

Leg Finance-House & Senate Fin Comte Files (1985-1986) 2453.20

COMMITTEE REPORT
SENATE

FURTHER:

4/29/86

Date 5/9/86

Mr. President

The Committee on FINANCE considered CSSSHB 700(Fin)am relating to regulation of alcoholic beverages and enactment of municipal ordinances.

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
19.9 Courts
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

Paul Fisher NKen

[Signature]
Chairman

co [Signature]
Chairman recommendation

Offered: 4/24/86
For Today's Calendar

Original sponsor: Rules Committee by request

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 700 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to regulation of alcoholic beverages
7 and enactment of municipal ordinances."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. LEGISLATIVE FINDINGS. The legislature finds that
10 (1) abuse of alcohol seriously interferes with the rights and
11 privileges of the people of the state;
12 (2) the public health, safety, and welfare does in fact suffer
13 when alcohol abuse is not controlled;
14 (3) prohibition of alcohol in rural areas of the state is an
15 effective tool for controlling the abuse of alcohol;
16 (4) serious crimes and a wide variety of other social problems
17 could be prevented if the possession of alcohol were prohibited;
18 (5) there is a strong and unmistakable correlation between
19 alcohol consumption and poor health, fetal damage, suicide, domestic vio-
20 lence, and crime;
21 (6) the dangers resulting from alcohol abuse are particularly
22 acute in rural areas of the state because the communities are small, iso-
23 lated, without adequate law enforcement, without adequate health care
24 facilities, and populated by people who are closely related and interdepen-
25 dent;
26 (7) in communities that have chosen to ban the sale and importa-
27 tion of alcohol, most drinking takes place in private homes;
28 (8) the economic cost of alcohol abuse is high, and cannot be
29 afforded by the state or small rural communities; and

1 (9) a fine in the amount of \$1,000 or 200 hours of community
2 work, is not so severe a penalty as to indicate criminality in either rural
3 or urban Alaska communities.

4 * Sec. 2. AS 04.11 is amended by adding a new section to read:

5 Sec. 04.11.498. PROHIBITION OF POSSESSION OF ALCOHOLIC BEVER-
6 AGES. (a) The following question, appearing alone, may be placed
7 before the voters of a municipality or an established village in
8 accordance with AS 04.11.502: "Shall the possession of alcoholic
9 beverages be prohibited in (name of municipality or vil-
10 lage)? (yes or no)."

11 (b) If a majority of the voters of an established village vote
12 "yes" on the question set out in (a) of this section, and the sale of
13 alcoholic beverages, or the sale and importation of alcoholic bever-
14 ages, has been previously prohibited in the established village in
15 accordance with AS 04.11.490 or 04.11.494, a person, beginning on the
16 first day of the month following certification of the results of the
17 election, may not knowingly possess an alcoholic beverage in the
18 established village, unless the alcoholic beverage is wine to be used
19 for bona fide religious purposes based on tenets or teachings of a
20 church or religious body, is limited in quantity to the amount neces-
21 sary for religious purposes, and is dispensed only for religious
22 purposes, by a person recognized by the church or religious body as
23 authorized to dispense the wine. The board shall be notified immedi-
24 ately after certification of the results of the election and there-
25 after may not issue, renew, or transfer between holders or locations a
26 license for licensed premises located within the perimeter of the
27 established village as defined in AS 04.21.080(b)(8).

28 (c) If a majority of the voters of an established village vote
29 "yes" on the question set out in (a) of this section and the sale of

1 alcoholic beverages, or the sale and importation of alcoholic beverages,
2 alcoholic beverages, has not been previously prohibited in the established village in
3 accordance with AS 04.11.490 or 04.11.494, a person, beginning 90 days
4 after certification of the results of the election, may not knowingly
5 possess an alcoholic beverage in the established village, unless the
6 person is licensed by the board or the alcoholic beverage is wine to
7 be used for bona fide religious purposes based on tenets or teachings
8 of a church or religious body, is limited in quantity to the amount
9 necessary for religious purposes, and is dispensed only for religious
10 purposes by a person by the church or religious body as authorized to
11 dispense the wine. The board shall be notified immediately after
12 certification of the results of the election and thereafter may not
13 issue, renew, or transfer between holders or locations a license for
14 licensed premises located within the perimeter of the established
15 village as defined in AS 04.21.080(b)(8). Licenses that may not be
16 renewed because of a local option election held under this section are
17 void 90 days after the results of the election are certified. A
18 license that will expire during the 90 days after the results of a
19 local option election under this section are certified may be extended
20 until it is void under this section, by payment of a prorated portion
21 of the annual license fee.

22 (d) If a majority of the voters of a municipality vote "yes" on
23 the question set out in (a) of this section, and the sale of alcoholic
24 beverages, or the sale and importation of alcoholic beverages, has
25 been previously prohibited in the municipality in accordance with
26 AS 04.11.490 or 04.11.494, an ordinance is adopted that becomes effective
27 beginning on the first day of the month following certification
28 of the results of the election, and a person may not knowingly possess
29 an alcoholic beverage in the municipality, unless the alcoholic

1 beverage is wine to be used for bona fide religious purposes based on
2 tenets or teachings of a church or religious body, is limited in
3 quantity to the amount necessary for religious purposes, and is dis-
4 pensed only for religious purposes, by a person recognized by the
5 church or religious body as authorized to dispense the wine. The
6 board shall be notified immediately after certification of the results
7 of the election and thereafter may not issue, renew, or transfer
8 between holders or locations a license for licensed premises located
9 within the boundaries of the municipality and within unincorporated
10 areas within five miles of the boundaries of the municipality.

11 (e) If the majority of the voters of a municipality vote "yes"
12 on the question set out in (a) of this section and the sale of alco-
13 holic beverages, or the sale and importation of alcoholic beverages,
14 has not been previously prohibited in the municipality in accordance
15 with AS 04.11.490 or 04.11.494, and an ordinance is adopted that
16 becomes effective beginning 90 days after certification of the results
17 of the election, a person may not knowingly possess an alcoholic
18 beverage in the municipality, unless the alcoholic beverage is wine to
19 be used for bona fide religious purposes based on tenets or teachings
20 of a church or religious body, is limited in quantity to the amount
21 necessary for religious purposes, and is dispensed only for religious
22 purposes by a person recognized by the church or religious body as
23 authorized to dispense the wine. The board shall be notified immedi-
24 ately after the adoption of the ordinance and thereafter may not
25 issue, renew, or transfer between holders or locations a license for
26 licensed premises located within the boundaries of the municipality
27 and within unincorporated areas within five miles of the boundaries of
28 the municipality. Licenses that may not be renewed because of a local
29 option election held under this section are void 90 days after the

1 results of the election are certified. A license that will expire
2 during the 90 days after the results of a local option election under
3 this section are certified may be extended, until it is void under
4 this section, by payment of a prorated portion of the annual fee.

5 (f) If a majority of the voters vote "no" on the question set
6 out in (a) of this section or vote "yes" on the questions set out in
7 AS 04.11.492 or 04.11.500 in an election conducted in accordance with
8 AS 04.11.502 after an election in which the voters voted "yes" on the
9 question set out in (a) of this section, the prohibition on the pos-
10 session of alcoholic beverages is removed effective 90 days after the
11 results of the election are certified except as those prohibitions
12 continue to be imposed in accordance with the results of the subse-
13 quent election.

14 (g) For the purposes of this section, "possession" means having
15 physical possession of or exercising dominion or control over alco-
16 holic beverages, but does not include having alcoholic beverages
17 within the digestive system of a person.

18 * Sec. 3. AS 04.11.502 is amended by adding a new subsection to read:

19 (c) A petition filed with the local governing body of a munic-
20 ipality in accordance with (a) of this section, which places on the
21 ballot the question set out in AS 04.11.498, shall constitute a pro-
22 posed ordinance of the municipality.

23 * Sec. 4. AS 04.16 is amended by adding a new section to read:

24 Sec. 04.16.205. PENALTY FOR VIOLATING BAN ON POSSESSION OF
25 ALCOHOLIC BEVERAGES. (a) A person who possesses alcoholic beverages
26 in a municipality or established village in violation of AS 04.11.498
27 or an ordinance adopted under AS 04.11.498 may, upon conviction, be
28 punished by a fine not to exceed \$1,000. When a peace officer stops
29 or contacts a person concerning a violation of AS 04.11.498 or an

1 ordinance enacted under AS 04.11.498, the peace officer may, in the
2 officer's discretion, issue a citation to the person as provided in
3 AS 12.25.180.

4 (b) A person cited for a violation of AS 04.11.498 or an ordi-
5 nance adopted under AS 04.11.498 for which a bail amount has been
6 established under (c) of this section may, within 30 days after the
7 date the citation is issued

8 (1) mail or personally deliver to the clerk of the court in
9 which the citation is filed by the peace officer the amount of bail
10 indicated on the citation and a copy of the citation indicating that
11 the right to an appearance is waived, a plea of no contest is entered
12 and the bail and all alcoholic beverages seized are forfeited; or

13 (2) perform community work in lieu of payment of the fine
14 or a portion of the fine as provided in (d) of this section.

15 (c) The supreme court shall establish by rule or order a sched-
16 ule of bail amounts that may be forfeited without a court appearance
17 for a violation of AS 04.11.498 or an ordinance adopted under AS 04.-
18 11.498. In establishing the bail schedule the supreme court may
19 consider the quantity of alcoholic beverages possessed and the number
20 of prior violations of the person cited. Before establishing or
21 amending the schedule of bail amounts required by this subsection, the
22 supreme court shall appoint and consult with an advisory committee
23 consisting of the following seven persons: one superior court judge,
24 one magistrate from each judicial district in the state, a representa-
25 tive of the Department of Law, and a representative of the Public
26 Defender Agency. The maximum bail amount may not exceed \$1,000, and
27 the issuing officer shall write on the citation the amount of bail
28 applicable to the violation.

29 (d) Community work shall be performed at the direction of the

1 governing body of the municipality or the governing body of the estab-
2 lished village. The value of community work in lieu of a fine is
3 \$5.00 per hour. When the community work is completed, the person
4 cited for the violation shall mail or personally deliver to the clerk
5 of the court in which the citation is filed by the peace officer

6 (1) a form, prescribed by the administrative director of
7 the Alaska Court System, indicating completion of the community work;
8 and

9 (2) a copy of the citation, indicating that the right to an
10 appearance is waived, a plea of no contest is entered, and that the
11 bail is forfeited or community work has been performed and that all
12 alcoholic beverages seized are forfeited.

13 (e) When bail has been forfeited or proof of performance of
14 community work under this section has been filed with the court, a
15 judgment shall be entered. Forfeiture of bail or filing proof of
16 performance of community work and forfeiture of all seized items is a
17 complete satisfaction for the violation. The clerk of court accepting
18 the bail or the form indicating performance of community work shall
19 provide the offender with a receipt stating that fact, if requested.

20 (f) If the person fails to pay the bail amount established under
21 (c) of this section, or fails to provide proof of performance as spec-
22 ified in (d)(1) of this section to the court, the citation is con-
23 sidered a summons.

24 (g) Notwithstanding other provisions of law, if a person cited
25 for a violation of AS 04.11.498 or an ordinance adopted under AS 04.-
26 11.498 for which a bail amount has been established under (c) of this
27 section appears in court and is found guilty, the penalty that is
28 imposed for the offense may not exceed the bail amount for that of-
29 fense established under (c) of this section.

1 (h) A violation of AS 04.11.498 or an ordinance adopted under
2 AS 04.11.498 may not be considered a criminal offense and may not
3 result in imprisonment, nor is a fine imposed for a violation con-
4 sidered criminal punishment. A person cited for a violation does not
5 have a right to a jury trial or court appointed counsel.

6 (i) The commissioner of public safety shall prescribe and pro-
7 vide a suitable standard citation form that is in a form necessary to
8 identify the offender, to identify the offense, and to meet the needs
9 of public safety and administration of justice.

10 (j) A municipality shall adopt a citation form that is equiva-
11 lent to that prescribed by the commissioner under (i) of this section.

12 * Sec. 5. AS 04.16.220(a) is amended to read:

13 (a) The following are subject to forfeiture:

14 (1) alcoholic beverages manufactured, sold, offered for
15 sale or possessed for sale, bartered or exchanged for goods and ser-
16 vices in this state in violation of AS 04.11.010; alcoholic beverages
17 stocked, warehoused, or otherwise stored in violation of AS 04.21.060;
18 alcoholic beverages possessed, sold or offered for sale in an area
19 where the results of a local option election have, under AS 04.11.-
20 490 - 04.11.500, prohibited the possession of alcoholic beverages or
21 prohibited the board from issuing, renewing, or transferring one or
22 more licenses or permits under this title in the area; alcoholic
23 beverages transported into the state and sold to persons not licensed
24 under this chapter in violation of AS 04.16.170(b);

25 (2) materials and equipment used in the manufacture, sale,
26 offering for sale, possession for sale, barter or exchange of alco-
27 holic beverages for goods and services in this state in violation of
28 AS 04.11.010; materials and equipment used in the stocking, warehous-
29 ing, or storage of alcoholic beverages in violation of AS 04.21.060;

1 materials and equipment used in the sale or offering for sale of an
2 alcoholic beverage in an area where the results of a local option
3 election have, under AS 04.11.490 - 04.11.500, prohibited the board
4 from issuing, renewing, or transferring one or more licenses or per-
5 mits under this title in the area;

6 (3) aircraft, vehicles, or vessels used to transport, or
7 facilitate the transportation of

8 (A) alcoholic beverages manufactured, sold, offered
9 for sale or possessed for sale, bartered or exchanged for goods
10 and services in this state in violation of AS 04.11.010;

11 (B) property stocked, warehoused, or otherwise stored
12 in violation of AS 04.21.060;

13 (C) alcoholic beverages imported into a municipality
14 or established village in violation of AS 04.11.496;

15 (4) alcoholic beverages found on licensed premises that
16 [WHICH] do not bear federal excise stamps if excise stamps are re-
17 quired under federal law;

18 (5) alcoholic beverages, materials, or equipment used in
19 violation of AS 04.16.175.

20 * Sec. 6. AS 04.16.220(b) is amended to read:

21 (b) Property subject to forfeiture under this section may be
22 actually or constructively seized under an order issued by the su-
23 perior court upon a showing of probable cause that the property is
24 subject to forfeiture under this section. Constructive seizure is
25 effected upon posting a signed notice of seizure on the item to be
26 forfeited, stating the violation and the date and place of seizure.
27 Seizure without a court order may be made if

28 (1) the seizure is incident to a valid arrest or search;

29 (2) the property subject to seizure is the subject of a

1 prior judgment in favor of the state; or

2 (3) there is probable cause to believe that the property is
3 subject to forfeiture under (a) of this section; except for alcoholic
4 beverages possessed in violation of AS 04.11.498 or an ordinance
5 adopted under AS 04.11.498, property seized under this paragraph may
6 not be held over 48 hours or until an order of forfeiture is issued by
7 the court, whichever is earlier.

8 * Sec. 7. AS 04.16.220(d) is amended to read:

9 (d) Property subject to forfeiture under (a) of this section may
10 be forfeited

11 (1) upon conviction of a person under AS 04.11.010, 04.11.-
12 496(b), or AS 04.21.060 or upon entry of judgment under AS 04.11.498
13 or an ordinance adopted under AS 04.11.498;

14 (2) upon judgment by the superior court in a proceeding in
15 rem that the property was used in a manner subjecting it to forfeiture
16 under (a) of this section.

17 * Sec. 8. AS 04.16.220(h) is amended to read:

18 (h) Alcoholic beverages forfeited under (d) of this section
19 shall be placed in the custody of a peace officer of the state and
20 destroyed no earlier than 30 days after forfeiture. All other prop-
21 erty [PROPERTY] forfeited under this section shall be placed in the
22 custody of the commissioner of public safety for disposition according
23 to an order entered by the court. The court shall order destroyed any
24 property forfeited under this section that [WHICH] is harmful to the
25 public. Other property shall be ordered sold and the proceeds used
26 for payment of expenses of the proceedings for forfeiture and sale,
27 including expenses of seizure, custody and court costs. The remainder
28 of the proceeds shall be deposited in the general fund.

29 * Sec. 9. AS 04.21.010(a) is amended to read:

1 (a) A municipality may adopt ordinances governing the barter,
2 sale, and consumption of alcoholic beverages within the municipality
3 as necessary for the orderly conduct of the business of selling alco-
4 holic beverages within the municipality and may ban possession of
5 alcoholic beverages under AS 04.11.498(d) or (e). An ordinance adopt-
6 ed under this section may not be inconsistent with this title or
7 regulations adopted under this title.

8 * Sec. 10. AS 04.21.080(b)(1) is repealed and reenacted to read:

9 (1) "alcoholic beverage" means spirituous, vinous, malt or
10 other fermented or distilled liquids, whatever the origin, that are
11 intended for human consumption as a beverage and that contain alcohol,
12 whether produced commercially or privately;

13 * Sec. 11. AS 04.21.080(b) is amended by adding a new paragraph to
14 read:

15 (?) "community work" means and is limited to work on
16 projects designed to reduce or eliminate environmental damage, protect
17 the public health, or improve public land, forests, parks, roads,
18 highways, facilities, or education; community work may not confer a
19 private benefit on a person except as may be incidental to the public
20 benefit.

21 * Sec. 12. AS 29.10.200 is amended by adding a new paragraph to read:

22 (47) AS 29.20.270(e) (ordinance veto by mayor).

23 * Sec. 13. AS 29.20.270(a) is amended to read:

24 (a) Except as provided in (c), [AND] (d) and (e) of this sec-
25 tion, the mayor may veto an ordinance, resolution, motion, or other
26 action of the governing body and may strike or reduce appropriation
27 items.

28 * Sec. 14. AS 29.20.270 is amended by adding a new subsection to read:

29 (e) The veto does not extend to an ordinance adopted under

1 AS 04.11.498. This subsection applies to home rule and general law
2 municipalities.

3 * Sec. 15. AS 29.25.020 is amended by adding a new subsection to read:

4

5 (d) This section does not apply to an ordinance proposed under
6 AS 04.11.502(c).

7 * Sec. 16. AS 29.25.070 is amended by adding a new subsection to read:

8 (d) This section does not apply to an ordinance adopted under
9 AS 04.11.498(d) or (e).

10 * Sec. 17. AS 29.35.080(a) is amended to read:

11 (a) A municipality may regulate the possession, barter, sale,
12 importation, and consumption of alcoholic beverages in accordance with
13 AS 04.11.480 - 04.11.506 and AS 04.21.010.

A/B

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

REQUEST Page 1 of 3

Bill/Resolution No. : CSSSHB 700 (C&RA)
 Title : An Act Relating to Possession
of Alcohol

Sponsor : _____
 Requestor : _____
 Date of Request : _____

Revision Date : _____

FISCAL DETAIL

Agency Affected : Alaska Court System
 BRU : Trial Courts

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		19.9				
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		19.9				

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

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

FUNDING : (Thousands of Dollars)

GENERAL FUND		19.9				
FEDERAL FUNDS						
OTHER						
TOTAL		19.9				

POSITIONS :

FULL TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See Attachments

Prepared by : Robert G. Fisher
 Division : Alaska Court System

Phone : 264-8215
 Date : 4/11/86

Approved by Commissioner : Arthur H. Snowden, II *AHS II*
 Agency : Alaska Court System

Date : 4/11/86

Distribution (by Agency preparing fiscal note) :

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

ALASKA COURT SYSTEM
 SCHEDULE OF MAGISTRATE TRAINING CONFERENCE COSTS
~~CSSHB-700~~ - ALCOHOL POSSESSION
 FY 87

CSSSHB 700(C&RA)

ESTIMATED

Page 2 of 3

FROM	TO	ESTIMATED AIR FARE COST	--- #/DAYS	PER DIEM RATE	--- ESTIMATED COST	ESTIMATED TOTAL COST
------	----	-------------------------------	---------------	------------------	--------------------------	-------------------------

First District Magistrates:

Angoon	Anchorage	\$366	3	\$80	\$240	\$606
Craig	Anchorage	366	3	80	240	606
Haines	Anchorage	366	3	80	240	606
Hoonah	Anchorage	366	3	80	240	606
Kake	Anchorage	452	3	80	240	692
Pelican	Anchorage	366	3	80	240	606
Skagway	Anchorage	366	3	80	240	606
Yakutat	Anchorage	268	3	80	240	508

Bethel Area Magistrates:

Aniak	Anchorage	328	3	80	240	568
Emmonak	Anchorage	328	3	80	240	568
Hooper Bay	Anchorage	328	3	80	240	568
Mekoryuk	Anchorage	428	3	80	240	668
Quinhagak	Anchorage	328	3	80	240	568
St. Marys	Anchorage	328	3	80	240	568

Second District Magistrates:

Gambell	Anchorage	428	3	80	240	668
Kiana	Anchorage	428	3	80	240	668
Noorvik	Anchorage	428	3	80	240	668
Point Hope	Anchorage	428	3	80	240	668
Savoonga	Anchorage	428	3	80	240	668
Selawik	Anchorage	428	3	80	240	668
Shungnak	Anchorage	428	3	80	240	668
Unalakleet	Anchorage	428	3	80	240	668

Third District Magistrates:

Cordova	Anchorage	130	3	80	240	370
Dillingham	Anchorage	320	3	80	240	560
Glennallen	Anchorage	94	3	80	240	334
Naknek	Anchorage	292	3	80	240	532
Seward	Anchorage	63	3	80	240	303
Unalaska	Anchorage	594	3	80	240	834
Whittier	Anchorage	37	3	80	240	277

Fourth District Magistrates:

Delta Junction	Anchorage	272	3	80	240	512
Ft. Yukon	Anchorage	322	3	80	240	562
Galena	Anchorage	358	3	80	240	598
Healy	Anchorage	130	3	80	240	370
Tanana	Anchorage	272	3	80	240	512
Tok	Anchorage	165	3	80	240	405

Total Cost

 \$19,857
 =====

This bill establishes a mail-in bail forfeiture procedure as the means of enforcing local ordinances which may be adopted to ban the possession of alcohol. The bill impacts the court system by requiring courts to accept and process citations and bail payments for these new offenses.

Accurate processing and accounting procedures will be critical to successful implementation of this bill. For example, if the court issues a bench warrant because its records erroneously indicate a defendant has failed to pay the bail amount or to perform community work, the defendant is likely to sue the state for false arrest.

Although courts in urban areas are familiar with mail-in bail for traffic offenses, outlying magistrate courts have far less experience with these procedures. This fiscal note sets out the costs of a one-time meeting for magistrates to explain the law and the details of the processing and accounting procedures which each affected court will be required to establish.

Sectional Analysis

Committee Substitute for Sponsor Substitute Bill for House Bill 700

"An Act relating to regulation of alcoholic beverages and enactment of municipal ordinances."

SECTION 1: Sets forth in Legislative Findings the specific reasons for amending the existing local option law.

SECTION 2: Provides established villages and municipalities the authority to hold elections to ban possession of alcohol, as an addition to the options for regulating alcohol allowed under current law. Following an election, alcoholic beverages would be banned by city ordinance in municipalities and by state statute in established villages. Excludes from the definition of possession "alcoholic beverages within the digestive system of a person."

SECTION 3: Specifies that a petition for local option election constitutes a proposed ordinance of a municipality.

SECTION 4: Sets penalty for possession of alcohol in violation of law as a maximum \$1,000 fine, for which community work, supervised by the governing body of the community, may be substituted at the option of the offender. Authorizes the Supreme Court to set a bail forfeiture schedule after consultation with an advisory committee. Mandates that the Commissioner of the Department of Public Safety develop a uniform citation form, which must be adopted by municipalities. Allows appearance on a citation to be waived, a plea of no contest to be entered, and bail and all alcoholic beverages seized to be forfeited. Specifies that possession of alcohol in violation of the law is not a criminal offense, and does not give rise to the right to jury trial or to court-appointed counsel.

SECTION 5: Provides that alcoholic beverages possessed in violation of a ban is subject to forfeiture.

SECTION 6: Provides an exception to the requirement that a court hearing be held within 48 hours of seizure of property subject to forfeiture for alcoholic beverages possessed in violation of a community ban on alcohol. This section does not change Alaska law

relating to search and seizure, rather it recognizes that alcohol possessed in violation of a ban is contraband and that a court hearing to consider the propriety of its seizure would have no purpose.

SECTION 7: Specifies that forfeiture may occur at the point when judgment has been entered on a citation.

SECTION 8: Requires that alcoholic beverages forfeited under the law be destroyed no earlier than 30 days after forfeiture.

SECTION 9: Authorizes municipalities to adopt ordinances banning possession of alcohol as set forth in Section 2 of CSSSHB700.

SECTION 10: Clarifies that the definition of alcoholic beverage includes privately produced beverages containing alcohol.

SECTION 11: Conforms Title 29 with Sections 2 and 9.

SECTION 12: Conforms Title 29 with Sections 2 and 9.

SECTION 13: Conforms Title 29 with Sections 2 and 9.

SECTION 14: Conforms Title 29 with Sections 2 and 9.

SECTION 15: Conforms Title 29 with Sections 2 and 9.

SECTION 16: Conforms Title 29 with Sections 2 and 9.

Highway
Users Federation



of special interest **RECEIVED**

MAY 05 1986
Contact: Charles F. Livingston
202/857-1243

DOT/PF
COMMISSIONER'S OFFICE

May 6, 1986

DRINKING AGE STATUS REPORT

Public Law 98-363 (23 U.S.C. 158) establishes a National Minimum Drinking Age of 21 years old. Ten states and the District of Columbia allow people under 21 years of age to drink alcoholic beverages, in clear non-compliance with that law. Federal law requires the U.S. Secretary of Transportation to withhold a portion of federal-aid highway funds from any state whose laws permit the purchase or public possession of any alcoholic beverage by a person who is less than 21 years of age. If a state does not enact a new law or amend its existing laws to make age 21 the legal minimum drinking age by October 1, 1986, five percent of its federal-aid highway apportionment under 23 U.S.C. 104(b)(1) primary system, 104(b)(2) secondary system, 104(b)(5) Interstate and Interstate 4R, and 104(b)(6) urban system funds, shall be withheld.

If by October 1, 1987, no such law is adopted or amendments made, ten percent of a state's fiscal year 1988 federal-aid highway apportionment under the above sections will be withheld. Withheld funds will be returned to the state upon enactment of legislation.

The administrators of the National Highway Traffic Safety Administration and the Federal Highway Administration on March 26, 1986 sent letters to all governors and the Mayor of the District of Columbia informing them of their initial determination regarding compliance with the National Minimum Drinking Age and the implementing rule (23CFR 1208).

Of the 40 states that currently have the 21 year age drinking law, 18 received letters stating that they were in compliance with the law and the federal rule. But 22 states with a 21-year old drinking law received letters stating that the initial determination was one of non-compliance.

RECEIVED
MAY 08 1986

HIGHWAY SAFETY

The complying and non-complying states are:

<u>Complying</u>	<u>Non-Complying</u>
1. Arizona	1. Alabama
2. California	2. Alaska
3. Delaware	3. Arkansas
4. Georgia	4. Connecticut
5. Illinois	5. Florida
6. Indiana	6. Kansas
7. Maine	7. Kentucky
8. Maryland	8. Michigan
9. Massachusetts	9. Mississippi
10. Minnesota	10. Missouri
11. New Jersey	11. Nebraska
12. New Mexico	12. New Hampshire
13. North Carolina	13. New York
14. North Dakota	14. Nevada
15. Pennsylvania	15. Oklahoma
16. Oregon	16. Rhode Island
17. Texas	17. South Carolina
18. Virginia	18. Tennessee
	19. Utah
	20. Vermont
	21. Washington
	22. West Virginia

The reason for the determination of non-compliance for each of the 22 states that currently have a 21-year old drinking law is based upon definitions in the rule (23 CFR Part 1208) implementing the statute.

Following is a classification of non-complying determinations:

Failure to Define Alcoholic Beverages as "Not less than one half of one percent" by volume.

Alaska	Rhode Island
Arkansas	South Carolina
* Florida	* Utah
* Kentucky	Washington
Missouri	
New Hampshire	
* New York	
Oklahoma	

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

The complying and non-complying states are:

<u>Complying</u>	<u>Non-Complying</u>
1. Arizona	1. Alabama
2. California	2. Alaska
3. Delaware	3. Arkansas
4. Georgia	4. Connecticut
5. Illinois	5. Florida
6. Indiana	6. Kansas
7. Maine	7. Kentucky
8. Maryland	8. Michigan
9. Massachusetts	9. Mississippi
10. Minnesota	10. Missouri
11. New Jersey	11. Nebraska
12. New Mexico	12. New Hampshire
13. North Carolina	13. New York
14. North Dakota	14. Nevada
15. Pennsylvania	15. Oklahoma
16. Oregon	16. Rhode Island
17. Texas	17. South Carolina
18. Virginia	18. Tennessee
	19. Utah
	20. Vermont
	21. Washington
	22. West Virginia

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Failure to Define Alcoholic Beverages as "Not less than one half of one percent" by volume.

Alaska	Rhode Island
Arkansas	South Carolina
* Florida	* Utah
* Kentucky	Washington
Missouri	
New Hampshire	
* New York	
Oklahoma	

Failure to Prohibit Public Possession

- Connecticut - only in a motor vehicle
 * Kentucky - only when for person's own use
 * New York
 Nevada
 Vermont - only when for person's own use or another
 minor.

Provides for Exemption for Purchase and Possession

- Kansas - exemption for personal use, family & guests.
 Michigan - exemption for educational use.
 Nebraska - exemption for personal use, family & guests.
 * Utah - exemption for educational purposes.
 * Vermont - exemption for bulk cider, for educational
 purpose and for personal use.
 Alabama - exemption for military personnel.
 * Florida - exemption for military personnel.
 Tennessee - exemption for military personnel.

Unique

West Virginia - law was signed the day before letter
 was sent

Mississippi - Amendment to definition of alcoholic
 beverages had not been reviewed.

- * More than one non-complying provision.

Federal agencies have provided the non-complying states
 30 days to explain how their laws do not affect the National
 Minimum Drinking Age Statute.

The following 10 states and the District of Columbia
 have been notified that they are in non-compliance, because
 they allow individuals under 21 years of age to purchase or
 possess alcoholic beverages:

<u>State</u>	<u>Age</u>
1. Colorado	18 - 3.2 beer only
2. District of Columbia	18 - beer and table wine only
3. Hawaii	18
4. Idaho	19
5. Iowa	19
6. Louisiana	18
7. Montana	19
8. Ohio	19 - beer only
9. South Dakota	19 - beer only
10. Wisconsin	19
11. Wyoming	19

The estimated penalties for non-compliance with the
 minimum Drinking Age of 21 years based on FY1987 Interstate
 and Interstate 4R and FY 1986 primary, secondary and urban
 apportionments are reflected in the following chart:

STATE	TOTAL AFFECTED APPORTIONMENTS	5 PERCENT PENALTY	10 PERCENT PENALTY
ALABAMA	217,122,817	10,856,142	21,712,284
ALASKA	163,433,220	8,171,661	16,343,322
ARIZONA	178,220,625	8,911,031	17,822,062
ARKANSAS	97,829,710	4,891,485	9,782,971
CALIFORNIA	931,062,604	46,551,330	93,102,660
COLORADO	182,665,883	9,133,294	18,266,588
CONNECTICUT	161,091,464	8,054,573	16,109,146
DELAWARE	52,924,013	2,646,200	5,292,401
FLORIDA	529,623,663	26,481,183	52,962,366
GEORGIA	307,891,571	15,394,578	30,789,157
HAWAII	125,712,595	6,285,629	12,571,259
IDAHO	90,156,087	4,507,804	9,015,608
ILLINOIS	286,744,831	14,337,241	28,674,483
INDIANA	175,146,376	8,757,318	17,514,637
IOWA	120,564,399	6,028,219	12,056,439
KANSAS	118,899,227	5,944,961	11,889,922
KENTUCKY	204,452,512	10,222,625	20,445,251
LOUISIANA	312,966,912	15,468,345	31,296,391
MAINE	58,644,894	2,932,244	5,864,489
MARYLAND	195,430,144	9,771,507	19,543,014
MASSACHUSETTS	259,222,077	12,961,103	25,922,207
MICHIGAN	311,141,217	15,557,060	31,114,121
MINNESOTA	227,860,779	11,393,038	22,786,077
MISSISSIPPI	108,423,323	5,421,166	10,842,332
MISSOURI	191,652,950	9,562,647	19,165,295
MONTANA	111,209,208	5,594,960	11,189,920
NEBRASKA	87,540,532	4,377,026	8,754,053
NEVADA	77,435,147	3,871,757	7,743,514
NEW HAMPSHIRE	52,924,013	2,646,200	5,292,401
NEW JERSEY	260,202,109	13,010,105	26,020,210
NEW MEXICO	112,185,371	5,609,268	11,218,537
NEW YORK	661,698,221	33,084,911	66,169,822
NORTH CAROLINA	207,427,814	10,371,390	20,742,781
NORTH DAKOTA	74,870,612	3,743,530	7,487,061
OHIO	320,668,696	16,033,434	32,066,869
OKLAHOMA	122,924,846	6,146,242	12,292,484
OREGON	124,816,447	6,240,822	12,481,644
PENNSYLVANIA	434,720,903	21,736,045	43,472,090
RHODE ISLAND	52,924,013	2,646,200	5,292,401
SOUTH CAROLINA	146,548,683	7,327,434	14,654,868
SOUTH DAKOTA	83,030,661	4,151,533	5,303,066
TENNESSEE	173,331,591	8,666,579	17,333,159
TEXAS	668,449,781	33,422,489	66,844,978
UTAH	148,846,702	7,442,335	14,884,670
VERMONT	53,248,819	2,662,440	5,324,881
VIRGINIA	321,621,868	16,081,093	32,162,186
WASHINGTON	298,339,411	14,916,970	29,833,941
WEST VIRGINIA	78,966,601	3,948,330	7,896,660
WISCONSIN	139,319,327	6,965,966	13,931,932
WYOMING	59,876,961	4,493,848	8,987,696
DIST. OF COL.	52,954,406	2,647,720	5,295,440
PUERTO RICO	61,186,692	3,059,334	6,118,669

Source: U.S. Department of Transportation
Federal Highway Administration

when he fails to perceive a substantial and unjustifiable risk that the result will occur or that the circumstance exists; the risk must be of such a nature and degree that the failure to perceive it constitutes a gross deviation from the standard of care that a reasonable person would observe in the situation;

(2) a person acts "knowingly" with respect to conduct or to a circumstance described by a provision of law defining an offense when he is aware that his conduct is of that nature or that the circumstance exists; when knowledge of the existence of a particular fact is an element of an offense, that knowledge is established if a person is aware of a substantial probability of its existence, unless he actually believes it does not exist; a person who is unaware of conduct or a circumstance of which he would have been aware had he not been intoxicated acts knowingly with respect to that conduct or circumstance;

(3) a person acts "recklessly" with respect to a result or to a circumstance described by a provision of law defining an offense when he is aware of and consciously disregards a substantial and unjustifiable risk that the result will occur or that the circumstance exists; the risk must be of such a nature and degree that disregard of it constitutes a gross deviation from the standard of conduct that a reasonable person would observe in the situation; a person who is unaware of a risk of which he would have been aware had he not been intoxicated acts recklessly with respect to that risk.

(b) In this title

(1) "alcoholic beverage" includes, but is not limited to, whiskey, brandy, rum, gin, wine, ale, porter, beer, and all other spirituous, vinous, malt and other fermented or distilled liquors intended for human consumption and containing more than one percent alcohol by volume;

(2) "board" means the Alcoholic Beverage Control Board;

(3) "bottling" means to put into a bottle, can, or other container;

(4) "designated premises" means any or all designated portions of a building or structure, rooms or enclosures in the building or structure, or real estate leased, used, controlled, or operated by a licensee for the purpose for which the permit is issued by the board at the location of the site for which the permit is issued;

(5) "director" means the director of the Alcoholic Beverage Control Board;

(6) "distributing point" means a location where alcoholic beverages are distributed from a warehouse;

(7) "drunken person" means a person whose physical or mental conduct is substantially impaired as a result of the introduction of an alcoholic beverage into his body and who exhibits those plain and easily observed or discovered outward manifestations of behavior commonly known to be produced by the overconsumption of alcoholic beverages;



U.S. Department
of Transportation

National Highway
Traffic Safety
Administration

The Administrator

400 Seventh St., S.W.
Washington, D.C. 20590

MAR 26 1986

RECEIVED

MAR 28 1986

HIGHWAY SAFETY

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

The Honorable William J. Sheffield
Governor of Alaska
State Capitol
Juneau, AK 99811

Dear Governor Sheffield:

On July 17, 1984, President Reagan signed legislation which strongly encourages States to have laws prohibiting the purchase and public possession of alcoholic beverages by anyone under 21 years of age by withholding a portion of Federal-aid highway funds from States without such laws (23 U.S.C. 158). In enacting this legislation, both Congress and the President recognized that raising the drinking age results in a decrease in both the number of traffic crashes and in the number of fatalities.

The National Highway Traffic Safety Administration and the Federal Highway Administration ("the Agencies") have issued a final rule (copy enclosed) which implements and clarifies the statute. That rule provides that the Agencies notify each State by March 28, 1986 of their preliminary review of the State's statutes for compliance or non-compliance with the statute for fiscal year 1987. Our review of Alaska's laws reveals that although the State has established 21 as the minimum age for the purchase and public possession of alcoholic beverages, the State's laws do not conform with the Federal statute which defines an alcoholic beverage as having an alcoholic content of "not less than one-half of one percent" by volume.

Based on the above, it appears that Alaska is not in compliance with the statute and its implementing regulation and is, therefore, subject to a withholding of five percent of its apportionment under sections 104(b)(1), 104(b)(2), 104(b)(5) and 104(b)(6) of Title 23 of the United States Code on October 1, 1986.

~~AS 28~~

AS.04.21.080 (b) (1)

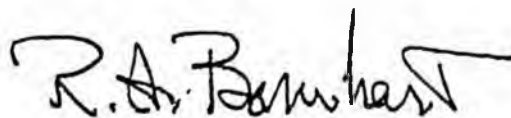
\$ 7,650,000



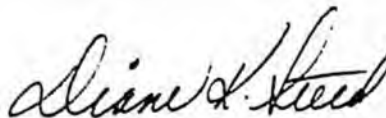
If you disagree with this preliminary finding, you may, within 30 days of your receipt of this letter, submit documentation which demonstrates that Alaska is in compliance with the Federal statute. The Agencies' final determination of compliance or non-compliance will be sent to you by May 30, 1986. Additionally, if at any time Alaska comes into compliance with the Federal statute, you may submit a copy of the applicable State laws and any funds that have not lapsed will be returned.

If we can be of any assistance, please do not hesitate to contact us.

Sincerely,



R.A. Barnhart
Administrator, Federal
Highway Administration



Diane K. Steed
Administrator, National Highway
Traffic Safety Administration

Enclosure

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

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

HOUSE BILL NO. 704

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the disposal of state materials."

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

8 * Section 1. AS 38.05.115(a) is amended to read:

9 (a) The commissioner shall determine the timber and other mate-
10 rials to be sold, and the limitations, conditions and terms of sale.
11 The limitations, conditions and terms shall include the utilization,
12 development and maintenance of the sustained yield principle, subject
13 to preference among other beneficial uses. The commissioner may nego-
14 tiate sales of timber or materials without advertisement and on the
15 limitations, conditions, and terms that are considered to be in the
16 best interests of the state. Within a one-year period, the commis-
17 sioner may not negotiate a sale without advertisement to the same
18 purchaser of

19 (1) [HOWEVER, NOT] more than 500 M.B.M. or equivalent other
20 measure of timber; [OR]

21 (2) except as provided in (3) of this section, more than
22 25,000 cubic yards of materials; or

23 (3) more than 100,000 cubic yards of materials to a common
24 carrier holding a lease under AS 38.35 [MAY BE SOLD BY NONADVERTISED,
25 NEGOTIATED SALE TO THE SAME PURCHASER WITHIN A ONE-YEAR PERIOD].

26 * Sec. 2. AS 38.35.020 is amended by adding a new subsection to read:

27 (c) The commissioner may provide in a lease issued under this
28 section that a lessee may, with the approval of the commissioner, use
29 materials from state land when necessary to protect state land and

1 resources from the dangers or hazards resulting from damage caused by
2 a pipeline disaster or emergency. If the commissioner approves the
3 use of state materials under this subsection, the materials remain the
4 property of the state until the material is sold to the lessee in
5 accordance with the provisions of the lease.

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STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB 704
 Title : Disposal of State Materials

 Sponsor : House Resources
 Requestor : House Resources
 Date of Request : April 14, 1986

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land and Water Management

 Components : Land and Water Public
Use

EXPENDITURES/REVENUES : (Thousands of Dollars)

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

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

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

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

No Fiscal Impact

Prepared by : Mike Vediner
 Division : Land and Water Management

Phone : 465-2400
 Date : April 14, 1986

Approved by Commissioner : *Wm D. James, Deputy*
 Agency : Natural Resources

Date : April 14, 1986

Distribution (by Agency preparing fiscal note) :

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



Alaska State Legislature

House

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: House Resources Committee DATE: April 11, 1986
members

FROM: Rep. Sam Cotten RE: HB 704

Background for proposed amendments to AS 38.05.115 and AS 38.35

Sec 1- Amendments to AS 38.05.115

- 1) There has never been competitive bidding on material sales to AS 38.35 (pipeline right of way) lessees. DNR holds an auction with one bidder present and bidding. In most cases the lessee is the only party in a position to use the materials so located.
- 2) This amendment will result in some savings, perhaps a few thousand dollars, in notice, publication and staff costs.
- 3) Sales of materials will be able to be expedited by approximately 60 days, which will result in better service to the lessees.
- 4) The ability to negotiate sales of material up to 100,000 cubic yards is consistent with the actual needs of pipeline lessees. It will enable such lessees to more adequately plan and prepare for major renovation and rehabilitation.
- 5) Policy is consistent with other statutes that allow negotiations for lessees providing a public service--public utilities under AS 38.05.810 and AS 38.05.075; those provisions allow for less than fair market value in addition to the ability to negotiate, while this proposal requires fair market value payment.

Sec 2 Amendment to AS 38.35

In an emergency situation, this section allows materials to be used to prevent resource damage in situations where there is not adequate time to comply with sale procedures. If oil were leaking into a stream, any prudent official would authorize the use of state material to prevent damage to state resources, even if it meant violating procedures. Legally the approach is sound as 1) The material would still be state property until the sale was completed and 2) the material, once removed from the ground, is personal property, not real property.

MEMORANDUM

State of Alaska

TO: AS 38.35 File

DATE: 3/13/86

FILE NO:

TELEPHONE NO:

FROM: Frank G. Mielke *FGM*
Division of Land & Water Mgmt.

SUBJECT: Materials, Major 38.35 lessees

Attached are a report on material used by Alyeska Pipeline Service Co., a lessee of state land under AS 38.35. as well as sample maps showing material sites, and a letter outlining some problems with the existing 25,000 cubic yard limit.

The Operations Material Site Accounting Report, under the column "Total Contract Quantity", indicates numerous sales in excess of 25,000 cubic yards. Such sales occurring on state land must be done through competitive bidding. The requirements of AS38.05.115 which require additional notice, advertising and auction expense and time, even though only one party, Alyeska, has ever bid on the materials sold in these cases.

In February and March of 1985, pipeline subsidence in the vicinity of Milepost 200 required 75,000 cubic yards of material to prevent severe environmental damage and flow disruption. The pipe had subsided to a dangerous point, and the time delays imposed by statute increased the danger.

The federal government has no such requirement for the sale of materials on federal land. As more of the land is conveyed to the State, the state requirements become more critical.

Alyeska pipeline

SERVICE COMPANY

1835 SOUTH BRAGAW STREET, ANCHORAGE, ALASKA 99512. TELEPHONE (907) 278 1611. TELEX 090 25 127

June 27, 1983

Letter No. 83-2098

State of Alaska
Department of Natural Resources
Division of Land and
Water Management
4420 Airport Way
Fairbanks, Alaska 99701

Attn: Jerry L. Brossia
District Manager

Re: ADL 408894
Operations Material Site 53-2

Gentlemen:

Alyeska Pipeline Service Company, Agent for the Lessees of the Trans Alaska Pipeline System, entered into negotiated Material Sale Contract ADL 403564 for 25,000 cubic yards of gravel on August 31, 1981, 25,000 cubic yards being the maximum quantity allowable under a negotiated sale to a single purchaser in any twelve-month period.

In August 1982 Alyeska's field personnel reported that the 25,000 cubic yards purchased under ADL 403564 would be insufficient to complete the pipeline workpad repair project between the Salcha River and Shaw Creek, and they estimated that an additional 9,000 cubic yards would be required. This amount was requested under a non-advertised negotiated sale, and Material Sale Contract ADL 408894 for 9,000 cubic yards was issued September 15, 1982, leaving 16,000 cubic yards available for negotiated sale to Alyeska during the twelve-month period from September 15, 1982 to September 15, 1983.

As the workpad repair project neared completion in the fall of 1982, it appeared evident that the 9,000 cubic yards would not be sufficient to complete the job. Due to the relatively short construction "window" in this area and the high mobilization costs, it was decided to finish the repair project and then make a final accounting of material used. At that time it was estimated no more than an additional 16,000 cubic yards would be required. This decision was supported by the State Pipeline Coordinator's office.

Final survey cross sections of the material site indicate that 47,391 cubic yards were removed and used in the workpad repair project. An additional 5,940 cubic yards remain stockpiled in the material site, giving a grand total of 53,331 cubic yards mined. When these figures were received and discussed with the State Pipeline Coordinator's representative, it was decided to take the following steps to "balance the books:"

Letter No. 83-2098
June 27, 1983
Page Two

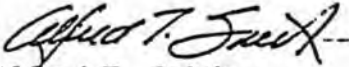
1. Submit a final accounting voucher for ADL 403564 indicating that the entire contract quantity (25,000 c.y.) had been mined, include the necessary payment, and request close-out of the contract.
2. Upon receipt of notification that ADL 403564 had been closed out, file a request to amend ADL 408894 by increasing the contract quantity to 25,000 cubic yards, the maximum allowable under a non-advertised negotiated sale.
3. After approval of the contract amendment was received, submit a final accounting voucher reporting a total of 28,331 cubic yards ultimately removed under ADL 408894. The 3,331 cubic yard overrun would be accepted as a reasonable margin of error in field quantity accounting. Payment for the 28,331 cubic yards would be made at the contract unit price and the contract closed out.

The final accounting voucher for ADL 403564, including the required payment, was submitted to your office in January 1983; however, despite repeated follow-ups by our office and the State Pipeline Coordinator's office, formal notification of close-out of ADL 403564 has not been forthcoming. Because of the requirement to submit an accounting voucher for ADL 408894 by June 30, we have now run out of time for processing an amendment to the contract and are therefore proceeding directly from Step 1 to Step 3 as outlined above.

Accordingly, transmitted herewith is a final accounting voucher for ADL 408894 indicating a total of 28,331 cubic yards mined, along with a check in the amount of \$13,265.50 which represents the total amount mined at the contract unit price of \$0.50, less the \$900.00 initial deposit. Please advise if further will be required from Alyeska in this matter.

Very truly yours,

ALYESKA PIPELINE SERVICE COMPANY


Alfred T. Smith
Associate General Counsel

ATS:RGB:sks

cc: Bruce Stafford ✓

OPERATIONS MATERIAL SITE ACCOUNTING REPORT

Report Date: 1/20/86
Page 1 of 6

ONS	JURISDICTION	SERIAL NUMBER	CONTRACT EXPIRATION DATE	UNIT PRICE	TOTAL CONTRACT QUANTITY	QUANTITY PAID FOR TO DATE (FED)	QUANTITY MIHED TO DATE	REMARKS
J-1.1	S tate	ADL-202838	08-31-90	\$0.50	11,000			
J-2	S tate	ADL-202839	08-31-90	0.65	22,000			
5-2	S	ADL-202840	08-31-90	0.50	22,000			
7-1M	S	ADL-202841	08-31-90	0.50	22,000		9,000	
7-2M	S	ADL-202842	08-31-90	0.50	5,500			
9-3.1	Federal	AA-37877	01-29-86	0.55	5,500	5,500		
9-3.2	Federal	AA-47886	05-18-84	0.55	10,000	10,000	1,500	Paid - Expired
9-4R	F	AA-37878	01-29-86	0.55	22,000	22,000		
13-3.1	F	AA-37879	01-29-86	0.55	21,000	21,000	16,815	
14-0	F	AA-37880	01-29-86	0.55	22,000	22,000		
14-1.1	F	AA-37881	01-29-85	0.55	22,000	22,000		Paid - Expired
15-1R	F	AA-37882	01-29-85	0.55	11,000	11,000	2,500	Paid - Expired
16-3M	F	AA-37883	01-29-85	0.55	22,000	22,000		Paid - Expired
19-2.1	S	ADL-202843	08-31-85	0.90	11,000			Expired - Applied to U of A for new contract
20-1	private	N/A	09-28-88	0.75	2,000		740	Ahtna, Inc.
22-1	private	N/A	05-18-89	0.80	3,000			Ahtna, Inc.

OPERATIONS MATERIAL SITE ACCOUNTING REPORT

Report Date: 1/20/86
Page 2 of 6

GIS	JURISDICTION	SERIAL NUMBER	CONTRACT EXPIRATION DATE	UNIT PRICE	TOTAL CONTRACT QUANTITY	QUANTITY PAID FOR TO DATE (FED)	QUANTITY MINED TO DATE	REMARKS
24-1	P	N/A	06-10-87	0.55	5,000		4,300	Ahtna, Inc.
27-3N	F	AA-37884	01-29-86	0.55	22,000	22,000		
30-0	F	AA-37885	01-29-86	0.55	30,000	30,000	25,670	
30-3N	F	AA-37886	01-29-85	0.55	11,000	11,000		Paid - Expired
32-0.0	F	AA-37887	01-29-86	0.55	22,000	22,000		
33-1.1	S	ADL-202844	08-31-85	0.50	8,250			Terminated
35-1.2	S	ADL-202845	08-31-90	0.55	11,000			
35-2	F	AA-37888	01-29-85	0.55	22,000	22,000		Paid - Expired
37-0	F	AA-37889	01-29-86	0.55	49,500	49,500	4,950	
38-1R	F	F-60946	01-29-86	0.55	22,000	22,000		
38-2	F	F-60947	01-29-85	0.55	22,000	22,000		Paid - Expired
39-1.1	F	F-60948	01-29-86	0.55	82,000	82,000	12,387	
39-4	F	F-60949	01-29-86	0.55	11,000	11,000		
41-1R	S	ADL-403913	12-31-90	0.35	11,000		770	
42-3N	F	F-60950	01-29-86	0.55	11,000	11,000	3,630	
44-1R	F	F-60951	01-29-86	0.55	41,000	41,000	13,580	
49-3	S	ADL-402446	12-31-90	0.35	50,000		16,890	
53-2	S	ADL-408894	09-15-83	0.50		53,331	53,331	

OPERATIONS MATERIAL SITE ACCOUNTING REPORT

Report Date: 1/20/06
Page 3 of 6

ONS	JURISDICTION	SERIAL NUMBER	CONTRACT EXPIRATION DATE	UNIT PRICE	TOTAL CONTRACT QUANTITY	QUANTITY PAID FOR TO DATE (FED)	QUANTITY MINED TO DATE	REMARKS
55-1	S	ADL-403918	12-31-90	0.35	33,000		16,995	
57-2	P	N/A	01-03-09	0.25	15,000		130	Casperson
63-1	S	ADL-403919	12-31-90	0.35	33,000			
64-2	F	F-60952	01-29-86	0.55	27,500	27,500	2,750	
65-1R	F	F-80459	09-01-84	0.55	7,000	7,000	6,900	
66-1R	F (S)	F-60953	01-29-86	0.55	11,000	11,000		
68-1	F (S)	F-60954	01-29-86	0.55	82,500	82,500	7,393	
68-4	F (S)	F-60955	01-29-86	0.55	11,000	11,000	3,300	
69-1R	F (S)	F-60956	01-29-86	0.55	11,000	11,000	3,200	
70-0.1	F (S)	F-60957	01-29-85	0.55	16,500	16,500		Paid - Expired
71-0	F (S)	F-60958	01-29-86	0.55	11,000	11,000		
71-1HR	F (S)	F-60959	01-29-86	0.55	11,000	11,000	6,190	
72-2	F (S)	F-60960	01-29-85	0.55	27,500	27,500		Paid - Expired
73-1R	F (S)	F-60961	01-29-86	0.55	27,500	27,500	2,870	
74-2HR	F	F-60962	01-29-86	0.55	27,500	27,500		
75-1R	F (S)	F-60963	01-29-86	0.55	22,000	22,000		
76-2.1	F (S)	F-60964	01-29-86	0.55	33,000	33,000		

OPERATIONS MATERIAL SITE ACCOUNTING REPORT

Report Date: 1/20/86
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ONS	JURISDICTION	SERIAL NUMBER	CONTRACT EXPIRATION DATE	UNIT PRICE	TOTAL CONTRACT QUANTITY	QUANTITY PAID FOR TO DATE (FED)	QUANTITY MINED TO DATE	REMARKS
78-1	F	F-60965	01-29-86	0.55	11,000	11,000	9,362	
79-2	F	F-60966	01-29-86	0.55	22,000	22,000	19,307	
82-0	F	F-60967	01-29-86	0.55	16,500	16,500	2,120	
83-1	F	F-60968	01-29-86	0.55	16,500	16,500	2,953	
83-2	F	F-60969	01-29-86	0.55	11,000	11,000	10,270	
84-2	F	F-60970	01-29-86	0.55	22,000	22,000	20,230	
88-3	F	F-60971	01-29-86	0.55	11,000	11,600	11,569	
89-3	F	F-60972	01-29-86	0.55	11,000	11,000	11,000	
91-3.1	F	F-60973	01-29-86	0.55	16,500	16,500	13,290	
92-3.1	F	F-60974	01-29-86	0.55	109,500	109,500	60,763	
95-1.0	F	F-60975	01-29-86	0.55	11,000	11,000	5,754	
96-1	F	F-60976	01-29-86	0.55	11,000	11,000	7,998	
98-0.2	F	F-60977	01-29-85	0.55	16,500	16,500		Paid - Expired
98-3.1	F	F-60978	01-29-86	0.55	22,000	22,000	4,953	
100-1.2	F	F-60979	01-29-86	0.55	11,000	11,000	2,850	
100-2.1	F	F-60980	01-29-86	0.55	33,000	33,000		
102-1	F	F-60981	01-29-86	0.55	88,000	88,000	2,410	

OPERATIONS MATERIAL SITE ACCOUNTING REPORT

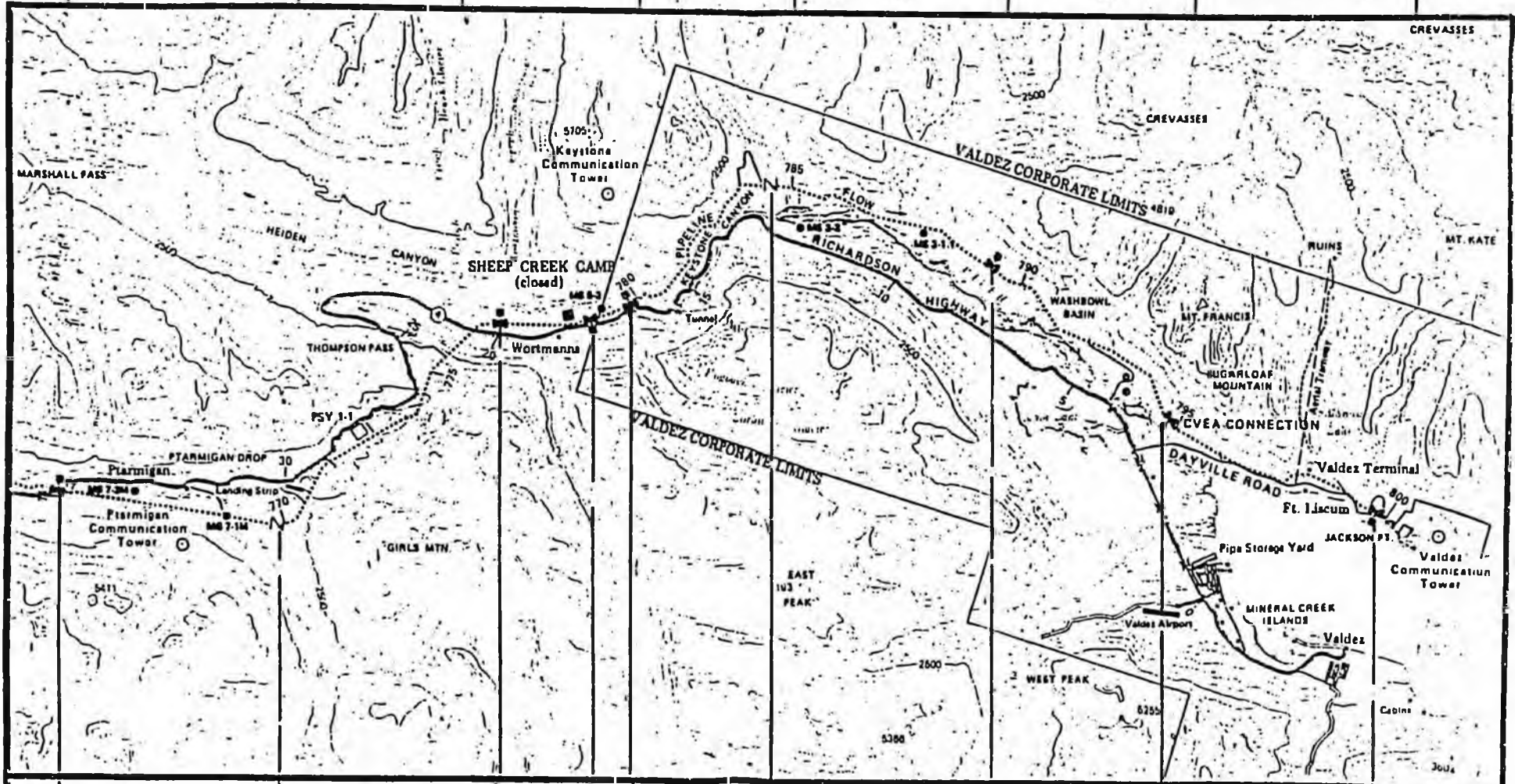
Report Date: 1/20/86
Page 5 of 6

ONS	JURISDICTION	SERIAL NUMBER	CONTRACT EXPIRATION DATE	UNIT PRICE	TOTAL CONTRACT QUANTITY	QUANTITY PAID FOR TO DATE (FED)	QUANTITY MINED TO DATE	REMARKS
105-1	F	F-60982	01-29-86	0.55	11,000	11,000	3,860	
105-1.1	F	F-84579	12-24-86	0.60	60,000	60,000	15,840	
106-1	F	F-84709	03-20-88	0.60	50,000	50,000	50,090	
106-1.1	F	F-60983	01-29-85	0.55	25,000	25,000	21,486	Paid - Expired
2	F	F-60984	01-29-85	0.55	11,000	11,000	600	Paid - Expired
109-4	F	F-60985	01-29-85	0.55	20,000	20,000	10,580	Paid - Expired
111-2	F	F-60986	01-29-86	0.55	16,500	16,500		
112-3.1	F	F-60987	01-29-86	0.55	88,000	88,000		
114-1	F	F-60988	01-29-85	0.55	11,000	11,000		Paid - Expired
115-1	F	F-60989	01-29-85	0.55	11,000	11,000		Paid - Expired
116-2	F	F-60990	01-29-85	0.55	11,000	11,000		Paid - Expired
117-2	F	F-60991	01-29-86	0.55	22,000	22,000	3,280	
119-4	F	F-60992	01-29-86	0.55	50,132	50,132	50,132	
120-1	F	F-60993	01-29-85	0.55	22,000	22,000		Paid - Expired
122-3A	F	F-84977	07-16-88	0.55	30,000	30,000	29,920	
122-4	F	F-60994	01-29-85	0.55	11,000	11,000		Paid - Expired
125-3	F	F-60995	01-29-85	0.55	22,000	22,000	12,075	Paid - Expired

OPERATIONS MATERIAL SITE ACCOUNTING REPORT

Report Date: 1/20/86
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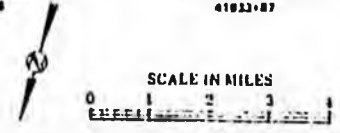
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125-4	F	F-60996	01-29-85	0.55	22,000	22,000		Paid - Expired
129-1A	S	ADL-407665	06-03-87	0.542, (C)	150,000		104,917	
129-2	S	ADI-403920	12-31-85	0.35	11,000			Will Not Mine
133-2A	S	ADL-411902	10-15-90	0.60	50,000			
134-3	S	ADI-403922	12-31-85	0.35	22,000		17,000	Will Not Mine

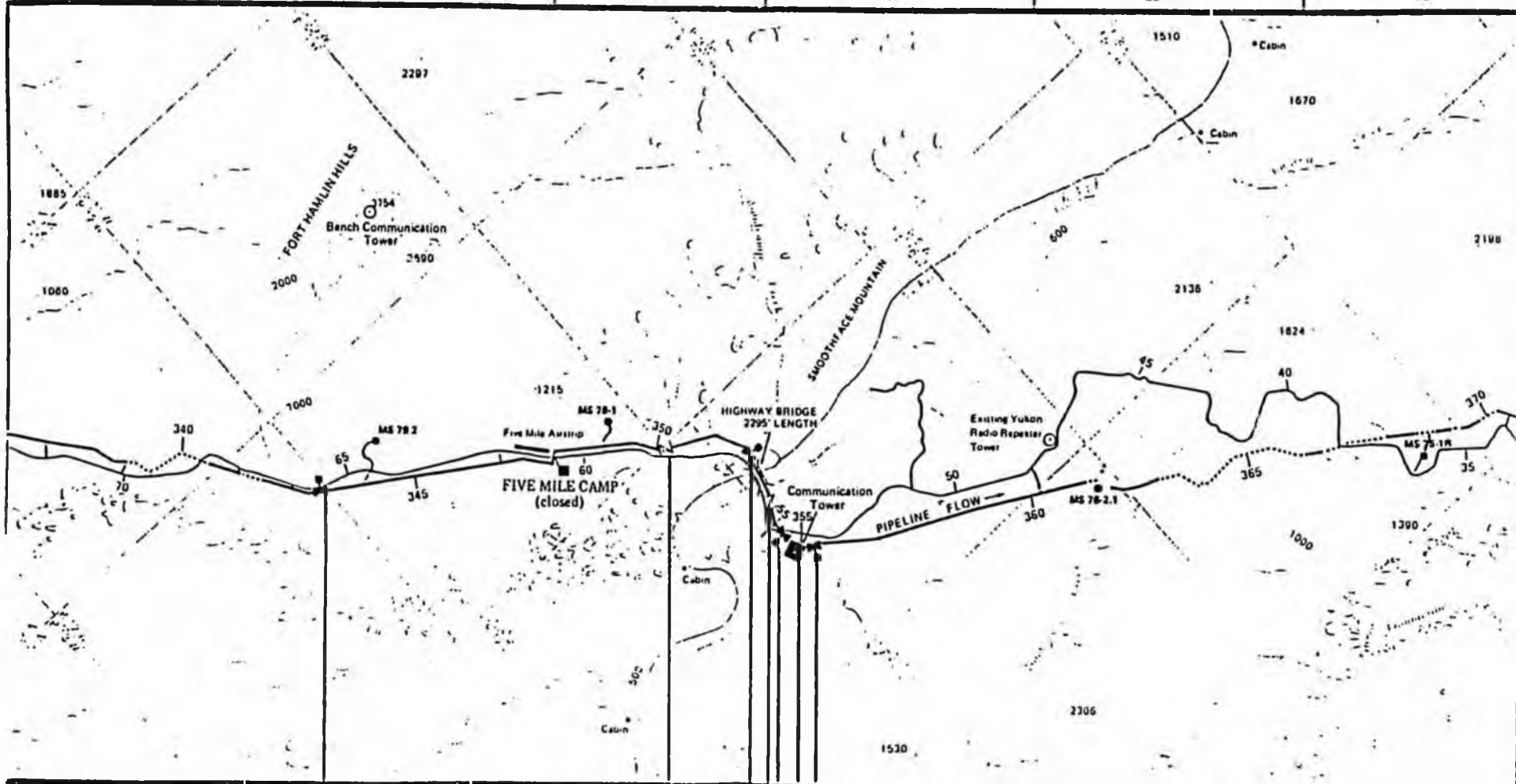


118 REMOTE VALVE 40401+88	120 CHECK VALVE 40648+88	121A REMOTE VALVE 41117+37	121 REMOTE VALVE 41007+84	120 REMOTE VALVE 42232+87	122 CHECK VALVE 41171+86	123 REMOTE VALVE 41400+48	124 REMOTE VALVE 41848+28	126 REMOTE VALVE 41823+87
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Material Sales

Origin of land grid shown is Copper River Meridian





59
REMOTE VALVE
18110-64

59A
CHECK VALVE
18512-17

60
REMOTE VALVE
18512-16

60A
CHECK VALVE
18680-77

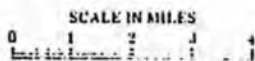
BL1

BL2

PUMP STATION 6
MP 355.0

Material 5-fis

* High of land grid shown is Fairbanks Meridian



106

Pipeline Alignment Sheet No 107

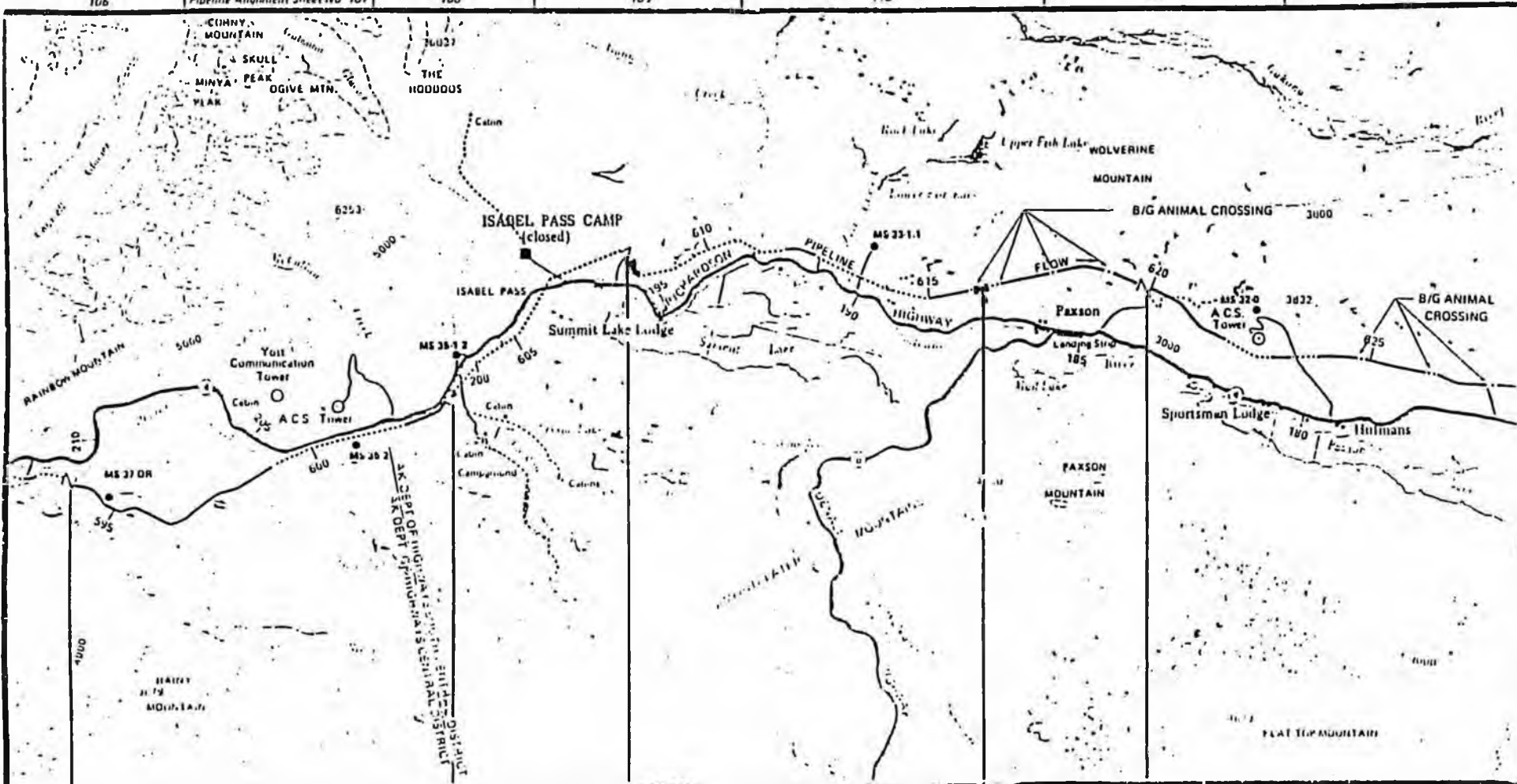
108

109

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111

112



V2 CHECK VALVE 31348-98

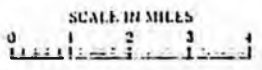
V2 CHECK VALVE 31850-56

V1 CHECK VALVE 32324-14
MANUAL VALVE 32324-14

V1 REMOTE VALVE 32525-40

V1A CHECK VALVE 32726-84

Material Sites



HOUSE
COMMITTEE REPORT

(11)

Date referred: 4/11/86

FURTHER REFERRALS:

DATE: 5-2-86

The FINANCE Committee has considered HB 705

"An Act relating to the Alaska research development endowment."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 705 (FIN) same title
- new title

and recommends no recommendation

further referral to the _____ Committee

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

SIGNING DO PASS:

Robert Adams

John Coughlin

William ...

Mark ...

John Bailey

SIGNING OTHER RECOMMENDATIONS:

Jim ... - no Rec.

Ronald J. ... - no Rec.

Pat ... no rec

Rich ... NO REC

Steve ... No Recommendation

Joe ... No Rec

Robert Adams
Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 4/9/86

REQUEST

Bill/Resolution No. : HB 705 (FIN)
 Title : Re: the Alaska Research Development Endowment
 Sponsor : Finance
 Requestor : House Finance Committee
 Date of Request : 4/9/86

FISCAL DETAIL

Agency Affected : Al. Research Development Endowment
 BRU : _____
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

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

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

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

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

The Endowment is required to use revenue generated from its investments as the source of funds for its operating budget. No impact on state general funds is anticipated.

Prepared by : *Robert P. Cook* Phone : 465-3706
 Division : House Finance Committee Date : 4/9/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

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

Original sponsor: Finance Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 705 (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 relating to the Alaska research development
7 endowment; and providing for an effective date."

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

9 * Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that it
10 is necessary to obtain the research information that will be needed to give
11 the state the best attainable future over the next 50 to 100 years or more.

12 (b) The legislature further finds that research is needed for the
13 wise development and use of the state's natural resources. These research
14 areas include energy, mineral resources, fisheries, forestry, and food and
15 agriculture; and also the collection, storage, and dissemination of in-
16 formation; the state's transportation systems; and materials research and
17 engineering.

18 (c) Research is also needed to provide for the care and preservation
19 of the state's natural resources and the culture and heritage of its di-
20 verse peoples. These research areas include man-made changes in weather
21 and climate, including the possibility of a warming trend of the whole
22 earth; environmental protection; and archaeological, anthropological, and
23 linguistic studies of the Native populations.

24 (d) The legislature further finds that research is needed to protect
25 the health and well-being of Alaskans. Three topics are considered: health
26 and disease; social pathology; and building construction and maintenance.

27 (e) Research is also needed on topics for which Alaska is a "natural
28 laboratory" compared with other parts of the nation, and research on topics
29 that support and contribute to improvements in many of the topics listed

1 above. These research areas are: the upper atmosphere; weather and cli-
2 mate; geology; natural hazards; snow, ice, and permafrost; northern oceans;
3 and human resources.

4 (f) The legislature finds that the principle of a partnership of
5 interest among government, academia, business, industry, and residents of
6 Alaska is essential in accomplishing the intent and purposes of this Act.

7 * Sec. 2. AS 14 is amended by adding a new chapter to read:

8 CHAPTER 55. ALASKA RESEARCH DEVELOPMENT ENDOWMENT.

9 Sec. 14.55.010. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. (a)
10 Under art. IX, sec. 17, Constitution of the State of Alaska, there is
11 established the Alaska research development endowment. At least 20
12 percent of all royalties and royalty sale proceeds received by the
13 state from natural gas from the area north of the Alaska Range shall
14 be deposited in the Alaska research development endowment; however,
15 the total deposits from royalties and royalty sale proceeds may not
16 exceed \$1,000,000,000. These deposits shall be considered fund
17 principal and shall be invested by the commissioner of revenue in
18 accordance with AS 37.10.070, except that income from investment of
19 the endowment may not be held for investment, but shall be used to
20 provide funds for research grants, and the costs of administration of
21 the endowment as provided in this chapter.

22 (b) The Alaska research development endowment shall be managed
23 by the Alaska Research Development Corporation established under this
24 chapter.

25 Sec. 14.55.020. ALASKA RESEARCH DEVELOPMENT CORPORATION. There
26 is established the Alaska Research Development Corporation. The
27 corporation is a public corporation in the Department of Revenue, but
28 has a legal existence independent of and separate from the state. The
29 corporation is managed by the board of directors. Exercise by the

1 board of the powers conferred by this chapter is an essential govern-
2 mental function of the state.

3 Sec. 14.55.030. COMPOSITION AND QUALIFICATIONS OF BOARD OF
4 DIRECTORS. (a) The board of directors of the corporation consists of
5 11 members appointed by the governor and two ex officio members.

6 (b) The board shall establish an independent nominating commit-
7 tee which shall provide to the governor a list of two or more well
8 qualified candidates for each vacancy. The governor may consider
9 these candidates before appointing directors.

10 (c) At least eight of the members must be state residents.
11 Based on experience and achievement in their profession and in soci-
12 ety, at least four of the members must have professional recognition
13 in the business community, at least four must have professional recog-
14 nition in the academic community, and at least three must have profes-
15 sional recognition in federal, state, or foreign government.

16 (d) The governor and the president of the University of Alaska
17 are ex officio members of the board.

18 (e) The board shall annually elect a chairman and other neces-
19 sary officers from among its members.

20 Sec. 14.55.040. TERM OF OFFICE. The members of the board serve
21 six-year terms and may be reappointed. Terms shall be staggered.

22 Sec. 14.55.050. REMOVAL AND VACANCIES. (a) The governor may
23 remove a board member from office. A removal by the governor shall be
24 in writing and state the reason for removal. A board member who is
25 removed by the governor may not participate in board business and may
26 not be counted for the purpose of establishing a quorum after the
27 member receives written notice of removal from the governor.

28 (b) A vacancy on the board shall be promptly filled by appoint-
29 ment by the governor. The governor may consider names on the list

1 provided by the nominating committee under AS 14.55.030(b). An ap-
2 ppointee to fill a vacancy holds office for the balance of the term for
3 which the appointee's predecessor on the board was appointed.

4 (c) A vacancy on the board does not impair the authority of a
5 quorum of the board to exercise all the powers and perform all the
6 duties of the board.

7 Sec. 14.55.060. QUORUM. (a) Seven members of the board consti-
8 tute a quorum for the transaction of business and the exercise of the
9 powers and duties of the board.

10 (b) Members of the board serve without compensation, but are
11 entitled to per diem and travel expenses authorized by law for boards
12 under AS 39.20.180.

13 Sec. 14.55.070. CONFLICTS OF INTEREST. The members of the board
14 and compensated employees are subject to the provisions of AS 39.50.

15 Sec. 14.55.080. CORPORATION STAFF. The board shall employ and
16 determine the salary of an executive director. The executive director
17 may, with the approval of the board, select and employ additional
18 staff as necessary. The executive director and all employees of the
19 corporation are in the exempt service under AS 39.25.

20 Sec. 14.55.090. POWERS. In carrying out the powers of the
21 corporation, the board may

22 (1) adopt, alter, and use a corporate seal;
23 (2) prescribe, adopt, amend, and repeal bylaws;
24 (3) sue and be sued in the name of the corporation;
25 (4) enter into agreements necessary to the exercise of its
26 powers and functions;

27 (5) accept grants from and contract with the federal gov-
28 ernment and the state or its political subdivisions and to that end
29 comply with the provisions of federal, state, or local programs when

1 necessary, except that it may not enter into agreements in which a
2 permanent state or local government position is financed or partially
3 financed in connection with a project;

4 (6) accept grants and loans from and contract with sources
5 other than those in (5) of this section for the purposes of the work
6 of the corporation;

7 (7) collect, store, and disseminate knowledge of Alaska and
8 the north;

9 (8) appear on behalf of the corporation before boards,
10 commissions, departments, or other agencies of municipal, state, or
11 federal government or international bodies;

12 (9) acquire, hold, use, lease, sell, or otherwise dispose
13 of property of any kind, real, personal, or mixed, or an interest in
14 it;

15 (10) hold patents, copyrights, trademarks, royalties or
16 other evidences of protection or exclusivity issued under the laws of
17 the United States or any state or nation obtained by persons receiving
18 assistance from the corporation;

19 (11) adopt regulations governing the exercise of its powers;
20 and

21 (12) do everything necessary or desirable to carry out the
22 purposes of the corporation.

23 Sec. 14.55.100. DUTIES. The board may distribute grant funds to
24 private individuals, companies, schools, universities, governmental
25 agencies, and research and development entities for the conduct of
26 research.

27 Sec. 14.55.110. BUDGET AND APPROPRIATIONS. The corporation is
28 subject to the provisions of the Executive Budget Act (AS 37.07).

29 Sec. 14.55.120. CORPORATION BUDGET. The revenue generated by

1 the corporation's investments must be identified as the source of the
2 operating budget of the corporation in the state's operating budget
3 under the Executive Budget Act (AS 37.07). The unexpended and unobli-
4 gated balance of the corporation's annual operating budget does not
5 lapse into the general fund at the end of the fiscal year but shall be
6 treated as income under AS 14.55.010.

7 Sec. 14.55.130. ANNUAL REPORT. The board shall prepare an
8 annual report of its activities and submit a copy of the report to the
9 legislature. The annual report shall be transmitted to the legisla-
10 ture at the beginning of each regular session. The report shall
11 include a description of the research grants paid by the corporation
12 and any other information that the board determines should be included
13 to describe the work of the corporation.

14 Sec. 14.55.200. DEFINITIONS. In this chapter

15 (1) "board" means the board of directors of the Alaska
16 Research Development Corporation;

17 (2) "corporation" means the Alaska Research Development
18 Corporation; and

19 (3) "endowment" means the Alaska research development
20 endowment.

21 * Sec. 3. AS 39.25.110 is amended by adding a new paragraph to read:

22 (24) employees of the Alaska Research Development Corpo-
23 ration.

24 * Sec. 4. AS 39.50.020(a) is amended by adding a new paragraph to read:

25 (48) board of directors and compensated employees of the
26 Alaska Research Development Corporation (AS 14.55).

27 * Sec. 5. Notwithstanding AS 14.55.040, added by sec. 2 of this Act,
28 the initial terms of members of the board of directors of the Alaska Re-
29 search Development Corporation shall be set under AS 39.05.055(2).

1 * Sec. 6. Notwithstanding AS 14.55.030(b), added by sec. 2 of this Act,
2 the initial members of the board of directors of the Alaska Research Devel-
3 opment Corporation shall be selected and appointed by the governor.

4 * Sec. 7. This Act takes effect on the effective date of an amendment
5 to the Constitution of the State of Alaska creating the Alaska research
6 development endowment.

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STATE OF ALASKA 1986 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date: 5/2/86

REQUEST

Bill/Resolution No: HB 705/HJR 71
 Title: Proposing amendments to the Constitution of the State of Alaska creating the Alaska Research Development
 Sponsor: Senate HESS
 Requestor: Senate Resources
 Date of Request: April 29, 1986

FISCAL DETAIL

Agency Affected: Alaska Research Development Endowment
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE		(480.0)	(480.0)	(480.0)	(480.0)	(480.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND		(480.0)	(480.0)	(480.0)	(480.0)	(480.0)
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL		(480.0)	(480.0)	(480.0)	(480.0)	(480.0)

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

This bill dedicates 20% of all state royalties and royalty sale proceeds from North Slope natural gas to the Alaska Research Development Endowment. Currently, approximately \$2.4 million is received by the state from those sources. Consequently, \$480.0 would be dedicated. (2.4 million divided by 2 equals \$480.0)

Prepared By: Charles Logsdon *For*
 Division: Research/Commissioner's Office

Phone: 465-3706
 Date: May 2 1986

Approved by Commissioner: *Mary Jo Hurdale*
 Agency: Department of Revenue

Date: May 2, 1986

Distribution (by Agency preparing fiscal note):

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

Fiscal Note Analysis
HB 705 and HJR 71

Average expected and risk adjusted contribution to the Alaska
Research Development Endowment as Proposed BY HJR 71 and HB 705 based on
Department of Revenue March 1986 petroleum revenue forecast.
(millions \$)

Fiscal Year	Average Expected North Slope Gas Royalties	30% Case North Slope Gas Royalties	Average Expected Contribution to ARDE	30% Case Contribution to ARDE
1987	2.72	2.72	.544	.544
1988	2.84	2.82	.568	.564
1989	2.74	2.70	.548	.540
1990	2.47	1.31	.494	.262
1991	2.54	1.64	.508	.328
1992	2.64	1.13	.528	.226
1993	3.83	0	.766	0
1994	4.73	0	.946	0
1995	29.95	0	5.99	0
1996	31.45	0	6.29	0
1997	53.14	5.98	10.62	1.19
1998	56.25	6.16	11.25	1.23
1999	59.72	6.46	11.94	1.29
2000	95.79	6.46	19.15	1.29

James
5/2/86 ✓

Original sponsor: Finance Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 705 (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 relating to the Alaska research development
7 endowment; and providing for an effective date."

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

9 * Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that it
10 is necessary to obtain the research information that will be needed to give
11 the state the best attainable future over the next 50 to 100 years or more.

12 (b) The legislature further finds that research is needed for the
13 wise development and use of the state's natural resources. These research
14 areas include energy, mineral resources, fisheries, forestry, and food and
15 agriculture; and also the collection, storage, and dissemination of in-
16 formation; the state's transportation systems; and materials research and
17 engineering.

18 (c) Research is also needed to provide for the care and preservation
19 of the state's natural resources and the culture and heritage of its di-
20 verse peoples. These research areas include man-made changes in weather
21 and climate, including the possibility of a warming trend of the whole
22 earth; environmental protection; and archaeological, anthropological, and
23 linguistic studies of the Native populations.

24 (d) The legislature further finds that research is needed to protect
25 the health and well-being of Alaskans. Three topics are considered: health
26 and disease; social pathology; and building construction and maintenance.

27 (e) Research is also needed on topics for which Alaska is a "natural
28 laboratory" compared with other parts of the nation, and research on topics
29 that support and contribute to improvements in many of the topics listed

1 above. These research areas are: the upper atmosphere; weather and cli-
2 mate; geology; natural hazards; snow, ice, and permafrost; northern oceans;
3 and human resources.

4 (f) The legislature finds that the principle of a partnership of
5 interest among government, academia, business, industry, and residents of
6 Alaska is essential in accomplishing the intent and purposes of this Act.

7 * Sec. 2. AS 14 is amended by adding a new chapter to read:

8 CHAPTER 55. ALASKA RESEARCH DEVELOPMENT ENDOWMENT.

9 Sec. 14.55.010. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. (a)
10 Under art. IX, sec. 17, Constitution of the State of Alaska, there is
11 established the Alaska research development endowment. At least 20
12 percent of all royalties and royalty sale proceeds received by the
13 state from natural gas from the area north of the Alaska Range shall
14 be deposited in the Alaska research development endowment; however,
15 the total deposits from royalties and royalty sale proceeds may not
16 exceed \$1,000,000,000. These deposits shall be considered fund
17 principal and shall be invested by the commissioner of revenue in
18 accordance with AS 37.10.070, except that income from investment of
19 the endowment may not be held for investment, but shall be used to
20 provide funds for research grants, and the costs of administration of
21 the endowment as provided in this chapter.

22 (b) The Alaska research development endowment shall be managed
23 by the Alaska Research Development Corporation established under this
24 chapter.

25 Sec. 14.55.020. ALASKA RESEARCH DEVELOPMENT CORPORATION. There
26 is established the Alaska Research Development Corporation. The
27 corporation is a public corporation in the Department of Revenue, but
28 has a legal existence independent of and separate from the state. The
29 corporation is managed by the board of directors. Exercise by the

1 board of the powers conferred by this chapter is an essential govern-
2 mental function of the state.

3 Sec. 14.55.030. COMPOSITION AND QUALIFICATIONS OF BOARD OF
4 DIRECTORS. (a) The board of directors of the corporation consists of
5 11 members appointed by the governor and two ex officio members.

6 (b) The board shall establish an independent nominating commit-
7 tee which shall provide to the governor a list of two or more well
8 qualified candidates for each vacancy. The governor may consider
9 these candidates before appointing directors.

10 (c) At least eight of the members must be state residents.
11 Based on experience and achievement in their profession and in soci-
12 ety, at least four of the members must have professional recognition
13 in the business community, at least four must have professional recog-
14 nition in the academic community, and at least three must have profes-
15 sional recognition in federal, state, or foreign government.

16 (d) The governor and the president of the University of Alaska
17 are ex officio members of the board.

18 (e) The board shall annually elect a chairman and other neces-
19 sary officers from among its members.

20 Sec. 14.55.040. TERM OF OFFICE. The members of the board serve
21 six-year terms and may be reappointed. Terms shall be staggered.

22 Sec. 14.55.050. REMOVAL AND VACANCIES. (a) The governor may
23 remove a board member from office. A removal by the governor shall be
24 in writing and state the reason for removal. A board member who is
25 removed by the governor may not participate in board business and may
26 not be counted for the purpose of establishing a quorum after the
27 member receives written notice of removal from the governor.

28 (b) A vacancy on the board shall be promptly filled by appoint-
29 ment by the governor. The governor may consider names on the list

1 provided by the nominating committee under AS 14.55.030(b). An ap-
2 pointee to fill a vacancy holds office for the balance of the term for
3 which the appointee's predecessor on the board was appointed.

4 (c) A vacancy on the board does not impair the authority of a
5 quorum of the board to exercise all the powers and perform all the
6 duties of the board.

7 Sec. 14.55.060. QUORUM. (a) Seven members of the board consti-
8 tute a quorum for the transaction of business and the exercise of the
9 powers and duties of the board.

10 (b) Members of the board serve without compensation, but are
11 entitled to per diem and travel expenses authorized by law for boards
12 under AS 39.20.180.

13 Sec. 14.55.070. CONFLICTS OF INTEREST. The members of the board
14 and compensated employees are subject to the provisions of AS 39.50.

15 Sec. 14.55.080. CORPORATION STAFF. The board shall employ and
16 determine the salary of an executive director. The executive director
17 may, with the approval of the board, select and employ additional
18 staff as necessary. The executive director and all employees of the
19 corporation are in the exempt service under AS 39.25.

20 Sec. 14.55.090. POWERS. In carrying out the powers of the
21 corporation, the board may

- 22 (1) adopt, alter, and use a corporate seal;
23 (2) prescribe, adopt, amend, and repeal bylaws;
24 (3) sue and be sued in the name of the corporation;
25 (4) enter into agreements necessary to the exercise of its
26 powers and functions;

27 (5) accept grants from and contract with the federal gov-
28 ernment and the state or its political subdivisions and to that end
29 comply with the provisions of federal, state, or local programs when

1 necessary, except that it may not enter into agreements in which a
2 permanent state or local government position is financed or partially
3 financed in connection with a project;

4 (6) accept grants and loans from and contract with sources
5 other than those in (5) of this section for the purposes of the work
6 of the corporation;

7 (7) collect, store, and disseminate knowledge of Alaska and
8 the north;

9 (8) appear on behalf of the corporation before boards,
10 commissions, departments, or other agencies of municipal, state, or
11 federal government or international bodies;

12 (9) acquire, hold, use, lease, sell, or otherwise dispose
13 of property of any kind, real, personal, or mixed, or an interest in
14 it;

15 (10) hold patents, copyrights, trademarks, royalties or
16 other evidences of protection or exclusivity issued under the laws of
17 the United States or any state or nation obtained by persons receiving
18 assistance from the corporation;

19 (11) adopt regulations governing the exercise of its powers;
20 and

21 (12) do everything necessary or desirable to carry out the
22 purposes of the corporation.

23 Sec. 14.55.100. DUTIES. The board may distribute grant funds to
24 private individuals, companies, schools, universities, governmental
25 agencies, and research and development entities for the conduct of
26 research.

27 Sec. 14.55.110. BUDGET AND APPROPRIATIONS. The corporation is
28 subject to the provisions of the Executive Budget Act (AS 37.07).

29 Sec. 14.55.120. CORPORATION BUDGET. The revenue generated by

1 the corporation's investments must be identified as the source of the
2 operating budget of the corporation in the state's operating budget
3 under the Executive Budget Act (AS 37.07). The unexpended and unobli-
4 gated balance of the corporation's annual operating budget does not
5 lapse into the general fund at the end of the fiscal year but shall be
6 treated as income under AS 14.55.010.

7 Sec. 14.55.130. ANNUAL REPORT. The board shall prepare an
8 annual report of its activities and submit a copy of the report to the
9 legislature. The annual report shall be transmitted to the legisla-
10 ture at the beginning of each regular session. The report shall
11 include a description of the research grants paid by the corporation
12 and any other information that the board determines should be included
13 to describe the work of the corporation.

14 Sec. 14.55.200. DEFINITIONS. In this chapter

15 (1) "board" means the board of directors of the Alaska
16 Research Development Corporation;

17 (2) "corporation" means the Alaska Research Development
18 Corporation; and

19 (3) "endowment" means the Alaska research development
20 endowment.

21 * Sec. 3. AS 39.25.110 is amended by adding a new paragraph to read:

22 (24) employees of the Alaska Research Development Corpo-
23 ration.

24 * Sec. 4. AS 39.50.020(a) is amended by adding a new paragraph to read:

25 (48) board of directors and compensated employees of the
26 Alaska Research Development Corporation (AS 14.55).

27 * Sec. 5. Notwithstanding AS 14.55.040, added by sec. 2 of this Act,
28 the initial terms of members of the board of directors of the Alaska Re-
29 search Development Corporation shall be set under AS 39.05.055(2).

1 * Sec. 6. Notwithstanding AS 14.55.030(b), added by sec. 2 of this Act,
2 the initial members of the board of directors of the Alaska Research Devel-
3 opment Corporation shall be selected and appointed by the governor.

4 * Sec. 7. This Act takes effect on the effective date of an amendment
5 to the Constitution of the State of Alaska creating the Alaska research
6 development endowment.
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Alaska State Legislature

STEVE FRANK

DISTRICT 20A
Finance Committee

1125 Sunset Drive
Fairbanks, Alaska 99701
(907) 452-3421



White in Juneau
P. O. Box V
Juneau, Alaska 99811
(907) 465-3709

House of Representatives

MEMORANDUM

TO: House Finance Committee Members
FROM: Representative Steve Frank
DATE: May 1, 1986
RE: Alaska Research Development Endowment
HCR 71 & HB 705

HCR 11, approved by the legislature last year, set the stage for the introduction of HCR 71 and HB 705 creating the Alaska Research Development Endowment (ARDE).

Under HCR71, ARDE is designed to be a vehicle to determine and fund the necessary research to meet the challenge of Alaska's future. The idea is to constitutionally dedicate to research a small percentage of our total resource revenues, specifically our natural gas resources north of the Brooks Range, most of which are not currently being developed.

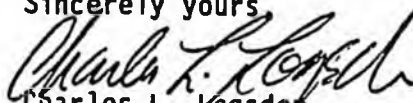
The Alaska Research Development Corporation, which would be created by the passage of HB705, would identify those projects which could unlock the knowledge necessary for the development of the state's natural resources, preserve the heritage and culture of Alaska's people and fund research necessary to protect the health and welfare of the people of our state. ARDE would merely identify and fund the research projects, not perform the actual research. The research would be conducted by grant recipients including individuals, universities, companies, and governmental agencies.

The scope of ARDE's efforts would be directed toward the entire state, not just the Arctic region, as the Federal Arctic Science and Policy Act is. ARDE would dovetail the Federal Act as well as compliment research currently being done through the University of Alaska's Organized Research. As

Rep. Steve Frank
Page 2
April 17, 1986

In our March 1986 Forecast we estimated North Slope gas royalties equal to \$212 million in FY 2000 (adjusted for probability of system completion).

Sincerely yours,



Charles L. Logsdon
Petroleum Economist

CLL:ds

STATE OF ALASKA

DEPARTMENT OF REVENUE

PETROLEUM RESEARCH DIVISION

BILL SHEFFIELD, GOVERNOR

550 W. 7TH AVENUE, SUITE 550
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-5364

April 17, 1986

The Honorable Steve Frank
Alaska State Legislature
PO Box V
Juneau, Alaska 99811

Dear Representative Frank:

Unfortunately many of the cost and pricing issues concerning the Trans Alaska Gas System (TAGS) are not easy to pin down. I have attempted to answer your questions about expected gas royalties using the best data we have available which includes information from the Department of Natural Resources and gas prices used in our petroleum production revenue forecast.

1. Assuming that a TAGS is built how much gas would be transported annually through the line?

We estimate roughly 1.8 bcf/day.

2. How much royalty is currently received by the State from North Slope gas?

We received \$163,350 for January 1986 production.

3. What wellhead values are currently reported for North Slope gas and what values would you expect to be reported if an economically feasible TAGS was built?

The prices vary considerably by producer. No doubt legal action will be undertaken at some time to determine what price is correct. This January at Prudhoe Bay SOHIO reported a price of \$.25/mcf while Exxon reported a price of \$3.37/mcf. The average price reported for royalties was \$.51/mcf. ARCO reported a price of \$1.91/mcf for Kuparuk production.

The wellhead price assuming TAGS in place will depend on the world gas price and the transmission system cost. Given the high cost of the transmission system and the poor outlook for energy prices, the wellhead price may be quite close to zero.

4. How much in royalties would you expect the State to receive annually from North Slope gas if TAGS is built?

For every \$1.00/mcf at the wellhead with an assumed production level of 1.8 bcf/day, the State would receive \$82.125 million in royalties annually.

envisioned, ARDE could be a significant future funding source for the University's research projects related specifically to Alaska.

The Corporation's Board of Directors would be composed of eleven members, four each from the business community and academic community, and three with professional recognition in government, in addition to the Governor and the president of the University of Alaska as ex officio members. The board would employ a limited staff to aid in grant determination and administration. The Corporation would be subject to the Executive Budget Act providing the Legislature with an annual review, much in the same way we review the budget of the Alaska Permanent Fund Corporation.

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

P.O. BOX 5
JUNEAU, ALASKA 99811-0400
PHONE: (907) 465-2300

April 23, 1986

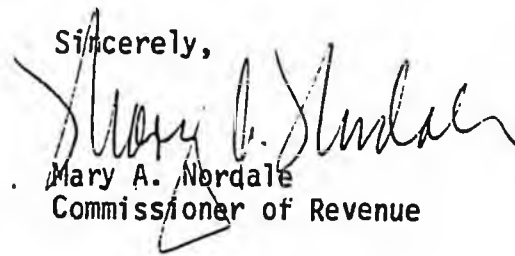
The Honorable Steve Frank
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Re: HCR 71 and HB 705 .

Dear Representative Frank:

I have reviewed the fiscal notes prepared for both HCR 71 and HB 705 and have found the estimates to be consistent with the North Slope Gas Royalty revenues projected by the Department of Revenue in the March 1986 Revenue Forecast.

Sincerely,



Mary A. Nordale
Commissioner of Revenue

MAN:m11
86-99

Offered: 3/13/85
Referred: Rules

Original sponsors: Boucher, Ringstad,
Gruenberg, et al

1 IN THE HOUSE BY THE HEALTH, EDUCATION AND
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 11 (HESS) SOCIAL SERVICES COMMITTEE
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 Relating to the University of Alaska
6 Foundation.
7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 WHEREAS art. VII, secs. 4 and 5 and art. VIII, secs. 1 and 2 of the
9 Constitution of the State of Alaska call for the promotion and protection
10 of public health, providing for the public welfare, the settlement of lands
11 and the development of resources, and the utilization, development, and
12 conservation of all state natural resources; and
13 WHEREAS although the Arctic Science and Policy Act of 1984 is commend-
14 able and its passage long overdue, the Act focuses on federal interests and
15 priorities solely and it is directed only at part of the state; and
16 WHEREAS the economic viability of the state, the well-being of its
17 inhabitants, and the promise of a reasonable future for coming generations
18 depends upon the support of applied and fundamental research directed at
19 specific Alaskan problems; and
20 WHEREAS these physical, biological, medical, and social problems are
21 only partially, or not at all, addressed by conventional sources of support
22 resulting in significant gaps in both scientific and technical research
23 endeavors;
24 BE IT RESOLVED that the Alaska State Legislature commends and supports
25 the University of Alaska Foundation in its endeavors to forecast research
26 needs and to find and fill the gaps in the current research effort, and be
27 it
28 FURTHER RESOLVED that the Alaska State Legislature encourages the
29 University of Alaska Foundation to seek support for long-term and stable

1 funding for this research.

Offered: 4/11/86
Referred: Finance

Original sponsor: Finance Committee

1 IN THE HOUSE
2
3 CS FOR HOUSE BILL NO. 705 (HESS)
4 IN THE LEGISLATURE OF THE STATE OF ALASKA
5 FOURTEENTH LEGISLATURE - SECOND SESSION
6 A BILL
7 For an Act entitled: "An Act relating to the Alaska research development
8 endowment."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that it
11 is necessary to obtain the research information that will be needed to give
12 the state the best attainable future over the next 50 to 100 years or more.
13 (b) The legislature further finds that research is needed for the
14 wise development and use of the state's natural resources. These research
15 areas include energy, defense, mineral resources, fisheries, forestry, and
16 food and agriculture; and also the collection, storage, and dissemination
17 of information; the state's transportation systems; and materials research
18 and engineering.
19 (c) Research is also needed to provide for the care and preservation
20 of the state's natural resources and the culture and heritage of its di-
21 verse peoples. These research areas include manmade changes in weather and
22 climate, including the possibility of a warming trend of the whole earth;
23 environmental protection; and archaeological, anthropological, and linguis-
24 tic studies of the Native populations.
25 (d) The legislature further finds that research is needed to protect
26 the health and well-being of Alaskans. Three topics are considered: health
27 and disease; social pathology; and building construction and maintenance.
28 (e) Research is also needed on topics for which Alaska is a "natural
29 laboratory" compared with other parts of the nation, and research on topics
that support and contribute to improvements in many of the topics listed

1 above. These research areas are: the upper atmosphere; weather and cli-
2 mate; geology; natural hazards; snow, ice, and permafrost; northern oceans;
3 and human resources.

4 * Section 2. AS 14 is amended by adding a new chapter to read:

5 CHAPTER 55. ALASKA RESEARCH DEVELOPMENT ENDOWMENT.

6 Sec. 14.55.010. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. (a)
7 Under art. IX, sec. 17, Constitution of the State of Alaska, there is
8 established the Alaska research development endowment. At least 20
9 percent, up to a total of \$1,000,000,000, of all royalties and royalty
10 sale proceeds from North Slope natural gas received by the state shall
11 be deposited in the Alaska research development endowment. All income
12 from investment of the endowment shall be deposited in the Alaska
13 research development endowment. Money in the endowment may be expend-
14 ed as provided in this chapter.

15 (b) The Alaska research development endowment shall be managed
16 by the Alaska Research Development Corporation established in this
17 chapter.

18 Sec. 14.55.020. ALASKA RESEARCH DEVELOPMENT CORPORATION. There
19 is established the Alaska Research Development Corporation. The
20 corporation is a public corporation and government instrumentality in
21 the Department of Education, but has a legal existence independent of
22 and separate from the state. The corporation is managed by the board
23 of directors. Exercise by the board of the powers conferred by this
24 chapter is an essential governmental function of the state.

25 Sec. 14.55.030. COMPOSITION AND QUALIFICATIONS OF BOARD OF
26 DIRECTORS. (a) The Board of Directors of the corporation consists of
27 11 members appointed by the governor, and two ex officio members.

28 (b) At least eight of the members must be state residents.
29 Based on experience and achievement in their profession and in

1 society, at least four of the members must have professional recogni-
2 tion in the business community, at least four must have professional
3 recognition in the academic community, and at least three must have
4 professional recognition in federal, state, or local government.

5 (c) The governor and the president of the University of Alaska
6 are ex officio members of the board.

7 (d) The board shall annually elect a chairman and other neces-
8 sary officers from among its members.

9 Sec. 14.55.040. TERM OF OFFICE. The members of the board serve
10 five-year terms and may be reappointed. Terms shall be staggered.

11 Sec. 14.55.050. REMOVAL AND VACANCIES. (a) The governor may
12 remove a board member from office. A removal by the governor shall be
13 in writing and state the reason for removal. A board member who is
14 removed by the governor may not participate in board business and may
15 not be counted for the purpose of establishing a quorum after the
16 member receives written notice of removal from the governor.

17 (b) A vacancy on the board shall be promptly filled by appoint-
18 ment by the governor. An appointee to fill a vacancy holds office for
19 the balance of the term for which the appointee's predecessor on the
20 board was appointed.

21 (c) A vacancy on the board does not impair the authority of a
22 quorum of the board to exercise all the powers and perform all the
23 duties of the board.

24 Sec. 14.55.060. QUORUM. (a) Seven members of the board consti-
25 tute a quorum for the transaction of business and the exercise of the
26 powers and duties of the board.

27 (b) Members of the board serve without compensation, but are
28 entitled to per diem and travel expenses authorized by law for boards
29 under AS 39.20.180.

1 Sec. 14.55.070. CONFLICTS OF INTEREST. Members of the board and
2 the executive director are subject to the provisions of AS 39.50.

3 Sec. 14.55.080. EMPLOYMENT OF PERSONNEL. The board shall employ
4 and determine the salary of an executive director. The executive
5 director may, with the approval of the board, select and employ addi-
6 tional staff as necessary. The executive director and all employees
7 of the corporation are in the exempt service under AS 39.25.

8 Sec. 14.55.090. POWERS. In carrying out the powers of the
9 corporation, the board may

10 (1) adopt, alter, and use a corporate seal;
11 (2) prescribe, adopt, amend, and repeal bylaws;
12 (3) sue and be sued in the name of the corporation;
13 (4) enter into agreements necessary to the exercise of its
14 powers and functions;

15 (5) accept grants from and contract with the federal gov-
16 ernment and the state or its political subdivisions and to that end
17 comply with the provisions of federal, state, or local programs when
18 necessary, except that it may not enter into agreements in which a
19 permanent state or local government position is financed or partially
20 financed in connection with a project;

21 (6) accept grants and loans from and contract with sources
22 other than those in (5) of this section for the purposes of the work
23 of the corporation;

24 (7) appear on behalf of the corporation before boards,
25 commissions, departments, or other agencies of municipal, state, or
26 federal government;

27 (8) acquire, hold, use, lease, sell, or otherwise dispose
28 of property of any kind, real, personal, or mixed, or an interest in
29 it;

1 (9) hold patents, copyrights, trademarks, royalties or
2 other evidences of protection or exclusivity issued under the laws of
3 the United States or any state or nation obtained by persons receiving
4 assistance from the corporation;

5 (10) adopt regulations governing the exercise of its powers;
6 and

7 (11) do everything necessary or desirable to carry out the
8 purposes of the corporation.

9 Sec. 14.55.100. DUTIES. The board may distribute grant funds to
10 private individuals, companies, schools, universities and governmental
11 agencies for the conduct of research.

12 Sec. 14.55.110. BUDGET AND APPROPRIATIONS. The corporation is
13 subject to the provisions of the Executive Budget Act (AS 37.07).

14 Sec. 14.55.120. CORPORATION BUDGET. The revenue generated by
15 the corporation's investments must be identified as the source of the
16 operating budget of the corporation in the state's operating budget
17 under the Executive Budget Act (AS 37.07). The unexpended balance of
18 the corporation's annual operating budget does not lapse at the end of
19 the fiscal year but shall be deposited in the Alaska research develop-
20 ment endowment.

21 Sec. 14.55.130. ANNUAL REPORT. The board shall prepare an
22 annual report of its activities and submit a copy of the report to the
23 legislature. The annual report shall be transmitted to the legisla-
24 ture at the beginning of each regular session. The report shall
25 include a description of the research grants paid by the corporation
26 and any other information that the board determines should be included
27 to describe the work of the corporation.

28 Sec. 14.55.140. DEFINITIONS. In this chapter

29 (1) "board" means the Board of Directors of the Alaska

1 Research Development Corporation;

2 (2) "corporation" means the Alaska Research Development
3 Corporation; and

4 (3) "endowment" means the Alaska research development
5 endowment.

6 * Sec. 3. AS 39.25.110 is amended by adding a new paragraph to read:

7 (24) employees of the Alaska Research Development Corpo-
8 ration.

9 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:

10 (48) Board of Directors and the executive director of the
11 Alaska Research Development Corporation (AS 14.55.030 and 14.55.080).

12 * Sec. 5. Notwithstanding AS 14.55.040, added by sec. 2 of this Act,
13 the initial terms of members of the Board of Directors of the Alaska Re-
14 search Development Corporation shall be set under AS 39.05.055(2).

Introduced: 4/2/86
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

HOUSE BILL NO. 705

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Alaska research development
7 endowment."

7

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

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* Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that it

10 is necessary to obtain the research information that will be needed to give
11 the state the best attainable future over the next 50 to 100 years or more.

12 (b) The legislature further finds that research is needed for the
13 wise development and use of the state's natural resources. These research
14 areas include energy, defense, mineral resources, fisheries, forestry, and
15 food and agriculture; and also the collection, storage, and dissemination
16 of information; the state's transportation systems; and materials research
17 and engineering.

18 (c) Research is also needed to provide for the care and preservation
19 of the state's natural resources and the culture and heritage of its di-
20 verse peoples. These research areas include manmade changes in weather and
21 climate, including the possibility of a warming trend of the whole earth;
22 environmental protection; and archaeological, anthropological, and linguis-
23 tic studies of the Native populations.

24 (d) The legislature further finds that research is needed to protect
25 the health and well-being of Alaskans. Three topics are considered: health
26 and disease; social pathology; and building construction and maintenance.

27 (e) Research is also needed on topics for which Alaska is a "natural
28 laboratory" compared with other parts of the nation, and research on topics
29 that support and contribute to improvements in many of the topics listed