

LEG. FINANCE - BILLS 1985 - 1986 2147

SB 11 - SB 13 2147

COMMITTEE REPORT
SENATE

FURTHER:

3/28/85

Date _____

Mr. President

The Committee on FINANCE considered SB 11
fisheries business tax.

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

Chairman

Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/14/85

Date 3/27/85

Mr. President

The Committee on RESOURCES considered SB 11
relating to the fisheries business tax.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 11 (RES)
 - 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

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

2 [Signature]

[Signature]
 Chairman
[Signature]
 Chairman recommendation

Offered: 3/28/85
Referred: Finance

Original sponsor: Zharoff

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 11 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fisheries business tax; and
7 providing for an effective date."

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

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

10 (a) A person engaged in a fisheries business is liable for and
11 shall pay the tax levied by this section on the value of each of the
12 following fisheries resources processed during the year at the rate
13 set out after each:

14 (1) salmon canned at a shore-based fisheries business
15 [CANNERY] - four and one-half percent;

16 (2) salmon processed by a shore-based fisheries business,
17 except salmon for which the tax is due under (1) of this subsection,
18 and all other fisheries resources processed by a shore-based fisheries
19 business - three percent;

20 (3) fisheries resources processed by a floating fisheries
21 business - five percent.

22 * Sec. 2. AS 43.75 is amended by adding new sections to read:

23 Sec. 43.75.018. FISHERIES BUSINESS TAX CREDIT. (a) A fisheries
24 business is entitled to a credit of not more than 50 percent of the
25 business tax liability under AS 43.75.015 for capital expenditures
26 made during the tax year to increase product diversity, promote pro-
27 duction efficiency and capacity, or improve product quality at a
28 shore-based fisheries business facility in the state if an application
29 for the credit is approved by the department in advance of the capital
30

1 expenditure.

2 (b) A fisheries business may claim a credit under (a) of this
3 section for a maximum period of three consecutive years. An applicant
4 for the credit may elect to begin the three-year period with any tax
5 year from 1986 through 1990.

6 (c) The portion of a capital expenditure that exceeds the amount
7 eligible for a credit under (a) of this section during a single tax
8 year may not be carried back to a prior taxable year, but may be
9 claimed as a credit under (a) of this section for a subsequent tax
10 year within the three-year period elected under (b) of this section.
11 Tax credits may not be approved for more than 100 percent of a capital
12 expenditure.

13 (d) The department may not approve a tax credit under (a) of
14 this section if (1) the property for which the capital expenditure was
15 made was the subject of a previous capital expenditure by another
16 taxpayer for whom a corresponding tax credit under (a) of this section
17 has been approved; or (2) a fisheries business claims a tax credit
18 under (a) of this section and the payment of a fisheries business tax
19 under AS 43.75.015 by the fisheries business is past due; a payment is
20 not past due if the payment of a fisheries business tax under AS 43.-
21 75.015 is in administrative or judicial appeal.

22 (e) The department shall prepare an application form for a
23 credit under (a) of this section.

24 (f) The department shall approve or disapprove an application
25 for a credit under this section within 60 days after receiving the
26 application.

27 Sec. 43.75.019. TAX CREDIT REPORT. Not later than the 60th
28 legislative day of each regular legislative session the Department of
29 Revenue, in conjunction with the Department of Commerce and Economic

1 Development, shall submit to the legislature a report on the fisheries
2 business tax credit program under AS 43.75.018. The report shall
3 describe the expenditures for which a credit was claimed during the
4 previous tax year and, if possible, the increase in employment and
5 processing capacity by the fisheries businesses for whom the credit
6 was approved. Reporting under this section shall begin with the first
7 regular session of the Fifteenth Alaska Legislature.

8 * Sec. 3. AS 43.75.130 is amended by adding a new subsection to read:

9 (b) For purposes of this section, tax revenue collected under
10 AS 43.75.015 from a person entitled to a credit under AS 43.75.018
11 shall be calculated as if the person's tax had been collected without
12 applying the credit.

13 * Sec. 4. AS 43.75.140 is amended by adding new paragraphs to read:

14 (9) "capital expenditures" includes the price paid for
15 equipment and the costs of improvements made to depreciable property,
16 but does not include expenditures that are deducted entirely for
17 federal income tax purposes in the year in which they accrued or were
18 paid; in this paragraph, "depreciable property" has the meaning that
19 shall be given to it by the commissioner of commerce and economic
20 development;

21 (10) "product diversity" means the processing of nontradi-
22 tional fish or other seafood species or products;

23 (11) "product quality" means the handling of fish or other
24 seafood species or products in order to increase product sales or
25 value.

26 * Sec. 5. AS 43.75.018, 43.75.019, 43.75.130(b), and 43.75.140(9),
27 (10), and (11) are repealed June 30, 1994.

28 * Sec. 6. This Act takes effect January 1, 1986.

Introduced: 1/14/85
Referred: Resources and
Finance

1 IN THE SENATE

BY ZHAROFF

2 SENATE BILL NO. 11

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fisheries business tax."

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

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14 [CANNERY] - four and one-half percent;

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22 Sec. 43.75.018. FISHERIES BUSINESS TAX CREDIT. (a) A fisheries
23 business is entitled to a credit of not more than 50 percent of the
24 business tax liability under AS 43.75.015 for capital expenditures
25 related to a shore-based fisheries business facility in the state made
26 during the tax year if an application for the credit is approved by
27 the department.

28 (b) A fisheries business may claim a credit under (a) of this
29 section for a maximum period of five consecutive years. An applicant

1 for the credit may elect to begin the five-year period with any tax
2 year from 1985 through 1989.

3 (c) The portion of a capital expenditure that exceeds the amount
4 eligible for a credit under (a) of this section during a single tax
5 year may not be carried back to a prior taxable year, but may be
6 claimed as a credit under (a) of this section for a subsequent tax
7 year within the five-year period elected under (b) of this section.
8 In no event may tax credits be approved for more than 100 percent of a
9 capital expenditure.

10 (d) The department may not approve a tax credit under (a) of
11 this section if the property for which the capital expenditure was
12 made was the subject of a previous capital expenditure by another
13 taxpayer for whom a corresponding tax credit under (a) of this section
14 has been approved.

15 (e) The department shall adopt regulations providing for the
16 application for a credit under (a) of this section and for the review
17 and approval or disapproval of an application.

18 (f) The department shall approve or disapprove an application
19 for a credit under this section not later than 60 days after receiving
20 the application.

21 Sec. 43.75.019. TAX CREDIT REPORT. Not later than the 60th
22 legislative day of each regular legislative session the Department of
23 Revenue, in conjunction with the Department of Commerce and Economic
24 Development, shall submit to the legislature a report on the fisheries
25 business tax credit program under AS 43.75.018. The report shall
26 describe the expenditures for which a credit was claimed during the
27 previous tax year and, if possible, the increase in employment and
28 processing capacity by the fisheries businesses for whom the credit
29 was approved. Reporting under this section shall begin with the first

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8 (9) "capital expenditures" includes the price paid for
9 equipment and the costs of improvements made to depreciable property,
10 but does not include expenditures that are deducted entirely for
11 federal income tax purposes in the year in which they accrued or were
12 paid.

13 * Sec. 5. AS 43.75.018, 43.75.019, 43.75.130(b), and 43.75.140(9) are
14 repealed June 30, 1994.

ALASKA STATE LEGISLATURE

14TH Legislature FIRST Session

SENATE BILL NO. 11

By ZHAROFF

"An Act relating to the fisheries business tax."

Introduced in the Senate 1/14, 1985

HISTORY IN THE SENATE

19 85

1 14

Read first time and referred to Committee on Resources and Finance

3 28

Reported back with recommendation that *Recessed w/CS-4 dep. in, none taken*

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: CSSB 11 (Resources)
Title: Relating to the Fisheries
Business Tax
Sponsor: Senate Resources Committee
Requestor: Senate Finance Committee
Date of Request: March 29, 1985

FISCAL DETAIL

Agency Affected: REVENUE
Program Category Affected: _____
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	(7000.0)	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Robert W. Elliott
Division: Revenue - Research Section

Phone: 465-2173
Date: 3/29/85

Approved by Commissioner: Mary H. Stordahl
Agency: Revenue

Date: 4/3/85

Distribution (by Agency preparing fiscal note):

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

FISCAL NOTE, CSSB 11
Attachment

Analysis for CSSB 11:

The above estimates are derived from the Revenue Sources March, 1985, projections for fisheries business taxes, and provide for tax credits beginning in tax year 1986. The estimates reflect the maximum revenue loss the State could experience if all shore-based fisheries business tax returns claimed a 50 percent tax credit after receiving prior approval by the department. It should be noted that although the fish processors would be the primary beneficiaries of the tax credit, there exists the possibility in certain cases where, if the processors are given a 50 percent credit and the remaining 50 percent is refunded to local governments per AS 43.75.130, the State could eventually not receive any revenues from those fisheries business taxes.

Estimates are not shown beyond FY 87 since price/catch projections are unknown.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 4-1-85

REQUEST

Bill/Resolution No: CSSB 11
 Title: Fisheries Tax Credit
 Sponsor: Zharrof
 Requestor: Resources
 Date of Request: March 29, 1985

FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: Collection and Management
 BRU, Program of Subprogram(s) Affected: Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	2.0	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	3.0	-0-	-0-	-0-	-0-
400 SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL OPERATING</u>	-0-	5.0	-0-	-0-	-0-	-0-
<u>CAPITAL</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>REVENUE</u>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	5.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL</u>	-0-	5.0	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Please see attached.

Prepared By: Martin J. Richard, Director Phone: 465-2320
 Division: Audit Division Date: April 2, 1985

Approved by Commissioner: [Signature] Date: 4/3/85
 Agency: Revenue

Distribution (by Agency preparing fiscal note):

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

Analysis for CSSB 11:

Travel \$2.0 - Passage of SB 11 will require the Audit Division to draft regulations and conduct public hearings throughout the state. Air fare and per diem costs are estimated at \$2,000 for travel to Ketchikan, Anchorage and Kodiak by one Audit Division employee.

Contractual Services \$3.0 - Conducting public hearing requires the presence of a court reporter, and advertising in statewide newspapers. In addition, the bill will make it necessary for the Department to revise its tax forms to request additional information from processors, and prepare annual reports to the legislature. Programming and forms design costs are included in this request.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: SB 11
 Title: Relating to the Fisheries
Business Tax
 Sponsor: Zharoff
 Requestor: Senate Resources Committee
 Date of Request: January 17, 1985

FISCAL DETAIL

Agency Affected: REVENUE
 Program Category Affected: _____
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	(7000.0)	(7000.0)	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Robert W. Elliott
 Division: Research Section

Phone: 465-2173
 Date: 1/23/85

Approved by Commissioner: Shirley G. Skudala
 Agency: Revenue

Date: 1/24/85

Distribution (by Agency preparing fiscal note):

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

FISCAL NOTE, SB 11
Attachment

Analysis for SB 11:

The above estimates are derived from the Revenue Sources January, 1985, projections for fisheries business taxes, and provide for tax credits effective in FY 86. The estimates reflect the maximum revenue loss the State would experience if all shore-based fisheries business tax returns applied for a 50 percent tax credit, and were subsequently approved by the department. It should be noted that although the fish processors would be the primary beneficiaries of the tax credit, there exists the possibility in certain cases where, if the processors are given a 50 percent credit and the remaining 50 percent is refunded to local governments per AS 43.75.130, the State could eventually not receive any revenues from those fisheries business taxes.

Estimates are duplicated for FY 87 and not shown beyond since price/catch projections are unknown.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 1-18-85

REQUEST

Bill/Resolution No: SB 11
 Title: Fisheries Business Tax Credit
 Sponsor: Zharoff
 Requestor: Senate Resources Committee
 Date of Request: January 17, 1985

FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: Collection and Management
 BRU, Program of Subprogram(s) Affected: Audit Division
Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	2.0	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	3.0	-0-	-0-	-0-	-0-
400 SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
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700 GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL OPERATING</u>	-0-	5.0	-0-	-0-	-0-	-0-
<u>CAPITAL</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>REVENUE</u>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	5.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL</u>	-0-	5.0	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Please see attached.

Prepared By: Martin J. Richard
 Division: Audit

Phone: 465-2320
 Date: January 18, 1985

Approved by Commissioner: [Signature]
 Agency: _____

Date: 1/24/85

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Analysis for SB 11

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Contractual Services \$3.0 - Conducting public hearing requires the presence of a court reporter, and advertising in statewide newspapers. In addition, the bill will make it necessary for the Department to revise its tax forms to request additional information from processors, and prepare annual reports to the legislature. Programming and forms design costs are included in this request.

Offered: 3/28/85
Referred: Finance

Original sponsor: Zharoff

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 11 (Resources)
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4 FOURTEENTH LEGISLATURE - FIRST SESSION

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27 duction efficiency and capacity, or improve product quality at a
28 shore-based fisheries business facility in the state if an application
29 for the credit is approved by the department in advance of the capital

1 expenditure.

2 (b) A fisheries business may claim a credit under (a) of this
3 section for a maximum period of three consecutive years. An applicant
4 for the credit may elect to begin the three-year period with any tax
5 year from 1986 through 1990.

6 (c) The portion of a capital expenditure that exceeds the amount
7 eligible for a credit under (a) of this section during a single tax
8 year may not be carried back to a prior taxable year, but may be
9 claimed as a credit under (a) of this section for a subsequent tax
10 year within the three-year period elected under (b) of this section.
11 Tax credits may not be approved for more than 100 percent of a capital
12 expenditure.

13 (d) The department may not approve a tax credit under (a) of
14 this section if (1) the property for which the capital expenditure was
15 made was the subject of a previous capital expenditure by another
16 taxpayer for whom a corresponding tax credit under (a) of this section
17 has been approved; or (2) a fisheries business claims a tax credit
18 under (a) of this section and the payment of a fisheries business tax
19 under AS 43.75.015 by the fisheries business is past due: a payment is
20 not past due if the payment of a fisheries business tax under AS 43.-
21 75.015 is in administrative or judicial appeal.

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8 * Sec. 3. AS 43.75.130 is amended by adding a new subsection to read:

9 (b) For purposes of this section, tax revenue collected under
10 AS 43.75.015 from a person entitled to a credit under AS 43.75.018
11 shall be calculated as if the person's tax had been collected without
12 applying the credit.

13 * Sec. 4. AS 43.75.140 is amended by adding new paragraphs to read:

14 (9) "capital expenditures" includes the price paid for
15 equipment and the costs of improvements made to depreciable property,
16 but does not include expenditures that are deducted entirely for
17 federal income tax purposes in the year in which they accrued or were
18 paid; in this paragraph, "depreciable property" has the meaning that
19 shall be given to it by the commissioner of commerce and economic
20 development;

21 (10) "product diversity" means the processing of nonradi-
22 tional fish or other seafood species or products;

23 (11) "product quality" means the handling of fish or other
24 seafood species or products in order to increase product sales or
25 value.

26 * Sec. 5. AS 43.75.018, 43.75.019, 43.75.130(b), and 43.75.140(9),
27 (10), and (11) are repealed June 30, 1994.

28 * Sec. 6. This Act takes effect January 1, 1986.

Introduced: 1/14/85
Referred: Resources and
Finance

1 IN THE SENATE

BY ZHAROFF

2

SENATE BILL NO. 11

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the fisheries business tax."

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

8 * Section 1. AS 43.75.015(a) is amended to read:

9 (a) A person engaged in a fisheries business is liable for and
10 shall pay the tax levied by this section on the value of each of the
11 following fisheries resources processed during the year at the rate
12 set out after each:

13 (1) salmon canned at a shore-based fisheries business
14 [CANNERY] - four and one-half percent;

15 (2) salmon processed by a shore-based fisheries business,
16 except salmon for which the tax is due under (1) of this subsection,
17 and all other fisheries resources processed by a shore-based fisheries
18 business - three percent;

19 (3) fisheries resources processed by a floating fisheries
20 business - five percent.

21 * Sec. 2. AS 43.75 is amended by adding new sections to read:

22 Sec. 43.75.018. FISHERIES BUSINESS TAX CREDIT. (a) A fisheries
23 business is entitled to a credit of not more than 50 percent of the
24 business tax liability under AS 43.75.015 for capital expenditures
25 related to a shore-based fisheries business facility in the state made
26 during the tax year if an application for the credit is approved by
27 the department.

28 (b) A fisheries business may claim a credit under (a) of this
29 section for a maximum period of five consecutive years. An applicant

1 for the credit may elect to begin the five-year period with any tax
2 year from 1985 through 1989.

3 (c) The portion of a capital expenditure that exceeds the amount
4 eligible for a credit under (a) of this section during a single tax
5 year may not be carried back to a prior taxable year, but may be
6 claimed as a credit under (a) of this section for a subsequent tax
7 year within the five-year period elected under (b) of this section.
8 In no event may tax credits be approved for more than 100 percent of a
9 capital expenditure.

10 (d) The department may not approve a tax credit under (a) of
11 this section if the property for which the capital expenditure was
12 made was the subject of a previous capital expenditure by another
13 taxpayer for whom a corresponding tax credit under (a) of this section
14 has been approved.

15 (e) The department shall adopt regulations providing for the
16 application for a credit under (a) of this section and for the review
17 and approval or disapproval of an application.

18 (f) The department shall approve or disapprove an application
19 for a credit under this section not later than 60 days after receiving
20 the application.

21 Sec. 43.75.019. TAX CREDIT REPORT. Not later than the 60th
22 legislative day of each regular legislative session the Department of
23 Revenue, in conjunction with the Department of Commerce and Economic
24 Development, shall submit to the legislature a report on the fisheries
25 business tax credit program under AS 43.75.018. The report shall
26 describe the expenditures for which a credit was claimed during the
27 previous tax year and, if possible, the increase in employment and
28 processing capacity by the fisheries businesses for whom the credit
29 was approved. Reporting under this section shall begin with the first

1 regular session of the Fifteenth Alaska Legislature.

2 * Sec. 3. AS 43.75.130 is amended by adding a new subsection to read:

3 (b) For purposes of this section, tax revenue collected under
4 AS 43.75.015 from a person entitled to a credit under AS 43.75.018
5 shall be calculated as if the person's tax had been collected without
6 applying the credit.

7 * Sec. 4. AS 43.75.140 is amended by adding a new paragraph to read:

8 (9) "capital expenditures" includes the price paid for
9 equipment and the costs of improvements made to depreciable property,
10 but does not include expenditures that are deducted entirely for
11 federal income tax purposes in the year in which they accrued or were
12 paid.

13 * Sec. 5. AS 43.75.018, 43.75.019, 43.75.130(b), and 43.75.140(9) are
14 repealed June 30, 1994.

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/14/85

Date 3/27/85

Mr. President

The Committee on RESOURCES considered SB 11
relating to the fisheries business tax.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 11 (RES)
- 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

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]

[Signature]
 Chairman
Do Pass
 Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

2/20/85

Date _____

Mr. President

The Committee on FINANCE considered SB 12
establishing a federal budget impact fund; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- 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

Chairman

Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/14/85

Date 2-19-85

Mr. President

The Committee on JUDICIARY considered SB 12
establishing a federal budget impact fund; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- 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

3 *[Signature]*

2 *[Signature]* NO REC
 2 *[Signature]* No Rec

[Signature]
 Vice Chairman
 1 *[Signature]* (Rec)
 Chairman recommendation

Introduced: 1/14/85
Referred: Judiciary
and Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 12

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a federal budget impact fund;
7 and providing for an effective date."

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

9 * Section 1. FEDERAL BUDGET IMPACT FUND. There is established in the
10 Office of the Governor a federal budget impact fund. The Department of
11 Revenue is the custodian of the fund. The fund consists of money appropri-
12 ated by the legislature and may not exceed \$20,000,000. The governor may
13 use the fund to provide money to state agencies, municipalities, nonprofit
14 corporations, and unincorporated communities that request funds for the
15 continuation of programs that are affected by reductions in federal appro-
16 priations. Authorization of expenditures from the fund shall be based on
17 criteria developed by the governor in consultation with the commissioner of
18 the department affected.

19 * Sec. 2. REPORTS. (a) The governor shall submit proposed expendi-
20 tures from the federal budget impact fund to the Legislative Budget and
21 Audit Committee and the chairmen of the senate and house finance committees
22 for review and recommendations.

23 (b) The Legislative Budget and Audit Committee and the chairmen of
24 the senate and house finance committees shall submit to the governor
25 recommendations on proposed expenditures from the federal budget impact
26 fund within 30 days of receipt of the proposed expenditures.

27 * Sec. 3. This Act terminates June 30, 1986.

28 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
29 0.070(c).

ALASKA STATE LEGISLATURE

...14TH Legislature . . . FIRST Session

SENATE BILL NO. . . . 12 . . .

By . . . FERGUSON

"An Act establishing a federal budget impact fund; and providing for an effective date."

Introduced in the Senate . . . 1/14 . . . , 1985.

HISTORY IN THE SENATE

19 85

1 14

2 20

Read first time and referred to Committee on Judiciary and Finance

Reported back with recommendation that *judiciary do pass, 1 no pass, 2 no rec, to fin.*

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: SB 12
Title: Federal Budget Impact Fund

Sponsor: Ferguson
Requestor: Senate Judiciary
Date of Request: January 30, 1985

FISCAL DETAIL

Agency Affected: Department of Revenue
Program Category Affected: _____

BRU, Program of Subprogram(s) Affected:
Treasury

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: January 30, 1985

Approved by Commissioner: James Proctor
Agency: Department of Revenue

Date: 1/31/85

Distribution (by Agency preparing fiscal note):

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

51812

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/14/85

Date 2-19-85

Mr. President

The Committee on JUDICIARY considered SB 12
establishing a federal budget impact fund; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- 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

3 Zeigler
Reid

2 Rick Halford NO REC
2 John Turk No Rec

J. T. Kelly
Vice Chairman
1 No Pass Rec
Chairman recommendation

Introduced: 1/14/85
Referred: Judiciary
and Finance

1 IN THE SENATE

BY FERGUSON

2

SENATE BILL NO. 12

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act establishing a federal budget impact fund;
7 and providing for an effective date."

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

9 * Section 1. FEDERAL BUDGET IMPACT FUND. There is established in the
10 Office of the Governor a federal budget impact fund. The Department of
11 Revenue is the custodian of the fund. The fund consists of money appropri-
12 ated by the legislature and may not exceed \$20,000,000. The governor may
13 use the fund to provide money to state agencies, municipalities, nonprofit
14 corporations, and unincorporated communities that request funds for the
15 continuation of programs that are affected by reductions in federal appro-
16 priations. Authorization of expenditures from the fund shall be based on
17 criteria developed by the governor in consultation with the commissioner of
18 the department affected.

19 * Sec. 2. REPORTS. (a) The governor shall submit proposed expendi-
20 tures from the federal budget impact fund to the Legislative Budget and
21 Audit Committee and the chairmen of the senate and house finance committees
22 for review and recommendations.

23 (b) The Legislative Budget and Audit Committee and the chairmen of
24 the senate and house finance committees shall submit to the governor
25 recommendations on proposed expenditures from the federal budget impact
26 fund within 30 days of receipt of the proposed expenditures.

27 * Sec. 3. This Act terminates June 30, 1986.

28 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

COMMITTEE REPORT
SENATE

Jerguson
3562

FURTHER:

2/20/85

Date 4/28/86

Mr. President

The Committee on FINANCE considered SB 13

making a special appropriation to the Office of the Governor for the federal budget impact fund; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 13 (Fin)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation *No FN/yr back*
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Jerguson
Parrott

MEMBERS HAVING
OTHER RECOMMENDATIONS

Wittke DO NOT PASS
Richard Ford
Rick Halford NO REC
Paul Fink NO REC
W. L. ... " "

Co-Chairman *Jan Lids*
 Chairman recommendation *No Rec*

COMMITTEE REPORT
SENATE

FURTHER:

2/10/85

Date 2/18/85

Mr. President

The Committee on FINANCE considered SB 13

making a special appropriation to the Office of the Governor for the Federal budget impact funds: Sd.

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 2022/Fin
- 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

Chairman

Chairman recommendation

4/28/86

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Original sponsor: Ferguson

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 13 (FIN)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to student loans; creating the
7 Alaska Student Loan Corporation; and providing for an
8 effective date."

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

10 * Section 1. AS 14.42 is amended by adding new sections to read:

11 ARTICLE 2. ALASKA STUDENT LOAN CORPORATION

12 Sec. 14.42.100. CREATION OF ALASKA STUDENT LOAN CORPORATION.

13 There is created the Alaska Student Loan Corporation. The corporation
14 is a public corporation and government instrumentality within the
15 Department of Education but having a legal existence independent of
16 and separate from the state. The corporation may not be terminated as
17 long as it has bonds, notes or other obligations outstanding. Upon
18 termination of the corporation, its rights and property pass to the
19 state.

20 Sec. 14.42.110. PURPOSE OF CORPORATION. The purpose of the

21 corporation is to improve higher educational opportunities of resi-
22 dents of Alaska in accordance with the provisions of this chapter.

23 Sec. 14.42.120. CORPORATION GOVERNING BODY. (a) The corpor-

24 ation shall be governed by a board of directors consisting of four
25 individuals serving on the Commission on Postsecondary Education
26 pursuant to AS 14.42.015(a)(1) - (2), (4) - (6) and (8), and one
27 member appointed under AS 14.42.015(a)(3). Members of the board serve
28 without compensation but are entitled to per diem and travel expenses
29 as may be authorized by law for boards and commissions.

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1 Sec. 14.42.130. MEETING OF THE BOARD. (a) The Board shall
2 elect a chairman from among the membership at its annual meeting each
3 year. A majority of the members constitute a quorum for organizing
4 the board, conducting its business and exercising the powers of the
5 corporation. The board shall meet at the call of its chairman and at
6 such other times as the board may determine in accordance with its
7 regulations.

8 (b) The board may meet and transact business by electronic media
9 if:

10 (1) public notice of the time and locations where the
11 meeting will be held by electronic media has been given in the same
12 manner as if the meeting were held in a single location; and

13 (2) participants and members of the public in attendance
14 can hear and have the same right to participate in the meeting as if
15 the meeting were conducted in person; and

16 (3) copies of pertinent reference materials, statutes,
17 regulations, and audiovisual materials are reasonably available to
18 participants and the public.

19 (c) A meeting by electronic media as provided in this section
20 has the same legal effect as a meeting in person.

21 (d) For purposes of AS 14.42.100 - 14.42.320 public notice of 24
22 hours or more is adequate notice of a meeting of the board at which
23 the issuance of corporation bonds is authorized.

24 Sec. 14.42.140. MINUTES OF MEETINGS. The board shall keep
25 minutes of each meeting and send a certified copy to the governor and
26 to the Legislative Budget and Audit Committee.

27 Sec. 14.42.150. ADMINISTRATION OF AFFAIRS. The board shall
28 manage the assets and business of the corporation and may prescribe,
29 amend and repeal bylaws and regulations governing the manner in which

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1 the business of the corporation is conducted and the manner in which
2 its powers are exercised in accordance with the Administrative pro-
3 cedure Act (AS 44.62). The board shall delegate supervision of the
4 administration of the corporation to the executive director of the
5 corporation.

6 Sec. 14.42.160. EXECUTIVE DIRECTOR. The corporation shall
7 employ an executive officer, who may not be a member of the board.
8 The executive director shall be the executive officer of the Commis-
9 sion on Postsecondary Education appointed under AS 14.42.040(a).

10 Sec. 14.42.170. EMPLOYMENT OF PERSONNEL. The board may appoint
11 other officers and engage professional and technical advisors as
12 independent contractors. The executive director may hire employees of
13 the corporation and, subject to the approval of the board, engage
14 professional and technical advisors under contract with the corpor-
15 ation. The board shall prescribe the duties and compensation of
16 corporation personnel, including the executive director.

17 Sec. 14.42.190. GENERAL BUDGET ACT. The operating budget of the
18 corporation is subject to the Executive Budget Act (AS 37.07).

19 Sec. 14.42.200. GENERAL POWERS. In addition to other powers
20 granted in this chapter, the corporation may:

- 21 (1) sue and be sued in its own name;
- 22 (2) adopt an officia' seal;
- 23 (3) adopt bylaws for the regulation of its affairs and the
24 conduct of its business;
- 25 (4) employ fiscal consultants, attorneys, and such othe.
26 consultants and employees as may be required in the judgement of the
27 corporation, and fix and pay their compensation from money available
28 to the corporation;
- 29 (5) make and execute agreements, contracts and other

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1 instruments necessary or convenient in the exercise of the powers and
2 functions of the corporation under this chapter, including contracts
3 with any person, firm, corporation, governmental agency or other
4 entity;

5 (6) receive, administer and comply with the conditions and
6 requirements respecting any appropriation or gift, grant or donation
7 of property or money;

8 (7) acquire real property, or any interest in real pro-
9 perty, in its own name, by purchase, transfer or foreclosure, when the
10 acquisition is necessary or appropriate to protect any loan in which
11 the corporation has an interest; sell, transfer and convey any such
12 property to a buyer; and, if the sale, transfer or conveyance cannot
13 be effected with reasonable promptness or at a reasonable price, rent
14 or lease the property to a tenant pending the sale, transfer or con-
15 veyance;

16 (8) borrow money as provided in this chapter to carry out
17 and effectuate its corporate purposes and issue its obligations as
18 evidence of any such borrowing;

19 (9) include in any borrowing the amounts to pay financing
20 charges, interest on the obligations for a period not exceeding one
21 year after the date on which the corporation estimates funds will
22 otherwise be available to pay the interest, consultant, advisory and
23 legal fees and such other expenses as are necessary or incident to
24 this borrowing;

25 (10) invest or reinvest, subject to its contracts with
26 noteholders and bondholders, any money or funds held by the corpor-
27 ation in any obligations or other securities authorized under AS
28 37.10.070(a);

29 (11) collect from a borrower amounts owed with respect to a

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1 student loan the corporation has purchased or made;

2 (12) gather information on loans available to residents of
3 Alaska attending or planning to attend an eligible institution and
4 disseminate the information to reasonably assure that qualified stu-
5 dents are aware of financial resources available to those attending or
6 desiring to attend an eligible institution;

7 (13) require an eligible institution or eligible lender to
8 file reports with the corporation as the corporation considers neces-
9 sary for the effective performance of its duties and publish the
10 information from the reports or other sources as the corporation
11 considers necessary;

12 (14) service student loans held by the corporation;

13 (15) except as specifically prohibited by law, obtain infor-
14 mation from a state agency or instrumentality or other source to
15 verify information submitted by or on behalf of a student applying for
16 or receiving assistance from the corporation;

17 (16) make or participate in the making of and purchase or
18 participate in the purchase of student loans;

19 (17) contract in advance for the purchase or sale of student
20 loans;

21 (18) sell or participate in the sale, either public or
22 private and on terms authorized by the board, of student loans to the
23 Student Loan Marketing Association or to other purchasers;

24 (19) collect and pay reasonable fees and charges in connec-
25 tion with the purchase, sale, and servicing of student loans;

26 (20) enter into agreements with the federal government
27 (including guaranty agreements and supplemental guaranty agreements as
28 described in the United States Higher Education Act of 1965) as neces-
29 sary to provide for the receipt by the corporation of administrative

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1 allowances and other benefits available under the United States Higher
2 Education Act of 1965;

3 (21) enter into contracts with lenders upon terms and con-
4 ditions agreed upon between the corporation and the lenders, which
5 terms and conditions may reflect the requirements of the United States
6 Higher Education Act of 1965;

7 (22) enter into contracts with institutions upon the terms
8 and conditions agreed upon between the corporation and the institu-
9 tions, which terms and conditions may reflect the requirements of the
10 United States Higher Education Act of 1965;

11 (23) administer federal money allotted to the state with
12 respect to insured student loans and related administrative costs and
13 other matters;

14 (24) consent to the modification of the rate of interest,
15 time of payment of an installment of principal or interest, or other
16 terms of a student loan made or purchased by the corporation;

17 (25) procure insurance against any loss in connection with
18 the operation of its programs under this chapter;

19 (26) provide advisory services to borrowers and other parti-
20 cipants in the corporation's programs under this chapter;

21 (27) do all acts and things necessary, convenient or desir-
22 able to carry out the powers expressly granted or necessarily implied
23 in this chapter.

24 Sec. 14.42.210. STUDENT LOAN FUND. (a) The student loan fund
25 is established in the corporation. The student loan fund is a trust
26 fund for the uses and purposes of AS 14.42.100 - 14.42.320. The
27 student loan fund consists of money or assets appropriated or trans-
28 ferred to the corporation and other money or assets deposited in it by
29

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1 (b) Money and other assets of the student loan fund may be used
2 to secure bonds of the corporation, or invested in the types of in-
3 vestments under AS 37.10.070a or shall be used to make or purchase
4 loans approved under AS 14.43.090 - 14.43.160.

5 Sec. 14.42.220. BONDS OF THE CORPORATION. (a) Subject to (g)
6 of this section, the corporation may borrow money and may issue bonds,
7 including but not limited to bonds on which the principal and interest
8 are payable, (1) exclusively from the income and receipts or other
9 money derived from the loans financed with proceeds of the bonds, (2)
10 exclusively from the income and receipts or other money derived from
11 designated loans whether or not they are financed in whole or in part
12 with the proceeds of the bonds, or (3) from its income and receipts or
13 other assets generally, or a designated part or parts of them.

14 (b) Bonds shall be authorized by resolution of the corporation,
15 and be dated and may not mature more than 20 years from the date of
16 its issue. Bonds shall bear interest at the rate or rates, be in the
17 denominations, be in the form, either coupon or registered, carry the
18 registration privileges, be executed in the manner, be payable in the
19 medium of payment, at the place or places, and be subject to the terms
20 of redemption which the resolution or a subsequent resolution may
21 provide.

22 (c) All bonds, regardless of form or character, shall be nego-
23 tiable instruments for all the purposes of the Uniform Commercial
24 Code.

25 (d) All bonds may be sold at public or private sale in the
26 manner, for the price or prices, and at the time or times which the
27 corporation may determine.

28 (e) Before issuance of any bonds, the corporation shall make
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1 judgment of the corporation to pay the principal of and interest on
2 the bonds as they become due and to create and maintain the reserves
3 therefor as the corporation considers necessary or desirable and to
4 meet all obligations in connection with the agreement and all costs
5 necessary to service the bonds unless the agreement provides that the
6 obligations are to be met or costs are to be paid by a party other
7 than the corporation.

8 (f) The superior court shall have jurisdiction to hear and
9 determine suits, actions or proceedings relating to the corporation,
10 including suits, actions or proceedings brought to foreclose or other-
11 wise enforce a mortgage or other security interest or brought by or
12 for the benefit of a holder of its bonds or by a trustee for or other
13 representative of the holders.

14 (g) The corporation may not issue bonds during any fiscal year
15 in an amount greater than \$45,000,000 unless the legislature, by law,
16 approves issuance of a greater amount.

17 Sec. 14.42.230. TRUST INDENTURES AND TRUST AGREEMENTS. In the
18 discretion of the corporation, an issue of bonds may be secured by a
19 trust indenture or trust agreement between the corporation and a
20 corporate trustee (which may be a trust company, bank, or national
21 banking association, with corporate trust powers, located inside or
22 outside the state) or by a secured loan agreement or other instrument
23 or under a resolution giving powers to a corporate trustee (herein-
24 after in this section referred to as "trust agreement") by means of
25 which the corporation may:

26 (1) make and enter into any and all the covenants and
27 agreements with the trustee or the holders or the bonds which the
28 corporation may determine to be necessary or desirable, including,
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1 as to:

2 (A) the application, investment, deposit, use and
3 disposition of the proceeds of bonds of the corporation or of money or
4 other property of the corporation or in which it has an interest;

5 (B) the fixing and collection of loan payments and
6 other consideration for, and the other terms to be incorporated in, a
7 student loan;

8 (C) the assignment by the corporation of its rights in
9 a student loan or in a mortgage or other security interest created
10 with respect to a student loan to a trustee for the benefit of bond-
11 holders;

12 (D) the terms and conditions upon which additional
13 bonds of the corporation may be issued;

14 (E) the vesting in a trustee of rights, powers,
15 duties, funds or property in trust for the benefit of bondholders,
16 including, without limitation, the right to enforce payment, perfor-
17 mance and all other rights of the corporation or of the bondholders,
18 under a student loan or a security interest created with respect to a
19 student loan;

20 (2) pledge, mortgage or assign money, agreements, property,
21 or other assets of the corporation either presently in hand or to be
22 received in the future, or both; and

23 (3) provide for any other matters of like or different
24 character which in any way affect the security or protection of the
25 bonds.

26 Sec. 14.42.240. CAPITAL RESERVE FUNDS AND CAPITAL RESERVE FUND
27 REQUIREMENTS. (a) For the purpose of securing one or more issues of
28 its bonds, the corporation may establish one or more special funds,
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1 reserve funds the proceeds of the sale of its bonds and other moneys
2 which may be made available to the corporation from other sources for
3 the purposes of the capital reserve funds. A capital reserve fund may
4 be established only if the corporation determines that the establish-
5 ment of the fund would enhance the marketability of the bonds. Money
6 in a capital reserve fund, except as provided in this section, may be
7 used as required only for (1) the payment of the principal of, and
8 interest on, bonds or of the sinking fund payments with respect to
9 those bonds; (2) the purchase or redemption of the bonds, or (3) the
10 payment or a redemption premium required to be paid when the bonds are
11 redeemed before maturity. However, money in a capital reserve fund
12 may not be withdrawn if the withdrawal would reduce the amount in the
13 capital reserve fund to less than the capital reserve fund require-
14 ment, except for the purpose of making payment, when due, of princi-
15 pal, interest redemption premiums on the bonds, and sinking fund
16 payments when other money of the corporation is not available for the
17 payments. Income or interest earned by, or increment to, a capital
18 reserve fund, from the investment of all or part of the fund, may be
19 transferred by the corporation to other funds or accounts of the
20 corporation if the transfer does not reduce the amount of the capital
21 reserve fund below the capital reserve fund requirement.

22 (b) If the corporation decides to issue bonds secured by a
23 capital reserve fund, the bonds may not be issued if the amount in
24 requirement, unless the corporation, at the time of issuance of the
25 bonds, deposits in the capital reserve fund from the proceeds of the
26 bonds to be issued or from other sources, an amount of which, together
27 with the amount then in the fund, is not less than the capital reserve
28 fund requirement.
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1 purpose of this section, securities in which all or a portion of the
2 fund is invested shall be valued by a reasonable method established by
3 the corporation by resolution. Valuation shall include the amount of
4 interest earned or accrued as of the date of valuation.

5 (d) The chairman of the corporation shall annually, no later
6 than January 2, certify in writing to the governor and the legislature
7 the amount, of any, required to restore a capital reserve fund to the
8 capital reserve fund requirement. The legislature may appropriate to
9 the corporation the amount certified by the chairman of the corpora-
10 tion. The corporation shall deposit the amounts appropriated under
11 this subsection during a fiscal year in the proper capital reserve
12 fund. Nothing in this section creates a debt or liability of the
13 state.

14 (e) In this section, "capital reserve fund requirement" means
15 the amount required to be on deposit in the capital reserve fund as of
16 the date of computation as determined by resolution of the corpora-
17 tion.

18 (f) The corporation may establish reserve funds, other than
19 capital reserve funds, to secure one or more issues of its bonds. The
20 corporation may deposit in a reserve fund established under this
21 subsection the proceeds of sale of its bonds and other money which may
22 be made available from any other source. A reserve fund established
23 under this subsection must comply with (a) - (c) of this section. The
24 corporation may allow a reserve fund established under this subsection
25 to be depleted without complying with (d) of this section.

26 Sec. 14.42.250. VALIDITY OF PLEDGE. It is the intention of the
27 legislature that a pledge made in respect of bonds shall be valid and
28 binding from the time the pledge is made; that the money or property

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1 immediately be subject to the lien of the pledge without physical
 2 delivery or further act; and that the lien of the pledge shall be
 3 valid and binding as against all parties having claims of any kind in
 4 tort, contract or otherwise against the corporation irrespective of
 5 whether the parties have notice. Neither the resolution, trust agree-
 6 ment nor any other instrument by which a pledge is created need be
 7 recorded or filed under the provisions of the Uniform Commercial Code
 8 to be valid, binding or effective against parties.

9 Sec. 14.42.260. NONLIABILITY ON BONDS. (a) Neither the mem-
 10 bers of the corporation nor a person executing the bonds are liable
 11 personally on the bonds or are subject to personnel liability or
 12 accountability by reason of the issuance of the bonds.

13 (b) The bonds issued by the corporation do not constitute an
 14 indebtedness or other liability of the state or of a political sub-
 15 division of the state, except the corporation, but shall be payable
 16 solely from the income and receipts or other funds or property of the
 17 corporation. The corporation may not pledge the faith or credit of
 18 the state or of a political subdivision of the state (except the
 19 corporation) to the payment of a bond and the issuance of a bond by
 20 the corporation does not directly or indirectly contingently obligate
 21 the state or a political subdivision of the state to apply money from,
 22 or levy or pledge any form of taxation whatever to the payment of the
 23 bond.

24 Sec. 14.42.270. PLEDGE OF STATE. The state pledges to and
 25 agrees with holders of bonds issued under this chapter that the state
 26 will not limit or alter the rights and powers vested in the corpor-
 27 ation by this chapter to fulfill the terms of a contract made by the
 28 corporation with the holders or in any way impair the rights and
 29 remedies of the holders until the bonds, together with the interest on

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1 them with interest on unpaid installments of interest, and all costs
2 and expenses in connection with an action or proceeding by or on
3 behalf of the holders, are fully met and discharged. The corporation
4 is authorized to include this pledge and agreement of the state in
5 contract with the holders.

6 Sec. 14.42.280. EXEMPTION FROM TAXATION. The real and personal
7 property of this corporation and its assets, income and receipts are
8 declared to be the property of a political subdivision of the state
9 and devoted to an essential public and governmental function and
10 purpose, and the property, assets income, receipts, and other in-
11 terests of the corporation shall be exempt from all taxes and special
12 assessments of the state of a political subdivision of the state,
13 including, without limitation, all borough, cities, municipalities,
14 school districts, public utility districts and other taxing units.
15 All bonds of the corporation are declared to be issued by a political
16 subdivision of the state and for an essential public and governmental
17 purpose and to be public instrumentality, and the bonds, and the
18 interest on them, the income from them and the transfer of the bonds,
19 and all assets, income and receipts pledged to pay or secure the
20 payment of the bonds, or interest on them, shall at all times be
21 exempt from taxation by or under the authority of the state, except
22 for inheritance and estate taxes and taxes on transfers by or in
23 contemplation of death. Nothing in this section affects or limits an
24 exemption from license fees, property taxes, or excise, income or any
25 other taxes provided under any other law, nor does it create a tax
26 exemption with respect to the interest of any business, enterprise or
27 the person, other than the corporation, in any property, assets,
28 income, receipts, or other interest.

29 Sec. 14.42.290. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The

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1 bonds of the corporation are securities in which all public officers
 2 and bodies of the state and all municipalities and municipal sub-
 3 divisions, all insurance companies and associations and other persons
 4 carrying on a insurance business, all banks, bankers, trust companies,
 5 savings banks, savings associations, including savings associations
 6 and building and loan associations, investment companies and other
 7 persons carrying on a banking business, all administrators, guardians,
 8 executors, trustees and other fiduciaries, and all other persons
 9 whatsoever who are now or may hereafter be authorized to invest in
 10 bonds or other obligations of the state, may properly and legally
 11 invest funds including any other provisions of law, the bonds of the
 12 corporation are also securities which may be deposited with and may be
 13 received by all public officers and bodies of this state and all
 14 municipalities and municipal subdivisions for any purpose for which
 15 the deposit of bonds or other obligations of the state is now or may
 16 hereafter be authorized.

17 Sec. 14.42.310. OPERATION OF CERTAIN STATUTES EXCEPTED. (a)

18 The corporation shall not be considered or constitute (1) a political
 19 subdivision of the state as the term is used in AS 37.10.085, (2) a
 20 municipal corporation or political subdivision of the state as the
 21 terms are used in AS 29, or (3) except as provided in AS 14.42.330, a
 22 state agency as the term is used in AS 37, but for all other purposes
 23 the corporation constitutes a political subdivision and an instrumen-
 24 tality of the state provided in this chapter.

25 (b) The funds, income or receipts of the corporation shall not
 26 be considered or constitute money of the state, nor shall real pro-
 27 perty in which the corporation has an interest be considered land
 28 owned in fee by the state or to which the state may become entitled or
 29 in any way lands belonging to the state, or state lands referred to in

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1 Article VIII of the Alaska Constitution.

2 Sec. 14.42.320. ANNUAL AUDIT. The corporation shall have its
3 financial records audited annually by the legislative auditor or by a
4 certified public accountant approved by the legislative auditor. The
5 legislative auditor may prescribe the form and content of the finan-
6 cial records of the corporation and shall have access to these records
7 at any time.

8 * Sec. 2. AS 14.43.120(d) is amended to read:

9 (d) scholarship loans may not be made to a student:

10 (1) for more than five years of undergraduate study;

11 (2) for more than five years of graduate study;

12 (3) for more than a total of eight years of undergraduate
13 and graduate study;

14 (4) to attend an institution for which the default rate on
15 loans made to students to attend the institution exceeds the program
16 default rate by more than 150%.

17 * Sec. 3. Notwithstanding the provisions of AS 14.42.160 enacted by
18 section 1 of this Act, if the executive officer of the Commission on Post-
19 secondary Education does not consent to his appointment as executive direc-
20 tor of the Alaska Student Loan Corporation in writing filed with the Alaska
21 Student Loan Corporation within 60 days after the effective date of this
22 Act, the Alaska Student Loan Corporation shall take such steps as it con-
23 siders necessary or appropriate to employ an executive director who is not
24 the executive officer of the Commission on Postsecondary Education. If the
25 Alaska Student Loan Corporation employs an executive director under this
26 section who is not the executive officer of the Commission on Postsecondary
27 Education, each time an vacancy occurs in the position of executive direc-
28 tor, the Alaska Student Loan Corporation shall allow the executive officer
29 of the Commission on Postsecondary Education three business days to file a

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1 written consent to the provisions of AS 14.42.160. If the executive officer
2 fails to file the written consent within the three business days allowed,
3 the Alaska Student Loan Corporation shall seek an executive director other
4 than the executive officer of the Commission on Postsecondary Education. If
5 the executive officer of the Commission on Postsecondary Education files a
6 written consent described in this section during any of the times described
7 in this section, the provisions of AS 14.42.160 shall thereafter control
8 with respect to the appointment of the executive director of the Alaska
9 Student Loan Corporation.

10 * Sec. 4. This Act takes effect immediately in accordance with AS
11 01.10.070(c).

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Senator John B. (Jack) Coghill
Alaska State Legislature

Pouch V
Juneau, Alaska 99811
(907) 465-4921

Box 55028
North Pole, Alaska 99705
(907) 488-7332



March 5, 1986

Senator Jan Faiks
Senator John Sackett
Co-chairmen
Senate Finance Committee

Dear Senators Faiks and Sackett:

Your Senate Finance Committee is hearing CS SB13 at 8:30 a.m.
Thursday, March 6.

I request that you consider making an amendment to that bill
by adding in Sec. 1, page 2, between lines 21 and 22, the
following language:

North Pole - Northwest Sewer Interceptor and Highway Park Sewer System	1,033,000
---	-----------

The total cost of this North Pole project is \$2,833,000. The
Governor has budgeted only \$1,800,000 in his capital budget
for this continued sewer expansion program. My request would
bring the funding up to the level needed to complete the work
as designed.

Sincerely

A handwritten signature in cursive script, appearing to read "John B. Coghill".

JBC/kmd

cc: Sen. Ferguson

encl.

5/10/86

S E N A T E A M E N D M E N T

By: _____

To: AMEND

SENATE BILL NO. CS SB 13

Sec. 1

Page 2

Between lines 21 and 22

Insert the following language:

North Pole - Northwest Sewer Interceptor and Highway
Park Sewer System

\$1,033,000

Senator John B. (Jack) Coghill
Alaska State Legislature

Pouch V
Juneau, Alaska 99811
(907) 465-4921

Box 55028
North Pole, Alaska 99705
(907) 488-7332



March 3, 1986

Senator Jan Faiks
Senator John Sackett
Co-chairmen
Senate Finance Committee

Dear Senators Faiks and Sackett:

Your Senate Finance Committee is hearing CS SB13 at 8:30 a.m. Thursday, March 6.

I request that you consider making an amendment to that bill by adding in Sec. 1, page 3, line 5, the following language:

page 2, line 28

North Pole - Northwest Sewer Interceptor and
Highway Park Sewer System 1,033,000

The total cost of this North Pole project is \$2,833,000. The Governor has budgeted only \$1,800,000 in his capital budget for this continued sewer expansion program. My request would bring the funding up to the level needed to complete the work as designed.

Sincerely

A handwritten signature in cursive script, appearing to read "John B. Coghill".

JBC/kmd

cc: Sen. Ferguson

encl.

S E N A T E A M E N D M E N T

By: _____

To: AMEND

SENATE BILL NO. CS SB 13

Sec. 3

Page 3

Line 5

Insert the following language:

North Pole - Northwest Sewer Interceptor and Highway
Park Sewer System

\$1,033,000

PROJECT TITLE:	North Pole Northwest Sewer Interceptor and Highway Park Sewer	AGENCY PRIORITY: — — OF — —
LOCATION:	North Pole	
ELECTION DISTRICT:	18	FISCAL YEAR: <u>8</u> <u>7</u> DURATION: — —
APPROPRIATION TO:	City of North Pole	PROGRAM:

	FUNDING:	CAPITAL REQUEST	REVISED REQUEST	OPERATING COSTS
1002	FEDERAL RECEIPTS			
1003	GENERAL FUND MATCH			
1004	GENERAL FUND	2,833.0	1,800.0	
1005	INTER-AGENCY RECEIPTS			
1028	PROGRAM RECEIPTS			
	<u>TOTALS:</u>	2,833.0	1,800.0	
			<u>POSITIONS (PFT):</u>	

PROJECT DESCRIPTION AND JUSTIFICATION:

LINE (1) While the Governor's revised request will not fully complete the project, it will provide necessary cash flow to contribute to

LINE (2) the project. Further funding in future years will be required to complete the project.

LINE (3)

LINE (4)

CP1	CAPITAL PROJECTS DESCRIPTION
DATA ENTRY WORKSHEET	

WORKSHEET

Page	of
Revised Date	

FY 87

000452

RESOLUTION 85-6.

000453

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORTH POLE ESTABLISHING CAPITAL PROJECT PRIORITIES FOR FUNDING BY THE ALASKA STATE LEGISLATURE.

WHEREAS, the need has been identified for several capital project improvements in the City of North Pole; and

WHEREAS, the proposed capital projects will achieve important objectives for the citizens of the area, including improvements in public safety, planning, utility facilities, and economic expansion; and

WHEREAS, these projects are aimed towards improving the local economy and providing employment. Public safety items are supportive projects aimed at improving public safety and streamlining operations; and

WHEREAS, several public meetings have been conducted and community input has been solicited regarding the proposed capital projects; and

WHEREAS, the Interior Legislative Delegation has requested the City of North Pole to develop priority ranking for its capital projects requests to be funded by surplus state revenues;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH POLE THAT THIS LIST REFLECTS CAPITAL PROJECT PRIORITIES FOR CONSIDERATION BY THE 1986 ALASKA LEGISLATURE.

A. Capital Construction

- | | |
|--|-----------------|
| 1. Northwest Sewer Interceptor and Highway Park Sewer System | \$ 2,833,000.00 |
| 2. Northwest Transmission Main and Highway Park Water Distribution | 3,553,000.00 |
| 3. Lagoon Force Main and Outfall Structure | 552,000.00 |
| 4. Parkway Storm Drain | 265,000.00 |
| 5. Highway Park Drainage, Lighting, and Street Improvement Project | 1,805,000.00 |

B. Capital Equipment Items

- | | |
|---------------------------------|---------------|
| 1. Hazardous Chemical Fire Unit | \$ 400,000.00 |
| 2. Modular Ambulance Unit | 65,000.00 |

RESOLUTION 85-6 Continued:

000454

PASSED AND APPROVED by a duly constituted quorum of the
City Council of the City of North Pole, Alaska this _____
day of _____, 1985.

MAYOR CARLETA LEWIS

ATTEST:

SHELLEY DUGAN, CITY CLERK

INTRODUCED: NOVEMBER 18, 1985

ADOPTED:

PROGRAM FOR PROGRESS

PROJECT: NORTHWEST SEWER INTERCEPTOR AND
HIGHWAY PARK SEWER SYSTEM

SPONSORING AGENCY: City of North Pole

CAPITAL REQUEST: \$2,833,000.00

ESTIMATED ANNUAL O & M COST: \$24,000.00

000455

DESCRIPTION/PUBLIC BENEFIT:

The Northwest section of North Pole has been greatly expanded due to three recent annexations. The annexed areas include new major commercial development and an existing residential subdivision.

Commercial development in the northwest section of North Pole is being hindered by the lack of sanitary sewer service. A high water table makes conventional sewage leaching pits impractical. This project will construct the large interceptor mains required to support developer constructed collection systems. Construction will consist of constructing a 10 inch gravity interceptor sewer, 4 lift stations, 1,800 feet of force main and related appurtenances.

The project will also include of an 8 inch collection system in the Highway Park Subdivision. The area has had a long history of leach field failures and other problems related to sanitary sewage disposal.

A major goal of the City of North Pole is to provide base sanitary sewage facilities to all areas of the City. This project is an essential step in achieving this goal.

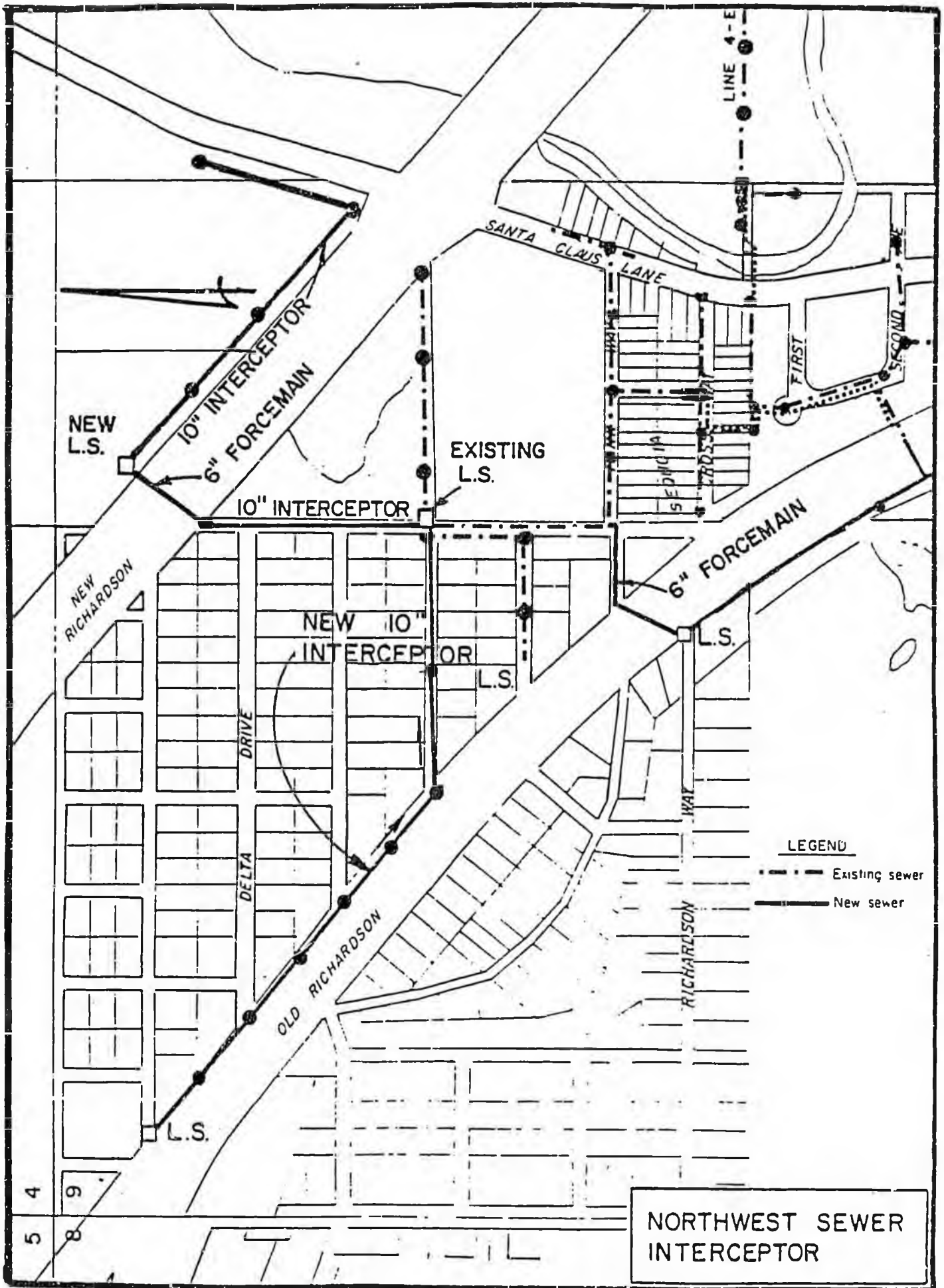
Major benefits to the North Pole community can be seen in improved public health and a positive environment for continued residential and commercial growth.

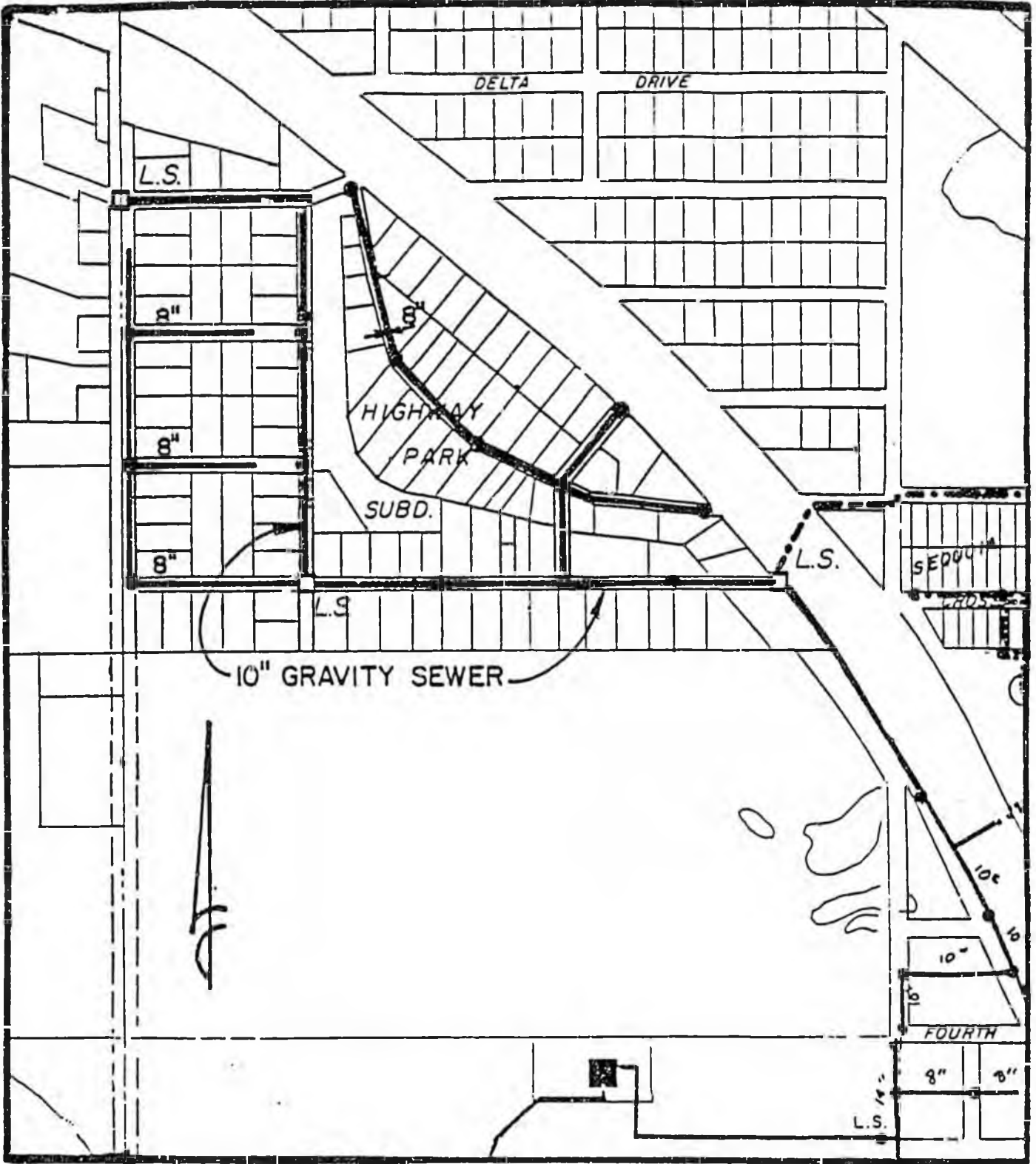
CONTACT PERSON:

NAME: John Fischer

TITLE: Administrative Assistant

PHONE: 488-2281





HIGHWAY PARK
SEWER
INTERCEPTOR

Senator John B. (Jack) Coghill
Alaska State Legislature

Pouch V
Juneau, Alaska 99811
(907) 465-4745

Box 458
Nenana, Alaska 99760
(907) 852-5471

February 19, 1986

Senator Frank Ferguson
Room 119 Capitol Building
Juneau, AK 99811

Subj: Sewer/water CIPs, Senate District J

Dear Senator Ferguson:

The Governor's budget includes three sewer/water capital improvement projects which we want to see remain in the budget. Those are:

- | | |
|---|--------------|
| a) Item # 170, Cantwell Village safe water solid waste disposal site, DEC | \$100,000.00 |
| b) Item # 181, Healy Lake Community watering point, DEC | 83,000.00 |
| c) Item # 192, North Pole Sewer Interceptor & Highway Park Sewer, MUNI | 1,800,000.00 |

We have additional sewer/water CIPs that need to be funded. They are:

- | | |
|---|------------------|
| 1) Glennallen water sewer project | \$4,163,000.00 |
| 2) North Pole, northwest transmission and Highway Park Water Distribution | 3,553,000.00 |
| 3) Delta City Complex Sewer System | 200,000.00 |
| 4) Nenana Water/Sewer, Phase II | 4,000,000.00 |
| 5) Anderson Sewer Cost Study | <u>47,000.00</u> |

TOTAL \$13,899,000.00

Thank you for considering these requests. I will follow this letter with complete back-up information on the five CIPs that we have requested.

Sincerely,



JBC/kmd

water results in a poor standard of personal hygiene, which in turn leads to the transmission of infection by means of unwashed hands, crockery, etc.

Water-associated infective diseases can be classified under four categories:

1. Infections spread through water supplies -- waterborne diseases (tylphoid, cholera).
2. Diseases due to lack of water for personal hygiene -- water-washed diseases (scabies, trachoma).
3. Infections transmitted by aquatic invertebrate animals -- water-based diseases (schistosomiasis, guinea worm).
4. Infections spread by insects that depend on water -- water-related insect vectors (malaria, sleeping sickness).

To these must also be added a further group of infections associated with defective sanitation (hookworm). The more common water-associated diseases and their sources are shown

TABLE I
WATER RELATED DISEASES WITH THEIR WATER ASSOCIATIONS AND
PATHOGENIC AGENTS¹

Water-Related Disease	Pathogenic Agent
Amoebic dysentery	C
Ascariasis	D
Bacillary dysentery	A
Balantidiasis	C
Cholera	A
Diarrhoeal disease	H
Enteroviruses (some)	B
Gastroenteritis	H
Giardiasis	C
Hepatitis (infectious)	B
Leptospirosis	E
Paratyphoid	A
Tularaemia	A
Typhoid	A
Conjunctivitis	H
Leprosy	A
Louse-borne relapsing fevers	E
Scabies	H
Skin sepsis and ulcers	H
Tinea	F
Trachoma	B
Flea/lice/tick/mite- borne typhus	G
Yaws	E
Clonorchiasis	D
Diphyllobothriasis	D
Fasciolopsiasis	D
Guinea worm	D
Paragonimiasis	D
Schistosomiasis	D
Arboviral infections (some)	B
Dengue	B
Filariasis	D
Malaria	C
Onchocerciasis	D
Trypanosomiasis	C
Yellow Fever	B

A = bacteria; B = virus; C = protozoa D = helminth;
E = spirochaete; F = fungus; G = rickettsiae; H = miscellaneous

Water-related insect vectors

Malaria, a disease producing an acute fever, is transmitted by the bite of an infected mosquito. The larvae of the mosquito live in stagnant water. Filariasis is also spread by mosquito. The worms obstruct the lymphatic system causing fluid to accumulate in the legs and external genital organs, sometimes with the bizarre results suggested by its alternative name, elephantiasis.

Diseases due to defective sanitation

These diseases include hookworm and roundworm. Hookworms exist in damp soil, for example around wells, and can penetrate the skin to enter the system. They cause major blood loss and can lead to anaemia. Roundworms can be transmitted by, for example, dirty food; the effect is to divert food from the victim.

BENEFITS AND COSTS OF GOOD SANITATION FACILITIES

Most of the benefits of sewerage schemes are not directly quantifiable. In brief, they can be divided into two categories, private and external benefits. Private benefits include:

1. Convenience of having a waterborne waste disposal unit in the home;
2. Improved household hygiene;
3. Reduced health hazards;
4. Property value appreciation; and
5. Reduction in space required for sewage disposal on the property by alternative means such as septic tanks.

External benefits include:

1. Improvements in the urban environment by removal of the sight and smell of sewage at the soil surface and in canals;
2. Benefits to public health;
3. Reduced downstream river pollution;
4. Increased potential for tourism;
5. Introduction of new technologies with spinoff benefits of training, experience, and employment generation;
6. Institutional development; and
7. Water pollution monitoring, legislation, and enforcement programs usually initiated in parallel with major wastewater collection investments.

Ill-health costs foregone

These may be grouped into costs due to: 1) premature loss of life; 2) loss of productivity; 3) treatment; and 4) measures taken in avoiding the disease. A fifth and important loss of productivity is more difficult to estimate but included here as 5) debility losses.

As Alaska becomes more densely populated, the unavailability of adequate sanitation facilities can scarcely be hidden. The presence of fecal material or standing pools of sewage where water is available, and swarms of flies readily identify a breakdown in our society's responsibility to its members. The proximity of these sites to homes where people eat and children play assures the spread of enteric disease and provides a setting for explosive outbreaks when Hepatitis A may be passing through.

The argument as to whether the absence of proper water supply is of greater significance than the absence of adequate sanitation facilities in determining the health of a population will not easily be resolved, nor need it be. The absence of either will assure the spread of disease. In fact, the provision of water supply in the absence of adequate excreta disposal facilities may exacerbate the situation by assuring easier and wider spread of human waste. The desire for a water service does not flow from an appreciation that a proper water service would improve health. Rather, water is, and is perceived to be, an essential utility necessary for life itself.

Therefore, while it is not likely that a community will opt for improved sanitation ahead of water supply, the commitment should be made to both at the same time. Such commitments have been made in word but not yet in deed.

Water supply and sanitation facilities are often not yet available to our people in rural areas, villages, and in some urban areas.

ALASKA'S FUNDING OF SANITATION PROJECTS

Since 1970, Alaska has spent close to \$500 million in providing basic sanitation services in the State. The U.S. Public Health Service estimates it would take an additional \$200 million to meet the needs of rural Alaska alone.

For the last three years, 70 percent of the money appropriated by the State has been for sanitation projects in what could be classified as urban areas, and only 30 percent has been spent in rural communities.

A 1982 Alaska Statewide Housing Study prepared by the Department of Community and Regional Affairs defines adequate plumbing on a regional bases as:

Metropolitan and urban - Facilities including hot and cold water piped to a kitchen sink and bathtub or shower, and a flush toilet.

Rural - Facilities including hot and cold water piped to a kitchen sink and bathtub or shower and a human waste disposal system.

Remote - A human waste disposal system and source of potable water.

The study results are presented in Figure 1. While only one percent of Anchorage homes lack adequate plumbing, seventy percent of remote/rural homes lack adequate plumbing.

INCIDENCE OF DISEASE IN ALASKA

Let's look at one type of waterborne disease currently identified in some of our remote villages -- Hepatitis A. The method of transmission is from person to person by the fecal-oral route. Common outbreaks in the Norton Sound villages of Stebbins and St. Michaels have been related to contaminated water and unsanitary conditions. Where environmental sanitation is poor, infection is common at an early age.

Physicians working at the Norton Sound Regional Hospital in Nome are worried these outbreaks will continue unless better sanitation facilities are made available to these people.

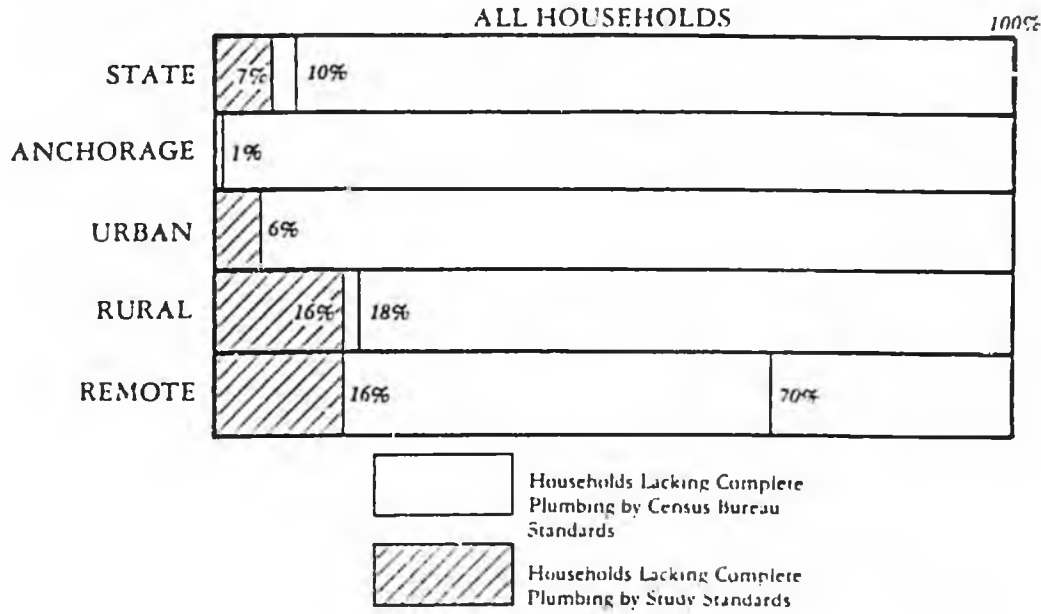
It is both interesting and sad that studies suggest a diminishing frequency in the contiguous states but on the increase in remote Alaskan villages.

TABLE II
 CONFIRMED WATERBORNE DISEASE OUTBREAKS IN ALASKA

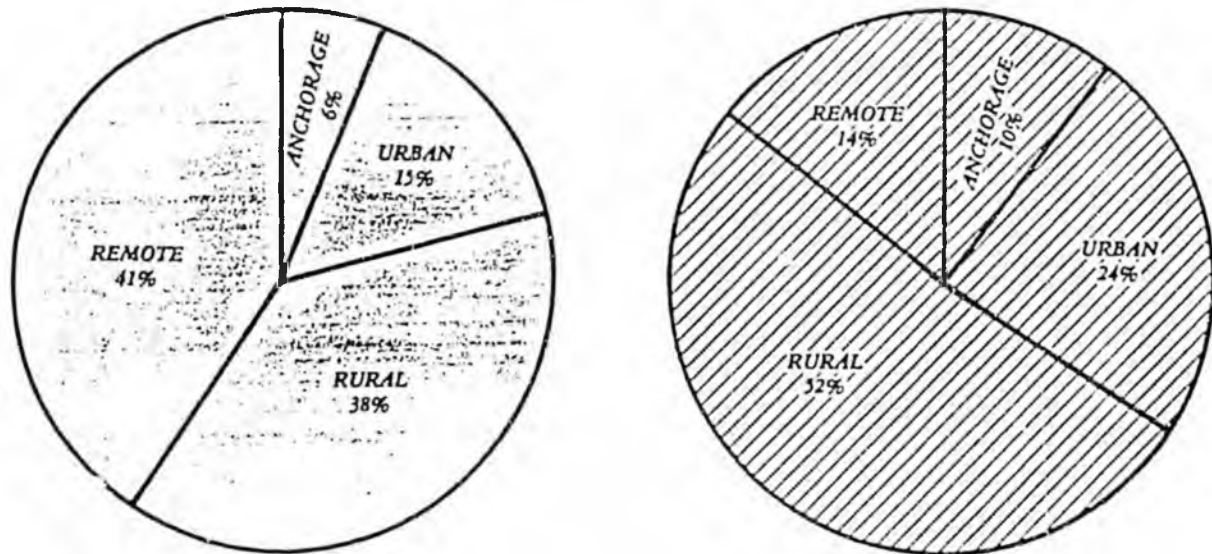
<u>Year</u>	<u>Location</u>	<u>Source</u>	<u>Disease</u>	<u>Cases</u>	<u>Comments</u>
1984	Ketchikan Public Utilities	Carlanna Lake	Giardiasis	146	See File
1980	Barge Unisea, Dutch Harbor		Giardiasis	189	X-connection w/boost pumps on board
1979/81	Angoon, Broken Wastewater Main		None		
1979	Valdez		Giardiasis suspected (actually yeast)		
1971	Restuarant near Tok Junction		Gastroenteritis	112	
1972	Cordova	Eyak Lake	Dysentery	400	Chlorination not operating
1971	Anchorage Traylor Court	Well	Shigellosis	89	No disinfection
1974	Juneau Switzer Creek	Surface Reservoir	Salmonellosis	28	Inadequate disinfection
1967/68	Kodiak	Island Lake	Dysentery	2 infant deaths	No disinfection
1977	Craig	Surface	Dysentery	Unknown	
1976?	Russian Mission	Yukon River	Shigellosis	300	Chlorinator inoperable
1949	Unalaska	Lake	Dysentery (probably Shigellosis)	20-30	No disinfection
1954	Ketchikan	Lake	Salmonellosis	2 deaths/ approx 20	No disinfection

Housing Assistance

PROPORTION OF HOUSEHOLDS LACKING COMPLETE PLUMBING WITHIN THE STATE AND REGIONS



DISTRIBUTION OF HOUSEHOLDS LACKING COMPLETE PLUMBING AMONG REGIONS

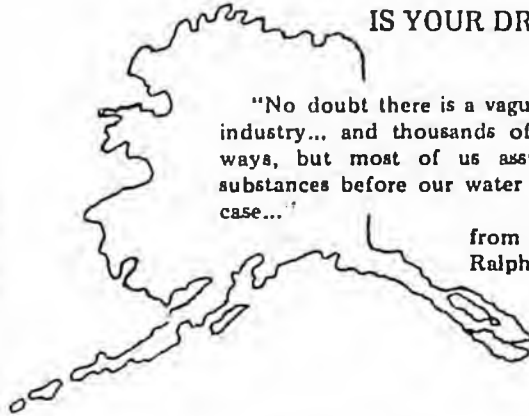


CENSUS BUREAU STANDARDS
 (Represents shaded and hatched areas in above bar chart)

STUDY STANDARDS
 (Represents hatched areas in above bar chart)

FIGURE 1
 HOUSING WITH ADEQUATE PLUMBING

IS YOUR DRINKING WATER SAFE?



"No doubt there is a vague awareness that toxic chemicals from industry... and thousands of other contaminants enter our waterways, but most of us assume that 'somebody' removes these substances before our water comes out of the tap. This is not the case..."

from *Water Wasteland*, a 1972 report of the Ralph Nader study group on water pollution.

From the rain forests of the Southeast to the semi-arid expanses of the northern slope, Alaska has abundant quantities of water. From region to region its uses vary—transportation, power generation, mining operations, and fish and wildlife habitats. The water we use to drink, however, is often taken for granted as safe.

Alaska has millions of acres of uninhabited wilderness where evidence of man's polluting influences are at the present time minimal. Alaskans have always lived very close to their natural resources. Many rely on water for their livelihoods and subsistence, so it is important that our waters be kept safe for all their many uses.

Alaska, at present is relatively undeveloped, but as our population grows and as our natural resources are explored and developed, the need increases to learn more about how we keep our waters safe. The quality of drinking water can vary greatly from community to community, and even house to house, depending on which sources are used. But there are also problems that are common to specific geographical regions. This booklet discusses contaminants and health hazards associated with Alaska's drinking waters, with particular attention to those which present regional problems. Where do you live, and is your drinking water safe?

Alaska encompasses a land area of 586,300 square miles, with a coastline of approximately 46,300 miles. Alaska has great rivers, huge lakes, large amounts of underground water, and areas of rain-forest precipitation. Glaciers supply streams and lakes with water frozen thousands of years ago.

Climatic factors influence both life forms and life-styles considerably and have a great impact on our water resources. Because of cold winters, little precipitation, and permafrost, vast areas of the state have little available water during much of the year. Other areas have either great precipitation, as in Southeast; or extensive groundwater resources, as in the Rural Interior. But problems both man-made and natural affect the quality of drinking water.

There can also be a shortage of water where the demands on a water source cannot be met. Much of Alaska's population and associated industrial activity are located close to our natural watersheds. Problems of wastes contaminating water supplies, overuse, or overdevelopment are major issues of concern.

Contaminated water supplies directly affect health. Many rivers and streams which are crystal clear give the false impression that the water is pure and safe to drink. The clarity of the water is not an indication of the presence or absence of bacteria. These water supplies may be contaminated by disease-causing organisms from improperly disposed human wastes, or waste from other animals. Spring flooding creates an additional problem to water supplies from contaminated wastes, sediment and other pollutants washing into the water source from overflow. Water may contain natural contaminants such as arsenic, nitrate, or mercury, which are also hazardous to your health.

Cloudiness, or turbidity, is considered a physical contaminant to drinking water. It is caused by minute particles which remain suspended in the water. Excessive turbidity may shield disease-causing organisms from removal by most treatment processes. Turbidity also makes water unappealing to many people.

Most of us assume that unless the water looks dirty or tastes bad, it is safe for drinking. However, oftentimes contaminants are not only colorless, but also odorless and tasteless. Without proper protection or treatment, contaminated water can cause chronic or acute illness.

Alaska is a vast land composed of diverse environmental areas. Some drinking water problems are common to specific areas, while others are found statewide. The prevalent threats to human health in Rural Southeast, Rural Interior, Rural Arctic Coast, and Urban areas are the focal point of the following discussion. It is important to know the facts about your area because the impact is on you and the health of your family.



Rural Southeast:

*Emergency order issued on Switzer Creek (July 24, 1974): 33 cases of salmonella were confirmed in Juneau, caused by the introduction of untreated wastes into residential (trailer court) water distribution system.

*Ketchikan laboratory studies disclose gulls in disease spread (April, 1964): Studies done by the Ketchikan Public Health Laboratory have connected sewage disposal, water supply and gulls in spreading salmonella disease-producing organisms from contaminated sources into public drinking water supplies.

Polluted water sources involving improper sewage disposal systems have been major factors in these outbreaks. In occurrences such as these contaminated drinking water was found to be the means of transmission. Harmful microorganisms from human and animal wastes, if present in water sources and not properly treated, can cause such waterborne diseases as giardiasis, salmonella, shigellosis, typhoid fever, infectious hepatitis, dysentery, and skin infections such as impetigo.

Rainwater collection is a common practice in Southeast where precipitation is usually high. Rainwater meets the needs of small water users where wells or other surface water sources are not feasible. Collected rain does not contain concentrations of minerals found in most groundwaters or dissolved minerals such as sulfur and iron, which often give water an objectional taste. There is no danger of contamination from human waste; however, bacterial contamination can occur from birds dropping waste on roofs where rainwater is collected. Roofing materials may also contain harmful chemicals which can get into the collected rainwater. Radioactive particles can also be washed from the air. Rainwater needs to be filtered and disinfected to be safe for drinking.

The high water tables and shallow soils with high bedrock common to Southeast present problems to the conventional on-lot sewage disposal systems of septic tanks with leach fields. The ground water in areas with high water tables can become contaminated when septic systems are flooded and proper biological breakdown cannot take place. In areas with shallow soils, the liquid wastes all too often surface and drain into streams. (Surface streams are used quite often as water supplies for one or more families.)

Unappealing color and turbidity in drinking water from surface sources are common in Southeast. They present health hazards if a) turbidity prevents adequate disinfection of disease-causing organisms, and b) when the displeasing appearance, tastes, or odors of the water make users go to another, less safe source of drinking water.

Iron is probably the most common drinking water problem in Southeast groundwater, though it is primarily an aesthetic problem.

Rural Interior:

*Restaurant near Tok Junction (August 20 - September 2, 1971): 112 cases of gastroenteritis were attributed to contaminated water at a roadside restaurant on the Alaska Highway between Tok Junction, Alaska and Whitehorse, Yukon Territory.

*Arsenic in waters of Ester Dome Area (February, 1976): At least 30 families were shown to be intoxicated with arsenic contamination from domestic well waters. The arsenic contaminated groundwater samples were all located on a mineralized belt extending in an arc from Ester Dome to Pedro Dome-Cleary Summit.

*From 1936-1951 in the areas of Kuskokwim River and Nushagak Bay, many outbreaks of typhoid and dysentery occurred. These outbreaks were attributed to summer fishing camps consisting of tents crowded together with no sewage facilities. Drinking water for both man and animals was collected at the most convenient pond or creek.

The Rural Interior regions of Alaska encompass a diversity of environments, and a great variety of water resources. Water supplies are generally the most convenient river, stream or lake. In areas where precipitation is high, rainwater is used. Wells are a source of water in areas away from river systems and where permafrost is not too deep. In general the Rural Interior has abundant water resources, however, many factors control the quality and quantity for drinking water.

Seasonal climate changes are the major limiting factor of these sources. During winter months, most surface waters freeze. In some areas, water can be drawn from below the ice, or the ice can be cut and hauled to be melted in the home. This decrease in water flow affects health in that sufficient quantities are necessary for personal hygiene.

Quality can be degraded during the spring runoff period from wastes seeping into surface or groundwater sources from snow melt. In some areas, this dramatic increase of surface waters causes flooding. Flood waters can further contaminate a water source from overflows washing over land where human or animal waste may be deposited.

Rainwater is another seasonal source of water. Precipitation is strongly influenced by the mountain ranges in this area. Most precipitation comes from the south and decreases as it moves northward through the Alaska Range, causing northern regions to be semi-arid. The western portion of the Rural Interior does receive abundant rainfall during part of the year, and uses it as a source of drinking water. (Advantages and disadvantages to rainwater collection are discussed in the section on Southeast.)

In many areas of the Interior there is an abundance of groundwater, but once again quality and quantity of these sources can vary. In locations away from river systems, the available groundwater is often restricted by permafrost. The presence of frozen ground necessitate deeper drilling for water. A well that passes through great thicknesses of permafrost often freezes up. Iron in drinking water can be common. In areas where shallow wells are feasible, water can be high in dissolved solids and contaminants which filter in from the surface. Some ground and surface water naturally contains varying amounts of chemicals which can adversely

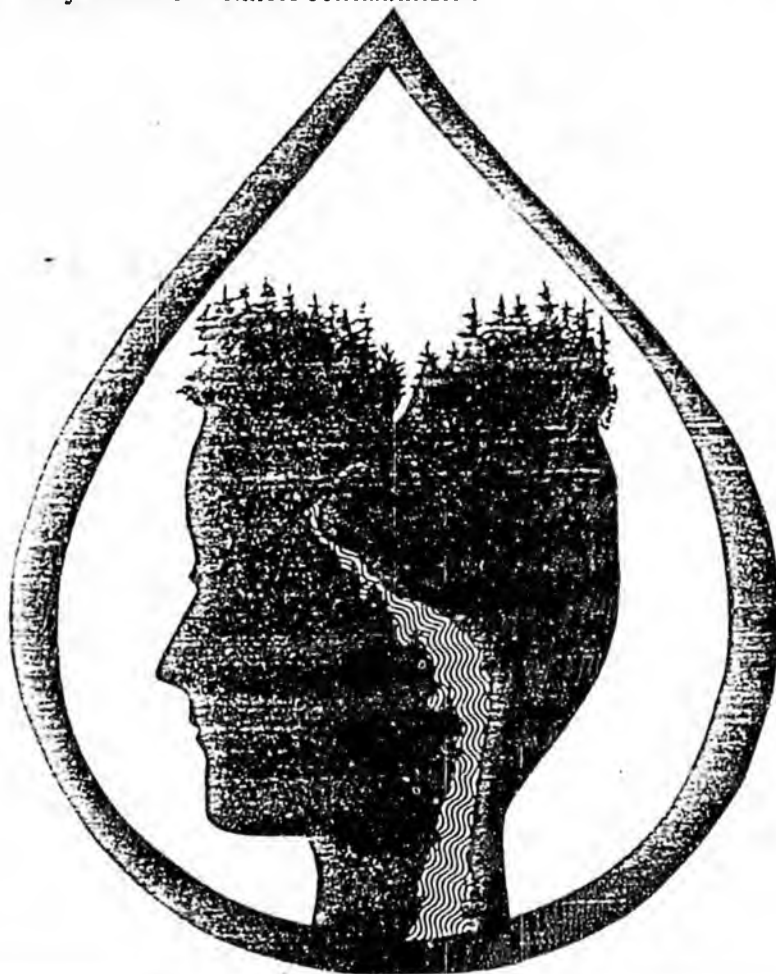
affect human health. Some of the chemical contaminants and their related health hazards are as follows:

Arsenic—a natural contaminant which, when consumed over a long period of time, can cause skin irritations, changes in skin color, and gastrointestinal and neurological disturbances.

Nitrate—poses an immediate threat to infants under three months of age by producing an anemic condition commonly known as "baby blue."

Mercury—levels in water can occur naturally or can be caused by industrial and agricultural use. Mercury poisoning in large doses may be acute; or chronic when in low doses over a period of time.

Other chemicals in water such as iron and manganese although acceptable from a health standpoint, may be undesirable because of odor, appearance, or taste. Scientists are still exploring the exact long-term, low-level effects on human health by many of these chemical contaminants.



Rural Arctic Coast:

*Since 1922, in the Barrow area alone, there have been 47 cases with 4 fatalities from typhoid fever and 31 cases with 1 fatality of paratyphoid fever. All were attributed to contaminated water.

*In the 1948 outbreak of Bacillary dysentery in Cape Halkett in the Barrow area there were 105 cases with 1 death, over a 5 month period. The water from Barrow village came from a lake, and during winter months, the slopes draining into the lake were used as the disposal area for human wastes.

Due to climatic factors and geographical location, the Arctic Coastal Region of Alaska faces the most severe problems of limited usable water. The Brooks Range, which forms the southern border of the arctic area, removes most of the moisture as air masses move northward causing annual precipitation to be that of a desert—about 5 inches. Permafrost in this area is continuous and deep, aggravating problems of water availability. During winter months, extreme water shortages exist because surface waters freeze entirely, making them nearly impossible to use. Water availability problems in the Arctic region directly affect health and restrict economic growth.

The complexity of water quality problems is vast in an area where limited water supplies are a major issue. Difficulties in treating waste water pose the biggest threat to available water supplies. Spring flooding in many areas of this region can further contaminate water sources by washing over land where human or animal waste may be deposited. In coastal communities, saltwater penetration into groundwater has also limited the quality of drinkable water. Oil and gas or mining operations now or will present competition for water supplies and a potential for water quality degradation. Measures must be taken now to protect the quality of available water. Both water availability and quality have a direct impact on health in that adequate amounts of safe water are needed for consumption, personal, and household hygiene.

There is a great need for development of adequate water storage and treatment facilities, distribution systems and sewage disposal systems. In colder climates, the capacity of water to assimilate wastes is much lower. The temperature of these waters seldom rises above 10° to 20° C, which retards biological and chemical reactions that naturally break down *some* wastes. However, bacteria, viruses and other sources of disease cannot be so removed.

Only the sparse population of this area and relatively low quantities of contaminants have kept water quality and availability under control. As Alaska develops and population pressures on the environment increase, so will the need to develop adequate water related systems.

Urban:

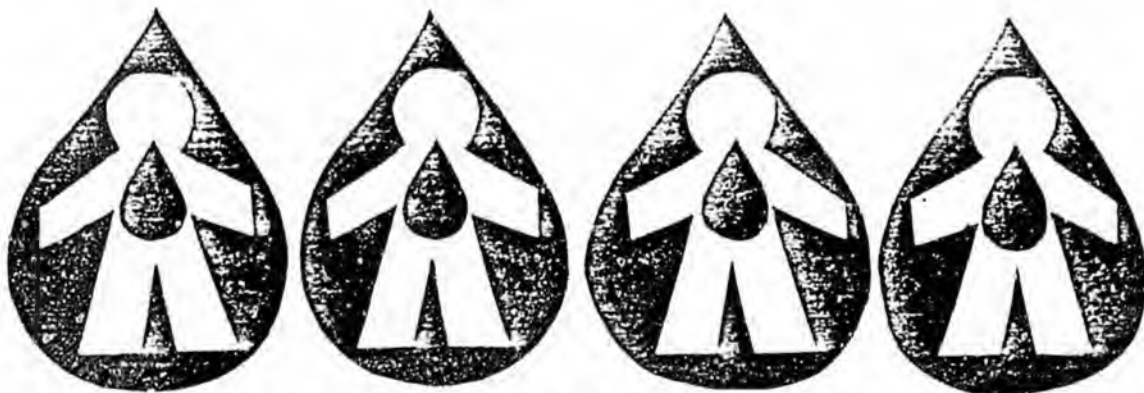
*On November 16, 1971, a trailer court tenant in Anchorage telephoned local health authorities to complain that the water was "dirty and had a bad odor." Upon investigation, the sanitary engineer found what appeared to be gross sewage contamination in the well water supply. Raw sewage backed up through the drain from a "soft plug" obstructing the borough sewer and spilled over the casings into the wells. Further investigation revealed 89 of 114 persons exposed were ill. The shigellosis symptoms included nausea, vomiting, abdominal pain, fever and diarrhea.

*In 1950, there was a typhoid fever outbreak involving 17 children. This outbreak occurred in the congested area outside Anchorage city limits where the people were dependent on shallow wells for water and single-premise sewage disposal (generally cesspools or privies). The outbreak was found to be from water contamination.

Contaminated water supplies and improper sewage disposal have been major causes of outbreaks like these. In all instances, poor sanitation played an important role. The crowding of people in urban areas increases health hazards. Rapid growth without suitable planning and development of water-related facilities can impact public health considerably.

As population increases, so will the demands on water supplies to support associated industrial and economic growth. Water shortages can develop from over-allocations of water supplies. The projected water needs for the Anchorage area have already exceeded the present known supplies. The lake levels in this area have been lowered significantly due to heavy demands on groundwater sources. Urban areas and their associated economic growth are very dependent on the quality of water on a sustained basis.

Another danger to existing water sources in urban areas is the problem of urban runoff. Pollutants are carried into our water supplies from the discharging of storm water, snow removal, sedimentation from land-development activities, etc. Systems must be developed to deal with these overflows before permanent damage to our waters occur.



4/25/86

SECTIONAL ANALYSIS OF THE ALASKA STUDENT LOAN CORPORATION

*Section 1.

Sec. 14.42.100. ALASKA STUDENT LOAN CORPORATION. This paragraph creates the Alaska Student Loan Corporation. The corporation cannot be terminated while debt obligations are outstanding.

Sec. 14.42.110 PURPOSE OF CORPORATION. This paragraph establishes the purpose of the corporation to provide higher education opportunities for residents of Alaska.

Sec. 14.42.120. CORPORATION GOVERNING BODY. The Corporation shall be governed by an executive committee of five members made up from the thirteen members of the Alaska Commission on Postsecondary Education Board. The board members are made up of one member of the State Board of Education and four members are from the rest of the board excluding the two legislative members. Board members shall receive travel and per diem.

Sec. 14. 42.130. MEETING OF THE BOARD. A majority of the board constitutes a quorum for the organization. The board meetings may be conducted by electronic media. Any board meeting where bonds are authorized shall have a twenty-four hour notice.

Sec. 14.42.140. MINUTES OF MEETINGS. The board shall keep minutes of every meeting and shall send copies to the governor and legislative audit committee.

Sec. 14.42.150. ADMINISTRATION OF AFFAIRS. The board may pass by-laws and manage the affairs of the coporation and delegate supervision of the executive director.

Sec. 14.42.160. EXECUTIVE DIRECTOR. The coporation shall employ an executive director who is the executive director of the Commission on Postsecondary Education.

Sec. 14.42.170. EMPLOYMENT OF PERSONNEL. The executive director may hire employees in the exempt service. The board may appoint other officers and engage professionals.

Sec. 14.41.190. EXECUTIVE BUDGET ACT. The operating budget of the corporation is subject to the Executive Budget Act.

Sec. 14.41.200. EXECUTIVE POWERS. The coporation has the powers to sue and be sued, adopt an official seal, adopt bylaws, employ consultants, enter into contracts, receive and administer gifts or grants according to the terms and conditions of gift or grant, acquire an interest in real property, borrow money, pay finance charges and interest, invest money, collect from borrowers, gather information on loans, require an elegendible institution to file