

LEG. FINANCE - BILLS 1985 - 1986 2272

CSSB 468 - SB 472 2272

HOUSE
COMMITTEE REPORT

(11)

Date referred: 5/8/86

FURTHER REFERRALS:

DATE: 5-10-86

The FINANCE Committee has considered CSSB 468 (Fin) am

"An Act creating the Railbelt Energy council; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with HCS CS SB 468 (Loans) same title
- new title

and recommends do pass

further referral to the _____ Committee

and attaches:

- letter of intent
- first fiscal note
- new fiscal note 5/9/86
- zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature] Do Pass With Amendment

[Signature] No Rec.

[Signature]
Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No.: H CS SC SB 468 (FIN)
 Title: Railbelt Energy Council

Sponsor: Senate Resource Committee
 Requestor: House Finance Committee
 Date of Request: 5/9/86

FISCAL DETAIL

Agency Affected: _____
 BRU: _____

Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		-0-				
TRAVEL		-0-				
CONTRACTUAL		-0-				
SUPPLIES		-0-				
EQUIPMENT		-0-				
LAND & STRUCTURES		-0-				
GRANTS, CLAIMS		-0-				
MISCELLANEOUS		-0-				
TOTAL OPERATING		-0-				

CAPITAL		-0-				
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REVENUE		-0-				
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FUNDING : (Thousands of Dollars)

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

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

APA

Prepared by: Representative Adams - Chairman
 Division: House Finance Committee

Phone: 465-3706
 Date: 5/9/86

Approved by Commissioner: _____
 Agency: _____

Date: _____

Distribution (by Agency preparing fiscal note):

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

Offered: 5/8/86
Referred: Finance

Original sponsor: Resources Committee

1 IN THE SENATE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2 HOUSE CS FOR CS FOR SENATE BILL NO. 468 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Railbelt energy council; and
7 providing for an effective date."

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

9 * Section 1. FINDINGS. The legislature finds that

10 (1) state energy policy should change from a policy of the
11 state assuming responsibility for providing electric power to a policy of
12 the state assisting the private sector and public utilities to provide
13 adequate electric power at reasonable cost;

14 (2) state funds available for energy development should be used
15 to assist in financing projects that utilities cannot finance themselves;

16 (3) utilities should be encouraged to assume the responsibility
17 of regional power generation and transmission rather than relying on the
18 state;

19 (4) energy planning and financing must be efficient and cost-
20 effective;

21 (5) the Railbelt energy fund should be used if necessary to
22 develop power projects that will meet market investment criteria;

23 (6) the Railbelt area generally consists of the region of the
24 state extending from Fairbanks to Homer and served by the Golden Valley
25 Electric Association, the Fairbanks Municipal Utilities System, the
26 Matanuska Electric Association, the Chugach Electric Association, Anchorage
27 Municipal Light and Power, the Seward Electric System, and the Homer Elec-
28 tric Association utilities.

29 * Sec. 2. COUNCIL CREATED. (a) The Railbelt energy council is

Offered: 5/8/86
Referred: Finance

Original sponsor: Resources Committee

1 IN THE SENATE BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2 HOUSE CS FOR CS FOR SENATE BILL NO. 468 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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12 the state assisting the private sector and public utilities to provide
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15 to assist in financing projects that utilities cannot finance themselves;

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17 of regional power generation and transmission rather than relying on the
18 state;

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20 effective;

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22 develop power projects that will meet market investment criteria;

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24 state extending from Fairbanks to Homer and served by the Golden Valley
25 Electric Association, the Fairbanks Municipal Utilities System, the
26 Matanuska Electric Association, the Chugach Electric Association, Anchorage
27 Municipal Light and Power, the Seward Electric System, and the Homer Elec-
28 tric Association utilities.

29 * Sec. 2. COUNCIL CREATED. (1) The Railbelt energy council is

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

Offered: 5/8/86
Referred: Finance

Original sponsor: Resources Committee

1 IN THE SENATE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2 HOUSE CS FOR CS FOR SENATE BILL NO. 468 (Loans)

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10 (1) state energy policy should change from a policy of the
11 state assuming responsibility for providing electric power to a policy of
12 the state assisting the private sector and public utilities to provide
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15 to assist in financing projects that utilities cannot finance themselves;

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17 of regional power generation and transmission rather than relying on the
18 state;

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20 effective;

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22 develop power projects that will meet market investment criteria;

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24 state extending from Fairbanks to Homer and served by the Golden Valley
25 Electric Association, the Fairbanks Municipal Utilities System, the
26 Matanuska Electric Association, the Chugach Electric Association, Anchorage
27 Municipal Light and Power, the Seward Electric System, and the Homer Elec-
28 tric Association utilities.

29 * Sec. 2. COUNCIL CREATED. (a) The Railbelt energy council is

1 established to

2 (1) recommend the best options for planning, financing, con-
3 structing, and managing electric power facilities in the Railbelt area;

4 (2) examine all alternatives and recommend the best method for
5 meeting projected Railbelt electrical energy demand;

6 (3) recommend alternative financing plans for assisting the
7 private sector and public utilities to meet the future energy needs of the
8 Railbelt area;

9 (4) determine whether a regional generation and transmission
10 utility organization can operate to the best interests of utility con-
11 sumers;

12 (5) cooperate with the Alaska Power Authority to examine the
13 feasibility and desirability of energy projects.

14 (b) Membership on the council consists of two members appointed by
15 the governor; two senators appointed by the president of the senate; two
16 members of the house of representatives appointed by the speaker of the
17 house; and one representative from each of the seven Railbelt utilities.

18 (c) By February 15, 1987, the council shall report its recommenda-
19 tions to the legislature.

20 * Sec. 3. This Act is repealed June 30, 1987.

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

Offered: 5/8/86
Referred: Finance

Original sponsor: Resources Committee

1 IN THE SENATE BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2 HOUSE CS FOR CS FOR SENATE BILL NO. 468 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

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11 state assuming responsibility for providing electric power to a policy of
12 the state assisting the private sector and public utilities to provide
13 adequate electric power at reasonable cost;

14 (2) state funds available for energy development should be used
15 to assist in financing projects that utilities cannot finance themselves;

16 (3) utilities should be encouraged to assume the responsibility
17 of regional power generation and transmission rather than relying on the
18 state;

19 (4) energy planning and financing must be efficient and cost-
20 effective;

21 (5) the Railbelt energy fund should be used if necessary to
22 develop power projects that will meet market investment criteria;

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24 state extending from Fairbanks to Homer and served by the Golden Valley
25 Electric Association, the Fairbanks Municipal Utilities System, the
26 Matanuska Electric Association, the Chugach Electric Association, Anchorage
27 Municipal Light and Power, the Seward Electric System, and the Homer Elec-
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3 structing, and managing electric power facilities in the Railbelt area;

4 (2) examine all alternatives and recommend the best method for
5 meeting projected Railbelt electrical energy demand;

6 (3) recommend alternative financing plans for assisting the
7 private sector and public utilities to meet the future energy needs of the
8 Railbelt area;

9 (4) determine whether a regional generation and transmission
10 utility organization can operate to the best interests of utility con-
11 sumers;

12 (5) cooperate with the Alaska Power Authority to examine the
13 feasibility and desirability of energy projects.

14 (b) Membership on the council consists of two members appointed by
15 the governor; two senators appointed by the president of the senate; two
16 members of the house of representatives appointed by the speaker of the
17 house; and one representative from each of the seven Railbelt utilities.

18 (c) By February 15, 1987, the council shall report its recommenda-
19 tions to the legislature.

20 * Sec. 3. This Act is repealed June 30, 1987.

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

Offered: 4/25/86
Referred: Rules

Original sponsor: Resources Committee

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 468 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Railbelt energy council; and
7 providing for an effective date."

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

9 * Section 1. FINDINGS. The legislature finds that

10 (1) state energy policy should change from a policy of assuming
11 responsibility for providing low cost power to a policy of assisting the
12 private sector to provide adequate power at reasonable cost;

13 (2) state funds available for energy development should be used
14 as leverage to assist in financing projects that utilities cannot finance
15 themselves;

16 (3) utilities should be encouraged to assume the responsibility
17 of generating regional power rather than relying on the state;

18 (4) energy planning and financing must be efficient and cost-
19 effective;

20 (5) the Railbelt energy fund should be used as leverage to
21 develop power sources that will meet investment criteria.

22 * Sec. 2. COUNCIL CREATED. (a) The Railbelt energy council is estab-
23 lished to

24 (1) recommend how Railbelt energy funds can best be directed to
25 meet the future energy needs of the Railbelt area of Alaska;

26 (2) recommend the best unified options for planning, financing,
27 constructing, and managing power facilities;

28 (3) cooperate with the Alaska Power Authority to examine the
29 feasibility and desirability of smaller Susitna hydroelectric projects;

1 (4) determine whether a regional utility organization can oper-
2 ate to the best interests of utility consumers;

3 (5) examine alternatives and recommend the best method for
4 meeting projected Railbelt electrical energy demand;

5 (6) recommend whether the 1987 legislature should approve sub-
6 mission of an application for a Federal Energy Regulatory Commission li-
7 cense for a project in the Susitna River basin;

8 (7) recommend how to restructure the board of directors of the
9 Alaska Power Authority to improve its effectiveness and efficiency;

10 (8) recommend the optimum time for installing the third 45
11 megawatt unit at the Bradley Lake project;

12 (9) recommend whether it is preferable to install a new power
13 intertie between Anchorage and Kenai or to upgrade the existing line; and

14 (10) recommend how best to improve and utilize Alaska's long term
15 energy plan under AS 44.83.224.

16 (b) Membership on the council consists of two members appointed by
17 the governor, one of whom must represent an energy supplier; two senators
18 appointed by the president of the senate; two members of the house of
19 representative appointed by the speaker of the house; and one representa-
20 tive from each of the seven Railbelt utilities.

21 (c) By February 15, 1987, the council shall report its recommenda-
22 tions to the legislature.

23 * Sec. 3. This Act is repealed June 30, 1987.

24 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
25 10.070(c).

Introduced: 3/26/86
Referred: Resources and
Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

SENATE BILL NO. 468

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act creating the Railbelt energy fund; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 44.25 is amended by adding a new section to read:

10 Sec. 44.25.050. RAILBELT ENERGY FUND. There is established in
11 the general fund the Railbelt energy fund. The fund consists of money
12 appropriated to it by the legislature. The Department of Revenue
13 shall manage the fund. Interest received on money in the fund shall
14 be accounted for separately and may be appropriated into the fund
15 annually. The legislature may appropriate money from the fund to
16 assist in meeting Railbelt energy needs.

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

HOUSE
COMMITTEE REPORT

(11)

Date referred: 4/22/86

FURTHER REFERRALS:

DATE: 5-10-86

The FINANCE Committee has considered SB 469

"An Act exempting commercial fishermen from workers' compensation coverage."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with _____ same title
 new title

and recommends _____

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note 4/3/86

SIGNING DO PASS:

Michael Spindler

James ...

Pat ...

John ...

John ...

John ...

SIGNING OTHER RECOMMENDATIONS:

William ...
Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB 469
 Title : "An Act exempting commercial
 Fishermen from Workers' Compensation"
 Sponsor : Senate Labor & Commerce
 Requestor : Senate Labor & Commerce
 Date of Request : 4/2/86

FISCAL DETAIL

Agency Affected : Labor
 BRU : Workers' Compensation
 Components : Workers' Compensation

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING : (Thousands of Dollars)

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

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Jacqueline McClintock Phone : 465-2790
 Division : Workers' Compensation Date : 4/3/86
 Approved by Commissioner : Jim Robison Date : 4/3/86
 Agency : Labor

Distribution (by Agency preparing fiscal note) :

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

Introduced: 4/1/86
Referred: Labor and Commerce

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2

SENATE BILL NO. 469

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act exempting commercial fishermen from workers'
7 compensation coverage."

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

9 * Section 1. AS 23.30.230 is amended by adding a new subsection to
10 read:

11 (b) A commercial fisherman, as defined in AS 16.05.940, is not
12 covered by this chapter.

Pouch V
Juneau, Alaska 99811

Alaska State Legislature
House of Representatives

Phone:
(907) 465-3892



Labor and Commerce Committee

LETTER OF INTENT - SB 469
4/21/1986

It is the intent of the Legislature that SB 469, An Act exempting commercial fishermen from workers' compensation coverage, be used to clarify potential issues, not to imply that fishermen may have been covered by workers' compensation prior to the enactment of the legislation.

A handwritten signature in cursive script that reads "Mike Navarre".

Mike Navarre
Chairman

Bill No. Senate Bill 469

Date April 24, 1986

Title "An Act exempting commercial fishermen from workers' compensation coverage."


Contact: Jacque McClintock
465-2790

The Department has no objection to the provisions of Senate Bill 469 exempting commercial fishermen from workers' compensation coverage.

This legislation does not change any current practice in Alaska's Workers' Compensation System, but does serve to clarify "twilight zone" issues of potentially overlapping coverage that have resulted from various Supreme Court decisions.

The House Labor and Commerce Committee's Letter of Intent will make it clear to the court's that Senate Bill 469 is intended as a clarification and that it does not infer that fishermen have previously been covered by workers' compensation.

APPROVED:


Jim Robison, Commissioner
Department of Labor

Introduced: 4/1/86
Referred: Labor and Commerce

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2

SENATE BILL NO. 469

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

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

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10 read:

11 (b) A commercial fisherman, as defined in AS 16.05.940, is not
12 covered by this chapter.

COMMITTEE REPORT

SENATE

FURTHER:

4/11/86

Date 4/17/86

Mr. President

The Committee on FINANCE considered SB 470

relating to the Uniform Common Interest Ownership Act.

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 470 (Jud)
- new title
- same title and recommends " DO PASS "
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
SFC
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]

Rich Halford

Paul Thib.

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

co-Chairman

do pass

Chairman recommendation

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : _____

REQUEST

Bill/Resolution No. : CSSB 470(Jud)
 Title : Uniform Common Interest
Ownership Act
 Sponsor : Finance Committee
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : ALL
 BRU : _____
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING : (Thousands of Dollars)

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

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Prepared by : _____
 Division : Senator Jan Faiks, Co-chairman
Senate Finance Committee

Phone : 465-4523
 Date : 4/17/86

Approved by Commissioner : _____
 Agency : _____

Date : _____

Distribution (by Agency preparing fiscal note):

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

Offered: 4/11/86
Referred: Finance

Original sponsor: Finance Committee

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 CS FOR SENATE BILL NO. 470 (Judiciary)
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 the Uniform Common Interest
7 Ownership Act."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 34.08.010 is amended to read:
10 Sec 34.08.010. APPLICABILITY GENERALLY. Except as provided in
11 AS [34.08.020 AND] 34.08.030, this chapter applies to each common
12 interest community created within the state after January 1, 1986.
13 The provisions of AS 10.15 and AS 34.07 do not apply to common
14 interest communities created after January 1, 1986.
15 * Sec. 2. AS 34.08.030 is amended to read:
16 Sec. 34.08.030. APPLICABILITY TO [SMALL AND] LIMITED EXPENSE
17 LIABILITY PLANNED [COMMON INTEREST] COMMUNITIES. If a planned [COM-
18 MON INTEREST] community created after January 1, 1986, [CONTAINS NO
19 MORE THAN 12 UNITS AND] is not subject to any development rights and
20 [OR FINANCING FROM THE ALASKA HOUSING FINANCE CORPORATION OR] pro-
21 vides, in its declaration, that the annual average common expense
22 liability of all units restricted to residential purposes, exclusive
23 of optional user fees and any insurance premiums paid by the asso-
24 ciation, may not exceed \$100, as adjusted under AS 34.08.820, the
25 planned [COMMON INTEREST] community is subject only to AS 34.08.720 -
26 34.08.740 unless the declaration provides that the entire chapter is
27 applicable. [A DECLARANT MAY NOT SUBDIVIDE REAL PROPERTY UNDER SINGLE
28 OWNERSHIP INTO TWO OR MORE COMMON INTEREST COMMUNITIES TO AVOID THE
29 APPLICATION OF THIS CHAPTER.]

1 * Sec. 3. AS 34.08 is amended by adding a new section to read:

2 Sec. 34.08.035. PROHIBITED SUBDIVISIONS. A declarant may not
3 subdivide real property under single ownership into two or more common
4 interest communities to avoid the application of this chapter.

5 * Sec. 4. AS 34.08.040 is amended to read:

6 Sec. 34.08.040. APPLICABILITY TO PREEXISTING COMMON INTEREST
7 COMMUNITIES. Except as provided in AS 34.08.050, the provisions of
8 AS 34.08.110, 34.08.120, 34.08.290, 34.08.320(1) - (6) and (11) -
9 (16), 34.08.420, 34.08.470, 34.08.490, 34.08.510, 34.08.590, 34.08.-
10 670, 34.08.720, 34.08.730, 34.08.740, and 34.08.990, to the extent
11 necessary in construing any of those sections, apply to all common
12 interest communities created in the state before January 1, 1986,
13 except that the sections apply only with respect to events and circum-
14 stances occurring after January 1, 1986, and do not invalidate exist-
15 ing provisions of the declaration, bylaws, or plats or plans of the
16 common interest communities.

17 * Sec. 5. AS 34.08 is amended by adding a new section to read:

18 Sec. 34.08.255. AMENDMENT OF A DECLARATION WHERE FEWER THAN 50
19 PERCENT OF UNIT OWNERS APPROVE. (a) If a declaration requires owners
20 having more than 50 percent of the votes in the association in a
21 single class voting structure or unit owners having more than 50
22 percent of the votes in more than one class in a voting structure with
23 more than one class to vote in favor of an amendment in order to amend
24 a declaration, the association or a unit owner may petition the supe-
25 rior court for the judicial district in which the common interest
26 community is located for an order reducing the percentage of the
27 affirmative votes necessary for the adoption of the amendment. The
28 petition shall describe the efforts that have been made to solicit the
29 approval of the unit owners in the association in the manner required

1 by the declaration, the number of affirmative and negative votes
2 actually received, the number or percentage of affirmative votes
3 required to adopt the amendment under the declaration, and any other
4 matter the petitioner considers relevant to the determination of the
5 court. The petition must include as exhibits to the petition a copy
6 of

- 7 (1) the governing documents;
- 8 (2) a complete text of the amendments;
- 9 (3) a copy of each notice and the solicitation materials
10 used in the solicitation of the approval of the amendment by the unit
11 owners;
- 12 (4) an explanation of the reason for the amendment;
- 13 (5) other documentation relevant to the determination by
14 the court.

15 (b) When the petition is filed with the superior court, the
16 court shall set the matter for hearing and issue an ex parte order
17 setting out the manner in which notice shall be given to the unit
18 owners in the association.

19 (c) The court may, but is not required to, grant the petition if
20 it finds that

- 21 (1) the petitioner has given not less than 15 days' written
22 notice of the court hearing to
 - 23 (A) each unit owner in the association;
 - 24 (B) a mortgagee of a mortgage or beneficiary of a deed
25 of trust that is entitled to notice under the provisions of the
26 declaration; and
 - 27 (C) the municipality in which the common interest
28 community is located if it is entitled to notice under the decla-
29 ration;

1 (2) the balloting on the proposed amendment was conducted
2 under each of the applicable provisions of the declaration, bylaws,
3 and rules or regulations of the association;

4 (3) a reasonable diligent effort was made to permit each
5 eligible unit owner to vote on the proposed amendment;

6 (4) in a common interest community with a single class
7 voting structure, unit owners with more than 50 percent of the votes
8 voted in favor of the amendment;

9 (5) in a voting structure with more than one class and
10 where the declaration requires a majority of more than one class to
11 vote in favor of the amendment, unit owners having more than 50 per-
12 cent of the votes in each class required by the declaration to vote in
13 favor of the amendment did vote in favor of the amendment;

14 (6) the amendment is reasonable; and

15 (7) granting the petition is appropriate considering the
16 circumstances.

17 (d) If the court makes the findings required in (c) of this
18 section, an order issued under this section may

19 (1) confirm the amendment as being validly approved on the
20 basis of the affirmative votes actually received during the balloting
21 period; or

22 (2) dispense with a requirement relating to quorums or to
23 the percentage of votes needed for approval of an amendment under the
24 governing documents.

25 (e) A court may not approve an amendment to a declaration under
26 this section that

27 (1) would change the provision in a declaration requiring
28 the approval of unit owners having more than 50 percent of the votes
29 in more than one class to vote in favor of an amendment unless more

1 than 50 percent of the unit owners in each affected class of unit
2 owners approve the amendment;

3 (2) would eliminate a special right, preference, or privi-
4 lege designated in the declaration as belonging to the declarant
5 without the approval of the declarant; or

6 (3) would impair the security interest of a mortgagee of a
7 mortgage or the beneficiary of a deed of trust without the approval of
8 the percentage of the mortgagees and beneficiaries specified in the
9 declaration if the declaration requires the approval of a specified
10 percentage of the mortgagees and beneficiaries.

11 (f) An amendment to the declaration approved under this section
12 is not effective until the order of the court and the amendment have
13 been recorded in each recording district in which a portion of the
14 common interest community is located. The amendment may be acknowi-
15 edged by, and the court order and amendment may be recorded by, an
16 individual designated in the declaration or by the association and, if
17 no one is designated for that purpose, by the president of the assoc-
18 iation. On the recording of the amendment and the court order, the
19 declaration, as amended under this section, has the same force and
20 effect as if the amendment were adopted in compliance with the decla-
21 ration.

22 (g) Within a reasonable time after the recording of the amend-
23 ment under (f) of this section, the association shall mail a copy of
24 the amendment to each unit owner in the association together with a
25 statement that the amendment has been recorded.

26 * Sec. 6. AS 34.08.260 is amended by adding new subsections to read:

27 (m) A declaration that specifies a termination date but that
28 does not contain a provision for the extension of the termination date
29 may be extended

1 (1) by the approval of the unit owners having more than 50
2 percent of the votes in the association;

3 (2) by the approval of the unit owners having the percent-
4 age of votes as specified in the declaration for an amendment to the
5 declaration; or

6 (3) if the approval of unit owners having more than 50
7 percent of the votes in the association is required to amend the
8 declaration, under AS 34.08.255.

9 (n) An amendment to a declaration under (m) of this section
10 becomes effective when it has been recorded in each recording district
11 in which a portion of the common interest community is located.

12 (o) A single extension of the terms of a declaration made under
13 this section may not exceed the initial term of the declaration or 20
14 years, whichever is less. More than one extension of the term may
15 occur under this section.

16 * Sec. 7. AS 34.08.470(j) is amended to read:

17 (j) The association's lien may be foreclosed under this subsec-
18 tion:

19 (1) in a condominium or planned community, the lien of the
20 association must be foreclosed [AS A MORTGAGE OR DEED OF TRUST ON REAL
21 ESTATE IS FORECLOSED, OR] as a lien is foreclosed under AS 34.35.005;

22 (2) in a cooperative whose unit owners' interests in the
23 units are real estate, the lien of the association must be foreclosed
24 as a mortgage or deed of trust on real estate is foreclosed or as a
25 lien is foreclosed under AS 34.35.005; or

26 (3) in a cooperative whose unit owners' interests in the
27 units are personal property, the lien of the association must be
28 foreclosed as a security interest under AS 45.09 [; OR

29 (4) IN THE CASE OF FORECLOSURE UNDER AS 34.20.070, THE

1 ASSOCIATION SHALL GIVE REASONABLE NOTICE OF ITS ACTION TO EACH LIEN
2 HOLDER OF A UNIT WHOSE INTEREST WOULD BE AFFECTED].

3 * Sec. 8. AS 34.08.590 is amended by adding a new subsection to read:

4 (d) A unit owner in a planned community that was created before
5 January 1, 1986, is not exempt under AS 34.08.050, and does not col-
6 lect assessments as a planned community and has not formed an asso-
7 ciation or elected officers or an executive board may comply with (a)
8 and (b) of this section by furnishing the purchaser of the unit an
9 affidavit in recordable form

10 (1) stating that assessments are not collected, the last
11 date assessments were collected, if known, the amount of the last
12 assessment, if known, and the reason assessments ceased;

13 (2) stating that an association has not been formed or that
14 no officers or executive board exists; and

15 (3) providing the purchaser a copy of

16 (A) the recorded declaration, if any, and any amend-
17 ment to the declaration;

18 (B) bylaws, rules, and regulations of the association,
19 if any; and

20 (C) a brief narrative description of

21 (i) the real estate comprising the planned commu-
22 nity; and

23 (ii) obligations to pay for real estate taxes,
24 insurance premiums, maintenance, and improvements of the
25 real estate described in the declaration.

26 * Sec. 9. In a condominium or cooperative created after January 1,
27 1986, and before the effective date of this Act, the provisions of
28 AS 34.08.040 apply to events and occurrences concerning the condominium or
29 cooperative occurring after the effective date of this Act.

1 * Sec. 10. AS 34.08.020 is repealed.

PROPOSED JUDICIARY COMMITTEE SUBSTITUTE
SENATE BILL 470
Sectional Analysis

Section 1.

AS 34.08.020 is repealed. Cooperatives by nature are creatures of statutory law and should be regulated by the Common Interest Ownership Act.

Section 2.

AS 34.08.030 is amended to apply only to planned communities in which there are no development rights and whose annual assessments are limited to \$100 per unit.

Section 3.

The wording of this new section was contained in the original AS 34.08.030. Due to the modifications to that section, the drafter recommended a new section be created.

Section 4.

AS 34.08.040 is amended to include AS 34.08.510 as an applicable section to preexisting common interest communities. AS 34.08.510 is referenced in AS 34.08.590 (Resale certificates) but was not included under AS 34.08.040. This addition clarifies the applicable sections.

Section 5.

A new section is added that gives associations the ability to petition the court in order to amend declarations. This is needed to modify declarations which have no provisions for amendments or whose declarations require a high percentage of unit owners to vote on amendments. Adequate due process provisions are included. This is adopted from the California law.

Section 6.

A new section is added that gives associations the ability to petition the court in order to extend the termination date of the declaration. This is needed where no provisions for extension are provided in declarations. Adequate due process provisions are included. This is adopted from the California law.

Section 7.

AS 34.08.470 is amended by repealing the nonjudicial lien foreclosure procedures under AS 34.20.070 (Deed of Trust) as apply to condominiums and planned communities. The remedy available under the Deed of Trust statute was intended to be available only to the

original parties to the deed, and thus is inappropriate for nonparties, particularly condominiums and planned communities.

Section 8.

AS 34.08.590 is amended by adding an alternative resale certificate for planned communities where there is no association or officers and where no assessments are collected.

Section 9.

This section was added in order to comply with the revisions to AS 34.08.020 and AS 34.08.030.

Offered: 4/11/86
Referred: Finance

Original sponsor: Finance Committee

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 CS FOR SENATE BILL NO. 470 (Judiciary)
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 the Uniform Common Interest
7 Ownership Act."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 34.08.010 is amended to read:
10 Sec. 34.08.010. APPLICABILITY GENERALLY. Except as provided in
11 AS [34.08.020 AND] 34.08.030, this chapter applies to each common
12 interest community created within the state after January 1, 1986.
13 The provisions of AS 10.15 and AS 34.07 do not apply to common
14 interest communities created after January 1, 1986.
15 * Sec. 2. AS 34.08.030 is amended to read:
16 Sec. 34.08.030. APPLICABILITY TO [SMALL AND] LIMITED EXPENSE
17 LIABILITY PLANNED [COMMON INTEREST] COMMUNITIES. If a planned [COM-
18 MON INTEREST] community created after January 1, 1986, [CONTAINS NO
19 MORE THAN 12 UNITS AND] is not subject to any development rights and
20 [OR FINANCING FROM THE ALASKA HOUSING FINANCE CORPORATION OR] pro-
21 vides, in its declaration, that the annual average common expense
22 liability of all units restricted to residential purposes, exclusive
23 of optional user fees and any insurance premiums paid by the asso-
24 ciation, may not exceed \$100, as adjusted under AS 34.08.820, the
25 planned [COMMON INTEREST] community is subject only to AS 34.08.720 -
26 34.08.740 unless the declaration provides that the entire chapter is
27 applicable. [A DECLARANT MAY NOT SUBDIVIDE REAL PROPERTY UNDER SINGLE
28 OWNERSHIP INTO TWO OR MORE COMMON INTEREST COMMUNITIES TO AVOID THE
29 APPLICATION OF THIS CHAPTER.]

1 * Sec. 3. AS 34.08 is amended by adding a new section to read:

2 Sec. 34.08.035. PROHIBITED SUBDIVISIONS. A declarant may not
3 subdivide real property under single ownership into two or more common
4 interest communities to avoid the application of this chapter.

5 * Sec. 4. AS 34.08.040 is amended to read:

6 Sec. 34.08.040. APPLICABILITY TO PREEXISTING COMMON INTEREST
7 COMMUNITIES. Except as provided in AS 34.08.050, the provisions of
8 AS 34.08.110, 34.08.120, 34.08.290, 34.08.320(1) - (6) and (11) -
9 (16), 34.08.420, 34.08.470, 34.08.490, 34.08.510, 34.08.590, 34.08.-
10 670, 34.08.720, 34.08.730, 34.08.740, and 34.08.990, to the extent
11 necessary in construing any of those sections, apply to all common
12 interest communities created in the state before January 1, 1986,
13 except that the sections apply only with respect to events and circum-
14 stances occurring after January 1, 1986, and do not invalidate exist-
15 ing provisions of the declaration, bylaws, or plats or plans of the
16 common interest communities.

17 * Sec. 5. AS 34.08 is amended by adding a new section to read:

18 Sec. 34.08.255. AMENDMENT OF A DECLARATION WHERE FEWER THAN 50
19 PERCENT OF UNIT OWNERS APPROVE. (a) If a declaration requires owners
20 having more than 50 percent of the votes in the association in a
21 single class voting structure or unit owners having more than 50
22 percent of the votes in more than one class in a voting structure with
23 more than one class to vote in favor of an amendment in order to amend
24 a declaration, the association or a unit owner may petition the supe-
25 rior court for the judicial district in which the common interest
26 community is located for an order reducing the percentage of the
27 affirmative votes necessary for the adoption of the amendment. The
28 petition shall describe the efforts that have been made to solicit the
29 approval of the unit owners in the association in the manner required

1 by the declaration, the number of affirmative and negative votes
2 actually received, the number or percentage of affirmative votes
3 required to adopt the amendment under the declaration, and any other
4 matter the petitioner considers relevant to the determination of the
5 court. The petition must include as exhibits to the petition a copy
6 of

- 7 (1) the governing documents;
- 8 (2) a complete text of the amendments;
- 9 (3) a copy of each notice and the solicitation materials
10 used in the solicitation of the approval of the amendment by the unit
11 owners;
- 12 (4) an explanation of the reason for the amendment;
- 13 (5) other documentation relevant to the determination by
14 the court.

15 (b) When the petition is filed with the superior court, the
16 court shall set the matter for hearing and issue an ex parte order
17 setting out the manner in which notice shall be given to the unit
18 owners in the association.

19 (c) The court may, but is not required to, grant the petition if
20 it finds that

- 21 (1) the petitioner has given not less than 15 days' written
22 notice of the court hearing to
 - 23 (A) each unit owner in the association;
 - 24 (B) a mortgagee of a mortgage or beneficiary of a deed
25 of trust that is entitled to notice under the provisions of the
26 declaration; and
 - 27 (C) the municipality in which the common interest
28 community is located if it is entitled to notice under the decla-
29 ration;

1 (2) the balloting on the proposed amendment was conducted
2 under each of the applicable provisions of the declaration, bylaws,
3 and rules or regulations of the association;

4 (3) a reasonable diligent effort was made to permit each
5 eligible unit owner to vote on the proposed amendment;

6 (4) in a common interest community with a single class
7 voting structure, unit owners with more than 50 percent of the votes
8 voted in favor of the amendment;

9 (5) in a voting structure with more than one class and
10 where the declaration requires a majority of more than one class to
11 vote in favor of the amendment, unit owners having more than 50 per-
12 cent of the votes in each class required by the declaration to vote in
13 favor of the amendment did vote in favor of the amendment;

14 (6) the amendment is reasonable; and

15 (7) granting the petition is appropriate considering the
16 circumstances.

17 (d) If the court makes the findings required in (c) of this
18 section, an order issued under this section may

19 (1) confirm the amendment as being validly approved on the
20 basis of the affirmative votes actually received during the balloting
21 period; or

22 (2) dispense with a requirement relating to quorums or to
23 the percentage of votes needed for approval of an amendment under the
24 governing documents.

25 (e) A court may not approve an amendment to a declaration under
26 this section that

27 (1) would change the provision in a declaration requiring
28 the approval of unit owners having more than 50 percent of the votes
29 in more than one class to vote in favor of an amendment unless more

1 than 50 percent of the unit owners in each affected class of unit
2 owners approve the amendment;

3 (2) would eliminate a special right, preference, or privi-
4 lege designated in the declaration as belonging to the declarant
5 without the approval of the declarant; or

6 (3) would impair the security interest of a mortgagee of a
7 mortgage or the beneficiary of a deed of trust without the approval of
8 the percentage of the mortgagees and beneficiaries specified in the
9 declaration if the declaration requires the approval of a specified
10 percentage of the mortgagees and beneficiaries.

11 (f) An amendment to the declaration approved under this section
12 is not effective until the order of the court and the amendment have
13 been recorded in each recording district in which a portion of the
14 common interest community is located. The amendment may be acknowl-
15 edged by, and the court order and amendment may be recorded by, an
16 individual designated in the declaration or by the association and, if
17 no one is designated for that purpose, by the president of the asso-
18 ciation. On the recording of the amendment and the court order, the
19 declaration, as amended under this section, has the same force and
20 effect as if the amendment were adopted in compliance with the decla-
21 ration.

22 (g) Within a reasonable time after the recording of the amend-
23 ment under (f) of this section, the association shall mail a copy of
24 the amendment to each unit owner in the association together with a
25 statement that the amendment has been recorded.

26 * Sec. 6. AS 34.08.260 is amended by adding new subsections to read:

27 (m) A declaration that specifies a termination date but that
28 does not contain a provision for the extension of the termination date
29 may be extended

1 (1) by the approval of the unit owners having more than 50
2 percent of the votes in the association;

3 (2) by the approval of the unit owners having the percent-
4 age of votes as specified in the declaration for an amendment to the
5 declaration; or

6 (3) if the approval of unit owners having more than 50
7 percent of the votes in the association is required to amend the
8 declaration, under AS 34.08.255.

9 (n) An amendment to a declaration under (m) of this section
10 becomes effective when it has been recorded in each recording district
11 in which a portion of the common interest community is located.

12 (o) A single extension of the terms of a declaration made under
13 this section may not exceed the initial term of the declaration or 20
14 years, whichever is less. More than one extension of the term may
15 occur under this section.

16 * Sec. 7. AS 34.08.470(j) is amended to read:

17 (j) The association's lien may be foreclosed under this subsec-
18 tion:

19 (1) in a condominium or planned community, the lien of the
20 association must be foreclosed [AS A MORTGAGE OR DEED OF TRUST ON REAL
21 ESTATE IS FORECLOSED, OR] as a lien is foreclosed under AS 34.35.005;

22 (2) in a cooperative whose unit owners' interests in the
23 units are real estate, the lien of the association must be foreclosed
24 as a mortgage or deed of trust on real estate is foreclosed or as a
25 lien is foreclosed under AS 34.35.005; or

26 (3) in a cooperative whose unit owners' interests in the
27 units are personal property, the lien of the association must be
28 foreclosed as a security interest under AS 45.09 [; OR

29 (4) IN THE CASE OF FORECLOSURE UNDER AS 34.20.070, THE

1 ASSOCIATION SHALL GIVE REASONABLE NOTICE OF ITS ACTION TO EACH LIEN
2 HOLDER OF A UNIT WHOSE INTEREST WOULD BE AFFECTED].

3 * Sec. 8. AS 34.08.590 is amended by adding a new subsection to read:

4 (d) A unit owner in a planned community that was created before
5 January 1, 1986, is not exempt under AS 34.08.050, and does not col-
6 lect assessments as a planned community and has not formed an asso-
7 ciation or elected officers or an executive board may comply with (a)
8 and (b) of this section by furnishing the purchaser of the unit an
9 affidavit in recordable form

10 (1) stating that assessments are not collected, the last
11 date assessments were collected, if known, the amount of the last
12 assessment, if known, and the reason assessments ceased;

13 (2) stating that an association has not been formed or that
14 no officers or executive board exists; and

15 (3) providing the purchaser a copy of

16 (A) the recorded declaration, if any, and any amend-
17 ment to the declaration;

18 (B) bylaws, rules, and regulations of the association,
19 if any; and

20 (C) a brief narrative description of

21 (i) the real estate comprising the planned commu-
22 nity; and

23 (ii) obligations to pay for real estate taxes,
24 insurance premiums, maintenance, and improvements of the
25 real estate described in the declaration.

26 * Sec. 9. In a condominium or cooperative created after January 1,
27 1986, and before the effective date of this Act, the provisions of
28 AS 34.08.040 apply to events and occurrences concerning the condominium or
29 cooperative occurring after the effective date of this Act.

1 * Sec. 10. AS 34.08.020 is repealed.

Introduced: 4/1/86
Referred: Judiciary and
Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 470

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 the Uniform Common Interest
7 Ownership Act."

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

9 * Section 1. AS 34.08.020 is amended to read:

10 Sec. 34.08.020. APPLICABILITY TO SMALL COOPERATIVES. If a
11 cooperative created after January 1, 1986 contains only units re-
12 stricted to nonresidential use or contains no more than 12 units and
13 is not subject to any development rights [OR FINANCING FROM THE ALASKA
14 HOUSING FINANCE CORPORATION], it is subject only to AS 34.08.720 -
15 34.08.740 unless the declaration provides that the entire chapter is
16 applicable.

17 * Sec. 2. AS 34.08.030 is amended to read:

18 Sec. 34.08.030. APPLICABILITY TO SMALL AND LIMITED EXPENSE
19 LIABILITY PLANNED [COMMON INTEREST] COMMUNITIES. If a planned [COM-
20 MON INTEREST] community created after January 1, 1986 [CONTAINS NO
21 MORE THAN 12 UNITS AND] is not subject to any development rights or
22 [FINANCING FROM THE ALASKA HOUSING FINANCE CORPORATION OR] provides,
23 in its declaration, that the annual average common expense liability
24 of all units restricted to residential purposes, exclusive of optional
25 user fees and any insurance premiums paid by the association, may not
26 exceed \$100, as adjusted under AS 34.08.820, the planned [COMMON
27 INTEREST] community is subject only to AS 34.08.720 - 34.08.740 unless
28 the declaration provides that the entire chapter is applicable. [A
29 DECLARANT MAY NOT SUBDIVIDE REAL PROPERTY UNDER SINGLE OWNERSHIP INTO

1 TWO OR MORE COMMON INTEREST COMMUNITIES TO AVOID THE APPLICATION OF
2 THIS CHAPTER.]

3 * Sec. 3. AS 34.08 is amended by adding a new section to read:

4 Sec. 34.08.035. PROHIBITED SUBDIVISIONS. A declarant may not
5 subdivide real property under single ownership into two or more common
6 interest communities to avoid the application of this chapter.

7 * Sec. 4. AS 34.08.040 is amended to read:

8 Sec. 34.08.040. APPLICABILITY TO PREEXISTING COMMON INTEREST
9 COMMUNITIES. Except as provided in AS 34.08.050, the provisions of
10 AS 34.08.110, 34.08.120, 34.08.290, 34.08.320(1) - (6) and (11) -
11 (16), 34.08.420, 34.08.470, 34.08.490, 34.08.510, 34.08.590, 34.08.-
12 670, 34.08.720, 34.08.730, 34.08.740, and 34.08.990, to the extent
13 necessary in construing any of those sections, apply to all common
14 interest communities created in the state before January 1, 1986,
15 except that the sections apply only with respect to events and circum-
16 stances occurring after January 1, 1986, and do not invalidate exist-
17 ing provisions of the declaration, bylaws, or plats or plans of the
18 common interest communities.

19 * Sec. 5. AS 34.08 is amended by adding a new section to read:

20 Sec. 34.08.255. AMENDMENT OF A DECLARATION WHERE FEWER THAN 50
21 PERCENT OF UNIT OWNERS APPROVE. (a) If a declaration requires owners
22 having more than 50 percent of the votes in the association in a
23 single class voting structure or unit owners having more than 50
24 percent of the votes in more than one class in a voting structure with
25 more than one class to vote in favor of an amendment in order to amend
26 a declaration, the association or a unit owner may petition the supe-
27 rior court for the judicial district in which the common interest
28 community is located for an order reducing the percentage of the
29 affirmative votes necessary for the adoption of the amendment. The

1 petition shall describe the efforts that have been made to solicit the
2 approval of the unit owners in the association in the manner required
3 by the declaration, the number of affirmative and negative votes
4 actually received, the number or percentage of affirmative votes
5 required to adopt the amendment under the declaration, and any other
6 matter the petitioner considers relevant to the determination of the
7 court. The petition must include as exhibits to the petition a copy
8 of

9 (1) the governing documents;

10 (2) a complete text of the amendments;

11 (3) a copy of each notice and the solicitation materials
12 used in the solicitation of the approval of the amendment by the unit
13 owners;

14 (4) an explanation of the reason for the amendment;

15 (5) other documentation relevant to the determination by
16 the court.

17 (b) When the petition is filed with the superior court, the
18 court shall set the matter for hearing and issue an ex parte order
19 setting out the manner in which notice shall be given to the unit
20 owners in the association.

21 (c) The court may, but is not required to, grant the petition if
22 it finds that

23 (1) the petitioner has given not less than 15 days' written
24 notice of the court hearing to

25 (A) each unit owner in the association;

26 (B) a mortgagee of a mortgage or beneficiary of a deed
27 of trust that is entitled to notice under the provisions of the
28 declaration; and

29 (C) the municipality in which the common interest

1 community is located if it is entitled to notice under the decla-
2 ration;

3 (2) the balloting on the proposed amendment was conducted
4 under each of the applicable provisions of the declaration, bylaws,
5 and rules or regulations of the association;

6 (3) a reasonable diligent effort was made to permit each
7 eligible unit owner to vote on the proposed amendment;

8 (4) in a common interest community with a single class
9 voting structure, unit owners with more than 50 percent of the votes
10 voted in favor of the amendment;

11 (5) in a voting structure with more than one class and
12 where the declaration requires a majority of more than one class to
13 vote in favor of the amendment, unit owners having more than 50 per-
14 cent of the votes in each class required by the declaration to vote in
15 favor of the amendment did vote in favor of the amendment;

16 (6) the amendment is reasonable; and

17 (7) granting the petition is appropriate considering the
18 circumstances.

19 (d) If the court makes the findings required in (c) of this
20 section, an order issued under this section may

21 (1) confirm the amendment as being validly approved on the
22 basis of the affirmative votes actually received during the balloting
23 period; or

24 (2) dispense with a requirement relating to quorums or to
25 the percentage of votes needed for approval of an amendment under the
26 governing documents.

27 (e) A court may not approve an amendment to a declaration under
28 this section that

29 (1) would change the provision in a declaration requiring

1 the approval of unit owners having more than 50 percent of the votes
2 in more than one class to vote in favor of an amendment unless more
3 than 50 percent of the unit owners in each affected class of unit
4 owners approve the amendment;

5 (2) would eliminate a special right, preference, or privi-
6 lege designated in the declaration as belonging to the declarant
7 without the approval of the declarant; or

8 (3) would impair the security interest of a mortgagee of a
9 mortgage or the beneficiary of a deed of trust without the approval of
10 the percentage of the mortgagees and beneficiaries specified in the
11 declaration if the declaration requires the approval of a specified
12 percentage of the mortgagees and beneficiaries.

13 (f) An amendment to the declaration approved under this section
14 is not effective until the order of the court and the amendment have
15 been recorded in each municipality in which a portion of the common
16 interest community is located. The amendment may be acknowledged by,
17 and the court order and amendment may be recorded by, an individual
18 designated in the declaration or by the association and, if no one is
19 designated for that purpose, by the president of the association. On
20 the recording of the amendment and the court order, the declaration,
21 as amended under this section, has the same force and effect as if the
22 amendment were adopted in compliance with the declaration.

23 (g) Within a reasonable time after the recording of the amend-
24 ment under (f) of this section, the association shall mail a copy of
25 the amendment to each unit owner in the association together with a
26 statement that the amendment has been recorded.

27 * Sec. 6. AS 34.08.260 is amended by adding new subsections to read:

28 (m) A declaration that specifies a termination date but that
29 does not contain a provision for the extension of the termination date

1 may be extended

2 (1) by the approval of the unit owners having more than 50
3 percent of the votes in the association;

4 (2) by the approval of the unit owners having the percent-
5 age of votes as specified in the declaration for an amendment to the
6 declaration; or

7 (3) if the approval of unit owners having more than 50
8 percent of the votes in the association is required to amend the
9 declaration, under AS 34.08.255.

10 (n) An amendment to a declaration under (m) of this section
11 becomes effective when it has been recorded in each municipality in
12 which a portion of the common interest community is located.

13 (o) A single extension of the terms of a declaration made under
14 this section may not exceed the initial term of the declaration or 20
15 years, whichever is less. More than one extension of the term may
16 occur under this section.

17 * Sec. 7. AS 34.08.470(j) is amended to read:

18 (j) The association's lien may be foreclosed under this subsec-
19 tion:

20 (1) in a condominium or planned community, the lien of the
21 association must be foreclosed [AS A MORTGAGE OR DEED OF TRUST ON REAL
22 ESTATE IS FORECLOSED, OR] as a lien is foreclosed under AS 34.35.005;

23 (2) in a cooperative whose unit owners' interests in the
24 units are real estate, the lien of the association must be foreclosed
25 as a mortgage or deed of trust on real estate is foreclosed or as a
26 lien is foreclosed under AS 34.35.005; or

27 (3) in a cooperative whose unit owners' interests in the
28 units are personal property, the lien of the association must be
29 foreclosed as a security interest under AS 45.09 [; OR

1 (4) IN THE CASE OF FORECLOSURE UNDER AS 34.20.070, THE
2 ASSOCIATION SHALL GIVE REASONABLE NOTICE OF ITS ACTION TO EACH LIEN
3 HOLDER OF A UNIT WHOSE INTEREST WOULD BE AFFECTED].

4 * Sec. 8. AS 34.08.590 is amended by adding a new subsection to read:

5 (d) A unit owner in a planned community that was created before
6 January 1, 1986, is not exempt under AS 34.08.050, and does not col-
7 lect assessments as a planned community and has not formed an asso-
8 ciation or elected officers or an executive board may comply with (a)
9 and (b) of this section by furnishing the purchaser of the unit an
10 affidavit in recordable form

11 (1) stating that assessments are not collected, the last
12 date assessments were collected, if known, the amount of the last
13 assessment, if known, and the reason assessments ceased;

14 (2) stating that an association has not been formed or that
15 no officers or executive board exists; and

16 (3) providing the purchaser a copy of

17 (A) the recorded declaration, if any, and any amend-
18 ment to the declaration;

19 (B) bylaws, rules, and regulations of the association,
20 if any; and

21 (C) a brief narrative description of

22 (i) the real estate comprising the planned commu-
23 nity; and

24 (ii) obligations to pay for real estate taxes,
25 insurance premiums, maintenance, and improvements of the
26 real estate described in the declaration.

27 * Sec. 9. In a condominium created after January 1, 1986, and before
28 the effective date of the amendment to AS 34.08.030 made by sec. 2 of this
29 Act, the provisions of AS 34.08.040 apply to events and occurrences con-

1 cerning the condominium occurring after the effective date of the amendment
2 to AS 34.08.030.

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

4/1/86

Date 4/10/86

Mr. President

The Committee on JUDICIARY considered SB 470 relating to the Uniform Common Interest Ownership Act.

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

- [x] do pass
[] do pass with attached amendment(s)
[x] replace with/or adopt CS for SB 470 (JUD)
[] new title
[x] 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

Handwritten signatures: Tom Kelly, Rick Hallford, 3 others

MEMBERS HAVING

OTHER RECOMMENDATIONS

Blank lines for other recommendations

Handwritten signature of Patrick Rydley

Chairman

DO PASS

Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

4/15/86

Date 4/22/86

Mr. President

The Committee on FINANCE considered SB 472

relating to the interim management of the mental health trust; 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 SR 472 (Res)
- new title
- same title ~~and recommends~~ _____
- and attached a "LETTER OF INTENT" 2 NEW FISCAL NOTES
300.0 SFC
0 SFC
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Rich Halford

R. Halford

J. Halford

MEMBERS HAVING
OTHER RECOMMENDATIONS

Rich Halford NO REC

Rich Halford NO REC

Carl Frick NO REC

Co-Chairman Jan Fick

No Rec

Chairman recommendation

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : 4-21-86

REQUEST

Bill/Resolution No. : CSSB-472 (RES)
 Title : Management of Mental Health Trust Lands
 Sponsor : Senate Finance
 Requestor : Senator Sackett
 Date of Request : 4-21-86

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land and Water Management
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		300.0				
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		300.0				
FEDERAL FUNDS						
OTHER						
TOTAL		300.0				

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Fiscal note analysis attached

REVISED

Prepared by : Senate Finance
 Division : Legislative Finance

Phone : 465-3753
 Date : 4-21-86

Approved by Commissioner : Senator Sackett
 Agency : Senate Finance

Date : 4-21-86

Distribution (by Agency preparing fiscal note):

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

These funds will permit the Department of Natural Resources, Land and Water Management to carry out the following functions stipulated in CSSB-472(Res):

1. Sec. 3 (a) account for all funds or land received from conveyances and exchanges between July 19, 1978 and October 4, 1985.
2. Sec. 3 (b) Identify and appraise all less than fair market value conveyances and encumbrances.
3. Sec. 3 (c) Provide management oversight of all transactions and account for funds received from mental health lands.
4. Sec. 2 (f) hire commission staff personnel as may be necessary to carry out the responsibilities of the Interim Mental Health Trust Commission.

NOTES:* Rather than allocate the funds to each component it was preferred the Department have the flexibility to utilize funds as determined by the Commissioner of Natural Resources.

- * Sec. 4 (1) Requires the Department of Health and Social Services to provide an independent audit of mental health expenditures from July 1, 1978 through June 30, 1986.....The Department had requested \$81.0 for this purpose but has indicated they can handle the cost with existing funds.
- * \$100,000 is included in the Department of Law's FY87 budget for payment of plaintiff legal fees should the court so order.
- * SCR-36, creates a joint legislative committee on mental health trust lands and carries a fiscal note of \$30.6 appropriated to Legislative Affairs.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : 4-21-86

REQUEST

Bill/Resolution No. : CS SB 472 (Res)
 Title : An Act relating to the interim management of mental health trust land and providing for an effective date.
 Sponsor : _____
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : DHSS Administrative Services
 Components : Audit

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		0				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME		0				
PART-TIME		0				
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senate Finance
 Division : Legislative Finance

Phone : 465-3753
 Date : 4-21-86

Approved by Commissioner : Senator Sackett
 Agency : Senate Finance

Date : 4-21-86

Distribution (by Agency preparing fiscal note) :

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



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

SENATE FINANCE COMMITTEE

LETTER OF INTENT

CS SB 472 (RESOURCES)

It is the intent of the legislature that the Interim Mental Health Trust Commission established by CS SB-472 shall include at least one member besides the Commissioner of Natural Resources who has experience and knowledge in Alaskan based property and resource values.

Offered: 4/15/85
Referred: Finance

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 472 (Resources)

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 the interim management of the
7 mental health trust; and providing for an effective
8 date."

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

10 * Section 1. The legislature finds that

11 (1) the Congress granted 1,000,000 acres of land to the Terri-
12 tory of Alaska to be administered as a public trust for the necessary
13 expenses of the support of mental health in the territory;

14 (2) the land authorized to be granted to the Territory of Alaska
15 has been selected by the territory and since statehood by the state and
16 most of the 1,000,000 acres has been conveyed to the state;

17 (3) the Alaska Supreme Court ruled in State v. Weiss, 706 P.2d
18 681 (Alaska 1985) that the legislation redesignating mental health trust
19 land as general grant land had actually breached the trust established by
20 Congress and the court ordered the trust reconstituted;

21 (4) there is presently no statutory authority providing for the
22 management of the mental health trust land as trust land;

23 (5) the Alaska Mental Health Association as the original sponsor
24 of the litigation regarding the management of the mental health trust land,
25 more recently participating as intervenor in the litigation, and the plain-
26 tiffs have performed and continue to perform an important public function
27 in their efforts to reconstitute the mental health trust land and to pro-
28 vide for the proper management of the trust land; and

29 (6) there is a need for the interim management of the trust land

1 as a public trust.

2 * Sec. 2. INTERIM MENTAL HEALTH TRUST COMMISSION ESTABLISHED. (a) The
3 interim mental health trust commission is established in the Department of
4 Natural Resources.

5 (b) The commission established under (a) of this section consists of
6 five members, including the commissioner of natural resources and the
7 commissioner of health and social services, or their designees, and three
8 members appointed by the governor as follows:

9 (1) a member representing the plaintiffs, appointed by the
10 governor from a list of three names submitted to the governor by the plain-
11 tiffs in State v. Weiss, 706 P.2d 681 (Alaska 1985);

12 (2) a member representing the intervenors, appointed by the
13 governor from a list of three names submitted to the governor by the inter-
14 venors in State v. Weiss, 706 P.2d 681 (Alaska 1985); and

15 (3) a member representing the Governor's Mental Health Advisory
16 Council, appointed by the governor from a list of three names submitted to
17 the governor by the Governor's Mental Health Advisory Council.

18 (c) The members of the commission shall elect a presiding officer. A
19 majority of the commission constitutes a quorum. The affirmative vote of
20 three members is required to take official action. A vacancy does not
21 impair the power of the remaining members to exercise the powers of the
22 commission.

23 (d) Members of the commission serve without compensation but are
24 entitled to per diem and travel expenses authorized by law for other boards
25 under AS 39.20.180.

26 (e) The commission shall meet at least quarterly and may meet more
27 frequently, either in person or by teleconference.

28 (f) The commission may employ an executive director and staff to
29 assist it in fulfilling its responsibilities under this Act. The employees

1 shall be in the exempt service.

2 (g) The commission may contract with parties or individuals for the
3 performance of functions assigned to it.

4 * Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND
5 THE COMMISSION. (a) The commissioner of natural resources shall inventory
6 and catalog the mental health trust land of the state, shall audit and
7 appraise each land transaction involving land that has been part of the
8 mental health trust land of the state, and determine the status of mental
9 health trust land on the effective date of this Act under procedures and
10 guidelines established by the commissioner of natural resources with the
11 approval of the commission. In the exercise of the commission's respon-
12 sibilities under this section, the commission may review the records of the
13 Department of Natural Resources.

14 (b) The commissioner of natural resources shall, with the approval of
15 the commission, retain an appraiser or appraisers to appraise all or a
16 portion of land that, at any time, was part of the mental health trust land
17 of the state. The commissioner shall provide an appraiser conducting an
18 appraisal with written procedures and instructions that have been approved
19 by the commission.

20 (c) The commissioner of natural resources is responsible for the
21 management of the mental health land of the state as a public trust under
22 P.L. 84-830, 70 Stat. 709. Except for a transfer authorized under AS 38.-
23 05.035(b)(9), the commissioner of natural resources may not sell, lease, or
24 exchange mental health trust land of the state or an interest in the mental
25 health trust land of the state without the prior approval of the commis-
26 sion. In reviewing a proposal for the sale, lease, or exchange of mental
27 health trust land from the commissioner of natural resources, the commis-
28 sion may approve the proposal of the commissioner on its determination that
29 the proposal is consistent with the terms of the trust established by the

1 Alaska Mental Health Enabling Act.

2 (d) The proceeds from the management of the mental health trust land
3 of the state shall be deposited in a special trust account in the general
4 fund of the state and are subject to appropriation by the legislature.

5 * Sec. 4. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL
6 SERVICES AND THE COMMISSION. (a) The commissioner of health and social
7 services, with the approval of the commission, shall

8 (1) select an independent auditor to audit the state's mental
9 health program;

10 (2) establish the procedures and guidelines to guide the auditor
11 selected under this subsection;

12 (3) propose the guidelines and procedures to be used in de-
13 termining a range of expenditures for mental health programs necessary to
14 comply with the state's comprehensive mental health plan.

15 (b) The commission may review the records of the Department of Health
16 and Social Services that involve mental health expenditures under the
17 state's comprehensive mental health plan.

18 * Sec. 5. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-
19 sion shall submit a report to the legislature by the 10th day of the first
20 session of the fifteenth state legislature on matters of concern to the
21 commission. The report shall include its recommendations for amendment of
22 the laws relating to the management of the mental health trust, the mental
23 health trust land, and the mental health program of the state.

24 * Sec. 6. DEFINITION. In this Act "commission" means the interim
25 mental health trust commission established in sec. 2 of this Act.

26 * Sec. 7. This Act is repealed July 1, 1987.

27 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
28 10.070(c).

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: 4-21-86

REQUEST

Bill/Resolution No. : CSSB-472 (RES)
 Title : Management of Mental Health Trust lands
 Sponsor : Senate Finance
 Requestor : Senator Sackett
 Date of Request : 4-21-86

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land and Water Management
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		250.0				
TOTAL OPERATING						

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		250.0				
FEDERAL FUNDS						
OTHER						
TOTAL		250.0				

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary Fiscal note analysis attached

Prepared by : Senate Finance Phone : 465-3753
 Division : Legislative Finance Date : 4-21-86

Approved by Commissioner : Senator Sackett Date : 4-21-86
 Agency : Senate Finance

Distribution (by Agency preparing fiscal note) :

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

These funds will permit the Department of Natural Resources, Land and Water Management to carry out the following functions stipulated in CSSB-472(Res):

1. Sec. 3 (a) account for all funds or land received from conveyances and exchanges between July 19, 1978 and October 4, 1985.
2. Sec. 3 (b) Identify and appraise all less than fair market value conveyances and encumbrances.
3. Sec. 3 (c) Provide management oversight of all transactions and account for funds received from mental health lands.
4. Sec. 2 (f) hire commission staff personnel as may be necessary to carry out the responsibilities of the Interim Mental Health Trust Commission.

NOTES:* Rather than allocate the funds to each component it was preferred the Department have the flexibility to utilize funds as determined by the Commissioner of Natural Resources.

* Sec. 4 (1) Requires the Department of Health and Social Services to provide an independent audit of mental health expenditures from July 1, 1978 through June 30, 1986.....The Department had requested \$81.0 for this purpose but has indicated they can handle the cost with existing funds.

* \$100,000 is included in the Department of Law's FY87 budget for payment of plaintiff legal fees should the court so order.

* SCR-36, creates a joint legislative committee on mental health trust lands and carries a fiscal note of \$30.6 appropriated to Legislative Affairs.

C-1
5/12/86

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 5/7/86

REQUEST

Bill/Resolution No. : SB 472
 Title : Management of Mental Health Trust

 Sponsor : Senate HESS
 Requestor : House Finance
 Date of Request : 5/7/86

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land and Water Management

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		300.0				
TOTAL OPERATING		300.0				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		300.0				
FEDERAL FUNDS						
OTHER						
TOTAL		300.0				

POSITIONS :

FULL-TIME		3				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner Phone : 465-2400
 Division : Commissioner's Office Date : 5/7/86

Approved by Commissioner : Wm S D Amundson, Deputy Date : 5/7/86
 Agency : Department of Natural Resources

Distribution (by Agency preparing fiscal note):

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

Department of Natural Resources
5-7-86
Senate Bill 472
House Finance - Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office.

Task 4 specifies that \$72,000 will be made available to the commission which will prepare a budget for necessary expenditure of those funds. Tasks 1, 2, and 3 will be completed by the department with the remaining \$228,000. Rather than allocate the funds to each component it is preferred that the department have the flexibility to utilize the funds as determined necessary by the commissioner.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year.

2. Identify and appraise all less than fair market value conveyances and encumbrances.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised.

The reports and maps must take approximately 1,100 parcels into consideration. This project will be completed by the Natural Resource Officer I in item #1 above.

We project that approximately 820 parcels totalling 268,000 acres will need appraisals. These appraisals will be determined by an Opinion of Value panel method. This method employs three senior designated appraisers, each

representing one geographic region (northern, southcentral, and southeastern). The panel of appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental.

3. Provide management oversight of all transactions and account for funds received from mental health lands.

The Supreme Court decision in Weiss v. Alaska requires the department to manage mental health land as a trust consistent with the Alaska Mental Health Enabling Act. In order to comply in a defensible and consistent manner the department will employ a Natural Resource Manager and Accounting Technician.

The new Natural Resource Manager (NRM) position will oversee all actions taken by the department on mental health land. Over the last eight years we have averaged approximately 60 cases per month where some (former) mental health land was involved. These include mining locations, park permits, oil and gas lease sales, rights-of-way, ILMAs, municipal selections, leases, land sales, and nearly anything else in which the department is involved.

One of the major duties of the NRM will be review of these cases to ensure compliance with the court decision and prepare briefing packets for review by the commission. In addition the NRM will: prepare mental health land management notices to the department; prepare audit reports; oversee implementation of Department Order 121 relating to interim mental health land management; research trust land management problems; coordinate review and responses by various agencies; continue to update audit reports; implement procedure to recognize various trust lands on the LAS computer system; establish, maintain, and continue to improve departmental mental health land records system; prepare fact sheets and informational notices regarding mental health lands; and, oversee and assist in the activities of the NRO (item 1 above) and coordinate with the accountant position to ensure an accurate and expeditious procedure for distribution of monies.

It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel.

The accounting position is required to distribute the appropriate percentage of income to the proper accounts for each post-October 4, 1986 transaction involving mental health land. In addition to percentage distributions among land types this position must also identify the percentage distribution between interest, principle, and penalty payments for entry into AKSAS. Many of these transactions are manually posted. A large portion of the work this position must accomplish will be the large number of monthly transactions from pre-1978 and continuing leases which must be corrected to reflect the proper distribution of income monies between the general and trust accounts. This is a continuing prospective function for each of the several thousand transactions which include mental health land.

4. Commission funding for the performance of its duties.
Total allocation: \$72,000.

The commissioner shall allocate \$72,000 to the commission for the performance of its duties which may include, but are not limited to, hiring an executive director and staff, contracting with parties or individuals for the performance of functions it considers necessary, and travel expenses incurred in convening the commission or by the executive director. A budget for these funds will be prepared by the commission as provided in section 1 of the bill.

Office space and equipment will be provided by the department.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4/17/86

REQUEST

Bill/Resolution No. : SB 472
Title : Management of Mental Health Trust

Sponsor : Senate HESS
Requestor : Senate Finance
Date of Request : 4/10/86

FISCAL DETAIL

Agency Affected : Natural Resources
BRU : Land and Water Management

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		191.0				
TRAVEL		26.0				
CONTRACTUAL		129.1				
SUPPLIES		10.0				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		356.1				
CAPITAL						
REVENUE						

FUNDING : (Thousands of Dollars)

GENERAL FUND		356.1				
FEDERAL FUNDS						
OTHER						
TOTAL		356.1				

POSITIONS :

FULL-TIME		5				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner Phone : 465-2400
Division : Commissioner's Office Date : 4/17/86
Approved by Commissioner : *James D. Amick* Date : 4/17/86
Agency : Department of Natural Resources

Distribution (by Agency preparing fiscal note) :

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

Department of Natural Resources
4-17-86
Senate Bill 472
Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office. No funding is included for contracting with the plaintiffs and intervenors in the case.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985. Estimated costs: \$40,800.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year (37.8 personal services; 1.0 travel; 1.5 contractual; 0.5 commodities).

2. Identify and appraise all less than fair market value conveyances and encumbrances. Estimated costs: \$107,600.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised. If section 3(b) of the bill intends that all mental health land be appraised, then the cost, by the Opinion of Value panel method, will require an additional \$22,000.

The reports and maps must take approximately 1,100 parcels into consideration. This project will be completed by the Natural Resource Officer I in item #1 above.

The appraisals are expected to cost \$107,600. We project that approximately 820 parcels totalling 268,000 acres will need appraisals at an estimated cost of \$28,000. These appraisals will be determined by an Opinion of Value panel method. This method employs three senior designated appraisers, each representing one geographic region (northern, southcentral, and southeastern). The panel of

appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental. The approximate cost of these lease reappraisals is \$79,600.

3. Provide management oversight of all transactions and account for funds received from mental health lands.
Estimated costs: \$101,500.

Statewide trust management oversight can be provided by a Natural Resource Manager I. The manager would be expected to review a large number of transactions to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel. Additional contractual money allows for the hiring of temporary help to assist with less complex, routine procedural steps.

An Accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by the department annually that should be assigned to the mental health accounts.

Line items in this total are: 80.0 personal services; 5.0 travel; 12.0 contractual; and, 4.5 commodities.

4. Executive Director and secretary for Commission.
Estimated costs: \$106,200.

The executive director receives a monthly salary at the Natural Resource Manager level (range 18) and is in the exempt service. Office support is provided by a Clerk Typist II (range 7). Travel funding enables the director to meet regularly with the diverse mental health constituent groups and enables the commission to meet regularly. Office space and equipment will be provided in the department offices.

Line item totals are: 73.2 personal services; 20.0 travel; 8.0 contractual; 5.0 commodities.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : 4/17/86

REQUEST

Bill/Resolution No. : SB 472
Title : Management of Mental Health Trust

Sponsor : Senate HESS
Requestor : Senate Finance
Date of Request : 4/10/86

FISCAL DETAIL

Agency Affected : Natural Resources
BRU : Land and Water Management

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		227.9				
TRAVEL		26.0				
CONTRACTUAL		129.1				
SUPPLIES		10.0				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		393.0				

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		393.0				
FEDERAL FUNDS						
OTHER						
TOTAL		393.0				

POSITIONS :

FULL-TIME		5				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner
Division : Commissioner's Office

Phone : 465-2400
Date : 4/17/86

Approved by Commissioner : *Armut D. Armut*
Agency : Department of Natural Resources

Date : 4/17/86

Distribution (by Agency preparing fiscal note):

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

Department of Natural Resources
4-17-86
Senate Bill 472
Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office. No funding is included for contracting with the plaintiffs and intervenors in the case.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985. Estimated costs: \$40,800.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year (37.8 personal services; 1.0 travel; 1.5 contractual; 0.5 commodities).

2. Identify and appraise all less than fair market value conveyances and encumbrances. Estimated costs: \$107,600.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised. If section 3(b) of the bill intends that all mental health land be appraised, then the cost, by the Opinion of Value panel method, will require an additional \$22,000.

The reports and maps must take approximately 1,100 parcels into consideration. This project will be completed by the Natural Resource Officer I in item #1 above.

The appraisals are expected to cost \$107,600. We project that approximately 820 parcels totalling 268,000 acres will need appraisals at an estimated cost of \$28,000. These appraisals will be determined by an Opinion of Value panel method. This method employs three senior designated appraisers, each representing one geographic region (northern, southcentral, and southeastern). The panel of

appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental. The approximate cost of these lease reappraisals is \$79,600.

3. Provide management oversight of all transactions and account for funds received from mental health lands.
Estimated costs: \$101,500.

Statewide trust management oversight can be provided by a Natural Resource Manager I. The manager would be expected to review a large number of transactions to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel. Additional contractual money allows for the hiring of temporary help to assist with less complex, routine procedural steps.

An Accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by the department annually that should be assigned to the mental health accounts.

Line items in this total are: 80.0 personal services; 5.0 travel; 12.0 contractual; and, 4.5 commodities.

4. Executive Director and secretary for Commission.
Estimated costs: \$143,100.

The executive director receives a monthly salary at the Division Director level (range 26) and is in the exempt service. Office support is provided by a Secretary (range 10). Travel funding enables the director to meet regularly with the diverse mental health constituent groups and enables the commission to meet regularly. Office space and equipment will be provided in the department offices.

Line item totals are: 110.1 personal services; 20.0 travel; 8.0 contractual; 5.0 commodities.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB 472
 Title : "An Act relating to interim management of the mental health trust;"
 Sponsor : By the Resources Committee
 Requestor : Senate Finance Committee
 Date of Request : April 16, 1986

FISCAL DETAIL

Agency Affected : Department of Law
 BRU : Legal Services
 Components : Legal Services Operations

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	100.0					
MISCELLANEOUS						
TOTAL OPERATING	100.0	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND	100.0	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

-Please see attached analysis.-

Prepared by : Richard I. Pegues, Director Phone : 465-3600
 Division : Administrative Services Division Date : 4/16/86
 Approved by Commissioner : Harold M. Brown, Attorney General Date : 4/16/86
 Agency : Department of Law

Distribution (by Agency preparing fiscal note) :

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 472

\$100,000 is requested to be appropriated to the Department of Law for payment of court-ordered interim attorneys fees in Weiss v. State, Civil No. 4FA-82-2208. The normal procedure for an award of attorneys fees is to await final judgment in an action, at which time reasonable attorneys fees are awarded to the prevailing party under Civil Rule 82. However, in this extraordinary case, the class of plaintiffs (Alaskans who need mental health services) has no money to prosecute its rights and virtually by definition, cannot represent itself. As a result, the state has agreed to an extraordinary procedure under which the court may award interim attorneys fees, prior to the conclusion of the case, upon application by the class of plaintiffs (and, under certain narrow circumstances, intervenor) and review and possible objection by the state as to amount. The \$100,000 should be available to the Department of Law to satisfy court-ordered awards for services performed since the filing of the complaint through the end of FY 87.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB 472
 Title : An Act relating to the interim management of mental health trust land and providing for an effective date.
 Sponsor : _____
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : DHSS Administrative Services

 Components : Audit

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		81.0	0			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		81.0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		81.0				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME		0				
PART-TIME		0				
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : *Karen Perdue* Karen Perdue, Assistant Commissioner Phone : 465-3030
 Division : Commissioner's Office Date : April 14, 1986

Approved by Commissioner : *John R. By* Date : 4/16/86
 Agency : Health & Social Services

Distribution (by Agency preparing fiscal note) :

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

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The definition of mental health is not clear, and was not defined by the courts. The parties may agree to a definition or the court may be asked to define it for these purposes.

The department's cost estimate for an independent audit includes the accounting for a broad range of possible mental health expenditures. Auditing all possible expenditures and then applying those relevant to the final definition would be cheaper than presupposing the definition of mental health and then reperforming the audit should the definition be expanded beyond the original scope.

Department audit staff could perform this audit at a negligible cost if it is determined that a private firm is not needed. DHSS audit staff includes 3 CPAs who regularly perform hundreds of audits per year.

Should it be determined that the department perform this function in-house, the proposed language would have to be amended to delete the word "independent" in section 4(1).

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STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

FISCAL DETAIL

Bill/Resolution No. : SB 472
 Title : Management of Mental Health Trust

Agency Affected : Natural Resources
 BRU : Land and Water Management

Sponsor : Senate HESS
 Requestor : Senate Finance
 Date of Request : 4/10/86

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		271.6				
TRAVEL		33.0				
CONTRACTUAL		146.9				
SUPPLIES		9.6				
EQUIPMENT		3.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		464.1				

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		464.1				
FEDERAL FUNDS						
OTHER						
TOTAL		464.1				

POSITIONS :

FULL-TIME		7				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner Phone : 465-2400
 Division : Commissioner's Office Date : 4/10/86

Approved by Commissioner : Mark D Arnold, Deputy Date : 4/10/86
 Agency : Department of Natural Resources

Distribution (by Agency preparing fiscal note) :

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

Department of Natural Resources
4-10-86
Senate Bill 472
Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office. No funding is included for contracting with the plaintiffs and intervenors in the case.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985. Estimated costs: \$40,800.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year (37.8 personal services; 1.0 travel; 1.5 contractual; 0.5 commodities).

2. Identify and appraise all less than fair market value conveyances and encumbrances. Estimated costs: \$117,800.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised. If section 3(b) of the bill intends that all mental health land be appraised, then the cost, by the Opinion of Value panel method, will require an additional \$22,000.

The reports and maps must take approximately 1,100 parcels into consideration. We expect this project to take a single Natural Resource Officer I three months to complete. Additionally, the project will need funding for supplies and contractual clerical services (9.5 personal services; .5 contractual; .2 commodities).

The appraisals are expected to cost \$107,600. We project that approximately 820 parcels totalling 268,000 acres will need appraisals at an estimated cost of \$28,000. These appraisals will be determined by an Opinion of Value panel

method. This method employs three senior designated appraisers, each representing one geographic region (northern, southcentral, and southeastern). The panel of appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental. The approximate cost of these lease reappraisals is \$79,600.

3. Provide management oversight of all transactions and account for funds received from mental health lands.
Estimated costs: \$142,700.

Statewide trust management oversight can be provided by a Natural Resource Manager II with support from a Natural Resource Officer I. That manager would be expected to review a large number of transactions, with research assistance from a subordinate, to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel.

Accounting functions can be broken into two parts: ongoing accounting services, and an independent audit. An accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by DNR annually that should be assigned to the mental health accounts.

Line items in this total are: 124.0 personal services; 6.0 travel; 11.3 contractual; and, 1.4 commodities.

4. Provide administrative support to the commission.
Estimated costs: \$53,600.

The department would need to provide administrative support to the commission which includes arranging meetings, preparing briefing packets, documenting meeting results, and clerical support. The Natural Resource Officer I listed in item 3 above could assist with the details of action review and a Clerk Typist III would be needed to assist with typing and organization of meetings. Contractual monies would cover duplication costs, phone charges, postage, etc. Travel and per diem funding is for meetings of the commission. Commodities money is to cover routine supplies and maps (27.1 personal services; 18.0 travel; 6.0 contractual; 2.5 commodities).

5. Executive Director and secretary for Commission.
Estimated costs: \$109,200.

The executive director receives a monthly salary at the Natural Resource Manager level (range 18). Office support is provided by a Clerk Typist II (range 7). Both persons serve in the exempt service. Travel funding enables the director to meet regularly with the diverse mental health constituent groups. Contractual funding provides office space and overhead. Equipment funding is for a one time purchase of office equipment. Line item totals are: 73.2 personal services; 8.0 travel; 20.0 contractual; 5.0 commodities; and, 3.0 equipment.

SECTIONAL ANALYSIS

INTERIM MANAGEMENT OF MENTAL HEALTH TRUST LAND

CSSB 472 (Resources)

An Act relating to the interim management of the mental health trust; and providing for an effective date.

Section 1 of this bill constitutes the "legislative findings."

Section 2 of the bill establishes an interim Mental Health Trust Commission.

Section 2(a) locates the Commission in the Department of Natural Resources.

Section 2(b) provides for the membership of the interim Commission. Two members serve ex officio: the Commissioner of Natural Resources and the Commissioner of Health and Social Services (or their designers). Three groups are permitted to nominate three persons each from which the Governor will appoint one from each group: the plaintiffs in the litigation, the intervenors in the litigation, and the Governor's Mental Health Advisory Council.

Section 2(c) provides for a presiding officer, for quorums, for the votes necessary to take official action, and for the effect of a vacancy.

Section 2(d) provides for the per diem and travel expenses for the Commission. Members of the Commission serve without compensation.

Section 2(e) provides for a minimum of quarterly meetings and for more frequent meetings either in person or by teleconference.

Section 2(f) provides for the Commission employing an executive director and staff and for their being in the exempt service.

Section 2(g) gives the Commission the authority to contract with parties or individuals for the performance of functions assigned to it.

Section 3 of the bill establishes the responsibilities of the Commissioner of Natural Resources and the Commission.

Section 3(a) directs the Commissioner to inventory and catalog the mental health trust land of the state, to audit and appraise each land transaction involving the mental health trust land of the state and determine the status of the mental health trust land on the effective date of the Act under procedures and guidelines established by the Commissioner of Natural Resources with the approval of the Commission. The Commission is given authority to review the records of the Department of Natural Resources.

Section 3(b) directs the Commissioner with the approval of the Commission to retain an appraiser or appraisers to appraise all or a portion of land that, at any time, was part of the mental health trust land of the state. Directs the Commissioner to provide the appraiser with written procedures and instructions approved by the Commission.

Section 3(c) makes the Commissioner of Natural Resources responsible for the management of mental health trust lands under P.L. 84-830 70 Stat. 709. However, except for a transfer authorized under AS 38.05.035(b) (9), the Commissioner may not sell, lease, or exchange mental health trust land or interest therein without prior approval of the Commission. Approval by the Commission must be consistent with the terms of the trust established by the Alaska Mental Health Enabling Act.

Section 3(d) provides for the deposit of income from the management of mental health trust land to a special account in the general fund and subjects them to appropriation by the legislature.

Section 4 of the bill establishes the responsibilities of the Commissioner of Health and Social Services and the Commission.

Section 4(a) directs the Commissioner with the approval of the Commission to audit the state's mental health program, establish the procedures and guidelines to guide the auditor and propose guidelines and procedures to be used in determining a range of expenditures for mental health programs necessary to comply with the state's comprehensive mental health plan.

Section 4(b) gives the Commission authority to review the records of the Department of Health and Social Services involving mental health expenditures.

Section 5 of the bill acquires the interim Commission to submit a report to the legislature recommending possible amendment of the laws relating to the management of the mental health trust, the mental health trust land and the mental health program of the state and the date on which it is to be submitted.

Section 6 defines commission as "the interim mental health trust commission established in Section 2 of this Act."

Section 7 repeals this Act on July 1, 1987.

Section 8 provides for an immediate effective date.