

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SB 12 thru SB 18 7

SB 12

SENATE COMMITTEE REPORT

FURTHER:

3/26/87

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

FINANCE

Committee considered \_\_\_\_\_

SB 12

\_\_\_\_\_ university fund; efd.

and recommended:

replace with CS FOR \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS FOR \_\_\_\_\_ )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous

zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

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\_\_\_\_\_  
Chairman signature and recommendation

Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/11/87 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

\*\*FISCAL NOTE(S) ATTACHED 2 \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

1/19/87 DATE TURNED INTO OFFICE 3/26/87

Mr. President:

HESS Committee considered SB 12

relating to the university fund; efd.

and recommended:

replace with CS SB 12 (HESS)  same title  
 attached amendment(s) and  new title

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

[Signature]  
\_\_\_\_\_  
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OTHER RECOMMENDATIONS

Paul Jacobson - No Recommendation  
Rick Halford No Rec.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Paul Frick No Rec  
Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA  
THE LEGISLATURE

P.O. Box V  
Juneau, Alaska 99811

SENATE SECRETARY'S OFFICE

TO

Kathy - Vicki - Finnan

REMARKS:

Please attach  
to SBIS ☺

FROM

Nancy

DATE

3/87

No 112

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

SENATE  
BILL VERSION: CSSB 12 (HESS) b  
PUBLISH DATE: 3/26/87

REQUEST: \_\_\_\_\_  
Revision Date: \_\_\_\_\_  
Title: University Fund  
Sponsor: Senate HESS  
Requestor: Senate HESS

Agency Affected: Department of Revenue  
BRU: Treasury  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	32.8	71.1	129.1	208.1
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	32.8	71.1	129.1	208.1
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	32.8	71.1	129.1	208.1
TOTAL	-	-	32.8	71.1	129.1	208.1

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB  
Division: Treasury

Phone: 465-2350  
Date: March 26, 1987

Approved by Commissioner: [Signature]  
Agency: Department of Revenue

Date: 3/26/87

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary

University Fund  
(\$ 000)

	(1)	(2)	(3)	(4)	(5)	(6)
<u>Fiscal Year</u>	<u>Principal Balance</u>	<u>Securities Safekeeping Fees</u>	<u>Common Stock Management Fees</u>	<u>Performance Measurement Fees</u>	<u>Audit Fees</u>	<u>Total Fees</u>
1989	15,800.0	.8	10.0	12.0	10.0	32.8
1990	48,900.0	2.6	46.5	12.0	10.0	71.1
1991	81,100.0	4.3	102.8	12.0	10.0	129.1
1992	113,600.0	6.0	180.1	12.0	10.0	208.1

Notes:

1. From 2-13-87 HB 42/HJR 2 Fiscal Note prepared by Robert Elliott, Department of Revenue
2. Column 1 x 5.25%/\$1,000, per contract
3. Column 1 x .317%, per contract, x 20%, 30%, 40%, and 50% allocation to stocks for FY 89-92, respectively
4. Per contract
5. Department of Revenue estimate
6. Columns 2 + 3 + 4 + 5

Original sponsors: Faiks, Uehling,  
Kelly and Kerttula

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 12 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the university fund; and provid-  
7 ing for an effective date."

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

9 \* Section 1. AS 37.14 is amended by adding new sections to read:

10 Sec. 37.14.300. UNIVERSITY FUND. (a) There is established as a  
11 separate endowment trust fund the university fund consisting of

12 (1) five percent of all mineral lease rentals, royalties,  
13 royalty sale proceeds, net profit shares under AS 38.05.180(f) and  
14 (g), and federal mineral revenue sharing payments received by the  
15 state after January 1, 1989, from mineral leases issued on or before  
16 December 1, 1979, and six percent of all bonuses received by the state  
17 after January 1, 1989, from mineral leases issued on or before Febru-  
18 ary 15, 1980;

19 (2) any other money appropriated to the university fund.

20 (b) Payments due the university fund under (a) of this section  
21 shall be made to the fund once each month.

22 (c) The net income of the university fund shall be determined by  
23 the commissioner of revenue in accordance with investment accounting  
24 principles and in a manner that preserves the distinction between  
25 principal and income.

26 Sec. 37.14.310. FUND USE. (a) The principal of the university  
27 fund and the capital gains or losses realized on the principal shall  
28 be perpetually retained in the fund for investment purposes.

29 (b) At the end of each fiscal year the net income from the  
S

1 university fund as determined under AS 37.14.300(c) shall be trans-  
2 ferred to the Board of Regents of the University of Alaska. Income of  
3 the university fund transferred to the Board of Regents of the Univer-  
4 sity of Alaska under this section shall be used for the University of  
5 Alaska under AS 14.40 and other applicable provisions of law.

6 (c) Realized net income that has not been transferred to the  
7 Board of Regents of the University of Alaska under (b) of this section  
8 shall be invested until transferred.

9 Sec. 37.14.320. DUTIES OF THE COMMISSIONER OF REVENUE. The  
10 commissioner of revenue is the treasurer of the university fund and  
11 shall

12 (1) act as official custodian of the cash and investments  
13 belonging to the fund by securing adequate and safe custodial facil-  
14 ities;

15 (2) receive all items of cash and investments belonging to  
16 the fund;

17 (3) collect the principal and income from investments owned  
18 or acquired by the state treasury and deposit the amounts in separate  
19 principal and income accounts for the fund;

20 (4) invest and reinvest the assets of the fund under  
21 AS 37.14.330;

22 (5) generally exercise the powers of an owner with respect  
23 to the assets of the fund;

24 (6) do all acts, whether or not expressly authorized, that  
25 the commissioner of revenue considers necessary or proper in adminis-  
26 tering the assets of the fund;

27 (7) maintain accounting records of the fund under invest-  
28 ment accounting principles and with distinction between the principal  
29 and income accounts of the fund;

1 (8) contract with an independent firm of certified public  
2 accountants to annually audit the financial condition of the fund's  
3 investments and investment transactions;

4 (9) enter into and enforce all contracts or agreements  
5 considered necessary, convenient, or desirable for the investment  
6 purposes of the fund; and

7 (10) report to the Board of Regents of the University of  
8 Alaska the condition and investment performance of the fund.

9 Sec. 37.14.330. INVESTMENTS. (a) The commissioner of revenue  
10 is the fiduciary of the university fund and shall invest the fund to  
11 provide increasing net income over long-term periods. In investing  
12 the assets of the fund the commissioner of revenue shall exercise the  
13 judgment and care under the circumstances then prevailing that an  
14 institutional investor of ordinary professional prudence, discretion,  
15 and intelligence exercises in managing large trust investments with  
16 consideration for the purpose of the funds, the investment objectives,  
17 the continuing disposition of the fund's investments, and the probable  
18 safety of the capital as well as the probable investment returns.

19 (b) In managing the university fund, the commissioner of revenue  
20 shall

21 (1) consider the status and income of the fund's capital on  
22 both a current and a probable future basis;

23 (2) determine the appropriate investment objectives;

24 (3) establish investment policies aimed at achieving the  
25 objectives; and

26 (4) act only in regard to the long-term financial interests  
27 of the fund's beneficiaries.

28 (c) The discretionary acquisition or disposition of investments  
29 in the fund shall be at competitive national or international market

1 rates or prices or the equivalent in the judgment of the commissioner  
2 of revenue.

3 (d) In exercising the duties and powers set out in this section  
4 and AS 37.14.320, the commissioner of revenue may

5 (1) delegate investment, custodial, or depository authority  
6 on a discretionary or nondiscretionary basis to officers or employees  
7 of the state or to independent firms, banks, or trust companies, by  
8 designation through appointments, contracts, or letters of authority;

9 (2) invest the university fund on the basis of probable  
10 total rate of return as a means of promoting the long-term generation  
11 of income;

12 (3) acquire or dispose of investments, either directly,  
13 indirectly, or through investment pools or trusts, by competitive or  
14 negotiated agreements, contracts, or auctions, in public or private  
15 markets;

16 (4) concentrate or diversify the investments of the univer-  
17 sity fund as appropriate in order to increase the probable total rate  
18 of return on the fund or to decrease the fund's overall exposure to  
19 potentially adverse market value risks;

20 (5) protect the market value or the rate of return of the  
21 university fund's investments by entering into forward agreements to  
22 buy or sell assets at a future date as a hedge against existing held  
23 assets or as a precommitment of future cash flows;

24 (6) lend under an agreement and for a fee assets of the  
25 university fund against deposited collateral of equivalent market  
26 value;

27 (7) hold investments in bearer form or in registered form  
28 in the name of the university fund or authorized nominees;

29 (8) use consultants, advisers, custodians, investment

1 services, and legal counsel for assistance in investment matters on  
2 either a continuing or a limited term basis and with or without com-  
3 pensation; and

4 (9) withhold information that discloses the particulars of  
5 the business or the affairs of a private enterprise, investor, bor-  
6 rower, adviser, consultant, counsel, or manager as confidential and  
7 nonpublic records subject to disclosure only as required in a court  
8 proceeding or for purposes of an official law enforcement proceeding.

9 \* Sec. 2. This Act takes effect on the effective date of a constitu-  
10 tional amendment establishing a university fund.

Introduced: 1/19/87  
Referred: Health, Education and Social  
Services and Finance

5-0095A

1 IN THE SENATE

BY FAIKS, UEHLING,  
KELLY AND KERTTULA

2 SENATE BILL NO. 12

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the university fund; and provid-  
7 ing for an effective date."

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

9 \* Section 1. AS 37.13 is amended by adding a new section to read:

10 Sec. 37.13.015. UNIVERSITY FUND. (a) Under art. IX, sec. 17,  
11 Constitution of the State of Alaska, there is established as a sepa-  
12 rate fund the university fund consisting of

13 (1) five percent of all mineral lease rentals, royalties,  
14 royalty sale proceeds, net profit shares under AS 38.05.180(f) and  
15 (g), and federal mineral revenue sharing payments received by the  
16 state after January 1, 1989, from mineral leases issued on or before  
17 December 1, 1979, and six percent of all bonuses received by the state  
18 after January 1, 1989, from mineral leases issued on or before Febru-  
19 ary 15, 1980;

20 (2) any other money appropriated to the university fund.

21 (b) Payments due the university fund under (a) of this section  
22 shall be made to the fund once each month.

23 (c) The university fund shall be managed by the Alaska Permanent  
24 Fund Corporation established in this chapter.

25 (d) Income of the university fund transferred to the Board of  
26 Regents of the University of Alaska under AS 37.13.145(b) shall be  
27 used for the University of Alaska in accordance with AS 14.40 and  
28 other applicable provisions of law.

29 \* Sec. 2. AS 37.13.020 is amended to read:  
S

1           Sec. 37.13.020. FINDINGS. The people of the state, by consti-  
2           tutional amendment, have required the placement of at least 25 percent  
3           of all mineral lease rentals, royalties, royalty sale proceeds, and  
4           federal mineral revenue sharing payments and bonuses received by the  
5           state into a permanent fund and at least five percent of the money  
6           from those sources into a university fund. The legislature finds with  
7           respect to the Alaska Permanent Fund Corporation that the

8                   (1) [THE] corporation should provide a means of conserving  
9           a portion of the state's revenues from mineral resources to benefit  
10          all generations of Alaskans;

11                   (2) [THE] corporation's goal should be to maintain safety  
12          of principal while maximizing total return;

13                   (3) [THE] corporation should be used as a savings device  
14          managed to allow the maximum use of disposable income from the corpor-  
15          ation for purposes designated by law.

16          \* Sec. 3. AS 37.13.030 is amended to read:

17                   Sec. 37.13.030. PURPOSE. It is the purpose of this chapter to  
18          provide a mechanism for the management and investment of those perma-  
19          nent fund and university fund assets allocated to the Alaska Permanent  
20          Fund Corporation in a manner consistent with the findings in AS 37.-  
21          13.020.

22          \* Sec. 4. AS 37.13.120(a) is amended to read:

23                   (a) The prudent-man rule shall be applied by the board in the  
24          management and investment of Alaska permanent fund and university fund  
25          assets. The prudent-man rule as applied to investments of the corpo-  
26          ration means that in making investments the board shall exercise the  
27          judgment and care under the circumstances then prevailing that [WHICH]  
28          an institutional investor of ordinary prudence, discretion, and intel-  
29          ligence exercises in the management of large investments entrusted to

1 it not in regard to speculation but in regard to the permanent dispo-  
2 sition of funds, considering probable safety of capital as well as  
3 probable income.

4 \* Sec. 5. AS 37.13.120(e) is amended to read:

5 (e) The corporation may not borrow funds or guarantee from  
6 principal of the Alaska permanent fund or the university fund the  
7 obligations of others.

8 \* Sec. 6. AS 37.13.120(i) is amended to read:

9 (i) At the time of each investment, the aggregate investment of  
10 the Alaska permanent fund and the aggregate investment of the univer-  
11 sity fund in each stated category of investment may not exceed the  
12 following stated percentage of the total investments of each [THE]  
13 fund: mortgages under (g)(16) of this section, 15 percent; real estate  
14 investments under (g)(20) of this section, 15 percent; foreign certif-  
15 icates of deposit or the equivalent under (g)(19) of this section, 20  
16 percent; corporate stocks and debt securities under (g)(8), (9), and  
17 (18) of this section, 50 percent. At no time may the [THE] Alaska  
18 permanent fund or university fund [MAY AT NO TIME] own more than five  
19 percent of the voting stock of a corporation. Domestic stocks, except  
20 for bank and insurance company stocks, must be listed at the date of  
21 purchase on an exchange registered with the Securities and Exchange  
22 Commission.

23 \* Sec. 7. AS 37.13.120(j) is amended to read:

24 (j) The assets of the Alaska permanent fund or the university  
25 fund may not be used for the purchase of bonds of a corporation, upon  
26 which a [ANY] regular interest payment has been defaulted within five  
27 years before purchase, except bonds never in default but which have  
28 been outstanding for less than five years.

29 \* Sec. 8. AS 37.13.120(m) is amended to read:

1 (m) Certificates of deposit or the equivalent instruments that  
2 are not of a quality that may be readily sold in a secondary market at  
3 prices reflecting fair value must be secured by a pledge as collateral  
4 of investments authorized for the Alaska permanent fund and the uni-  
5 versity fund under (g)(1), (2), (8), or (12) - (17) of this section or  
6 by a pledge as collateral of obligations of the state or instrumen-  
7 talities of the state that are rated at least "A" by a major bond  
8 rating service and have a demonstrated secondary market, which invest-  
9 ments or obligations have value at least equal to the face value of  
10 the certificate of deposit. The board may require substitution of  
11 collateral in order to ensure continued satisfaction of the require-  
12 ments set out in this subsection.

13 \* Sec. 9. AS 37.13.140 is amended to read:

14 Sec. 37.13.140. INCOME. Net income of the corporation shall be  
15 computed annually as of the last day of the fiscal year in accordance  
16 with generally accepted accounting principles, excluding any unrealiz-  
17 ed gains or losses. Income from the Alaska permanent fund available  
18 for distribution equals 21 percent of the net income of the corpo-  
19 ration from that fund for the last five fiscal years, including the  
20 fiscal year just ended, but may not exceed net income of the corpo-  
21 ration from that fund for the fiscal year just ended plus the balance  
22 in the earnings reserve account described in AS 37.13.145. Income  
23 from the university fund available for distribution equals the net  
24 income of the corporation from that fund for the fiscal year just  
25 ended.

26 \* Sec. 10. AS 37.13.145 is amended to read:

27 Sec. 37.13.145. DISPOSITION OF INCOME. At the end of each  
28 fiscal year, an amount sufficient to offset the effect of inflation on  
29 principal of the Alaska permanent fund during that year, as measured

1 by the change in the calendar year average United States consumer  
2 price index for all urban consumers shall be transferred from net  
3 income from the Alaska permanent fund as defined in AS 37.13.140,  
4 excluding income on the earnings reserve account in the Alaska perma-  
5 nent fund, to the principal of the Alaska permanent fund for reinvest-  
6 ment. The balance of the income from the Alaska permanent fund  
7 available for distribution under AS 37.13.140 shall be transferred to  
8 the earnings reserve account in the Alaska permanent fund. Money in  
9 the earnings reserve account shall be invested in investments  
10 authorized under AS 37.13.120. Income from the investment of the  
11 earnings reserve account shall be treated as an addition to that  
12 account.

13 \* Sec. 11. AS 37.13.145 is amended by adding a new subsection to read:

14 (b) At the end of each fiscal year the net income from the  
15 university fund as defined in AS 37.13.140 shall be transferred to the  
16 Board of Regents of the University of Alaska.

17 \* Sec. 12. AS 37.13.170 is amended to read:

18 Sec. 37.13.170. REPORTS AND PUBLICATIONS. By September 30 of  
19 each year, the board shall publish a report of the corporation for  
20 distribution to the governor, legislature, and the public. The report  
21 shall be written in easily understandable language. The report must  
22 include financial statements audited by independent outside auditors,  
23 a statement of the amount of money received by the Alaska permanent  
24 fund and the university fund from each investment during the period  
25 covered, a statement of investments of the corporation including an  
26 appraisal at market value, a description of corporation investment  
27 activity during the period covered by the report, a comparison of the  
28 corporation performance with the intended goals contained in AS 37.-  
29 13.020, an examination of the impact of the investment criteria of

1 this chapter on the corporation portfolio with recommendations of any  
2 needed changes, and any other information the board believes would be  
3 of interest to the governor, the legislature, and the public. The  
4 annual income statement and balance sheet of the corporation from the  
5 Alaska permanent fund and the annual income statement and balance  
6 sheet of the corporation from the university fund shall be published  
7 in at least one newspaper in each judicial district. The income  
8 statements [STATEMENT] and balance sheets [SHEET] for the two fiscal  
9 years preceding the publication of the election pamphlet under AS  
10 15.58 shall be included in that pamphlet.

11 \* Sec. 13. This Act takes effect on the effective date of a constitu-  
12 tional amendment establishing a university fund.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version: CS SB12 HESS  
Publish Date: 3-26

Revision Date: SB 12  
Title: Relating to the University Fund

Agency Affected: University of Alaska  
BRU: all

Sponsor: Senator Faiks  
Requestor: Senate HESS

Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	Undetermined	Undet	Undet

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

REVENUE				Positive	Positive	Positive
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**FUNDING: (Thousands of Dollars)**

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

**POSITIONS:**

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

**ANALYSIS :** (Attach a separate page if necessary)

See attached

Prepared by: Brian Rogers, Director of Budget Development Phone: 474-6490  
Division: University of Alaska Date: February 6, 1987

Approved by Vice President Sherman Carter Date: February 6, 1987  
Agency: University of Alaska

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. Senate Bill 12

### Analysis

#### Assumptions

The university fund will be managed by the board of trustees of the Alaska Permanent Fund. No university personnel will be involved in fund management. Income from the fund will be available to the university annually from the prior year's net revenues.

#### Program Summary

No new positions or expenditures will be necessary to manage the fund. Income from the fund will be used for university operations; decisions on use of the fund's income will be made by the board of regents of the University of Alaska.

#### Comments

The University of Alaska is in favor of the proposed legislation. Over time, it will build an endowment for the university system similar to that of other leading resource states. The fund's income will allow the university system to increase its delivery of programs and services to the people of Alaska, and will provide greater stability in the budget and expenditure process. It is impossible at this time to determine which programs and services the board of regents will provide utilizing the fund's income.

A projection of the amount of income from the fund which would become available to the university for programs and services depends on the assumptions chosen for oil prices and investment rates of return. Such a projection must be made by the Alaska Department of Revenue and/or the Alaska Permanent Fund Corporation, rather than the University of Alaska.

ALASKA STATE LEGISLATURE

15th Legislature ... 1st Session

SENATE BILL..... NO. 12.....

By FAIKS, UEHLING, KELLY,  
KERTTULA.....

"An Act relating to the university fund; and providing for an effective date."

Introduced in the Senate .. 1/19 .., 19..87

HISTORY IN THE SENATE

19 87	Read first time and referred to Committee on												
1 19	HESS AND FINANCE												
3 26	Reported back with <i>HESS</i> recommendation that <i>replace</i> <i>W.S. 2 do pass, &amp; move final vote, zero fiscal, Fin.</i>												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <tr><td colspan="2">Reconsideration</td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by President Sent to House												
	SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <tr><td colspan="2">Reconsideration</td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by Speaker Returned to Senate												
	CHIEF CLERK OF THE HOUSE												

HISTORY IN THE SENATE

19	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. ....



Official Business

# Alaska State Legislature

## Senate

### Finance Committee

Pouch V  
State Capitol  
Juneau, Alaska 99811

#### MEMORANDUM

April 6, 1987

TO: Senator Willie Hensley

FROM: Senator John Binkley, Co-Chairman  
Senator Don Bennett, Co-Chairman

RE: Subcommittee Assignment -  
Senate Bill 12  
Senate Joint Resolution 1

A handwritten signature in black ink, appearing to read "John Binkley", written over the "FROM" line of the memorandum.

We are assigning Senate Bill 12, "An Act relating to the university fund" and Senate Joint Resolution 1, "Proposing amendments to the state constitution creating a university fund," to you for subcommittee work. This bill and resolution were received in Finance on March 26. We would to schedule these before the Finance Committee as soon as possible so your expeditious consideration will be appreciated.

As noted in our previous memorandum on subcommittee assignments, we request that you notify the sponsor that the bill is in your subcommittee. You may request other members of the Finance Committee to participate in your consideration of the bill. Please notify all Finance Committee members of any public hearings you may schedule so they can participate if they wish.

When you are ready to report the bill back to committee, please notify Senator Binkley's office so that it can be scheduled for hearing before the full committee.

cc: Senator Jan Faiks

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version : SB 12/SJR 1

Publish Date : \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected : Revenue

Title : Creating the University Fund/  
Amending the Constitution

BRU: \_\_\_\_\_

Sponsor : Faiks

Components : \_\_\_\_\_

Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>						

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

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

**FUNDING: (Millions of Dollars)**

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
GENERAL FUND			(16.3)	(34.1)	(33.2)	(33.5)
Univ. Fund Prin. Balance			15.8	48.9	81.1	113.6
Univ. Fund Income			.5	1.9	3.9	5.8
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

See attached

Prepared by: Robert Elliott *RE* Phone: 2173

Division: Research Section Date: \_\_\_\_\_

Approved by Commissioner: [Signature] Date: 1/26/87

Agency: REVENUE CORRECTION

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 12/SJR 1

### Analysis:

Figures are based on estimated mineral revenues for January 1987 Revenue Sources, and assume a six percent nominal interest rate and voter approval of the Constitutional Amendment (SJR 1). University Fund Income represents amount transferred to the Board of Regents at the end of each fiscal year. The above decrease in General Fund revenues includes not only the loss of mineral revenues but the subsequent decrease in General Fund investment earnings. Estimated revenues from proposed bonus sales were not included since bids are impossible to anticipate prior to sales.

SB 16

# SENATE COMMITTEE REPORT

FURTHER:

3/5/87

DATE TURNED INTO OFFICE

5/2/87

Mr. President:

FINANCE

Committee considered

SB 16

disposition of unclaimed real property.

and recommended:

replace with CS FOR )  same title  
 or adopt \_\_\_\_\_ CS FOR AB 16 (Rec) )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new

updated or

previous

zero

fiscal impact

MEMBERS SIGNING DO PASS

[Signature]

Paul Frank

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OTHER RECOMMENDATIONS

[Signature] (No Rec)

[Signature] (NO REC)

[Signature] no Rec.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature] No Rec.

Chairman signature and recommendation

Committee Backup Attached

11/25/87 Jud 10

## STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

REQUEST: \_\_\_\_\_

Bill Version CS SB 16 (Res)  
Publish Date: 3/5/87

Revision Date: \_\_\_\_\_  
Title: Unclaimed real property  
managements

Agency Affected: Natural Resources  
BRU: Land & Water Public Use

Sponsor: Faiks  
Requestor: Senate Judiciary

Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

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

REVENUE		50.0 (?)	50.0 (?)	50.0 (?)	50.0 (?)	50.0 (?)
---------	--	----------	----------	----------	----------	----------

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Improves existing management of unclaimed real property.  
Under aggressive management the program could yield annual revenues in the neighborhood of \$50,000 and the existing inventory has value of approximately \$215,000. Current level of effort is low.

Prepared by: Tom Hawkins  
Division: Land and Water Management

Phone: 762-4355  
Date: 1/22/87

Approved by Commissioner: *Judith M. Brady*  
Agency: Natural Resources

Date: \_\_\_\_\_

Distribution (by preparer):

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

Original sponsor: Faiks

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 CS FOR SENATE BILL NO. 16 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to the disposition of unclaimed real  
7 property interests."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 13.16.381 is amended to read:  
10 Sec. 13.16.381. DISPOSITION OF UNCLAIMED ESTATE BY PERSONAL  
11 REPRESENTATIVE. When there is no taker of an intestate estate, or if  
12 an heir, devisee, or claimant cannot be found and the missing person  
13 has no conservator, the personal representative shall handle the  
14 (1) unclaimed personal property of the estate in accordance  
15 with AS 34.45.280 - 34.45.780; and  
16 (2) unclaimed real property of the estate in accordance  
17 with AS 38.95 [AS 38.05].  
18 \* Sec. 2. AS 38.05.945(a) is amended to read:  
19 (a) This section establishes the requirements for notice given  
20 by the department for the following actions:  
21 (1) classification or reclassification of state land under  
22 AS 38.05.300 and the closing of land to mineral leasing or entry under  
23 AS 38.05.185;  
24 (2) zoning of land under applicable law;  
25 (3) a decision under AS 38.05.035(e) regarding the sale,  
26 lease, or disposal of an interest in state land or resources; [AND]  
27 (4) a competitive disposal of an interest in state land or  
28 resources after final decision under AS 38.05.035(e); and  
29 (5) proposed sale of escheated real property by the

1        department under AS 38.95.230.

2        \* Sec. 3. AS 38.05.945 (e) is amended to read:

3                (e) Except for (a)(5) of this section, the [THE] provisions of  
4        this section do not apply to a lease issued under AS 38.05.205.

5        \* Sec. 4. AS 38.05.945(f) is amended to read:

6                (f) Except for (a)(5) of this section, the [THE] provisions of  
7        this section do not apply to a production license issued under  
8        AS 38.05.207.

9        \* Sec. 5. AS 38.95.230 is repealed and reenacted to read:

10                Sec. 38.95.230. DISPOSAL OF ESCHEATED REAL PROPERTY BY DEPART-  
11        MENT. Within 90 days after a judgment of escheat under AS 38.95.220  
12        and after notice has been given as required under AS 38.05.945, the  
13        department shall sell the escheated real property unless the depart-  
14        ment (1) issues a written finding that the designation of the property  
15        as an historic site under AS 41.35 would be in the best interest of  
16        the state; and (2) requests the Historic Sites Advisory Committee to  
17        determine if the property should be designated an historic site. If  
18        the committee decides not to recommend the designation or if the  
19        governor decides not to make the designation, the department shall  
20        make arrangements to sell the property as soon as possible after  
21        receiving notice of the decision.

22        \* Sec. 6. AS 38.95.240 is repealed and reenacted to read:

23                Sec. 38.95.240. CLAIMS TO ESCHEATED REAL PROPERTY. (a) Within  
24        seven years after a judgment of escheat under AS 38.95.220, a person  
25        who is not a party to the escheat proceeding may bring an action in  
26        the superior court to prove the person's claim to the real property.  
27        If the plaintiff establishes the claim and that the plaintiff had no  
28        knowledge of the prior escheat proceeding, the court shall award the  
29        plaintiff

1 (1) the property if the state still owns the property; or  
2 (2) an amount equal to the net proceeds from the sale of  
3 the real property under AS 38.95.230.

4 (b) A person who is awarded property under (a) of this section  
5 is not entitled to the rents, profits, interest, or dividends that  
6 accrue to the state during the state's possession of the property.

7 (c) The time limitation of seven years does not apply to a minor  
8 or an incapacitated person, but the person must bring an action to  
9 prove the person's claim to the real property within one year after  
10 the person reaches the age of eighteen years or the incapacity ceases.  
11 In this subsection, "incapacitated person" has the meaning given in  
12 AS 13.26.005.

13 (d) This section does not prevent the state from transferring  
14 escheated real property to a person who provides proof satisfactory to  
15 the department that the person is the owner of the real property, if

16 (1) the department determines the transfer to be appropri-  
17 ate; and

18 (2) the transfer occurs within seven years after the judg-  
19 ment of escheat under AS 38.95.220.

20 \* Sec. 7. AS 38.95.250 is repealed and reenacted to read:

21 Sec. 38.95.250. PROCEEDS OF SALE. The department shall deposit  
22 the net proceeds from the sale of real property in an escheated real  
23 property trust account. The department shall maintain the proceeds in  
24 the account for a period of at least seven years after the date of the  
25 judgment of escheat. The department may use money in the trust ac-  
26 count to pay claims made under AS 38.95.240.

27 \* Sec. 8. AS 38.95.270 is amended to read:

28 Sec. 38.95.270. DEFINITIONS. In AS 38.95.200 - 38.95.270[,]

29 (1) "department" means the Department of Natural Resources;

1           (2) "net proceeds" means the proceeds from a sale under  
2           AS 38.95.230 after deduction of the costs of the sale, including  
3           attorney fees and publication costs;

4           (3) "real property" includes an interest in real property.

5           \* Sec. 9. This Act applies to real property that is the subject of an  
6           escheat proceeding begun on or after the effective date of this Act.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 16 (Res)  
PUBLISH DATE: \_\_\_\_\_

3/7/88 2/1/88

FISCAL NOTE

REQUEST:

Revision Date: 3/4/88  
Title: Disposition Unclaimed Real Property  
Sponsor: Senator Faiks  
Requestor: House Resources

Agency Affected: DNR  
BRU: L&WM  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		50.0	50.0	50.0	50.0	50.0
TRAVEL		2.0	2.0	2.0	2.0	2.0
CONTRACTUAL		29.0	29.0	29.0	29.0	29.0
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		82.0	82.0	82.0	82.0	82.0

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

REVENUE		50.0*	50.0*	50.0*	50.0*	50.0*
---------	--	-------	-------	-------	-------	-------

FUNDING: (Thousands of Dollars)

GENERAL FUND		82.0	82.0	82.0	82.0	82.0
FEDERAL FUNDS						
OTHER						
TOTAL		82.0	82.0	82.0	82.0	82.0

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

\* Improves existing management of unclaimed real property. Under aggressive management the program could yield annual revenues in the neighborhood of \$50,000 and the existing inventory has value of approximately \$215,000. Current level of effort is low.

Prepared by: Janet Burleson Phone: 465-3400  
Division: Land and Water Management Date: 3/4/88

Approved by Commissioner: [Signature] Date: 3/4/88  
Agency: Department of Natural Resources

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

RECEIVED  
MAR 7 1988

			<u>89</u>	<u>90</u>
100	<u>Personnel</u>	1 NRM I	50.0	
200	<u>Travel</u>		2.0	
300	<u>Contractual</u> Appraisals, etc.		29.0	
400	<u>Supplies</u>		<u>1.0</u>	
			82.0	

These figures represent a Natural Resource Manager I and the costs to advertise, appraise and convey these parcels.

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COTTEN, GOVERNOR

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400

March 3, 1988

The Honorable Sam Cotten  
Co-Chair, House Resources Committee  
P.O. Box V  
Juneau, AK 99811

Dear Representative Cotten:

Subject: SB 16 relating to the disposition of unclaimed real property interests.

Position: CSSB 16 (Res) provides the state may retain historical sites, but precludes state retention for other reasons. However, there are escheated properties in other areas where, for one reason or another, the state may wish to retain ownership, e.g., properties in or adjacent to parks or other designated areas or properties of particularly high public value.

Background: The purpose of escheat is to provide for disposition of unclaimed property, usually after the death of the owner, intestate. If a parcel is located in a park or other legislatively designated area, it may well be less expensive for the state to retain the land, as opposed to selling the property and then asking the Legislature to appropriate funds to repurchase the property for inclusion in the designated area. For example, if a parcel within the Kenai River management area was escheated under this bill, the department would have to dispose of the parcel rather than keeping it for public use. The opportunity to use a parcel of land in an exchange may also be in the best interest of the state.

Recommendation: The Legislature transferred the escheat program from the Department of Revenue to the Department of Natural Resources in 1986. That legislation provides acceptable guidelines for the escheat program. Regulations have been drafted, but are not approved as yet.

Regarding this particular bill, the department has the following technical recommendations:

March 3, 1988

The department recommends that "owner" be better defined. Currently "owner" can be legally undetermined heirs, devisees, assignees and adverse possessors.

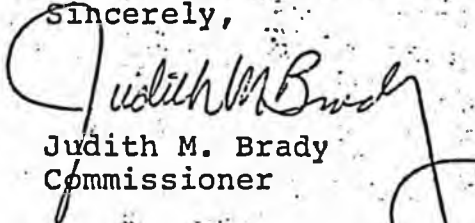
Page 1, lines 10-13 Add "Abandoned" before "Unclaimed Estate"

Page 2, line 13 delete "shall sell"; add "shall offer for sale"

Page 4, lines 5, 6 - Make the bill apply to all escheated real property not sold, including property escheated under predecessor statutes.

We will be pleased to continue working with committee staff as this bill progresses.

Sincerely,

  
Judith M. Brady  
Commissioner

cc: Committee Members  
Bill Sponsors  
Rod Swope  
Bob Evans

1 IN THE SENATE

BY FAIKS

2

SENATE BILL NO. 16

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the disposition of unclaimed real  
7 property."

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

9 \* Section 1. AS 13.16.381 is amended to read:

10 Sec. 13.16.381. DISPOSITION OF UNCLAIMED ESTATE BY PERSONAL  
11 REPRESENTATIVE. When there is no taker of an intestate estate, or if  
12 an heir, devisee, or claimant cannot be found and the missing person  
13 has no conservator, the personal representative shall

14 (1) handle the [(1)] unclaimed personal property of the  
15 estate in accordance with AS 34.45.280 - 34.45.780; and

16 (2) report the unclaimed real property of the estate to the  
17 Department of Natural Resources [IN ACCORDANCE WITH AS 38.05].

18 \* Sec. 2. AS 38.95.230 is repealed and reenacted to read:

19 Sec. 38.95.230. SALE OF ESCHEATED REAL PROPERTY BY DEPARTMENT.  
20 After a judgment of escheat under AS 38.95.220, the department shall  
21 sell the escheated real property by public auction in the manner  
22 provided in AS 38.05.055.

23 \* Sec. 3. AS 38.95.240 is repealed and reenacted to read:

24 Sec. 38.95.240. TIME WITHIN WHICH TO CLAIM ESCHEATED REAL PROP-  
25 ERTY. (a) Within seven years after a judgment of escheat under  
26 AS 38.95.220, a person who is not a party to the escheat proceeding  
27 may bring an action in the superior court to prove the person's claim  
28 to the real property. If the plaintiff establishes the claim and that  
29 the plaintiff had no knowledge of the prior escheat proceeding, the

1 court shall award the plaintiff

2 (1) the property if the property has not been sold; or

3 (2) an amount equal to the net proceeds from the sale of  
4 the real property under AS 38.95.230.

5 (b) A person who is awarded property under (a) of this section  
6 is not entitled to the rents, profits, interest, or dividends that  
7 accrue to the state during the state's possession of the property.

8 (c) The time limitation of seven years does not apply to a minor  
9 or an incapacitated person, but the person must bring an action to  
10 prove the person's claim to the real property within one year after  
11 the person reaches the age of eighteen years or the incapacity ceases.  
12 In this subsection, "incapacitated person" has the meaning given in  
13 AS 13.26.005.

14 (d) This section does not prevent the state from transferring  
15 escheated real property to a person who provides proof satisfactory to  
16 the department that the person is the owner of the real property when  
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27 (1) "department" means the Department of Natural Resources;

28 (2) "net proceeds" means the proceeds from a sale under  
29 AS 38.95.230 after deduction of the costs of the sale, including

1        attorney fees and publication costs.

2        \* Sec. 6. This Act applies to real property that is the subject of an  
3        escheat proceeding begun on or after the effective date of this Act.

Original sponsor: Faiks

1 IN THE SENATE BY THE JUDICIARY COMMITTEE  
2 CS FOR SENATE BILL NO. 16 (Judiciary)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposition of unclaimed real  
7 property interests."

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

9 \* Section 1. AS 13.16.381 is amended to read:

10 Sec. 13.16.381. DISPOSITION OF UNCLAIMED ESTATE BY PERSONAL  
11 REPRESENTATIVE. When there is no taker of an intestate estate, or if  
12 an heir, devisee, or claimant cannot be found and the missing person  
13 has no conservator, the personal representative shall handle the

14 (1) unclaimed personal property of the estate in accordance  
15 with AS 34.45.280 - 34.45.780; and

16 (2) unclaimed real property of the estate in accordance  
17 with AS 38.95 [AS 38.05].

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19 (a) This section establishes the requirements for notice given  
20 by the department for the following actions:

21 (1) classification or reclassification of state land under  
22 AS 38.05.300 and the closing of land to mineral leasing or entry under  
23 AS 38.05.185;

24 (2) zoning of land under applicable law;

25 (3) a decision under AS 38.05.035(e) regarding the sale,  
26 lease, or disposal of an interest in state land or resources; [AND]

27 (4) a competitive disposal of an interest in state land or  
28 resources after final decision under AS 38.05.035(e); and

29 (5) proposed transfer of escheated real property by the

1        department under AS 38.95.230.

2        \* Sec. 3. AS 38.05.945 (e) is amended to read:

3                (e) Except for (a)(5) of this section, the [THE] provisions of  
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5        \* Sec. 4. AS 38.05.945(f) is amended to read:

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8        38.05.207.

9        \* Sec. 5. AS 38.95.230 is repealed and reenacted to read:

10               Sec. 38.95.230. TRANSFER OF ESCHEATED REAL PROPERTY BY DEPART-  
11        MENT. Within 90 days after a judgment of escheat under AS 38.95.220  
12        and after notice has been given as required under AS 38.05.945, the  
13        department shall sell, lease, exchange, or otherwise transfer the  
14        escheated real property unless the department issues a written finding  
15        that the sale, lease, exchange, or other transfer is not in the best  
16        interest of the state.

17        \* Sec. 6. AS 38.95.240 is repealed and reenacted to read:

18               Sec. 38.95.240. CLAIMS TO ESCHEATED REAL PROPERTY. (a) Within  
19        seven years after a judgment of escheat under AS 38.95.220, a person  
20        who is not a party to the escheat proceeding may bring an action in  
21        the superior court to prove the person's claim to the real property.  
22        If the plaintiff establishes the claim and that the plaintiff had no  
23        knowledge of the prior escheat proceeding, the court shall award the  
24        plaintiff

25                (1) the property if the state still owns the property; or

26                (2) an amount equal to the

27                        (A) net proceeds from the sale of the real property  
28        under AS 38.95.230;

29                        (B) the appraised fair market value of the property

1           less the expenses of appraisal, if the property has been trans-  
2           ferred other than by sale or lease.

3           (b) A person who is awarded property under (a) of this section  
4           is not entitled to the rents, profits, interest, or dividends that  
5           accrue to the state during the state's possession of the property.

6           (c) The time limitation of seven years does not apply to a minor  
7           or an incapacitated person, but the person must bring an action to  
8           prove the person's claim to the real property within one year after  
9           the person reaches the age of eighteen years or the incapacity ceases.  
10          In this subsection, "incapacitated person" has the meaning given in  
11          AS 13.26.005.

12          (d) This section does not prevent the state from transferring  
13          escheated real property to a person who provides proof satisfactory to  
14          the department that the person is the owner of the real property, if

15                 (1) the department determines the transfer to be appropri-  
16                 ate; and

17                 (2) the transfer occurs within seven years after the judg-  
18                 ment of escheat under AS 38.95.220.

19          \* Sec. 7. AS 38.95.250 is repealed and reenacted to read:

20                 Sec. 38.95.250. PROCEEDS OF SALE. The department shall deposit  
21                 the net proceeds from the sale of real property in an escheated real  
22                 property trust account. The department shall maintain the proceeds in  
23                 the account for a period of at least seven years after the date of the  
24                 judgment of escheat. The department may use money in the trust ac-  
25                 count to pay claims made under AS 38.95.240.

26          \* Sec. 8. AS 38.95.270 is amended to read:

27                 Sec. 38.95.270. DEFINITIONS. In AS 38.95.200 - 38.95.270[,]

28                         (1) "department" means the Department of Natural Resources;

29                         (2) "net proceeds" means the proceeds from a sale under

1       AS 38.95.230 after deduction of the costs of the sale, including  
2       attorney fees and publication costs;

3               (3) "real property" includes an interest in real property.

4       \* Sec. 9. This Act applies to real property that is the subject of an  
5       escheat proceeding begun on or after the effective date of this Act.

# Alaska State Legislature

SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811

(907) 465-4766

COMMITTEES:  
FINANCE  
RESOURCES  
BUDGET AND AUDIT

## MEMORANDUM

April 27, 1987

TO: Senator John Binkley, Co-Chair  
Senate Finance Committee

FROM: Senator Jim Duncan

SUBJECT: Senate Bill 16, An Act relating to the disposition  
unclaimed real property interests.

I recommend that Senate Bill 16, relating to the disposition of real property interests be scheduled for a full Finance Committee hearing and that the Resources Committee substitute be approved per the attached information provided by Senator Faiks.

Attachment

# Alaska State Legislature



PRESIDENT  
907-465-3755

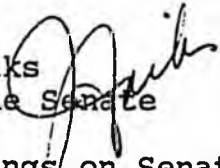
JAN FAIKS  
POST OFFICE BOX V  
JUNEAU, ALASKA 99811

Senate

April 22, 1987

## MEMORANDUM

TO: Senator Jim Duncan  
Senate Finance Subcommittee on Natural  
Resources

FROM: Senator Jan Faiks   
President of the Senate

SUBJECT: Committee Hearings on Senate Bill 16,  
An Act relating to the disposition of unclaimed  
real property interests.

I would appreciate your consideration of Senate Bill 16, an act relating to the disposition of unclaimed real property interests.

This bill has already passed out of the Judiciary and Resources Committees and was referred to the Finance Committee on March 5, 1987.

Enclosed is a memo which gives background information on this bill. Should you need additional information, please let me know.

Your prompt consideration of my request will be appreciated.

OUT OF SESSION

6060 YUKON DRIVE ANCHORAGE, ALASKA 99516 907-274-6611

# Alaska State Legislature



PRESIDENT  
907-465-3755

JAN FAIKS  
POST OFFICE BOX V  
JUNEAU, ALASKA 99811

## Senate

April 22, 1987

### MEMORANDUM

TO: Senator Jim Duncan  
Senate Finance Subcommittee on Natural Resources

FROM: Jan Faiks, President of the Senate *Jan Faiks*

SUBJECT: Background on Senate Bill 16  
An Act relating to the disposition of unclaimed real property

Senate Bill 16 has been referred to your committee for consideration. This bill seeks to simplify the procedures for the disposition of escheated real property by requiring the State to sell such property, thereby creating revenue for the State and returning property to the private sector.

The Fourteenth Legislature adopted House Bill 182 relating to a Uniform Unclaimed Property Act. The Governor subsequently signed the bill and it became Chapter 133 of the Session Laws of 1986. This legislation is now codified in AS 13.16.381, and AS 38.95.200-270.

This bill, and the statutes it seeks to replace, concern escheated real property. "Escheat" refers to property which reverts to the State in situations where there is no one to inherit it.

AS 13.16.381 concerns the disposition of unclaimed estates by personal representatives. That statute currently specifies that where there is no taker of an intestate estate, or if an heir, devisee, or claimant cannot be found and the missing person has no conservator, the personal representative shall handle the ...unclaimed real property of the estate in

OUT OF SESSION

6060 YUKON DRIVE ANCHORAGE, ALASKA 99516 907-274-6611

accordance with AS 38.05. [Note: This statute contains a typographical error. The statute should properly refer to AS 38.95.]

AS 38.95.200-270 concern real property escheated to the State, and enumerate the steps which must be followed by the Department of Natural Resources (herein after referred to as the Department). My concern is that these steps are inefficient and costly. The steps are as follows:

1. The Department must first be informed or have reason to believe that real property has escheated to the State. (AS 38.95 210)
2. The Department must then bring an action in Superior Court to establish whether the property has escheated to the State, or it may maintain an action to recover the possession of escheated property, or the enforcement of the State's right to the property. (AS 38.95.210)
3. The Department must then get a court judgment of escheat. (AS 38.95.220)
4. The Department has two years from the judgment of escheat to determine the proper disposition of the property by making a "best interest finding". The Department may, at its option, sell, lease, exchange, assign, or otherwise manage the property. (AS 38.95.230) The method of disposition selected determines the procedures to be followed by the Department.
5. A series of procedural and valuation steps must then be consulted in the event that a claim to the property is filed within seven years from the judgment of escheat. (AS 38.95.240)

Senate Bill 16 has two significant effects on these statutes. First, it facilitates the disposition of escheated real property by requiring the Department to sell it. By eliminating the disposition options currently available, several procedural and valuation steps are also eliminated. Specifically, the two-year lag period for disposition, need for a written "best interest" finding, and the property appraisal requirements of AS 38.95.230 would be eliminated. Awards to plaintiffs would also be simplified by eliminating the present variables of AS 38.95.240, since the courts could award the property or an amount equal to the net proceeds of the sale.

Additionally, since the Department must then sell the escheated property by public auction, the property is returned to the private sector and revenue is created for the State.

The current statutes allow the State, at its option, to sell, lease, exchange, assign, or otherwise manage the property, thus taking more time for disposition, costing more money to maintain, and not effectively utilizing the property.

Since this bill was pre-filed, further research was conducted by my staff. I ask that the committee consider the additional changes contained in the committee substitute prepared by the Resources Committee.

1. AS 38.95.240 (d) as drafted allows the State to transfer escheated real property to a person who provides proof satisfactory to the Department that the person is the owner of the real property. This gives the Department the opportunity and responsibility to determine the rightful ownership of real property, yet provides no time limit within which such claims must be brought before the Department.

Section 6 of the CS prepared by the Resources Committee provides that such claims must be brought within 7 years from the judgment of escheat. This time period is consistent with the statute of limitations for such cases brought in Superior Court.

2. Proposed Section AS 38.95.230, contained in Section 5 of the CS, requires that the Department sell the escheated real property within 90 days after judgment of escheat, unless it determines that it would be in the best interest of the state to designate the property as an historic site.

That section also provides that notice of escheat must be given upon judgement as required by AS 38.05.945.

SENATE COMMITTEE REPORT

FURTHER:

FINANCE

2/4/87

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

RESOURCES \_\_\_\_\_ Committee considered \_\_\_\_\_ SB 16

disposition of unclaimed real property.

and recommended:

[  ] replace with \_\_\_\_\_ CS FOR SB 16 (Res) ) [  ] same title  
[ ] or adopt \_\_\_\_\_ CS FOR \_\_\_\_\_ ) [  ] new title

[ ] attached amendment(s) and

[  ] *majority* do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

[ ] letter of intent adopted \_\_\_\_\_

Committee [  ] <sup>used</sup> attached or [  ] adopted fiscal note(s)

[ ] new [ ] updated or [  ] previous  
[ ] zero [  ] *Revenue* fiscal impact

MEMBERS SIGNING DO PASS

*[Signature]*  
*[Signature]*  
*Paula. Finch*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS

*Celia J. ...*  
*Paul ...*  
*John ... (no rec)*  
\_\_\_\_\_  
\_\_\_\_\_

*[Signature]*  
Chairman signature and recommendation

[ ] Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 1/22/87 ✓ 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: RESOURCES  
FINANCE

\*\*FISCAL NOTE(S) ATTACHED ✓ \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

1/19/87

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

JUDICIARY

Committee considered SB 16

relating to the disposition of unclaimed real property.

and recommended:

replace with CS SB 16 (jud)  same title  
 attached amendment(s) and  new title

do pass

do not pass

no recommendation

~~AAA~~ individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Rich Halford  
\_\_\_\_\_  
Joe Peterson  
\_\_\_\_\_  
Charles Stungulovich  
\_\_\_\_\_  
Patrick Bradley  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

William L. DeLeon  
Chairman signature and recommendation

Committee Backup Attached

SB 18

SENATE COMMITTEE REPORT

FURTHER:

2/26/87

DATE TURNED INTO OFFICE 5/16/87

Mr. President:

FINANCE

Committee considered

SB 18

creating the Anchorage Coastal Wildlife Refuge.

and recommended:

[ ] replace with CS FOR \_\_\_\_\_ ) [ ] same title  
[  ] or adopt \_\_\_\_\_ CS FOR SB 18 (CERA) ) [  ] new title

[ ] attached amendment(s) and

[  ] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

[ ] letter of intent adopted \_\_\_\_\_

Committee [  ] attached or [ ] adopted fiscal note(s)

[ ] new [ ] updated or [  ] previous  
[  ] zero [ ] fiscal impact

MEMBERS SIGNING DO PASS

[Signature]  
Dan Gruber  
Rich Uehy  
W. Hensley  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature] DO PASS  
Chairman signature and recommendation

[ ] Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

B

Bill Version: CS SB 18 <sup>SAME FOR</sup>  
Publish Date: 2/9/87

REQUEST: \_\_\_\_\_  
Revision Date: 1/27/87  
Title: Anchorage Coastal Wildlife  
Refuge  
Sponsor: Szymanski & Sturgulewski  
Requestor: Senate C&RA

Agency Affected: Natural Resources  
BRU: L&WM  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

No fiscal impact unless survey is required.

Prepared by: Carol Wilson Phone: 465-2400  
Division: Commissioner's Office Date: 1/27/87  
Approved by Commissioner: Mrs D Amred, Deputy Date: 1/28/87  
Agency: Department of Natural Resources

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary

2/12

N.A.

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST: \_\_\_\_\_

Bill Version : CS SB18 (LRA)  
Publish Date : \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected : ADF&G

Title : Anchorage Coastal Wildlife  
Refuge

BRU : \_\_\_\_\_

Sponsor : Szymanski Sturgulewski

Components : \_\_\_\_\_

Requestor : \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		0				
TRAVEL		0				
CONTRACTUAL		0				
SUPPLIES		0				
EQUIPMENT		0				
LAND & STRUCTURES		0				
GRANTS, CLAIMS		0				
MISCELLANEOUS		0				
TOTAL OPERATING		0				

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER						
TOTAL		0				

POSITIONS:

FULL-TIME		0				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

\_\_\_\_\_

Prepared by: Bruce Baker, Acting Director *(Edu) State for Bruce Baker*

Phone: 465-4105

Division: Habitat

Date: 2/5/87

Approved by Commissioner: *Oneil*

Date: 2/5/87

Agency: Fish and Game

Distribution (by preparer):

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

5818

Original sponsors: Szymanski, Sturgulewski,  
Josephson and Kerttula

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 18 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act creating the Anchorage Coastal Wildlife  
7 Refuge and renaming the Potter Point State Game  
8 Refuge as the Anchorage Coastal Wildlife Refuge; and  
9 providing for an effective date."

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

11 \* Section 1. AS 16.20 is amended by adding a new section to read:

12

Sec. 16.20.031. ANCHORAGE COASTAL WILDLIFE REFUGE. (a) The

13

following described state-owned land and water is established as the  
14 Anchorage Coastal Wildlife Refuge and shall be managed as a state game  
15 refuge for the protection of waterfowl, shorebirds, salmon, and other  
16 fish and wildlife species, and their habitat and for the use and  
17 enjoyment of the people of the state:

18

(1) Township 13 North, Range 4 West, Seward Meridian

19

Section 20: SE 1/4 seaward of the 20 foot elevation  
20 contour

21

SE 1/4 NE 1/4 seaward of the 20 foot elevation con-  
22 tour

23

Section 29: E 1/2 seaward of the 20 foot elevation  
24 contour

25

SW 1/4 seaward of the 20 foot elevation contour

26

Section 30: SE 1/4 SE 1/4

27

Section 31: All seaward of the 20 foot elevation  
28 contour except NW 1/4 NW 1/4

29

Section 32: All seaward of the 20 foot elevation

1                                   contour  
2                   (2) Township 13 North, Range 5 West, Seward Meridian  
3                                   Section 36: S 1/2  
4                                   S 1/2 N 1/2  
5                   (3) Township 12 North, Range 4 West, Seward Meridian  
6                                   Sections 6 - 9: Seaward of the 20 foot elevation  
7                                   contour  
8                                   Section 15: NW 1/4 seaward of the 20 foot elevation  
9                                   contour  
10                                  SW 1/4 NE 1/4 seaward of the 20 foot elevation  
11                                  contour  
12                                  Government Lot 5 and the remainder of the W 1/2 SE  
13                                  1/4, all  
14                                  SW 1/4  
15                                  Section 16: Seaward of the 20 foot elevation contour  
16                                  Sections 17 - 22  
17                                  Section 23: Government Lot 1 and the remainder of the  
18                                  SW 1/4, all seaward of the 20 foot elevation contour  
19                                  Government Lot 2 and the remainder of the S 1/2 NW  
20                                  1/4, all seaward of the 20 foot elevation contour  
21                                  Government Lots 3 and 4, and the remainder of the SE  
22                                  1/4, all seaward of the 20 foot elevation contour  
23                                  Section 24: Tract A, Shorecrest Subdivision (Plat No.  
24                                  81-68, Anchorage Recording District)  
25                                  Section 25: Government Lots 1 and 2, and the remainder  
26                                  of the W 1/2, all  
27                                  Tract A, Johns Park Estates, and the remainder of the  
28                                  NE 1/4, excluding Skyway Park Estates, Addition No. 1  
29                                  all seaward of the 20 foot elevation contour Govern-

1                   ment Lots 3 and 4, and the remainder of the SE 1/4,  
2                   all  
3                   Sections 26 - 36  
4           (4) Township 12 North, Range 5 West, Seward Meridian  
5                   Sections 1 - 2  
6                   Sections 11 - 14  
7                   Sections 23 - 26  
8                   Sections 35 - 36  
9           (5) Township 12 North, Range 3 West, Seward Meridian  
10           Section 29: That portion of the SW 1/4 southwesterly  
11                   of the Alaska Railroad right-of-way and southerly of  
12                   Oceanview Subdivision, Addition No. 6  
13           Section 30: That portion of Tract A, Johns Park  
14                   Estates, seaward of the 20 foot elevation contour  
15                   Government Lot 2 and that portion of the SE 1/4 NW  
16                   1/4 southwesterly of Oceanview West Subdivision,  
17                   Addition No. 1  
18                   Government Lots 3 and 4 and the remainder of the SW  
19                   1/4, all  
20                   That portion of the SW 1/4 NE 1/4 and the SE 1/4  
21                   southwesterly of Oceanview Subdivision, Addition No.  
22                   4 and Addition No. 6  
23           Section 31  
24           Section 32: All land southwesterly of the Alaska  
25                   Railroad right-of-way  
26           Section 33: All land westerly of the Alaska Railroad  
27                   right-of-way  
28           (6) Township 11 North, Range 3 West, Seward Meridian  
29           Section 3: Government Lot 5

1 Section 4: That portion southwesterly of the Old  
2 Seward Highway right-of-way and The Landings  
3 Subdivision which is northeasterly of the New Seward  
4 Highway right-of-way

5 That portion southwesterly of the Alaska Railroad  
6 right-of-way

7 Sections 5 - 8

8 Section 9: That portion southwesterly of the Alaska  
9 Railroad right-of-way

10 That portion northeasterly of the New Seward Highway  
11 right-of-way

12 Section 10: That portion westerly of the Old Seward  
13 Highway right-of-way which is northeasterly of  
14 the New Seward Highway right-of-way

15 That portion southwesterly of the Alaska Railroad  
16 right-of-way

17 (7) Township 11 North, Range 4 West, Seward Meridian

18 Sections 1 - 4

19 Sections 10 - 12

20 (b) Except as provided in (d) of this section, the Department of  
21 Fish and Game and the Department of Natural Resources shall exercise  
22 their respective authorities over the Anchorage Coastal Wildlife  
23 Refuge consistent with a management plan prepared by the Department of  
24 Fish and Game in consultation with the Department of Natural  
25 Resources.

26 (c) A public right-of-way for surface transportation and a  
27 utility corridor are created across state-owned land and water within  
28 the Anchorage Coastal Wildlife Refuge between the Anchorage mainland  
29 and Fire Island. The management plan prepared under (b) of this

1 section shall identify the actual location on the land and water of  
2 the right-of-way and of the utility corridor between the Anchorage  
3 mainland and Fire Island.

4 (d) Land owned by the Municipality of Anchorage that lies within  
5 the boundary of the Anchorage Coastal Wildlife Refuge described in (a)  
6 of this section may be included in the Anchorage Coastal Wildlife  
7 Refuge. An agreement between the Department of Fish and Game and the  
8 Municipality of Anchorage for the management of the land within the  
9 Anchorage Coastal Wildlife Refuge that is owned by the Municipality of  
10 Anchorage shall be approved by the Municipality of Anchorage and by  
11 the Department of Fish and Game.

12 (e) The state or the Municipality of Anchorage may not acquire  
13 privately owned land within the Anchorage Coastal Wildlife Refuge  
14 described in (a) of this section by eminent domain for inclusion  
15 within the Anchorage Coastal Wildlife Refuge. The Department of Fish  
16 and Game or the Municipality of Anchorage may acquire privately owned  
17 land within the Anchorage Coastal Wildlife Refuge by purchase, ex-  
18 change, or otherwise, except by eminent domain.

19 (f) The land and water areas of the Anchorage Coastal Wildlife  
20 Refuge are closed to mineral entry under AS 38.05.185 - 38.05.275.

21 \* Sec. 2. The initial management plan prepared under AS 16.20.031(b) as  
22 enacted in sec. 1 of this Act shall be completed within three years after  
23 the effective date of this Act.

24 \* Sec. 3. AS 16.20.030(b) is repealed.

25 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

11/20/88  
Rec'd & forwarded

BILL VERSION: CSSB 19 (C&RA)  
PUBLISH DATE: 2/9/87

FISCAL NOTE

REQUEST:

Revision Date: 2/9/87  
 Title: An Act creating Anchorage Coastal Wildlife Refuge  
 Sponsor: Szymanski, Sturgulewski, et al  
 Requestor: Hse Res Comm  
 Agency Affected: Fish and Game  
 BRU: Habitat  
 Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Roland Shanks Phone: 465-4100  
 Division: Commissioner's Office Date: 1/18/88  
 Approved by Commissioner: [Signature] Date: 1-18-88  
 Agency: Fish and Game

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

RECEIVED  
 JAN 19 1988

LEGISLATIVE FINANCE

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

REQUEST: \_\_\_\_\_

Bill Version: SB18

Publish Date: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected: ADF&G

Title: Anchorage Coastal Wildlife  
Refuge

BRU: \_\_\_\_\_

Sponsor: Szymanski & Sturquilewski

Components: \_\_\_\_\_

Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		45,100				
TRAVEL		4,000				
CONTRACTUAL		4,000				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>53,100</b>				
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND		53,100				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>53,100</b>				

**POSITIONS:**

FULL-TIME		16 B/C				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Bruce H. Baker, Acting Director  
Division: Habitat

Phone: 465-4105  
Date: January 26, 1987

Approved by Commissioner: *Doree Collinsworth*  
Agency: Fish and Game

Date: January 29, 1987

**Distribution (by preparer):**

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



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION Habitat	BILL NUMBER SB18	SPONSOR Szymanski & Sturgulewski
DEPARTMENT POSITION Supports			
PREPARED BY <i>Karel H. Deber</i> Habitat Division	DATE 1/23/87	COMMISSIONER'S SIGNATURE <i>Donnell Bell</i>	DATE 1-29-87

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Natural Resources	CONSTITUENT GROUP(S) AFFECTED BY BILL Anchorage Residents
ORGANIZATIONAL SUPPORT FOR BILL Municipality of Anchorage Department of Natural Resources Potter Marsh Task Force (Interagency)	ORGANIZATIONAL OPPOSITION TO BILL None Known
FISCAL IMPACT: <input type="checkbox"/> NONE <input type="checkbox"/> FISCAL NOTE ATTACHED	

BACKGROUND/LEGISLATIVE INTENT

Establishment of the Anchorage Coastal Wildlife Refuge will protect important waterfowl and shorebird habitat in the Anchorage area. It will provide for public use and enjoyment of the refuge. The bill will clarify and enhance the existing Potter Point State Game Refuge.

ANALYSIS OF BILL/PROGRAM EFFECTS

The bill will:

1. Change the name of Potter Point State Game Refuge to Anchorage Coastal Wildlife Refuge.
2. Extend the refuge to encompass wetlands and nearshore waters lying between Point Campbell and Point Woronzoff.
3. Clarify the legal boundaries of the refuge.
4. Provide for the management of lands lying within the refuge.

AMENDMENTS PROPOSED

1. Section 2. Either change the requirement and allow 3 years for completion of the refuge management plan or provide a fiscal note to allow the refuge management plan to be prepared within one year.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

1 IN THE SENATE

BY SZYMANSKI, STURGULEWSKI  
JOSEPHSON AND KERTTULA

2

SENATE BILL NO. 18

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act creating the Anchorage Coastal Wildlife  
7 Refuge."

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

9 \* Section 1. AS 16.20 is amended by adding a new section to read:

10 Sec. 16.20.031. ANCHORAGE COASTAL WILDLIFE REFUGE. (a) The  
11 following described state-owned land and water is established as the  
12 Anchorage Coastal Wildlife Refuge and shall be managed as a state game  
13 refuge for the protection of waterfowl, shorebirds, salmon, and other  
14 fish and wildlife species, and their habitat and for the use and  
15 enjoyment of the people of the state:

- 16 (1) Township 13 North, Range 4 West, Seward Meridian  
17 Section 20: SE 1/4 seaward of the 20 foot elevation  
18 contour  
19 SE 1/4 NE 1/4 seaward of the 20 foot elevation con-  
20 tour  
21 Section 29: E 1/2 seaward of the 20 foot elevation  
22 contour  
23 SW 1/4 seaward of the 20 foot elevation contour  
24 Section 30: SE 1/4 SE 1/4  
25 Section 31: All seaward of the 20 foot elevation  
26 contour except NW 1/4 NW 1/4  
27 Section 32: All seaward of the 20 foot elevation  
28 contour  
29 (2) Township 13 North, Range 5 West, Seward Meridian

1 Section 36: S 1/2  
2 S 1/2 N 1/2  
3 (3) Township 12 North, Range 4 West, Seward Meridian  
4 Sections 6 - 9: Seaward of the 20 foot elevation  
5 contour  
6 Section 15: NW 1/4 seaward of the 20 foot elevation  
7 contour  
8 SW 1/4 NE 1/4 seaward of the 20 foot elevation  
9 contour  
10 Government Lot 5 and the remainder of the W 1/2 SE  
11 1/4, all  
12 SW 1/4  
13 Section 16: Seaward of the 20 foot elevation contour  
14 Sections 17 - 22  
15 Section 23: Government Lot 1 and the remainder of the  
16 SW 1/4, all seaward of the 20 foot elevation contour  
17 Government Lot 2 and the remainder of the S 1/2 NW  
18 1/4, all seaward of the 20 foot elevation contour  
19 Government Lots 3 and 4, and the remainder of the SE  
20 1/4, all seaward of the 20 foot elevation contour  
21 Section 24: Tract A, Shorecrest Subdivision (Plat No.  
22 81-68, Anchorage Recording District)  
23 Section 25: Government Lots 1 and 2, and the remainder  
24 of the W 1/2, all  
25 Tract A, Johns Park Estates, and the remainder of the  
26 NE 1/4, excluding Skyway Park Estates, Addition No. 1  
27 all seaward of the 20 foot elevation contour Govern-  
28 ment Lots 3 and 4, and the remainder of the SE 1/4,  
29 all

1                   Sections 26 - 36  
2                   (4) Township 12 North, Range 5 West, Seward Meridian  
3                   Sections 1 - 2  
4                   Sections 11 - 14  
5                   Sections 23 - 26  
6                   Sections 35 - 36  
7                   (5) Township 12 North, Range 3 West, Seward Meridian  
8                   Section 29: That portion of the SW 1/4 southwesterly  
9                   of the Alaska Railroad right-of-way and southerly of  
10                  Oceanview Subdivision, Addition No. 6  
11                  Section 30: That portion of Tract A, Johns Park  
12                  Estates, seaward of the 20 foot elevation contour  
13                  Government Lot 2 and that portion of the SE 1/4 NW  
14                  1/4 southwesterly of Oceanview West Subdivision,  
15                  Addition No. 1  
16                  Government Lots 3 and 4 and the remainder of the SW  
17                  1/4, all  
18                  That portion of the SW 1/4 NE 1/4 and the SE 1/4  
19                  southwesterly of Oceanview Subdivision, Addition No.  
20                  4 and Addition No. 6  
21                  Section 31  
22                  Section 32: All land southwesterly of the Alaska  
23                  Railroad right-of-way  
24                  Section 33: All land westerly of the Alaska Railroad  
25                  right-of-way  
26                  (6) Township 11 North, Range 3 West, Seward Meridian  
27                  Section 3: Government Lot 5  
28                  Section 4: That portion southwesterly of the Old  
29                  Seward Highway right-of-way and The Landings

1                   Subdivision which is northeasterly of the New Seward  
2                   Highway right-of-way  
3                   That portion southwesterly of the Alaska Railroad  
4                   right-of-way  
5                   Sections 5 - 8  
6                   Section 9: That portion southwesterly of the Alaska  
7                   Railroad right-of-way  
8                   That portion northeasterly of the New Seward Highway  
9                   right-of-way  
10                  Section 10: That portion westerly of the Old Seward  
11                  Highway right-of-way which is northeasterly of  
12                  the New Seward Highway right-of-way  
13                  That portion southwesterly of the Alaska Railroad  
14                  right-of-way  
15                  (7) Township 11 North, Range 4 West, Seward Meridian  
16                  Sections 1 - 4  
17                  Sections 10 - 12

18                  (b) Except as provided in (d) of this section, the Department of  
19                  Fish and Game and the Department of Natural Resources shall exercise  
20                  their respective authorities over the Anchorage Coastal Wildlife  
21                  Refuge consistent with a management plan prepared by the Department of  
22                  Fish and Game under AS 16.20.040 - 16.20.060.

23                  (c) A management plan prepared under AS 16.20.040 - 16.20.060  
24                  shall assure continued surface access to Fire Island and provide an  
25                  access and utilities corridor between Fire Island and the Anchorage  
26                  mainland.

27                  (d) Land owned by the Municipality of Anchorage that lies within  
28                  the boundary of the Anchorage Coastal Wildlife Refuge described in (a)  
29                  of this section may be included in the Anchorage Coastal Wildlife

1       Refuge. An agreement between the Department of Fish and Game and the  
2       Municipality of Anchorage for the management of the land within the  
3       Anchorage Coastal Wildlife Refuge that is owned by the Municipality of  
4       Anchorage shall be approved by the Municipality of Anchorage and by  
5       the Department of Fish and Game.

6               (e) The state or the Municipality of Anchorage may not acquire  
7       privately owned land within the Anchorage Coastal Wildlife Refuge  
8       described in (a) of this section by eminent domain for inclusion  
9       within the Anchorage Coastal Wildlife Refuge. The Department of Fish  
10      and Game or the Municipality of Anchorage may acquire privately owned  
11      land within the Anchorage Coastal Wildlife Refuge by purchase, ex-  
12      change, or otherwise except by eminent domain.

13              (f) The land and water areas of the Anchorage Coastal Wildlife  
14      Refuge are closed to mineral entry under AS 38.05.185 - 38.05.275.

15      \* Sec. 2. The initial management plan prepared under AS 16.20.031(b) as  
16      enacted in sec. 1 of this Act shall be completed within one year of the  
17      effective date of this Act.

18      \* Sec. 3. AS 16.20.030(b) is repealed.

SENATE COMMITTEE REPORT

FURTHER: FINANCE

DATE TURNED INTO OFFICE 2-26-87

Mr. President:

RESOURCES Committee considered ~~SB~~ SB 18 (~~LR 18~~)

creating the Anchorage Coastal Wildlife Refuge.

and recommended:

replace with CS FOR \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS FOR SB 18 (CRA) )  new title

attached amendment(s) and

*majority*  
 do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous  
2  zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*[Handwritten signatures]*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

*[Handwritten signature]*  
\_\_\_\_\_  
Chairman signature and recommendation

Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 1/15/87 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: RESOURCES  
FINANCE

\*\*FISCAL NOTE(S) ATTACHED yes \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

1/19/87

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

COMMUNITY & REGIONAL AFFAIRS Committee considered SB 18  
creating the Anchorage Coastal Wildlife Refuge.

and recommended:

replace with CS for SB 18 CARRA  same title  
 new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

T. Kell  
Arthur J. Fungulenti  
Robert Thompson  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Arthur J. Fungulenti  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Arthur J. Fungulenti  
Chairman signature and recommendation

Committee Backup Attached