

LEG. FINANCE - BILLS

1985 - 1986

2347

CSHB 133 - CSHB 134

2347

COMMITTEE REPORT
SENATE

FURTHER:

Date 2/11/70

Mr. President

The Committee on FINANCE considered CSHB 133(Fin)am

transportation safety and financial responsibility; 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 CSHB 133(Fin)
- new title
- same title and recommends do pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Handwritten signatures]

Chairman

Chairman recommendation



Official Business

Alaska State Legislature

Senate

Committee on Finance

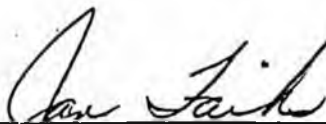
Pouch V
State Capitol
Juneau, Alaska 99811

LETTER OF INTENT
TO ACCOMPANY
SCS FOR CSHB 133 (FINANCE)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine:

- 1) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program;
- 2) if the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance;
- 3) the effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities; and
- 4) the efficiency and effectiveness with which the Department of Commerce and Economic Development has established a motor vehicle safety inspection program.

The results of this study shall be reported to the Second Session of the Fourteenth Alaska Legislature not later than the tenth day after it convenes.



Jan Faiks, Co-chairman
Senate Finance Committee

Original sponsor: Rules/Governor

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IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 133 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to transportation safety and financial responsibility; and providing for an effective date."

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

* Section 1. AS 28.10.041(a) is amended to read:

(a) The department may refuse to register a vehicle if

(1) the application contains a false or fraudulent statement;

(2) the applicant fails to furnish information required by the department;

(3) the applicant is not entitled to the issuance of a certificate of title or registration under this chapter;

(4) the vehicle is determined to be mechanically unsafe to be driven or moved on a highway, vehicular way or area, or other public property in this state;

(5) the department has reasonable grounds to believe that the vehicle was stolen or fraudulently acquired or that the granting of registration would be a fraud against the rightful owner or other person having a valid lien upon the vehicle;

(6) the registration of the vehicle has been suspended or revoked for any reason under the laws of this state;

(7) the required fees, taxes, motor freight carrier fees or bus transportation fees have not been paid;

(8) the vehicle or applicant fails to comply with this

1 chapter or regulations authorized by this section;

2 (9) the vehicle is without a certificate of inspection
3 required under AS 42.30.300.

4 * Sec. 2. AS 42.30.200 is amended to read:

5 Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person who
6 carries passengers or freight for hire intrastate in a motor vehicle
7 or an aircraft, or a person who carries freight in a motor vehicle for
8 commercial purposes, or a person who rents or leases a motor vehicle
9 for the use of another to carry freight shall procure and maintain
10 security in the following minimum amounts:

11 (1) \$200,000 for property damage in a single occurrence;

12 (2) \$500,000 for bodily injury or death in a single occur-
13 rence if a person operates a motor vehicle; and

14 (3) if a person operates an aircraft, an amount per seat
15 for bodily injury or death in a single occurrence that equals the
16 greater of

17 (A) \$100,000; or

18 *\$500,000 if the individual or business has*

19 (B) ~~the amount of the highest judgment or settlement~~
20 *agreed to pay or been ordered to pay over \$100,000 in*
21 *against the person in the preceding 10 years arising out of that*
22 *settlement of any passenger injury or death during the*
23 *person's operation of an aircraft, up to a maximum of \$1,000,000*
24 *preceding ten (10) years.*

25 per seat [AN AMOUNT DETERMINED BY THE DEPARTMENT OF PUBLIC SAFETY
26 AS NECESSARY FOR THE REASONABLE PROTECTION OF THE PUBLIC AGAINST
27 DAMAGES OR INJURY CAUSED BY THE PERSON].

28 (b) Evidence of security required under (a) of this section
29 shall be filed with the department and must be

(1) a policy or certificate of insurance issued by an
insurer acceptable to the department; or

(2) a bond of a surety company licensed to write surety
bonds in the state; or

1 (3) evidence accepted by the department, showing ability to
2 self-insure; or

3 (4) other security approved by the department.

4 (c) The department may authorize department personnel [ENFORCE-
5 MENT OFFICERS] to enforce this section and may adopt procedural regu-
6 lations necessary to implement this section.

7
8 * Sec. 3. AS 42.30.200 is amended by adding new subsections to read:

9 (d) A policy of insurance, surety bond, or other form of secur-
10 ity may not be cancelled on less than 30 days' written notice to the
11 department. This requirement must be clearly stated in the policy or
12 endorsement for an insurance policy submitted as proof of financial
13 responsibility under AS 42.30.225(a)(1). The 30-day notice period is
14 measured from the date on which the department receives notice.

15 (e) A person who violates (a) of this section is guilty of a
16 class B misdemeanor and is punishable by a fine of not less than \$500
17 or more than \$1,000.

18 * Sec. 4. AS 42.30 is amended by adding new sections to read:

19 Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS.

20 (a) A person may not use an aircraft in air commerce before obtaining
21 an annual certificate of compliance for that aircraft from the depart-
22 ment. The department shall issue or renew a certificate of compliance
23 upon application and presentation of

24 (1) proof of financial responsibility required under
25 AS 42.30.200;

26 (2) proof of compliance with Federal Aviation Administra-
27 tion requirements, and, where applicable, federal certification for
28 scheduled airline service.

29 (b) The annual fee for a certificate of compliance is \$50. The
certificate is valid for a period of 12 months following the date of

1 certification. The certificate shall be displayed on the aircraft so
2 that is is visible to boarding passengers.

3 (c) A federally-certificated interstate air carrier that pro-
4 vides intrastate service between points in the state on an interstate
5 or foreign route, and who uses, for that intrastate service, aircraft
6 based primarily outside the state, shall also obtain a certificate of
7 compliance for each aircraft used in intrastate service.

8 (d) Use of an aircraft in air commerce before obtaining a cer-
9 tificate of compliance required under (a) of this section may be cause
10 for denial of the certificate.

11 (e) A person who has obtained a certificate to use an aircraft
12 in air commerce from the Alaska Transportation Commission before the
13 effective date of this Act is not required to obtain a certificate of
14 compliance under (a) of this section until the date the insurance
15 policy for the aircraft is renewed.

16 (f) The department may authorize department personnel to enforce
17 this section and may adopt procedural regulations necessary to imple-
18 ment this section.

19
20 ARTICLE 6. MOTOR VEHICLE SAFETY INSPECTIONS.

21 Sec. 42.30.300. MOTOR VEHICLE SAFETY INSPECTIONS. (a) After
22 January 1, 1986, a motor vehicle may not be operated without a certi-
23 ficate of inspection. An owner of a motor vehicle shall renew a
24 certificate of inspection at least twice a year at an official in-
25 spection station under AS 42.30.320. An owner of a motor vehicle
26 shall display a sticker of inspection visible from outside the vehicle
27 in a location determined by the department.

28 (b) The commissioner of commerce and economic development may
29 adopt procedural regulations appropriate to achieve reciprocity with
other western states and procedural regulations necessary to implement

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this section.

Sec. 42.30.310. EXEMPTIONS. A motor vehicle is exempt from the requirements of AS 42.30.300 if it is

(1) owned by the federal government;

(2) used and operated by a person who uses the motor vehicle exclusively for other than commercial purposes; or

(3) is driven or moved on a highway, vehicular way, or a public parking place in the state that is not connected by a land highway or vehicular way to

(A) the land-connected state highway system, or

(B) a highway or vehicular way with an average daily traffic volume greater than 499.

Sec. 42.30.320. OFFICIAL INSPECTION STATIONS. (a) A person may not operate an inspection station without a permit from the department. The department shall approve an application for permit to operate an inspection station if

(1) the department determines the inspection station has proper equipment and competent personnel; and

(2) a certified vehicle inspector under AS 42.30.330 is employed at the inspection station.

(b) After the department approves an application for permit to operate an official inspection station under (a) of this section, it shall provide the applicant with a permit and certificates of inspection.

(c) Upon receipt of a permit from the department under (a) of this section, the operator of an official inspection station shall post the permit in a conspicuous place at the location designated by the department.

(d) The department may inspect a motor vehicle or enter the

1 premises of an official inspection station at any time to inspect the
2 work of the certified vehicle inspectors under AS 42.30.330 or to
3 determine if the operator continues to meet the requirements of this
4 section.

5 (e) The department shall suspend or revoke a permit of an opera-
6 tor of an official inspection station if the operator fails to meet
7 the requirements of this section.

8 (f) Upon notice of suspension or revocation of a permit under
9 (e) of this section, the operator of an official inspection station
10 shall immediately terminate all inspection activities, and on demand
11 by the department, return the permit and all certificates of inspec-
12 tion. The department shall issue a receipt for all returned certifi-
13 cates of inspection.

14 (g) If a permit is suspended or revoked under (e) of this sec-
15 tion, the department shall give an operator of an official inspection
16 station a hearing, upon written request filed with the department
17 within 10 days after suspension or revocation.

18 (h) A permit to operate an official inspection station may not
19 be assigned, transferred, or used at a location other than the lo-
20 cation designated by the department.

21 Sec. 42.30.330. CERTIFICATION OF VEHICLE INSPECTORS. (a) A
22 person may not conduct a motor vehicle inspection at an official
23 inspection station under AS 42.30.320 unless certified as a vehicle
24 inspector by the department.

25 (b) The department may suspend or revoke the certification
26 issued to a vehicle inspector under (a) of this section if the vehicle
27 inspector improperly conducts inspections or fails to comply with a
28 provision of this section.

29 (c) If a certificate is revoked or suspended under (b) of this

1
2 section the department shall give a vehicle inspector a hearing upon
3 written request filed with the commissioner within 10 days after
4 denial or suspension.

5 Sec. 42.30.340. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A
6 person operating an official inspection station shall issue a certifi-
7 cate of inspection to the owner of a motor vehicle after determining
8 the motor vehicle is in a safe and mechanically sound condition.

9 (b) A person operating an official inspection station shall keep
10 a record of each inspection performed at the station, and the depart-
11 ment may audit the records of an official inspection station at any
12 time.

13 Sec. 42.30.350. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.

14 (a) A person may not represent a place as an official inspection
15 station unless the station is operating under a valid permit issued by
16 the department under AS 42.30.320.

17 (b) A person may not issue a certificate of inspection unless
18 the person holds a valid permit under AS 42.30.320.

19 Sec. 42.30.360. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A

20 person may not make, issue, or knowingly use an imitation or counter-
21 feit of an official certificate of inspection.

22 (b) A person may not knowingly display or issue a certificate
23 of inspection on a motor vehicle unless the motor vehicle has met the
24 requirements of AS 42.30.340.

25 Sec. 42.30.370. VIOLATION A MISDEMEANOR. A person who violates
26 a provision of AS 42.30.300 - 42.30.360 is guilty of a class B misde-
27 meanor.

28 Sec. 42.30.380. DEFINITIONS. (a) In AS 42.30.200 - 42.30.380,

29 (1) "air carrier" means a person undertaking to engage in
air commerce, whether directly or indirectly, or by lease, contract,

1 or any other arrangement, and whether over regular or irregular
2 routes;

3 (2) "air commerce" means carriage by aircraft of persons or
4 freight for commercial purposes or hire in intrastate commerce, in-
5 cluding the carriage by aircraft of persons or freight that move
6 partly by aircraft and partly by other forms of transportation;

7 (3) "aircraft" means a propeller or jet-powered device used
8 or designed for flight in the air;

9 (4) "commercial purposes" means activities for which the
10 person receives direct monetary compensation and does not include
11 activities incidental to and done in furtherance of the person's
12 primary business;

13 (5) "department" means the Department of Commerce and
14 Economic Development;

15 (6) "freight" means commodities, articles, and cargo, of
16 whatever nature or value, excluding garbage and trash;

17 (7) "highway" has the meaning given in AS 28.40.100;

18 (8) "motor vehicle" means

19 (A) a truck of more than 10,000 pounds unladen gross
20 vehicle weight used upon a public highway of this state; and

21 (B) a trailer registered in this state of more than
22 5,000 pounds unladen gross vehicle weight and used upon a public
23 highway of this state;

24 (9) "vehicular way" has the meaning given in AS 28.40.100.

25 (b) In AS 42.30.300 - 42.30.370, "motor vehicle" includes a
26 school bus.

27 * Sec. 5. AS 44.33.020 is amended by adding a new paragraph to read:

28 (27) implement the safety and financial responsibility
29 requirements for motor vehicles and air carriers under AS 42.30.200 -

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2 42.30.380.

3 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).
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chapter or regulations authorized by this section;

(9) the vehicle is without a certificate of inspection required under AS 42.30.300.

* Sec. 2. AS 42.30.200 is amended to read:

Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person who carries passengers or freight for hire intrastate in a motor vehicle or an aircraft, or a person who carries freight in a motor vehicle for commercial purposes, or a person who rents or leases a motor vehicle for the use of another to carry freight shall procure and maintain security in the following minimum amounts:

(1) \$200,000 for property damage in a single occurrence;

(2) \$500,000 for bodily injury or death in a single occurrence if a person operates a motor vehicle; and

(3) if a person operates an aircraft, an amount per seat for bodily injury or death in a single occurrence that equals

(A) \$100,000; or

(B) \$500,000 if the person has agreed to pay or has been ordered to pay \$100,000 or more to another in order to satisfy a settlement or judgment relating to bodily injury or death, caused by the operation of an aircraft within the preceding 10 years [AN AMOUNT DETERMINED BY THE DEPARTMENT OF PUBLIC SAFETY AS NECESSARY FOR THE REASONABLE PROTECTION OF THE PUBLIC AGAINST DAMAGES OR INJURY CAUSED BY THE PERSON].

(b) Evidence of security required under (a) of this section shall be filed with the department and must be

(1) a policy or certificate of insurance issued by an insurer acceptable to the department; or

(2) a bond of a surety company licensed to write surety bonds in the state; or

of a passenger

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/resolution No.: SCSHCSHB 133
Title: An Act . . . to regulate safety of motor carriers
Sponsor: Rules Committee
Requestor: Governor
Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
Program Category Affected: Public Safety
BRU, Program or Subprogram(s) Affected: Division of Measurement Standards

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
100 PERSONAL SERVICES	128.5	338.5				
200 TRAVEL	10.0	30.0				
300 CONTRACTUAL	55.0	40.8				
400 SUPPLIES	2.5	3.5				
500 EQUIPMENT	15.0	8.0				
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
300 MISCELLANEOUS						
TOTAL OPERATING	211.0	420.8				

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	211.0	420.8				
FEDERAL FUNDS						
OTHER						
TOTAL	211.0	420.8				

POSITIONS:

FULL-TIME	7	7				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Joseph L. Swanson, Director
Division: Measurement Standards
Approved by Commissioner: Loren H. Lounsbury
Agency: Commerce and Economic Development

Phone: 345-7750
Date: _____
Date: 4/8/85

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

7/1/84

A/B

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST Page 1 of 2 FISCAL DETAIL
Bill/Resolution No.: CSHB133 (Fin) Agency Affected: Dept. Commerce & Ec. Devel
Title: An Act relating to trans. Program Category Affected: Consumer Pro-
tection
Sponsor: _____ BRU, Program or Subprogram(s) Affected:
Requestor: _____ Measurement Standards
Date of Request: _____

safety and financial responsibility

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-				
CAPITAL						
REVENUE	-0-	110.1				

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

see attachment

Prepared By: HFC Subcommittee on CSHB 133 Phone: 465-3709
Division: _____ Date: _____

Approved by Commissioner: _____ Date: 3-18-85
Agency: _____

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

ZERO FISCAL NOTE & ANALYSIS

House Finance Subcommittee Analysis:

No additional General Funds are authorized to implement the duties required of the Division of Measurement Standards by this bill.

The Division of Measurement Standards currently has 39 permanent full-time positions and 9 permanent part-time positions.

The original fiscal note for HB 133, prepared by the Department, estimated 1986 cost to implement the provisions of the bill at \$110.1. Specifically, the Division will be responsible under this bill for receiving the carriers' proof of insurance and proof of FAA certification then issuing a certification that the carrier has complied with this section. It is estimated that between 225 and 250 intra-state carriers will be affected by this bill. The Division's operating budget is sufficient to absorb the additional cost.

Page 2 paragraph (f), line 18 requires the department to charge and collect fees necessary to implement this section. In accordance with this section, the department will collect costs incurred in connection with this program from the air carriers affected (estimated by the department at \$110.1). This revenue will be deposited in the General Fund.

A/B

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST
Bill/Resolution No.: NA 153
Title: "...Public Safety to reg. safety of commerical vehicles..."
Sponsor: _____
Requestor: _____
Date of Request: _____

FISCAL DETAIL
Agency Affected: Public Safety
Program Category Affected: Public Protection
BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles - Commercial Vehicle Safety

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		250.0	250.0	250.0	250.0	250.0
200 TRAVEL		3.0	3.2	3.4	3.6	3.8
300 CONTRACTUAL		66.0	53.6	56.3	59.1	62.1
400 SUPPLIES		7.0	7.4	7.8	8.2	8.6
500 EQUIPMENT		30.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		356.0	314.2	317.5	320.9	324.5

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		356.0	314.2	317.5	320.9	324.5
FEDERAL FUNDS						
OTHER						
TOTAL		356.0	314.2	317.5	320.9	324.5

POSITIONS:

FULL-TIME		6.0	6.0	6.0	6.0	6.0
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Marcia Lynn McKenzie Phone: 465-4349
Division: Administrative Services Date: 1/22/85

Approved by Commissioner: Robert J. Sundberg Date: 1/29/85
Agency: Public Safety

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

7/1/84

100-113-1-100-2 of 8

COST ANALYSIS

The following costs are for administration of permitting, certification, bonding and insurance. These costs are in addition to the positions and funding included in the Governor's budget which are for vehicle safety inspections.

Personal Services \$250.0

1 Administrative Support Center Supervisor	Range 14
4 Administrative Support Technicians	Range 12
1 Accounting Technician II	Range 14

It is anticipated that the positions, located in Anchorage, will be transferred from the ATC component, along with needed office equipment (desks, chairs, etc.). Minimal overtime and negotiated one-time compensatory payments are included.

Travel 3.0

Contractual Services 66.0

Telephone, postage, etc.	\$25.0
Printing of applications, forms, advertisements, etc.	8.0
Space Lease	15.0
Maintenance on data/word processing equipment	1.3
Copier costs	3.0
Professional fees (Dept. of Law)	12.0
Risk Management	1.7

Supplies and Materials 7.0

Office and library supplies

Equipment 30.0

Data/word processors

	<hr style="width: 20%; margin-left: auto; margin-right: 0;"/> TOTAL \$356.0
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For FY 87, space lease costs are transferred to the Department of Administration. A five percent annual inflation adjustment is applied beginning in FY 87.

Alaska State Legislature

SENATOR
JOHN B. "JACK" COGHILL
Chairman

Senator Jan Falks—Vice Chairman
Senator Mitch Abood
Senator Paul Fischer
Senator Joe Josephson

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4921



Senate Committee on Transportation

April 25, 1985

MEMORANDUM

To: Finance committee members
From: Transportation committee staff *jm*
Re: Analysis for SCS CSHB 133 (Trans)

HB 133 was identical to SB 103 when the two bills were introduced by the Governor early in the session. They remained essentially the same through their first committee substitutes, and it was not until House Finance amended HB 133 substantially that the two bills diverged.

The version passed by the House deals only with air commerce, and leaves motor vehicle inspections to further study. This bill was passed by the House on Monday, March 25.

Meanwhile, SB 103 moved from the transportation committee in late February and ran into some difficulties in Senate Finance, where it remains today. Those concerns, primarily that private carriers should not become regulated upon the demise of the ATC, and that the gravel-haulers be covered by the bill, have been explored in subsequent drafts.

The intent of the Transportation CS is to put the three components of the issue - insurance, certification of aircraft, and truck inspections - back together into one bill.

* Sec. 1 allows DIV to refuse to issue a vehicle registration if the vehicle does not have a current certificate of inspection.

* Sec. 2 makes changes to the financial responsibility language passed by the initiative to do the following: exclude vehicles not used for commercial purposes, and include vehicles rented or leased to another to carry freight; set insurance minimums at \$200,000 for property damage, \$500,000 for bodily injury or death, and \$100,000 per seat for aircraft. This insurance requirement would be overseen by DCED. In the House Finance version, this section deals only with aircraft, and leaves motor vehicle insurance in Public Safety. The

House financial responsibility language further allows the DCED commissioner to set the insurance minimums, but mandates not less than \$200,000 per seat for bodily injury or death, and \$25,000 for property damage. The \$200,000 resulted from a floor amendment in the House on reconsideration.

* Sec. 3 would amend the insurance language by adding sections to require 30-day notice of cancellation, and to make a violation of the insurance requirement a Class B misdemeanor, with a fine of at least \$500, and not more than \$1000. The comparable House language increases the crime to a Class A misdemeanor, with a fine of between \$1000 and \$5000.

House Finance also added language at this point to allow the department to charge and collect fees for this service - a provision that is apparently misplaced. It was intended to have been for the certification of compliance of aircraft.

* Sec. 4 of the Senate CS establishes the certificate of compliance for aircraft, which is substantially different from the House version. The House has eliminated: The \$50.00 fee; the requirement that the certificate be displayed for boarding passengers to read; the requirement that interstate carriers obtain the certificate and the provision allowing current ATC-authorized carriers to continue to use their aircraft without certification until their insurance must be renewed. The elimination of this last provision will mean that immediately following the effective date of this Act, every air carrier will have to obtain the certificate of compliance, or fly in violation of the law.

The next portion of Sec. 4 establishes the motor vehicle safety inspection program, for which no comparable language exists in the House bill. The language of the new CS is substantially the same as that contained in our CS for SB 103, with the following modifications:

- Non-commercial users are exempted from inspection (P.4, L.29)
- Rural areas are exempted from inspection (P.5, L.2)
- The definition of "commercial purposes" is changed to exclude "activities incidental to and done in furtherance of the person's primary business" (P.8, L5)
- A definition for "vehicular way" is provided (P.8, L.20)
- School buses are included in the inspection requirement (P.8, L.21)

* Sec. 5 provides an immediate effective date, as is also provided in the House version.

Offered: 4/9/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE

Finance
BY THE ~~TRANSPORTATION~~ COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 133 (*Finance* ~~(Transportation)~~)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to transportation safety and finan-
7 cial responsibility; and providing for an effective
8 date."

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

10 * Section 1. AS 28.10.041(a) is amended to read:

11 (a) The department may refuse to register a vehicle if

12 (1) the application contains a false or fraudulent state-
13 ment;

14 (2) the applicant fails to furnish information required by
15 the department;

16 (3) the applicant is not entitled to the issuance of a
17 certificate of title or registration under this chapter;

18 (4) the vehicle is determined to be mechanically unsafe to
19 be driven or moved on a highway, vehicular way or area, or other
20 public property in this state;

21 (5) the department has reasonable grounds to believe that
22 the vehicle was stolen or fraudulently acquired or that the granting
23 of registration would be a fraud against the rightful owner or other
24 person having a valid lien upon the vehicle;

25 (6) the registration of the vehicle has been suspended or
26 revoked for any reason under the laws of this state;

27 (7) the required fees, taxes, motor freight carrier fees or
28 bus transportation fees have not been paid;

29 (8) the vehicle or applicant fails to comply with this

1 chapter or regulations authorized by this section;

2 (9) the vehicle is without a certificate of inspection
3 required under AS 42.30.300.

4 * Sec. 2. AS 42.30.200 is amended to read:

5 Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person who
6 carries passengers or freight for hire intrastate in a motor vehicle
7 or an aircraft, or a person who carries freight in a motor vehicle for
8 commercial purposes, or a person who rents or leases a motor vehicle
9 for the use of another to carry freight shall procure and maintain
10 security in the following minimum amounts:

11 (1) \$200,000 for property damage in a single occurrence;

12 (2) \$500,000 for bodily injury or death in a single occur-
13 rence if a person operates a motor vehicle; and

14 (3) \$100,000 per seat for bodily injury or death in a
15 single occurrence if a person operates an aircraft [AN AMOUNT DE-
16 TERMINED BY THE DEPARTMENT OF PUBLIC SAFETY AS NECESSARY FOR THE
17 REASONABLE PROTECTION OF THE PUBLIC AGAINST DAMAGES OR INJURY CAUSED
18 BY THE PERSON].

19 (b) Evidence of security required under (a) of this section
20 shall be filed with the department and must be

21 (1) a policy or certificate of insurance issued by an
22 insurer acceptable to the department; or

23 (2) a bond of a surety company licensed to write surety
24 bonds in the state; or

25 (3) evidence accepted by the department, showing ability to
26 self-insure; or

27 (4) other security approved by the department.

28 (c) The department may authorize department personnel [ENFORCE-
29 MENT OFFICERS] to enforce this section and may adopt procedural

*or the amount
of the maximum
seat award
resulting from
a loss by
that carrier
or pilot
during the
preceding
ten (10) years
up to a
maximum
of \$1 million
per seat
if applicable*

1 regulations necessary to implement this section.

2 * Sec. 3. AS 42.30.200 is amended by adding new subsections to read:

3 (d) A policy of insurance, surety bond, or other form of secur-
4 ity may not be cancelled on less than 30 days' written notice to the
5 department. This requirement must be clearly stated in the policy or
6 endorsement for an insurance policy submitted as proof of financial
7 responsibility under AS 42.30.225(a)(1). The 30-day notice period is
8 measured from the date on which the department receives notice.

9 (e) A person who violates (a) of this section is guilty of a
10 class B misdemeanor and is punishable by a fine of not less than \$500
11 or more than \$1,000.

12 * Sec. 4. AS 42.30 is amended by adding new sections to read:

13 Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS.

14 (a) A person may not use an aircraft in air commerce before obtaining
15 an annual certificate of compliance for that aircraft from the depart-
16 ment. The department shall issue or renew a certificate of compliance
17 upon application and presentation of

18 (1) proof of financial responsibility required under
19 AS 42.30.200;

20 (2) proof of compliance with Federal Aviation Administra-
21 tion requirements, and, where applicable, federal certification for
22 scheduled airline service.

23 (b) The annual fee for a certificate of compliance is \$50. The
24 certificate is valid for a period of 12 months following the date of
25 certification. The certificate shall be displayed on the aircraft so
26 that it is visible to boarding passengers.

27 (c) A federally-certificated interstate air carrier that pro-
28 vides intrastate service between points in the state on an interstate
29 or foreign route, and who uses, for that intrastate service, aircraft

1 based primarily outside the state, shall also obtain a certificate of
2 compliance for each aircraft used in intrastate service.

3 (d) Use of an aircraft in air commerce before obtaining a cer-
4 tificate of compliance required under (a) of this section may be cause
5 for denial of the certificate.

6 (e) A person who has obtained a certificate to use an aircraft
7 in air commerce from the Alaska Transportation Commission before the
8 effective date of this Act is not required to obtain a certificate of
9 compliance under (a) of this section until the date the insurance
10 policy for the aircraft is renewed.

11 (f) The department may authorize department personnel to enforce
12 this section and may adopt procedural regulations necessary to imple-
13 ment this section.

14 ARTICLE 6. MOTOR VEHICLE SAFETY INSPECTIONS.

15 Sec. 42.30.300. MOTOR VEHICLE SAFETY INSPECTIONS. (a) ^{After Jan 1, 1986,} A motor
16 vehicle may not be operated without a certificate of inspection. An
17 owner of a motor vehicle shall renew a certificate of inspection at
18 least twice a year at an official inspection station under AS 42.30.-
19 320. An owner of a motor vehicle shall display a sticker of inspec-
20 tion visible from outside the vehicle in a location determined by the
21 department.

22 (b) The commissioner of commerce and economic development may
23 adopt procedural regulations appropriate to achieve reciprocity with
24 other western states and procedural regulations necessary to implement
25 this section.

26 Sec. 42.30.310. EXEMPTIONS. A motor vehicle is exempt from the
27 requirements of AS 42.30.300 if it is

- 28 (1) owned by the federal government;
29 (2) owned and operated by a person who uses the motor

1 vehicle exclusively for other than commercial purposes; or

2 (3) is driven or moved on a highway, vehicular way, or a
3 public parking place in the state that is not connected by a land
4 highway or vehicular way to

5 (A) the land-connected state highway system, or

6 (B) a highway or vehicular way with an average daily
7 traffic volume greater than 499.

8 Sec. 42.30.320. OFFICIAL INSPECTION STATIONS. (a) A person may
9 not operate an inspection station without a permit from the depart-
10 ment. The department shall approve an application for permit to
11 operate an inspection station if

12 (1) the department determines the inspection station has
13 proper equipment and competent personnel; and

14 (2) a certified vehicle inspector under AS 42.30.330 is
15 employed at the inspection station.

16 (b) After the department approves an application for permit to
17 operate an official inspection station under (a) of this section, it
18 shall provide the applicant with a permit and certificates of inspec-
19 tion.

20 (c) Upon receipt of a permit from the department under (a) of
21 this section, the operator of an official inspection station shall
22 post the permit in a conspicuous place at the location designated by
23 the department.

24 (d) The department may inspect a motor vehicle or enter the
25 premises of an official inspection station at any time to inspect the
26 work of the certified vehicle inspectors under AS 42.30.330 or to
27 determine if the operator continues to meet the requirements of this
28 section.

29 (e) The department shall suspend or revoke a permit of an

1 operator of an official inspection station if the operator fails to
2 meet the requirements of this section.

3 (f) Upon notice of suspension or revocation of a permit under
4 (e) of this section, the operator of an official inspection station
5 shall immediately terminate all inspection activities, and on demand
6 by the department, return the permit and all certificates of inspec-
7 tion. The department shall issue a receipt for all returned certifi-
8 cates of inspection.

9 (g) If a permit is suspended or revoked under (e) of this sec-
10 tion, the department shall give an operator of an official inspection
11 station a hearing, upon written request filed with the department
12 within 10 days after suspension or revocation.

13 (h) A permit to operate an official inspection station may not
14 be assigned, transferred, or used at a location other than the lo-
15 cation designated by the department.

16 Sec. 42.30.330. CERTIFICATION OF VEHICLE INSPECTORS. (a) A
17 person may not conduct a motor vehicle inspection at an official
18 inspection station under AS 42.30.320 unless certified as a vehicle
19 inspector by the department.

20 (b) The department may suspend or revoke the certification
21 issued to a vehicle inspector under (a) of this section if the vehicle
22 inspector improperly conducts inspections or fails to comply with a
23 provision of this section.

24 (c) If a certificate is revoked or suspended under (b) of this
25 section the department shall give a vehicle inspector a hearing upon
26 written request filed with the commissioner within 10 days after
27 denial or suspension.

28 Sec. 42.30.340. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A
29 person operating an official inspection station shall issue a

1 certificate of inspection to the owner of a motor vehicle after deter-
2 mining the motor vehicle is in a safe and mechanically sound
3 condition.

4 (b) A person operating an official inspection station shall keep
5 a record of each inspection performed at the station, and the depart-
6 ment may audit the records of an official inspection station at any
7 time.

8 Sec. 42.30.350. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.

9 (a) A person may not represent a place as an official inspection
10 station unless the station is operating under a valid permit issued by
11 the department under AS 42.30.320.

12 (b) A person may not issue a certificate of inspection unless
13 the person holds a valid permit under AS 42.30.320.

14 Sec. 42.30.360. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A
15 person may not make, issue, or knowingly use an imitation or counter-
16 feit of an official certificate of inspection.

17 (b) A person may not knowingly display or issue a certificate
18 of inspection on a motor vehicle unless the motor vehicle has met the
19 requirements of AS 42.30.340.

20 Sec. 42.30.370. VIOLATION A MISDEMEANOR. A person who violates
21 a provision of AS 42.30.300 - 42.30.360 is guilty of a class B misde-
22 meanor.

23 Sec. 42.30.380. DEFINITIONS. (a) In AS 42.30.200 - 42.30.380,

24 (1) "air carrier" means a person undertaking to engage in
25 air commerce, whether directly or indirectly, or by lease, contract,
26 or any other arrangement, and whether over regular or irregular
27 routes;

28 (2) "air commerce" means carriage by aircraft of persons or
29 freight, for compensation or hire, in intrastate commerce, *including*
for commercial purposes
SCS CSHB 133(Trsp)

1 the carriage by aircraft of persons or freight that move partly by
2 aircraft and partly by other forms of transportation;

3 (3) "aircraft" means a propeller or jet-powered device used
4 or designed for flight in the air;

5 (4) "commercial purposes" means activities for which the
6 person receives direct monetary compensation and does not include
7 activities incidental to and done in furtherance of the person's
8 primary business;

9 (5) "department" means the Department of Commerce and
10 Economic Development;

11 (6) "freight" means commodities, articles, and cargo, of
12 whatever nature or value, excluding garbage and trash;

13 (7) "highway" has the meaning given in AS 28.40.100;

14 (8) "motor vehicle" means

15 (A) a truck of more than 10,000 pounds unladen gross
16 vehicle weight used upon a public highway of this state; and

17 (B) a trailer registered in this state of more than
18 5,000 pounds unladen gross vehicle weight and used upon a public
19 highway of this state;

20 (9) "vehicular way" has the meaning given in AS 28.40.100.

21 (b) In AS 42.30.300 - 42.30.370, "motor vehicle" includes a
22 school bus.

23 * Sec. 5. AS 44.33.020 is amended by adding a new paragraph to read:

24 (27) implement the safety and financial responsibility
25 requirements for motor vehicles and air carriers under AS 42.30.200 -
26 42.30.380.

27 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
28 10.070(c).

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
For
CSHB 133 (Finance)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine:

- 1) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program;
- 2) if the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance; and
- 3) the effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities.

+4) SB 103



Al Adams, Chairman
House Finance Committee

Adopted by House 3/25/85

HOUSE LETTER OF INTENT

Alaska State Legislature

SENATOR
JOHN B. "JACK" COGHILL
Chairman

Senator Jan Fulk—Vice Chairman
Senator Mitch Aboud
Senator Paul Fischer
Senator Joe Josephson



POUCH V
JUNEAU, ALASKA 99811
(907) 465-4921

Senate Committee on Transportation

LETTER OF INTENT

to Accompany CSSB 103 (Trans)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine 1.) the effects of deregulation on air transportation service to the bush, and what measures, if any, the Legislature ought to address to ensure a minimally acceptable level of service to those areas of the state; 2.) the effects of early phase-out of the 406 Essential Air Service subsidies by the federal government on air service to rural Alaska; 3.) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program; and 4.) the efficiency and effectiveness with which the Department of Commerce and Economic Development has established a motor vehicle safety inspection program. The results of this study shall be reported to the Second Session of the Fourteenth Alaska Legislature not later than the tenth day after it convenes.

SENATE COMMITTEE ON TRANSPORTATION

A large, stylized handwritten signature in black ink, appearing to read "John B. Coghill".

Senator John B. Coghill, Chairman

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 25, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill authorizing the Department of Public Safety (DPS) to regulate the safety of motor carrier and air carrier operations. This bill amends AS 42.30.200, enacted by the Alaska Transportation Commission (ATC) initiative in the last general election, and creates several new sections in AS 42.30.

The intent of this legislation is to allow DPS to maintain an adequate level of safety requirements for commercial air and motor vehicle operations after the ATC's authority to do so is abolished. This is consistent with the portion of the initiative's statement of purpose that acknowledges that "other government agencies can insure safety standards while allowing persons to contract freely for services." The initiative has already authorized DPS to establish financial responsibility requirements and to enforce them. AS 42.30.200. This bill goes further by adding other sections to AS 42.30 to require registration of air and certain motor carriers and compliance with motor vehicle safety regulations or federal aircraft safety rules for those carriers.

The bill forbids certain motor carriers and air carriers to operate in Alaska without complying with its provisions. Proposed AS 42.30.195. The definitions for motor and air carriers, motor vehicles, aircraft, etc. are found in proposed AS 42.30.270, and were adapted from the definitions in the Motor Freight Carrier Act (AS 42.10.420) and the Air Commerce Act of 1960 (AS 02.05.250). The definitions differ from their predecessors in two ways: the four categories of motor carriers formerly recognized have been deleted and the term "motor carrier" now includes buses. Proposed AS 42.30.197 incorporates the provisions of AS 42.10.020 exempting certain vehicles from coverage, and adds exemptions

for school buses and for buses with a seating capacity of fewer than 16 persons.

The financial responsibility statute enacted by the initiative is clarified by a few amendments. AS 42.30.200. To conform the statute's terminology to other sections of the bill, the phrase "a person who carries passengers or freight for hire intrastate" is changed to "a person operating as a motor carrier or a person engaged in air commerce." A provision from AS 02.05.136 has been added, requiring 30 days' notice to DPS before insurance or surety bonds may be cancelled. The requirement that regulations be adopted under AS 42.30.200 was also added.

Proposed AS 42.30.205 gives the department the discretionary power to adopt regulations requiring carriers to obtain bonding. This provision is modeled after AS 42.10.100 and is intended to protect the public that uses the carrier's services. In keeping with the practice set up by AS 42.10.113, motor carriers are required to place their identification on their motor vehicles. Proposed AS 42.30.210.

The bill creates a new system of carrier registration. Unlike the ATC's system of issuing permits or certificates based on public convenience and necessity, this registration plan does not economically regulate entry into air or motor commerce. An intrastate motor carrier that is required to register will be registered if three simple conditions are met: the carrier shows proof of financial responsibility (which AS 42.30.200 already requires) and bonding (if required by regulation), and provides proof of compliance with safety regulations. Proposed AS 42.30.215. This latter element will be met by having all vehicles inspected by the department, or an authorized representative, once every six months, as provided in proposed AS 42.30.230(b). The inspections would be performed free of charge by a non-uniformed DPS employee. An interstate motor carrier will register its Interstate Commerce Commission (ICC) authority under proposed AS 42.30.220 just as it did under AS 42.10.135. Interstate carriers will be required to comply with Alaska's safety regulations and obtain bonding, if directed by regulation, but they will not be subject to this bill's insurance or inspection rules because those matters are governed by federal authority. An air carrier registers by providing proof of insurance, bonding, and compliance with federal safety laws. Proposed AS 42.30.225. As was set out in AS 02.05.090, air carriers must also register each aircraft used and pay an annual aircraft registration fee. Proposed AS 42.30.225(e) and (f).

Proposed AS 42.30.235 gives DPS the ability to adopt regulations, under the Administrative Procedure Act, to carry out the bill's provisions. Other than the definitions portion, the remainder of the bill deals with enforcement and penalties for operating in violation of the provisions of this bill. If any carrier operates without the necessary insurance or bonding, or if an air carrier fails to register its aircraft, the carrier's registration can be summarily suspended, with an administrative hearing provided within 10 days. Proposed AS 42.30.240(a). This is similar to the ATC's stop-order authority in AS 42.07.181. There are three other bases for revocation, although they are not grounds for pre-hearing suspension: intentional misrepresentation of a material fact in obtaining registration; intentional failure to comply with the provisions of this bill or regulations adopted under them; and failure to pay applicable fees. Proposed AS 42.30.240(b). Carriers with a suspended registration may cure the defect any time before the hearing, or after a hearing and before registration is revoked. Proposed AS 42.30.240(c). However, if registration is revoked for any reason, the carrier must pay fees and reapply to become registered again. Revocations are appealable to the superior court. Proposed AS 42.30.240(d).

In addition to the ability to administratively handle violations by lifting a carrier's registration, DPS may also pursue enforcement actions in court. Under proposed AS 42.30.245(a)(4), designated representatives of the department may issue citations for violation of the commercial motor vehicle safety regulations. The department may pursue an action in superior court to enforce its statutes and regulations (proposed AS 42.30.245(b)) and seek a misdemeanor conviction or payment of civil penalties where applicable. Proposed AS 42.30.250 and 42.30.255. A knowing act or omission in violation of any of this bill's provisions is a misdemeanor punishable by a fine of not more than \$500, and payment of the costs of prosecution. Proposed AS 42.30.250 (modeled after AS 42.10.393 and AS 02.05.230). Carriers who operate without the necessary insurance or bonding while their registration is suspended, or who operate without obtaining registration or while registration is revoked, are subject to a civil penalty equal to the amount of revenue earned as a result of their operation, or up to \$1,000, whichever is greater. Proposed AS 42.30.255 (comparable to AS 42.10.394 and AS 02.05.231). Aircraft or motor vehicles used in commerce before registration is obtained, or after registration is revoked, may be seized by DPS. The court may order the aircraft or vehicle forfeited to the state, or may release it to the offending carrier upon payment of civil or criminal penalties. Proposed

AS 42.30.245(c).

The initiative's action in abolishing the ATC and in effecting the economic deregulation of the transportation industry in Alaska creates a new era for both Alaska's residents and its industry. I believe that it is important that the legislative and executive branches of government cooperate to the fullest extent to establish a program that achieves the intent of the initiative and provides an adequate level of safety to protect the general public. I am willing to explore with the legislature other approaches to accomplishing this objective.

I urge prompt consideration of this measure before February 28, 1985 so that the roads and skies will remain safe for business and the public.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

Offered: 3/20/85
For Today's Calendar

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 133 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to transportation safety and finan-
7 cial responsibility; and providing for an effective
8 date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 42.30.200(a) is amended to read:
11 (a) Except as provided in AS 42.30.300 - 42.30.310, a [A] person
12 who carries passengers or freight for hire intrastate shall procure
13 and maintain security in an amount determined by the Department of
14 Public Safety as necessary for the reasonable protection of the public
15 against damages or injury caused by the person.
16 * Sec. 2. AS 42.30 is amended by adding new sections to read:
17 Sec. 42.30.300. AIR CARRIER FINANCIAL RESPONSIBILITY. (a) A
18 person who uses an aircraft in air commerce shall procure and maintain
19 security in an amount determined by the department as necessary for
20 the reasonable protection of the public against damages or injury
21 caused by the person, except that the amount determined by the
22 department may not be less than
23 (1) \$200,000 per seat for bodily injury or death in a
24 single occurrence; and
25 (2) \$25,000 for property damage in a single occurrence.
26 (b) Evidence of security required under (a) of this section must
27 be
28 (1) a policy or certificate of insurance issued by an
29 insurer acceptable to the department;

1 (2) a bond of a surety company licensed to write surety
2 bonds in the state;

3 (3) evidence accepted by the department, showing ability to
4 self-insure; or

5 (4) other security approved by the department.

6 (c) The department may authorize department personnel to enforce
7 this section and may adopt regulations necessary to implement this
8 section.

9 (d) A policy of insurance, a surety bond, or other form of
10 security submitted as proof of financial responsibility under AS 42.-
11 30.310(a)(1) may not be cancelled on less than 30 days' written notice
12 to the department. This requirement must be clearly stated in the
13 policy, endorsement, or bond agreement. The 30-day notice period is
14 measured from the date on which the department receives notice.

15 (e) A person who violates (a) of this section is guilty of a
16 class A misdemeanor and is punishable by a fine of not less than
17 \$1,000 or more than \$5,000.

18 (f) The department shall charge and collect fees necessary to
19 implement this section.

20 Sec. 42.30.310. CERTIFICATION OF COMPLIANCE. (a) A person may
21 not use an aircraft in air commerce before obtaining a certificate of
22 compliance for that aircraft. The department shall issue a certifi-
23 cate of compliance upon application and presentation of

24 (1) proof of financial responsibility required under
25 AS 42.30.300;

26 (2) proof of compliance with Federal Aviation Administra-
27 tion requirements, and, where applicable, federal certification for
28 scheduled airline service.

29 (b) A person who receives a certificate of compliance under (a)

1 of this section shall renew the certificate annually.

2 (c) Each aircraft owned or leased by a person subject to the
3 provisions of this section must have a certificate of compliance
4 issued by the department before the aircraft is used in air commerce.
5 The certificate is valid for a period of 12 months following the date
6 of certification.

7 (d) The department may authorize department personnel to enforce
8 this section and may adopt regulations necessary to implement this
9 section.

10 Sec. 42.30.390. DEFINITIONS. In AS 42.30.200 - 42.30.390,

11 (1) "air commerce" means carriage by aircraft of persons or
12 freight, for compensation or hire, in intrastate commerce, including
13 the carriage by aircraft of persons or freight that move partly by
14 aircraft and partly by other forms of transportation;

15 (2) "aircraft" means a propeller or jet-powered device used
16 or designed for flight in the air;

17 (3) "department" means the Department of Commerce and
18 Economic Development;

19 (4) "freight" means all commodities, articles, and cargo of
20 whatever nature or value, excluding garbage and trash.

21 * Sec. 3. AS 44.33.020 is amended by adding a new paragraph to read:

22 (27) implement the financial responsibility requirements for
23 air carriers under AS 42.30.200 - 42.30.390.

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

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/26/85

Date APRIL 8, 1985

Mr. President

The Committee on TRANSPORTATION considered CSHB 133(Fin) am
transportation safety and financial responsibility; efd.

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

- do pass
- do pass with attached amendment
- replace with/or adopt 5 CS for SHB 133 (TRANS)
- new title
- same title and recommends may do pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
SS# 29
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

1 Paul Fische

1 Joe Josephson

MEMBERS HAVING
OTHER RECOMMENDATIONS

2 Mike Wood do pass
if air & truck bills are
separated

3 Jim Hill do pass

1 [Signature]
Chairman
DO PASS
Chairman recommendation

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

<p>REQUEST Bill/Resolution No.: <u>HB 134</u> Title: <u>Authorizing expenditure</u> of more than \$1 M for Haines sewer system disaster Sponsor: <u>Governor</u> Requestor: <u>House Finance</u> Date of Request: <u>1/29/85</u></p>	<p>FISCAL DETAIL Agency Affected: <u>DMVA</u> Program Category Affected: _____ BRU, Program or Subprogram(s) Affected: _____</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-					
----------------	-----	--	--	--	--	--

REVENUE	-0-					
----------------	-----	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary
 The funding necessary will come from the disaster relief fund.
 No appropriation is necessary; this bill only provides authority
 to use the funds currently in the disaster relief fund

APA

Prepared By: Al Adams, Chairman Phone: 3706
 Division: House Finance Date: 1/29/85
 Approved by Commissioner: _____ Date: _____
 Agency: _____

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

7/1/84

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 134 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the expenditure of no more than
7 \$1,600,000 from the disaster relief fund for a sewer
8 system failure in Haines; and providing for an
9 effective date."

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

11 * Section 1. The governor is authorized to spend no more than
12 \$1,600,000 from the assets of the disaster relief fund (AS 44.19.048) to
13 alleviate the effects of a sewer system failure in Haines.

14 * Sec. 2. The authority given by sec. 1 of this Act terminates June 30,
15 1986.

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

BILL SHEFFIELD
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 28, 1985

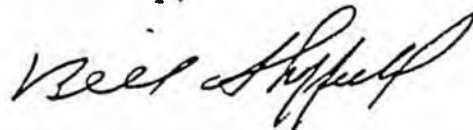
The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that authorizes an expenditure from the disaster relief fund (AS 44.19.048(a)) in excess of \$1,000,000. This authorization is sought in accordance with the provisions of AS 44.19.048(b) to effect immediate repair to the sewerage system for the City of Haines. The city's system suffered a major collapse when it was overtaxed by heavy run-off from rain and melting of the snow pack. The collapse now poses a severe health hazard because city residents are exposed to raw sewage which cannot be safely processed. Officials of the Department of Health and Social Services and the Department of Environmental Conservation have inspected the damage in Haines and confirm the fact that the conditions now existing in Haines pose a direct and imminent threat of sufficient magnitude and severity to justify state action.

I urge you to expeditiously consider and enact this bill so that the health and safety of the citizens of Haines can be assured.

Sincerely,



Bill Sheffield
Governor

BILL SHEFFIELD, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION
OFFICE OF THE COMMISSIONER
POUCH O, JUNEAU, ALASKA 99811

Telephone: (907)
Address:
(907) 465-2600

February 5, 1985

The Honorable Al Adams, Chairman
House Finance Committee
Pouch V
State Capitol
Juneau, AK 99811

Attn: Louann Cutler

Dear Representative Adams:

At the request of the Office of the Governor, Division of Emergency Services, a cost estimate for the rehabilitation of the City of Haines' sewer system has been developed and is attached for consideration by the State House Finance Committee. The estimate is intended to provide you and other members of your committee with a reasonable calculation of the cost for necessary emergency rehabilitation work. This estimate is not intended for use by others as an engineer's estimate for competitive bidding or for direct line item appropriation.

By invitation of Ms. Louann Cutler, from your staff, Mr. Alex Viteri, environmental engineer from our Southeast Regional Office, will be at the State House Finance Committee meeting on Wednesday to discuss this estimate. At your discretion he can also report on the imminent health emergency which occurred in the City of Haines last month.

I am more than happy to provide you further assistance as needed.

Sincerely,



Bill Ross
Commissioner

WR/AV/ha

Attachment

cc: Lloyd Turner, Division of Emergency Services
Keith Kelton, Director, ADEC
Alex Viteri, ADEC
Jon Halliwill, Mayor of Haines

February 4, 1985
City Of Haines
COST ESTIMATE FOR DIVISION OF EMERGENCY SERVICES FUNDING

Item I. Construction of two sewer system bypasses

Already in place labor and parts estimated by City of Haines	<u>\$20,000</u>
SUBTOTAL	\$20,000

Item II. Design and construction of sewer outfall line

1. 1300 linear feet of 12 inch ductile iron pipe buried throughout its length @ \$160/ft.	\$208,000
2. Engineering and design, includes survey, mixing zone calculations and as-built report @ 20% of construction cost.	<u>\$42,000</u>
SUBTOTAL	\$250,000

Item III. Rehabilitation of existing system

1. Inflow	
a. disconnect 50 commercial buildings @ \$3,000 per building	\$150,000
b. disconnect 150 residential buildings @ \$1,000 per building	\$150,000
c. repave surfaces	<u>\$10,000</u>
SUBTOTAL	\$310,000
2. Infiltration	
a. Study and prioritize areas	\$10,000
b. clean and TV inspect 47,000 linear feet of sewer @ \$3.00 per foot + \$20,000 mobilization cost	\$160,000
c. smoke test sewer system	\$16,000
d. replace 30 manholes @ \$4,800/manhole	\$144,000
e. grout 135 manholes	\$92,000
i. \$60/manhole for grout	
ii. \$400/manhole for labor	
iii. \$30,000 for equipment; this includes: grout mixer, 5kw generator, rotor hammer, fire hose, grout pump fabricated system, steam points, high pressure hose, 15% contingency, drill bits, and miscellaneous hardware	
f. grout 22,000 linear feet of sewer line @ \$12.50/ft.	<u>\$275,000</u>
SUBTOTAL	\$697,000

Item IV. Administrative Services

1. Audit of account by independent CPA	\$4,000	
2. Independent Project Manager	\$70,000	
3. State of Alaska oversight (Division of Emergency Services)	\$10,000	
4. Contingency (7.5%)	\$120,000	
5. City of Haines administrative and contract costs (7.5%)	<u>\$119,000</u>	
	SUBTOTAL	\$323,000
	GRAND TOTAL	\$1,600,000

NOTE: This estimate is NOT intended for use as an engineer's estimate for competitive bidding or for direct line item appropriation. Rather it is intended to provide a reasonable calculation of the total cost of rehabilitation work needed.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

ALASKA DIVISION OF EMERGENCY SERVICES

P.O. BOX 2267
PALMER, ALASKA 99645
PHONE: (907) 268-1370
(907) 376-3061

January 29, 1985

The Honorable Albert P. Adams
House of Representatives
Alaska State Legislature
Pouch V MS3100
Juneau, Alaska 99801

ATTN: Luanne Cutler

Dear Representative Adams:

The following is information requested regarding the special legislation for .6 million additional funding for the Haines disaster. The overall estimated cost of 1.6 million dollars was developed jointly by the community of Haines and a representative of the Department of Environmental Conservation (Mr. Alex Viteri). The project will be accomplished in three (3) phases:

1. Installation of a by-pass line to relieve the present problem.
2. Relocate the outfall to carry the effluent out into deep water away from the shoreline.
3. Rehabilitation of the present treatment facility and lines. Also to include necessary clean up of residual effluent.

Project Cost:

By-pass	.02
Outfall Relocation	.5
System Rehabilitation	1.0
Contingency	.07
Administration	.01
TOTAL	1.6 million

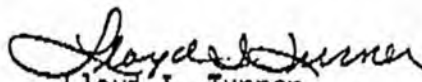
The Honorable Albert P. Adams
Page 2
January 29, 1985

Funding is advanced to the community by the Division of Emergency Services as expenditures are made on the project. Unexpended funds are not drawn from the disaster fund.

Project completion expected by early summer of 85.

If I can be of further assistance please contact this office.

LIT:kp


Lloyd I. Turner
Director

MEMORANDUM


State of Alaska

TO: Sandra Borbridge
Special Staff Assistant
to the Governor

DATE: January 25, 1985

FILE NO:

TELEPHONE NO:

FROM: 
Lloyd I. Turner
Director
Division of Emergency Services
Dept. of Military & Vet. Affairs

SUBJECT: Haines Disaster Declaration

The City of Haines has provided the Alaska Division of Emergency Services (ADES) with a Disaster Declaration requesting State assistance. Information provided by Mr. Alex Viteri, Department of Environmental Conservation, Mr. David Bruce, Health & Social Services and Mr. Jack Sharp ADES, support the need for State assistance. The City Manager Mr. Darrell Maple has committed city resources as required by the Public Assistance Program. The three areas to be addressed by Public Assistance are (1) the by-pass system, (2) changes in the outfall location, (3) clean up and return the system to operation as before the disaster.

New systems or improvements will be addressed by the city through the legislative appropriations process.

I recommend that a Declaration of Disaster Emergency be supported by the Governor.

Note

- 1) The estimate is \$1.6 million per a conversation with ADES Director Lloyd Turner.

1/25/85

1:20p

STB

- 2) Legislation will be introduced - House Rules -
By Request of the Governor.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

DECLARATION OF A DISASTER EMERGENCY

WHEREAS, the City of Haines and the surrounding area has been impacted by excessive rain this past month; and

WHEREAS, as a result of the excessive water and saturated ground, the city's sewer system has failed and does not provide an adequate facility to handle the runoff and routine sewage; and

WHEREAS, the failure of the city's sewer system has allowed untreated effluent to overflow the system's manholes throughout the city; and

WHEREAS, because the resources of the local government are inadequate to recover from the disaster in a timely and effective manner, the city has declared that a disaster emergency exists and is requesting assistance from the State.

NOW, THEREFORE, on this 25th day of January, 1995, under the authority granted by the Alaska Statutes, Section 26.23.20, I hereby declare that such a disaster emergency exists in the City of Haines, and is of sufficient severity and magnitude to warrant a disaster declaration in order to provide assistance.

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

By:

Bill Sheffield
Bill Sheffield
Governor

MEMORANDUM

BACKGROUND INFO on Disaster Relief and Rainy Day Funds State of Alaska

TO: Senator Jan Faiks
Senate Finance Committee
Attn: Cheryl Frasca

DATE: 28 Jan., 1985

FILE NO:

TELEPHONE NO: 465-4600

R.L.R.
FROM: Richard L. Rountree, Director
Admin. & Support Services Division
Department of Military & Veterans Affairs

SUBJECT: Disaster Relief Fund

I have reviewed the Department of Military & Veterans Affairs usage of the State Disaster Relief Fund from FY-80 to date and the following are my findings:

1. The Disaster Relief Fund has carried a balance in excess of 5,000.0 since FY-81 (+\$198.8) and the excess balance as of 7/1/84 was (+\$8,082.7).
2. The accumulation of the excess balance was caused by the following:
 - a. The Department of Military & Veterans Affairs was under the assumption that it did not control the Disaster Relief Fund; but was to receive an allocation of 5,000.0 at the beginning of each fiscal year. Also that any residue of the fiscal year allocation would lapse back to the Rainy Day Fund.
 - b. Since the Department of Military & Veterans Affairs accounted only for their current FY allocation we were not aware of the impact on the Disaster Relief Fund balance until late FY-84.

Note: The Department of Military & Veterans Affairs did not request any additional allocation from the Rainy Day Fund for FY-85 as we are now aware of the excess in the Disaster Relief Fund.

We are now advised by the Department of Administration, Division of Finance that we should be accounting for the State Disaster Relief Fund. Thereby I am recommending that the Department of Military & Veterans Affairs initiate the following:

1. Determine if there are any outstanding encumbrances against the excess balance created by prior years disasters.
2. Take action to return the unencumbered balance, in excess of \$5,000.0 as of 7/1/84, back to the Rainy Day Fund.
3. Change the Department of Military & Veterans Affairs Disaster Relief Fund allocation account to a non lapsing account.
4. Request funding only to replenish the Disaster Relief Fund to the \$5,000.0 level at the beginning of the fiscal year.

DMVA Accounting of the Disaster Relief Fund

FY-80 7/1/79 --6/30/80:

1.	11/79	West Coast Storm	121,353
2.	12/79	Willow Creek Flood	20,188
3.	2/80	Kodiak Island Storm	171,772
4.	4/80	Anchorage Storm	<u>461,449</u>
		Total Exp.	<u>774,762</u>

198.8 Bal.

FY-81 7/1/80 - 6/30/81:

Appropriation

5,000.0 (RDF)

1.	9/80	Bristal Bay Storm	113,084
2.	12/80	Copper Center Flood	13,168
3.	6/81	Angoon Water Disaster	<u>10,987</u>
		Total Exp.	<u>137,239</u>

5,061.6 Bal.

FY-82 7/1/81 - 6/30/82:

Appropriation

5,000.0 (RDF)

1.	7/81	South Central Storm	275,013
2.	2/82	Emmonak Fire	259,624
3.	5/82	Ft. Yukon Ice Jam	<u>808,323</u>
		Total Exp.	<u>1,342,960</u>

8,718.6 Bal.

FY-83 7/1/82 - 6/30/83:

Appropriation

5,000.0 (RDF)

1.	10/82	Russion Mission	375,000
2.	12/82	Takotna Fire	375,000
3.	4/83	Kipnuk Flood	900
4.	6/83	Aniak Flood	<u>150,000</u>
		Total Exp.	<u>900,900</u>

12,817.7 Bal.

FY-84 7/1/83 - 6/30/84: Appropriation 5,000.0 (RDF)

1.	9/83	- - Cordova Water Disaster	200,000
2.	11/83	Chefornak Disaster	50,000
3.	3/84	Unalakleet Water Dis.	1,000,000
4.	3/84	Mt. Village Water Dis.	1,000,000
5.	3/84	Elim Water Disaster	480,000
6.	4/84	Kotzebue Water Dis.	1,419,000
7.	5/84	Cold Bay Water Dis.	3,000
8.	6/84	Alakanuk Flood Dis.	550,000
9.	6/84	Emmonak Flood Disaster	<u>33,000</u>
		Total Exp.	4,735,000

13,082.7 Bal.

7/1/84 DMVA Allocation for FY-85 5,000,000

8,082.7 Bal.

FY-85 Disasters Funded to Date:

1.	7/31	Cold Bay Power Dis.	740,000
2.	8/9	Russ. Mission Power Dis.	165,000
3.	11/26	S.E. AK. Storm Dis.	<u>1,000,000</u>
		Total Exp. to Date	1,905,000

DMVA Account Balance to Date FY-85 3,095,000

HB-134 Haines Sewer Sys. Dis. 1,600,000
DMVA Account Balance 1,495,000

→ should be in RDF

§ 44.19.046

lieutenant governor shall appoint, departments of the ed to the office of or becomes vacant. jority of the mem- person designated office of lieutenant the person desig- appointment, the ration in the same 74 SLA 1959)

and Employees, §§ 109, . § 94 to 101.

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§ 44.19.048

STATE GOVERNMENT

§ 44.19.048

the person appointed under AS 44.19.040 succeeds directly to the office of acting governor until successors to the respective offices are elected in a special election. (§ 5 ch 174 SLA 1959)

Revisor's notes. — Formerly AS 44.19.150. Renumbered in 1980. and time of calling special election, see AS 15.40.230.
Cross references. — As to condition

Article 3. Disaster and Emergency Relief Funds.

Section	Section
48. Disaster relief fund	50. Definition
49. Grants and loans to municipalities damaged by natural disaster	52. Fuel emergency fund

Revisor's notes. — In 1980, the sections of this chapter were extensively renumbered. For derivations of current sections and current disposition of former sections consult the parallel reference table at the beginning of this title and the Table of Sections Amended, Etc. in binder no. 8.

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

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

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

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

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

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

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

Revisor's notes. — Formerly AS 44.19.171. Renumbered in 1980.

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

Sec. 44.19.049. Grants and loans to municipalities damaged by natural disaster. (a) Grants and loans for urban renewal shall be made available to municipalities damaged by disasters occurring in the state after August 1, 1967 in order to match federal funds under federal urban renewal programs. A grant or loan of state funds to a municipality for an urban renewal program under this section may not exceed 25 percent of the aggregate of the net project costs of the urban renewal project. Funds shall be made available to a municipality to match federal funds only if the urban renewal project is made necessary by the disaster.

(b) The funds for the grants or loans under this section shall come from the disaster relief fund provided for in AS 44.19.048 — 44.19.050.

(c) No urban renewal project costing over \$30,000,000 is eligible for grants or loans under this section.

(d) The governor shall determine the eligibility of a municipality for a grant and loan of funds to match federal funds for urban renewal. In making the determination the governor shall consider the following standards:

- (1) the amount of participating money available from the United States government for urban renewal;
- (2) the amount and availability of funds from other sources to meet the municipality's required contribution of matching funds;
- (3) whether or not the urban renewal project was made necessary by a disaster;
- (4) the needs of other municipalities damaged by the disaster for funds to match federal funds for urban renewal projects, and the urgency of the needs of other communities as compared with the community under consideration;
- (5) the cost of the urban renewal project;
- (6) the general welfare of the state and its inhabitants.

(e) A report of activity under this section shall be made to the legislature each year.

(f) The governor shall determine the terms and conditions of a loan made under this section.

(g) In this section "disaster" means a disaster proclaimed by the President of the United States. (§ 1 ch 20 FSSLA 1967; am § 1 ch 171 SLA 1970; am §§ 7-10 ch 104 SLA 1977)

Revisor's notes
44.19.177. Renumbered

Sec. 44.19.050. "Disaster" means the damage, injury, man-made cause, landslide, avalanche, oil spill or other avert damage, explosion, infestation, explosion, etc. (SLA 1977)

Revisor's notes
44.19.175. Renumbered

Sec. 44.19.050. Office of the Governor determines that assistance the Governor fund to a city or to purchase emergency

Revisor's notes
44.19.179. Renumbered

Section
54. State Geograph
56. Composition
58. Duties of board
59. Alaska Native

Revisor's notes.
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Alaska Statutes

Title 37. Public Finance.

Chapter

- 05. Fiscal Procedures Act (§§ 37.05.159, 37.05.230, 37.05.316, 37.05.321)
- 07. Executive Budget Act (§§ 37.07.020, 37.07.060)
- 11. Renewable Resources Funds (Repealed)
- 12. Alaska Resources Corporation (§§ 37.12.010 — 37.12.023, 37.12.030, 37.12.035, 37.12.045, 37.12.050, 37.12.055, 37.12.060, 37.12.070, 37.12.071, 37.12.075, 37.12.080, 37.12.085, 37.12.125)
- 15. State Bonding Act (§§ 37.15.012, 37.15.415, 37.15.610 — 37.15.760)

Chapter 05. Fiscal Procedures Act.

Article

- 2. Uniform Accounting (§ 37.05.159)
- 3. Uniform Purchasing (§ 37.05.230)
- 4. General Provisions (§§ 37.05.316, 37.05.321)

Article 1. Administration.

Sec. 37.05.050. Federal funds.

Cross references. — For treatment of the state share of federal receipts from oil and gas leasing in the National Petroleum Reserve, see ch. 94, SLA 1984 in the Temporary and Special Acts.

Article 2. Uniform Accounting.

Section

- 159. Reserve for emergency operating expenses account

Sec. 37.05.159. Reserve for emergency operating expenses account. (a) There is established in the general fund the reserve for emergency operating expenses account. The account consists of money appropriated for the purposes of the account.

(b) Money in the reserve for emergency operating expenses account is available for expenditure or encumbrance only if

(1) the governor by proclamation determines that there is an impairment of the flow of state revenues which will result in imminent danger that the state will be unable to meet its operating budget obligations and the governor orders that money from the account be used for the

operating expenses of state government in the amount set out in the proclamation; and

(2) the governor calls a special session of the legislature to consider all subjects relating to the impairment of the flow of state revenues.

(c) A special session called under (b) of this section may be cancelled before it convenes if

(1) the governor and the presiding officer of each house of the legislature agree that the special session should be cancelled; and

(2) at least two-thirds of the following persons agree that the special session should be cancelled:

(A) the chairmen of the standing committees of each house of the legislature;

(B) the majority leaders of each house of the legislature; and

(C) the minority leaders of each house of the legislature.

(d) Votes required to be conducted under (c) of this section may be conducted by teleconference.

(e) Notwithstanding the provisions of (b) of this section and AS 37.07.080(e), the governor may transfer up to \$9,000,000 during a fiscal year from the reserve for emergency operating expenses account to the fire suppression fund to pay the costs of fire suppression.

~~(f) Notwithstanding the provisions of (b) of this section and AS 37.07.080(e), the governor may transfer up to \$5,000,000 during a fiscal year from the reserve for emergency operating expenses account to the disaster relief fund. (§ 1 ch 170 SLA 1980; §§ 2, 3 ch 171 SLA 1980; § 2 ch 30 SLA 1982)~~

Editor's notes. — This section is set out to supply an omission in the main pamphlet.

Article 3. Uniform Purchasing.

Section

230. Competitive bids

Sec. 37.05.230. Competitive bids [Effective January 1, 1985]. In the manner provided in this chapter and regulations established under it

(1) a contract for construction and repairs, or a purchase of and contract for supplies, materials, equipment, and contractual services must be based on competitive bids; an award shall be made to the lowest responsible bidder after advertising for bids, except that (A) a bid shall be awarded to an Alaska bidder if the bid is not more than five per cent higher than the lowest nonresident bidder's; and (B) competitive bids need not be required (i) for contractual services where no competition exists; (ii) for sales involving fair trade items; (iii) when, in the judgment of the purchasing agent, food, clothing, or medical supplies, or materials for use in laboratory and experimental studies

may be purchased where rates are low; or (vi) items; or (vii)

(2) if the estimated to be obtainable, by public bidding and if the work is to be done by the department or department's active prospective received, and the department if it finds that

(3) a contractments are estimated competitive bid market, in the shall be based provided in AS 37.05.230 of the department by cash payment the department needed by each least once each receipts for or cash set aside; of the responsibility of the department and replenishment

(4) the provisions apply to contracts students to an under AS 14.05.010 negotiation an awarded for purchase

(5) an "Alaska" of this section,

(A) holds a contract (B) submits a bid on the person's behalf

(C) has maintained of six months in

(6) the competitive air taxi service executed; the department

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION
OFFICE OF THE COMMISSIONER
POUCH O, JUNEAU, ALASKA 99811

Telephone: (907)

Address:

(907) 465-2600

February 5, 1985

The Honorable Al Adams, Chairman
House Finance Committee
Pouch V
State Capitol
Juneau, AK 99811

Department of Environmental Conservation
Southeast Regional Office

Attn: Louann Cutler

Dear Representative Adams:

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By invitation of Ms. Louann Cutler, from your staff, Mr. Alex Viteri, environmental engineer from our Southeast Regional Office, will be at the State House Finance Committee meeting on Wednesday to discuss this estimate. At your discretion he can also report on the imminent health emergency which occurred in the City of Haines last month.

I am more than happy to provide you further assistance as needed.

Sincerely,



Bill Ross
Commissioner

WR/AV/ha

Attachment

cc: Lloyd Turner, Division of Emergency Services
Keith Kelton, Director, ADEC
Alex Viteri, ADEC
Jon Halliwill, Mayor of Haines

February 4, 1985
City Of Haines
COST ESTIMATE FOR DIVISION OF EMERGENCY SERVICES FUNDING

Item I. Construction of two sewer system bypasses

Already in place
labor and parts estimated
by City of Haines \$20,000

SUBTOTAL \$20,000

Item II. Design and construction of sewer outfall line

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2. Engineering and design, includes survey, mixing zone calculations and as-built report @ 20% of construction cost. \$42,000

SUBTOTAL \$250,000

Item III. Rehabilitation of existing system

1. Inflow
 - a. disconnect 50 commercial buildings @ \$3,000 per building \$150,000
 - b. disconnect 150 residential buildings @ \$1,000 per building \$150,000
 - c. repave surfaces \$10,000

SUBTOTAL \$310,000

2. Infiltration
 - a. Study and prioritize areas \$10,000
 - b. clean and TV inspect 47,000 linear feet of sewer @ \$3.00 per foot + \$20,000 mobilization cost \$160,000
 - c. smoke test sewer system \$16,000
 - d. replace 30 manholes @ \$4,800/manhole \$144,000
 - e. grout 135 manholes \$92,000
 - i. \$60/manhole for grout
 - ii. \$400/manhole for labor
 - iii. \$30,000 for equipment; this includes: grout mixer, 5kw generator, rotor hammer, fire hose, grout pump fabricated system, steam points, high pressure hose, 15% contingency, drill bits, and miscellaneous hardware
 - f. grout 22,000 linear feet of sewer line @ \$12.50/ft. \$275,000

SUBTOTAL \$697,000

Item IV. Administrative Services

1. Audit of account by independent CPA	\$4,000
2. Independent Project Manager	\$70,000
3. State of Alaska oversight (Division of Emergency Services)	\$10,000
4. Contingency (7.5%)	\$120,000
5. City of Haines administrative and contract costs (7.5%)	<u>\$119,000</u>
SUBTOTAL	\$323,000
GRAND TOTAL	\$1,600,000

NOTE: This estimate is NOT intended for use as an engineer's estimate for competitive bidding or for direct line item appropriation. Rather it is intended to provide a reasonable calculation of the total cost of rehabilitation work needed.

HOUSE FINANCE MEETING OF FEBRUARY 6, 1985

SUBJECT: House Bill No. 134

An Act authorizing the expenditure of more than one million dollars from the Disaster Relief Fund for a sewer system failure in Haines; and providing for an effective date.

INTRODUCTION: This bill seeks to authorize the expenditure of funds for rehabilitation work needed to solve and prevent the reoccurrence of another imminent public health disaster in the City of Haines.

The funds authorized by this bill will pay for necessary rehabilitation work as identified by the Department of Environmental Conservation.

This work can be lumped into 4 main categories. They are:

1. The construction of two sewage bypasses
These bypasses serve to get the sewage off the streets and to prevent flooding of the sewage treatment plant (Cost: \$20,000)
2. Extending the sewage discharge point
The extended discharge point will remove the sewage from the downtown shoreline. (Cost: \$250,000)
3. Rehabilitation of the existing sewer system
This rehabilitation work is aimed at correcting the excessively high flows from going to the treatment plant; these high flows are causing the sewer system to flood the City's streets. (Cost: \$697,000)
4. Administrative Services
This item is meant to cover the costs associated with proper administration of this type of project. (Cost: \$323,000)

P. Peter Goll
Rich V
Kasaan, AK 99811

ing Haines and Klukwan, Alaska



Haines rain strains drains

By Ray Menaker

The governor's office, the state legislature, the Departments of Health and Social Services (HSS) and Environmental Conservation (DEC), the city engineer, and even the weather are cooperating successfully to funnel funds, sewage, and microbes into their proper channels.

At press time last week, sewage was running in the streets, DEC and HSS representatives were telling the city council that Haines could have an outbreak of disease at any time, and rain was causing overflow problems at the sewage treatment plant. Now . . .

- Gov. Bill Sheffield has authorized funds to build a temporary bypass for sewage that is overloading the treatment plant.

- Emergency services money has been authorized by the governor, but since the temporary bypass, an outfall extension, and long-term repair of the system to eliminate inflow and infiltration will probably cost more than \$1 million, legislative authorization is needed.

- House Bill 134 has been introduced in the House, and Rep. Peter Goll said that he expects the bill will authorize in the neighborhood of \$1.6. Goll added he has been pleased with the cooperation of colleagues and the governor's office.

Goll also said he had spoken with city officials and that it is his understanding that should the emergency funds not cover the

needed work, the city is prepared to place the sewer work at the top of the priority list. Any request for additional funding would come only if DEC said that it was necessary after completing the emergency work.

- The sun has begun to shine, the temperature has dropped below freezing, and the water carried through the sewers has diminished.

- Acting Mayor Frank Wallace and city engineer Leo Thompsen said that the bypass of the treatment plant has been installed and the bypass for the pump station on Beach Road is under construction by Northern Timber Co. The treatment plant bypass will automatically divert excess input from the plant, but will not bypass it until the input is excessive. The Beach Road bypass will be controlled by valves.

- Health department sanitarian Cathy G. Atkov inspected all public food serving establishments and reported that they met the necessary standards. She offered precautions to minimize the chances of any sewage-carried diseases from affecting local people.

- Jerry Allen of the city staff visited classes from kindergarten through eighth grade explaining the need for care in avoiding areas where sewage has been on the surface of the ground, and being careful with pets which might have been in the affected areas.

Sewage in the streets creates an emergency in Haines

By Ray Menaker

"In my 15 years of dealing with sewage treatment plants and other such things like this—10 years here in Alaska and five years in the Lower 48—this is probably the most dangerous situation I have ever encountered."

Alex Viteri, Jr., sanitary and civil engineer for the Department of Environmental Conservation (DEC), was talking about the sewage which is overflowing manhole covers in several places in the city, including the high school parking lot.

"This is the sort of thing that has a very grave potential for public health around Haines and which needs to be addressed," echoed Alan Kegler, also of DEC.

"I'd like to emphasize that Haines has a real potential health hazard," added deputy director of public health David Bruce. "It is not a matter of if but of when an outbreak of disease will occur."

The three state officials were addressing a special meeting of the Haines City Council Wednesday evening.

Since October, Kegler said, overflows had occurred at the sewage treatment plant and as the months have gone by, the overflows have been increasingly frequent, larger in volume, and cover a larger area. Both the city and state have agreed that an emergency situation has arisen.

"Many of you are aware that sewage is surfacing from manholes and overflowing the treatment plant," Bruce said, "running into ditches around the city, and flooding some of the lower marshy areas." He said the hazard would increase with the warmer weather.

"Down through history," said Bruce, "sewage has carried more deaths than all of the wars put together."

"I'm here today primarily to urge you to work with the Department of Environmental Conservation to resolve this very serious problem. My commissioner is prepared to support before the legislature any

between Haines and DEC. Should there be a request for funding, we will prepare a position paper in support of it to resolve the problem."

'BAND AID CORRECTION'

Kegler and Viteri recommended first a "band aid correction" and then a long-term correction. The "band aid" would be to send some untreated sewage directly into Portage Cove, thus taking some of the load away from the overloaded sewer system and treatment plant. "Now we've taken it off the streets—that's our immediate objective," Kegler said.

As soon as funding, materials and paper work permit—perhaps as early as April—install a new outfall pipe about 1,300 feet farther out into the cove to a depth of 80 feet below mean lower low water. This would carry the sewage far enough out to keep it from being a problem.

The longer-term solution would be to eliminate "infiltration and inflow" into the sewer system so that storm water does not get into the sewage and overtax the treatment plant.

Kegler said that the federal Environmental Protection Agency (EPA) and the state DEC are "eager to cooperate" to resolve the problem. The city, however, must take the initiative, he said.

The council agreed that the sewage problem is the city's number one priority for capital funding.

WARNING SIGNS

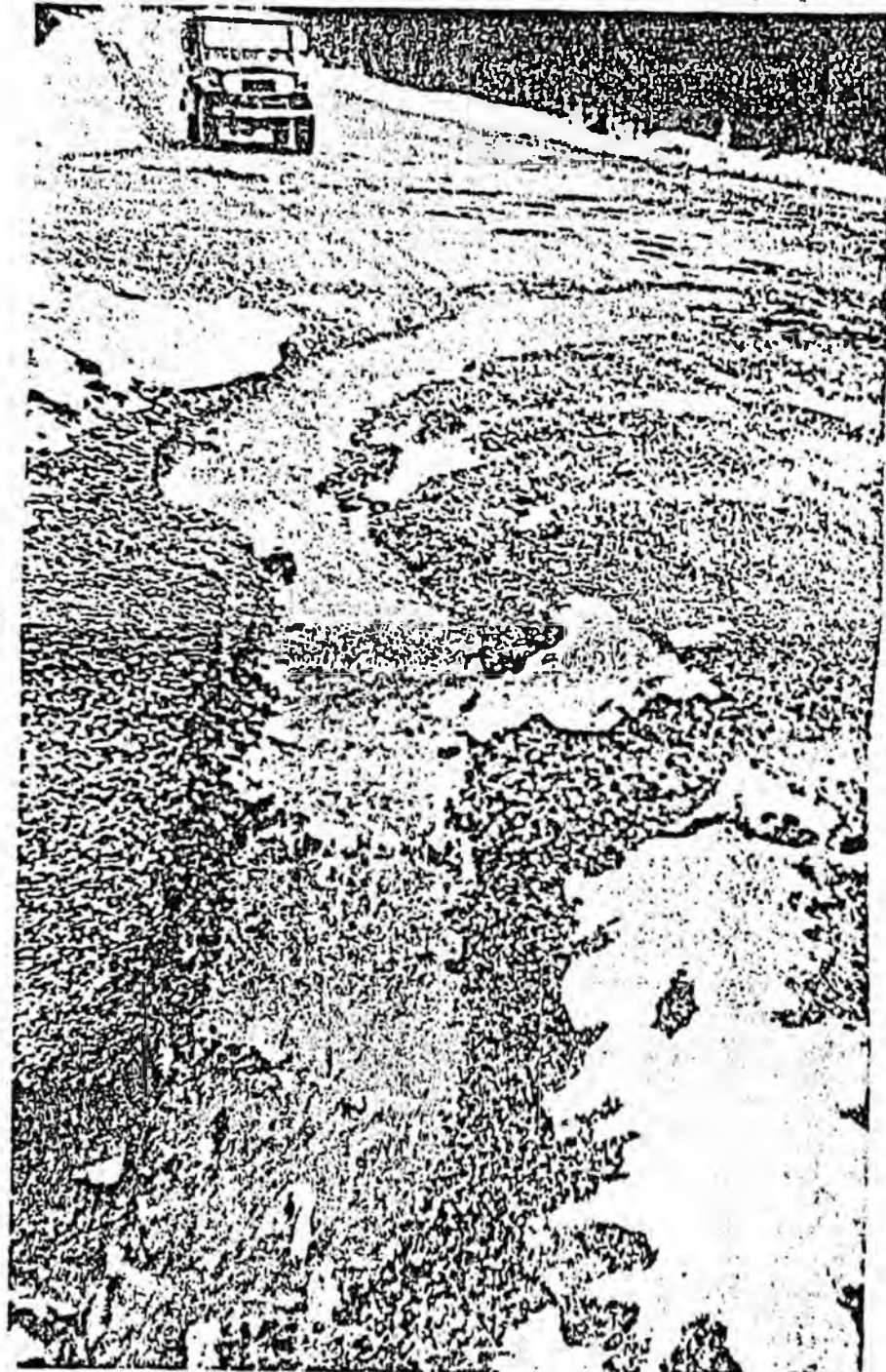
DEC has provided signs which will be posted this week warning people away from areas which are "biohazards." "We must express concern for the wet areas," Viteri said. "They are hot, and they'll be hot for a while."

Bob Bears, city treatment plant operator, said he has been sanitizing around the plant with powdered chlorine.

Kegler pointed out that he was leaving sample containers with Bears and city engineer Leo

about any location in town which may not have been covered, "pick

up a container from Leo or Bob,
See SEWAGE page 2



Untreated sewage and run-off rainwater overflows on Second Avenue. Photo by Ellen Starr

SEWAGE from page 1

sample the particular location you're interested in—if it's a private well for drinking water, surface runoff in your back yard, something that we've missed—and send it to us before Wednesday. The samples must be received within 30 hours of sampling." He said that DEC has arranged with Wings of Alaska for flying the samples to Juneau without cost to the resident.

The state officials emphasized using "good common sense and cleanliness" for everyone. They warned that dogs and cats can carry sewage bacteria back into houses if they have walked through areas where sewage has overflowed. They cautioned parents to keep children away from overflow areas, where little youngsters are often attracted by puddles in which they want to play.

The council members agreed that the animal control officer will make special efforts to keep animals from running at large, and want pet owners to keep their pets away from contaminated areas. Those areas will be posted.

Kregler said that red dye was placed in sewer lines and that if anyone sees red water on the surface to stay away from it. "Red water is hot!" he said.

In a brief discussion of the Haines drinking water system, state and city officials agreed that all tests have shown the water is safe for drinking. The sediment in the water found in some areas of the city results from the Lily Lake intake's being too close to the bottom of the lake. In addition, after chemicals are added to the water to remove the coloring, the water passes through the filter before the reaction is complete, and the sediment settles out beyond the filter instead of in the filter. This will be improved by erecting a new tank to give the water more time for the reaction to take place before reaching the filter. The position of the outfall will also be changed.

Introduced: 1/28/85
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 134

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

11 * Section 1. The governor is authorized to spend more than \$1,000,000
12 from the assets of the disaster relief fund (AS 44.19.048) to alleviate the
13 effects of a sewer system failure in Haines.

14 * Sec. 2. The authority given by sec. 1 of this Act terminates June 30,
15 1985.

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

COMMITTEE REPORT
SENATE

FURTHER:

2/14/85

Date 2/26/85

Mr. President

The Committee on FINANCE considered CSHB 134(Fin)
authorizing the expenditure of no more than \$1,600,000 from the disaster relief fund for a sewer system failure in Haines; efd.

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

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

<p><u>REQUEST</u> Bill/Resolution No.: <u>CSHB 134 (Fin)</u> Title: <u>Auth. expenditure of more than \$1 M for Haines sewer disaster</u> Sponsor: <u>House Finance</u> Requestor: <u>Senate Finance</u> Date of Request: <u>2/26/85</u></p>	<p><u>FISCAL DETAIL</u> Agency Affected: <u>DMVA</u> Program Category Affected: _____ BRU, Program or Subprogram(s) Affected: _____</p>
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EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER	*\$1,600,000					
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

*Necessary funding will come from the Disaster Relief Fund. No appropriation is necessary; the bill provides authority for expenditure of no more than \$1,600,000 from funds currently in the Disaster Relief Fund.

Prepared By: *Jan Faiks* Phone: 465-4523
 Division: Senator Jan Faiks, Co-chairman Date: 2/26/85
Senate Finance Committee
 Approved by Commissioner: _____ Date: _____
 Agency: _____

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

Offered: 2/8/85
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 134 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act authorizing the expenditure of no more than
7 \$1,600,000 from the disaster relief fund for a sewer
8 system failure in Haines; and providing for an
9 effective date."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. The governor is authorized to spend no more than
12 \$1,600,000 from the assets of the disaster relief fund (AS 44.19.048) to
13 alleviate the effects of a sewer system failure in Haines.
14 * Sec. 2. The authority given by sec. 1 of this Act terminates June 30,
15 1986.
16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

ANALYSIS FOR HOUSE BILL 134

An Act authorizing the expenditure of no more than \$1,600,000 from the disaster relief fund for a sewer system failure in Haines.

This bill would authorize the expenditure of an additional \$600,000 out of the disaster relief fund for rehabilitation work to the City of Haines' sewer system.

This fund is administered by the by the Department of Military Affairs and under current law, the Governor may not expend more than \$1,000,000 from the disaster relief fund without legislative authorization.

The funds would pay for rehabilitation work as identified by the Department of Environmental Conservation and can be grouped into four main areas:

- 1) The construction of two sewage bypasses to keep sewage off the streets and prevent flooding of the sewage treatment plant. COST: \$20,000
- 2) The extension of the sewage discharge point to remove sewage from the downtown shoreline. COST: \$250,000
- 3) Rehabilitation of the existing sewer system to correct a high flow rate to the treatment plant which causes the sewer system to flood City streets. COST: \$697,000
- 4) Administrative Services COST: \$323,000

P/B

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

<u>REQUEST</u> Bill/Resolution No.: <u>HB 134</u> Title: <u>Authorizing expenditure</u> of <u>more than \$1 M for Haines sewer system disaster</u> Sponsor: <u>Governor</u> Requestor: <u>House Finance</u> Date of Request: <u>1/29/85</u>	<u>FISCAL DETAIL</u> Agency Affected: <u>DMVA</u> Program Category Affected: _____ BRU, Program or Subprogram(s) Affected: _____
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EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-					
REVENUE	-0-					

FUNDING: (Thousands of Dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER					
TOTAL	-0-				

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: Attach a separate page if necessary

The funding necessary will come from the disaster relief fund.
No appropriation is necessary; this bill only provides authority
to use the funds currently in the disaster relief fund

APA

Prepared By: Al Adams, Chairman Phone: 3706
Division: House Finance Date: 1/29/85

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

<p><u>REQUEST</u> Bill/Resolution No.: <u>HB 134</u> Title: <u>Authorizing expenditure</u> of <u>more than \$1 M for Haines sewer system disaster</u> Sponsor: <u>Governor</u> Requestor: <u>House Finance</u> Date of Request: <u>1/29/85</u></p>	<p><u>FISCAL DETAIL</u> Agency Affected: <u>DMVA</u> Program Category Affected: _____ BRU, Program or Subprogram(s) Affected: _____</p>
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EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-					
REVENUE	-0-					

FUNDING: (Thousands of Dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER					
TOTAL	-0-				

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: Attach a separate page if necessary
 The funding necessary will come from the disaster relief fund.
 No appropriation is necessary; this bill only provides authority
 to use the funds currently in the disaster relief fund

APA

Prepared By: Al Adams, Chairman Phone: 3706
 Division: House Finance Date: 1/29/85
 Approved by Commissioner: _____ Date: _____
 Agency: _____

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

7/1/84



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

DECLARATION OF A DISASTER EMERGENCY

WHEREAS, the City of Haines and the surrounding area has been impacted by excessive rain this past month; and

WHEREAS, as a result of the excessive water and saturated ground, the city's sewer system has failed and does not provide an adequate facility to handle the runoff and routine sewage; and

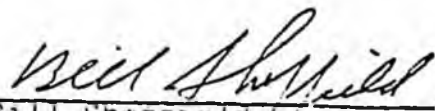
WHEREAS, the failure of the city's sewer system has allowed untreated effluent to overflow the system's manholes throughout the city; and

WHEREAS, because the resources of the local government are inadequate to recover from the disaster in a timely and effective manner, the city has declared that a disaster emergency exists and is requesting assistance from the State.

NOW, THEREFORE, on this 25th day of January, 1985, under the authority granted by the Alaska Statutes, Section 26.23.20, I hereby declare that such a disaster emergency exists in the City of Haines, and is of sufficient severity and magnitude to warrant a disaster declaration in order to provide assistance.

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

By:


Bill Sheffield
Governor

BILL SHEFFIELD, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION
OFFICE OF THE COMMISSIONER
POUCH O, JUNEAU, ALASKA 99811

Telephone: (907)
Address:
(907) 465-2600

February 5, 1985

The Honorable Al Adams, Chairman
House Finance Committee
Pouch V
State Capitol
Juneau, AK 99811

Attn: Louann Cutler

Dear Representative Adams:

At the request of the Office of the Governor, Division of Emergency Services, a cost estimate for the rehabilitation of the City of Haines' sewer system has been developed and is attached for consideration by the State House Finance Committee. The estimate is intended to provide you and other members of your committee with a reasonable calculation of the cost for necessary emergency rehabilitation work. This estimate is not intended for use by others as an engineer's estimate for competitive bidding or for direct line item appropriation.

By invitation of Ms. Louann Cutler, from your staff, Mr. Alex Viteri, environmental engineer from our Southeast Regional Office, will be at the State House Finance Committee meeting on Wednesday to discuss this estimate. At your discretion he can also report on the imminent health emergency which occurred in the City of Haines last month.

I am more than happy to provide you further assistance as needed.

Sincerely,



Bill Ross
Commissioner

WR/AV/ha

Attachment

cc: Lloyd Turner, Division of Emergency Services
Keith Kelton, Director, ADEC
Alex Viteri, ADEC
Jon Halliwill, Mayor of Haines

February 4, 1985
City Of Haines
COST ESTIMATE FOR DIVISION OF EMERGENCY SERVICES FUNDING

Item I. Construction of two sewer system bypasses

Already in place labor and parts estimated by City of Haines	<u>\$20,000</u>
SUBTOTAL	\$20,000

Item II. Design and construction of sewer outfall line

1. 1300 linear feet of 12 inch ductile iron pipe buried throughout its length @ \$160/ft.	\$208,000
2. Engineering and design, includes survey, mixing zone calculations and as-built report @ 20% of construction cost.	<u>\$42,000</u>
SUBTOTAL	\$250,000

Item III. Rehabilitation of existing system

1. Inflow	
a. disconnect 50 commercial buildings @ \$3,000 per building	\$150,000
b. disconnect 150 residential buildings @ \$1,000 per building	\$150,000
c. repave surfaces	<u>\$10,000</u>
SUBTOTAL	\$310,000
2. Infiltration	
a. Study and prioritize areas	\$10,000
b. clean and TV inspect 47,000 linear feet of sewer @ \$3.00 per foot + \$20,000 mobilization cost	\$160,000
c. smoke test sewer system	\$16,000
d. replace 30 manholes @ \$4,800/manhole	\$144,000
e. grout 135 manholes	\$92,000
i. \$60/manhole for grout	
ii. \$400/manhole for labor	
iii. \$30,000 for equipment; this includes: grout mixer, 5kw generator, rotor hammer, fire hose, grout pump fabricated system, steam points, high pressure hose, 15% contingency, drill bits, and miscellaneous hardware	
f. grout 22,000 linear feet of sewer line @ \$12.50/ft.	<u>\$275,000</u>
SUBTOTAL	\$697,000

Item IV. Administrative Services

1. Audit of account by independent CPA	\$4,000	
2. Independent Project Manager	\$70,000	
3. State of Alaska oversight (Division of Emergency Services)	\$10,000	
4. Contingency (7.5%)	\$120,000	
5. City of Haines administrative and contract costs (7.5%)	<u>\$119,000</u>	
	SUBTOTAL	\$323,000
	GRAND TOTAL	\$1,600,000

NOTE: This estimate is NOT intended for use as an engineer's estimate for competitive bidding or for direct line item appropriation. Rather it is intended to provide a reasonable calculation of the total cost of rehabilitation work needed.

MEMORANDUM

BACKGROUND INFO on Disaster Relief and
Rainy Day Funds
State of Alaska

TO: Senator Jan Faiks
Senate Finance Committee
Attn: Cheryl Frasca

DATE: 28 Jan., 1985

FILE NO:

TELEPHONE NO: 465-4600

R.L.R.
FROM: Richard L. Rountree, Director
Admin. & Support Services Division
Department of Military & Veterans Affairs

SUBJECT: Disaster Relief Fund

I have reviewed the Department of Military & Veterans Affairs usage of the State Disaster Relief Fund from FY-80 to date and the following are my findings:

1. The Disaster Relief Fund has carried a balance in excess of 5,000.0 since FY-81 (+\$198.8) and the excess balance as of 7/1/84 was (+\$8,082.7).
2. The accumulation of the excess balance was caused by the following:
 - a. The Department of Military & Veterans Affairs was under the assumption that it did not control the Disaster Relief Fund; but was to receive an allocation of 5,000.0 at the beginning of each fiscal year. Also that any residue of the fiscal year allocation would lapse back to the Rainy Day Fund.
 - b. Since the Department of Military & Veterans Affairs accounted only for their current FY allocation we were not aware of the impact on the Disaster Relief Fund balance until late FY-84.

Note: The Department of Military & Veterans Affairs did not request any additional allocation from the Rainy Day Fund for FY-85 as we are now aware of the excess in the Disaster Relief Fund.

We are now advised by the Department of Administration, Division of Finance that we should be accounting for the State Disaster Relief Fund. Thereby I am recommending that the Department of Military & Veterans Affairs initiate the following:

1. Determine if there are any outstanding encumbrances against the excess balance created by prior years disasters.
2. Take action to return the unencumbered balance, in excess of \$5,000.0 as of 7/1/84, back to the Rainy Day Fund.
3. Change the Department of Military & Veterans Affairs Disaster Relief Fund allocation account to a non lapsing account.
4. Request funding only to replenish the Disaster Relief Fund to the \$5,000.0 level at the beginning of the fiscal year.

DMVA Accounting of the Disaster Relief Fund

FY-80 7/1/79 --6/30/80:

1.	11/79	West Coast Storm	121,353
2.	12/79	Willow Creek Flood	20,188
3.	2/80	Kodiak Island Storm	171,772
4.	4/80	Anchorage Storm	461,449
		Total Exp.	<u>774,762</u>

198.8 Bal.

FY-81 7/1/80 - 6/30/81:

Appropriation

5,000.0 (RDF)

1.	9/80	Bristal Bay Storm	113,084
2.	12/80	Copper Center Flood	13,168
3.	6/81	Angoon Water Disaster	10,987
		Total Exp.	<u>137,239</u>

5,061.6 Bal.

FY-82 7/1/81 - 6/30/82:

Appropriation

5,000.0 (RDF)

1.	7/81	South Central Storm	275,013
2.	2/82	Emmonak Fire	259,624
3.	5/82	Ft. Yukon Ice Jam	808,323
		Total Exp.	<u>1,342,960</u>

8,718.6 Bal.

FY-83 7/1/82 - 6/30/83:

Appropriation

5,000.0 (RDF)

1.	10/82	Russion Mission	375,000
2.	12/82	Takotna Fire	375,000
3.	4/83	Kipnuk Flood	900
4.	6/83	Aniak Flood	150,000
		Total Exp.	<u>900,900</u>

12,817.7 Bal.

§ 44.19.046

lieutenant governor shall appoint, departments of the ed to the office of or becomes vacant. majority of the mem- person designated office of lieutenant the person desig- appointment, the tion in the same 74 SLA 1959)

and Employees, §§ 109, . §§ 94 to 101.

ncy occurs in the tenant governor . III, § 11, of the herwise becomes office of lieuten- to the office of cated, or until a der AS 44.19.040 nor shall appoint nor in case of a

and vacancy in enant governor onstitution and m, the office of enant governor election to elect SLA 1959)

al election, see AS

es in the office multaneously,

§ 44.19.048

STATE GOVERNMENT

§ 44.19.048

the person appointed under AS 44.19.040 succeeds directly to the office of acting governor until successors to the respective offices are elected in a special election. (§ 5 ch 174 SLA 1959)

Revisor's notes. — Formerly AS 44.19.150. Renumbered in 1980. and time of calling special election, see AS 15.40.230. Cross references. — As to condition

Article 3. Disaster and Emergency Relief Funds.

Section	Section
45. Disaster relief fund	50. Definition
49. Grants and loans to municipalities damaged by natural disaster	52. Fuel emergency fund

Revisor's notes. — In 1980, the sections of this chapter were extensively renumbered. For derivations of current sections and current disposition of former sections consult the parallel reference table at the beginning of this title and the Table of Sections Amended. Etc. in binder no. 8.

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

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

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

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

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

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

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

Revisor's notes. — Formerly AS 44.19.171. Renumbered in 1980.

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

Sec. 44.19.049. Grants and loans to municipalities damaged by natural disaster. (a) Grants and loans for urban renewal shall be made available to municipalities damaged by disasters occurring in the state after August 1, 1967 in order to match federal funds under federal urban renewal programs. A grant or loan of state funds to a municipality for an urban renewal program under this section may not exceed 25 percent of the aggregate of the net project costs of the urban renewal project. Funds shall be made available to a municipality to match federal funds only if the urban renewal project is made necessary by the disaster.

(b) The funds for the grants or loans under this section shall come from the disaster relief fund provided for in AS 44.19.048 — 44.19.050.

(c) No urban renewal project costing over \$30,000,000 is eligible for grants or loans under this section.

(d) The governor shall determine the eligibility of a municipality for a grant and loan of funds to match federal funds for urban renewal. In making the determination the governor shall consider the following standards:

(1) the amount of participating money available from the United States government for urban renewal;

(2) the amount and availability of funds from other sources to meet the municipality's required contribution of matching funds;

(3) whether or not the urban renewal project was made necessary by a disaster;

(4) the needs of other municipalities damaged by the disaster for funds to match federal funds for urban renewal projects, and the urgency of the needs of other communities as compared with the community under consideration;

(5) the cost of the urban renewal project;

(6) the general welfare of the state and its inhabitants.

(e) A report of activity under this section shall be made to the legislature each year.

(f) The governor shall determine the terms and conditions of a loan made under this section.

(g) In this section "disaster" means a disaster proclaimed by the President of the United States. (§ 1 ch 20 FSSLA 1967; am § 1 ch 171 SLA 1970; am §§ 7-10 ch 104 SLA 1977)

Revisor's notes
44.19.177. Renumbered

Sec. 44.19.050. "Disaster" means the damage, injury or loss of man-made cause by landslide, avalanche, oil spill or other avert damage, pest infestation, explosion, etc. (SLA 1977)

Revisor's notes
44.19.175. Renumbered

Sec. 44.19.051. Office of the Governor determines that assistance the grant fund to a city or to purchase emergency

Revisor's notes
44.19.179. Renumbered

Section

- 54. State Geography
- 56. Composition
- 58. Duties of board
- 59. Alaska Native

Revisor's notes.
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Alaska Statutes

Title 37. Public Finance.

Chapter

- 05. Fiscal Procedures Act (§§ 37.05.159, 37.05.230, 37.05.316, 37.05.321)
- 07. Executive Budget Act (§§ 37.07.020, 37.07.060)
- 11. Renewable Resources Funds (Repealed)
- 12. Alaska Resources Corporation (§§ 37.12.010 — 37.12.023, 37.12.030, 37.12.035, 37.12.045, 37.12.050, 37.12.055, 37.12.060, 37.12.070, 37.12.071, 37.12.075, 37.12.080, 37.12.085, 37.12.125)
- 15. State Bonding Act (§§ 37.15.012, 37.15.415, 37.15.610 — 37.15.760)

Chapter 05. Fiscal Procedures Act.

Article

- 2. Uniform Accounting (§ 37.05.159)
- 3. Uniform Purchasing (§ 37.05.230)
- 4. General Provisions (§§ 37.05.316, 37.05.321)

Article 1. Administration.

Sec. 37.05.050. Federal funds.

Cross references. — For treatment of the state share of federal receipts from oil and gas leasing in the National Petroleum Reserve, see ch. 94, SLA 1984 in the Temporary and Special Acts.

Article 2. Uniform Accounting.

Section

- 159. Reserve for emergency operating expenses account

Sec. 37.05.159. Reserve for emergency operating expenses account. (a) There is established in the general fund the reserve for emergency operating expenses account. The account consists of money appropriated for the purposes of the account.

(b) Money in the reserve for emergency operating expenses account is available for expenditure or encumbrance only if

(1) the governor by proclamation determines that there is an impairment of the flow of state revenues which will result in imminent danger that the state will be unable to meet its operating budget obligations and the governor orders that money from the account be used for the

operating expenses of state government in the amount set out in the proclamation; and

(2) the governor calls a special session of the legislature to consider all subjects relating to the impairment of the flow of state revenues.

(c) A special session called under (b) of this section may be cancelled before it convenes if

(1) the governor and the presiding officer of each house of the legislature agree that the special session should be cancelled; and

(2) at least two-thirds of the following persons agree that the special session should be cancelled:

(A) the chairmen of the standing committees of each house of the legislature;

(B) the majority leaders of each house of the legislature; and

(C) the minority leaders of each house of the legislature.

(d) Votes required to be conducted under (c) of this section may be conducted by teleconference.

(e) Notwithstanding the provisions of (b) of this section and AS 37.07.080(e), the governor may transfer up to \$9,000,000 during a fiscal year from the reserve for emergency operating expenses account to the fire suppression fund to pay the costs of fire suppression.

~~(f) Notwithstanding the provisions of (b) of this section and AS 37.07.080(e), the governor may transfer up to \$5,000,000 during a fiscal year from the reserve for emergency operating expenses account to the disaster relief fund. (§ 1 ch 170 SLA 1980; §§ 2, 3 ch 171 SLA 1980; § 2 ch 30 SLA 1982)~~

Editor's notes. — This section is set out to supply an omission in the main pamphlet.

Article 3. Uniform Purchasing.

Section

230. Competitive bids

Sec. 37.05.230. Competitive bids [Effective January 1, 1985]. In the manner provided in this chapter and regulations established under it

(1) a contract for construction and repairs, or a purchase of and contract for supplies, materials, equipment, and contractual services must be based on competitive bids; an award shall be made to the lowest responsible bidder after advertising for bids, except that (A) a bid shall be awarded to an Alaska bidder if the bid is not more than five per cent higher than the lowest nonresident bidder's; and (B) competitive bids need not be required (i) for contractual services where no competition exists; (ii) for sales involving fair trade items; (iii) when, in the judgment of the purchasing agent, food, clothing, or medical supplies, or materials for use in laboratory and experimental studies

may be purchased where rates are set by law; or (vi) items; or (vii)

(2) if the estimated to be obtainable, by public bidders and the work is to be done by the department or department or active prospective received, and the department if it finds that

(3) a contract is not awarded if competitive bids are received in the market, in the absence of a bid shall be based on the provisions provided in AS 37.05.230. The department shall be based on the provisions of the department by cash payment of the department needed by each contract at least once each month. The department shall set aside of the response of the department and replenish

(4) the provisions apply to contracts for the purchase of students to an amount under AS 14.05.010. The department shall negotiate an award for purchase

(5) an "Alaska" bidder under this section,

(A) holds a contract

(B) submits a bid on the person's behalf

(C) has maintained a record of six months in the past

(6) the competitive bid for air taxi service executed; the department

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 28, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that authorizes an expenditure from the disaster relief fund (AS 44.19.048(a)) in excess of \$1,000,000. This authorization is sought in accordance with the provisions of AS 44.19.048(b) to effect immediate repair to the sewerage system for the City of Haines. The city's system suffered a major collapse when it was overtaxed by heavy run-off from rain and melting of the snow pack. The collapse now poses a severe health hazard because city residents are exposed to raw sewage which cannot be safely processed. Officials of the Department of Health and Social Services and the Department of Environmental Conservation have inspected the damage in Haines and confirm the fact that the conditions now existing in Haines pose a direct and imminent threat of sufficient magnitude and severity to justify state action.

I urge you to expeditiously consider and enact this bill so that the health and safety of the citizens of Haines can be assured.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor