

LEG. FINANCE - BILLS 1985 - 1986 2410

HB 477 - HB 482

2410

HOUSE
COMMITTEE REPORT

(11)

Date referred: 3/26/86

FURTHER REFERRALS:

DATE: 4-11-86

The FINANCE Committee has considered HB 477

"An Act making and amending appropriations for the Alaska Power Authority; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 477 (Fin) same title

and recommends DO PASS new title

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DC PASS:

Liberto Adams
[Signature]
Mike Simonovich
Pat Fouchet
[Signature]
[Signature]
[Signature]

SIGNING OTHER RECOMMENDATIONS:

Ronald J. Turner No rec.

Liberto Adams
Chairman

Original sponsor: Rules/Governor

Funding Information

General Fund \$271,700,000
Other Funds (271,700,000)
-0-

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 477 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropri-
7 tions for energy programs; and providing for an
8 effective date."

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

10 * Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna
11 Hydroelectric Project Financing - \$200,000,000) is repealed.

12 * Sec. 2. Section 3, ch. 96, SLA 1985, page 8, line 5 (Bradley Lake
13 Hydroelectric Financing - \$50,000,000) is repealed.

14 * Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 13 (Power Cost
15 Equalization - \$21,700,000) is repealed.

16 * Sec. 4. The sum of \$200,000,000 is appropriated from the general fund
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt
18 energy development.

19 * Sec. 5. The sum of \$50,000,000 is appropriated from the general fund
20 to the power development fund (AS 44.23.382) for the purpose of financing
21 the Bradley Lake hydroelectric project.

22 * Sec. 6. The sum of \$21,700,000 is appropriated from the general fund
23 to the power cost equalization fund (AS 44.93.162) for the purpose of
24 providing power cost equalization assistance to utilities.

25 * Sec. 7. AS 44.83.165 is amended to read:

26 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-
27 IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984, [AND
28 THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT
29 FISCAL YEAR] from the general fund to the power cost equalization fund

(AS 44.83.162).

* Sec. 8. AS 44.83.410 is amended to read:

Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR] from the general fund to the authority for deposit in the power development fund (AS 44.83.382) for the purpose of Railbelt energy development [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA RIVER HYDROELECTRIC PROJECT].

* Sec. 9. AS 44.83.420 is amended to read:

Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the authority for deposit in the power development fund (AS 44.83.382) for the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR,] the Bradley Lake hydroelectric project.

* Sec. 10. The unexpended, unobligated, and unencumbered balance of the appropriation in sec. 3 of this Act is repealed and reapportioned to the Railbelt energy fund (AS 44.25.050).

* Sec. 11. Obligations, encumbrances, and expenditures incurred against appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are considered obligations, encumbrances, and expenditures of the appropriations enacted in secs. 4 - 6 of this Act. The appropriations enacted in secs. 4 - 6 and 10 of this Act do not appropriate any more money than was previously appropriated by the appropriations amended or repealed in secs. 1 - 3 and 7 - 9 of this Act.

* Sec. 12. The unexpended, unobligated and unencumbered balance of the appropriation made by sec. 1, ch. 76, SLA 1979 (Office of the Governor for CSHB 477(Fin)

1 Susitna studies - \$8,178,000) is repealed and reappropriated to the
2 Railbelt energy fund (AS 44.25.050).

3 * Sec. 13. The unexpended, unobligated and unencumbered balance of the
4 appropriation made by sec. 236, ch. 50, SLA 1980, page 67, line 6 (Power
5 project fund, feasibility analysis, Upper Susitna - \$7,000,000) is repealed
6 and reappropriated to the Railbelt energy fund (AS 44.25.050).

7 * Sec. 14. Section 6, ch. 90, SLA 1981, as amended by sec. 83, ch. 141,
8 SLA 1982, sec. 94, ch. 106, SLA 1983, and sec. 193, ch. 105, SLA 1985 is
9 amended to read:

10 Sec. 6. The sum of \$12,713,200 [\$30,813,200] is appropriated
11 from the general fund to the Alaska Power Authority for feasibility
12 studies, preconstruction design, and engineering, to be allocated to
13 the following proposed projects:

Project	Amount
(1) Black Bear Lake	1,400,000
(2) Chester Lake	1,000,000
(3) Chakachamna Lake	997,000
(4) Grant Lake	1,000,000
(5) Bethel regional study/Kisaralik	1,000,000
(6) Power Creek	302,200
(7) SUSITNA	12,100,000
(8) Tazimina Lake	2,000,000
(9) West Creek	1,000,000
(10) Rural community feasibility studies: Akiok, Akutan, Ambler, Angoon, Atka, Chignik, Chignik Lagoon, Chignik Lake, Chuathbaluk, Cold Bay, Elin, False Pass, Goodnews Bay, Grayling, Gustavus, Irtzoff Bay, Kaltag, Karluk, Kiana, King Cove, Larsen Bay,	

Nikolski, Old Harbor, Perryville,
Scarmon Bay, Shungnak, Tenakee Springs,
Togiak, Unalaska

2,515,600

* Sec. 15. The unexpended, unobligated and unencumbered balance of the appropriation and allocation repealed by sec. 14 of this Act (Susitna - \$12,100,000) is reappropriated to the Railbelt energy fund (AS 44.25.050).

* Sec. 16. The unexpended, unobligated and unencumbered balance of the appropriation made by sec. 73, ch. 101, SIA 1982, (Alaska Power Authority, Susitna studies - \$25,600,000) is repealed and reappropriated to the Railbelt energy fund (AS 44.25.050).

* Sec. 17. The unexpended, unobligated and unencumbered balance of the appropriation made by sec. 34, ch. 107, SIA 1983, page 49, line 25 (Alaska Power Authority, Susitna - \$26,000,000) is repealed and reappropriated to the Railbelt energy fund (AS 44.25.050).

* Sec. 18. The unexpended, unobligated and unencumbered balance of the appropriation made by sec. 319, ch. 171, SIA 1984, page 23, line 11 (Alaska Power Authority, Susitna - \$32,000,000) is repealed and reappropriated to the Railbelt energy fund (AS 44.25.050).

* Sec. 19. The appropriations in secs. 4, 5, 10, 11, 13, and 15-18 of this Act are for capital projects, and do not lapse, in accordance with AS 37.25.020.

* Sec. 20. Sections 1 - 3 and 5 - 9 of this act are retroactive to July 1, 1985.

* Sec. 21. This Act takes effect on the effective date of an Act creating the Railbelt energy fund.

Original sponsor: Rules/Governor

Funding Information

General Fund \$271,700,000
Other Funds (271,700,000)

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* Sec. 11. Obligations, encumbrances, and expenditures incurred against appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are considered obligations, encumbrances, and expenditures of the appropriations enacted in secs. 4 - 6 of this Act. The appropriations enacted in secs. 4 - 6 and 10 of this Act do not appropriate any more money than was previously appropriated by the appropriations amended or repealed in secs. 1 - 3 and 7 - 9 of this Act.

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Nikolski, Old Harbor, Ferryville,
Scarmon Bay, Shungnak, Tenakee Springs,
Togiak, Unalaska

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* Sec. 18. The unexpended, unobligated and unencumbered balance of the appropriation made by sec. 319, ch. 171, SLA 1984, page 53, line 11 (Alaska Power Authority, Susitna - \$32,900,000) is repealed and reappropriated to the Railbelt energy fund (AS 44.25.050).

* Sec. 19. The appropriations in secs. 4, 5, 10, 12, 13, and 15-18 of this Act are for capital projects, and do not lapse, in accordance with AS 37.25.020.

* Sec. 20. Sections 1 - 3 and 5 - 9 of this act are retroactive to July 1, 1985.

* Sec. 21. This Act takes effect on the effective date of an Act creating the Railbelt energy fund.

MEMORANDUM

3/25/86

TO: Rep. John Sund

FROM: J. Hartle, PA

RE: Sectional analysis of CSHB 477 (Loans)

- Section 1. Repeals continuing appropriation for Susitna.
- Section 2. Repeals continuing appropriation for Bradley Lake.
- Section 3. Repeals continuing appropriation for PCE.
- Section 4. Reappropriates \$200 million repealed in section 1, to the Railbelt Energy Fund (HB 699).
- Section 5. Reappropriates \$50 million repealed in section 2, to the Power Development Fund in the APA.
- Section 6. Reappropriates \$21.7 million repealed in section 3, to the PCE Fund.
- Section 7. Appropriates \$16.3 to PCE and repeals the continuing nature of the appropriation.
- Section 8. Appropriates \$100 million to the Power Development Fund for the purpose of Railbelt Energy Development, repeals the continuing nature of the appropriation.
- Section 9. Appropriates \$50 million to the Power Development Fund for Bradley Lake, repeals the continuing nature of this appropriation.
- Section 10. Repeals and reappropriates the unexpended and unobligated portion of the \$100 million appropriation amended in section 8 to the Railbelt Energy fund.
- Section 11. Makes clear that no new funds are appropriated in this Act, and that obligations, encumbrances and expenditures incurred against appropriations amended or repealed are legal.

Section 12. States that appropriations made here are capital and do not lapse at the end of the fiscal year.

Section 13. Effective date for the sections appropriating money that has had encumbrances made against them.

Section 14. Makes the Act effective on the creation of the Railbelt Energy Fund (HB 699)

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 25, 1986

SUBJECT: Railbelt energy fund
(CSHB 477 (Loans) and HB 699)

TO: Representative John Sund
Chairman, House Special Committee on Loans

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

Enclosed is the draft CSHB 477 (Loans) you requested. Sections 4, 8, and 10 appropriate money to the Railbelt energy fund. That fund would be created under HB 699, which states that the legislature may appropriate money from the fund to assist in meeting Railbelt energy needs.

There is a question concerning how the constitutional prohibition against dedication of funds applies to the Railbelt energy fund. Article IX, Section 7 of the Alaska Constitution states

DEDICATED FUNDS. The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska. (Section 15 establishes the permanent fund.)

If a strict interpretation of the prohibition in this section is taken, the legislature may not limit the future use of money by an appropriation to a special fund. A more relaxed reading of the section would find that the appropriation by the legislature serves to meet the constitutional objective and the amount appropriated loses its status as "proceeds of any state tax or license." It would retain any limit as to use imposed by the appropriation. Of

Representative John Sund
Page 2
March 25, 1986

course, a future legislature could repeal the restrictive purpose and appropriate the money for any purpose it wished, since one legislature may not bind another.

In State v. Alex, 646 P.2d 203, at 210, (Alaska 1982), the Alaska Supreme Court discusses the purpose of the amendment that changed the wording of the constitutional section from prohibiting the dedication of "all revenues" to the present language prohibiting the dedication of "proceeds of any state tax or license." The court noted

The committee's spokesman stated that the purpose of the proposed amendment was to allow for the setting up of certain special funds, such as sinking funds for the repayment of bonds, but to prohibit the earmarking of any special tax to that sinking fund. Thus, the change did not seek to exempt some sources of revenue from the prohibition, but was intended instead to allow necessary dedication of funds once they were received and placed in the general fund. Review of the convention discussion shows that the amendment was not intended to limit the prohibition of earmarking. (Citations omitted)

The examples that support that dedication after receipt include retirement contributions and the proceeds of bond sales. It is not clear whether the appropriation for the Railbelt energy fund would receive similar treatment by the court.

In an opinion issued November 30, 1982, the attorney general discussed the constitutionality of "Dedication of Money to Specific Purposes on a Continuing Basis When Appropriated." The opinion states, at 12 -13,

A question of the proper application of the dedicated funds prohibition arises when money is appropriated to a revolving loan fund or other special reserve fund or account. . . . Special reserve funds involve essentially the setting aside of money for certain specified future needs or conditions which may or may not occur. When this is done, it might be argued that the legislature has made an impermissible dedication with respect to the future use of the money placed in those funds and accounts.

We believe the better view is that the dedication prohibition does not apply to money once appropriated by

Representative John Sund
Page 3
March 25, 1986

the legislature, regardless of whether the appropriation contemplates that the money will be expended. Usually appropriations authorize money to be spent. In other cases, however, the legislature may prefer to establish by general law a continuing loan program and finance it through a one-time appropriation or to reserve money in a special fund or account for future use for limited purposes. A strong argument can be made that money once appropriated, regardless of the mechanism utilized, loses its character as revenue for the purpose of the dedicated funds prohibition because the purpose of the prohibition, i.e., that the legislature retain control over state revenues, has been satisfied. (Citations omitted, emphasis in original.)

If the present legislation is challenged in court, and the court holds that the Railbelt energy fund constitutes an improper dedication of funds, it is likely that the result will be that the Railbelt fund will be treated as an account in the general fund, for the legislature to appropriate from as it sees fit.

If I may be of further assistance, please advise.

TC:mkr
m4:043

Enclosure

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

Leg. Fin
084
HB 477

January 15, 1986

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box 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 will make and amend appropriations to the Alaska Power Authority for the Susitna River Hydroelectric Project, the Bradley Lake Hydroelectric Project, and the Power Cost Equalization Fund.

Last summer, in the case Trustees for Alaska, et al. vs. State of Alaska, 3AN-84-12053 (Civ), the superior court declared that the continuing appropriations for the Susitna River Hydroelectric Project, the Bradley Lake Hydroelectric Project, and the Power Cost Equalization Program were unconstitutional. The appropriations in ch. 96, SLA 1985, and ch. 98, SLA 1985 for those purposes were also held by the court to be invalid. The state was enjoined from spending any money under these continuing appropriations, except in the cases where irreparable harm would result. This bill amends those appropriations to remove the "continuing" provisions and the amount of those continuing appropriations. The July 1, 1984 appropriation is, in each case, left intact (secs. 4 -- 6 of the bill). Sections 1 -- 3 of the bill make appropriations in the same amounts to the Alaska Power Authority for the affected projects. Section 7 of the bill repeals the 1985 appropriations held by the court to be invalid.

I urge your prompt passage of this legislation.

Sincerely,

Bill Sheffield
Bill Sheffield
Governor

111

Offered: 3/26/86
Referred: Finance

Original sponsor: Rules/governor

Funding Information

General Fund \$271,700,000
Other Funds (271,700,000)

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BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

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CS FOR HOUSE BILL NO. 477 (Loans)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act making, amending, and repealing appropriations for energy programs; and providing for an effective date."

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

10 * Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna
11 Hydroelectric Project Financing - \$200,000,000) is repealed.

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13 Hydroelectric Financing - \$50,000,000) is repealed.

14 * Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost
15 Equalization - \$21,700,000) is repealed.

16 * Sec. 4. The sum of \$200,000,000 is appropriated from the general fund
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt
18 energy development.

19 * Sec. 5. The sum of \$50,000,000 is appropriated from the general fund
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21 the Bradley Lake hydroelectric project.

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25 * Sec. 7. AS 44.83.165 is amended to read:

26 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-
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28 THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT
29 FISCAL YEAR] from the general fund to the power cost equalization fund

1 (AS 44.83.162).

2 * Sec. 8. AS 44.83.410 is amended to read:

3 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY
4 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of
5 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF
6 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]
7 from the general fund to the authority for deposit in the power devel-
8 opment fund (AS 44.83.382) for the purpose of Railbelt energy develop-
9 ment [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA
10 RIVER HYDROELECTRIC PROJECT].

11 * Sec. 9. AS 44.83.420 is amended to read:

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15 authority for deposit in the power development fund (AS 44.83.382) for
16 the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZA-
17 TION FOR,] the Bradley Lake hydroelectric project.

18 * Sec. 10. The unexpended, unobligated, and unencumbered balance of the
19 appropriation in sec. 8 of this Act is repealed and reappropriated to the
20 Railbelt energy fund (AS 44.25.050).

21 * Sec. 11. Obligations, encumbrances, and expenditures incurred against
22 appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are
23 considered obligations, encumbrances, and expenditures of the appropria-
24 tions enacted in secs. 4 - 6 of this Act. The appropriations enacted in
25 secs. 4 - 6 and 10 of this Act do not appropriate any more money than was
26 previously appropriated by the appropriations amended or repealed in secs.-
27 1 - 3 and 7 - 9 of this Act.

28 * Sec. 12. The appropriations in secs. 4, 5, and 10 of this Act are for
29 capital projects, and lapse in accordance with AS 37.25.020.

1 * Sec. 13. Sections 1 - 3 and 5 - 9 of this Act are retroactive to
2 July 1, 1985.

3 * Sec. 14. This Act takes effect on the effective date of an Act creat-
4 ing the Railbelt energy fund.

Introduced: 1/15/86
Referred: House Special Committee on
State Loans and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

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8 date."

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10 * Section 1. (a) The sum of \$200,000,000 is appropriated from the
11 general fund to the Alaska Power Authority for deposit in the power devel-
12 opment fund (AS 44.83.382) for the purpose of financing the Susitna River
13 hydroelectric project.

14 (b) Up to \$9,100,000 of the amount set out in (a) of this section may
15 be spent in fiscal year 1987 for planning and predesign activities for the
16 Susitna River hydroelectric project.

17 * Sec. 2. The sum of \$50,000,000 is appropriated from the general fund
18 to the Alaska Power Authority for deposit in the power development fund
19 (AS 44.83.382) to finance the Bradley Lake hydroelectric project.

20 * Sec. 3. The sum of \$21,700,000 is appropriated from the general fund
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22 fund (AS 44.83.162).

23 * Sec. 4. AS 44.83.165 is amended to read:

24 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-
25 IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984 [,
26 AND THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSE-
27 QUENT FISCAL YEAR] from the general fund to the power cost equaliza-
28 tion fund (AS 44.83.162).

29 * Sec. 5. AS 44.83.410 is amended to read:

1 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR SUSITNA RIVER
2 HYDROELECTRIC PROJECT. The sum of \$100,000,000 is appropriated on
3 July 1, 1984 [AND THE SUM OF \$200,000,000 IS APPROPRIATED ON JULY 1 OF
4 EACH SUBSEQUENT FISCAL YEAR] from the general fund to the authority
5 for deposit in the power development fund (AS 44.83.382) for the pur-
6 pose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR,]
7 the Susitna River hydroelectric project.

8 * Sec. 6. AS 44.83.420 is amended to read:

9 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE
10 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on July
11 1, 1984 [OF EACH FISCAL YEAR] from the general fund to the authority
12 for deposit in the power development fund (AS 44.83.382) for the pur-
13 pose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR,]
14 the Bradley Lake hydroelectric project.

15 * Sec. 7. The fiscal year 1986 appropriations made at page 8, line 17
16 and page 9, line 5, ch. 96, SLA 1985; and page 59, line 18, ch. 98, SLA
17 1985 are repealed.

18 * Sec. 8. Obligations, encumbrances, and expenditures incurred against
19 appropriations repealed or amended in this Act are considered obligations,
20 encumbrances, and expenditures of the appropriations enacted in secs. 1 --
21 3 of this Act. The appropriations enacted in secs. 1 -- 3 of this Act do
22 not appropriate any more money than was previously appropriated by the
23 appropriations amended or repealed in secs. 4 -- 7 of this Act.

24 * Sec. 9. The appropriations in secs. 1 and 2 of this Act are for capi-
25 tal projects, and lapse in accordance with AS 37.25.020.

26 * Sec. 10. Sections 1 -- 7 of this Act are retroactive to July 1, 1985.

27 * Sec. 11. This Act takes effect immediately in accordance with AS 01.-
28 10.070(c).

COMMITTEE REPORT
SENATE

4/28/86

FURTHER:

Date 4/30/86

Mr. President

The Committee on FINANCE considered CSHB 477(Fin) making, amending, and repealing appropriations for energy programs;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

Rick Hagford

McKlassin

Dejaron

Andrett

MEMBERS HAVING
OTHER RECOMMENDATIONS

J. Kottler No Rec

Paul Grish N/A

Co-Chairman *Paul Grish*

 Chairman recommendation *No Rec*

4/30/86
Amend. #1

[Handwritten signature]

CS HB 477(FIN)

AMENDMENT BY FERGUSON

PAGE 4, LINE 19

After the word "5" Insert:

6,7

Offered: 4/14/86
Referred: Rules

Original sponsor: Rules/Governor

Funding Information
General Fund \$271,700,000
Other Funds (271,700,000)
-0-

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 477 (Finance)'

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropria-
7 tions for energy programs; and providing for an
8 effective date."

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

10 * Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna
11 Hydroelectric Project Financing - \$200,000,000) is repealed.

12 * Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake
13 Hydroelectric Financing - \$50,000,000) is repealed.

14 * Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost
15 Equalization - \$21,700,000) is repealed.

16 * Sec. 4. The sum of \$200,000,000 is appropriated from the general fund
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt
18 energy development.

19 * Sec. 5. The sum of \$50,000,000 is appropriated from the general fund
20 to the power development fund (AS 44.83.382) for the purpose of financing
21 the Bradley Lake hydroelectric project.

22 * Sec. 6. The sum of \$21,700,000 is appropriated from the general fund
23 to the power cost equalization fund (AS 44.83.162) for the purpose of
24 providing power cost equalization assistance to utilities.

25 * Sec. 7. AS 44.83.165 is amended to read:

26 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-
27 IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984, [AND
28 THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT
29 FISCAL YEAR] from the general fund to the power cost equalization fund

1 (AS 44.83.162).

2 * Sec. 8. AS 44.83.410 is amended to read:

3 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY
4 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of
5 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF
6 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]
7 from the general fund to the authority for deposit in the power devel-
8 opment fund (AS 44.83.382) for the purpose of Railbelt energy develop-
9 ment [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA
10 RIVER HYDROELECTRIC PROJECT].

11 * Sec. 9. AS 44.83.420 is amended to read:

12 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE
13 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on
14 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the
15 authority for deposit in the power development fund (AS 44.83.382) for
16 the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZA-
17 TION FOR,] the Bradley Lake hydroelectric project.

18 * Sec. 10. The unexpended, unobligated, and unencumbered balance of the
19 appropriation in sec. 8 of this Act is repealed and reappropriated to the
20 Railbelt energy fund (AS 44.25.050).

21 * Sec. 11. Obligations, encumbrances, and expenditures incurred against
22 appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are
23 considered obligations, encumbrances, and expenditures of the appropria-
24 tions enacted in secs. 4 - 6 of this Act. The appropriations enacted in
25 secs. 4 - 6 and 10 of this Act do not appropriate any more money than was
26 previously appropriated by the appropriations amended or repealed in secs.-
27 1 - 3 and 7 - 9 of this Act.

28 * Sec. 12. The unexpended, unobligated and unencumbered balance of the
29 appropriation made by sec. 1, ch. 76, SLA 1979 (Office of the Governor for

1 Susitna studies - \$8,178,000) is repealed and reappropriated to the
2 Railbelt energy fund (AS 44.25.050).

3 * Sec. 13. The unexpended, unobligated and unencumbered balance of the
4 appropriation made by sec. 286, ch. 50, SLA 1980, page 67, line 6 (Power
5 project fund, feasibility analysis, Upper Susitna - \$7,000,000) is repealed
6 and reappropriated to the Railbelt energy fund (AS 44.25.050).

7 * Sec. 14. Section 6, ch. 90, SLA 1981, as amended by sec. 83, ch. 141,
8 SLA 1982, sec. 94, ch. 106, SLA 1983, and sec. 193, ch. 105, SLA 1985 is
9 amended to read:

10 Sec. 6. The sum of \$12,713,200 [\$30,813,200] is appropriated
11 from the general fund to the Alaska Power Authority for feasibility
12 studies, reconstruction design, and engineering, to be allocated to
13 the following proposed projects:

14	Project	Amount
15	(1) Black Bear Lake	\$ 1,400,000
16	(2) Chester Lake	1,000,000
17	(3) Chakachamna Lake	997,600
18	(4) Grant Lake	1,000,000
19	(5) Bethel regional study/Kisaralik	1,000,000
20	(6) Power Creek	392,200
21	(7) [SUSITNA	18,100,000]
22	(8) Tazimina Lake	2,000,000
23	(9) West Creek	1,000,000
24	(10) Rural community feasibility studies:	
25	Akhiok, Akutan, Ambler, Angoon, Atka, Chignik,	
26	Chignik Lagoon, Chignik Lake, Chuathbaluk,	
27	Cold Bay, Elim, False Pass, Goo'news Bay,	
28	Grayling, Gustavus, Ivanoff Bay, Kaltag,	
29	Karluk, Kiana, King Cove, Larsen Bay,	

SECTIONAL ANALYSIS

CS for House Bill 477 (Finance), an Act making, amending, and repealing appropriations for energy programs; and providing for an effective date.

- Section 1: Repeals a 1985 \$200 million appropriation to the Susitna project.
- Section 2: Repeals a 1985 \$50 million appropriation for Bradley Lake.
- Section 3: Repeals a 1985 \$21.7 million appropriation for the power cost equalization program.
- Section 4: Reappropriates \$200 million repealed in Section 1 to the Railbelt energy fund (HB 699).
- Section 5: Reappropriates \$50 million repealed in Section 2 to the Power Development Fund to finance the Bradley Lake hydroelectric project.
- Section 6: Reappropriates \$21.7 million repealed in Section 3 to the power cost equalization fund.
- Section 7. Repeals the continuing appropriation after 1984 of \$16.3 million to the power cost equalization fund.
- Section 8. Repeals the continuing appropriation after 1984 of \$200,000 to the power development fund for the Susitna project. Redesignates the purpose of the 1984 appropriation by stating that it is for "Railbelt energy development" rather than the Susitna project.
- Section 9. Repeals the continuing appropriation after 1984 of \$50,000 to the power development fund for the Bradley Lake project.
- Section 10. Repeals and reappropriates into the Railbelt energy fund any balance left from the 1984 \$100 million appropriation to the Susitna

project.

- Section 11. Makes clear that no new funds are appropriated under this Act and that previous expenditures encumbrances, and obligations incurred against appropriations that are repealed or amended by this Act are legal.
- Section 12. Repeals and reappropriates into the Railbelt energy fund any balance left from the 1979 \$8,178,000 appropriations for Susitna studies.
- Section 13. Repeals and reappropriates into the Railbelt energy fund any balance from the 1980 \$7,000,000 appropriation for a feasibility analysis for Upper Susitna.
- Section 14. Reduces a 1985 \$30,813,200 appropriation for the Alaska Power Authority to \$12,713,200 by deleting \$18,100,000 for Susitna.
- Section 15. Repeals and reappropriates into the Railbelt Energy fund any balance from the \$18,100,000 appropriation referred to in Section 14 of this bill.
- Section 16. Repeals and reappropriates into the Railbelt Energy fund any balance from the \$25,600,000 appropriation for Susitna studies.
- Section 17. Repeals and reappropriates into the Railbelt Energy fund any balance from the \$28,000,000 appropriation for Susitna.
- Section 18. Repeals and reappropriates into the Railbelt Energy fund any balance from the \$32,000,000 appropriation for Susitna.
- Section 19. States that appropriations made here are capital and do not lapse at the end of the fiscal year.
- Section 20. Sections 1 - 3 and 5 - 9 are retroactive to July 1, 1985.
- Section 21. Makes this bill effective on the creation of the Railbelt Energy Fund (Hb 699)

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

14B477

January 15, 1986

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box 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 will make and amend appropriations to the Alaska Power Authority for the Susitna River Hydroelectric Project, the Bradley Lake Hydroelectric Project, and the Power Cost Equalization Fund.

Last summer, in the case Trustees for Alaska, et al. vs. State of Alaska, 3AN-84-12053 (Civ), the superior court declared that the continuing appropriations for the Susitna River Hydroelectric Project, the Bradley Lake Hydroelectric Project, and the Power Cost Equalization Program were unconstitutional. The appropriations in ch. 96, SLA 1985, and ch. 98, SLA 1985 for those purposes were also held by the court to be invalid. The state was enjoined from spending any money under these continuing appropriations, except in the cases where irreparable harm would result. This bill amends those appropriations to remove the "continuing" provisions and the amount of those continuing appropriations. The July 1, 1984 appropriation is, in each case, left intact (secs. 4 -- 6 of the bill). Sections 1 -- 3 of the bill make appropriations in the same amounts to the Alaska Power Authority for the affected projects. Section 7 of the bill repeals the 1985 appropriations held by the court to be invalid.

I urge your prompt passage of this legislation.

Sincerely,

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

Bill Sheffield
Governor

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

4/17/86

Date _____

Mr. President

The Committee on RESOURCES considered CSHB 477(FIN)
making, amending, and repealing appropriations for energy programs;
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

COMMITTEE REPORT

SENATE

FURTHER:

4/10/86

Date _____

Mr. President

The Committee on FINANCE considered CSHB 479(L&C)
relating to biomass fuel systems.

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

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

3/10/86

Date 9 April 86

Mr. President

The Committee on LABOR & COMMERCE considered CSHB 479(L&C)
relating to biomass fuel systems

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

John Sackett
Bill Ray

MEMBERS HAVING
OTHER RECOMMENDATIONS

Fred F. Zharoff
Chairman
Do Pass
Chairman recommendation

1-7 note of analysis
Sep 79

alterable

Offered: 1/31/86
Referred: House Special Committee on
State Loans and Finance

Original sponsor: Duncan and
Szymanski

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 479 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to biomass fuel systems."

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

8 * Section 1. AS 45.88.500(a) is amended to read:

9 (a) In this chapter, "alternative energy system"

10 (1) means a source of thermal, mechanical, or electrical
11 energy which is not dependent on oil or gas or a nuclear fuel for the
12 supply of energy for space heating and cooling, refrigeration and cold
13 storage, electrical power, mechanical power, or the heating of water;

14 (2) includes

15 (A) an alternative energy property as defined by 26
16 U.S.C. 48 (1)(3)(A), (Sec. 301, P.L. 95-618, Internal Revenue
17 Code);

18 (B) a method of architectural design and construction
19 which provides for the collection, storage, and use of direct
20 radiation from the sun;

21 (C) a woodstove with a catalytic converter, [OR] a
22 catalytic converter for a wood stove, or a catalytic fireplace
23 insert; [AND]

24 (D) a steam, hot water, or ducted hot air central
25 heating system that uses wood or coal for fuel; and

26 (E) a stove or furnace that uses biomass fuel produced
27 from any organic matter that is available on a renewable basis,
28 including agricultural crops and agricultural waste and residue,
29 wood waste residue, animal waste, municipal waste, and aquatic

1 plants;

2 (3) does not include, unless described in (2)(C) of this
3 subsection,

4 (A) a stove that uses only firewood [WOOD], coal, or
5 oil for fuel; or

6 (B) a fireplace or fireplace insert.
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R

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: 2/5/86

REQUEST

Bill Resolution No.: CSHB 479 (L&C)
 Title: An Act relating to Biomass Fuel Systems

Sponsor: Representative Duncan
 Requestor: House Labor & Commerce
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
 BRU: Investments

Components: Economic Development

EXPENDITURES/REVENUES : (Thousands of Dollars)

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

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

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

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

It is anticipated that any new loan demand created as a result of CSHB 479 (L&C) will be absorbed within the existing funding available under the Alternative Energy Loan Program. New loan application processing will also be absorbed by existing staff within the division.

Prepared by: Paul B. Arnoldt, Director
 Division: Investments

Phone: 465-2510

Date: 2/5/86

Approved by Commissioner: [Signature]
 Agency: Commerce and Economic Development

Date: 2/5/86

Distribution (by Agency preparing fiscal note):

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

cc
1/31
1986

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 01/28/86

REQUEST
 Bill Resolution No.: HB 479
 Title: An Act Relating to Biomass Fuel Systems
 Sponsor: Representative Duncan
 Requestor: House Labor & Commerce
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Commerce & Economic Dev.
 BRU: Investments
 Components: Economic Development

EXPENDITURES/REVENUES : (Thousands of Dollars)

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

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

It is anticipated that any new loan demand created as a result of HB 479 will be absorbed within the existing funding available under the Alternative Energy Loan Program. New loan application processing will also be absorbed by existing staff within the division.

Prepared by: Paul B. Arnoldt, Director Phone: 465-2510
 Division: Investments Date: 1/28/86

Approved by Commissioner: Loren H. Lounsbury Date: 1/28/86
 Agency: Commerce & Economic Development

Distribution (by Agency preparing fiscal note):

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

ALASKA STATE LEGISLATURE

14th... Legislature SECOND... Session

HOUSE ..BILL..... NO. 479...

By DUNCAN, SZYMANSKI.....

"An Act relating to biomass fuel systems."

CSHB 479 (L&C) BY L&C

Offered: 1/31/86
Referred: House Special Committee on State Loans and Finance

TITLE: Same

biomass fuel systems.

Introduced in the House .1/16....., 1986.

HISTORY IN THE HOUSE

1986	Read first time and referred to Committee on																						
Jan 16	L&C LOANS AND FINANCE																						
Jan 31	Reported back with recommendation that <i>Label Commerce - CS/L&C 7 days - 20 Loans</i>																						
Feb 19	<i>Loans - 3 days, 17 no rec 20 finance</i>																						
Mar 7	<i>Finance - CS/L&C - 10 days for today calendar</i>																						
Mar 7	Read second time and <i>CS/L&C - adopted order</i>																						
Mar 7	Read third time and																						
Mar 7	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas 34</td><td>Yeas</td></tr> <tr><td>Nays 1</td><td>Nays</td></tr> <tr><td>Absent 1</td><td>Absent</td></tr> <tr><td>Excused 4</td><td>Excused</td></tr> </table> <table border="0"> <tr><td colspan="2">Reconsideration</td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table> <i>777</i> Reported correctly engrossed Signed by Speaker Sent to Senate <i>Irene Astren</i>	PASS	Effective Date	Yeas 34	Yeas	Nays 1	Nays	Absent 1	Absent	Excused 4	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date																						
Yeas 34	Yeas																						
Nays 1	Nays																						
Absent 1	Absent																						
Excused 4	Excused																						
Reconsideration																							
PASS	Effective Date																						
Yeas	Yeas																						
Nays	Nays																						
Absent	Absent																						
Excused	Excused																						
	CHIEF CLERK OF THE HOUSE																						

HISTORY IN THE SENATE

1985	Read first time and referred to Committee on																						
3/10	L&C Fin																						
1986	Reported back with recommendation that <i>3 days 2 Jan</i>																						
4/10																							
	Read second time and																						
	Read third time and																						
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table> <table border="0"> <tr><td colspan="2">Reconsideration</td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table> Reported correctly engrossed Signed by President Returned to House	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date																						
Yeas	Yeas																						
Nays	Nays																						
Absent	Absent																						
Excused	Excused																						
Reconsideration																							
PASS	Effective Date																						
Yeas	Yeas																						
Nays	Nays																						
Absent	Absent																						
Excused	Excused																						
	SECRETARY OF THE SENATE																						

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor by Governor
	Filed with Lt. Governor
	Chapter No.

R

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 2/5/86

REQUEST

FISCAL DETAIL

Bill Resolution No. : CSHB 479 (L&C)
 Title : An Act relating to Biomass Fuel
Systems

Agency Affected : Commerce & Econ. Dev.
 BRU : Investments

Sponsor : Representative Duncan
 Requestor : House Labor & Commerce
 Date of Request : _____

Components : Economic Development

EXPENDITURES/REVENUES : (Thousands of Dollars)

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

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

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

FUNDING : (Thousands of Dollars)

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

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

It is anticipated that any new loan demand created as a result of CSHB 479 (L&C) will be absorbed within the existing funding available under the Alternative Energy Loan Program. New loan application processing will also be absorbed by existing staff within the division.

Prepared by: Paul B. Arnoldt, Director
 Division : Investments

Phone : 465-2510
 Date : 2/5/86

Approved by Commissioner : [Signature]
 Agency : Commerce and Economic Development

Date : 2/5/86

Distribution (by Agency preparing fiscal note) :

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

Offered: 1/31/86
Referred: House Special Committee on
State Loans and Finance

Original sponsor: Duncan

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 479 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to biomass fuel systems."

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

8 * Section 1. AS 45.88.500(a) is amended to read:

9

(a) In this chapter, "alternative energy system"

10

(1) means a source of thermal, mechanical, or electrical

11

energy which is not dependent on oil or gas or a nuclear fuel for the

12

supply of energy for space heating and cooling, refrigeration and cold

13

storage, electrical power, mechanical power, or the heating of water;

14

(2) includes

15

(A) an alternative energy property as defined by 26

16

U.S.C. 48 (1)(3)(A), (Sec. 301, P.L. 95-618, Internal Revenue

17

Code);

18

(B) a method of architectural design and construction

19

which provides for the collection, storage, and use of direct

20

radiation from the sun;

21

(C) a woodstove with a catalytic converter, [OR] a

22

catalytic converter for a wood stove, or a catalytic fireplace

23

insert; [AND]

24

(D) a steam, hot water, or ducted hot air central

25

heating system that uses wood or coal for fuel; and

26

(E) a stove or furnace that uses biomass fuel produced

27

from any organic matter that is available on a renewable basis,

28

including agricultural crops and agricultural waste and residue,

29

wood waste residue, animal waste, municipal waste, and aquatic

1 plants;

2 (3) does not include, unless described in (2)(C) of this
3 subsection,

4 (A) a stove that uses only firewood [WOOD], coal, or
5 oil for fuel; or

6 (B) a fireplace or fireplace insert.

**HOUSE
COMMITTEE REPORT**

(11)

Date referred: 2/19/86

FURTHER REFERRALS:

DATE: 3-5-86

The FINANCE Committee has considered HB 479

"An Act relating to biomass fuel systems."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 479 (L+C) same title
- new title

and recommends DO PASS

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note 2/5/86

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Arthur D. Adams

John P. ...

James ...

John ...

Sam ...

Pat ...

Bob ...

Ronald ...

Rich ...

Steve ...

Arthur D. Adams
Chairman

Offered: 1/31/86
Referred: House Special Committee on
State Loans and Finance

Original sponsor: Duncan

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5 oil for fuel; or

6 (B) a fireplace or fireplace insert.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : 2/5/86

REQUEST

Bill Resolution No. : CSHB 479 (L&C)
 Title : An Act relating to Biomass Fuel Systems

Sponsor : Representative Duncan
 Requestor : House Labor & Commerce
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Commerce & Econ. Dev.
 BRU : Investments

Components : Economic Development

EXPENDITURES/REVENUES : (Thousands of Dollars)

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

FUNDING : (Thousands of Dollars)

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

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

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Date : 2/5/86

Distribution (by Agency preparing fiscal note):

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

RECEIVED
JAN 17 1986

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 13, 1986

SUBJECT: Alternative energy loans for biomass
fuel stoves (Work Order 14-1546)

TO: Representative Jim Duncan

FROM: George Utermohle
Legislative Counsel

I.

The draft bill that you requested is attached. The bill amends the definition of "alternative energy system" to expressly include stoves and furnaces that use biomass fuels. The effect of this amendment is to allow the Alternative Energy Revolving Loan Fund to make loans for the purchase of biomass fuel stoves and furnaces.

II.

You also asked whether the Alaska Industrial Development Authority (A.I.D.A.) can aid processors of biomass fuels.

In brief, A.I.D.A. does have the power to make loans, to insure loans, and to assist private lenders to make loans to processors of biomass fuels.

A.I.D.A. was created to provide means of financing and means of facilitating financing for

the establishment, operation, and development of industrial, manufacturing, and business enterprises, including, without limitation, facilities for transportation, facilities for pollution control and waste disposal, facilities for the local furnishing of gas, facilities for water, facilities for industrial parks, mass commuting vehicles, facilities for local district heating or cooling, parking facilities, or a storage or training facility relating to a plant or facility.
(AS 44.88.010(a)(5))

The list of facilities eligible for assistance is only illustrative and in no way restricts the kinds of projects that A.I.D.A. can support.

Provided that a project is located in Alaska and will generate additional employment, A.I.D.A. has the authority to insure loans, to make loans, or to assist private lenders in making loans for the project (AS 44.88.080(12), (13), and (15)). A.I.D.A. defines "project" to include

(A) a plant or facility used or intended for use

(i) in connection with making, processing, preparing, or producing in any manner, goods, products or substances of any kind or nature or in connection with developing or utilizing a natural resource, or extracting, smelting, transporting, converting, assembling or producing in any manner, minerals, raw materials, chemicals, compounds, alloys, fibers, commodities and materials, products or substances of any kind or nature;

(ii) as an industrial park; in connection with transportation; for the prevention, limitation or control of pollution; for the disposal of sewage or solid waste; for the local furnishing of gas; for the furnishing of water; as or in connection with mass commuting vehicles; for local district heating or cooling; as a parking facility; or as a storage or training facility directly related to a plant or facility described in this paragraph;

(B) a plant or facility used or intended for use in connection with a business enterprise;

(C) commercial activity by a small enterprise;
(AS 44.88.220(8))

This definition is broad enough to cover the facilities and equipment necessary to manufacture or produce any form of biomass fuel.

Therefore, processors of biomass fuels are eligible to apply for loans from A.I.D.A. No amendment of the Alaska Industrial Development Authority statutes is necessary.

GU:mkr
M2:020
Enclosure

January 3, 1986

RECEIVED

JAN 6 1986

Senator Bill Ray
Representative Duncan
Representative Miller
P.O. Box V
State Capitol
Juneau, Alaska 99811

Re: State of Alaska
Alternative energy Loans

Dear Senator and Representatives:

We are soon providing an alternative to wood burning stoves in the Juneau area and I understand that this is presently available in Anchorage.

Our product is a pelletized wood and other fuel which burns in specially constructed stoves and burns smoke free.

I am enclosing a couple of articles for your further information.

To meet new ordinances in Juneau, many people will have to replace their wood burning stoves.

I understand that under present law, Alternative Energy Loans are available for catalytic equipped wood stoves, or catalytic converters.

Therefore it would be appreciated if the present law could be amended to authorize loans for biomass pellet fuel burning stoves or furnaces.

Steve Gilbertson, Juneau's Air Quality Control Officer, advised me that he and D.E.C. officials are in favor of this amendment.

I believe the law in question is included in A.S.45.88.010:500.

If you would like further information regarding this, I will be happy to discuss what I have with you.

Thanking you in advance for your consideration.

Very truly yours,

Larry Traeger

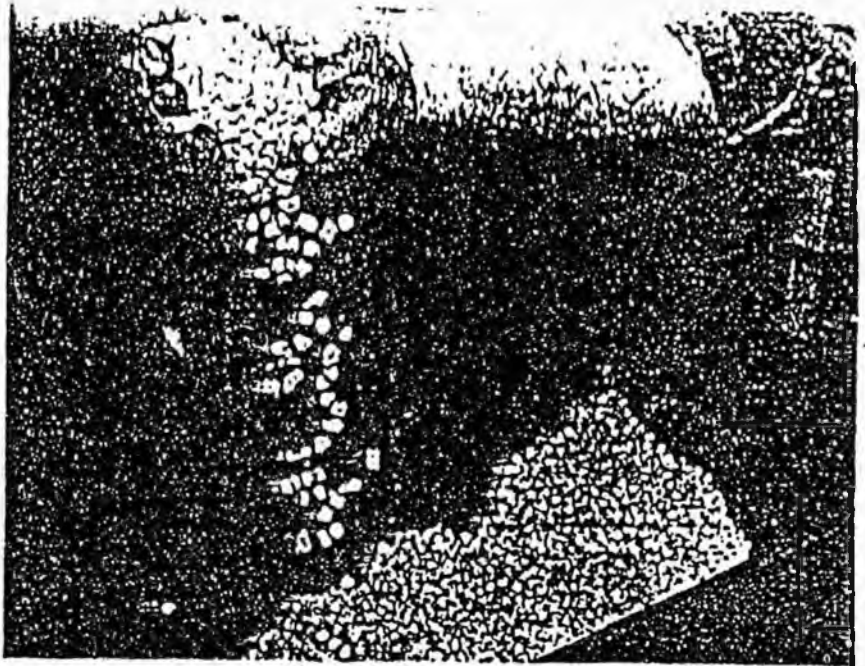
Larry Traeger
546 Hemlock
Juneau, Alaska 99801

Phone: 586 3250

Dele
Jeff the wood stoves
Miller agrees
Kwa

Heating homes with pellets

Mount Angel manufacturer designs and sells innovative, affordable furnaces



By DALE STOWELL
Of the Independent

MOUNT ANGEL — Randy Traeger shrugs as he considers the complexity of his pelletized wood burning furnace design.

"To me, it don't look like nothing super," he says. "Once you've horsed around with it for 15 years, it doesn't seem like that much."

But he seems to know he's on to something as he cites statistics that indicate his wood furnaces burn cleaner than do natural gas or oil furnaces for as little as half the cost for fuel.

Traeger, owner and president of Traeger Industries, has been designing woodstoves and furnaces for more than 20 years and is optimistic that his latest design will catch on.

The fuel source is the most novel aspect of the new furnaces, which have been on the market since fall. Biomass pellets, produced from waste products such as pine shavings or rye stubble, are what the newly designed heating devices consume.

One ton of pellets, which costs about \$100, produces as much heat as two cords of wood but leaves substantially less waste. About 6 to one percent of the pellets remain as ash — approximately two gallons of ash per ton of fuel.

During cold weather, the average home requires about one 50 pound bag per day, Traeger estimated. Average yearly consumption would be in the neighborhood of four tons, he added.

Traeger's thermostatically-controlled stove and furnace designs also attempt to transfer all of the heat produced in the units to the space in the home to be heated.

And Traeger points out another advantage to the pellet-burning systems. "They burn clean. There isn't any smoke. You can stick your nose right in the (smoke)stack."

The major drawback is availability of fuel. Traeger has several hundred tons of it stockpiled to meet the needs of customers who have purchased pellet-burning equipment. It isn't readily available anywhere else in the area.

The fuel, which resembles rabbit food pellets, has existed for several decades, Traeger said. But companies producing it have come and gone due to a lack of demand.



Randy Traeger (above) has designed and is marketing heating systems which burn pine pellets (top photo). Traeger says the new heating units burn cleaner than gas or oil at nearly half the cost for fuel. (Photos by Dale Stowell)

"There's been several plants that have been around and gone broke," he said. "There's the concept of making pelletized fuel. That's fine. But you've got to have something to burn it in. Most of them are looking at commercial applications, but a commercial application can dry up on you very quickly — just a little change in price and they'll switch from one (fuel) to the other."

Before Traeger's design, availability of fuel wasn't the only problem in home-heating pellet applications. In earlier designs, the pellets didn't burn completely, and the furnace

fire would sometimes burn back into the fuel hopper.

Traeger cured the problems without knowing what caused them in other furnaces. "I really didn't look at anybody's design," he said. "I never paid any attention to them. There's no use in reinventing the wheel over again. It was a matter of taking it apart and putting it together again, taking it apart and putting it together again."

After Traeger put it together again, and it worked to his satisfaction, he began developing different home heating uses. His designs range from an indoor furnace that produces nothing but home heat, to an outdoor "pellet pump" that will provide heat for home, hot water and even clothes drying. All of the Traeger Industries' products are built at the company shop in Mount Angel.

The furnaces are also outside of Department of Environmental Quality regulations that apply to woodstoves. Traeger predicts that many wood stove manufacturers will be forced out of business by continued tightening of regulations for testing and emissions. However, he added pellet-burning furnaces would pass even the most stringent DEQ requirements.

Traeger knows of only five other pelletized fuel furnace manufacturers in the country, but believes that the heat producing devices will increase in popularity in time.

He points to the state of Minnesota as an example of forward thinking about the new heating concept. Traeger, as well as other pelletized-fuel furnace manufacturers, recently donated equipment to the state as part of a Minnesota low-income heating assistance program. The state will pay for installation of the furnaces.

"The concept is, if they give people pelletized fuel, they can heat twice as many homes for the same cost as supplying them money to buy natural gas or oil," Traeger said.

According to Traeger, Minnesota also has state funds available for research and development of pelletized-fuel manufacturing and use. "They're just out after it," he said. "They're way ahead of everyone else."

Back home, Traeger said sales of the new furnaces have been good — almost better than he's wanted them to be. "I really want to go through the winter just testing it, getting a few out," he said. "It's kind of run away from us. It's been super good."



...with blasting caps, he

caps are small metallic few inches in length, used to a length of electrical ... is suggesting Juneau ... an eye open for such their homes. If a blasting d, Windred recommends police to remove it.

led police to several sting caps and containers dynamite stored in the l Windred. Other explo-

search of a suspect's bedroom, he said.

According to Windred, the stolen blasting caps may be linked to a series of unexplained explosions in recent months. On Dec. 29, a door at Floyd Dryden Middle School was blown open with blasting caps. Several area mail boxes may also have been blown up with the stolen material, he said.

Police are investigating possible violations of laws regulating storage of explosives at the suspect contrac-

tease the name of the contractor under investigation until charges are filed, Windred said.

Meanwhile, two Juneau teenagers are expected to be charged with misconduct involving a weapon in the first degree following the investigation into last Friday's bomb threat at the high school.

According to police, a 14-year-old student allegedly brought the explosive materials to the school to sell or give to a 17-year-old male student.

who made the threat.

"Quite a few kids knew this transaction was going to take place," said Windred.

The threat resulted in the closure of the high school and adjoining Marie Drake Middle School. Students were sent home after a search located a bag containing four blasting caps and a two-and-a-half pound container of gelatine dynamite in an unassigned high school locker.

The material was removed from the school without incident.



ASSOCIATED PRESS

...ion may be cut short.

...launch window of only a ...nents of the current mis- ...bitious schedule of 15

Please turn to Page 14

New law allows use of some wood stoves during air alert

Ordinance changes how burning bans are called

By BETSY LONGENBAUGH

THE JUNEAU EMPIRE

There's new hope on the horizon for local residents who want to keep their wood stoves burning all winter.

Beginning Wednesday, local residents who own stoves that meet Juneau City-Borough emission standards may keep their fires burning during wood smoke alerts.

In the belief that the approved stoves won't let smoke get in your eyes, the Juneau City-Borough Assembly recently approved an ordinance that allows the stoves to burn and sets up new criteria for declaring wood smoke bans.

That new criteria calls for two types of wood smoke bans - a wood smoke alert and a wood smoke emergency. Under an alert, owners of approved wood stoves who have municipal permits may continue to burn. Under an emergency, no wood stoves are allowed to burn.

Steve Gilbertson, the municipal lands and resources manager, is in charge of monitoring the air quality of Mendenhall Valley and enforcing the new ordinance. He said Friday he hopes that only air alerts will occur in the future, with air emergencies necessary in the event of extreme pollution in the valley.

"I think people have to realize this is at an experimental stage," he added.

Gilbertson also said his office now has applications for people who own approved wood stoves. In order to use those stoves during alerts, they must have permits

Please turn to Page 14

Lemon Creek vicinity to be monitored for wood smoke

THE JUNEAU EMPIRE

Lemon Creek residents may want to buy warm slippers for next winter, as their neighborhood will probably end up being subject to its own wood stove bans.

The Lemon Creek area is one place that will feel the impact of a comprehensive ordinance regulating wood stove use that was approved by the Juneau City-Borough Assembly several weeks ago.

At the urging of some assembly members, municipal staff agreed to begin monitoring the Lemon Creek area with an eye to regulating wood stove use. This winter, however, there isn't the necessary equipment in the area to effectively measure wood smoke pollution.

In next year's municipal budget, staff will be seeking \$25,000 to buy a wood smoke monitor for the area. Once installed, the device will allow municipal officials to call for wood smoke bans in Lemon Creek, as well as the Mendenhall Valley.

Steve Gilbertson, lands and resources manager, said he expects the municipality may call separate wood smoke bans in each area, depending on weather conditions. He said it is now impossible to predict how often bans may be necessary in Lemon Creek.

"We do not have a lot of data for the area," said Gilbertson.

He added, however, that his office has received a lot of calls from Lemon Creek area residents who complained of wood smoke pollution.

The new proposed smoke alert area in Lemon Creek extends from the Juneau Christian School, including

Please turn to Page 14

.....Page 4
.....Pages 6-7
ocks.....Page 13

WEATHER

Rain showers continuing through Tuesday, Page 14

*Juneau
Empire
1-13-86*

Woodsmoke...

Continued from Page 1

from the city. The free permits are good for two years.

Gilbertson said the approved wood stoves have two things in common - very low emission standards and certification from Oregon.

Because the municipality is basing its new ordinance on a similar law in Oregon, it is accepting that state's testing procedures for wood stoves.

Many of the approved stoves - there are now 10 on the list - have catalytic converters. Others use pellet fuel to reach the low emission standards.

Gilbertson said at least four other stoves, some of which are for sale locally, have gone through the tests, but are not yet certified. He said he expects a new list from Oregon by the end of this month.

Until then, he said he can only recommend the 10 stoves on the approved list. They are:

- Blaze King "King," a catalytic converter stove.
- Earth Stove 1000-C, a catalytic converter stove.
- Turbo 10, a catalytic converter stove.
- Fisher Tech IV, a catalytic fireplace insert.
- Timber Eze 477, a catalytic wood stove.
- Vista 640, a non-catalytic wood stove.
- Pellefier FS-1, a non-catalytic stove that burns pellet fuel.
- Whitfield, a non-catalytic stove that burns pellet fuel.
- Collins Hopper, an add-on device that burns pellet fuel.

Those wood stoves that are on this list and sell locally

cost about \$1,000, not including installation.

The assembly hopes to eventually have all stoves in the city-borough meet the emission standards. To meet this goal, the new ordinance calls for all wood stoves installed and sold in Juneau to meet the Oregon emission standards beginning Aug. 1.

Gilbertson expects the most successful enforcement of this new regulation to come from the building department, which issues permits for wood stove installations.

Steve Shows, who assigns building inspections, said a building permit is required for any new installation, including replacement of an existing stove. The permits and their accompanying inspections are free and are designed to make sure wood stoves are safely installed, he said.

"Home owners are sometimes not getting a building permit and installing a stove, sometimes properly, sometimes not," he said.

During the past year, the municipality has been aided in its inspection effort by some insurance companies who now require proof of wood stove inspections before offering insurance, said Shows.

"This is the greatest plus we have seen," he said.

Shows said that "nine times out of 10," wood stoves that are inspected were installed incorrectly.

He said that currently he is able to schedule inspections with a day's notice. Those who want inspections should call a 24-hour recording phone 586-1703, before 7:30 a.m. on the day they want an inspection.

To receive a permit, they should come into the municipal building department and fill out a form. They will also receive a brochure on proper stove installation.

Lemon Creek...

Continued from Page 1

Sunny Point, back to Lemon Creek basin and to Vanderbilt Hill.

Gilbertson also said many Juneau residents remain unclear about where the boundaries are for the Menden-

hall Valley wood smoke alert area.

They could be described as having a southern boundary of the airport area, a north boundary of the glacier recreational area, an east boundary running along the base of Thunder Mountain and a west boundary that bisects the Mendenhall Peninsula.

Not included in the ban are the Auke Lake area and Fritz Cove Road.

Shuttle...

Continued from Page 1

The flight plan today was devoted mainly to astronomy, and Steve Hawley spent the morning pointing two ultraviolet telescopes at star targets in a search for luminous clouds of ultraviolet radiation.

Mission Control awakened the astronauts today with the theme song from the movie "Animal House." The control center said several of the astronauts were fans of the movie, and commander Robert Gibson responded, "It sounds like our secret is out."

Columbia shed its postponement jinx with a spectacular predawn liftoff Sunday, and 9½ hours later the crew launched the world's most powerful commercial communications satellite, RCA's \$50 million Satcom KU-1.

"It's on its way," Mission Control radioed after a rocket engine ignited to propel the satellite toward stationary orbit 22,300 miles above the Earth.

RCA, which paid the National Aeronautics and Space Administration \$14.2 million for the delivery, said Satcom will be capable of providing video and audio communications for all of the United States except Alaska, transmitting a signal powerful enough to be received by dish antennas as small as three feet.

Nelson and Hawley will have an exclusive view of the comet as it nears the sun on its once-every-76-years swing through this part of the solar system.

"You can't observe Halley's from the ground as it makes its closest approach to the sun in January because of the sun's brightness," explained S. Alan Stern of the University of Colorado, who is principal investigator for an experiment named CHAMP, or Comet Halley

Nelson, who will operate the CHAMP cameras, said in an interview before the flight, "We'll be taking some photographs and spectral measurements for the purpose of documenting the comet, and we'll be doing it from above the atmosphere where we can get a real clear look at it. We're going to use the apparatus over the course of three flights, so we should be able to get a good consistent set of data on Halley's."

Stern said the instruments "primarily will be looking at water. The comet is basically an ice ball, and when the sun melts the ice, it breaks the water down into constituents. We'll study these to learn about the comet's atmosphere."

Hawley will use two telescopes to search the universe for sources of luminous clouds of ultraviolet radiation.

"Only in the last 10 years have we begun to look at the universe in the ultraviolet wavelength," he said before the mission. "The reason for that is that the observatories on Earth being beneath the atmosphere are not able to observe these wavelengths because the atmosphere is opaque to UV radiation. So we'll be getting some very fundamental data and will be dealing with questions as to where the UV emission comes from."

He said the knowledge would help astronomers mask out the UV background and thus improve the data from the \$1.2 billion Hubble Space Telescope, which will be launched from a shuttle next October.

One of the telescopes also will be trained on the comet.

Rep. Bill Nelson, a Florida Democrat riding as a congressional observer, planned several medical experi-

NCIL

Board of trustees of Juneau Arts and Sciences Council will meet at 7:30 Northern Light United Church. Members and interested persons to attend.

STAR

Juneau Lodge No. 147, F. and M. will meet at 7:30 tonight. All Masons are urged to attend.

Members of practically any skill level are enthusiastic about forming a band of Alaska-Juneau pep band and contact the UAJ office of student activities at 789-4528.

ESSURE

Wood pressure testing will be conducted at Mountain View Senior Center from 8:30 a.m. to 1:30 p.m. Tuesday. A permit is necessary. Call 586-3736 for information.

S

Fire set off in the Cedar Park area. Fire set on fire.

Tip

Firefighters are reminding residents every home should have at least one fire extinguisher and everyone in the household know how to use it. The Glacier Fire Department offers classes on use of fire extinguishers. For information, call 789-7554.

Emergency calls

Volunteer Fire Department services teams responded to emergency calls over the weekend:

Emergency call: At 9:49 a.m. Friday, a patient, stable, transported to Memorial Hospital.

Vehicle accident: At 10:06 p.m. Friday, a patient, stable, transported to Memorial Hospital. Injuries minor, both patients transported.

Emergency calls: At 2:29 a.m. Saturday, a patient, no transport; at 11:51 a.m. Saturday, a child choking, mother dislodged the child was stable and taken home by the family; at 2:01 a.m. Saturday, a patient, stable, transported to Memorial Hospital.

Volunteer Fire Department services teams responded to emergency calls over the weekend:

Emergency call: At 9:34 a.m. Friday, a patient, stable, transported to Memorial Hospital. Injuries minor, both patients transported.

Emergency call: At 11:48 a.m. Sunday, no details available. Patient stable, transported to Memorial Hospital.

Emergency call: At 2:50 p.m. Sunday, patient in pain, stable condition, transported to Memorial Hospital.

Offered: 1/31/86
Referred: House Special Committee on
State Loans and Finance

Original sponsor: Duncan

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 479 (L&C)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - SECOND SESSION

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(2) includes

15

(A) an alternative energy property as defined by 26 U.S.C. 48 (1)(3)(A), (Sec. 301, P.L. 95-618, Internal Revenue Code);

16

17

18

(B) a method of architectural design and construction which provides for the collection, storage, and use of direct radiation from the sun;

19

20

21

(C) a woodstove with a catalytic converter, [OR] a catalytic converter for a wood stove, or a catalytic fireplace insert; [AND]

22

23

24

(D) a steam, hot water, or ducted hot air central heating system that uses wood or coal for fuel; and

25

26

27

(E) a stove or furnace that uses biomass fuel produced from any organic matter that is available on a renewable basis, including agricultural crops and agricultural waste and residue, wood waste residue, animal waste, municipal waste, and aquatic

28

29

1 plants;

2 (3) does not include, unless described in (2)(C) of this
3 subsection.

4 (A) a stove that uses only firewood [WOOD], coal, or
5 oil for fuel; or

6 (B) a fireplace or fireplace insert.

Introduced: 1/16/86
Referred: Labor & Commerce, House
Special Committee on State Loans and
Finance

1 IN THE HOUSE

BY DUNCAN

2

HOUSE BILL NO. 479

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to biomass fuel systems."

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

8 * Section 1. AS 45.88.500(a) is amended to read:

9

(a) In this chapter, "alternative energy system"

10

(1) means a source of thermal, mechanical, or electrical
11 energy which is not dependent on oil or gas or a nuclear fuel for the
12 supply of energy for space heating and cooling, refrigeration and cold
13 storage, electrical power, mechanical power, or the heating of water;

14

(2) includes

15

(A) an alternative energy property as defined by 26
16 U.S.C. 48 (1)(3)(A), (Sec. 301, P.L. 95-618, Internal Revenue
17 Code);

18

(B) a method of architectural design and construction
19 which provides for the collection, storage, and use of direct
20 radiation from the sun;

21

(C) a woodstove with a catalytic converter or a
22 catalytic converter for a wood stove; [AND]

23

(D) a steam, hot water, or ducted hot air central
24 heating system that uses wood or coal for fuel; and

25

(E) a stove or furnace that uses biomass fuel produced
26 from any organic matter that is available on a renewable basis,
27 including agricultural crops and agricultural waste and residue,
28 wood waste residue, animal waste, municipal waste, and aquatic
29 plants;

1
2
3
4

(3) does not include

(A) a stove, other than one described in (2)(E) of this subsection, that uses only wood, coal, or oil for fuel; or

(B) a fireplace or fireplace insert.

**HOUSE
COMMITTEE REPORT**

(11)
Date referred: 4/21/86

FURTHER REFERRALS:

DATE: 5-2-86

The FINANCE Committee has considered HB 482

"An Act relating to protection of natural rangelands."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 482 (RES) same title
- new title

and recommends do pass

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

Albert H. Adams
John [unclear]
John [unclear]
Ronald J. [unclear]
Bob [unclear]
Steve [unclear]
John [unclear]
Jim [unclear]

SIGNING OTHER RECOMMENDATIONS:

Mike [unclear]
Rich [unclear]
Don [unclear]

Albert H. Adams
Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 2/20/86

REQUEST

Bill/Resolution No. : CS HB 482 (Res)
 Title : Protection of Natural Rangelands

Sponsor : Representative Fuller
 Requestor : House Resources
 Date of Request : 2/12/86

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land-Water Management/
 Agriculture Management

Components : Public Use/Agriculture
 Management

EXPENDITURES/REVENUES : (Thousands of Dollars)

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

CAPIT/L	0	0	0	0	0	0
---------	---	---	---	---	---	---

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

FUNDING : (Thousands of Dollars)

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

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See attached

Prepared by : Michael E. Vediner *MEV* Phone : 465-2400
 Division : Land & Water Management Date : 2/20/86

Approved by Commissioner : William D. Zornoff, Deputy Date : 2/24/86
 Agency : Natural Resources

Distribution (by Agency preparing fiscal note) :

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

ANALYSIS

No fiscal impact to the department is anticipated. Identification of rangelands will occur during the department's regular area planning process. The department assumes that eventual designation of state grazing preserves will not require additional activity for fire protection or preserve management. The department currently issues grazing leases and permits for activity on state land. This permitting and leasing activity would be employed in state grazing preserves.

Offered: 4/21/86
Referred: Finance

Original sponsor: Fuller

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE BILL NO. 482 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to protection of natural rangeland."
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. The legislature finds that there is a substantial public
9 purpose in the protection of existing naturally occurring rangeland and for
10 the establishment of state owned or acquired land valuable for grazing as
11 state grazing preserves for the perpetuation of personal, commercial, and
12 other beneficial uses of the resources under the principles of multiple-use
13 and sustained-yield management. In this section, "naturally occurring
14 rangeland" means land of the state where cattle, sheep, or reindeer are
15 grazing or where cattle, sheep, or reindeer may graze under lease or permit
16 of the commissioner of natural resources.

17 * Sec. 2. The commissioner of natural resources shall report to the
18 Second Session of the Fifteenth State Legislature within the first 10 days
19 of the session on state land recommended for protection as state grazing
20 preserves.

from Rep. Fuller

Committee Substitute for House Bill 482 - An Act relating to protection of natural rangelands.

The intent of this legislation is to ensure that the Dept. recognized the need of establishing state protected grazing rangelands or preserves. The Dept. is currently in the process of finalizing the Northwest Area Plan and should be completed with the plan by next fall.

As part of the NW Area plan, the Dept. of Natural Resources can identify those state lands that should be protected as state grazing rangelands or preserves. Since the Dept. is capable of identifying those state lands with existing staff, there is no fiscal impact.

The Department of Natural Resources supports the bill.

Section 1 of the bill finds that there is a public purpose in protecting existing naturally occurring rangelands in Alaska under the principles of multiple-use and sustained-yield and that there is a need to establish state grazing preserves. This section also defines what naturally occurring rangelands are.

Section 2 of the bill also requests that the Commissioner of DNR report back to the 15th Legislature within the first 10 days of session on state land recommended for protection as state grazing preserves.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE: 907-465-2400

February 13, 1986

The Honorable John G. Fuller
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Fuller:

As you requested, the Department of Natural Resources has reviewed HB 482 which provides protection for naturally occurring rangelands in Alaska. The department supports the use of Alaska's rangelands for grazing as a part of its objectives to make maximum use of State land resources.

The importance of insuring the protection of naturally occurring rangelands has been recognized in the Alaska Association of Soil and Water Conservation Districts' resolution AASWCD 85-10 (attached). Additional support for the resolution has come from the Reindeer Herders Association. These two groups are particularly concerned about the protection of traditional grazing areas on Kodiak Island and reindeer grazing areas on the Seward Peninsula.

Section 1 of HB 482 finds that there is substantial benefit in the protection of existing, naturally occurring rangelands in Alaska under the principles of multiple use and sustained yield. The department concurs with this finding. The department does not object to the establishment of grazing preserves as long as they are recommended through a comprehensive resource planning process, evaluating other natural resource potential besides grazing. We are also concerned that preserves should not require fire protection beyond that already in place. The preserves should be managed for other compatible uses. The flexibility to meet all of these concerns exists in the bill as it is proposed.

A definition of naturally occurring rangelands is needed within the bill. We would suggest that naturally occurring rangelands are those lands where cattle, sheep, or reindeer are currently grazing under lease or permit. Additionally, more than 50 percent of the area to be included in a grazing preserve for cattle or sheep should be naturally vegetated to grasses or forbs.

The Honorable John G. Fuller -2-

February 13, 1986

Section 2 asks the department to report to the Second Session of the Fifteenth State Legislature on State land recommended for protection as grazing preserves. Again, this should be done through the department's area planning process. The additional fiscal impact to the department of this legislation should be zero if the identification and recommendation of grazing preserves is done through this planning process. Since area plans are amenable, we would hope that any grazing preserve legislation would provide the opportunity through area plans (AS 38.04) to review grazing preserves on a regular basis for additions, deletions, or modifications.

If you need additional information on grazing issues, please let me know.

Sincerely,

B. Wunnicke, Deputy

for Esther C. Wunnicke
Commissioner

Attachment

SUBJECT OF RESOLUTION Kodiak Island Grazing Preserve
ORIGIN OF RESOLUTION Alaska Association of Soil and Water Conservation
Districts
DATE OF ORIGIN October 19, 1985

WHEREAS, grazing and red meat production are valuable to the state's economy and represent an important link in the state's agricultural industry; and

WHEREAS, due to favorable environmental factors the natural grasslands on the peninsula of Kodiak Island located between Chiniak Bay and Ugak Bay afford grazing year round; and

WHEREAS, such rangeland constitutes unique and irreplaceable resources of statewide importance;

THEREFORE BE IT RESOLVED, that the Legislature of the State of Alaska protect those rangelands by enacting the attached bill, entitled "An Act relating to the conservation and protection of natural rangelands" further identified as exhibit I of this resolution.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to:

Governor Bill Sheffield
Senate Resources Committee
House Resources Committee
Commissioner Esther Wunnicke

ACTION TAKEN BY AASWCD STANDING COMMITTEE _____

ACTION TAKEN BY AASWCD RESOLUTIONS COMMITTEE _____

ACTION TAKEN BY AASWCD PASSED



Alaska Association of Soil and Water Conservation Districts
PO Box 953 - Delta Junction, Alaska 99737

January 30, 1986

The Honorable John G. Fuller
Alaska State Legislature
PO Box V
Juneau, Alaska 99811

RE: HB 482, SB 343 An Act Relating to the
protection of natural rangelands.

Dear Representative Fuller:

The Alaska Association of Soil and Water Conservation Districts (AASWCD) supports the legislation identified above, and further recommends that the bills be amended as in our own draft included with this letter.

The draft we've included establishes a system of creating state grazing preserves in Article 1, with Articles 2 and 3 identifying specific State Grazing Preserve areas. (The Kodiak Island State Grazing Preserve and the Seward Peninsula State Grazing Preserve respectively.)

We feel that these natural rangelands are unique and irreplaceable resources of statewide importance, and as such deserve protection for present and future contribution to the economy.

Thank you for the opportunity to comment.

Sincerely,

Mike Carlson
President

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an act entitled: An act relating to the conservation and protection of natural rangelands; and providing for an effective date.

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

Section 1. AS 41 is amended by adding a new chapter to read:

CHAPTER 12. CONSERVATION AND PROTECTION OF NATURAL RANGELANDS.

ARTICLE 1. STATE GRAZING PRESERVES

Sec 41.12.010. PURPOSE. The purpose of this chapter is to protect naturally occurring rangelands and to permit the establishment of state owned or acquired land and water areas as state grazing preserves. The primary purpose in the establishment of state grazing preserves is the perpetuation of personal, commercial, and other beneficial uses of resources through multiple-use management and sustained yield.

Sec 41.12.020. MANAGEMENT PLANS. The commissioner shall prepare and may amend management plans to assist in meeting the requirements of this chapter. A management plan prepared under this section may designate incompatible uses and shall permit the following uses:

- (1) grazing permits and leases;
- (2) timber harvest;
- (3) material extraction;
- (4) mineral location and leasing;
- (5) surface lease, consistent with AS 38.05.070, for uses other than grazing;
- (6) recreation;
- (7) wildlife and fisheries habitat management;
- (8) hunting, fishing, and trapping; and
- (9) other traditional, compatible uses.

ARTICLE 2. KODIAK ISLAND STATE GRAZING PRESERVE

Sec 41.12.200. KODIAK ISLAND STATE GRAZING PRESERVE. Subject to valid existing rights, the state owned or acquired land and water lying within the parcels described in this section is designated as the Kodiak Island State Grazing Preserve.

SEWARD MERIDIAN

T 29 S, R 19 W, Secs. 31-36

T 29 S, R 20 W, Secs. 7, 12-14, 19-24, 25-35

T 29 S, R 21 W, Secs. 24-36

T 29 S, R 22 W, Secs. 33-36

T 30 S, R's 19-22 W

T 31 S, R's 19-21 W

T 31 S, R 22 W, Secs. 1-12

T 32 S, R 19 W Secs. 3-6, 9

T 32 S R 20 W, Secs. 1-5, 9, 10.

ARTICLE 3. SEWARD PENINSULA GRAZING PRESERVE

Sec 41.12.300. SEWARD PENINSULA GRAZING PRESERVE. Subject to valid existing rights, the state owned or acquired land and water lying within the parcels described in this section is designated as the Seward Peninsula State Grazing Preserve.

KATEEL RIVER MERIDIAN

T 1 N, R's 10-20, 28-44 W

T 2 N, R's 10-20, 28-44 W

T 3 N, R's 10-20, 28-43 W

T 4 N, R's 10-19, 28-39 W

T 5 N, R's 10-22, 28-37 W

T 6 N, R's 10-22, 30-37 W

T 7 N, R's 10-21 W

T 8 N, R's 10-21 W

T 9 N, R's 11-14 W

T 10 N, R's 11, 13, 15 W

T 11 N, R's 8-13, 15 W

T 12 N, R's 10-15 W

T 13 N, R 15 W

T 14 N, R's 15, 16 W

T 15 N, R's 16-18 W

T 16 N, R's 16-18 W
T 17 N, R's 16, 17 W
T 18 N R 17 W
T 1 S, R's 10-20, 28, 29 W
T 2 S, R's 10-18, 28, 29 W
T 3 S, R's 10, 28, 29 W
T 4 S, R's 28, 29 W
T 5 S, R's 25-30 W
T 6 S, R's 25-31 W
T 7 S, R's 26-33 W
T 8 S, R's 25-38 W
T 9 S, R's 21, 22, 24-38 W
T 10 S, R's 20, 21, 23-37 W
T 11 S, R's 20-38 W
T 12 S, R's 20, 22, 23, 30-33 W
T 13 S, R's 20, 21 W.

Section 2. This Act takes effect July 1, 1986.



KAWERAK, INC.



P.O. BOX 948 • NOME, ALASKA 99762



(907) 443-5231

SERVING THE
VILLAGES OF:

- BREVIK MISSION
- COUNCIL
- DIOMEDE
- ELIM
- GAMBELL
- GOLOVIN
- KOYUK
- NOME
- SAVOONGA
- SHAKTOOLIK
- SHISHMAREF
- SOLOMON
- STEBBINS
- ST. MICHAEL
- TELLER
- UNALAKLEET
- WALES
- WHITE MOUNTAIN

Representative John G. Fuller
 Pouch V
 Juneau, Ak 99811

Dear Representative Fuller:

It was good to see you on Front Street near the Post Office the other day. As I mentioned, the Reindeer Herders' Association (RHA) is interested in supporting a Bill relating to the conservation and protection of natural rangelands.

I have been in touch with Jim Burton of Kodiak, a member of the Alaska Association of Soil and Water Conservation, District (AASWCD). He referred me to Senator Zharoff's office regarding Resolution No. AASWCD 35-10 and a proposed bill, (enclosed) which would create State Grazing Preserves. The Management Plans section of the proposed bill gives a very comprehensive list of multiple land uses other than grazing permits and leases.

Reindeer have been on the Seward Peninsula for almost 100 years and this should set some precedent for future land use designation. The reindeer herd distributions outside the Seward Peninsula are at Shaktoolik, Stebbins, Islands of Hagemeister, St. Paul, Umnak, Atka, Kodiak and St. Lawrence; as well as on the Baldwin Peninsula.

The cattle and sheep are two other examples of livestock in Alaska that I can think of which would benefit through a multiple-use management plan for Alaska's resources.

The Reindeer Herders' Association is asking for your assistance in sponsoring or co-sponsoring a bill to create and establish state grazing preserves.

I want to thank you for your continued support of the reindeer industry.

Sincerely,

Henry Ahgupuk
 Henry Ahgupuk, Director

SUBJECT OF RESOLUTION Kodiak Island Grazing Preserve
ORIGIN OF RESOLUTION Alaska Association of Soil and Water Conservation
Districts
DATE OF ORIGIN October 19, 1985

WHEREAS, grazing and red meat production are valuable to the state's economy and represent an important link in the state's agricultural industry; and

WHEREAS, due to favorable environmental factors the natural grasslands on the peninsula of Kodiak Island located between Chiniak Bay and Ugak Bay afford grazing year round; and

WHEREAS, such rangeland constitutes unique and irreplaceable resources of statewide importance;

THEREFORE BE IT RESOLVED, that the Legislature of the State of Alaska protect those rangelands by enacting the attached bill, entitled "An Act relating to the conservation and protection of natural rangelands" further identified as exhibit I of this resolution.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to:

- Governor Bill Sheffield
- Senate Resources Committee
- House Resources Committee
- Commissioner Esther Wunnicke

ACTION TAKEN BY AASWCD STANDING COMMITTEE _____

ACTION TAKEN BY AASWCD RESOLUTIONS COMMITTEE _____

ACTION TAKEN BY AASWCD _____



KAWERAK, INC.

P.O. BOX 948 • NOME, ALASKA 99762

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SERVING THE
VILLAGES OF:

- BREVIG MISSION
- COUNCIL
- DIOMEDE
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- KOYUK
- NOME
- SAVOONGA
- SHAKTOLIK
- SHISHMAREF
- SOLOMON
- TERBINS
- ST MICHAEL
- TELLER
- UNALAKLEET
- VALES
- WHITE MOUNTAIN

Tom Panamarof:
 Aide of Senator: Fred F. Zharoff
 Alaska State Senator
 Alaska State Legislature Senate

Pouch V
 State Capital
 Juneau, Alaska 99811

Dear Tom;

I have enclosed Resolution No. AASWCD 85-10 passed by the Alaska Association of Soil and Water Conservation Districts on October 19, 1985 and a proposed Bill for an act entitled: "An Act relating to the conservation and protection of natural rangelands;"...

The Reindeer Herders' Association (RHA) supports the need to protect naturally occurring rangelands and to permit the establishment of state owned or acquired land and water areas as state grazing preserves.

It is my understanding that some thought has been given, not to identify specific areas or regions as grazing preserves. Instead that a general approach be used to determine and identify state lands that would be considered rangelands on a state-wide basis.

A Statewide grazing act needs to be developed to outline policies and regulations pertaining to grazing. Land users need something concrete to fall back on when issues arise. Open herding should continue and an open range is an issue that should be addressed.

I am thankful that Senator Zharoff has assigned you the task of looking into RHA's interest to establish state grazing preserves.

Sincerely;

Henry Ahguyuk
 Henry Ahguyuk
 Director, RHA

cc: Jim Burton, Kodiak
 John B. Coghill, Senator
 Albert P. Adams, Rep.

John G. Fuller, Rep.
 Frank R. Ferguson, Senator

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an act entitled: An act relating to the conservation and protection of natural rangelands; and providing for an effective date.

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

Section 1. AS 41 is amended by adding a new chapter to read:

CHAPTER 12. CONSERVATION AND PROTECTION OF NATURAL RANGELANDS.

ARTICLE 1. STATE GRAZING PRESERVES

Sec 41.12.010. PURPOSE. The purpose of this chapter is to protect naturally occurring rangelands and to permit the establishment of state owned or acquired land and water areas as state grazing preserves. The primary purpose in the establishment of state grazing preserves is the perpetuation of personal, commercial, and other beneficial uses of resources through multiple-use management and sustained yield.

Sec 41.12.020. MANAGEMENT PLANS. The commissioner shall prepare and may amend management plans to assist in meeting the requirements of this chapter. A management plan prepared under this section may designate incompatible uses and shall permit the following uses:

- (1) grazing permits and leases;

- (2) timber harvest;
- (3) material extraction;
- (4) mineral location and leasing;
- (5) surface lease, consistent with AS 38.05.070, for uses other than grazing;
- (6) recreation;
- (7) wildlife and fisheries habitat management;
- (8) hunting, fishing, and trapping; and
- (9) other traditional, compatible uses.

ARTICLE 2. KODIAK ISLAND STATE GRAZING PRESERVE

Sec 41.12.200. KODIAK ISLAND STATE GRAZING PRESERVE. Subject to valid existing rights, the state owned or acquired land and water lying within the parcels described in this section is designated as the Kodiak Island Grazing Preserve.

[legal description]

Section 2. This Act takes effect July 1, 1986.

Offered: 4/21/86
Referred: Finance

Original sponsor: Fuller

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE BILL NO. 482 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to protection of natural rangeland."
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. The legislature finds that there is a substantial public
9 purpose in the protection of existing naturally occurring rangeland and for
10 the establishment of state owned or acquired land valuable for grazing as
11 state grazing preserves for the perpetuation of personal, commercial, and
12 other beneficial uses of the resources under the principles of multiple-use
13 and sustained-yield management. In this section, "naturally occurring
14 rangeland" means land of the state where cattle, sheep, or reindeer are
15 grazing or where cattle, sheep, or reindeer may graze under lease or permit
16 of the commissioner of natural resources.

17 * Sec. 2. The commissioner of natural resources shall report to the
18 Second Session of the Fifteenth State Legislature within the first 10 days
19 of the session on state land recommended for protection as state grazing
20 preserves.

Introduced: 1/17/86
Referred: Resources and
Finance

1 IN THE HOUSE

BY FULLER

2 HOUSE BILL NO. 482

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to protection of natural range-
7 lands."

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

9 * Section 1. The legislature finds that there is a substantial public
10 purpose in the protection of existing naturally occurring rangelands and
11 for the establishment of state owned or acquired land valuable for grazing
12 as state grazing preserves for the perpetuation of personal, commercial,
13 and other beneficial uses of the resources under the principles of multi-
14 ple-use and sustained-yield management.

15 * Sec. 2. The commissioner of natural resources shall report to the
16 Second Session of the Fifteenth State Legislature within the first 10 days
17 of the session on state land recommended for protection as state grazing
18 preserves.

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