

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SSH 314 cont., HB 318 332

COMM. FISH REGIONS & AREA COMMUNITIES * - SEE NOTES (COLUMN L)	DATE APPLCTN RECVD	IMPACT (YES=1) (NO =0)	POP. GROWTH IMPACT	ALLOCATION BY % AREA- WIDE CATCH	ALLOCATION BY POP. CHANGE	TOTAL \$\$ ALLOCATION	CATCH IN POUNDS
REGION II: CENTRAL							
AREA E - PRINCE WILLIAM SOUND							
CORDOVA	4/17/87	1	500	\$7,282.36	\$9,102.95	\$16,385.31	
VALDEZ	4/20/87	1	300	\$7,282.36	\$5,461.77	\$12,744.13	
WHITTIER		0	0	\$0.00	\$0.00	\$0.00	
AREA E - TOTAL.....		2	800	\$14,564.72	\$14,564.72	\$29,129.44	16,907,153
AREA H - COOK INLET							
ANCHORAGE, MUNICIPALITY OF		0	0	\$0.00	\$0.00	\$0.00	
ANDERSON		0	0	\$0.00	\$0.00	\$0.00	
Hoyer		0	0	\$0.00	\$0.00	\$0.00	
HOUSTON		0	0	\$0.00	\$0.00	\$0.00	
KACHEMAK		0	0	\$0.00	\$0.00	\$0.00	
KENAI PENINSULA BOROUGH	4/14/87*	1	7,643	\$1,096.34	\$1,096.34	\$2,192.68	
KENAI		0	0	\$0.00	\$0.00	\$0.00	
MATANUSKA-SUSITNA BOROUGH		0	0	\$0.00	\$0.00	\$0.00	
PALMER		0	0	\$0.00	\$0.00	\$0.00	
SELDOVIA		0	0	\$0.00	\$0.00	\$0.00	
SEWARD		0	0	\$0.00	\$0.00	\$0.00	
SOLDATNA		0	0	\$0.00	\$0.00	\$0.00	
WASILLA		0	0	\$0.00	\$0.00	\$0.00	
AREA H - TOTAL.....		1	7,643	\$1,096.34	\$1,096.34	\$2,192.68	1,272,663
AREA T - BRISTOL BAY							
ALEKNASIK		0	0	\$0.00	\$0.00	\$0.00	
BRISTOL BAY BOROUGH	4/16/87	1	345	\$20,149.60	\$4,165.76	\$24,315.36	
CLARK'S POINT	4/21/87*	1	407	\$20,149.60	\$4,914.39	\$25,063.99	
DILLINGHAM	4/16/87	1	1,423	\$20,149.60	\$17,182.25	\$37,331.85	
EKWOK		0	0	\$0.00	\$0.00	\$0.00	
MANOKOTAK		0	0	\$0.00	\$0.00	\$0.00	
NEW STUYAHOK		0	0	\$0.00	\$0.00	\$0.00	
NEWALEN		0	0	\$0.00	\$0.00	\$0.00	
NONDALTON		0	0	\$0.00	\$0.00	\$0.00	
TOSIAK	4/13/87	1	4,500	\$20,149.60	\$54,336.00	\$74,485.60	
AREA T - TOTAL.....		4	6,675	\$80,598.40	\$80,538.40	\$161,136.81	93,560,997

COMPL FISH REGIONS & AREA COMMUNITIES * - SEE NOTES (COLUMN L)	DATE APPLCTN RECVD	IMPACT (YES=1) (NO =0)	POP. GROWTH IMPACT	ALLOCATION BY % AREA- WIDE CATCH	ALLOCATION BY POP. CHANGE	TOTAL \$\$ ALLOCATION	CATCH IN POUNDS
REGION III: A-Y-K							
AREA W - KUSKOKWIM							
AKIACHUK		0	0	\$0.00	\$0.00	\$0.00	
AKIAK		0	0	\$0.00	\$0.00	\$0.00	
ANIAK		0	0	\$0.00	\$0.00	\$0.00	
ATHAUTLUAK		0	0	\$0.00	\$0.00	\$0.00	
BETHEL		0	0	\$0.00	\$0.00	\$0.00	
CHEFORAK		0	0	\$0.00	\$0.00	\$0.00	
CHUATHBALUK		0	0	\$0.00	\$0.00	\$0.00	
EEK		0	0	\$0.00	\$0.00	\$0.00	
GOODNEWS BAY		0	0	\$0.00	\$0.00	\$0.00	
KASIGLUK		0	0	\$0.00	\$0.00	\$0.00	
KMETHLUK		0	0	\$0.00	\$0.00	\$0.00	
LOWER KALSKAG		0	0	\$0.00	\$0.00	\$0.00	
MEKORYUK		0	0	\$0.00	\$0.00	\$0.00	
NAPAKIAK		0	0	\$0.00	\$0.00	\$0.00	
NAPASKIAK		0	0	\$0.00	\$0.00	\$0.00	
NEWTOK		0	0	\$0.00	\$0.00	\$0.00	
NIGHTHUTE		0	0	\$0.00	\$0.00	\$0.00	
NIKOLAI		0	0	\$0.00	\$0.00	\$0.00	
NUNAPIITCHUK (AKOLMIUT)		0	0	\$0.00	\$0.00	\$0.00	
PLATINUM		0	0	\$0.00	\$0.00	\$0.00	
QUINHAGAK	4/20/87	1	50	\$1,564.23	\$1,049.82	\$2,614.04	
TEKSOOK BAY	4/20/87	1	99	\$1,564.23	\$2,078.64	\$3,642.86	
TULLKSAK		0	0	\$0.00	\$0.00	\$0.00	
TUNUKAK		0	0	\$0.00	\$0.00	\$0.00	
UPPER KALSKAG		0	0	\$0.00	\$0.00	\$0.00	
AREA W - TOTAL.....		2	149	\$3,128.45	\$3,128.45	\$6,256.90	3,631,598
AREA X - KOTZEBUE							
AMBLER		0	0	\$0.00	\$0.00	\$0.00	
ANAKTUVUK PASS		0	0	\$0.00	\$0.00	\$0.00	
ATQASUK		0	0	\$0.00	\$0.00	\$0.00	
BARROW		0	0	\$0.00	\$0.00	\$0.00	
BUCKLAND		0	0	\$0.00	\$0.00	\$0.00	
DEERING		0	0	\$0.00	\$0.00	\$0.00	
KAKTOVIK		0	0	\$0.00	\$0.00	\$0.00	
KIANA		0	0	\$0.00	\$0.00	\$0.00	
KIVALINA		0	0	\$0.00	\$0.00	\$0.00	
KOTZEBUE		0	0	\$0.00	\$0.00	\$0.00	
NDORVIK		0	0	\$0.00	\$0.00	\$0.00	
NORTH SLOPE BOROUGH		0	0	\$0.00	\$0.00	\$0.00	
NORTHWEST ARCTIC BOROUGH		0	0	\$0.00	\$0.00	\$0.00	
NIQSUT		0	0	\$0.00	\$0.00	\$0.00	
POINT HOPE		0	0	\$0.00	\$0.00	\$0.00	

COMM FISH REGIONS & AREA COMMUNITIES * - SEE NOTES (COLUMN L)	DATE APPLCTN RECVD	IMPACT (YES=1) (NO =0)	POP. GROWTH IMPACT	ALLOCATION BY % AREA- WIDE CATCH	ALLOCATION BY POP. CHANGE	TOTAL \$\$ ALLOCATION	CATCH IN POUNDS
SELAWIK		0	0	\$0.00	\$0.00	\$0.00	
SHISHAREF		0	0	\$0.00	\$0.00	\$0.00	
SHUNGNAK		0	0	\$0.00	\$0.00	\$0.00	
WAINWRIGHT		0	0	\$0.00	\$0.00	\$0.00	
AREA X - TOTAL.....		0	0	\$0.00	\$0.00	\$0.00	0
AREA Y - YUKON							
ALAKANUK		0	0	\$0.00	\$0.00	\$0.00	
CHEVAK		0	0	\$0.00	\$0.00	\$0.00	
EDMONAK	4/8/87	1	112	\$4,474.55	\$4,474.55	\$8,949.09	
FORTUNA LEDGE (MARSHALL)		0	0	\$0.00	\$0.00	\$0.00	
HOLY CROSS		0	0	\$0.00	\$0.00	\$0.00	
HOOPER BAY		0	0	\$0.00	\$0.00	\$0.00	
KOTLIK		0	0	\$0.00	\$0.00	\$0.00	
MOUNTAIN VILLAGE		0	0	\$0.00	\$0.00	\$0.00	
PILOT STATION		0	0	\$0.00	\$0.00	\$0.00	
RUSSIAN MISSION		0	0	\$0.00	\$0.00	\$0.00	
SAINT MARY'S		0	0	\$0.00	\$0.00	\$0.00	
SCAMMON BAY		0	0	\$0.00	\$0.00	\$0.00	
SHELDON POINT		0	0	\$0.00	\$0.00	\$0.00	
AREA Y - TOTAL.....		1	112	\$4,474.55	\$4,474.55	\$8,949.09	5,194,186
AREA Z - NORTON SOUND							
BREVIS MISSION		0	0	\$0.00	\$0.00	\$0.00	
ELIM		0	0	\$0.00	\$0.00	\$0.00	
GOLDOVIN	5/28/87	1	70	\$2,079.68	\$762.19	\$2,841.87	
KOYUK	4/13/87	1	3	\$2,079.68	\$32.67	\$2,112.35	
NOPE		0	0	\$0.00	\$0.00	\$0.00	
SAINT MICHAEL		0	0	\$0.00	\$0.00	\$0.00	
SHAKTOOLIK		0	0	\$0.00	\$0.00	\$0.00	
STEBBINS		0	0	\$0.00	\$0.00	\$0.00	
TELLER		0	0	\$0.00	\$0.00	\$0.00	
UNALAKLEET	5/28/87	1	500	\$2,079.68	\$5,444.20	\$7,523.88	
WALES		0	0	\$0.00	\$0.00	\$0.00	
WHITE MOUNTAIN		0	0	\$0.00	\$0.00	\$0.00	
AREA Z - TOTAL.....		3	573	\$6,239.05	\$6,239.05	\$12,478.10	7,242,471

COMM. FISH REGIONS & AREA COMMUNITIES * - SEE NOTES (COLUMN L)	DATE APPLCTN RECVD	IMPACT (YES=1) (NO =0)	POP. GROWTH IMPACT	ALLOCATION BY % AREA- WIDE CATCH	ALLOCATION BY POP. CHANGE	TOTAL \$\$ ALLOCATION	CATCH IN POUNDS
REGION IV: WESTERN							
AREA K - KODIAK							
AKCHIOK		0	0	\$0.00	\$0.00	\$0.00	
KODIAK	5/7/87	1	133	\$1,744.20	\$2,180.25	\$3,924.45	
KODIAK ISLAND BOROUGH	4/20/87	1	359	\$1,744.20	\$5,885.04	\$7,629.24	
LARSEN BAY	5/11/87	1	0	\$1,744.20	\$0.00	\$1,744.20	
OLD HARBOR		0	0	\$0.00	\$0.00	\$0.00	
OZINKIE	3/23/87	1	0	\$1,744.20	\$0.00	\$1,744.20	
FORT LIONS	4/20/87	1	40	\$1,744.20	\$655.71	\$2,399.91	
AREA K - TOTAL.....		5	532	\$8,721.00	\$8,721.00	\$17,442.00	10,123,593
AREA L - CHIENIK							
CHIENIK	4/20/87	1	240	\$1,138.34	\$1,138.34	\$2,276.67	
AREA L - TOTAL.....		1	240	\$1,138.34	\$1,138.34	\$2,276.67	1,321,415
AREA M - ALASKA PENINSULA							
COLD BAY		0	0	\$0.00	\$0.00	\$0.00	
KING COVE	4/23/87	1	314	\$4,345.60	\$5,379.18	\$9,724.78	
PORT HEIDEN	5/14/87	1	72	\$4,345.60	\$1,233.44	\$5,579.04	
SAND POINT	4/21/87	1	375	\$4,345.60	\$6,424.18	\$10,769.78	
AREA M - TOTAL.....		3	761	\$13,036.81	\$13,036.81	\$26,073.61	15,133,507
AREA R&O - ALEUTIANS							
AKUTAN		0	0	\$0.00	\$0.00	\$0.00	
UNALASKA/DUTCH HARBOR	4/5/87*	1	1000	\$25,068.88	\$25,068.88	\$50,137.76	
AREA R&O - TOTAL.....		1	1,000	\$25,068.88	\$25,068.88	\$50,137.76	29,100,695
AREA Q - BERING SEA							
SAINT PAUL	4/20/87	1	0	\$25,297.04	\$0.00	\$25,297.04	
SAINT GEORGE	5/31/87	1	14	\$25,297.04	\$50,594.08	\$75,891.12	
AREA Q - TOTAL.....		2	14	\$50,594.08	\$50,594.08	\$101,188.15	58,731,092

STATEWIDE CATCH TOTAL (LBS.)..							261,883,113
TOTAL FUNDING.. (\$\$).....				\$225,600.00	\$225,600.00	\$451,200.00	
CHECK SUMS TOTAL.....		35	22,763	\$225,470.36	\$225,470.36	\$450,940.72	261,883,113
BALANCE OUTSTANDING.....				\$129.64	\$129.64	\$259.28	


Alaska
MUNICIPAL
League

TELEPHONE
(907) 586-1325

217 SECOND STREET, SUITE 200
JUNEAU, ALASKA 99801

MEMORANDUM

TO: Representative Al Adams, Chair
Members of the House Finance Committee

FROM: Scott A. Burgess, Executive Director 

DATE: April 11, 1988

SUBJECT: HB 314 - Offshore Fisheries Business Tax Program

The Alaska Municipal League supports HB 314 establishing a formula-based program for the distribution of a portion of raw fish tax revenues from floating processors operating outside municipal boundaries to municipalities affected by the fishing industry. The proposed legislation, if passed, would implement a successful pilot program created by the Legislature in the FY 86 budget.

Language on page 2 in the the AML's 1988 Policy Statement supports the legislation:

5. Fisheries Tax: The League supports an offshore fisheries business tax revenue sharing program.

The AML supports the legislation as a means to assist municipalities which suffer "significant effects from fisheries business activities". Coastal municipalities must provide services such as health services and law enforcement to the operators and employees of the floating processors operating offshore. These impacts can be significant to municipalities and their taxpayers especially in proportion to level of service provided to their permanent municipal population. The impacts are similar to those from processors operating within municipal boundaries which are being offset by a sharing of fish tax revenues under current statute.

Again, the AML supports HB 314 and urges its passage.

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-8

A RESOLUTION CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source of revenue for the local municipalities and the State of Alaska, and

WHEREAS, the municipalities have been unable to obtain any data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable information and assistance to the Department of Revenue if given the opportunity, and

WHEREAS, the municipalities have been effectively managing confidential information for many years, and

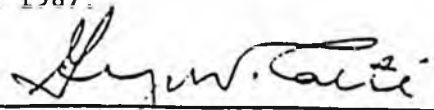
WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for bottomfish have not been processed for several months, which means no catch verification or fish tax verification is taking place at this time, and


WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections;

NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that Governor Cowper and the Alaska Legislature adopt legislation to fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

Adopted this 13th day of November 1987.


George W. Carte, President

ATTEST:


Scott A. Burgess, Executive Director

RECEIVED 24 1988

STEVE COWPER, GOVERNOR

STATE OF ALASKA
DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

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

March 24, 1988

The Honorable Adelheid Herrmann
Co-Chairman
House Resources Committee
Alaska State Legislature
Capitol, Room 106
Juneau, AK 99811

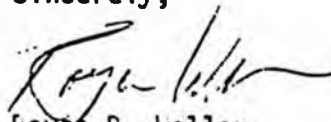
Dear Representative Herrmann:

With the establishment of the 1986 fisheries investment tax credit, the State will be foregoing substantial fisheries business tax revenues. Enactment of HB 314 (An Act relating to the allocation of fisheries business taxes to municipalities...) will reduce the State's take even further. Together, these measures are estimated to reduce the fish tax's general fund portion by as much as 76%. Below are the estimated numbers:

	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>
Shorebased Tax	17.5	6.0*	7.0
Floating Tax	9.0	9.8	9.8
	<u>26.5</u>	<u>15.8</u>	<u>16.8</u>
Shared Revenues	-7.9	-8.0	-7.8 (requested)
Net to Gen. Fund	<u>18.6</u>	<u>7.8</u>	<u>9.0</u>
HB 314/SB 454			-4.9
			<u>4.1 (G.F.)</u>

* potential tax credit impact

Sincerely,


Royce B. Weller
Special Assistant

RBW:smc
88-82

cc: Representative Sam Cotten
Representative Lyman Hoffman
Representative Cliff Daviason
Representative Henry Springer

Representative Mike Navarre
Representative Dick Shultz
Representative Drue Pearce
Representative John Sund

(3) SSHB 314

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 20, 1988

SUBJECT: SSHB 314 (Allocation of a portion of fisheries business taxes to municipalities by the Department of Community and Regional Affairs)

TO: Representative Heinrich Springer, Chairman
House Community & Regional Affairs Committee
ATTN: David C. Harrison

FROM: Jack Chenoweth
Legislative Counsel

Through Division Director Tam Cook you have requested a sectional analysis of SSHB 314.

*

CURRENT LAW:

Levy of the fisheries business tax: Under AS 43.75, the state imposes a fisheries business tax. The tax is payable to the Department of Revenue. As specified in AS 43.75.015(a), the tax is levied on the following activities at the rates set out after each:

- (1) Salmon canned at a shore-based fisheries business -- 4½ percent;
- (2) Salmon processed by a shore-based fisheries business other than that which is canned -- 3 percent;
- (3) All other fisheries resources processed by a shore-based fisheries business -- 3 percent;
- (4) Fisheries resources processed by a floating fisheries business -- 5 percent.

However, if the resource is a developing commercial fish species (as that term has been defined and as those species are designated by the commissioner of fish and game), the tax is payable at a reduced rate. See AS 43.75.015(b).

In AS 43.75.017, the legislature has enumerated several exclusions from the tax, while in AS 43.75.100, the legislature has acted to try to recover taxes from fisheries resources recovered in the state but that are transported and sold outside the state.

The legislature has provided several tax credits. See AS 43.75.018 and 43.75.032.

Existing refund program: For many years there has been a program under which refunds of a portion of the taxes collected are returned to local governments. The principal formula for the distribution of the refund to local governments is set out in AS 43.75.130(a). This formula is based on the revenue generated from fisheries business operations occurring within municipalities.

The fisheries business tax refund program has been amended in each of the last two years. The 1987 amendments, probably more important in determining what is actually shared, restructured the formula for fisheries business tax refunds with respect to taxes collected in cities located in a borough that is incorporated after June 16, 1987, the date the law took effect, by gradually reducing the city's share from 50% to 25% over the first five years after incorporation, and by gradually increasing the borough's share from 25% to 50% over the same period. The statutory provisions making adjustments to the shares of cities within newly-incorporated boroughs are set out in AS 43.75.130(d).

The current refund program is managed by the Department of Revenue.

*

None of what I have described above is directly changed, altered, or amended by SSHB 314.

*

WHAT THIS BILL DOES:

SSHB 314 essentially does three things:

- (1) In addition to the current refund program, SSHB 314 directs that, "to the extent that appropriations are available for the purpose . . . , " 50 percent of

the tax revenue collected under AS 43.75 from floating fisheries businesses that is not subject to refund to a municipality under AS 43.75.130(a) and 43.75.130(d) is to be shared with municipalities under this new program.

(2) SSHB 314 lays out in detail how municipalities may qualify for a portion of the shared revenue and how the program is to be administered.

(3) SSHB 314 assigns responsibility for this new program is assigned to the Department of Community and Regional Affairs.

Bill section 3, the provision adding a new AS 43.75.130(g), lays out the basis of what revenue is to be shared, item #1) above. In essence, bill section 3 says that the source of the revenue to be shared under SSHB 314 is 50 percent of the tax revenues collected from floating fisheries businesses that is not now being shared with municipalities under the existing program. A "floating fisheries business" is defined in AS 43.75.140(6); essentially a floating fisheries business means the fisheries business activities that are subject to tax under AS 43.75 occur offshore. Floating fisheries businesses are, by and large, located outside of the boundaries of any municipality. Since, under the current law, the state shares with municipalities only on the basis of tax revenues collected in the municipality (that is, inside the municipal boundaries), then a very high percentage of revenue obtained from the levy of AS 43.75 on floating fisheries businesses is not shared with the municipalities under the current formulas. Because so little of the revenue derived from levy of the tax on floating fisheries businesses is shared with municipalities, that money stays in the state's general fund as an addition to the treasury.

In AS 43.75.130(g), added by bill section 3, 50 percent of the money that would not be shared under the existing program with local governments is to be paid over by the Department of Revenue to the Department of Community and Regional Affairs to support this new programs.

Bill section 2 addresses items #2 and #3 above. You should understand that, because this bill adds material to AS 29.60, this new program will be administered by the Department of Community and Regional Affairs. The definition of "department" for purposes of AS 29 is to be found in AS 29.71.700(8).

Representative Springer

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February 20, 1988

The revenue from the fisheries business tax that is paid over by the Department of Revenue to the Department of Community and Regional Affairs is, first, to be apportioned on the basis of "management regions" (proposed AS 29.60.450(b)). These management regions are tied to the management regions used by the Department of Fish and Game for the regulation of the state's commercial fisheries. The manner of making the allocation of the revenues to each management region is based on the proportion of the fish and shellfish production within each region to the total production for the state. That production is defined with reference to the total weight, not with reference to total value (see the definition of "production value" in proposed AS 29.60.450(h)(7)).

Within each management region's allocation, half of the revenue is distributed equally among all eligible municipalities within the management region (proposed AS 29.60.450(c)(1)), while the other half is distributable to eligible municipalities based on each municipality's population ratio (proposed AS 29.60.450(c)(2)). There is a provision (proposed AS 29.60.450(d)) making an accommodation for excluding the count of the population of a city within a borough when calculating the borough's population ratio.

Not all municipalities within a management region may qualify. A municipality "is eligible for a fisheries business tax allocation if the municipality demonstrates to the [Department of Community and Regional Affairs] that the municipality suffered significant effects from fisheries business activities" during the previous year (proposed AS 29.60.450(a)). The test of significant effect is with reference to the specific items listed in proposed AS 29.60.450(h)(2). Some municipalities within a regional may not be able to demonstrate how the municipality was affected by fisheries business activities, and therefore would not qualify as an eligible municipality. In turn, a municipality that is eligible to receive a portion of the allocation is expected, first, to use the revenue "to help reduce the effect of fisheries business activities on the municipality," and thereafter may use the money for any municipal service (proposed AS 29.60.450(e)).

The Department of Community and Regional Affairs is authorized to adopt regulations to carry out the program (proposed AS 29.60.450(g)). Municipalities are directed to provide information and assistance to the department in order for the department to administer the program (proposed AS 29.60.450(f)).

Representative Springer
Page 5
February 20, 1988

The definitions provided in this bill (proposed AS 29.60.450(h)) are particularly critical to an understanding of the bill, and should be reviewed.

Bill section 4 directs that the Act is to take effect at the start of FY 89, the next state fiscal year.

*

If the bill or this memorandum prompts questions, please contact me.

JBC:mkr
b3/013

(4) SSB 314



Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

TO: Rep. Henry Springer, Chairman of HCRA
FROM: David C. Harrison, P. A. to HCRA *DCR*
RE: Bill Review - SSB 314
"An Act relating to the allocation of fisheries business taxes to municipalities by the Department of Community and Regional Affairs; and providing for an effective date." [Herrmann/Cato]

* Section 1. Lines 12 through 26 provide a background for needs, policies, and reasons for desired changes in shared tax revenues from fish processors doing processing business outside a municipality's taxing authority but within a specific commercial fisheries management area. Other considerations taken into account are the amount of fisheries production, the population increase of the municipality compared to that of other municipalities within the area during the fishing season.

File Item #2 provides a look at the Pilot Project pursuant to special legislative intent in Chapter 98, SLA 1985.

Municipalities currently receive a share of state revenues generated by fish processors operating within municipal boundaries. The state receives 100% of the revenues generated by floating processors doing business outside municipal boundaries but within specific fisheries management areas.

It is noted that areas and regions are used by the Fish Board and that at times the Fish Board will change a management area. To allocate by population within regions rather than areas may make a difference in the amount of allocation shared based upon population. I am not sure how this will shake out the allocations.

Also, the allocation under this section shall be apportioned by the department to each management region based on the ratio of the region's fish and shellfish production value for all of the management regions.

* Sec. 2. On page 3, line 27 (5) population determined under AS 29.60.020 is made or determined annually by the latest figures of the United States Bureau of the Census or other population data that in the judgment of the department is reliable. DCRA Register 1987 19 AAC 33.030 The population estimate as related to the bill's purpose - the estimate

must be certified by the mayor and adopted by the governing body of the municipality by resolution. The estimate must include an explanation of how it was determined and must be supported by relevant indices of population. Unverifiable, unsupported estimates will not be accepted -- effective date of the register attached is not shown or given.

* Sec. 2. (Page 1, Line 27) AS 29.060 is amended to add a new section called ARTICLE 6. SHARED FISHERIES BUSINESS TAXES.

Sec. 29.60.450 FISHERIES BUSINESS TAX ALLOCATION. (a) A municipality is eligible for a fisheries business tax allocation if the municipality demonstrates to the department that the municipality suffered significant effects from fisheries business activities during the base year.

The bill's intent is to provide revenue from the State's 100 tax receipt in the specific commercial fisheries management areas where floater processors anchor outside a municipality's taxing authority. For example in 1987 the State received approximately \$9 million dollars in tax revenues collected from fish floating processors that process fish in specific commercial fisheries management areas outside any municipality's taxing authority. If this bill becomes law the revenues from such operations as located, as adjusted by population, would amount to about \$4.5 million for the year 1987. In 1987 the tax received by the State was about \$9,000,000. The law would change that whereby municipalities would receive approximately \$4,500,000. This amount is based upon the intent of this law to return to municipalities 1/2 of generated tax revenue from floater processors outside the taxing authority of municipalities that are located within fish management regions (areas) as listed in the bill.

File Item #2, the Offshore Fisheries Business Tax Revenue Sharing Pilot Project regarding tax allocation provides a list of cities that have applied for fish business tax revenue. Some of the cities that could have applied did not apply. For what reason, the Reviewer does not know.

Timeliness of shared information between communities, the Revenue Department and the Department of Community and Regional Affairs may cause various kinds of delays in reporting and in funding revenue to the municipalities that are eligible to receive tax revenue.

Note: A memo from Legislative Affairs Agency, Legal Services, of 2/20/88 provides additional insight into SSHB 314. See File Item #3.

③ 2d SSHB 314

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
UNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 15, 1988

SUBJECT: 2d SSHB 314 (Allocation of fisheries business taxes to municipalities by the Department of Community and Regional Affairs)

TO: Representative Adelheid Herrmann

FROM: Jack Chenoweth
Legislative Counsel

This sectional analysis addresses the 2d Sponsor Substitute for House Bill 314 provided to you on March 14.

*

CURRENT LAW:

Levy of the fisheries business tax: Under AS 43.75, the state imposes a fisheries business tax. The tax is payable to the Department of Revenue. As specified in AS 43.75.-015(a), the tax is levied on the following activities at the rates set out after each:

- (1) Salmon canned at a shore-based fisheries business -- 4½ percent;
- (2) Salmon processed by a shore-based fisheries business other than that which is canned -- 3 percent;
- (3) All other fisheries resources processed by a shore-based fisheries business -- 3 percent;
- (4) Fisheries resources processed by a floating fisheries business -- 5 percent.

However, if the resource is a developing commercial fish species (as that term has been defined and as those species

Representative Adelheid Herrmann
Page 2
March 15, 1988

are designated by the commissioner of fish and game), the tax is payable at a reduced rate. See AS 43.75.015(b).

In AS 43.75.017, the legislature has enumerated several exclusions from the tax, while in AS 43.75.100, the legislature has acted to try to recover taxes from fisheries resources recovered in the state but that are transported and sold outside the state.

The legislature has provided several tax credits. See AS 43.75.018 and 43.75.032.

Existing refund program: For many years there has been a program under which refunds of a portion of the taxes collected are returned to local governments. The principal formula for the distribution of the refund to local governments is set out in AS 43.75.130(a). This formula is based on the revenue generated from fisheries business operations occurring within municipalities.

The fisheries business tax refund program has been amended in each of the last two years. The 1987 amendments, probably more important in determining what is actually shared, restructured the formula for fisheries business tax refunds with respect to taxes collected in cities located in a borough that is incorporated after June 16, 1987, the date the law took effect, by gradually reducing the city's share from 50% to 25% over the first five years after incorporation, and by gradually increasing the borough's share from 25% to 50% over the same period. The statutory provisions making adjustments to the shares of cities within newly-incorporated boroughs are set out in AS 43.75.130(d).

The current refund program is managed by the Department of Revenue.

*

None of what I have described above is directly changed, altered, or amended by 2d SSHB 314.

*

WHAT THIS BILL DOES:

2d SSHB 314 essentially does three things:

(1) In addition to the current refund program, 2d SSHB 314 directs that, "to the extent that appropriations are available for the purpose . . . , " 50 percent of the tax revenue collected under AS 43.75 from floating fisheries businesses that is not subject to refund to a municipality under AS 43.75.130(a) and 43.75.130(d) is to be shared with municipalities under this new program.

(2) 2d SSHB 314 lays out in detail how municipalities may qualify for a portion of the shared revenue and how the program is to be administered.

(3) 2d SSHB 314 assigns responsibility for this new program is assigned to the Department of Community and Regional Affairs.

Bill section 3, the provision adding a new AS 43.75.130(g), lays out the basis of what revenue is to be shared, item # (1) above. In essence, bill section 3 says that the source of the revenue to be shared under 2d SSHB 314 is 50 percent of the tax revenues collected from floating fisheries businesses that is not now being shared with municipalities under the existing program. A "floating fisheries business" is defined in AS 43.75.140(6); essentially a floating fisheries business means the fisheries business activities that are subject to tax under AS 43.75 occur offshore. Floating fisheries businesses are, by and large, located outside of the boundaries of any municipality. Since, under the current law, the state shares with municipalities only on the basis of tax revenues collected in the municipality (that is, inside the municipal boundaries), then a very high percentage of revenue obtained from the levy of AS 43.75 on floating fisheries businesses is not shared with the municipalities under the current formulas. Because so little of the revenue derived from levy of the tax on floating fisheries businesses is shared with municipalities, that money stays in the state's general fund as an addition to the treasury.

In AS 43.75.130(g), added by bill section 3, 50 percent of the money that would not be shared under the existing program with local governments is to be paid over by the Department of Revenue to the Department of Community and Regional Affairs to support this new programs.

Representative Adelheid Herrmann
Page 4
March 15, 1988

Bill section 2 addresses items #2 and #3 above. You should understand that, because this bill adds material to AS 29.60, this new program will be administered by the Department of Community and Regional Affairs. The definition of "department" for purposes of AS 29 is to be found in AS 29.71.700(8).

The revenue from the fisheries business tax that is paid over by the Department of Revenue to the Department of Community and Regional Affairs is, first, to be apportioned on the basis of "management areas" (proposed AS 29.60.450(b)) [not "management regions" as in previous versions of this bill]. These management areas are tied to the management areas used by the Department of Fish and Game for the regulation of the state's commercial fisheries. The manner of making the allocation of the revenues to each management area is based on the proportion of the fish and shellfish production within each area to the total production for the state. That production is defined with reference to the total weight, not with reference to total value (see the definition of "production value" in proposed AS 29.60.-450(h)(7)).

Within each management area's allocation, half of the revenue is distributed equally among all eligible municipalities within the management area (proposed AS 29.60.-450(c)(1)), while the other half is distributable to eligible municipalities based on each municipality's population ratio (proposed AS 29.60.450(c)(2)). There is a provision (proposed AS 29.60.450(d)) making an accommodation for excluding the count of the population of a city within a borough when calculating the borough's population ratio.

Not all municipalities within a management area may qualify. A municipality "is eligible for a fisheries business tax allocation if the municipality demonstrates to the [Department of Community and Regional Affairs] that the municipality suffered significant effects from fisheries business activities" during the previous year (proposed AS 29.60.-450(a)). The test of significant effect is with reference to the specific items listed in proposed AS 29.60.450(h)(2). Some municipalities within an area may not be able to demonstrate how the municipality was affected by fisheries business activities, and therefore would not qualify as an eligible municipality. In turn, a municipality that is eligible to receive a portion of the allocation is expected, first, to use the revenue "to help reduce the effect of

Representative Adelheid Herrmann
Page 5
March 15, 1988

fisheries business activities on the municipality," and thereafter may use the money for any municipal service (proposed AS 29.60.450(e)).

The Department of Community and Regional Affairs is authorized to adopt regulations to carry out the program (proposed AS 29.60.450(g)). Municipalities are directed to provide information and assistance to the department in order for the department to administer the program (proposed AS 29.60.450(f)).

The definitions provided in this bill (proposed AS 29.60.450(h)) are particularly critical to an understanding of the bill, and should be reviewed.

Bill section 4 is an uncodified, interim provision. It is included for the purpose of providing direction to the Department of Community and Regional Affairs as this legislation takes effect. Bill section 4 directs the department to use the "management areas" that it had been using for administration of the Offshore Fisheries Business Tax Revenue Sharing Pilot Program during FY 88, to carry forward those areas as the basis for making allocations under this legislation until those management areas are changed by the Department of Fish and Game.

Bill section 5 directs that the Act is to take effect at the start of FY 89, the next state fiscal year.

*

If the bill or this memorandum prompts questions, please contact me.

JBC:gc
WKG2:55

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

March 14, 1988

The Honorable Adelheid Herrmann
 Alaska State Representative
 P.O. Box V
 Juneau, Alaska 99811

RE: SS HB 314

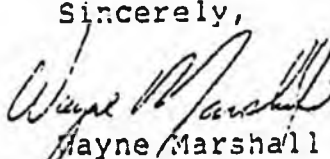
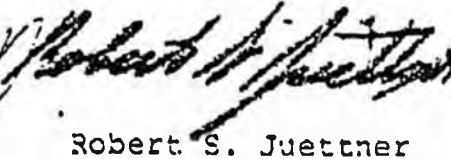
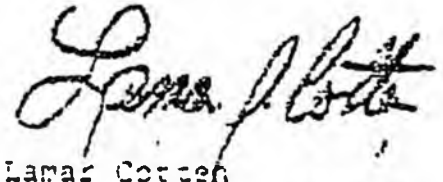
Dear Representative Adelheid:

The City of King Cove supports the adoption of SS HB 314, an act relating to the allocation of fisheries business taxes to municipalities. The bill establishes a concrete program which the State can use to share taxes collected from the offshore processing industry with affected municipalities. King Cove directly benefited from the State's FY 87 pilot program on these taxes, and would like to continue receiving revenues from this source. The City uses the revenues to help pay the increased costs the City incurred to provide additional public services needed to mitigate the negative impacts from offshore fishing industry activities.

The City also advocates adopting a suggested change to use fish management regions, rather than areas, to determine the amount of monies each affected municipality receives. Implementation of the pilot program unearthed gross inequities in impact monies respective communities received when fish management areas were used to determine each municipality's share. The use of management regions should mostly correct this problem and provide a better and fairer system for determining the amount of monies a community will receive for the amount of impact experienced.

The City supports the institutionalization of the fish tax pilot project that will occur through SS HB 314. We hope the bill is adopted and that the legislature also allocates the revenues needed to implement the program for FY 89.

Sincerely,

		
Wayne Marshall City Manager King Cove 1007 W. 3rd, Suite 201 Anchorage, Alaska 99501 274-7555	Robert S. Juettner City Administrator Sand Point Anchorage, Alaska 99501	Lamar Cotten Borough Administrator Aleutians East Borough

3



**SOUTHWEST ALASKA
MUNICIPAL CONFERENCE**

Box 89 • Unalaska • Alaska 99685

RESOLUTION 87-15

A RESOLUTION OF THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE
REGARDING THE STATE OF RAW FISH TAX PILOT PROGRAM.

WHEREAS, the sharing of state raw fish taxes with municipalities where the revenues were generated is important to the economic well being of those municipalities, and

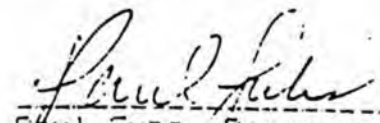
WHEREAS, the state legislature changed the distribution schedule for these monies with the understanding that there would be no loss of income to affected municipalities, and

WHEREAS, the state has instituted a "pilot program" to distribute a portion of the revenues collected outside the municipalities to respective municipalities, and

WHEREAS, the coastal communities are rightful recipients of a percentage of these funds because of impacts caused by the offshore processors, now

THEREFORE, BE IT RESOLVED that the Southwest Alaska Municipal Conference supports the establishment of an on-going program and the allocation of State fish tax funds collected from offshore processors to coastal communities.

APPROVED AND ADOPTED this 1st day of March, 1987.



Paul Funsy, President



CITY OF DILLINGHAM

P.O. Box 889
Dillingham, Alaska 99576

CITY HALL	(907) 842-5211
FIRE RESCUE	(907) 842-2298
PLANNING	(907) 842-5203
PUBLIC WORKS	(907) 842-5148

December 8, 1987

The Honorable Fred Zharoff
Alaska State Senate
P.O. Box 405
Kodiak, Ak 99615

Dear Senator Zharoff:

The City of Dillingham greatly appreciates your past efforts to secure passage of legislation which would share raw fish taxes collected from floating processors with municipal governments. In particular, your past efforts to secure funding for the pilot project are especially appreciated.

The city is again requesting your assistance on the raw fish tax issue for the upcoming legislative session. We request that you introduce a Senate version of H.B. 314. Your sponsorship of a Senate companion bill to H.B. 314 would give the city, and other coastal communities throughout Alaska, an opportunity to correct what we believe to be a policy inequity in the present law. We believe it is sound public policy to share all raw fish taxes with local governments, not just some of the taxes.

As you will recall, during last session's discussions of the Dillingham annexation question, there was considerable support expressed by members of the Senate Committees which held hearings on the issue to "fix" the raw fish tax issue. Therefore, we believe it is logical to introduce a Senate version of H.B. 314 in light of the sentiments expressed by those Committee Members.

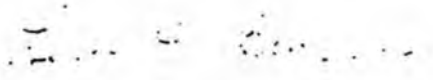
We hope that you will use your influence as a member of the Senate Finance Committee, and as a member of the Senate leadership, to move a bill through the Senate during the 1988 legislative session. As it appears that local governments will be facing larger and larger cut-backs in state funding for such programs as municipal assistance, revenue sharing and local school debt reimbursement, it is imperative that logical, new sources of revenue--such as raw fish taxes from the float-

Senator Fred Zharoff
October 30, 1987
Page two

ers--be found to share with local government. Without this assistance, many local governments may face the equivalent of bankruptcy. That is why passage of raw fish tax legislation is so critically important.

If there is anything which the city can do to assist you in your efforts to secure passage of this legislation, please do not hesitate to contact us. Passage of raw fish tax legislation is the city's top legislative priority. Therefore, we are willing to follow any suggestions which you may have that would enhance the legislation's chances of passage.

Sincerely,


Leon C. Braswell
Mayor

1 IN THE HOUSE

BY HERRMANN AND CATO

2 2d SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 314

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the allocation of fisheries
7 business taxes to municipalities by the Department of
8 Community and Regional Affairs; and providing for an
9 effective date."

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

11 * Section 1. FINDINGS. The legislature finds that

12 (1) it has been a longstanding state policy to share fisheries
13 business taxes with municipal governments in the areas in which the fishery
14 resources are harvested;

15 (2) these shared taxes constitute an important source of revenue
16 to municipal governments to mitigate the effects of fish harvesting and
17 processing activities;

18 (3) there is an impact in communities that experience an in-
19 crease in population or influx of people;

20 (4) fishing activities such as harvesting and processing create
21 an influx of population throughout the year in many coastal communities;

22 (5) the state has a vested interest in encouraging communities
23 to provide adequate services;

24 (6) revenue generated through the sharing of fisheries business
25 taxes will help many fishing communities to provide adequate services and
26 to prepare for future damage attributable to fisheries activities.

27 * Sec. 2. AS 29.60 is amended by adding a new section to read:

28 ARTICLE 6. SHARED FISHERIES BUSINESS TAXES.

29 Sec. 29.60.450. FISHERIES BUSINESS TAX ALLOCATION. (a) A

1 municipality is eligible for a fisheries business tax allocation if
2 the municipality demonstrates to the department that the municipality
3 suffered significant effects from fisheries business activities during
4 the base year.

5 (b) Before making a tax allocation under (c) of this section, a
6 portion of the tax revenue available under AS 43.75.130(g) for allo-
7 cation under this section shall be apportioned by the department to
8 each management area based on the ratio of the management area's fish
9 and shellfish production value to the total fish and shellfish produc-
10 tion value for all of the management areas.

11 (c) The tax allocation to an eligible municipality is the sum of

12 (1) the result of dividing the number of the management
13 area's eligible municipalities for the tax allocation year into one-
14 half of the tax revenue apportioned to the management area under (b)
15 of this section for the tax allocation year; and

16 (2) the result of multiplying the municipality's population
17 ratio by the other one-half of the tax revenue apportioned to the
18 management area under (b) of this section for the tax allocation year.

19 (d) If a borough and a city that is located within the borough
20 both qualify as eligible municipalities under (a) of this section for
21 a tax allocation year, the department shall exclude the population of
22 the city from the borough's population when calculating the borough's
23 population ratio under (c) of this section.

24 (e) A municipality that receives a tax allocation under this
25 section shall use the tax allocation to help reduce the effect of
26 fisheries business activities on the municipality, and may thereafter
27 use the tax allocation for the expenses of any municipal service.

28 (f) At the request of the department, an applicant or a re-
29 cipient of a tax allocation shall provide the department with the

1 assistance and information available to the municipality that is
2 necessary for the department to carry out the department's duties
3 under this section relating to the municipality.

4 (g) The department may adopt regulations necessary to carry out
5 the provisions of this section.

6 (h) In this section,

7 (1) "base year" means the calendar year that precedes the
8 application deadline for the tax allocation year;

9 (2) "effect" means the change attributable to fisheries
10 business activities on the municipality's

11 (A) population;

12 (B) employment;

13 (C) finances;

14 (D) air and water quality;

15 (E) fish and wildlife habitats; and

16 (F) ability to provide essential public services,
17 including health care, public safety, education, transportation,
18 utilities, and government administration;

19 (3) "fisheries business activity" means activity related to
20 processing fisheries resources for sale by freezing, cooking, salting,
21 or other method and includes but is not limited to canneries, cold
22 storages, freezer ships, and processing plants;

23 (4) "management area" means one of the geographical units
24 designated by the Board of Fisheries by regulation adopted under
25 AS 16.05.251(a)(2) for the management of the commercial fisheries of
26 the state;

27 (5) "population" means the population determined under
28 AS 29.60.020;

29 (6) "population ratio" means the base year population of

1 the municipality divided by the population of the management area;

2 (7) "production value" means the weight of the fish and
3 shellfish processed by floating fisheries businesses;

4 (8) "tax allocation year" means the fiscal year for which
5 the department makes the tax allocation.

6 * Sec. 3. AS 43.75.130 is amended by adding a new subsection to read:

7 (g) To the extent that appropriations are available for the
8 purpose, and notwithstanding the requirement of AS 37.07.080(e) that
9 approval of the office of management and budget is required, an amount
10 equal to 50 percent of the tax revenue that is collected under this
11 chapter from floating fisheries businesses and is not subject to
12 division with a municipality under (a), (c), and (d) of this section
13 shall be transmitted each fiscal year by the department to the Depart-
14 ment of Community and Regional Affairs for disbursal, without the
15 approval of the office of management and budget, to eligible munic-
16 ipalities under AS 29.60.450.

17 * Sec. 4. INITIAL MANAGEMENT AREAS. Notwithstanding AS 29.60.-
18 450(h)(4), as added by sec. 2 of this Act, until revised by the Board of
19 Fisheries under AS 16.05.251(a)(2), in AS 29.60.450 "management area" means
20 a management area designated by the Department of Community and Regional
21 Affairs to administer the offshore fisheries business tax revenue sharing
22 pilot project (19 AAC 33) during the fiscal year ending June 30, 1988.

23 * Sec. 5. This Act takes effect July 1, 1988.

HB

318

Date referred: 3/28/88

FURTHER REFERRALS:

DATE: 4/26/88

The Finance Committee has considered HB 318

"An Act establishing the Alaska energy efficient home equity fund."

RECOMMENDS:

- replace with CS HB318 (Fin) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: Fin. letter of intent.

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published 3/29/88
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

ADAMS [Signature]

POURCHOT [Signature]

LARSON [Signature]

GOLL [Signature]

BOYER [Signature]

RIEGER [Signature]

FRANK [Signature]

BROWN [Signature]

DAVIS [Signature]

WALLIS [Signature]

SWACK [Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature]
Chairman's signature

STATE OF ALASKA
1988 LEGISLATIVE SESSION

(1,2) HB 318

BILL VERSION: CSHB 318
PUBLISH DATE: 3/29/88

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An act..Alaska energy efficient home equity fund."
Sponsor: "Ellis, Kopone, Ward, etc."
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: Housing Assistance
Components: Housing Loans

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		27.7	28.3	29.1	29.9	30.6
TRAVEL		2.0	2.0	2.0	2.0	2.0
CONTRACTUAL		2.4	2.4	2.4	2.4	2.4
SUPPLIES		.7	.7	.7	.7	.7
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		32.8	33.4	34.2	35.0	35.7
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		32.8	33.4	34.2	35.0	35.7
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
Division: Municipal & Regional Assistance Date: 3/22/88
Approved by Commissioner: Walter Rutledge, Acting Dep. Comm. Date: 3/22/88
Agency: Community & Regional Affairs

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

Position Title <u>Accounting Clerk III</u>			No. of Positions <u>1</u>	Range/Step <u>8A</u>	Barg. Unit <u>GGU</u>
Time Status <u>Full time</u>	Staff Months <u>12</u>		Location <u>Anchorage</u>		Election District
			Justification		
Type of Expenditure		Amount			
<u>1</u>	<u>2</u>	<u>3</u>			
Salary	<u>19.6</u>				
Benefits	<u>8.1</u>				
Premium Pay					
Other					
Total Personal Services		<u>27.7</u>			
Travel		<u>2.0</u>			
Contractual		<u>2.4</u>			
Commodities		<u>.7</u>			
Equipment					
Other					
Total Cost		<u>32.8</u>			
Funding Source for Total Cost					
Federal Receipts	<u>1002</u>				
G. F. Match	<u>1003</u>				
General Fund	<u>1004</u>				
GF Program Receipts	<u>1005</u>				
Other					

**Request For
New Position**

Agency Community & Regional Affairs
 BRU Housing Assistance
 Component Housing Loans

Page 1 of 1
 Revised Date

FY 89



Official Business

Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

P.O. Box V
State Capitol
Juneau, Alaska 99811

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
CS HB 318 (FINANCE)

It is the intent of the Legislature that the Commissioner of the Department of Community and Regional Affairs consult with the Alaska Craftsman Home Program Board of Directors before distributing monies appropriated to the Alaska Energy Efficient Home fund.

A handwritten signature in cursive script, appearing to read "Al Adams".

Al Adams, Chair
House Finance Committee

Original sponsors: Ellis, Koponen,
Menard, et al.

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 318 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to grants for energy efficient
7 homes."

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

9 * Section i. FINDINGS AND POLICY. (a) The legislature finds that

10 (1) high quality energy efficient building technology developed
11 by the Alaska Craftsman Home Program would substantially reduce home energy
12 consumption, improve the health and safety of the occupants, improve indoor
13 air quality, reduce the contributions of dwellings to outdoor pollution,
14 increase home durability, reduce home maintenance needs, and increase the
15 economic stability of the home owner;

16 (2) state money now being spent to subsidize energy bills, to
17 weatherize and repair poorly constructed homes, and to improve the health
18 of people affected by poor indoor air quality would be reduced or eliminat-
19 ed as existing homes are replaced by homes that are built to meet Alaska
20 Craftsman Home Program standards;

21 (3) state money now used to finance and repair homes would be
22 invested more wisely in homes that are built to meet the Alaska Craftsman
23 Home Program standards;

24 (4) local economic benefits are achieved when money being spent
25 on energy, home repair, and health are reduced because of building to meet
26 the improved building standards of the Alaska Craftsman Home Program;

27 (5) the principal responsibility for development of housing
28 rests with the private sector;

29 (6) research and development of energy efficient housing will

1 create new jobs, provide technology that can be exported, develop new
2 business opportunities, and increase the stability of the state's economy.

3 (b) It is the policy of the state to encourage the building of homes
4 that meet the energy efficient standards of the Alaska Craftsman Home
5 Program and to assist in the education, planning, and development of this
6 standard of building in cooperation with the building industry.

7 * Sec. 2. AS 18.55.998(a) is amended to read:

8 (a) There is created in the Department of Community and Regional
9 Affairs a supplemental housing development grant fund. Subject to the
10 availability of appropriations for the purpose, the department shall
11 make grants to regional housing authorities established under AS 18.-
12 55.996 for the cost of on-site sewer and water facilities, road con-
13 struction to project sites, energy efficient design features in homes,
14 and extension of electrical distribution facilities to individual
15 residences.

16 * Sec. 3. AS 44.47 is amended by adding a new section to read:

17 Sec. 44.47.378. ALASKA ENERGY EFFICIENT HOME FUND. (a) There
18 is established in the department the Alaska energy efficient home fund
19 consisting of money appropriated to it by the legislature. The com-
20 missioner shall administer the Alaska energy efficient home fund under
21 the provisions of this section.

22 (b) Subject to appropriation, the commissioner may grant funds
23 from the Alaska energy efficient home fund to agencies of the state or
24 federal government, individuals, or businesses that retrofit existing
25 single family dwellings or build new single family dwellings that meet
26 criteria adopted by the commissioner.

27 (c) Subject to appropriation, the commissioner may allocate
28 funds from the Alaska energy efficient home fund to provide for imple-
29 mentation and monitoring activities of the Alaska Craftsman Home

1 Building Program.

2 (d) Subject to appropriation, the commissioner may allocate
3 funds from the Alaska energy efficient home fund to a homeowner for
4 mitigation of indoor radon health hazards.

5 (e) The commissioner shall adopt guidelines and procedures for
6 the fund after consultation with the board of directors of the Alaska
7 Craftsman Home Program.

8 (f) In developing guidelines and procedures for the allocation
9 of funds from the energy efficient home fund the commissioner shall
10 take into account the financial need of the applicant as well as the
11 educational value of the request.

12 (g) To be eligible to receive a grant under (d) of this section,
13 the homeowner must have applied for a loan to mitigate the effects of
14 radon from a state chartered or federally chartered lending institu-
15 tion, and must have been rejected.

Original sponsors: Ellis, Koponen,
Menard, et al.

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 318 (FIN)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to grants for energy efficient
7 homes."

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

9 * Section 1. FINDINGS AND POLICY. (a) The legislature finds that

10 (1) high quality energy efficient building technology developed
11 by the Alaska Craftsman Home Program would substantially reduce home energy
12 consumption, improve the health and safety of the occupants, improve indoor
13 air quality, reduce the contributions of dwellings to outdoor pollution,
14 increase home durability, reduce home maintenance needs, and increase the
15 economic stability of the home owner;

16 (2) state money now being spent to subsidize energy bills, to
17 weatherize and repair poorly constructed homes, and to improve the health
18 of people affected by poor indoor air quality would be reduced or eliminat-
19 ed as existing homes are replaced by homes that are built to meet Alaska
20 Craftsman Home Program standards;

21 (3) state money now used to finance and repair homes would be
22 invested more wisely in homes that are built to meet the Alaska Craftsman
23 Home Program standards;

24 (4) local economic benefits are achieved when money being spent
25 on energy, home repair, and health are reduced because of building to meet
26 the improved building standards of the Alaska Craftsman Home Program;

27 (5) the principal responsibility for development of housing
28 rests with the private sector;

29 (6) research and development of energy efficient housing will

1 create new jobs, provide technology that can be exported, develop new
2 business opportunities, and increase the stability of the state's economy.

3 (b) It is the policy of the state to encourage the building of homes
4 that meet the energy efficient standards of the Alaska Craftsman Home
5 Program and to assist in the education, planning, and development of this
6 standard of building in cooperation with the building industry.

7 * Sec. 2. AS 18.55.998(a) is amended to read:

8 (a) There is created in the Department of Community and Regional
9 Affairs a supplemental housing development grant fund. Subject to the
10 availability of appropriations for the purpose, the department shall
11 make grants to regional housing authorities established under AS 18.-
12 55.996 for the cost of on-site sewer and water facilities, road con-
13 struction to project sites, energy efficient design features in homes,
14 and extension of electrical distribution facilities to individual
15 residences.

16 * Sec. 3. AS 44.47 is amended by adding a new section to read:

17 Sec. 44.47.378. ALASKA ENERGY EFFICIENT HOME FUND. (a) There
18 is established in the department the Alaska energy efficient home ^[grant] fund
19 consisting of money appropriated to it by the legislature. The com-
20 missioner shall administer the Alaska energy efficient home ^[grant] fund under
21 the provisions of this section.

22 (b) Subject to appropriation, the commissioner may grant funds
23 from the Alaska energy efficient home ^[grant] fund to agencies of the state or
24 federal government, individuals, or businesses that retrofit existing
25 single family dwellings or build new single family dwellings that meet
26 criteria adopted by the commissioner.

27 (c) Subject to appropriation, the commissioner may allocate
28 funds from the Alaska energy efficient home fund to provide for imple-
29 mentation and monitoring activities of the Alaska Craftsman Home

1 Building Program.

2 (d) Subject to appropriation, the commissioner may allocate
3 funds from the Alaska energy efficient home fund to a homeowner for
4 mitigation of indoor radon health hazards.

5 (e) The commissioner shall adopt guidelines and procedures for
6 the fund after consultation with the board of directors of the Alaska
7 Craftsman Home Program.

8 (f) In developing guidelines and procedures for the allocation
9 of funds from the energy efficient home fund the commissioner shall
10 take into account the financial need of the applicant as well as the
11 educational value of the request.

12 (g) To be eligible to receive a grant under (d) of this section,
13 the homeowner must have applied for a loan to mitigate the effects of
14 radon from a state chartered or federally chartered lending institu-
15 tion, and must have been rejected.

Rep. Johnny Ellis
April 12, 1988

CSHB 318 AND CSHB 319 BACK-UP

TABLE OF CONTENTS

<u>TAB</u>	<u>MATERIALS</u>
A	CSHB 318, proposed with analysis - AS 18.55.998 Supplementing Housing Development Grants - AS 45.88 Alternative Energy Revolving Loan Fund - Projected payment revenues
B	CSHB 319, proposed with analysis
C	Hoffman February 11, 1988 letter to Brown
D	The Alaska Craftsman Home Program
E	Supporting Localities and Agencies



WORK DRAFT

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5-1190X

Bradley
4/7/88

Original sponsors: Ellis, Koponen,
Menard, et al.

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 318 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to grants for energy efficient
7 homes."

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

9 * Section 1. FINDINGS AND POLICY. (a) The legislature finds that

10 (1) high quality energy efficient building technology developed
11 by the Alaska Craftsman Home Program would substantially reduce home energy
12 consumption, improve the health and safety of the occupants, improve indoor
13 air quality, reduce the contributions of dwellings to outdoor pollution,
14 increase home durability, reduce home maintenance needs, and increase the
15 economic stability of the home owner;

16 (2) state money now being spent to subsidize energy bills, to
17 weatherize and repair poorly constructed homes, and to improve the health
18 of people affected by poor indoor air quality would be reduced or eliminat-
19 ed as existing homes are replaced by homes that are built to meet Alaska
20 Craftsman Home Program standards;

21 (3) state money now used to finance and repair homes would be
22 invested more wisely in homes that are built to meet the Alaska Craftsman
23 Home Program standards;

24 (4) local economic benefits are achieved when money being spent
25 on energy, home repair, and health are reduced because of building to meet
26 the improved building standards of the Alaska Craftsman Home Program;

27 (5) the principal responsibility for development of housing
28 rests with the private sector;

29 (6) research and development of energy efficient housing will

1 create new jobs, provide technology that can be exported, develop new
2 business opportunities, and increase the stability of the state's economy.

3 (b) It is the policy of the state to encourage the building of homes
4 that meet the energy efficient standards of the Alaska Craftsman Home
5 Program and to assist in the education, planning, and development of this
6 standard of building in cooperation with the building industry.

7 * Sec. 2. AS 18.55.998(a) is amended to read:

8 (a) There is created in the Department of Community and Regional
9 Affairs a supplemental housing development grant fund. Subject to the
10 availability of appropriations for the purpose, the department shall
11 make grants to regional housing authorities established under AS 18.-
12 55.996 for the cost of on-site sewer and water facilities, road con-
13 struction to project sites, energy efficient design features in homes,
14 and extension of electrical distribution facilities to individual
15 residences.

16 * Sec. 3. AS 44.47 is amended by adding a new section to read:

17 Sec. 44.47.378. ALASKA ENERGY EFFICIENT HOME GRANT FUND. (a)
18 There is established in the department the Alaska energy efficient
19 home grant fund consisting of money appropriated to it by the legisla-
20 ture. The commissioner shall administer the Alaska energy efficient
21 home grant fund under the provisions of this section.

22 (b) Subject to appropriation, the commissioner may grant funds
23 from the Alaska energy efficient home grant fund to agencies of the
24 state or federal government, individuals, or businesses that retrofit
25 existing single family dwellings or build new single family dwellings
26 that meet criteria adopted by the commissioner.

27 (c) The commissioner shall adopt guidelines and procedures for
28 the fund after consultation with the board of directors of the Alaska
29 Craftsman Home Program.

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* Sec. 4. AS 45.88.030(d) is amended to read:

(d) Each [ALL] principal and interest payment [PAYMENTS] on a
loan [LOANS] made under this chapter shall be paid into the Alaska
energy efficient home grant [ALTERNATIVE ENERGY REVOLVING LOAN] fund
established under AS 44.47.378.

ANALYSIS OF CSHB 318 (C&RA)

AND PROPOSED FINANCE COMMITTEE PROVISIONS

CSHB 318:

Section 1. findings section.

Section 2. amends AS 18.55.998(a) relating to the supplemental housing development grant fund. This fund is used to pay supplemental costs of building HUD homes in Alaska. Use of this fund is currently limited to supplementing the cost of on-site sewer and water facilities, road construction to project sites, and extension of electrical distribution facilities to individual residences. This section of the bill adds "energy efficient design features in homes" to the list of existing uses. (Current statute attached.)

This amendment was suggested by the Department of Community and Regional Affairs. (See Hoffman letter to Brown, Tab C)

Section 3. Creates the energy efficient home grant fund within the Department of Community and Regional Affairs. Authorizes the commissioner to grant funds from the fund to "agencies of the state or federal government, individuals, or businesses that retrofit existing single family dwellings or build new single family dwellings that meet criteria adopted by the commissioner."

PROPOSED FINANCE COMMITTEE PROVISIONS:

Section 4. amends existing A.S. 45.88.030(d), (attached), relating to repayments of Alternative Energy Revolving Loan Fund (AERLF) loans to reflect the transfer of assets and future receipts of the AERLF to the energy efficient home grant fund established herein.

Department of
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(B) a community in the first judicial district of the state with a population of 4,500 or less. (§ 11 ch 167 SLA 1978; am § 14 ch 113 SLA 1982)

Effect of amendments. — The 1982 amendment in subsection (a), substituted "division of housing assistance in the Department of Community and Regional Affairs" for "board of directors of the Alaska Housing Finance Corporation" in the first and second sentences, added the language beginning "other than in an area" to the end of the first sentence, and substituted the language beginning "the

interest rate on a loan" for "an interest rate approved by the board of directors of the Alaska Housing Finance Corporation" at the end of the subsection. In subsection (b), the amendment added the subparagraph (A) designation, substituted "a community in the second, third, or fourth judicial district" for "any community" and added "or" to the end, in that subparagraph, and added subparagraph (2)(B).

Sec. 18.55.998. Supplemental housing development grants. (a)

There is created in the Department of Community and Regional Affairs a supplemental housing development grant fund. Subject to the availability of appropriations for the purpose, the department shall make grants to regional housing authorities established under AS 18.55.996 for the cost of on-site sewer and water facilities, road construction to project sites, and extension of electrical distribution facilities to individual residences.

(b) A grant may be made only for residential housing for which federal loan or grant approval has been obtained from the United States Department of Housing and Urban Development and which will be made available to the public on a nondiscriminatory basis. A grant may not be used to retire or repay obligations or debts of the grant recipient. A grant may only be for the difference between the maximum amount available under federal law or regulation for construction of the residential housing for which the grant is made and the actual costs of the construction. A grant may not exceed 20 percent of the United States Department of Housing and Urban Development total development cost per unit in effect at the time the grant is made.

(c) Grant money may be used only for the purposes specified in (a) of this section. No part of the grant money may be used for administrative or other costs of a regional housing authority whether the costs are directly associated with the construction or general costs of the authority.

(d) The department shall adopt regulations to carry out the purposes of this section. The provisions of the Administrative Procedure Act (AS 44.62) apply to regulations adopted under this section. (§ 7 ch 166 SLA 1981)

Sec. 45.87.500. Definitions. In this chapter

- (1) "bulk fuel storage facility" means a storage tank capable of holding at least 10,000 gallons of petroleum fuels;
- (2) "community" means an organized municipality or an unincorporated village which is a social unit, with a population under 2,000;
- (3) "department" means the Department of Commerce and Economic Development. (§ 41 ch 83 SLA 1980)

Reviser's notes. - Enacted as AS 45.87.010. Renumbered in 1980.

Chapter 88. Alternative Energy Revolving Loan Fund.

<p>Section</p> <p>10. Fund established</p> <p>15. Special account established</p> <p>20. Powers and duties of the department in administering the fund</p> <p>30. Loan terms</p>	<p>Section</p> <p>40. Sale or transfer of mortgages and notes</p> <p>50. Disposal of property acquired by default or foreclosure</p> <p>500. Definitions</p>
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Sec. 45.88.010. Fund established. There is established in the Department of Commerce and Economic Development the alternative energy revolving loan fund to carry out the purposes of this chapter. Loans made under this chapter are to be used to develop means of energy production utilizing energy sources other than fossil or nuclear fuel, including, but not limited to, windmills, water and solar energy devices. (§ 1 ch 29 SLA 1978; am § 5 ch 56 SLA 1979; am § 28 ch 83 SLA 1980)

Sec. 45.88.015. Special account established. (a) There is established, as a special account within the revolving loan fund established under AS 45.88.010, the foreclosure expense account. This account is established as a reserve from fund equity.

(b) The commissioner of commerce and economic development may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans made under AS 45.88.020 or to defray expenses incurred during foreclosure proceedings after a default by an obligor. (§ 23 ch 79 SLA 1985)

Sec. 45.88.020. Powers and duties of the department in administering the fund. (a) The department may

- (1) make loans for the purchase, construction, and installation of alternative energy systems;
- (2) adopt regulations necessary to carry out the provisions of this chapter.

(b) The department shall develop eligibility standards for loans made under this chapter and adopt guidelines for the determination of loan terms.

(c) The department may not make a loan under this chapter to a person who has a past due child support obligation established by court order or by the child support enforcement division under AS 47.23.160 -- 47.23.220 at the time of application. (§ 1 ch 29 SLA 1978; am § 6 ch 56 SLA 1979; am § 29 ch 83 SLA 1980; am § 9 ch 116 SLA 1986)

Effect of amendments. - The 1986 amendment added subsection (c).

Sec. 45.88.030. Loan terms. (a) A loan for the development of an alternative energy system under this chapter may not exceed \$30,000.

(b) The duration for repayment of the loan may not exceed 20 years.

(c) Loans made under this chapter may be used to finance the cost of purchase, construction, and installation of an alternative energy system or "centralized multifuel heating systems" which is likely to result in energy conservation or energy cost savings.

(d) All principal and interest payments on loans made under this chapter shall be paid into the alternative technology and energy revolving loan fund.

(e) The rate of interest for a loan under this section, other than a loan for an alternative energy system, may not exceed nine and one-half percent a year on the unpaid balance of the loan. The rate of interest for a loan for an alternative energy system is five percent for the first \$15,000 of the loan and 15 percent for the amount of the loan that exceeds \$15,000. (§ 1 ch 29 SLA 1978; am § 7 ch 56 SLA 1979; am § 21 ch 72 SLA 1979; am §§ 30 -- 33 ch 83 SLA 1980; am §§ 57, 58 ch 113 SLA 1982; am § 19 ch 102 SLA 1983)

Effect of amendments. - The 1983 "multifuel heating systems" in paragraph amendment inserted "or 'centralized'"

Sec. 45.88.040. Sale or transfer of mortgages and notes. (a) The commissioner may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of Commerce and Economic Development as security for loans made under this chapter.

(b) *(Repealed, § 14 ch 122 SLA 1980)* (§ 1 ch 29 SLA 1978; am § 22 ch 72 SLA 1979; am § 14 ch 122 SLA 1980)

Alternate Energy & Residential Energy Revolving Loan Funds
 Projected Payment Revenues

Fiscal Year	Alternate Energy	Residential Energy
89	1536.2	741.9
90	1531.0	710.6
91	1458.3	621.3
92	1294.0	290.4
93	1221.3	
94	1085.2	
95	1004.0	
96	924.6	
97	862.1	
98	811.6	

Prepared by: Division of Investments
 3-22-88

ME
 3-22-88

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S-1191X
Utermoehle
4/7/88

Original sponsors: Ellis, Koponen,
Menard, et al.

Funding Information
General Fund \$ 711,000
Other Funds 1,010,000
\$1,721,000

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 319 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for the Alaska
7 energy efficient home program; and providing for an
8 effective date."

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

10 * Section 1. The sum of \$261,000 is appropriated from the general fund
11 to the University of Alaska, cooperative extension service, for preparation
12 and implementation of the Alaska energy efficient home program and for
13 instrumentation and data base development for the program.

14 * Sec. 2. The sum of \$35,000 is appropriated from the general fund to
15 the University of Alaska, cooperative extension service, for research
16 activities of the Alaska energy efficient home program that have been
17 approved by the board of directors of the Alaska Craftsman Home Program.

18 * Sec. 3. The sum of \$330,000 is appropriated from the general fund to
19 the Department of Community and Regional Affairs to develop and distribute
20 educational information for the general public regarding the Alaska energy
21 efficient home program.

22 * Sec. 4. The sum of \$760,000 is appropriated from the Alaska energy
23 efficient home grant fund to the Department of Community and Regional
24 Affairs for grants to pay the incremental cost of constructing 190 rural
25 housing and urban development project homes to the standards of the Alaska
26 Craftsman Home Program.

27 * Sec. 5. The sum of \$85,000 is appropriated from the general fund to
28 the University of Alaska, cooperative extension service, for travel and
29 on-site supervision of the construction of the first home built in each of

1 the housing projects funded under sec. 4 of this Act.

2 * Sec. 6. The sum of \$250,000 is appropriated from the Alaska energy
3 efficient home grant fund to the Department of Community and Regional
4 Affairs for grants to construct at least one model home in each of the 15
5 regions established by the Department of Community and Regional Affairs for
6 the development of residential energy conservation standards for new
7 buildings.

8 * Sec. 7. All right, title, and interest in alternative energy loans
9 made under AS 45.88, together with assets and fund equities held in the
10 alternative energy revolving loan fund (AS 45.88.010) on the effective date
11 of this Act are transferred and appropriated to the Alaska energy efficient
12 home grant fund in the Department of Community and Regional Affairs.

13 * Sec. 8. The appropriations made by secs. 1 - 6 of this Act lapse into
14 the general fund June 30, 1990.

15 * Sec. 9. The appropriation made by sec. 7 of this Act does not lapse.

16 * Sec. 10. This Act takes effect on the effective date of an Act passed
17 by the Fifteenth Alaska State Legislature that establishes the Alaska
18 energy efficient home grant fund.

ANALYSIS OF CSHB 319 (C&RA)
AND PROPOSED FINANCE COMMITTEE PROVISIONS

CSHB 319:

Section 1. appropriates \$271,000 to the University of Alaska cooperative extension service.

As proposed by the Alaska Home Craftsman program Board of Directors, the break-down of this appropriation amount is as follows:

Preparation of Educational material for shelter industry:	<u>\$ 21,000</u>
- Brochure for Realtors & Appraisers	\$8,000
- Brochure for Bankers	4,000
- 18 training workshops	9,000
 Development of Energy Budget Computer Program:	 <u>\$ 60,000</u>
Support Training Teams:	<u>\$ 80,000</u>
- Annual conference with full slate training	\$20,000
- Travel and Per Diem expenses	20,000
- Workshop fees	40,000
 Program Evaluation and Monitoring:	 <u>\$110,000</u>
	 <u>-----</u>
	<u>\$271,000</u>

Section 2. appropriates \$35,000 to the University of Alaska, Cooperative Extension Service.

As proposed by the Alaska Home Craftsman program Board of Directors, the break-down of this appropriation amount is as follows:

Trade, High School, and college curriculum development and implementation:	\$20,000
 Incremental funding for demonstration homes:	 \$15,000
	 <u>-----</u>
	<u>\$ 35,000</u>

Section 3. appropriates \$330,000 to the Department of Community and Regional Affairs.

As proposed by the Alaska Home Craftsman program Board of Directors, the break-down of this appropriation is as follows:

TV and Radio Air Time, Newspaper Inserts	\$270,000
Direct Mailing (2 mailings x 30,000)	60,000
	<u>-----</u>
	\$330,000

Section 4. appropriation to the Alaska energy efficient home grant fund for the incremental cost of design and construction of 190 HUD homes to the program standards	\$760,000
---	-----------

Section 5. appropriation to DC&RA for the cost of on-site supervision of the first home in each area	85,000
--	--------

Section 6. appropriation to the Alaska energy efficient home grant fund for the cost of construction of 50 model demonstration homes	250,000
	<u>-----</u>
	\$1,095,000

TOTAL COST: \$1,721,000

PROPOSED FINANCE COMMITTEE AMENDMENTS:

Section 7. Transfers "all right, title, and interest in alternative energy loans...together with assets and fund equities" of the Alternative Energy Revolving Loan Fund to the Alaska energy efficient home grant fund.

This amendment creates a recurring funding source for the grant fund. Only the grants will be funded by this source.

Section 8. Lapses appropriations from sections 1-6 into the General Fund 6/30/90.

Section 9. States that Section 7 (which transfers the assets of the Alternative Energy Revolving Loan Fund to the Alaska energy efficient home grant fund) does not lapse.

Section 10. Provides for an effective date.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 553-1073

February 11, 1988

The Honorable Kay Brown
Alaska State House of Representatives
P. O. Box V
Juneau, AK 99811

Dear Rep. ^{CAF} Brown:

This is in response to your inquiry as to what options are available to address the energy concerns on this year's HUD housing standards that will not be covered by the new residential energy standard because of the nine-month moratorium.

*Tentatively
Approved
Locations
Attached*

According to Marlin Knight, Alaska's HUD representative, 277 single-family residences will be constructed in rural Alaska with HUD financing. Of that number, 190 will receive some form of State financial assistance. According to Mr. Knight, HUD will not know until May in which communities the projects will be located, but it will be in all of the rural regions. As a guide, the following are the locations of HUD projects this past year:

<u>Housing Authority</u>	<u>Location</u>	<u>No. Units</u>
Tlingit-Haida	Hydaburg	25
Northwest Inupiat	Kotzebue	25
Bering Straits	Unalakleet	15
	White Mountain	15
AVCP	Nunapitchak	15
	Aniak	24
	Tununak	11
	Pitkas Point	9
Bristol Bay	Ekwok	20
Aleutian	Unalaska	15
Metlakatla	Metlakatla	15
	Total	189

Regarding options to address the energy-efficiency of the 190 HUD homes that will be constructed with State financial assistance, the following are options that can be considered:

1. Education - This option would represent the status quo, except that education on energy-efficient conservation is being provided to the housing authorities through the Alaska Craftsman Training Program. While the housing authorities have been receptive to the information provided, their actions are limited by HUD's restriction of \$92,000 per home.

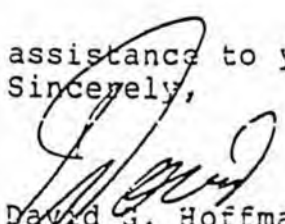
February 11, 1983

2. Amend AS 18.55.997 - The Supplemental Housing Development Grant Program matches HUD funding with State funds. Currently, the law allows the program to fund only the cost of on-site sewer and water facilities, road construction to project sites, and extension of electrical distribution facilities to individual residences. The law could be amended to include energy-efficiency in the allowable activities without necessarily needing an increase of State funding. If additional State funds are not earmarked for energy efficiency, however, this category must compete with the present categories which have been using up the funds.
3. Support the Incremental Costs of Building to the State Standard - According to our calculations, depending on the region in which the homes will be built, it will cost from \$1,279 to \$3,307 to build to the State standard over HUD's minimal standard. This would annually save \$209 to \$470, respectively, in energy costs to the low-income consumers. In FY89, this would have cost the State \$400,000 initially, and save an estimated \$94,000 annually in fuel costs (a 4.2-year payback).
4. Pay the Incremental Cost of Making the Homes Superinsulated - For an additional \$4,000, the homes could be built to reduce this energy consumption by at least 50%. This would cost the State an additional \$760,000 in 1988, but would have saved, conservatively, an estimated \$134,000 in fuel costs in the first year. (A 5.6-year paybook)

I agree with your concern regarding the energy-efficiency of new low-income rural housing. That is why we have made it a priority to work with the housing authorities on providing them technical assistance, and have adopted the residential energy standard.

I hope that the information is of assistance to you.

Sincerely,



David G. Hoffman
Commissioner

cc: Steve Baden
Program Coordinator
Conservation Programs
Department of Community and
Regional Affairs

Representative Ellis
April 6, 1988

Location of HUD projects to be out for bid May of 1988
(actual construction in FY 89)

<u>LOCATION</u>	<u>NUMBER OF UNITS</u>
Sand Point	10
Aniak	25
Pununak	25
Hydaberg	15
Haines	20
Point Hope	18
Hoonah	10
Atqasuk	2
Kaktovik	7
Shagalook	10
Beaver	10
Shismareff	20*
Golovin	20
Kotlik	16
Alekmagik	20
Alakanuk	17
Dillingham	50**
	<hr/>
	295

These are the projects which have been approved tentatively by HUD. The Department of Community and Regional Affairs has been funded in the Governor's FY '89 revised budget enough money to pay the supplemental costs of 190 homes.

* top priority

** acquisition project

INFORMATION PROVIDED BY DIVISION OF HOUSING ASSISTANCE:





The Alaska Craftsman Home Program is about better built homes and people's health, safety, and comfort. The Consumer Federation of America estimates that poor indoor air pollution costs this country \$100 billion annually. Clearly, with estimates as high as 20,000 radon induced deaths a year nationally, the mitigation methods for indoor air pollution taught in the Alaska Craftsman workshops and embodied in the voluntary standards are sorely needed. Radon is only one of over 100 indoor pollutants found in homes that cost people money and affect health.

Rural Alaskans spend between 16% and 37% of their incomes on energy bills. In many cases the government pays those costs. A superinsulated Alaska Craftsman Home saves the home owner (or government) from 50% to 90% of the heating costs and could eventually reduce Alaska's home heating bill \$80,000,000 annually.

The Alaska Craftsman Home Program is designed to provide technical information for the shelter industry and citizens of Alaska through an information network of people and publications. The program has its roots in the very successful \$50,000,000 Canadian R-2000 program and is closely tied to it. ACHP has trained 24 volunteer Alaskans to conduct workshops on the technology detailed in the new Alaska Craftsman Home Building Manual.

The program is a partnership of The Department of Community and Regional Affairs, University of Alaska Cooperative Extension Service, Energy Rated Homes of Alaska, and Alaska State Homebuilders Association.

The ACHP has set a voluntary performance standard based on the latest technology. Building this way results in significantly reduced energy bills, reduced home maintenance, increased comfort, reduced noise from outside sources, and improved indoor air quality. Plans are evaluated and homes are tested to assure compliance with the standards.

Legislation is pending to appropriate \$1,721,000 to the program by HB 318, 319 and SB 308. Funding is needed in the areas of program support for administration, training activities, monitoring (22%), public education (19%), and incentives (59%). All activities, including the incentives, are educational in nature and approximately 25 jobs will be created as a result of this appropriation.

The program needs state support to revitalize our housing industry and allow Alaska to compete in the international housing market. Many political, economic development, and environmental groups recognize the potential of this program and support it. A growing listing of these include:

The Alaska Municipal League -	Northwest Arctic Mayors Conference -	
The Matanuska Susitna Borough -	The Kenai Peninsula Borough -	
The Kodiak Island Borough -	The Municipality of Anchorage -	
Fairbanks North Star Borough -	City of Kodiak -	City of Palmer -
City of Wasilla -	City of Kenai -	City of Seward -
City of Anderson -	City of Soldotna -	Association of
Housing Authorities -	The Joint Energy Task Force of Utilities -	
North Slope Borough Utilities -	The American Lung Association -	
Alaska Center for the Environment -	Interior Economic Development Council -	
Alaska State Homebuilders Association -	Interior Homebuilders Association -	
Mat-Su Homebuilders Association -	Building Industry Association of Anchorage -	
The Anchorage Daily News -	The Frontiersman -	AVEC - MLSP - ANPinc

State energy conservation programs for the homeowner and builder

How does one build a home in Alaska? Alaska's climate varies from relatively mild maritime environments swimming in humidity with 7,000 heating degree days to wind swept arctic deserts with 22,000 heating degree days. Housing failures are immediate and dramatic in Alaska. The problem is how to build correctly in the various environments considering both the laws of physics and economics. And the solution is different for each climatic zone.

In most Alaskan communities, the demand for energy is placing a serious strain on the local economy. This is particularly true in rural communities which are subsistence based. The cost of energy is a constant drain on the local economy with money being sent out to petroleum suppliers rather than being circulated within the community. The burden that energy cost places upon the family is illustrated by the fact that rural Alaskans spend between 16% and 37% of their incomes on energy bills. It is clear that conservation has a key role to play in the state's economic development strategy as well as energy policy.

In Alaska, Government is taking a three program approach to the shelter industry regarding residential energy efficiency. The state provides a stick, a carrot and a vision.

Energy conservation works, the question becomes how to get the conservation technology adopted into the mainstream of the shelter industry. In government the natural tendency is to hammer the message home with codes. Observing the efforts in other states and the heavy industry resistance, Alaska decided to involve the private sector in the actual development of a state thermal code.

The state initiated the process by establishing an advisory committee with members representing builders, contractors, architects, engineers, bankers, code officials, and government. The committee made the key decisions in developing the standards. This allowed Alaska to find the fatal flaws prior to implementation and develop a constituency. The committee broke the state into geographically determined regions and developed though computer analysis determined the most cost effective insulation strategies for each region. The committee then determined what was economically and politically the minimal standards for each region. The committee also chose to apply the codes only to state subsidized finance programs. Objections were minimized since the state is subsidizing mortgage programs and it could be argued that the state has a 30 year interest in the homes being financed. The state programs finance nearly 75% of all home mortgages in the state so the codes will certainly impact the industry. This was the stick to move the industry forward toward conservation building practices. Yet the state wanted to win those opposed to the codes over as well.

Next the state embraced the Energy Rated Home Program. This is a program that qualifies home buyers for a larger percentage of their gross income for home mortgages on energy efficient homes. The program can increase the debt ratio up to 4 percentage points. This allows the buyer to purchase a more expensive home. This is the carrot of the energy conservation program.

The state used the same industry partnership approach to develop the program. An advisory committee was established with representatives of the appraisers, bankers, Realtors, utilities, local governments as well as the state mortgage bankers association. Energy Extension Service and Energy Conservation Program funds were

used to develop rating sheets, train bankers and appraisers, and provide the first years generic marketing of the program. The computer program that was developed and used to analyze the thermal codes was used to establish the incentive breaks for the Energy Rated Homes program. Energy Rated Homes provides a valuable and consistent measure of the efficiency of a home.

Both the carrot and stick have moved the industry with their own help forward, but where does everyone want to go?

The Alaska Craftsman Home Program is the way we have unleashed the creativity of our progressive builders and designers and at the same time created a method to share the knowledge they will gain. This program provides the vision of the industry.

Within the bureaucracy this program presents the most difficult challenges and the greatest opportunities. To carry out an ambitious program such as the Alaska Craftsman Home Program it was clear that more resources and support were necessary than one agency could provide. The Department of Community and Regional Affairs had the experience and data base as a result of the efforts of putting together the thermal standards and participation in the energy rated homes program. The Cooperative Extension Service had the education background and an unbiased and technically sound reputation. The Cooperative Extension Service also had the trust of both the industry and private citizens alike, bridging an important gap there. The Alaska state Homebuilders Association had the political clout and network with the home builders across the state.

At first glance the relationships were not clear and some lingering suspicions from the regulatory experience had to be dispelled. Common ground was found with leadership provided by the neutral Cooperative Extension Service. The Cooperative Extension Service put together the program to achieve each of the groups interests. The state wanted to encourage energy efficient construction, the Cooperative Extension Service wanted to initiate a statewide builder education program, and the Home builders wanted a stimulus for the ailing building industry, state-of-the-art information and a way to mitigate the apparent economic damage of new thermal regulation.

a great deal of effort has gone into establishing the program. Some credit has to be given to a convenient recession, and the right people in the right place at the right time for successes to date.

The thermal standards now establishes the minimal thermal levels, the Energy Rated Home Program initiates a graduated incentive program to reward people for pursuit of the state-of-the-art with the optimum being the Alaska Craftsman Home. The education program for each of the three programs is based around the state-of-the-art Alaska Craftsman Home.

The Alaska Craftsman Home Program is designed to change their standard as new information is gathered, to assure that this optimal voluntary program remains state-of-the-art. The three programs are all based on the 2 1/2 years of research the Department of Community and Regional Affairs, and Institute of Social and Economic Research did to establish the thermal standards and analysis through the AKWARM computer program. The minimal thermal standards and Alaska Craftsman are the lower and upper limits of economically viable thermal performance in Alaska. The Energy Rated Home Program measures any and all homes to see how they rate in comparison to the two standards (minimal and optimal) that have been established.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

October 19, 1987

The Honorable Alfonse D'Amato
Ranking Minority Member
Subcommittee on Housing and
Community Development
United States Senate
520 Hart Building
Washington, DC 20510

Dear Senator D'Amato:

RE: SECTION 128 OF S.825, THE 1987 HOUSING ACT

We are strongly in support of the inclusion of \$4.7 million for a demonstration project of energy efficient housing in the above referenced Act recently passed by the U.S. House of Representatives.

As you may be aware, Alaska has had more than 500 public housing units for which low-income residents/purchasers have refused to make payments because of gross deficiencies in the design and construction. This has resulted in millions of dollars spent by the federal government to settle lawsuits and also to attempt to correct these deficiencies. This has been a real problem in Alaska due to high energy costs and low-income housing built at inadequate standards.

The state is currently working with Housing and Urban Development (HUD) to provide training to Alaska housing authorities and their staff on the latest building techniques, designs, and products for the extreme Alaska climates. This program, called the Alaska Craftsman Home Program, is strongly supported by the Alaska Homebuilders Association, and the National Center for Appropriate

Supporting Localities and Agencies

North Slope Borough Utilities Department

City of Anderson

City of Palmer

Kenai Peninsula Borough

Fairbanks North Star Borough

City of Kodiak

Matanuska-Susitna Borough

Bering Straits Regional Housing Authority

City of Seward

City of Kenai

Kodiak Island Borough

Alaska Municipal League

American Lung Association of Alaska

International Conference of Building Officials

Association of Alaska Housing Authorities



April 24, 1987

The Honorable Steve Cowper, Governor
State of Alaska
P.O. Box A
Juneau, Alaska
99811

File

Dear Governor,

Recently we have received information regarding the Alaska Craftsman Home Program regarding education and implementation of efforts towards promoting high levels of energy efficiency for Alaskan Homes. Benefits to building super-insulated homes are far reaching encompassing home owners and the building industry, as well as having long range positive effects to community savings which assist in stimulating local economies, especially important to rural communities.

Here on the North Slope with communities paying the highest in the nation for heating fuel it is of the utmost importance to find and implement alternatives to insure our financial security for the years to come. Education for this generation and generations to come is very important. A recent state survey pointed out that the least likely way individual home owners learned about home energy efficiency was through the schools. With this in mind it is very important to establish a foundation on which to develop awareness for all alternatives available and capitalize on those alternatives that work.

The Alaska Craftsman Home Program Incentive Proposal is an idea which time has come, not for just our communities, but for all who call Alaska their "home". Development of the State of Alaska's Residential Thermal Standards brought us a long ways to promote the ideals of resource efficiency. Promotion on the commercial, community, and individual home owner level with it's development committed to education is indeed a worthwhile venture.

As Energy Planner for the North Slope Borough Utilities Dept. I support the Alaska Craftsman Home Program.

Best Regards
[Signature]
Energy Planner
N.S.B. Utilities

NORTH SLOPE BOROUGH

Dept. of Public Utilities, P.O. Box 20, Juneau, Alaska 99801



CITY OF ANDERSON

P.O. Box 3100 • Anderson, AK 99744 • Phone (907) 592-2500

In Reply
Refer To:

April 20, 1987

The Honorable Steve Cowper
Governor
State of Alaska
Pouch
Juneau, Alaska 99811

Dear Governor Cowper:

On behalf of the City I am writing in support of the Alaska Craftsman Home Program, (ACHP). ACHP's efforts to promote residential energy efficiency in home building construction has been impressive.

The reduction in housing costs and maximization of thermal efficiency should be a major component in any attempt to develop Alaska's rural economy(s).

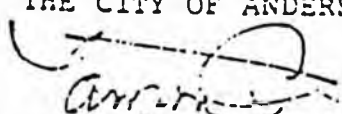
Local economic development efforts, currently underway in communities such as the City of Anderson, would be positively enhanced through the state's support of the ACHP.

Your support of programs such as the Alaska Craftsman Home Program, can help to ensure for the successful development of both rural and urban Alaska alike.

Thank you.

Sincerely,

THE CITY OF ANDERSON


Lanston Chinn
City Administrator

LC/eh

cc: Philip G. Loudon ✓

CITY OF PALMER, ALASKA

RESOLUTION NO. 765

RECEIVED 10/29/87

FEB 8 1988

A RESOLUTION SUPPORTING THE ALASKA CRAFTSMAN HOME PROGRAM.

WHEREAS, high quality energy efficient building technology developed by the Alaska Craftsman Home Program would substantially reduce home energy consumption, improve the health and safety of the occupants, improve indoor air quality, reduce the contributions of dwellings to outdoor air pollution, increase home durability, reduce home maintenance needs, and increase the economic stability of the owner, and

WHEREAS, Alaska State lawmakers have introduced legislation in the form of Senate Bill 308 and House Bill 318 and 319 which supports the Alaska Craftsman Home Program, and

WHEREAS, these bills will help improve and stimulate the homebuilding industry in Alaska through incentives and education and thereby improve the local economy of the State, and

WHEREAS, the citizens of the State of Alaska and City of Palmer will benefit substantially from the building of energy efficient homes as developed by the Alaska Craftsman Home Program,

NOW, THEREFORE BE IT RESOLVED that the City of Palmer encourages the building of homes to the energy efficiency standards of the Alaska Craftsman Home Program.

BE IT FURTHER RESOLVED that the City of Palmer supports Alaska State Senate Bill 308 and House Bill 318 and 319 to establish similar State policy and State support for the Alaska Craftsman Home Program.

Approved and adopted by the Palmer City Council this 27th day of October, 1987.



GEORGE W. CARTE, MAYOR



S. WELLS WILLIAMS, ACTING CITY CLERK

Introduced by: Sewall, Glick
Date: September 1, 1987
Action: Adopted
Vote: Unanimous

file

RECEIVED SEP 8 1987

KENAI PENINSULA BOROUGH
RESOLUTION 87-81

IN SUPPORT OF THE ALASKA CRAFTSMAN HOME PROGRAM FOR REDUCED HOME ENERGY CONSUMPTION

WHEREAS, high quality energy efficient building technology developed by the Alaska Craftsman Home Program would substantially reduce home energy consumption, improve health and safety of the occupants of dwellings, improve indoor air quality, reduce the contributions of dwellings to outdoor air pollution, increase home durability, reduce home maintenance needs, and increase the economic stability of the owner; and

WHEREAS, the citizens of the Kenai Peninsula Borough will benefit substantially from the construction of energy efficient homes following the guidelines developed by the Alaska Craftsman Home Program;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That it is the policy of the Kenai Peninsula Borough to encourage the construction of homes to the energy efficient standards of the Alaska Craftsman Home Program.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 1 DAY OF September, 1987.

ATTEST:

Jonathan W. Sewall
Jonathan W. Sewall, Assembly President

Dorothy Brundage
Borough Clerk

by Catherine J. DeLoe, Rep. Clerk

By: Juanita Helms
Introduced: 01/14/93
Adopted: 01/21/93

RESOLUTION NO. 98-078

A RESOLUTION SUPPORTING ENERGY EFFICIENCY OF HOMES

FEB 25 1993

WHEREAS, high-quality energy-efficient building technology developed by the Alaska Craftsman Home Program would substantially reduced home energy consumption, improve the health and safety of the occupants, improve indoor air quality, reduce the contribution of dwellings to outdoor air pollution, increase home durability, reduce home maintenance needs, and increase the economic stability of the owner, and

WHEREAS, Alaska state lawmakers have introduced legislation which supports efficiency in homes that support the Alaska Craftsman Home Program and this legislation will help improve and stimulate the home building industry in Alaska through incentives and education and thereby, improve the local economy of the State, and

WHEREAS, the citizens of the borough will benefit substantially from the building of energy-efficient homes as developed by the Alaska Craftsman Home Program.

NOW, THEREFORE, BE IT RESOLVED that it is the policy of the Fairbanks North Star Borough to encourage the building of homes to the energy-efficient standards of the Alaska Craftsman Home Program and further that the borough assembly supports legislation to establish similar borough policy and borough support for the Alaska Craftsman Home Program.

PASSED AND APPROVED THIS 21ST DAY OF JANUARY, 1993.


Presiding Officer

ATTEST:


Clerk of the Assembly

file

FEB 11 1988

CITY OF KODIAK
RESOLUTION NUMBER 51-87

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK SUPPORTING
THE ALASKA CRAFTSMAN HOME PROGRAM

WHEREAS, high quality energy efficient building technology developed by the Alaska Craftsman Home Program would substantially reduce home energy consumption, improve the health and safety of the occupants, improve indoor air quality, reduce dwellings' contribution to outdoor air pollution, increase home durability, reduce home maintenance needs, and increase the economic stability of the owner; and

WHEREAS, the Alaska State Legislature has introduced legislation in the form of Senate Bill 308 and House Bills 318 and 319 that support the Alaska Craftsman Home Program with the expectation that these bills will help improve and stimulate the homebuilding industry in Alaska through incentives and education and thereby improve the local economy of the City of Kodiak; and

WHEREAS, the citizens of Kodiak will benefit substantially from the building of energy efficient homes as developed by the Alaska Craftsman Home Program,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, the City of Kodiak encourages the building of homes to the energy efficient standards of the Alaska Craftsman Home Program and further that the City of Kodiak supports Alaska State Senate Bill 308 and House Bills 318 and 319 to establish similar state policy and state support for the Alaska Craftsman Home Program.

PASSED AND APPROVED this 14th day of DECEMBER, 1987.

CITY OF KODIAK

Robert B. Brodie
MAYOR

ATTEST:

Marcella Dalke
CITY CLERK

Introduced by: Mayor Jones
 Introduced: 06/02/87
 Drafted by: G.L.S.

MATANUSKA-SUSITNA BOROUGH

Resolution Serial No. 87-66

A RESOLUTION SUPPORTING THE ALASKA CRAFTSMAN HOME PROGRAM FOR
 REDUCED HOME ENERGY CONSUMPTION.

WHEREAS, high quality energy efficient building technology developed by the Alaska Craftsman Home Program would substantially reduce home energy consumption, improve health and safety of the occupants of dwellings, improve indoor air quality, reduce the contributions of dwellings to outdoor air pollution, increase home durability, reduce home maintenance needs, and increase the economic stability of the owner, and

WHEREAS, in the First Session of the Fifteenth Alaska Legislature, Senate Bill 308 and House Bill 318 supporting the Alaska Craftsman Home Program were introduced, and

WHEREAS, the adoption of said bills would improve and stimulate the home building industry in Alaska through incentives and education, thereby contributing to the overall economy of the state and the Matanuska-Susitna Borough, and

WHEREAS, the citizens of the Matanuska-Susitna Borough will benefit substantially from the construction of energy efficient homes following the guidelines developed by the Alaska Craftsman Home Program;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE

1. That it is the policy of the Matanuska-Susitna Borough to encourage the construction of homes to the energy efficient standards of the Alaska Craftsman Home Program.

2. That the Assembly supports the concepts as set out in Senate Bill 308 and House Bill 318 as introduced in the First Session of the Fifteenth Alaska Legislature to establish such a state policy and to provide support for the Alaska Craftsman Home Program.

PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 2nd day of June, 1987

Corotny A. Jones, Mayor
 Corotny A. Jones, Mayor

ATTEST:

Chris Seagraves
 Chris Seagraves, Borough Clerk
 (SEAL)

BERING STRAITS REGIONAL HOUSING AUTHORITY

Regular Meeting
of the
Board of Commissioners
April 14, 1987

Resolution 87-07

WHEREAS, high heating bill remain the greatest drain on income for Rural Alaska Residents, and

WHEREAS, programs such as the Low Income Household Energy Assistance Program (LIHEAP) and Power Cost Equalization (PCE) help Rural Alaska residents pay energy bills, and

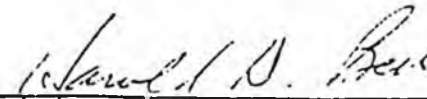
WHEREAS, even with these programs, many low income Rural Alaska residents must use large amounts of their limited cash to buy heating oil, and

WHEREAS, new high efficiency heating equipment could reduce oil consumption in thousands of rural homes by 30 - 50% , and

WHEREAS, these high efficiency units cost \$500 to \$1,000 and most Rural Alaska residents do not have sufficient capital to purchase these units,

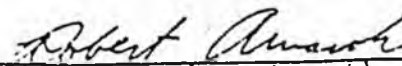
NOW THEREFORE, be it resolved that the Board of Commissioners of the Bering Straits Regional Housing Authority support the idea of the State of Alaska establishing a Low Interest Revolving Loan Fund that would enable people to reduce their heating oil consumption and save money;

Passed and approved by the Board of Commissioners of the Bering Straits Regional Housing Authority this 14 day of April, 1987.



Chairman (Harold Bell)

SEAL

Attest: 

Secretary (Robert Amarok)

Sponsored by: Gieseler

CITY OF SEWARD, ALASKA
RESOLUTION NO. 87-079

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, IN SUPPORT OF THE ALASKA CRAFTSMAN HOME PROGRAM FOR REDUCED HOME ENERGY CONSUMPTION

WHEREAS, high quality energy efficient building technology developed by the Alaska Craftsman Home Program would substantially reduce home energy consumption, improve health and safety of the occupants of dwellings, improve indoor air quality, reduce the contributions of dwellings to outdoor air pollution, increase home durability, reduce home maintenance needs and increase the economic stability of the owner; and

WHEREAS, in the First Session of the Fifteenth Alaska Legislature, Senate Bill 308 and House Bill 318 supporting the Alaska Craftsman Home Program were introduced; and

WHEREAS, the adoption of said bills would improve and stimulate the home building industry in Alaska through incentives and education, thereby contributing to the overall economy of the state and the city of Seward; and

WHEREAS, the citizens of the city of Seward will benefit substantially from the construction of energy efficient homes following the guidelines developed by the Alaska Craftsman Home Program;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, that:

Section 1. It is the policy of the city of Seward to encourage the construction of homes to the energy efficient standards of the Alaska Craftsman Home Program.

Section 2. The City Council supports the concepts as set out in Senate Bill 308 and House Bill 318 as introduced in the First Session of the Fifteenth Alaska Legislature to establish such a state policy and to provide support for the Alaska Craftsman Home Program. .

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, this 14 day of September, 1987.

FEB 20 1988

RECEIVED 11 18 1987

Suggested By: City Council

CITY OF KENAI

RESOLUTION 87-57

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, SUPPORTING THE ALASKA CRAFTSMAN'S HOME PROGRAM FOR REDUCED HOME ENERGY CONSUMPTION CONCEPT.

WHEREAS, in the first session of the Fifteenth Alaska Legislature, SB 308 and HB 318 supporting the Alaska Craftsman's Home Program were introduced, and

WHEREAS, the adoption of said bills would improve and stimulate the home building industry in Alaska through incentives and education thereby contributing to the overall economy of the state, the Kenai Peninsula Borough and the City of Kenai, Alaska, and

WHEREAS, the Alaska Craftsman's Home Program will be benefitted economically by reducing home energy consumption, they will also be benefitted by improved health and safety of such constructed dwellings, the indoor air quality will be improved and their home maintenance needs will be decreased.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, that said Council supports the concepts as set out in SB 308 and HB 318 as introduced in the first session of the Fifteenth Alaska Legislature to establish a state policy and to provide support for the Alaska Craftsman's Home Program.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2nd day of September, 1987.

John J. Williams

JOHN J. WILLIAMS, MAYOR

ATTEST:

Janet Wheilan

Janet Wheilan, City Clerk

2025 NOV 24 1057

KODIAK ISLAND BOROUGH
RESOLUTION NO. 87-71-R

A RESOLUTION OF THE KODIAK ISLAND BOROUGH ASSEMBLY SUPPORTING THE ALASKA CRAFTSMAN HOME PROGRAM.

WHEREAS, high quality energy efficient building technology developed by the Alaska Craftsman Home Program would substantially reduce home energy construction, improve the health and safety of the occupants, improve indoor air quality, reduce the contributions of dwellings to outdoor air pollution, increase home durability, reduce home maintenance needs, and increase the economic stability of the owner; and

WHEREAS, Alaska state lawmakers have introduced legislation in the form of Senate Bill 308 and House Bill 318 and 319 that support the Alaska Craftsman Home Program. And that these bills will help improve and stimulate the homebuilding industry in Alaska through incentives and education and thereby improve the local economy of the Kodiak Island Borough; and

WHEREAS, the citizens of the Kodiak Island Borough will benefit substantially from the building of energy efficient homes as developed by the Alaska Craftsman Home Program.

NOW, THEREFORE, BE IT RESOLVED by the Kodiak Island Borough Assembly that it is the policy of the Kodiak Island Borough to encourage the building of homes to the energy efficiency standards of the Alaska Craftsman Home Program;

AND BE IT FURTHER RESOLVED that the Kodiak Island Borough supports Alaska State Senate Bill 308 and House Bill 318 and 319 to establish similar state policy and state support for the Alaska Craftsman Home Program.

PASSED AND APPROVED this 5 day of November, 1987.

KODIAK ISLAND BOROUGH

By [Signature]
Borough Mayor

By [Signature]
Presiding Officer

ATTEST:

By [Signature]
Borough Clerk

FEB 5 1988

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-36

A RESOLUTION SUPPORTING ENERGY EFFICIENCY OF HOMES.

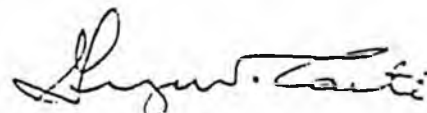
WHEREAS, high-quality energy-efficient building technology developed by the Alaska Craftsman Home Program would substantially reduce home energy consumption, improve the health and safety of the occupants, improve indoor air quality, reduce the contribution of dwellings to outdoor air pollution, increase home durability, reduce home maintenance needs, and increase the economic stability of the owner, and

WHEREAS, Alaska state lawmakers have introduced legislation which supports efficiency in homes that support the Alaska Craftsman Home Program and this legislation will help improve and stimulate the home building industry in Alaska through incentives and education and, thereby, improve the local economy of the State, and

WHEREAS, the citizens of the State of Alaska will benefit substantially from the building of energy-efficient homes as developed by the Alaska Craftsman Home Program;


NOW, THEREFORE, BE IT RESOLVED that it is the policy of the Alaska Municipal League to encourage the building of homes to the energy-efficient standards of the Alaska Craftsman Home program and further that the Alaska Municipal League supports legislation to establish similar state policy and state support for the Alaska Craftsman Home Program.

Adopted this 13th day of November 1987.



George W. Carte, President

ATTEST:



Scott A. Burgess, Executive Director

AMERICAN  LUNG ASSOCIATION of ALASKA
Dedicated to the prevention and control of lung disease

FEB 1 1988

RECEIVED OCT 26 1987

October 22, 1987

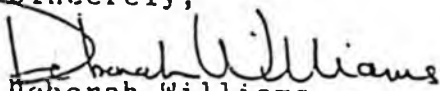
Governor Steve Cowper
P.O. Box A
Juneau, Alaska 99811

Dear Governor Cowper:

Indoor air quality is a pressing issue in Alaska. Two pending bills, HB 318 and 319, help address indoor air quality in a very practical manner through the Alaska Craftsman Home Program. Building energy efficient homes that also have healthful air quality is an important and achievable goal.

We urge your support of the Alaska Craftsman Home Program and other measures that promote indoor air quality.

Sincerely,


Deborah Williams
Executive Director

cc. Dan Markle

DW/cc

International Conference of Building Officials

Alaska Southeast Chapter

POSITION PAPER SB-308 HB-318 ENERGY EFFICIENT BUILDING TECHNOLOGY

Our members support this bill and all efforts to achieve affordable well built housing in Alaska.

The standards of the Alaskan Craftsman Home Program represent the latest in scientific technology adapted to our unique climatic and economic conditions. Homes built to these standards will be healthier, less expensive to maintain and more durable than other housing units.

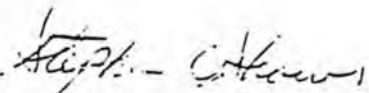
Creation of this fund will provide needed employment in the construction industry. This program could dramatically reduce the energy consumption of both new and existing dwellings in the State.

Local economies will benefit from the increase in disposable income which these energy savings will provide. Increased employment and improved general health of the population will contribute to long term economic stability.

These housing units are the legacy we will leave to future generations. Our innovations and courage will be appreciated now and for many years to come.

We request your continued support in this effort.

Sincerely,



Stephen O. Shows
President

FEL

ASSOCIATION OF ALASKA HOUSING AUTHORITIES

RESOLUTION NO. 87-9

A RESOLUTION SUPPORTING THE ALASKA CRAFTSMAN HOME PROGRAM.

WHEREAS, high quality energy efficient building technology developed by the Alaska Craftsman Home Program would substantially reduce home energy consumption, improve the health and safety of the occupants, improve indoor air quality, reduce the contributions of dwellings to outdoor air pollution, increase home durability, reduce home maintenance needs, and increase the economic stability of the owner, and

WHEREAS, Alaska State lawmakers have introduced legislation in the form of Senate Bill 308 and House Bill 318 and 319 which supports the Alaska Craftsman Home Program, and

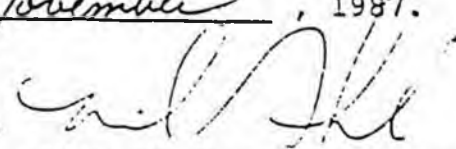
WHEREAS, these bills will help improve and stimulate the homebuilding industry in Alaska through incentives and education and thereby improve the local economy of the State, and


WHEREAS, the citizens of the State of Alaska will benefit substantially from the building of energy efficient homes as developed by the Alaska Craftsman Home Program,

NOW THEREFORE BE IT RESOLVED that the Association of Alaska Housing Authorities encourages the building of homes to the energy efficiency standards of the Alaska Craftsman Home Program.

BE IF FURTHER RESOLVED that the Association of Alaska Housing Authorities supports Alaska State Senate Bill 308 and House Bill 318 and 319 to establish similar State policy and State support for the Alaska Craftsman Home Program.

Approved and adopted by the Association of Alaska Housing Authorities this 24 day of November, 1987.


Mike Shuler, President


Flo Sicob, Secretary