

LEG. FINANCE - BILLS 1983 - 1984 2141

CSSB 549 cont. - ~~SB~~ / 257 SB 551 2141

- Proposed Changes:
- Local government would have to approve the operation of bingo, pull-tabs and special-draw raffles before commissioner could issue initial permit
  - Adds that a local government may protest any renewal application and an original application for which approval is not necessary based on the best interests of the community
  - Commissioner could restrict locations of games

Section 4 repeals and reenacts AS 05.15.060.

No substantive changes between current and proposed law. Repeal and reenactment is proposed only to simplify the language.

Section 5 deletes a portion of AS 05.15.070.

Present Law: -Commissioner may charge permittees cost of the examination

Proposed Changes: -Deletes the power to charge for examination

Section 6 repeals and reenacts AS 05.15.080.

Present Law: -Annual report by January 31 to city or borough clerk nearest to location of activity

-Reports income, authorized expenses and disbursements of net proceeds

Proposed Changes: -Monthly reports to the state on activities conducted by organizations

-Annual report to State by January 31 of summary of prior year's activities

-Fee to be paid with annual report

Section 7 adds two new sections, AS 05.15.085 and AS 05.15.086.

Present law contains no provisions for games conducted by operators.

Proposed Changes: AS 05.15.085

- This is a new section for reports on games conducted by operators
- Monthly reports to State required on activities conducted for other organizations
- Operators to file annual reconciliation by January 31 of the succeeding year and pay the gross receipts fee
- Organizations using operators must file an annual report by January 31 of the succeeding year

AS 05.15.086

- All applications and reports to be file under penalty of perjury
- Reports must be signed by a bona fide member in good standing of the permittee or operator
- Commissioner may grant filing extensions but not extensions for the payment of fees
- Automatic suspension of activities if a report or fee is delinquent
- Delinquent fees bear interest at the rate provided for delinquent taxes

Section 8 amends AS 05.15.160.

Present Law: -Payments to employees of operators are not authorized expenses

-Payments to consultants cannot be related to the receipts of the authorized activity

Proposed Changes: -Payments to employees of qualified operators would be authorized expenses

-Consultants could be paid out of the receipts of an activity

Section 9 adds two new subsections to AS 05.15.160.

Present Law: -Current regulations limit Bingo prizes to \$1,000 per game not to exceed \$5,000 per session

-Current regulations limit annual prizes for raffles and lotteries to \$200,000

-Present law sets no limit on the amount of authorized expenses which may be incurred and no minimum amount of net proceeds which should be generated

Proposed Changes: -Limit annual authorized expenses to 25% of gross receipts

-Annual net proceeds may not be less than 25% of the gross receipts

Section 10 adds a new section, AS 05.15.165.

Present law contains no provisions for games conducted by operators.

Proposed Changes: -Qualified operators may operate for only one authorizing permittee in any 24 hour period

-The authorizing permittee must be paid its net proceeds within 15 days of the activity

-The operator must pay to the authorizing permittee the gross receipts reduced by the amount of the gross receipts fee, authorized expenses and prizes

-Authorizing permittee must designate a representative which would have access to the operator's books for its activities.

-Department may order an operator to provide its books to an authorizing permittee

-The Department shall order an operator to pay to the authorizing permittee the amounts of unauthorized expenses incurred or the difference between the net proceeds paid and 25% of the gross receipts, whichever is greater

-Interest shall be added to the payments made to an authorizing permittee under order from the Department at the rate of 1.5% per month for each month or fraction of a month during which the money is not paid

-An operator would be required to list the authorizing permittees in all advertising and would post its own permit and a copy of the permit of the authorizing permittee

Section 11 adds a new subsection to AS 05.15.200.

Present Law: -Only penalty for the non-payment of license fees is a suspension or revocation of the permit

Proposed Change: -A penalty may be assessed by the commissioner which is similar to the failure to pay penalty for taxes (5% for each 30 day period or fraction thereof) during which the fee is delinquent

Section 12 repeals and reenacts AS 05.15.210(15).

Present Law: -"Net proceeds" is defined as the gross receipts less expenses, charges, fees, and deductions which are specifically authorized under the chapter

Proposed Change: -"Net proceeds" is defined simply to be gross receipts reduced by the license fee based on the gross receipts, authorized expenses defined in AS 05.15.160(a) and the prizes awarded at the activity

Section 13 adds 5 new subsections to AS 05.15.210.

Present Law: -There are no definitions for "authorizing permittee", "commissioner", "department", "permittee" or "qualified operator"

Proposed Changes: -The above terms would be defined

Section 14 provides that organizations conducting bingo games, pull-tabs and special-draw raffles before the effective date of the Act would not be required to have local government approval.

Section 15 would make the act effective July 1, 1984.

Offered: 5/24/84

Original sponsor: Community and Regional  
Affairs Committee

1 IN THE SENATE

BY THE RULES COMMITTEE

2

CS FOR SENATE BILL NO. 549 (Rules)

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 games of chance and contests of  
7 skill; and providing for an effective date."

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

9 \* Section 1. AS 05.15.020 is repealed and reenacted to read:

10 Sec. 05.15.020. ANNUAL PERMIT AND FEE. (a) An activity permit-  
11 ted under this chapter may not be conducted unless an annual permit  
12 issued by the department is first obtained and a fee of \$50 is paid to  
13 the department.

14 (b) A qualified operator may conduct an activity permitted under  
15 this chapter for a municipality or qualified organization if an annual  
16 operator's permit issued by the department is first obtained, a fee of  
17 \$200 is paid to the department and a bond or other security acceptable  
18 to the department is filed with the department for 10 percent of the  
19 amount of prizes and net proceeds estimated to be paid for the  
20 calendar year. The operator's permit is in addition to the permit  
21 required to be obtained by the municipality or qualified organization  
22 on whose behalf the operator conducts the activity.

23 (c) An additional fee of one and one-half percent of the gross  
24 receipts from an activity permitted under this chapter shall be paid  
25 to the department by each municipality or qualified organization  
26 annually except that a qualified operator shall be liable for the  
27 additional fee for activities conducted by the qualified operator on  
28 behalf of a municipality or qualified organization.

29 \* Sec. 2. AS 05.15 is amended by adding a new section to read:

1           Sec. 05.15.025. LICENSE FEES COLLECTED ON BEHALF OF A LOCAL  
2 GOVERNMENT. (a) A borough or organized municipality outside of a  
3 borough may elect, by passage of an appropriate ordinance, to impose  
4 an additional license fee, not to exceed one-half of one percent, on  
5 the gross receipts of an activity authorized under this chapter con-  
6 ducted within its boundaries. A borough or organized municipality  
7 outside of a borough that elects to impose the additional license fee  
8 shall file written notice of the election with the department on or  
9 before December 1 of the year preceding the year an election under  
10 this section is to become effective. The notice may not be rescinded  
11 for a subsequent calendar year unless a rescission notice is received  
12 by the department on or before January 1 of the year for which the  
13 license fee is rescinded.

14           (b) The additional license fee shall be collected and adminis-  
15 tered by the department in the same manner as provided for the addi-  
16 tional fee in AS 05.15.020(c).

17           (c) The department shall refund money collected under this  
18 section to the borough or organized municipality outside of a borough  
19 for which the money was collected, as determined by the location of  
20 the activity authorized under this chapter.

21           (d) Money received by an organized borough under this section  
22 shall be allocated by the borough by ordinance for city, area outside  
23 city and service area purposes within the borough.

24 \* Sec. 3. AS 05.15.030 is repealed and reenacted to read:

25           Sec. 05.15.030. NOTIFICATION OF LOCAL GOVERNMENTS, REQUIRED  
26 APPROVALS, AND PROTESTS. (a) At the time of filing an initial or  
27 renewal application the applicant shall notify the city or borough  
28 nearest to the location of the proposed activity of the application  
29 and the location at which the proposed activity will be conducted.

1 (b) A local government is required to approve by resolution an  
2 initial permit application for conducting bingo games, selling pull-  
3 tabs, or holding special-draw games in its jurisdiction. The commis-  
4 sioner shall define special-draw games in regulations adopted under  
5 the Administrative Procedure Act (AS 44.62). The approval, which may  
6 be granted at the discretion of the governing body, shall accompany  
7 the initial license application to the commissioner. The commissioner  
8 may not issue a permit for an activity in a jurisdiction which has not  
9 approved the activity as required under this subsection.

10 (c) A local government may protest the conduct of an activity in  
11 its jurisdiction, including the renewal of a permit for which initial  
12 approval was required under (b) of this section, by filing with the  
13 commissioner a resolution stating the reasons for the protest. Pro-  
14 tests are limited to the lack of qualifications prescribed by this  
15 chapter or a finding that the proposed activity would not be in the  
16 best interests of the public. This resolution is only a recommenda-  
17 tion by the city that may be considered by the commissioner in the  
18 commissioner's determination to issue or refuse to issue a permit.

19 (d) If a permittee relocates within the same city or borough for  
20 which approval has been granted, the permittee shall notify the de-  
21 partment and the city or borough within 30 days of its move to the new  
22 location.

23 (e) If a permittee intends to conduct an activity in a city or  
24 borough in addition to a jurisdiction for which approval has been  
25 granted, the permittee shall file an application with the department  
26 and shall notify the city or borough nearest to the new location  
27 before conducting the activity at the new location. An activity may  
28 not be conducted in the additional or new jurisdiction before approval  
29 by the commissioner.

1 (f) The commissioner may limit the locations in which activities  
2 under this chapter may be conducted as required to protect the best  
3 interest of the public.

4 \* Sec. 4. AS 05.15.060 is repealed and reenacted to read:

5 Sec. 05.15.060. REGULATIONS. In accordance with the Administra-  
6 tive Procedure Act (AS 44.62), the commissioner of revenue shall adopt  
7 regulations necessary to carry out this chapter covering but not  
8 limited to the control and issuance of permits, authorized expenses,  
9 investigations of permittees, recordkeeping and accounting, prizes,  
10 equipment, audits of authorized activities, suspension or revocation  
11 of permits and other matters that the commissioner considers necessary  
12 to carry out this chapter or protect the best interest of the public.

13 \* Sec. 5. AS 05.15.070 is amended to read:

14 Sec. 05.15.070. COMMISSIONER OF REVENUE MAY EXAMINE PERMITTEES.  
15 The commissioner may examine or have examined the books and records of  
16 a permittee. [THE COMMISSIONER MAY REQUIRE THE PERMITTEE TO PAY THE  
17 REASONABLE COST OF THE EXAMINATION.] The commissioner may issue  
18 subpoenas for the attendance of witnesses and the production of books,  
19 records, and other documents.

20 \* Sec. 6. AS 05.15.080 is repealed and reenacted to read:

21 Sec. 05.15.080. REPORTS REQUIRED AND PAYMENT OF FEE BY MUNIC-  
22 IPALITIES AND QUALIFIED ORGANIZATIONS. (a) A municipality or qual-  
23 ified organization conducting an activity authorized under this chap-  
24 ter shall file a report with the department no later than the last  
25 business day of the month following the month in which an activity was  
26 conducted. The report must include the type of activity conducted,  
27 the date and location of the activity, the amount of gross receipts,  
28 the amount of authorized expenses, the value of prizes awarded, the  
29 amount of net proceeds and other information the commissioner may

Offered: 5/18/84  
Referred: Rules

Original sponsor: Community and Regional  
Affairs Committee

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 549 (Finance)  
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4 THIRTEENTH LEGISLATURE - SECOND SESSION  
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6 For an Act entitled: "An Act relating to games of chance and contests of  
7 skill; and providing for an effective date."  
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13 the department.  
14 (b) A qualified operator may conduct an activity permitted under  
15 this chapter for a municipality or qualified organization if an annual  
16 operator's permit issued by the department is first obtained, a fee of  
17 \$200 is paid to the department and a bond or other security acceptable  
18 to the department is filed with the department for 10 percent of the  
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21 required to be obtained by the municipality or qualified organization  
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26 annually except that a qualified operator shall be liable for the  
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29 \* Sec. 2. AS 05.15 is amended by adding a new section to read:

1           Sec. 05.15.025. LICENSE FEES COLLECTED ON BEHALF OF A LOCAL  
2 GOVERNMENT. (a) A borough or organized municipality outside of a  
3 borough may elect, by passage of an appropriate ordinance, to impose  
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15 tered by the department in the same manner as provided for the addi-  
16 tional fee in AS 05.15.020(c).

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18 section to the borough or organized municipality outside of a borough  
19 for which the money was collected, as determined by the location of  
20 the activity authorized under this chapter.

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25           Sec. 05.15.030. NOTIFICATION OF LOCAL GOVERNMENTS, REQUIRED  
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27 renewal application the applicant shall notify the city or borough  
28 nearest to the location of the proposed activity of the application  
29 and the location at which the proposed activity will be conducted.

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2 initial permit application for conducting bingo games, selling pull-  
3 tabs, or holding special-draw games in its jurisdiction. The commis-  
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5 the Administrative Procedure Act (AS 44.62). The approval, which may  
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7 the initial license application to the commissioner. The commissioner  
8 may not issue a permit for an activity in a jurisdiction which has not  
9 approved the activity as required under this subsection.

10           (c) A local government may protest the conduct of an activity in  
11 its jurisdiction, including the renewal of a permit for which initial  
12 approval was required under (b) of this section, by filing with the  
13 commissioner a resolution stating the reasons for the protest. Pro-  
14 tests are limited to the lack of qualifications prescribed by this  
15 chapter or a finding that the proposed activity would not be in the  
16 best interests of the public. This resolution is only a recommenda-  
17 tion by the city that may be considered by the commissioner in the  
18 commissioner's determination to issue or refuse to issue a permit.

19           (d) If a permittee relocates within the same city or borough for  
20 which approval has been granted, the permittee shall notify the de-  
21 partment and the city or borough within 30 days of its move to the new  
22 location.

23           (e) If a permittee intends to conduct an activity in a city or  
24 borough in addition to a jurisdiction for which approval has been  
25 granted, the permittee shall file an application with the department  
26 and shall notify the city or borough nearest to the new location  
27 before conducting the activity at the new location. An activity may  
28 not be conducted in the additional or new jurisdiction before approval  
29 by the commissioner.

1 (f) The commissioner may limit the locations in which activities  
2 under this chapter may be conducted as required to protect the best  
3 interest of the public.

4 \* Sec. 4. AS 05.15.060 is repealed and reenacted to read:

5 Sec. 05.15.060. REGULATIONS. In accordance with the Administra-  
6 tive Procedure Act (AS 44.62), the commissioner of revenue shall adopt  
7 regulations necessary to carry out this chapter covering but not  
8 limited to the control and issuance of permits, authorized expenses,  
9 investigations of permittees, recordkeeping and accounting, prizes,  
10 equipment, audits of authorized activities, suspension or revocation  
11 of permits and other matters that the commissioner considers necessary  
12 to carry out this chapter or protect the best interest of the public.

13 \* Sec. 5. AS 05.15.070 is amended to read:

14 Sec. 05.15.070. COMMISSIONER OF REVENUE MAY EXAMINE PERMITTEES.  
15 The commissioner may examine or have examined the books and records of  
16 a permittee. [THE COMMISSIONER MAY REQUIRE THE PERMITTEE TO PAY THE  
17 REASONABLE COST OF THE EXAMINATION.] The commissioner may issue  
18 subpoenas for the attendance of witnesses and the production of books,  
19 records, and other documents.

20 \* Sec. 6. AS 05.15.080 is repealed and reenacted to read:

21 Sec. 05.15.080. REPORTS REQUIRED AND PAYMENT OF FEE BY MUNIC-  
22 IPALITIES AND QUALIFIED ORGANIZATIONS. (a) A municipality or qual-  
23 ified organization conducting an activity authorized under this chap-  
24 ter shall file a report with the department no later than the last  
25 business day of the month following the month in which an activity was  
26 conducted. The report must include the type of activity conducted,  
27 the date and location of the activity, the amount of gross receipts,  
28 the amount of authorized expenses, the value of prizes awarded, the  
29 amount of net proceeds and other information the commissioner may

1 require by regulation.

2 (b) A municipality or qualified organization conducting an  
3 activity authorized under this chapter shall file an annual report  
4 with the department no later than January 31 of the year following the  
5 year in which activities were conducted, accompanied by the payment of  
6 the additional fee as required under AS 05.15.020(c). The report must  
7 list the types of activities conducted, and, for each activity, the  
8 total amount of gross receipts, the total amount of authorized ex-  
9 penses, the total value of prizes, and the total amount of net pro-  
10 ceeds. The report must also include the disposition or intended  
11 disposition of the net proceeds.

12 \* Sec. 7. AS 05.15 is amended by adding new sections to read:

13 Sec. 05.15.085. REPORTS REQUIRED AND PAYMENT OF FEE BY QUALIFIED  
14 OPERATORS. (a) A qualified operator shall file a report with the  
15 department no later than the last business day of the month following  
16 the month in which an activity was conducted. The report shall be  
17 divided into sections for each municipality and qualified organization  
18 on whose behalf an activity was conducted and must include the date  
19 and location of each activity, the type of activity conducted, the  
20 amount of gross receipts, the amount of authorized expenses, the value  
21 of prizes awarded, the amount of net proceeds paid to the municipality  
22 or qualified organization on whose behalf the activity was conducted  
23 and other information the commissioner may require by regulation.

24 (b) A qualified operator shall file an annual report with the  
25 department no later than January 31 of the year following the year in  
26 which activities were conducted, accompanied by the payment of the  
27 additional fee as required under AS 05.15.020(c). The report must  
28 list the types of activities conducted, the municipalities and qual-  
29 ified organizations on whose behalf the activities were conducted, the

1 total gross receipts, the total authorized expenses, the total prizes  
2 and the total net proceeds turned over to each municipality and qual-  
3 ified organization.

4 (c) A municipality or qualified organization that authorizes a  
5 qualified operator to conduct activities authorized under this chapter  
6 shall file an annual report with the department no later than  
7 January 31 of the year following the year in which the activities were  
8 conducted. The report must list each activity conducted, the autho-  
9 rized representative for the municipality or qualified organization,  
10 the qualified operator conducting the activity, the date and location  
11 of each activity and the net proceeds received from the qualified  
12 operator for the activity.

13 Sec. 05.15.086. GENERAL PROVISIONS RELATING TO THE FILING OF  
14 REPORTS AND PAYMENT OF LICENSE FEES. (a) The license applications  
15 and reports required under this chapter shall be filed under penalty  
16 of perjury and signed by a bona fide member in good standing of the  
17 qualified organization or a person authorized to sign on behalf of a  
18 municipality.

19 (b) The commissioner may grant an extension for the filing of a  
20 report required under this chapter upon a showing by the permittee of  
21 reasonable cause for delay. The extension may not be granted in  
22 excess of 30 days and the report will not be considered delinquent  
23 during the period of the extension. An extension of time for the  
24 payment of the license fee is prohibited.

25 (c) A permittee is not authorized to conduct an activity under  
26 this chapter during any period in which a report or license fee is  
27 delinquent.

28 (d) A delinquent license fee shall bear interest at the rate  
29 provided for in AS 43.05.225.

1 \* Sec. 8. AS 05.15.160 is amended to read:

2           Sec. 05.15.160. AUTHORIZED EXPENSES. An [NO] item of expense  
3 may not be incurred or paid in connection with the operation of an  
4 activity under a permit issued under this chapter except for bona fide  
5 expenses reasonably necessary for

6                   (1) goods, wares, and merchandise necessary for the operation  
7 of the activity;

8                   (2) personal services rendered that are not directly or  
9 indirectly involved with the operation of the activity; or

10                   (3) personal services involved with the operation of the  
11 activity provided the services are performed by an employee of the  
12 municipality, qualified organization, qualified operator or a consultant  
13 hired by the municipality or qualified organization conducting  
14 the activity, provided the consultant is not directly involved in the  
15 operation of the activity [AND THE COMPENSATION IS NOT RELATED TO THE  
16 RECEIPTS FROM THE ACTIVITY].

17 \* Sec 9. AS 05.15.160 is amended by adding new subsections to read:

18           (b) The annual authorized expenses under (a) of this section may  
19 not exceed 25 percent of the annual gross receipts from activities  
20 authorized under this chapter.

21           (c) The annual net proceeds for a qualified organization from  
22 activities authorized under this chapter may not be less than 25  
23 percent of the annual gross receipts.

24 \* Sec. 10. AS 05.15 is amended by adding a new section to read:

25           Sec. 05.15.165. QUALIFIED OPERATORS. (a) A qualified operator  
26 may not operate an activity for more than one authorizing permittee in  
27 any 24 hour period.

28           (b) A qualified operator is required to pay the authorizing  
29 permittee the net proceeds from an activity within 15 calendar days

1 from the date of the activity. The payment shall be made by check and  
2 the qualified operator shall obtain a signed receipt from the autho-  
3 rizing permittee. The authorizing permittee shall keep a copy of the  
4 receipt for its records.

5 (c) The net proceeds of an activity that shall be paid by the  
6 qualified operator to the authorizing permittee shall be the gross  
7 receipts from the activity reduced by the license fee based on the  
8 gross receipts, the authorized expenses provided for under AS 05.15.-  
9 160(a) and the prizes awarded at the activity.

10 (d) An authorizing permittee shall designate a representative,  
11 who is a bona fide member in good standing of the qualified organiza-  
12 tion or a person designated by the municipality, to be its agent in  
13 working with the qualified operator. The representative shall have  
14 access to all books and records of the qualified operator relevant to  
15 the activity, including the amounts of gross receipts, authorized  
16 expenses and prizes awarded. The commissioner may order the produc-  
17 tion of the books and records of a qualified operator that are not  
18 voluntarily made available to the representative under regulations  
19 adopted by the department.

20 (e) If the department finds that a qualified operator has in-  
21 curred expenses that are not authorized under AS 05.15.160(a), or has  
22 incurred expenses in excess of the amount authorized under AS 05.15.-  
23 160(b), or has paid an authorizing permittee less than the minimum  
24 amount of net proceeds provided for under AS 05.15.160(c), the depart-  
25 ment shall order the qualified operator to refund to the authorizing  
26 permittee the amount of the unauthorized expenses or the difference  
27 between the minimum amount of net proceeds under AS 05.15.160(b) and  
28 the amount of the net proceeds actually paid, whichever is greater.  
29 The qualified operator shall pay the authorizing permittee interest on

1 the amount ordered to be paid at the rate of 1.5 percent a month for  
2 each month or fraction of a month between the date of the operation of  
3 the activity and the date the refund is made.

4 \* Sec. 11. AS 05.15.200 is amended by adding a new subsection to read:

5 (c) The commissioner may assess a penalty in the manner provided  
6 for the nonpayment of taxes under AS 43.05.220(a) where a permittee  
7 has failed to timely pay a license fee required under AS 05.15.020(c),  
8 unless it is shown that the failure was due to reasonable cause.

9 \* Sec. 12. AS 05.15.210(15) is repealed and reenacted to read:

10 (15) "net proceeds" means the gross receipts from the activ-  
11 ity reduced by the license fee based on the gross receipts, the au-  
12 thorized expenses provided for under AS 05.15.160(a) and the prizes  
13 awarded at the activity;

14 \* Sec. 13. AS 05.15.210 is amended by adding new subsections to read:

15 (24) "authorizing permittee" means a municipality or qual-  
16 ified organization that has authorized a qualified operator to conduct  
17 activities authorized under a permit issued by the commissioner under  
18 this chapter on its behalf;

19 (25) "commissioner" means the commissioner of revenue;

20 (26) "department" means the Department of Revenue;

21 (27) "permittee" means a municipality, qualified organiza-  
22 tion or qualified operator that has been issued a permit to conduct  
23 the activities authorized under this chapter;

24 (28) "qualified operator" means a municipality or qualified  
25 organization that has been authorized by the commissioner to operate  
26 the activities authorized under this chapter on behalf of another  
27 permittee.

28 \* Sec. 14. An organization which was conducting bingo games, selling  
29 pulltabs, or holding special-draw games before the effective date of this

1 Act is not required to have its existing location or locations approved by  
2 a local government under AS 05.15.030(b).

3 \* Sec. 15. This Act takes effect July 1, 1984.

Introduced: 4/18/84  
Referred: Community and Regional  
Affairs and Finance

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 549

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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7 skill; and providing for an effective date."

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

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11 ted under this chapter may not be conducted unless an annual permit  
12 issued by the department is first obtained and a fee of \$50 is paid to  
13 the department.

14 (b) A qualified operator may conduct an activity permitted under  
15 this chapter for a municipality or qualified organization if an annual  
16 operator's permit issued by the department is first obtained, a fee of  
17 \$200 is paid to the department and a bond or other security acceptable  
18 to the department is filed with the department for the amount of  
19 prizes and net proceeds estimated to be paid for the calendar year.  
20 The operator's permit is in addition to the permit required to be  
21 obtained by the municipality or qualified organization on whose behalf  
22 the operator conducts the activity.

23 (c) An additional fee of three percent of the gross receipts  
24 from an activity permitted under this chapter shall be paid to the  
25 department by each municipality or qualified organization annually  
26 except that a qualified operator shall be liable for the additional  
27 fee for activities conducted by the qualified operator on behalf of a  
28 municipality or qualified organization.

29 \* Sec. 2. AS 05.15 is amended by adding a new section to read:

1           Sec. 05.15.025. LICENSE FEES COLLECTED ON BEHALF OF A LOCAL  
2 GOVERNMENT. (a) A borough or organized municipality outside of a  
3 borough may elect, by passage of an appropriate ordinance, to impose  
4 an additional license fee, not to exceed one percent, on the gross  
5 receipts of an activity authorized under this chapter conducted within  
6 its boundaries. A borough or organized municipality outside of a  
7 borough that elects to impose the additional license fee shall file  
8 written notice of the election with the department on or before  
9 December 1 of the year preceding the year an election under this  
10 section is to become effective. The notice may not be rescinded for a  
11 subsequent calendar year unless a rescission notice is received by the  
12 department on or before January 1 of the year for which the license  
13 fee is rescinded.

14           (b) The additional license fee shall be collected and adminis-  
15 tered by the department in the same manner as provided for the addi-  
16 tional fee in AS 05.15.020(c).

17           (c) The department shall refund money collected under this  
18 section to the borough or organized municipality outside of a borough  
19 for which the money was collected, as determined by the location of  
20 the activity authorized under this chapter.

21           (d) Money received by an organized borough under this section  
22 shall be allocated by the borough by ordinance for city, area outside  
23 city and service area purposes within the borough.

24 \* Sec. 3. AS 05.15.030 is repealed and reenacted to read:

25           Sec. 05.15.030. NOTIFICATION OF LOCAL GOVERNMENTS AND PROTESTS.  
26 (a) At the time of filing application the applicant shall notify the  
27 city or borough nearest to the location of the proposed activity of  
28 the application and the location at which the proposed activity will  
29 be conducted. If the permittee relocates within the same city or

1        borough the permittee shall notify the department and the city or  
2        borough within 30 days of its move to the new location. If the per-  
3        mittee intends to conduct an activity in an additional or different  
4        city or borough, the permittee shall notify the department and the  
5        city or borough nearest to the new location at least 30 days before  
6        conducting an activity at the new location.

7            (b) A local government may protest the conduct of the activity  
8        in its jurisdiction by resolution stating the reasons for the protest  
9        filed with the department; protests are limited to the lack of quali-  
10       fications prescribed by this chapter or a finding that the proposed  
11       activity would not be in the best interests of the public. This  
12       resolution is only a recommendation by the city that may be considered  
13       by the commissioner in the commissioner's determination to issue or  
14       refuse to issue a permit. The department may limit the locations in  
15       which activities authorized under this chapter may be conducted.

16       \* Sec. 4. AS 05.15.060 is repealed and reenacted to read:

17            Sec. 05.15.060. REGULATIONS. In accordance with the Administra-  
18       tive Procedure Act (AS 44.62), the commissioner of revenue shall adopt  
19       regulations necessary to carry out this chapter covering but not  
20       limited to the control and issuance of permits, authorized expenses,  
21       investigations of permittees, recordkeeping and accounting, prizes,  
22       equipment, audits of authorized activities, suspension or revocation  
23       of permits and other matters that the commissioner considers necessary  
24       to carry out this chapter or protect the best interest of the public.

25       \* Sec. 5. AS 05.15.070 is amended to read:

26            Sec. 05.15.070. COMMISSIONER OF REVENUE MAY EXAMINE PERMITTEES.  
27       The commissioner may examine or have examined the books and records of  
28       a permittee. [THE COMMISSIONER MAY REQUIRE THE PERMITTEE TO PAY THE  
29       REASONABLE COST OF THE EXAMINATION.] The commissioner may iss

1 subpoenas for the attendance of witnesses and the production of books,  
2 records, and other documents.

3 \* Sec. 6. AS 05.15.080 is repealed and reenacted to read:

4 Sec. 05.15.080. REPORTS REQUIRED AND PAYMENT OF FEE BY MUNIC-  
5 IPALITIES AND QUALIFIED ORGANIZATIONS. (a) A municipality or qual-  
6 ified organization conducting an activity authorized under this chap-  
7 ter shall file a report with the department no later than the last  
8 business day of the month following the month in which an activity was  
9 conducted. The report must include the type of activity conducted,  
10 the date and location of the activity, the amount of gross receipts,  
11 the amount of authorized expenses, the value of prizes awarded, the  
12 amount of net proceeds and other information the commissioner may  
13 require by regulation.

14 (b) A municipality or qualified organization conducting an  
15 activity authorized under this chapter shall file an annual report  
16 with the department no later than January 31 of the year following the  
17 year in which activities were conducted, accompanied by the payment of  
18 the additional fee as required under AS 05.15.020(c). The report  
19 must list the types of activities conducted, and, for each activity,  
20 the total amount of gross receipts, the total amount of authorized  
21 expenses, the total value of prizes, and the total amount of net  
22 proceeds. The report must also include the disposition or intended  
23 disposition of the net proceeds.

24 \* Sec. 7. AS 05.15 is amended by adding new sections to read:

25 Sec. 05.15.085. REPORTS REQUIRED AND PAYMENT OF FEE BY QUALIFIED  
26 OPERATORS. (a) A qualified operator shall file a report with the  
27 department no later than the last business day of the month following  
28 the month in which an activity was conducted. The report shall be  
29 divided into sections for each municipality and qualified organization

1 on whose behalf an activity was conducted and must include the date  
2 and location of each activity, the type of activity conducted, the  
3 amount of gross receipts, the amount of authorized expenses, the value  
4 of prizes awarded, the amount of net proceeds paid to the municipality  
5 or qualified organization on whose behalf the activity was conducted  
6 and other information the commissioner may require by regulation.

7 (b) A qualified operator shall file an annual report with the  
8 department no later than January 31 of the year following the year in  
9 which activities were conducted, accompanied by the payment of the  
10 additional fee as required under AS 05.15.020(c). The report must  
11 list the types of activities conducted, the municipalities and qual-  
12 ified organizations on whose behalf the activities were conducted, the  
13 total gross receipts, the total authorized expenses, the total prizes  
14 and the total net proceeds turned over to each municipality and qual-  
15 ified organization.

16 (c) A municipality or qualified organization that authorizes a  
17 qualified operator to conduct activities authorized under this chapter  
18 shall file an annual report with the department no later than  
19 January 31 of the year following the year in which the activities were  
20 conducted. The report must list each activity conducted, the autho-  
21 rized representative for the municipality or qualified organization,  
22 the qualified operator conducting the activity, the date and location  
23 of each activity and the net proceeds received from the qualified  
24 operator for the activity.

25 Sec. 05.15.086. GENERAL PROVISIONS RELATING TO THE FILING OF  
26 REPORTS AND PAYMENT OF LICENSE FEES. (a) The license applications  
27 and reports required under this chapter shall be filed under penalty  
28 of perjury and signed by a bona fide member in good standing of the  
29 qualified organization or a person authorized to sign on behalf of a

1 municipality.

2 (b) The commissioner may grant an extension for the filing of a  
3 report required under this chapter upon a showing by the permittee of  
4 reasonable cause for delay. The extension may not be granted in  
5 excess of 30 days and the report will not be considered delinquent  
6 during the period of the extension. An extension of time for the  
7 payment of the license fee is prohibited.

8 (c) A permittee is not authorized to conduct an activity under  
9 this chapter during any period in which a report or license fee is  
10 delinquent.

11 (d) A delinquent license fee shall bear interest at the rate  
12 provided for in AS 43.05.225.

13 \* Sec. 8. AS 05.15.160 is amended to read:

14 Sec. 05.15.160. AUTHORIZED EXPENSES. An [NO] item of expense  
15 may not be incurred or paid in connection with the operation of an  
16 activity under a permit issued under this chapter except for bona fide  
17 expenses reasonably necessary for

18 (1) goods, wares, and merchandise necessary for the opera-  
19 tion of the activity;

20 (2) personal services rendered that are not directly or  
21 indirectly involved with the operation of the activity; or

22 (3) personal services involved with the operation of the  
23 activity provided the services are performed by an employee of the  
24 municipality, qualified organization, qualified operator or a consul-  
25 tant hired by the municipality or qualified organization conducting  
26 the activity, provided the consultant is not directly involved in the  
27 operation of the activity [AND THE COMPENSATION IS NOT RELATED TO THE  
28 RECEIPTS FROM THE ACTIVITY].

29 \* Sec. 9. AS 05.15.160 is amended by adding new subsections to read:

1           (b) The annual authorized expenses under (a) of this section may  
2 not exceed 25 percent of the annual gross receipts from activities  
3 authorized under this chapter.

4           (c) The annual net proceeds for a qualified organization from  
5 activities authorized under this chapter may not be less than 25  
6 percent of the annual gross receipts.

7 \* Sec. 10. AS 05.15 is amended by adding a new section to read:

8           Sec. 05.15.165. QUALIFIED OPERATORS. (a) A qualified operator  
9 may not operate an activity for more than one authorizing permittee in  
10 any 24 hour period.

11           (b) A qualified operator is required to pay the authorizing  
12 permittee the net proceeds from an activity within 15 calendar days  
13 from the date of the activity. The payment shall be made by check and  
14 the qualified operator shall obtain a signed receipt from the autho-  
15 rizing permittee. The authorizing permittee shall keep a copy of the  
16 receipt for its records.

17           (c) The net proceeds of an activity that shall be paid by the  
18 qualified operator to the authorizing permittee shall be the gross  
19 receipts from the activity reduced by the license fee based on the  
20 gross receipts, the authorized expenses provided for under AS 05.15.-  
21 160(a) and the prizes awarded at the activity.

22           (d) An authorizing permittee shall designate a representative,  
23 who is a bona fide member in good standing of the qualified organiza-  
24 tion or a person designated by the municipality, to be its agent in  
25 working with the qualified operator. The representative shall have  
26 access to all books and records of the qualified operator relevant to  
27 the activity, including the amounts of gross receipts, authorized  
28 expenses and prizes awarded. The commissioner may order the produc-  
29 tion of the books and records of a qualified operator that are not

1 voluntarily made available to the representative under regulations  
2 adopted by the department.

3 (e) If the department finds that a qualified operator has in-  
4 curred expenses that are not authorized under AS 05.15.160(a), or has  
5 incurred expenses in excess of the amount authorized under AS 05.15.-  
6 160(b), or has paid an authorizing permittee less than the minimum  
7 amount of net proceeds provided for under AS 05.15.160(c), the depart-  
8 ment shall order the qualified operator to refund to the authorizing  
9 permittee the amount of the unauthorized expenses or the difference  
10 between the minimum amount of net proceeds under AS 05.15.160(b) and  
11 the amount of the net proceeds actually paid, whichever is greater.  
12 The qualified operator shall pay the authorizing permittee interest on  
13 the amount ordered to be paid at the rate of 1.5 percent a month for  
14 each month or fraction of a month between the date of the operation of  
15 the activity and the date the refund is made.

16 \* Sec. 11. AS 05.15.180(a) is repealed and reenacted to read:

17 (a) This chapter does not authorize the use of instruments,  
18 machines, or other objects used, designed, or intended primarily for  
19 gaming or gambling unless specifically authorized under regulations  
20 adopted by the commissioner and used in the operation of activities  
21 authorized under this chapter.

22 \* Sec. 12. AS 05.15.200 is amended by adding a new subsection to read:

23 (c) The commissioner may assess a penalty in the manner provided  
24 for the nonpayment of taxes under AS 43.05.220(a) where a permittee  
25 has failed to timely pay a license fee required under AS 05.15.020(b),  
26 unless it is shown that the failure was due to reasonable cause.

27 \* Sec. 13. AS 05.15.210(15) is repealed and reenacted to read:

28 (15) "net proceeds" means the gross receipts from the activ-  
29 ity reduced by the license fee based on the gross receipts, the

1 authorized expenses provided for under AS 05.15.160(a) and the prizes  
2 awarded at the activity;

3 \* Sec. 14. AS 05.15.210 is amended by adding new subsections to read:

4 (24) "authorizing permittee" means a municipality or qual-  
5 ified organization that has authorized a qualified operator to conduct  
6 activities authorized under a permit issued by the commissioner under  
7 this chapter on its behalf;

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

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

10 (27) "permittee" means a municipality, qualified organiza-  
11 tion or qualified operator that has been issued a permit to conduct  
12 the activities authorized under this chapter;

13 (28) "qualified operator" means a municipality or qualified  
14 organization that has been authorized by the commissioner to operate  
15 the activities authorized under this chapter on behalf of another  
16 permittee.

17 \* Sec. 15. This Act takes effect July 1, 1984.

COMMITTEE REPORT  
SENATE

FURTHER:

4/15/84

Date 5/2/84

Mr. President

The Committee on FINANCE considered HR 530

supplemental appropriation for the operation of the Legislative Branch

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

\_\_\_\_\_

\_\_\_\_\_

*Bob [unclear]*

*[unclear]*

*[unclear]*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*[unclear]*

\_\_\_\_\_

Chairman

*[unclear]*

\_\_\_\_\_

Chairman recommendation

Introduced: 4/23/84  
Referred: Finance

<u>Funding Information</u>	
General Fund	\$1,443,423
Other Funds	-0-
	<u>\$1,443,423</u>

1 IN THE SENATE

BY THE RULES COMMITTEE

2

SENATE BILL NO. 550

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 supplemental appropriation for the  
7 operation of the legislature; and providing for an  
8 effective date."

9

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

10

\* Section 1. The sum of \$1,443,423 is appropriated from the general

11

fund to the Legislative Affairs Agency for the operation of the Thirteenth

12

Legislature-Second Session through the 145th day.

13

\* Sec. 2. The unexpended and unobligated portion of the appropriation

14

made by this Act lapses into the general fund June 30, 1984.

15

\* Sec. 3. This Act takes effect immediately in accordance with AS 01.-

16

10.070(c).

5/2/84

SB 550 ANALYSIS

Operating budget for first 120 days	\$6,095,700
Salary supplemental appropriated	45,000
Legislative Council transfer of salaries (to pay for legislator's raises)	<u>(568,800)</u>
Net on books for session (120 days X \$46,433 daily session cost)	\$5,571,900

Rules decision to raise salary of daily paid	240,000
Unbudgeted furniture purchases	<u>20,000</u>
	260,000

260,000 ÷ 46,433 daily session cost = 5.6 day  
so the remainder was only enough to fund the  
session for 117 days. (Until May 1)

Supplemental in SB 550	\$1,443,423
Breakdown	
- 1 month - year-round permanent employees (73 Professional Assistants and Professional Secretaries)	299,399
- 1 month - 153 session employees	590,952
- travel	31,527
- contractual (telephone, equipment rental, etc.)	451,887
- commodities (supplies, stationery, etc.)	65,658
- Personal allowance for Representative Sund	<u>4,000</u>

Funds the session for 31 days from May 1 to June 1

COMMITTEE REPORT  
HOUSE

(11)

FURTHER:

5/11/84

Date: 5/21/84

The Committee on FINANCE has had SB 350

"An Act making a supplemental appropriation for the operation of the legislature; and providing for an effective date."

under consideration and recommends:

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

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

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[Signature]

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[Signature]

[Signature]

CHAIRMAN

Introduced: 4/23/84  
Referred to: Finance

Funding Information  
General Fund \$1,443,423  
Other Funds -0-  
\$1,443,423

1 IN THE SENATE

BY THE RULES COMMITTEE

2

SENATE BILL NO. 550

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 supplemental appropriation for the  
7 operation of the legislature; and providing for an  
8 effective date."

9

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

10

\* Section 1. The sum of \$1,443,423 is appropriated from the general  
11 fund to the Legislative Affairs Agency for the operation of the Thirteenth  
12 Legislature-Second Session through the 145th day.

13

\* Sec. 2. The unexpended and unobligated portion of the appropriation  
14 made by this Act lapses into the general fund June 30, 1984.

15

\* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
16 10.070(c).

MAY 7 1984

MEMORANDUM

April 19, 1984

TO: THE HONORABLE JAN FAIKS  
CHAIR, SENATE RULES COMMITTEE

THE HONORABLE JACK FULLER  
CHAIRMAN, HOUSE RULES COMMITTEE

FROM: Lauren Smith, Manager *LS*  
Division of Administrative Services

SUBJECT: Appropriation for Session expenses

The Legislative Affairs Agency adjusted appropriation for session expenses is \$5,571,900.00 for 120 days. The daily cost for the session is estimated to be \$46,433.00.

We have incurred unbudgeted expenses in this component of approximately \$260,000.00. The joint rules committee decision to give a raise to temporary daily paid employees accounts for \$240,000.00, while furniture purchases of approximately \$20,000.00 accounts for the remainder. Because of the unbudgeted costs, it is estimated that we will run out of funding 6 days early, on the 114th day which is May 1st.

As manager of Administrative Services, I request that you introduce legislation for a supplemental appropriation to cover session costs beginning May 2nd at a daily rate of \$46,433.00. Unless a supplemental appropriation is signed into law by the Governor, we will be unable to certify session employees payroll after May 1st.

Thank you for your immediate attention to this matter.

LS:rk

copy to: Senator Jay Kerttula  
Senator John Sackett  
Senator Don Bennett  
Representative Joe Hayes  
Representative Al Adams

SENATE BILL NO. 550

Session Supplemental Daily Cost

PERSONAL SERVICES \$28,721

226 session employees, permanent and  
daily paid employees

TRAVEL (at the approval of Senate President  
or House Speaker) \$ 1,017

Legislators and/or staff

CONTRACTUAL \$14,577

Telephones, equipment rental, equipment  
maintenance, information services and  
subscriptions

COMMODITIES \$ 2,118

Supplies, stationery, and duplicating  
supplies

TOTAL DAILY SESSION COST \$46,433

LAA/Admin Svcs  
Accounting  
04/30/84

SB 550 ANALYSIS - TOTAL COST

Operating budget for first 120 days	\$6,095,700
Salary supplemental appropriated	45,000
Legislative Council transfer of salaries (to pay for legislator's raises)	<u>(568,800)</u>
Net on books for session (120 days X \$46,433 daily session cost)	\$5,571,900

Rules decision to raise salary of daily paid	240,000
Unbudgeted furniture purchases	20,000
	<u>260,000</u>

260,000 ÷ 46,433 daily session cost = 5.6 day  
so the remainder was only enough to fund the  
session for ~~117~~ days. (Until May 1)

114

Supplemental in SB 550	\$1,443,423
Breakdown	
- 1 month - year-round permanent employees (73 Professional Assistants and Professional Secretaries)	299,399
- 1 month - 153 session employees	590,952
- travel	31,527
- contractual (telephone, equipment rental, etc.)	451,887
- commodities (supplies, stationery, etc.)	65,658
- Personal allowance for Representative Sund	<u>4,000</u>
	1443,423

Funds the session for 31 days from May 1 to June 1

Introduced: 4/23/84  
Referred: Finance

<u>Funding Information</u>	
General Fund	\$1,443,423
Other Funds	-0-
	<u>\$1,443,423</u>

1 IN THE SENATE BY THE RULES COMMITTEE  
2 SENATE BILL NO. 550  
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 supplemental appropriation for the  
7 operation of the legislature; and providing for an  
8 effective date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. The sum of \$1,443,423 is appropriated from the general  
11 fund to the Legislative Affairs Agency for the operation of the Thirteenth  
12 Legislature-Second Session through the 145th day.  
13 \* Sec. 2. The unexpended and unobligated portion of the appropriation  
14 made by this Act lapses into the general fund June 30, 1984.  
15 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
16 10.070(c).



Introduced: 5/8/84  
Referred: Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 551

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act authorizing the expenditure of more than  
7 \$1,000,000 from the disaster relief fund for water  
8 and sewer system failures; and providing for an  
9 effective date."

10

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

11

\* Section 1. The governor is authorized to spend more than \$1,000,000  
12 from the assets of the disaster relief fund (AS 44.19.048) to alleviate the  
13 effects of water and sewer system failures in Kotzebue and Mountain  
14 Village.

15

\* Sec. 2. The authority given by sec. 1 of this Act terminates June 30,  
16 1984.

17

\* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
18 10.070(c).

**Article 3. Disaster and Emergency Relief Funds.**

<p><b>Section</b>                  48. Disaster relief fund                  49. Grants and loans to municipalities damaged by natural disaster</p>	<p><b>Section</b>                  50. Definition                  52. Fuel emergency fund</p>
---	--

**Sec. 44.19.048. Disaster relief fund.** (a) There is in the Office of the Governor a disaster relief fund. The Department of Revenue is custodian of the fund.

(b) Subject to the restrictions of (d) and (e) of this section, the governor may, without additional legislative authorization, expend not more than \$1,000,000 of the assets of the disaster relief fund for the following purposes:

(1) to implement provisions of law relating to disaster relief in the case of a disaster as defined in AS 44.19.050 occurring after October 11, 1967;

(2) to alleviate the effects of a disaster as defined in AS 44.19.050 occurring after October 11, 1967, by making loans or grants to persons or municipalities on terms the governor considers appropriate or by other means the governor considers appropriate.

(c) Subject to the restrictions of (d) and (e) of this section, the governor may, without additional legislative authorization, expend for any fiscal year not more than \$500,000 of the assets of the disaster relief fund to prevent or minimize the effects of an event which occurs in any part of the state after October 11, 1967 and which, in the determination of the governor, poses a direct and imminent threat of resulting in a disaster of sufficient magnitude and severity to justify state action.

(d) Expenditures authorized by the legislature to alleviate effects of the natural disaster occurring on August 14, 1967 shall be reimbursed to the general fund from the disaster relief fund before any other expenditures may be made from the disaster relief fund.

(e) The governor shall present to the legislature an annual accounting of money expended from the disaster relief fund. (§ 1 ch 25 FSSLA 1967; am §§ 4, 5 ch 104 SLA 1977; am § 10 ch 116 SLA 1980)

**Cross reference.** — As to the Alaska Disaster Act, see AS 26.23.010 et seq.

**Effect of amendment.** — The 1977 amendment substituted "\$1,000,000" for "\$500,000" in the introductory language of subsection (b), deleted "natural" preceding "disaster" in two places in paragraph (1) of subsection (b), in paragraph (2) of subsection (b) and near the end of

subsection (c), and substituted "\$500,000" for "\$250,000" in subsection (c).

The 1980 amendment added the material following "October 11, 1967" at the end of paragraph (2) of subsection (b).

**Editor's note.** — This section derives from AS 44.19.171 and was renumbered by the revisor under 01.05.031.

**Sec. 44.19.049. Grants and loans to municipalities damaged by natural disaster.** (a) Grants and loans for urban renewal shall be made available to municipalities damaged by disasters occurring in the



Official Business

# Alaska State Legislature

*Senate*

*Committee on Finance*

Pouch V  
State Capitol  
Juneau, Alaska 99811

Wednesday, May 9, 1984

## M E M O R A N D U M

To: Senate Finance Committee

From: Max Gifford  
Administrative Aide

Subj: SB-551, authorizing expenditure of more than \$1 million from the disaster relief fund for water and sewer system failures in Kotzebue and Mt. Village.

SB-551 authorizes the Governor to expend more than \$1 million for both Kotzebue and Mt. Village as a result of the disaster declarations from the Governor. These two communities have suffered loss of their water and sewer systems. By law the Governor can expend up to \$1 million but must have legislative authorization to expend more than \$1 million from the disaster relief fund in order to make the necessary repairs to the water/sewer systems in both communities.

Mt. Village repairs: \$2 million

Kotzebue: OMB now estimates about \$1.6 million

STATE OF ALASKA  
 ALL SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 1983  
 (Stated in Thousands)

	<u>Disaster Relief</u>	<u>Training and Building</u>	<u>School Fund</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash in Treasury	\$14,365	\$ 388	\$ 590
Accounts Receivable		92	
Total Assets	<u>\$14,365</u>	<u>\$ 480</u>	<u>\$ 590</u>
 <b>LIABILITIES AND FUND EQUITIES:</b>			
<b>Restricted Equities:</b>			
Accounts Payable	\$	\$	\$
Due to UI Trust		380	
Reserve for Continuing Programs			
Total Restricted Equities	<u>\$</u>	<u>\$ 380</u>	<u>\$</u>
<b>Unrestricted Equities:</b>	<u>\$14,365</u>	<u>\$ 100</u>	<u>\$ 590</u>
Total Liabilities and Fund Equities	<u>\$14,365</u>	<u>\$ 480</u>	<u>\$ 590</u>
 LEGAL REFERENCE: ALASKA STATUTE	 44.19.171	 23.20.130	 43.50.140



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

DECLARATION OF A DISASTER EMERGENCY

WHEREAS, due to the extreme cold temperatures during the months of March and April 1984, in combination with a low level of water available in Vortac Lake, the water system of Kotzebue has suffered widespread failures by freezing; and

WHEREAS, due to the damage to many service lines caused by the freeze-down of the system rendering them non-operational, emergency measures are being taken to provide water and sanitation; and

WHEREAS, the loss of the water system creates an increased health hazard to the residents of Kotzebue; and

WHEREAS, a determination was made by the City of Kotzebue following a thorough review and investigation of the situation, that their resources are inadequate to recover from the disaster in a timely and effective manner, the City has declared that a disaster emergency exists and is requesting assistance from the State.

NOW, THEREFORE, on this 30th day of April, 1984, under the authority granted by the Alaska Statutes, Section 26.23.20, I hereby declare that a condition of disaster exists in the City of Kotzebue, and is of sufficient severity and magnitude to warrant a disaster declaration in order to provide assistance.

FURTHER, the Director, Alaska Division of Emergency Services, is hereby authorized to utilize funds made available for these purposes such amounts as considered necessary for disaster assistance and for necessary administrative and disaster management expenses. The Director, Alaska Division of Emergency Services, is further authorized to task, as necessary, the State departments and agencies to provide assistance as tasked in the State Emergency Plan.

By:

*Bill Sheffield*  
Bill Sheffield  
Governor

# MEMORANDUM

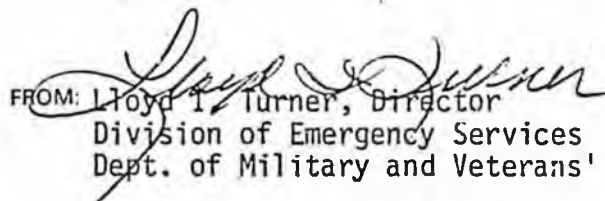
# State of Alaska

TO: Jay Hogan, Associate Director  
Division of Budget Review  
Office of Management and Budget

DATE: May 15, 1984

FILE NO:

TELEPHONE NO:

FROM:  Lloyd I. Turner, Director  
Division of Emergency Services  
Dept. of Military and Veterans' Affairs

SUBJECT: Kotzebue Disaster

The following information regarding the Kotzebue Disaster is provided for your information.

On 7 March 1984 our office was contacted by the city manager of Kotzebue, Bruce Kavarik, relative to problems with the water system. There were a number of problems mentioned but the specific request was for information relative to how they could conserve water. A call later that day provided more information. During both calls our staff requested we be kept advised. There were no further calls from the city.

After we received correspondence from the Governor's office that the city had declared a disaster, Pat Brunson was dispatched to Kotzebue on 26 April to do Damage Assessment. His findings were that the city had 52 houses with water service lines frozen and in need of replacement. There had been approximately 170 service calls for frozen sewers. The transmission line from Vortac Lake to the city had been replaced in various places due to freezing. Subsequent investigation revealed the line had frozen due to a shutdown of the pumps at Vortac Lake. The reason for shutdown was not provided but it was determined that the freeze up occurred between 17-24 February.

The line from Devils Lake to Vortac Lake was also frozen due to the fact the city had tried to pump water from Devils Lake to Vortac Lake. The City had diverted pipe from another project and laid a temporary line alongside the old line.

Quick cost estimates based on the initial assessment was 1.3 million. Because past experience has shown that "break up" reveals additional damage, we requested funds in the amount of 1.6 million for damages occurring after 7 March.

During a subsequent visit to prepare documentation a more precise figure of \$1,419,902.00 was developed. Some contingency items are always picked up in project completion, therefore a figure of 1.5 million is the level of final funding requested.

# CITY OF KOTZEBUE



ALL AMERICA  
CITY

P.O. BOX 46  
KOTZEBUE, ALASKA 99752  
CITY HALL  
907-442-3401  
VOLUNTEER FIRE DEPARTMENT  
907-442-3404  
KOTZEBUE POLICE DEPARTMENT  
907-442-3351  
PUBLIC WORKS DEPARTMENT  
907-442-3465  
GEORGE FRANCIS MEMORIAL LIBRARY  
907-442-3816  
KOTZEBUE DAY CARE CENTER  
907-442-3157

April 27, 1984

Mr. Lloyd Turner  
State Division of Emergency Services  
P.O. Box 2267  
Palmer, Alaska 99645

RE: Disaster Relief

Dear Mr. Turner:

The City of Kotzebue has requested Governor Sheffield to declare a local disaster in Kotzebue resulting from extreme cold weather experienced here this winter. Now, immediate steps must be taken to alleviate the serious problems.

The problems and concerns that require immediate action include:

1. Homes have been totally cut-off from a safe supply of drinking water. More than 50 homes remain without water service.
2. A 6100 foot and a 9000 foot water transmission line suddenly and unexpectedly froze during the record cold temperatures in February. Subsequent inspection of the lines reveal that the pipe has shattered throughout its length and cannot be recovered.
3. Broken water service lines have caused flooding in residences. Observed ground seepage in the City has required excavation of water mains to disconnect service lines in numbers unparalleled in the records of the Public Works Department.

"GATEWAY TO NORTHWEST ALASKA"

In the extreme cold temperatures the excavations have taken several days to successfully stop the water leak and in at least two cases have caused a serious water main break. As we now approach break-up, we have no idea how many of the now-frozen water lines are also broken and will begin leaking when ground temperatures finally rise sufficiently to thaw the lines.

4. The combination of water losses through leaks, high consumption to protect private property, and the seasonal accumulation of ice drastically reduced available water requiring a state of emergency to be declared causing considerable fear over the total loss of a safe water supply.

In addition to the actual direct impact of the cold weather, the City is faced with additional impending problems which must be addressed to forestall future disaster.

-- The Vortac Lake provides an insufficient winter reservoir and must be expanded.

-- Many homes in Kotzebue and virtually all water mains previously constructed by the Public Health Service utilize PVC pipe which is subject to shattering when frozen.

-- Fire suppression reserve requirements are limited by the minimal winter water supply and restrictions of water main size.

-- The Vortac Lake pumphouse has been impacted by the winter's lake ice and is canted 15 to 20 degrees from level. The long-term effect on the pumphouse is unknown, but we must make an effort to avert the loss of our pumphouse immediately.

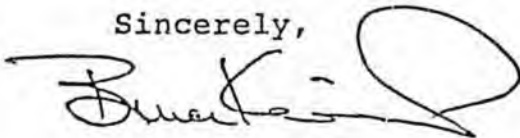
-- Boilers at the reservoir are corroded from the water pumped from the lake which has cut their estimated useful life in half. Typical of arctic water sources, there are few dissolved minerals in Kotzebue's water supplies, and its "corrosiveness" is much higher than other ground water sources.

-- Actual and anticipated growth in Kotzebue demand that a safe water supply and waste disposal system is available to meet the needs of all residents. The potential for a critical public health problem has been very real in Kotzebue and only an aggressive and effective program of improvement will forestall its eventuality.

The needs of Kotzebue resulting from both the effects of the extreme cold weather and the minimum requirements of repair and improvement exceeds the available resources of the City to restore essential services. I have estimated that we can dedicate \$60,000.00 to relieve the effect of the winter. That will fall millions short of the actual impact on our citizens and the real needs of the City to relieve the constant fear of total loss of the utility.

Your consideration of our situation and the prompt response by Pat Burston for the on-site review is appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bruce Kovarik", with a large, stylized flourish at the end.

Bruce Kovarik  
City Manager

BK/mal

cc: Representative Al Adams  
Senator Frank Ferguson

DSR

ALASKA DIVISION OF EMERGENCY SERVICES		ADES APPLICATION	
PROJECT APPLICATION FOR STATE FINANCIAL ASSISTANCE		DECLARATION NUMBER	PA NUMBER
		DECLARATION DATE	SUPPLEMENT NO.
1. APPLICANT'S NAME AND ADDRESS City of Kotzebue P.O. Box 46 Kotzebue, Ak. 99752		2. APPLICANT'S AGENCY Name _____ Title _____ Address _____ Telephone _____	
3. PROJECT SUMMARY		AMOUNT REQUESTED BY APPLICANT	AMOUNT APPROVED BY STATE
A. Debris Clearance . . . . .		\$ _____	\$ _____
B. Protective Measures . . . . .		6,725.00	
C. Road Systems . . . . .		_____	
D. Water Control Facilities . . . . .		_____	
E. Public Buildings and Equipment . . . . .		_____	
F. Public Utilities . . . . .		1,413,177.00	
G. Facilities Under Construction . . . . .		_____	
H. Private Nonprofit Facilities . . . . .		_____	
I. Other Damages (Not in above categories)		_____	
TOTAL		1,419,902.00	
Attach detailed descriptions and estimated costs (to the nearest dollar) for each item of work above for which State financial assistance is requested.			
4. FUNDING REQUESTED: ADVANCE OF FUNDS <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			
5. REQUEST BY APPLICANT'S AGENCY (Provides assurances on reverse side)			
<input checked="" type="checkbox"/> Categorical <input type="checkbox"/> Flexible Funding <input type="checkbox"/> In-lieu Contribution			
<u>5-4-84</u>	<u>City Manager</u>	<u>[Signature]</u>	
Date	Title	Signature	
6. CONCURRENCE BY GOVERNOR'S AUTHORIZED REPRESENTATIVE IN APPLICANT'S REQUEST			
<input type="checkbox"/> Categorical <input type="checkbox"/> Flexible Funding <input type="checkbox"/> In-lieu Contribution			
_____	_____	_____	
Date Received	Date Approved	Signature	

ALASKA DIVISION OF EMERGENCY SERVICES		3. DECLARATION NO.	
DAMAGE SURVEY REPORT		4. INSPECTION DATE 5-3-84	
1. APPLICANT (State Agency, City, Village, etc.) City of Kotzebue		5. WORK ACCOMPLISHED BY <input type="checkbox"/> Contract <input checked="" type="checkbox"/> Force Account	
2. PA NO.	ITEM NO. 1		
7. WORK CATEGORY ("X" Applicable Box) <input type="checkbox"/> Emergency <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input checked="" type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I <input type="checkbox"/>		6. PERCENTAGE OF WORK COMPLETED TO DATE 0 %	
8. DAMAGED FACILITIES (Location, identification and description) Approximately 65 water service entrances frozen and must be replaced. Each service line averages 115' in length.			
9. DESCRIPTION OF DAMAGE Service lines frozen due to extreme cold weather.			
10. SCOPE OF PROPOSED WORK Replace copper lines and enclosing Arctic pipe. All copper lines will have capability for thawing			
11. ESTIMATED COST OF PROPOSED WORK			
QUANTITY (a)	UNIT (b)	MATERIAL AND/OR DESCRIPTION (c)	UNIT PRICE (d)      COST(dollars) (e)
7,500	ft.	Service entrances consisting of copper lines within plastic pipe.  (Completion date 1 October 1984)  (Unit cost is all inclusive for completed installation, i.e. materials, labor, equipment rental, etc.)	110.00      849,750.00
12. EXISTING INSURANCE (Type)		AMOUNT \$	TOTAL \$ 849,750.00
13. RECOMMENDATION BY STATE INSPECTOR (Signature, Agency, Date) <i>Lawrence Brunson</i> 5-4-84		ELIGIBLE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	ATTACHMENTS
14. CONCURRENCE IN REPORT BY LOCAL REPRESENTATIVE (Signature, Agency, Date) <i>Dana</i> 5-4-84		YES   NO	ATTACHMENTS
15. STATE REVIEW (Signature, Agency, Date)			

ALASKA DIVISION OF EMERGENCY SERVICES

DAMAGE SURVEY REPORT

1. APPLICANT (State Agency, City, Village, etc.) City of Kotzebue		3. DECLARATION NO.
2. PA NO.	ITEM NO. 2	4. INSPECTION DATE 5-3-84
7. WORK CATEGORY ("X" Applicable Box) <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Permanent <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input checked="" type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I		5. WORK ACCOMPLISHED BY <input type="checkbox"/> Contract <input checked="" type="checkbox"/> Force Account
		6. PERCENTAGE OF WORK COMPLETED TO DATE %

8. DAMAGED FACILITIES (Location, identification and description)  
Approx. 3,000 feet of sewer Main frozen  
Approx. 168 sewer service entrances frozen

9. DESCRIPTION OF DAMAGE  
Sewer lines frozen due to extreme cold.

10. SCOPE OF PROPOSED WORK  
Thaw frozen lines using Meyers Hydro Jet.

11. ESTIMATED COST OF PROPOSED WORK				
QUANTITY (a)	UNIT (b)	MATERIAL AND/OR DESCRIPTION (c)	UNIT PRICE (d)	COST (dollars) (e)
680	hrs.	@10.24 per hr + 26% B		8,773.63
680	hrs.	@ 9.38 per hr + 26% B		8,036.78
340	hrs.	@14.07 per hr. + 26% B		6,027.59
340	hrs.	@15.36 per hr + 26% B		6,580.22
1,020	hrs.	Meyers Hydro Jet Thawer	75.00	76,500.00

12. EXISTING INSURANCE (Type)	AMOUNT \$	TOTAL \$	105,927.41
13. RECOMMENDATION BY STATE INSPECTOR (Signature, Agency, Date) <i>5-11-84</i>	ELIGIBLE (YES) NO	ATTACHMENTS	
14. CONCURRENCE IN REPORT BY LOCAL REPRESENTATIVE (Signature, Agency, Date) <i>5-1-84</i>	YES NO	ATTACHMENTS	
15. STATE REVIEW (Signature, Agency, Date)			

ALASKA DIVISION OF EMERGENCY SERVICES

DAMAGE SURVEY REPORT

1. APPLICANT (State Agency, City, Village, etc.) City of Kotzebue		3. DECLARATION NO. 4. INSPECTION DATE 5-3-84 5. WORK ACCOMPLISHED BY <input type="checkbox"/> Contract <input checked="" type="checkbox"/> Force Account		
2. PA NO.	ITEM NO.			
	3			
7. WORK CATEGORY ("X" Applicable Box) <input type="checkbox"/> Emergency <input checked="" type="checkbox"/> Permanent		6. PERCENTAGE OF WORK COMPLETED TO DATE %		
		<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input checked="" type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I		
8. DAMAGED FACILITIES (Location, identification and description) 6,100' of water line from Devils Lake to Vortac Lake				
9. DESCRIPTION OF DAMAGE Line froze while filling Vortac Lake in winter conditions				
10. SCOPE OF PROPOSED WORK Replace 6,100' of line.				
11. ESTIMATED COST OF PROPOSED WORK				
QUANTITY (a)	UNIT (b)	MATERIAL AND/OR DESCRIPTION (c)	UNIT PRICE (d)	COST(dollars) (e)
6,100	ft	8" Plastic Arctic pipe	75.00	457,500.00
		(Unit cost is all inclusive for completed		
		installation, i.e. Materials, labor, equip-		
		ment rental etc.)		
		( Completion Date 1 Oct 84)		
12. EXISTING INSURANCE (Type)			AMOUNT	TOTAL
			\$	\$ 457,500.00
13. RECOMMENDATION BY STATE INSPECTOR (Signature, Agency, Date) <i>[Signature]</i> 5-4-84			ELIGIBLE	ATTACHMENTS
			(YES) NO	
14. CONCURRENCE IN REPORT BY LOCAL REPRESENTATIVE (Signature, Agency, Date) <i>[Signature]</i> 5-4-84			YES	ATTACHMENTS
			NO	
15. STATE REVIEW (Signature, Agency, Date)				

ALASKA DIVISION OF EMERGENCY SERVICES		3. DECLARATION NO.		
DAMAGE SURVEY REPORT		4. INSPECTION DATE 5-3-84		
1. APPLICANT (State Agency, City, Village, etc.) City of Kotzebue		5. WORK ACCOMPLISHED BY <input type="checkbox"/> Contract <input checked="" type="checkbox"/> Force Account		
2. PA NO.	ITEM NO. 4	6. PERCENTAGE OF WORK COMPLETED TO DATE 100 %		
7. WORK CATEGORY ("X" Applicable Box) <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Permanent <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I				
8. DAMAGED FACILITIES (Location, identification and description) 6,100' Water line Devils Lake to Vortac Lake				
9. DESCRIPTION OF DAMAGE Line froze while filling Vortac Lake during winter conditions				
10. SCOPE OF PROPOSED WORK Lay temporary line (labor and equipment rental only)				
11. ESTIMATED COST OF PROPOSED WORK				
QUANTITY (a)	UNIT (b)	MATERIAL AND/OR DESCRIPTION (c)	UNIT PRICE (d)	COST(dollars) (e)
6,100	ft	8" plastic Arctic pipe		
		Labor	N,T,E	3,000.00
20	hrs	Front end loader w/opr	95.00	1,900.00
15	hrs	Dozier w/opr	105.00	1,575.00
5	days	Frieight Skid	50.00	250.00
12. EXISTING INSURANCE (Type)		AMOUNT \$	TOTAL	\$ 6,725.00
13. RECOMMENDATION BY STATE INSPECTOR (Signature, Agency, Date) <i>Roman Quinn 5-4-84</i>		ELIGIBLE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	ATTACHMENTS	
14. CONCURRENCE IN REPORT BY LOCAL REPRESENTATIVE (Signature, Agency, Date) <i>Bruce [unclear] 5-1-84</i>		YES   NO	ATTACHMENTS	
15. STATE REVIEW (Signature, Agency, Date)				

# MEMORANDUM

State of Alaska

TO: Jay Hogan, Associate Director  
Office of Management & Budget  
Office of the Governor

DATE: 5/1/84

FILE NO:

TELEPHONE NO:

FROM: *RLR*  
Richard L. Rountree, Director  
Administrative and Support Services Division  
Department of Military and Veterans' Affairs

SUBJECT: Request to unrestrict  
& expend Disaster Relief  
Funds RPX 09-84-1070.

1. Per the attached Governor's Disaster Declaration, the Department Of Military and Veterans' Affairs, Alaska Division of Emergency Services, requests to unrestrict and expend 1,270.0 from the Disaster Relief Fund. This is to assist the residents of Kotzebue to recover from the catastrophic loss of the city's water system due to a complete freeze-down of the system, and as a result, are without reliable and sufficient potable water, thereby threatening life and property.
2. The sum of 11.0 will be utilized to provide administrative services and the sum of 1,259.0 will be reserved for public assistance grants. The sum of 1,270.0 is requested based on an on-site inspection by the Director of the Alaska Division of Emergency Services, as well as by information received from appropriate engineering personnel for the City of Kotzebue's water system.
3. This is the sixth request for funds from the FY-84 Relief Fund appropriation, and will leave a zero balance remaining in the fund.
4. Your immediate approval of this action is appreciated due to the nature of the disaster.

OFFICE OF  
MANAGEMENT & BUDGET  
MAY 1 - 1984

BUDGET REVIEW

MEMORANDUM (Brief Communications)

State of Alaska

*CA*

TO:	Name Governor Sheffield	Dept./Div./Sect.	4/27 top phone
	Name Sandra Borbridge <i>SB</i>	Dept./Div./Sect.	
SUBJ.:	Kotzebue water and sewer system emergency		Date 4/27/84

You received a letter from Al Adams and Frank Ferguson regarding an emergency situation with the water and sewer system in Kotzebue. Pat Brunson of the Alaska Division of Emergency Services returned from Kotzebue yesterday, and is recommending that you sign a Disaster Emergency Declaration.

The Division of Emergency Services will send a draft declaration over the machine today, with a complete report on Monday. They informed me that Monday is soon enough for signing off on the declaration. A courtesy call has been made to both Ferguson's and Adams' office to let them know action is being taken. If anything goes out to the press, that should occur on Monday, following the actual signing.

*The total price tag is estimated at \$1.6 million.*

Introduced: 5/8/84  
Referred: Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 551

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act authorizing the expenditure of more than  
7 \$1,000,000 from the disaster relief fund for water  
8 and sewer system failures; and providing for an  
9 effective date."

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

11 \* Section 1. The governor is authorized to spend more than \$1,000,000  
12 from the assets of the disaster relief fund (AS 44.19.048) to alleviate the  
13 effects of water and sewer system failures in Kotzebue and Mountain  
14 Village.

15 \* Sec. 2. The authority given by sec. 1 of this Act terminates June 30,  
16 1984.

17 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
18 10.070(c).

COMMITTEE REPORT  
SENATE

FURTHER:

Date \_\_\_\_\_

Mr. President

The Committee on FINANCE considered SB 501

authorizing the expenditure of more than \$1,000,000 from the State Treasury for water and sewer system alterations; 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 \_\_\_\_\_
- 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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Chairman recommendation

Introduced: 5/8/84  
Referred: Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 551

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act authorizing the expenditure of more than  
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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18 10.070(c).

# MEMORANDUM

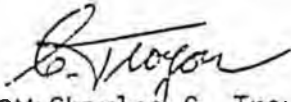
State of Alaska

to: Jay Hogan, Associate Director  
Office of Management & Budget  
Office of the Governor

DATE: 3/13/84

FILE NO:

TELEPHONE NO: 465-4600

  
FROM: Charles C. Troyon, Finance Officer  
Admin. & Support Services Division  
Department of Military Affairs

SUBJECT: Request to unrestrict  
& expend Disaster Relief  
Funds RPX 09-84-1054

1. Per the Governor's attached Disaster Declaration, the Department of Military Affairs, Alaska Division of Emergency Services, request to unrestrict and expend 2,000.0 from the Disaster Relief Fund. This is to assist the residents of the City of Mountain Village to recover from the catastrophic loss of the city's water system due to a complete freeze-down of the system, and as a result, are without reliable and sufficient potable water, thereby threatening life and property.
2. The sum of 30.0 will be utilized to provide administrative services, and the sum of 1,970.0 will be reserved for public assistance grants. The sum 2,000.0 is requested based on an on site inspection by the Director of the Alaska Division of Emergency Services, as well as by information recieved from the City of Mountain Village water supply system.
3. This is the fourth request for funds from the FY-84 Disaster Relief Fund appropriation, and will leave a balance of 1,750.0 in the fund.
4. Your immediate approval of this action is appreciated due to the nature of this disaster.

DECLARATION OF A DISASTER EMERGENCY

WHEREAS, during the month of February 1984, due to the extreme cold temperatures in combination with the lack of snow insulation, the water/sewer system in the old section of Mountain Village has frozen down; and

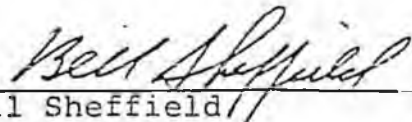
WHEREAS, because the freeze-down of the system has resulted in loss of use of this system, emergency measures are being taken to provide water and sewage disposal. The loss of the water/sewer system may create a health hazard to the residents in the older section of Mountain Village; and

WHEREAS, because the resources of the City of Mountain Village are inadequate for it to recover from the disaster in a timely and effective manner, the City has declared that a disaster emergency exists, and requests assistance from the State.

NOW, THEREFORE, on this 8th day of March, 1984, under the authority granted by the Alaska Statutes, Section 26.23.20, I hereby declare that a condition of disaster exists in the City of Mountain Village, and is of sufficient severity and magnitude to warrant a disaster declaration in order to provide assistance.

FURTHER, the Director, Alaska Division of Emergency Services, is hereby authorized to utilize funds made available for these purposes such amounts as considered necessary for disaster assistance and for necessary administrative and disaster management expenses. The Director, Alaska Division of Emergency Services, is further authorized to task, as necessary, the State departments and agencies to provide assistance as tasked in the State Emergency Plan.

By:

  
Bill Sheffield  
Governor

# MEMORANDUM

State of Alaska

TO: Jay Hogan, Associate Director  
Office of Management & Budget  
Office of the Governor

DATE: 5/1/84

FILE NO:

TELEPHONE NO:

FROM: *RLR*  
Richard L. Rountree, Director  
Administrative and Support Services Division  
Department of Military and Veterans' Affairs

SUBJECT: Request to unrestrict  
& expend Disaster Relief  
Funds RPX 09-84-1070.

1. Per the attached Governor's Disaster Declaration, the Department Of Military and Veterans' Affairs, Alaska Division of Emergency Services, requests to unrestrict and expend 1,270.0 from the Disaster Relief Fund. This is to assist the residents of Kotzebue to recover from the catastrophic loss of the city's water system due to a complete freeze-down of the system, and as a result, are without reliable and sufficient potable water, thereby threatening life and property.
2. The sum of 11.0 will be utilized to provide administrative services and the sum of 1,259.0 will be reserved for public assistance grants. The sum of 1,270.0 is requested based on an on-site inspection by the Director of the Alaska Division of Emergency Services, as well as by information received from appropriate engineering personnel for the City of Kotzebue's water system.
3. This is the sixth request for funds from the FY-84 Relief Fund appropriation, and will leave a zero balance remaining in the fund.
4. Your immediate approval of this action is appreciated due to the nature of the disaster.

OFFICE OF  
MANAGEMENT & BUDGET  
MAY 1 - 1984  
BUDGET REVIEW



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

DECLARATION OF A DISASTER EMERGENCY

WHEREAS, due to the extreme cold temperatures during the months of March and April 1984, in combination with a low level of water available in Vortac Lake, the water system of Kotzebue has suffered widespread failures by freezing; and

WHEREAS, due to the damage to many service lines caused by the freeze-down of the system rendering them non-operational, emergency measures are being taken to provide water and sanitation; and

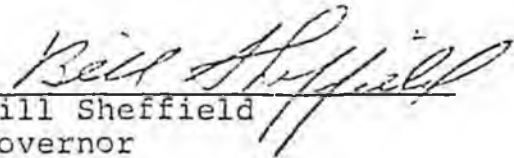
WHEREAS, the loss of the water system creates an increased health hazard to the residents of Kotzebue; and

WHEREAS, a determination was made by the City of Kotzebue following a thorough review and investigation of the situation, that their resources are inadequate to recover from the disaster in a timely and effective manner, the City has declared that a disaster emergency exists and is requesting assistance from the State.

NOW, THEREFORE, on this 30th day of April, 1984, under the authority granted by the Alaska Statutes, Section 26.23.20, I hereby declare that a condition of disaster exists in the City of Kotzebue, and is of sufficient severity and magnitude to warrant a disaster declaration in order to provide assistance.

FURTHER, the Director, Alaska Division of Emergency Services, is hereby authorized to utilize funds made available for these purposes such amounts as considered necessary for disaster assistance and for necessary administrative and disaster management expenses. The Director, Alaska Division of Emergency Services, is further authorized to task, as necessary, the State departments and agencies to provide assistance as tasked in the State Emergency Plan.

BY:

  
Bill Sheffield  
Governor



Official Business

# Alaska State Legislature

*Senate*

*Committee on Finance*

Pouch V  
State Capitol  
Juneau, Alaska 99811

Wednesday, May 9, 1984

## M E M O R A N D U M

To: Senate Finance Committee

From: Max Gifford  
Administrative Aide

Subj: SB-551, authorizing expenditure of more than \$1 million from the disaster relief fund for water and sewer system failures in Kotzebue and Mt. Village.

SB-551 authorizes the Governor to expend more than \$1 million for both Kotzebue and Mt. Village as a result of the disaster declarations from the Governor. These two communities have suffered loss of their water and sewer systems. By law the Governor can expend up to \$1 million but must have legislative authorization to expend more than \$1 million from the disaster relief fund in order to make the necessary repairs to the water/sewer systems in both communities.

Mt. Village repairs: \$2 million

Kotzebue: OMB now estimates about \$1.6 million

**Article 3. Disaster and Emergency Relief Funds.**

<p><b>Section</b>                  48. Disaster relief fund                  49. Grants and loans to municipalities damaged by natural disaster</p>	<p><b>Section</b>                  50. Definition                  52. Fuel emergency fund</p>
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**Sec. 44.19.048. Disaster relief fund.** (a) There is in the Office of the Governor a disaster relief fund. The Department of Revenue is custodian of the fund.

(b) Subject to the restrictions of (d) and (e) of this section, the governor may, without additional legislative authorization, expend not more than \$1,000,000 of the assets of the disaster relief fund for the following purposes:

(1) to implement provisions of law relating to disaster relief in the case of a disaster as defined in AS 44.19.050 occurring after October 11, 1967;

(2) to alleviate the effects of a disaster as defined in AS 44.19.050 occurring after October 11, 1967, by making loans or grants to persons or municipalities on terms the governor considers appropriate or by other means the governor considers appropriate.

(c) Subject to the restrictions of (d) and (e) of this section, the governor may, without additional legislative authorization, expend for any fiscal year not more than \$500,000 of the assets of the disaster relief fund to prevent or minimize the effects of an event which occurs in any part of the state after October 11, 1967 and which, in the determination of the governor, poses a direct and imminent threat of resulting in a disaster of sufficient magnitude and severity to justify state action.

(d) Expenditures authorized by the legislature to alleviate effects of the natural disaster occurring on August 14, 1967 shall be reimbursed to the general fund from the disaster relief fund before any other expenditures may be made from the disaster relief fund.

(e) The governor shall present to the legislature an annual accounting of money expended from the disaster relief fund. (§ 1 ch 25 FSSLA 1967; am §§ 4, 5 ch 104 SLA 1977; am § 10 ch 116 SLA 1980)

**Cross reference.** — As to the Alaska Disaster Act, see AS 26.23.010 et seq.

**Effect of amendment.** — The 1977 amendment substituted "\$1,000,000" for "\$500,000" in the introductory language of subsection (b), deleted "natural" preceding "disaster" in two places in paragraph (1) of subsection (b), in paragraph (2) of subsection (b) and near the end of

subsection (c), and substituted "\$500,000" for "\$250,000" in subsection (c).

The 1980 amendment added the material following "October 11, 1967" at the end of paragraph (2) of subsection (b).

**Editor's note.** — This section derives from AS 44.19.171 and was renumbered by the revisor under 01.05.031.

**Sec. 44.19.049. Grants and loans to municipalities damaged by natural disaster.** (a) Grants and loans for urban renewal shall be made available to municipalities damaged by disasters occurring in the

# MEMORANDUM

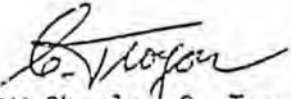
# State of Alaska

TO: Jay Hogan, Associate Director  
Office of Management & Budget  
Office of the Governor

DATE: 3/13/84

FILE NO:

TELEPHONE NO: 465-4600

  
FROM: Charles C. Troyon, Finance Officer  
Admin. & Support Services Division  
Department of Military Affairs

SUBJECT: Request to unrestrict  
& expend Disaster Relief  
Funds RPX 09-84-1054

1. Per the Governor's attached Disaster Declaration, the Department of Military Affairs, Alaska Division of Emergency Services, request to unrestrict and expend 2,000.0 from the Disaster Relief Fund. This is to assist the residents of the City of Mountain Village to recover from the catastrophic loss of the city's water system due to a complete freeze-down of the system, and as a result, are without reliable and sufficient potable water, thereby threatening life and property.
2. The sum of 30.0 will be utilized to provide administrative services, and the sum of 1,970.0 will be reserved for public assistance grants. The sum 2,000.0 is requested based on an on site inspection by the Director of the Alaska Division of Emergency Services, as well as by information received from the City of Mountain Village water supply system.
3. This is the fourth request for funds from the FY-84 Disaster Relief Fund appropriation, and will leave a balance of 1,750.0 in the fund.
4. Your immediate approval of this action is appreciated due to the nature of this disaster.

DECLARATION OF A DISASTER EMERGENCY

WHEREAS, during the month of February 1984, due to the extreme cold temperatures in combination with the lack of snow insulation, the water/sewer system in the old section of Mountain Village has frozen down; and

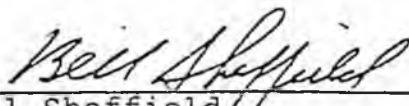
WHEREAS, because the freeze-down of the system has resulted in loss of use of this system, emergency measures are being taken to provide water and sewage disposal. The loss of the water/sewer system may create a health hazard to the residents in the older section of Mountain Village; and

WHEREAS, because the resources of the City of Mountain Village are inadequate for it to recover from the disaster in a timely and effective manner, the City has declared that a disaster emergency exists, and requests assistance from the State.

NOW, THEREFORE, on this 8th day of March, 1984, under the authority granted by the Alaska Statutes, Section 26.23.20, I hereby declare that a condition of disaster exists in the City of Mountain Village, and is of sufficient severity and magnitude to warrant a disaster declaration in order to provide assistance.

FURTHER, the Director, Alaska Division of Emergency Services, is hereby authorized to utilize funds made available for these purposes such amounts as considered necessary for disaster assistance and for necessary administrative and disaster management expenses. The Director, Alaska Division of Emergency Services, is further authorized to task, as necessary, the State departments and agencies to provide assistance as tasked in the State Emergency Plan.

By:

  
Bill Sheffield  
Governor

# MEMORANDUM

# State of Alaska

TO: Jay Hogan, Associate Director  
Office of Management & Budget  
Office of the Governor

DATE: 5/1/84

FILE NO:

TELEPHONE NO:

FROM: *RJR*  
Richard L. Rountree, Director  
Administrative and Support Services Division  
Department of Military and Veterans' Affairs

SUBJECT: Request to unrestrict  
& expend Disaster Relief  
Funds RPX 09-84-1070.

1. Per the attached Governor's Disaster Declaration, the Department Of Military and Veterans' Affairs, Alaska Division of Emergency Services, requests to unrestrict and expend 1,270.0 from the Disaster Relief Fund. This is to assist the residents of Kotzebue to recover from the catastrophic loss of the city's water system due to a complete freeze-down of the system, and as a result, are without reliable and sufficient potable water, thereby threatening life and property.
2. The sum of 11.0 will be utilized to provide administrative services and the sum of 1,259.0 will be reserved for public assistance grants. The sum of 1,270.0 is requested based on an on-site inspection by the Director of the Alaska Division of Emergency Services, as well as by information received from appropriate engineering personnel for the City of Kotzebue's water system.
3. This is the sixth request for funds from the FY-84 Relief Fund appropriation, and will leave a zero balance remaining in the fund.
4. Your immediate approval of this action is appreciated due to the nature of the disaster.

OFFICE OF  
MANAGEMENT & BUDGET  
MAY 1 - 1984  
BUDGET REVIEW



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

DECLARATION OF A DISASTER EMERGENCY

WHEREAS, due to the extreme cold temperatures during the months of March and April 1984, in combination with a low level of water available in Vortac Lake, the water system of Kotzebue has suffered widespread failures by freezing; and

WHEREAS, due to the damage to many service lines caused by the freeze-down of the system rendering them non-operational, emergency measures are being taken to provide water and sanitation; and

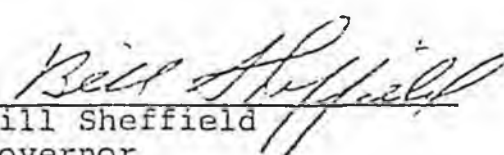
WHEREAS, the loss of the water system creates an increased health hazard to the residents of Kotzebue; and

WHEREAS, a determination was made by the City of Kotzebue following a thorough review and investigation of the situation, that their resources are inadequate to recover from the disaster in a timely and effective manner, the City has declared that a disaster emergency exists and is requesting assistance from the State.

NOW, THEREFORE, on this 30th day of April, 1984, under the authority granted by the Alaska Statutes, Section 26.23.20, I hereby declare that a condition of disaster exists in the City of Kotzebue, and is of sufficient severity and magnitude to warrant a disaster declaration in order to provide assistance.

FURTHER, the Director, Alaska Division of Emergency Services, is hereby authorized to utilize funds made available for these purposes such amounts as considered necessary for disaster assistance and for necessary administrative and disaster management expenses. The Director, Alaska Division of Emergency Services, is further authorized to task, as necessary, the State departments and agencies to provide assistance as tasked in the State Emergency Plan.

By:

  
Bill Sheffield  
Governor