044</u>

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 490 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations; and  
7 providing for an effective date."

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

9 \* Section 1. The sum of \$50,744 is appropriated from the general fund  
10 to the Alaska Court System for the operation of the Alaska Commission on  
11 Judicial Conduct (Alaska Const., art. IV, sec. 10; AS 22.30) for the fiscal  
12 year ending June 30, 1984.

13 \* Sec. 2. The sum of \$718,300 is appropriated from the general fund to  
14 the Department of Fish and Game, division of fisheries rehabilitation,  
15 enhancement and development, for the cost of full-year operations of state  
16 hatchery facilities at Klawock, Beaver Falls, Cannery Creek, and Main Bay  
17 for the fiscal year ending June 30, 1984.

18 \* Sec. 3. The unexpended and unobligated portions of the appropriations  
19 made by secs. 1 and 2 of this Act lapse into the general fund June 30,  
20 1984.

21 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).



Official Business

# Alaska State Legislature


Senate

Committee on Finance

Pouch V  
State Capitol  
Juneau, Alaska 99811

## MEMORANDUM

TO: Members of the Senate Finance Committee

FROM: Max Gifford   
Administrative Assistant  
to Senator John Sackett

DATE: April 10, 1983

SUBJECT: Proposed CS for SB490

Under separate cover you have backup on the original SB490 making a supplemental appropriation of \$50,744 to the Commission on Judicial Conduct.

The proposed CS adds a supplemental appropriation of \$718,300 to the FRED division of the Department of Fish and Game for the operation of state hatcheries at Klawock, Beaver Falls, Cannery Creek and Main Bay.

The legislature funded these hatcheries at the 50% level last year to encourage the transfer of these facilities to private non-profit aquaculture associations. The legislature further expressed its intent to have the hatcheries continue in operation should the transfer not take place and to have the department request a supplemental appropriation for the remainder of the funding. The intent language is attached.

In July, 1983 the Governor vetoed CSSB156 (R1s) which would have granted the department the power to "sell, lease or grant" hatcheries. No such sale, lease or grant transpired therefore but the department continued to operate these hatcheries as per the "intent" language and has accordingly requested a supplemental appropriation to pay for that continued operation.

According to the department 110 permanent and seasonal employees must be laid off if the supplemental is not granted. Of this total, 38 are permanent and are from Juneau (15), Anchorage (12), Soldotna (4), Ketchikan (3), Homer (2), Kodiak (1), and Cordova (1). Furthermore, spring hatchery production activities will be affected resulting in higher fish mortality and less production.

Further backup materials are attached.

\* \* \* \* \* C. C. ANALYSIS \* \* \* \* \*

OBJECT GROUP	VARIATION		DESCRIPTION:	C. C. (\$8,968.5) VERSUS GOV.AMD. (\$10,352.9)
01 PERS. SERV.	-431.5	-7.0%	ALLOCATE GOV REDUCTION <66.5>, DELETE CIP TRANSFERS-COOK INLET STREAM CLEARANCE <34.3>, LAKE FERTILIZATION <350.7>.	
02 TRAVEL	-44.1	-17.1%	ALLOCATE GOV REDUCTION <20.1>, DELETE CIP TRANSFERS-COOK INLET STREAM CLEARANCE <2.0>, LAKE FERTILIZATION <22.0>.	
03 CONTRACTUAL	-262.1	-14.7%	ALLOCATE GOV REDUCTION <19.6>, DELETE CIP TRANSFERS-COOK INLET STREAM CLEARANCE <6.1>, LAKE FERTILIZATION <235.0>, DELETE DP <1.4>.	
04 COMMODITIES	-243.4	-14.4%	ALLOCATE GOV REDUCTION <33.9>, DELETE CIP TRANSFERS-COOK INLET STREAM CLEARANCE <4.5>, LAKE FERTILIZATION <205.0>.	
05 EQUIPMENT	-55.0	-37.4%	DELETE CIP TRANSFERS-COOK INLET STREAM CLEARANCE <5.0>, LAKE FERTILIZATION <50.0>.	
08 MISC.	-328.3	100.0%	REDUCED FOUR HATCHERS 50%-KLAOCK <212.9>, BEAVER FALLS <125.0>, CANNERY CREEK <210.1>, MAIN BAY <170.3>, ADDED-150.0 FOR RUSSEL CREEK HATCHERY, AND 240.0 FOR COOPER RIVER LAKE STUDIES.	
** TOTALS	-1384.4	-13.4%		

LEGISLATIVE INTENT:

THE SUM OF \$150,000 IS ALLOCATED TO THE DEPARTMENT OF FISH AND GAME, SUPPLEMENTAL PRODUCTIONS FOR INCREASED PRODUCTION AT THE RUSSELL CREEK HATCHERY.

LEGISLATIVE INTENT:

THE SUM OF \$240,000 IS ALLOCATED TO THE DEPARTMENT OF FISH AND GAME, SUPPLEMENTAL PRODUCTIONS FOR COPPER RIVER LAKE STUDIES-COOPERATIVE PROGRAM.

LEGISLATIVE INTENT:

IT IS THE INTENT OF THE LEGISLATURE THAT WITHIN THE FY 84 APPROPRIATION SET FORTH, THE DEPARTMENT WILL CONTINUE TO OPERATE THE RUSSEL CREEK HATCHERY AT A SUFFICIENT CONTINUATION LEVEL.

IT IS INTENDED THAT THE KLAOCK HATCHERY, BEAVER FALLS HATCHERY, CANNERY CREEK HATCHERY AND THE MAIN BAY HATCHERY BE FUNDED AT 50% TO ALLOW FOR OPERATIONS THROUGH DECEMBER 31, 1983 AT WHICH TIME IT IS INTENDED THAT THESE HATCHERIES BE TRANSFERRED TO PRIVATE NON-PROFIT ACQUACULTURE ASSOCIATIONS. IN THE EVENT THAT THE DEPARTMENT IS UNABLE TO TRANSFER THESE HATCHERIES DUE TO 1) NON PASSAGE OF LEGISLATION AUTHORIZING TRANSFER OF HATCHERIES, OR 2) A NON-PROFIT ACQUACULTURE ASSOCIATION'S REFUSAL TO ASSUME THE OPERATION OF A HATCHERY.

IT IS THEN INTENDED BY THE LEGISLATURE THAT THE FOUR HATCHERIES NOT BE SHUT DOWN WITHOUT FURTHER REVIEW BY THE LEGISLATURE. IF THIS OCCURS THE DEPARTMENT SHALL UTILIZE EXISTING FUNDS AND SUBMIT TO THE LEGISLATURE BY JANUARY 31, 1984 A REQUEST FOR A SUPPLEMENTAL APPROPRIATION TOGETHER WITH A REPORT EXPLAINING WHY THE DEPARTMENT WAS NOT ABLE TO IMPLEMENT THIS LEGISLATIVE INTENT.

*Handwritten signature*

2. FY 84 Supplemental

- \* Governor's budget funded the operation of all hatcheries in FY 84
- \* Legislature passed hatchery transfer legislation, SB 156
- \* Legislature names four hatcheries for transfer and reduced FY 84 funding for them by 50% (\$718.3)
- \* Legislative intent instructed department to request supplemental funding if legislation failed or a hatchery could not be transferred
- \* Intent was not to stop hatchery operations
- \* Governor vetoed SB 156
- \* Four hatcheries funded at 50% are being operated at full capacity
- \* Funding has been restored to FY 85 base.
- \* Recommend requesting supplemental FY 84 of \$718.3

2. ISSUE: FY 84 SUPPLEMENTAL

BACKGROUND:

In March, 1983, the Department discussed the funding of the fisheries rehabilitation and enhancement program (FRED) with the Governor and the L/BRC. The program received an additional \$800.0 as a result. This amount, coupled with a reprogramed \$300.0, was sufficient to operate all the State's hatcheries during FY 84. The Legislature passed SB 156 (Attachment 1), which authorized the Commissioner of Fish and Game to transfer hatcheries to the private sector. Four hatcheries were specifically named, and the operational funding for those four facilities was cut in half to "encourage the Commissioner to dispose of them expeditiously." Intent language was added to the FRED Division budget (Attachment 2) by the Legislature. This language instructed the Department, in the event the legislation did not pass, or a willing recipient could not be found for transfer of the hatcheries, to seek supplemental funding for FY 84. The Governor vetoed the legislation in July (Attachment 3), accordingly, the bill did not survive the legislative process.

A briefing was held with the L/BRC in August to select a strategy for continued operation and/or transfer of hatcheries. It was decided that the four facilities should continue their normal operations and the request for supplemental funding was taken under advisement. The shortfall is \$718.3. The Office of Management and Budget also instructed the Department to restore this amount of funding to the FY 85 base which has been done.

It is not known if any of the hatcheries could have been transferred even

if the legislation had passed. The Department reviewed permitting procedures and determined that the final application process, which includes public hearings, can be adapted to accommodate leasing of public hatcheries to the private sector. Preliminary discussions have been held with the Department of Administration, Department of Commerce and the Department of Law. The four departments will develop procedures to coordinate their activities, should transfer legislation be passed this coming session. Testimony during the legislative session revealed that two of the regional aquaculture associations were interested. The Southern Southeast Regional Aquaculture Association, of Ketchikan, expressed interest in the Beaver Falls Hatchery (1976 vintage). The Prince William Sound Aquaculture Association expressed an interest in receiving the Main Bay Hatchery (1982 vintage) and Cannery Creek Hatchery (1980 vintage), both located in Prince William Sound. None of the Regional Aquaculture Associations expressed an interest in the fourth facility, the Klawock Hatchery (1979 vintage). However, there was an individual entrepreneur that expressed an interest. During testimony, the Regional Associations stated that they did not feel that they could operate the hatcheries at lower operating cost or more efficiently than the State. They indicated that it would be necessary for them to borrow the funds from the State to operate the hatcheries for some period of time.

There is no indication of wide support for the transfer. Testimony by the processing industry opposed the transfer. Fishermen's groups have requested public hearings on the issue. The legislation was advanced as a "necessary mechanism" that needed to be in place should it be necessary to move fast. It was stated that the Commissioner would have the control

and could prevent a transfer from occurring if it were not biologically sound. It was also stated that with revenues declining, it might be necessary to transfer the hatcheries as an alternative to closing them if they were not funded by the State.

Some legislators anticipated problems with the transfer legislation, as well as the possibility that there may be no recipients for the hatcheries, i.e., the reason the intent language was added (Attachment 2).

If the Legislature does not approve the supplemental funding that has been requested by the Governor, then they must assume the responsibility for the adverse impacts on the program. The Governor's position is clear; he added money to his FY 84 request to adequately fund the program, i.e., run all hatcheries. It was the Legislature that removed the funding in order to encourage transfer and instructed the Department to seek a supplemental if the transfer failed.

Contingency alternatives are few. It is incredibly difficult to walk away from a several million dollar investment. It has been our experience that to close a hatchery it takes a minimum of 12 months to and/or surplus the property. The cost of accomplishing this is approximately 50% of one year's funding. Also, as we approach closure, the biological inventory is reduced. All of the four hatcheries in question have entered FY 84 at normal operating levels, i.e., they are full of fish. Public reaction would be extremely adverse should we attempt to dispose of the fish in the winter with the attendant fish mortality. If the Division

had to internally adjust for the \$718.3 deficit, beginning on January 1, it would have a devastating effect on the entire program.

Because of the extremely high mortality of fish which would be experienced with a midwinter release, closing the hatcheries is not considered a viable option. Instead, we would reduce the work force to the extent that the shortfall could be absorbed. The payroll for the FRED Division, excluding hatchery and managerial personnel, is about \$250.0 each month. Essentially we would lay off nearly enough employees for three months to make up the deficit. It is assumed that, since the funding has been restored to the FY 85 base for the Division, the work force would be rehired on July 1, 1984.

**RECOMMENDATION:**

Prepare a FY 84 supplemental request for \$718.3.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

Attache  
3

July 19, 1983

The Honorable Jalmar Kerttula  
President of the Senate  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Re: CS SB 156 (Rls) --  
Relating to the sale,  
lease, or grant of  
state hatchery  
facilities.

Dear Mr. President:

Under the authority granted in art. II, sec. 15, of the Alaska Constitution, I have vetoed Committee Substitute for Senate Bill No. 156 (Rls).

The sale, lease, or granting of publicly financed hatchery facilities to the private sector, some of which have been constructed with publicly endorsed bond monies, represents a major public policy issue having significant long term institutional implications. This Administration may conclude after thorough review of the subject that it is in the public interest to provide for such transfers. However, that policy determination has yet to be developed.

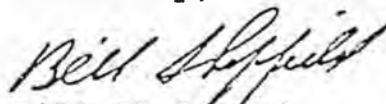
I asked my Fisheries Task Force to review the state's hatchery program and recommend to me long term goals and objectives for this important activity. The Task Force did review the program, but made a determination that the issue was complicated and of such importance that they ultimately recommended I establish a special Aquaculture Policy Study Group to perform the necessary, indepth analysis of the present program, goals and problems of the state's salmon aquaculture program.

The Governor is elected by the citizens and is directly accountable to the citizens. This bill fragments that line of accountability by requiring the regional quasi-private, non-profit associations to approve of transfer to non-association, private, non-profit operators, thus giving a group in the private sector very unusual authorities over executive actions.

The Attorney General has also advised me that there is a possible constitutional problem with the bill in its provision that the commissioner may grant hatcheries to aquaculture associations or non-profit hatchery corporations. If "grant" means without payment, as it presumably does, the transaction might be in violation of the requirements of Article IX, Section 6 of the State Constitution, which prohibits the expenditure of public money or transfer of public property for other than public purposes. Similar problems might arise if a hatchery was sold for less than its fair market value.

Until these several issues are clarified and until the Legislature and I have had an opportunity to establish the state's Aquaculture Policy I have determined that it is not in the public's interest to approve this legislation and perhaps to allow the transfer of a facility prior to making these determinations.

Sincerely,

  
Bill Sheffield  
Governor

Offered: 6/10/83

*Attachment*

Original sponsor: Eliason

1 IN THE SENATE BY THE RULES COMMITTEE  
2 CS FOR SENATE BILL NO. 156 (Rules)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to the sale, lease, or grant of  
7 state hatchery facilities."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 16.05.050 is amended by adding a new paragraph to  
10 read:  
11 (13) sell, lease, or grant a state hatchery facility to a  
12 qualified regional aquaculture association formed under AS 16.10.380  
13 or to a local nonprofit hatchery corporation if the sale, lease, or  
14 grant is approved by the regional aquaculture association for the  
15 region in which the hatchery facility is located.

- 1) March 30 -- 110 permanent and seasonal employees will be laid off -- not re-hired for 3 months.
- 2) May 30 - June 30 -- 38 permanent employees will be laid off:
  - 15 - Juneau
  - 3 - Ketchikan
  - 12 - Anchorage
  - 4 - Soldotna
  - 1 - Kodiak
  - 2 - Homer
  - 1 - Cordova
- 3) The permanent employee positions are:
  - 17 biologist
  - 17 biometrician/programmers
  - 4 engineering/maintenance
  - 10 clerical
- 4) Seasonal employees are:
  - 12 biologists
  - 65 fish culturists
  - 2 microbiologists
  - 25 F & G technicians
  - 1 research analyst
  - 1 clerical
  - 4 non - permanent
- 5) Impacts:
  - a) on spring hatchery production activities: rearing, feeding, stocking, market -- will result in higher mortality/less production.
  - b) lake fertilization projects will be delayed one year.
  - c) Research/evaluation projects will be halted during a critical time resulting in a loss of one year of data.
  - d) generally, there will be 1) loss of morale (employees laid off this year but there is money for FY85 budget for their hire next year) 2) loss of fish and 3) program destruction.



Official Business

# Alaska State Legislature

*Senate*

*Committee on Finance*

Pouch V  
State Capitol  
Juneau, Alaska 99811

Wednesday, March 28, 1984

M E M O R A N D U M

TO: Members, Senate Finance Committee

FROM: Max Gifford, A.A.  
Senator John Sackett

A handwritten signature in dark ink, appearing to be "JRS", is written over the name "Senator John Sackett".

Subj. SB-490, Supplemental appropriation to the Alaska Court System for operation of the Alaska Commission on Judicial Conduct. (\$50,744)

On March 21, 1984, the Senate Finance Committee was scheduled to hear SB-490. However, due to insufficient back-up materials, the bill was not heard. Since then additional materials have been provided to the members of the finance committee. These materials are attached for your consideration.



Commission on Judicial  
Conduct

303 K STREET  
ANCHORAGE, ALASKA 99501  
264-0528

MEMORANDUM

TO: SENATE FINANCE COMMITTEE  
RE: SB 490  
DATE: March 26, 1984

I enclose a copy of an itemized accounting of expenses associated with the conduct of formal proceedings in ACJC Formal Complaint 83-002 and 83-003, as well as a projection for new Formal Complaint 83-004.

Further amounts required are the result of a budget analysis by Carolyn Martin and the Court System Accounting department, who based their projections on spending by the Commission when the bill submitted by attorney Arden Page of Burr, Pease & Kurtz for the prosecution of F.C. 83-002 and 83-003 was discounted. Based on seven months of operation in FY1984, \$35,700 had been spent. This gave a spending rate of approximately \$5,100 per month. This figure is due in part to the fact that the Legislature authorized a figure for FY1984 which was the same amount spent in FY1983, and the fact that due to public service announcement, a poster and brochures, the public throughout the state was more aware of the existence and function of the Alaska Commission on Judicial Conduct. This has resulted in a great increase in caseload for the Commission, specifically of jurisdictional complaints (See 1983 Annual Report, page 8, enclosed). This has required more staff time in investigation and preparation for meetings, and has as well required more time by the Commission at its meetings in disposing of complaints. As noted in the Annual Report, the Commission did not meet during calendar year 1983 until June 10, 1983, when a backlog of complaints from the prior year began to be processed (this was due to the fact that the number of Commission members did not until that date constitute a quorum).

Senate Finance Committee  
March 26, 1984  
Page two

I hope that this information is helpful to you. Should you require further information, please do not hesitate to call. I am staffing the office from 9-12 Monday, Wednesday and Friday, and am available at the office phone at those times. Mr. Holmes, the chairperson of the Commission, is available in Juneau at 586-2210. While he may not have the financial details of the Commission at his fingertips, he may be helpful with knowledge of the Commission's history and function.

Sincerely,

*Jane S. Rosenquist*

Jane S. Rosenquist  
Legal Assistant

ALASKA COMMISSION ON JUDICIAL CONDUCT

Chairman: Mr. Michael Holmes, Juneau  
Vice-Chairman: Honorable S.J. Buckalew, Anchorage

JUDGE MEMBERS:

S.J. BUCKALEW Superior Court 303 K Street Anchorage, Alaska 99501 PH: 264-0408	MILTON SOUTER Superior Court 303 K Street Anchorage, Alaska 99501 PH: 264-0412	ELAINE ANDREWS District Court 303 K Street Anchorage, Alaska PH: 264-0664
--	--	---

ATTORNEY MEMBERS:

BRUCE BOOKMAN 420 L Street Suite 301 Anchorage, AK 99501 PH: 279-8561	MARCUS CLAPP 3550 Airport Way Suite 265 Fairbanks, AK 99701 PH: 479-3161	MICHAEL HOLMES POB 1150 801 W. 10th ST. #300 Juneau, AK 99802-1150 PH: 586-2210
---	--	---

PUBLIC MEMBERS:

BARBARA DALE 1003 B Street Juneau, AK 99801 PH: 586-4347	GEORGIANNA LINCOLN 2509 Alston Rd. Fairbanks, AK 99701 PH: 479-6716	VACANT
---	--	--------

STAFF:

STAFF ASSISTANT- Frank Flavin  
303 K Street  
Anchorage, Alaska 99501

LEGAL ASSISTANT- Jane S. Rosenquist  
303 K Street  
Anchorage, Alaska 99501

ACJC FORMAL COMPLAINT 83-002:

Investigation by Mr. Flavin, May 25-27, 1983 (Juneau):  
Travel & per diem \$ 564.00  
Contractual svcs. 1350.00  
\$1914.00 \$1914.00

Contractual svcs., staff assistant only (legal assistant's hours are not accounted for by case number-- often absorbed in usual staffing duties):

From 5/17/83 through 12/3/83, 114.7 hours at  
\$75/hour: \$8602.50  
\$10,516.50

Formal disciplinary hearing, November 3-4, 1983,  
Juneau:

Travel & per diem, Commissioners \$3,488.00  
Travel & per diem, Staff 1,112.00  
Contract svcs.  
Arden Page- Burr, Pease & Kurtz 7,744.81  
Staff 2,742.50  
Public notice 2,003.42  
transcripts of court proceedings 328.80  
\$17,419.53  
\$27,936.03

Further deliberations, December 3, 1983, Anchorage  
Travel & car fare, Commissioners \$869.60

Total costs paid related to ACJC Formal Complaint  
83-002: \$28,825.63

ACJC FORMAL COMPLAINT 83-004:

Authorized by the Commission on Judicial Conduct  
at its annual meeting for investigation/conduct of formal  
proceedings in ACJC Formal Complaint 83-004:

\$15,000.00 \$43,825.63

Court system accounting used a budget analyst in arriving at the following figure for the amount required to run the ACJC office for the remainder of FY1984 at approximately \$5100/month. (This figure was arrived at by deducting the bill for the prosecution of ACJC Formal Complaint 83-002 from the expenses of the Commission for the first seven months of FY1984 and applying that expense rate to the remaining five months of FY1984. This would be a total figure of \$25,500.00.

\$69,325.63

Detailed Breakdown of Transportation and per diem costs,  
meeting in Juneau, 11/3/83:

Bookman, Bruce, Attorney Member			
TR#447880	\$336.00		
Per diem	220.00	\$556.00	
Andrews, Elaine, Judge Member			
TR#447879	\$336.00		
Per diem	220.00		
Taxi fare	15.00	571.00	
Buckalew, S.J., Judge Member			
TR#447877	\$336.00		
mileage	5.00		
Per diem	220.00	561.00	
Souter, Milton, Judge Member			
TR#447878	\$336.00		
Per diem	220.00	556.00	
Lincoln, Georgianna, Public Member			
TR#448262	\$402.00		
Per diem	220.00	622.00	
Clapp, Randy, Attorney Member			
TR#448261	\$402.00		
Per diem	220.00	<u>622.00</u>	
TOTAL TRAVEL & PER DIEM- COMMISSION MEMBERS			<u>\$3,488.00</u>
Flavin, Frank, Staff Assistant			
Plane fare	\$336.00		
Per diem	220.00	556.00	
Rosenquist, Jane, Legal Assistant			
Plane fare	\$336.00		
Per diem	220.00	<u>556.00</u>	
			<u>\$1,112.00</u>
			<u>\$4,600.00</u>

Detailed breakdown of Arden Page's bill is attached.

RECEIVED  
JAN 09 1984

1305 State of Alaska  
Commission on Judicial Conduct  
Attn: Frank Flavin  
393 K Street  
Anchorage, AK 99501

December 19, 1983  
Page 1  
Inv. No. 21248  
Alaska Commission  
on Judicial Conduct

1 Judicial Misconduct

SERVICES

8-31-83	AEP	Conference with Frank Flavin	0.75
9- 2-83	AEP	Telephone call attorney for judge (Weeks); review of Commission's file	1.25
9- 7-83	AEP	Telephone call Frank Flavin; telephone call Justice Compton; review materials from Judicial Council	2.50
9- 7-83	COUR	Courier service	0.20
9-14-83	AEP	Review materials from Judicial Counsel	1.25
10- 7-83	AEP	Courier service	0.20
10- 7-83	AEP	Telephone call Jane at Commission; arrange for delivery of materials; review notice of hearing	0.50
10-11-83	AEP	Review decisions	2.25
10-13-83	AEP	Telephone call - [REDACTED] telephone call [REDACTED] research on decisions; hearing preparation	6.00
10-14-83	AEP	Research on substantive law re contempts, bail and discrimination	2.50
10-18-83	AEP	Telephone call for Larry Weeks; hearing preparation	2.75
10-19-83	AEP	Telephone call - Larry Weeks	0.20
10-21-83	AEP	Review motions by attorney for judge; telephone call Ms. Rosenquist; telephone call Juneau D.A.'s office; telephone call Clerk of Court; research on sanctions	3.75
10-24-83	AEP	Telephone call - Frank Flavin; telephone call - [REDACTED]	0.40
10-25-83	AEP	Work on case; telephone call Frank Flavin	1.75
10-26-83	AEP	Telephone calls Jane Rosenquist; [REDACTED] D.A.'s office; hearing preparation	4.75

1305 State of Alaska

December 19, 1983

Page 2

Inv. No. 21248

1 Judicial Misconduct

10-27-83	AEP	Telephone calls - [REDACTED], Frank Flavin, [REDACTED]; review tape of proceedings; hearing preparation	2.75	
10-28-83	AEP	Telephone calls - Larry Weeks, [REDACTED], office of [REDACTED]	0.60	
10-31-83	AEP	Telephone call Frank Flavin; conference with Frank Flavin; hearing preparation	1.75	
11- 1-83	AEP	Telephone call Larry Weeks; telephone call [REDACTED]; hearing preparation	3.00	
11- 1-83	COUR	Courier service	0.20	
11- 2-83	AEP	Travel to Juneau; interview witnesses; hearing preparation	8.00	
11- 3-83	AEP	Hearing; preparation for hearing	2.00	
11- 4-83	AEP	Hearing (continued), travel to Anchorage	8.00	
11- 8-83	AEP	Telephone call - Frank Flavin	0.20	
11-10-83	AEP	Telephone call - Larry Weeks re research materials	0.20	
11-17-83	AEP	Telephone call - Larry Weeks	0.20	
11-22-83	AEP	Telephone call - Frank Flavin	0.20	
12- 2-83	COUR	Courier service	0.20	
12- 2-83	RCA	Xeroxing cases at state court library	1.20	
12- 3-83	AEP	Appearance at Commission	4.00	
		Total Hours	69.50	
		Total Services		\$6,872.00

COSTS ADVANCED

9- 2-83	AEP	Long distance call - Juneau, AK	\$23.63
10-12-83	AEP	Long distance call - Juneau, AK	\$15.75
10-12-83	AEP	Long distance call - Juneau, AK	\$18.39
10-13-83	AEP	Long distance call - Juneau, AK	\$55.15
10-18-83	AEP	Long distance call - Juneau, AK	\$2.62
10-19-83	AEP	Long distance call - Juneau, AK	\$6.12
10-21-83	AEP	Long distance call - Juneau, AK	\$2.62
10-21-83	AEP	Long distance call - Juneau, AK	\$2.62
10-21-83	AEP	Long distance call - Juneau, AK	\$2.62
11- 2-83	AEP	Air fare to Juneau	\$336.00
11- 2-83	AEP	Witness fee and mileage	\$208.00
11- 2-83	AEP	Travel expense Juneau	\$199.37

Total Costs Advanced

\$872.31