

LEGISLATIVE FINANCE - HOUSE / SENATE FINANCE COMM. FILES 8879

HB 453 cont. - HB 463 526 117

# MEMORANDUM

## State of Alaska

Department of Transportation and Public Facilities

TO: Alison Elgee  
Director  
Division of Budget Review

DATE: February 14, 1989

FILE NO.:

TELEPHONE NO: 465-2171

FROM: Mark S. Hickey *MSH*  
Commissioner  
ADOT&PF

SUBJECT: General Fund Costs  
Public Safety  
Employee Association  
Agreement

This memo will identify the costs to the state general fund related to the Public Safety Employee Association Agreement as the arbitrators opinion would apply to this department. You were earlier supplied the estimated costs for the International Airport Revenue Fund in conjunction with information supplied by Commissioner Andrews.

There is one Airport Safety Officer, in Cold Bay, that is funded from the general fund. The increased costs for this position are as follows:

	Salary	Uniform Allowance
Fiscal year 1988	\$13,452	\$576
Fiscal year 1989	\$14,037	\$576

cc: John Andrews, Commissioner, Department of Administration  
William R. Snell, Regional Director, Central Region  
Keith Gerken, Deputy Commissioner, Operations, ADOT&PF  
Ron Lind, Director, Plans, Programs and Budget  
Janet Ignell, Personnel Officer, ADOT&PF

09-14-74-05-00 (0-25-57579-0617 )

## STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 09:44 5/24/89

AGENCY: DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES PROGRAM: FAIRBANKS INT'L AIRPORT  
CATEGORY: TRANSPORTATION SUB-PROGRAM: SECURITY

LEG. FIN.

EXPENDITURES & FUNDING	FISCAL YEAR 1990												
	(01) FY88 ACT	(02) FY89 CC	(03) FY89 RP	(04) FY89 SUP	(24) FY89 ATH	(27) FY90 AGY	(28) FY90 GOV	(08) GOV AMD	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	2394.9	2764.0			2764.4	2830.2	2830.2	3643.2	2648.1	2830.2	2830.2		
02 TRAVEL	13.5	10.0			10.0	13.0	13.0	13.0	13.0	13.0	13.0		
03 CONTRACTUAL	66.1	90.3			90.3	91.3	91.3	91.3	91.3	91.3	91.3		
04 COMMODITIES	85.1	68.0			68.0	90.3	90.3	90.3	90.3	90.3	50.3		
05 EQUIPMENT	18.0	14.5			14.5	14.5	14.5	14.5	14.5	14.5	14.5		
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
MM TOTAL EXPEND	2577.6	2946.0			2946.0	3039.3	3039.3	3852.3	2857.2	3039.3	3039.3		
09 I-A TRANSFER													
1027 INTL AIRPT	2577.6	2946.8			2946.8	3039.3	3039.3	3852.3	2857.2	3039.3	3039.3		
15 FULL TIME	43.0	43.0			43.0	43.0	43.0	43.0	43.0	43.0	43.0		
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS	516.0	516.0			516.0	516.0	516.0	516.0	516.0	516.0	516.0		

CHANGES FROM FY89 AUTHORIZED TO FY90 BASE

REF# DESCRIPTION		AGENCY / GOVERNOR				LINE ITEM IMPACT							
WHO:	PFT	PPT	TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
2061 PROJECTED FY '90 HEALTH BENEFIT ADJUSTMENT (\$68.3)													
AGY:	0.0	0.0	66.2	0.0	66.2	66.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	66.2	0.0	66.2	66.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CHANGES FROM FY90 BASE TO FY90 ADJUSTED BASE

REF# DESCRIPTION		AGENCY / GOVERNOR				LINE ITEM IMPACT							
WHO:	PFT	PPT	TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
3193 TRANSFER RISK MANAGEMENT REDUCTION FROM FIA ADMIN TO SECURITY FOR NEW CONTRACT REQUIREMENTS													
AGY:	0.0	0.0	26.3	0.0	26.3	0.0	0.0	4.0	22.3	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	26.3	0.0	26.3	0.0	0.0	4.0	22.3	0.0	0.0	0.0	0.0
3194 FIA SECURITY TRANSFERS FROM CONTRACTUAL TO TRAVEL FOR SECURITY TRAINING													
AGY:	0.0	0.0	0.0	0.0	0.0	0.0	3.0	-3.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	0.0	0.0	0.0	0.0	3.0	-3.0	0.0	0.0	0.0	0.0	0.0

CHANGES FROM FY90 GOVERNOR REQUEST TO FY90 GOVERNOR AMENDED

REF# DESCRIPTION		AGENCY / GOVERNOR				LINE ITEM IMPACT							
WHO:	PFT	PPT	TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
5011 MONETARY TERMS OF THE PSEA AGREEMENT													
AGY:	0.0	0.0	813.0	0.0	813.0	813.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	813.0	0.0	813.0	813.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

09-14-72-05-00 (0-25-57542-0610 )

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 09:44 5/24/89

AGENCY: DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES PROGRAM: ANCHORAGE INT'L AIRPORT  
 CATEGORY: TRANSPORTATION SUB-PROGRAM: SECURITY

LEG. FIN.

EXPENDITURES & FUNDING	FISCAL YEAR 1990												
	(01) FY88 ACT	(02) FY89 CC	(03) FY89 RP	(04) FY89 SUP	(24) FY89 ATH	(27) FY90 AGY	(28) FY90 GOV	(08, GOV AMD	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILL'S	(13) LEG.REC.
01 PERS. SERV.	3792.7	4062.7		4062.7	4274.7	4274.7	5425.8	3897.0	4232.8	4232.8			
02 TRAVEL	18.7	16.0		16.0	16.0	16.0	16.0	16.0	16.0	16.0			
03 CONTRACTUAL	186.2	336.9		336.9	336.9	336.9	336.9	336.9	336.9	336.9			
04 COMMODITIES	166.2	168.9		168.9	168.9	168.9	168.9	168.9	168.9	168.9			
05 EQUIPMENT	67.7	66.4		66.4	66.4	66.4	66.4	66.4	66.4	66.4			
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
MM TOTAL EXPEND	4231.5	4650.9		4650.9	4862.9	4862.9	6014.0	4485.2	4821.0	4821.0			
09 I-A TRANSFER		10.0		10.0	10.0	10.0	10.0	10.0	10.0	10.0			
1027 INTL AIRPT	4231.5	4650.9		4650.9	4862.9	4862.9	6014.0	4485.2	4821.0	4821.0			
15 FULL TIME	79.0	80.0		80.0	81.0	81.0	71.0	80.0	80.0	80.0			
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS	948.0	960.0		960.0	972.0	972.0	960.0	960.0	960.0	960.0			

CHANGES FROM FY89 AUTHORIZED TO FY90 BASE

REF# DESCRIPTION		AGENCY / GOVERNOR				LINE ITEM IMPACT							
WHO:	PFT	PPT	TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
2054 PROJECTED FY '90 HEALTH BENEFIT ADJUSTMENT (\$127.2)													
AGY:	0.0	0.0	122.1	0.0	122.1	122.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	122.1	0.0	122.1	122.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CHANGES FROM FY90 BASE TO FY90 ADJUSTED BASE

REF# DESCRIPTION		AGENCY / GOVERNOR				LINE ITEM IMPACT							
WHO:	PFT	PPT	TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
3178 TRANSFER MAINT WORKER FROM AIA BUILDING MAINT WORKER TO AIA SECURITY, RECLASS TO ENVIRONMENTAL ASST													
AGY:	1.0	0.0	41.9	0.0	41.9	41.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	1.0	0.0	41.9	0.0	41.9	41.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3184 TRANSFER RISK MANAGEMENT REDUCTIONS FROM AIA ADMIN TO AIA SECURITY PERSONAL SERVICES													
AGY:	0.0	0.0	48.0	0.0	48.0	48.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	48.0	0.0	48.0	48.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CHANGES FROM FY90 GOVERNOR REQUEST TO FY90 GOVERNOR AMENDED

REF# DESCRIPTION		AGENCY / GOVERNOR				LINE ITEM IMPACT							
WHO:	PFT	PPT	TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
5008 AIA SECURITY - TRANSFER MAINTENANCE WORKER TO AIA ADMINISTRATION													
AGY:	-1.0	0.0	-41.9	0.0	-41.9	-41.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	-10.0	0.0	-41.9	0.0	-41.9	-41.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5010 MONETARY TERMS OF THE PSEA AGREEMENT													
AGY:	0.0	0.0	1193.0	0.0	1193.0	1193.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	1193.0	0.0	1193.0	1193.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

09-14-32-25-00 (0-25-57534-0564 )

## STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 09:39 5/24/89

AGENCY: DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES PROGRAM: CENTRAL REGION MAIN & OPER  
 CATEGORY: TRANSPORTATION SUB-PROGRAM: HIGHWAYS AND AVIATION

LEG. FIN.

## ----- F I S C A L Y E A R 1 9 9 0 -----

EXPENDITURES & FUNDING	(01) FY88 ACT	(02) FY89 CC	(03) FY89 RP	(04) FY89 SUP	(24) FY89 ATH	(27) FY90 AGY	(28) FY90 GOV	(08) GOV AMD	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	10618.6	10451.1			10451.1	10941.5	10793.7	10807.7					
02 TRAVEL	176.0	89.6			89.6	128.9	99.8	99.8					
03 CONTRACTUAL	10776.2	11411.6			11411.6	12176.7	11940.5	11940.5					
04 COMMODITIES	4093.0	4218.2			4218.2	4440.2	4365.2	4365.2					
05 EQUIPMENT	163.4												
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
MM TOTAL EXPEND	25827.2	26170.5			26170.5	27687.3	27199.2	27213.2					
09 I-A TRANSFER		8479.6			8479.6	8713.4	8541.2	8541.2					
1002 FED RCPTS	309.4	335.7			335.7	342.1	342.1	342.1					
1004 GEN FUND	25452.0	25684.5			25684.5	27194.9	26706.8	26720.8					
1005 GF/PRGM	65.8	150.3			150.3	150.3	150.3	150.3					
15 FULL TIME	175.0	175.0			175.0	176.0	176.0	176.0					
16 PART TIME	38.0	38.0			38.0	38.0	38.0	38.0					
17 TEMPORARY													
18 STAFF MONTHS	2331.0	2331.0			2331.0	2379.0	2361.0	2361.0					

CHANGES FROM FY90 GOVERNOR REQUEST TO FY90 GOVERNOR AMENDED

REF# DESCRIPTION		AGENCY / GOVERNOR			LINE ITEM IMPACT								
WHO:	PFT	PPT	TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
5012 MONETARY TERMS OF THE PSEA AGREEMENT													
AGY:	0.0	0.0	14.0	14.0	0.0	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	14.0	14.0	0.0	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CHANGES FROM FY90 GOVERNOR REQUEST TO FY90 GOVERNOR AMENDED

REF#	DESCRIPTION	AGENCY / GOVERNOR			LINE ITEM IMPACT .....								
WHO:	PFT	PPT	TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
5012	MONETARY TERMS OF THE PSEA AGREEMENT												
AGY:	0.0	0.0	14.0	14.0	0.0	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	14.0	14.0	0.0	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**HB**

**453**

SENATE FINANCE COMMITTEE REPORT

DATE: 2/8/90

FURTHER:

DATE TURNED INTO OFFICE: 2/22/90

The Finance Committee considered CSHB 453 (Finance)

Miscellaneous supplemental appropriations for arbitration awards for fiscal year 1990 and prior fiscal years; efd.

and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_
- or adopt \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- \_\_\_\_\_ letter of intent adopted

- same title
- new title
- technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

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

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

fiscal note(s) Dept/Date: \_\_\_\_\_

fiscal note(s) Dept/Date: \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

<sup>15,796,636</sup> appropriation-no fiscal note

DO PASS

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

*[Handwritten signatures: Ricketts, Paul Fischer, etc.]*

1. *[Signature]* DO-PASS- 2.

Co-Chairs: Signatures and Recommendations

Funding Information: General Fund \$1,892,636  
Other Funds 3,887,000  
\$5,769,636

Original sponsor(s): Finance Committee

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 453 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making miscellaneous supplemental appropri-  
7 ations for arbitration awards for fiscal year 1990  
8 and prior fiscal years; and providing for an effective date."  
9

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

11 \* Section 1. The sum of \$370,900 is appropriated from the general fund  
12 to the Department of Administration to satisfy an arbitration award for  
13 labor, trades, and crafts employees for the 1988 Columbus Day Holiday.

14 \* Sec. 2. The sum of \$611,100 is appropriated from the general fund to  
15 the Department of Administration to satisfy an arbitration award for fiscal  
16 years 1989 and 1990 regarding contract terms between the state and Local 71  
17 for class 1 employees of the labor, trades, and crafts bargaining unit.

18 \* Sec. 3. The sum of \$4,787,636 is appropriated to the Department of  
19 Administration to satisfy an arbitration award regarding monetary terms of  
20 the agreement with the Public Safety Employees Association for fiscal years  
21 1988, 1989, and 1990, from the following sources:

22 International Airports Revenue Fund \$3,887,000

23 General Fund 900,636

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

# STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSICNER

 (85) #B 453  
STEVE COWPER, GOVERNOR

P.O. BOX C  
JUNEAU, ALASKA 99811-0200  
PHONE: (907) 465-2200

January 24, 1990

The Honorable Sam Cotten  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811-3100

HB 453  
SB 426

Dear Mr. Speaker:

Pursuant to AS 23.40.215(b), I am hereby submitting the monetary terms of the agreement arising from interest arbitration with the "Class 1" employees (AS 23.40.200) in the Labor, Trades & Crafts (LTC) bargaining unit.

The enclosed memorandum from me to Alison Elgee identifies the specific monetary terms applicable for FY 89, FY 90 and FY 91. Funding for these terms will be formally requested by the Office of the Management and Budget.

This agreement is not for an entire bargaining unit; rather, it is for a subgroup of approximately 392 employees representing approximately 23 percent of the full group of 1,695.

Sincerely,



Frank Baxter  
Commissioner

FB/BAC/vcy  
G1214bacl

cc: The Honorable Steve Cowper  
Governor  
Office of the Governor

Alison Elgee  
Director  
Division of Budget Review  
Office of Management & Budget

Gary Bader  
Deputy Commissioner  
Department of Administration

Bruce Cummings  
Director  
Division of Labor Relations  
Department of Administration

# MEMORANDUM

## State of Alaska

TO: Alison Elgee  
Director  
Division of Budget Review  
Office of the Management and Budget  
Office of the Governor

DATE: January 24, 1990

FILE NO:

TELEPHONE NO: 465-2200

THRU:

SUBJECT: Monetary Terms of Agreement with Class 1 Employees of the Labor, Trades, and Crafts (LTC) Bargaining Unit

FROM: Commissioner Frank Baxter  
Department of Administration

*Frank Baxter*

On January 17, 1990 Arbitrator William H. Dorsey rendered his Opinion and Award regarding the contract terms between the State and Public Employees Local #71 for the Class 1 [ref. AS 23.40.200(a)] employees of the Labor, Trades and Crafts Bargaining Unit. I am advising you of the monetary terms of the agreement.

As you are aware, the Department of Administration must submit the monetary terms of an agreement to the legislature. I am doing so simultaneously with the memorandum to you.

### Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes that require an appropriation for their implementation, changes that will result in a change in State revenues, or change that will result in a change in productive work hours for State employees.

#### A. Require Appropriation

The arbitrator's award covered three issues. Two of these would increase personal services costs, one would reduce personal services costs. Although the third would not require an appropriation for its implementation, it is included in the figures below.

1. Retroactive payment of \$675.00 per employee for calendar year 1989. The payment is prorated by pay periods (semimonthly) actually worked. Our cost estimates are:

	FY 89	FY 90
Retroactive Pay	\$132.1	\$132.1
Benefits Costs (25%, excludes health ins.)	33.0	33.0
	<u>\$165.1</u>	<u>\$165.1</u>

2. The length of time for movement from Step A to Step B is increased from 150 days to 210 for new permanent employees.

hired after November 16, 1989. Savings will be realized beginning 151 days after November 16, 1989, or approximately April 16, 1990. Our estimates are:

	FY 90	FY 91	
Increase Step A duration	-\$10.9	-\$52.5	
Benefits Savings (at 25%, excludes health ins.)	- 2.7	- 13.1	
	<u>-\$13.6</u>	<u>-\$65.6</u>	
	FY 90	FY 91	
3. Pay increase of 4.6% effective 1/1/90 (includes benefits)	\$294.8	\$589.5	
	FY 89	FY 90	FY 91
Summary: Supplemental Budget Amendment	\$165.1	\$446.0	\$523.9
TOTAL			<u>\$1,135.0</u>

The above figures are based on 392 Class 1 employees.

B. State Revenues

There are no provisions in the new agreement that would change State revenue.

C. Productive Works Hours

There are no provisions in this agreement that would change productive work hours.

Legislation

Legislation is now necessary to fund these monetary terms; they require an appropriation for their implementation. Further detail on this agreement can be obtained from Ron Hamilton, Division of Labor Relations, at 465-4404.

FB/vcy

G0123:MC

cc: Bruce Cummings ✓  
Director  
Division of Labor Relations  
Department of Administration

is a nonbinding, advisory expression of legislative intent. If within 60 legislative days after the agreement is submitted the legislature advises the parties by concurrent resolution that it disapproves the monetary terms of the agreement, the parties may resume negotiations. (§ 2 ch 113 SLA 1972; am § 1 ch 10 SLA 1984)

**Effect of amendments.** — The 1984 amendment, effective February 24, 1984, added subsection (b).

**Opinions of attorney general.** — To the extent the cost of negotiated group life and health insurance coverage exceeds

what the State would have paid under its employer-sponsored plan, the negotiated coverage is subject to legislative approval under this section. January 23, 1978. Op. Att'y Gen.

NOTES TO DECISIONS

Applied in *Hafling v. Inlandboatmen's Union*, Sup. Ct. Op. No. 1743 (File No. 3438), 585 P.2d 870 (1978).

Cited in *Warwick v. State ex rel. Chance*, Sup. Ct. Op. No. 1252 (File No. 2712), 548 P.2d 384 (1976).

**Sec. 23.40.220. Labor or employee organization dues and employee benefits, deduction and authorization.** Upon written authorization of a public employee within a bargaining unit, the public employer shall deduct from the payroll of the public employee the monthly amount of dues, fees and other employee benefits as certified by the secretary of the exclusive bargaining representative and shall deliver it to the chief fiscal officer of the exclusive bargaining representative. (§ 2 ch 113 SLA 1972)

**Sec. 23.40.225. Exemption from Public Employment Relations Act.** Notwithstanding the provisions of AS 23.40.220, a collective bargaining settlement reached, or agreement entered into, under AS 23.40.210 that incorporates union security provisions, including but not limited to a union shop or agency shop provision or agreement, shall safeguard the rights of nonassociation of employees having bona fide religious convictions based on tenets or teachings of a church or religious body of which an employee is a member. Upon submission of proper proof of religious conviction to the labor relations agency, the agency shall declare the employee exempt from becoming a member of a labor organization or employee association. The employee shall pay an amount of money equivalent to regular union or association dues, initiation fees, and assessments to the union or association. Nonpayment of this money subjects the employee to the same penalty as if it were nonpayment of dues. The receiving union or association shall contribute an equivalent amount of money to a charity of its choice not affiliated with a religious, labor or employee organization. The union or association shall submit proof of contribution to the labor relations agency. (§ 1 ch 85 SLA 1976)

Title 23  
Labor and Worker's Compensation

Title 22  
Judiciary

§ 23.40.210

A court, in deciding the total equities in only the impact of an employee organization's obligations. If an injunction is issued under AS

all other public (1) or (a)(2) of this strike if a majority of secret ballot to do

(d) of this section, employer may agree in petition or application ent may provide in icted solely accord- Act is incorporated h 113 SLA 1972)

licit with the statutory ety Employees Ass'n v. s. No. 2607 (File No. ) (1983). e. — The duty to main- nder a collective bar- : providing for bush hich a contract remedy hus arbitrable. Public ss'n v. State, Sup. Ct. lo. 6053), 658 P.2d 769

able. — The legality ressed and plainly formula was held not e terms of a contract for arbitration in ie meaning or applica- erms of the contract oyees Ass'n v. State, 7 (File No. 6053), 658

licit nonwaiver provi- 40, the right to sue Residential Landlord S 34.03, cannot be ed away in a collec- ment which provides ic Safety Employees

Ass'n v. State, Sup. Ct. Op. No. 2607 (File No. 6053), 658 P.2d 769 (1983).

**Sec. 23.40.210. Agreement.** Upon the completion of negotiations between an organization and a public employer, if a settlement is reached, the employer shall reduce it to writing in the form of an agreement. The agreement may include a term for which it will remain in effect, not to exceed three years. The agreement shall include a pay plan designed to provide for a cost-of-living differential between the salaries paid employees residing in the state and employees residing outside the state. The plan shall provide that the salaries paid, as of August 26, 1977, to employees residing outside the state shall remain unchanged until the difference between those salaries and the salaries paid employees residing in the state reflects the difference between the cost of living in Alaska and living in Seattle, Washington. The agreement shall include a grievance procedure which shall have binding arbitration as its final step. Either party to the agreement has a right of action to enforce the agreement by petition to the labor relations agency. (§ 2 ch 113 SLA 1972; am § 1 ch 62 SLA 1977)

NOTES TO DECISIONS

Applied in *Haffing v. Inlandboatmen's Union*, Sup. Ct. Op. No. 1743 (File No. 3438), 585 P.2d 870 (1978).

**Sec. 23.40.212. Agreement with the Board of Regents.** (a) The Board of Regents of the University of Alaska may delegate to the Department of Administration its authority under AS 23.40.070 — 23.40.260 to negotiate with an organization for an agreement.

(b) The Department of Administration shall participate in the negotiations between the Board of Regents and an organization. An agreement between the board and an organization requires the approval of the department. (§ 1 ch 148 SLA 1978)

**Sec. 23.40.215. Funding and legislative approval.** (a) The monetary terms of any agreement entered into under the Public Employment Relations Act are subject to funding through legislative appropriation.

(b) The Department of Administration shall submit the monetary terms of an agreement to the legislature within 10 legislative days after the agreement of the parties, if the legislature is in session, or within 10 legislative days after the convening of the next regular session. The legislature shall advise the parties by concurrent resolution if it approves or disapproves of the monetary terms within 60 legislative days after the agreement is submitted to the legislature. The approval of the monetary terms of an agreement under this subsection

Title 24  
Legislature

Sena Blickenstaff  
8127 Lloyd Drive  
Anchorage, AK 99502

February 16, 1990

To: All members of the Senate Finance Committee  
RE: HB 453

State agreed to jurisdiction, authority and binding decision of arbitrator when it agreed to submit classification/pay dispute to arbitrator for resolution. State agreed to last best offer to be resolved by arbitrator. Time to dispute arbitrator's authority was before agreeing to binding arbitration. Bill should be passed, lawsuit dropped.

HB

456

# HOUSE COMMITTEE REPORT File

(11)

Date Referred: March 30, 1990

FURTHER REFERRALS:

Date of Committee Action: 4/30/90

The FINANCE Committee considered:

SSHB 456

SS BILL NO. 456

FISHERIES BUSINESS TAX REFUNDS

"An Act relating to the fisheries business tax and to the allocation of fisheries business tax receipts to certain municipalities by the Department of Community and Regional Affairs; and providing for an effective date."

**RECOMMENDATIONS:**

- be replaced with CS SS HB 456 (FIN)  the same title
- a new title
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note CS RA; Dept Rev.
- zero with analysis \_\_\_\_\_
- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) \_\_\_\_\_
- zero fn/analysis \_\_\_\_\_

**SIGNING DO PASS:**

\_\_\_\_\_  
Hoffman

\_\_\_\_\_  
Swackhammer

\_\_\_\_\_  
Ulmer

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SIGNING:**

(Check approp. column)

	Do Not Pass	No Rec	Amend
_____ Larson	X		
_____ Brown	X		
_____ Koponen	X		
_____ Phillips	✓		
_____ Riege	X		
_____ Barnes	X		
_____			
_____			
_____			

\_\_\_\_\_  
Larson  
CO-Chairman's Signature

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: "An Act relating to the fisheries  
business tax....."

Agency Affected: Community & Regional Affairs  
BRU: Local Government Assistance

Sponsor: Representative Goll  
Requestor: \_\_\_\_\_

Components: Statewide Assistance

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES			23.1	23.1	24.0	24.0
TRAVEL			2.0	2.0	2.0	2.0
CONTRACTUAL			3.0	3.0	3.0	3.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>28.1</b>	<b>28.1</b>	<b>29.0</b>	<b>29.0</b>

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

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

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	28.1	28.1	29.0	29.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>28.1</b>	<b>28.1</b>	<b>29.0</b>	<b>29.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME	-0-	-0-	1	1	1	1
TEMPORARY						

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

There is no fiscal effect for FY 90.

Prepared by: Jim Plasman, Deputy Director  
Division: Municipal & Regional Assistance

Phone: 465-4750  
Date: 4/30/90

Approved by Commissioner: David K. Hoffman  
Agency: Community & Regional Affairs

Date: 4-30-90

**Distribution (by preparer):**

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

Adopted

Position Title <b>Grants Administrator</b>		No. of Positions <b>1</b>	Range/Step <b>17 A</b>	Burg. Unit <b>GGU</b>
Time Status <b>Part-time</b>	Staff Months <b>6 months</b>		Location <b>Juneau</b>	Election District
		Justification		
Type of Expenditure		Amount		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	17.4			
Benefits	5.0			
Premium Pay				
Other				
Total Personal Services		22.4		
Travel		2.0		
Contractual		3.0		
Commodities				
Equipment		1.0		
Other				
Total Cost		28.4		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	28.4		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

This position will administer the tax sharing program. The amount of work associated with the program does not justify a full-time position.

**Request For  
New Position**

Agency Community & Regional Affairs  
 BRU Local Government Assistance  
 Component Statewide Assistance

Page 2 of 2  
 Revised Date

**FY 91**

STATE OF ALASKA  
1990 LEGISLATIVE SESSION

BILL VERSION: CSSSHB 456 (FIN)  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Fisheries Business Tax Refunds to Municipalities  
Sponsor: Goll  
Requestor: Finance

Agency Affected: Revenue  
BRU: Income & Excise Audit  
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	<\$4000.>	<\$4000.>	<\$4000.>	<\$4000.>

Adopted

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Ketter *Steven E. Ketter* Phone: (907) 465-2320  
Division: Income and Excise Audit Date: April 30, 1990

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: April 30, 1990  
Agency: Department of Revenue

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

Original sponsor(s): REP. GOLL

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 456 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

12 \* Section 1. AS 29.60 is amended by adding a new section to read:

13 ARTICLE 6. SHARED FISHERIES BUSINESS TAXES.

14 Sec. 29.60.450. FISHERIES BUSINESS TAX ALLOCATION. (a) A  
15 municipality may receive a fisheries business tax allocation under  
16 this section if the municipality demonstrates to the department that  
17 the municipality suffered significant effects from fisheries business  
18 activities during the base year.

19 (b) The amount transmitted each fiscal year under AS 43.75.137  
20 shall be apportioned by the department to each management area based  
21 on the ratio of the management area's production value to the total  
22 production value for all of the management areas. The department  
23 shall allocate the amount available for each management area to each  
24 municipality in that management area based on the demonstrated effects  
25 on the municipality of fisheries business activities, the commercial  
26 fishing vessel days in that municipality, or both.

27 (c) A municipality that receives a tax allocation under this  
28 section shall use the tax allocation to help reduce the effect of  
29 fisheries business activities on the municipality, which may include

1 the expenses of any municipal service.

2 (d) At the request of the department, an applicant or a re-  
3 cipient of a tax allocation shall provide the department with the  
4 assistance and information available to the municipality that is  
5 necessary for the department to carry out the department's duties  
6 under this section relating to that municipality.

7 (e) The department may adopt regulations necessary to carry out  
8 the provisions of this section.

9 (f) In this section

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

12 (2) "commercial fishing vessel day" means a day for which a  
13 fishing vessel licensed under AS 16.05.490 pays the municipality a  
14 moorage, harbor, or docking fee;

15 (3) "effect" means the result of fisheries business activ-  
16 ities on the municipality's

17 (A) population;

18 (B) employment;

19 (C) finances;

20 (D) air and water quality;

21 (E) fish and wildlife habitats; and

22 (F) ability to provide essential public services,  
23 including health care, public safety, education, transportation,  
24 marine garbage collection and disposal, solid waste disposal,  
25 utilities, and government administration;

26 (4) "fisheries business activity" means activity related to

27 (A) fishing, including but not limited to the catching  
28 and sale of fisheries resources;

29 (B) vessel moorage and vessel and gear maintenance;

1 (C) preparing fisheries resources for transportation;  
2 and

3 (D) processing fisheries resources for sale by  
4 freezing, icing, cooking, salting, or other method and includes  
5 but is not limited to canneries, cold storages, freezer ships,  
6 and processing plants;

7 (5) "management area" means one of the geographical units  
8 designated by the Board of Fisheries by regulation adopted under  
9 AS 16.05.251(a)(2) for the management of commercial fisheries of the  
10 state;

11 (6) "production value" means the weight of the fish and  
12 shellfish produced by floating fisheries businesses.

13 \* Sec. 2. AS 43.75 is amended by adding a new section to read:

14 Sec. 43.75.137. ADDITIONAL REFUND. To the extent that appro-  
15 priations are available for the purpose, and notwithstanding the  
16 requirement of AS 37.07.080(e) that approval of the office of manage-  
17 ment and budget is required, an amount equal to 50 percent of the tax  
18 revenue that is collected under this chapter from floating fisheries  
19 businesses and is not subject to division with a municipality under  
20 AS 43.75.130 shall be transmitted each fiscal year, without the ap-  
21 proval of the office of management and budget, by the department to  
22 the Department of Community and Regional Affairs for disbursal to  
23 eligible municipalities under AS 29.60.450.

24 \* Sec. 3. This Act takes effect July 1, 1992.



# CITY OF DILLINGHAM

P.O. Box 889  
Dillingham, Alaska 99576

CITY HALL (907) 842-5211  
TELEX (907) 842-5691  
FIRE RESCUE (907) 842-2288  
PLANNING (907) 842-5203  
PUBLIC WORKS (907) 842-5148

## POLICY POSITION - H.B. 456

Mr. Chairman, members of the House Finance Committee, my name is Joe McGill and I am the Mayor of Dillingham. I am here today to testify in favor of H.B. 456.

For the past five legislative sessions, one the City's top legislative priorities has been the issue of sharing raw fish taxes collected from floating processors with local governments impacted by those processing activities.

Perhaps some brief background information on this issue would be helpful in framing the public policy issues surrounding this matter. Since statehood it has been the policy of the State of Alaska to share raw fish taxes with incorporated communities in or near the area in which the fishery resource is harvested and processed.

When the original tax sharing statute was originally implemented, the vast majority of fish processing facilities were located onshore. However, with the passage of time, advent of new technology, and changing economics of fishery resource processing, an ever-increasing amount of processing is taking place offshore--outside of municipal boundaries. The net effect of this trend is that onshore communities--which serve as staging areas for the offshore processing activities--bear the brunt of the impacts created by the processing activities. However, the impacted communities do not receive any of the taxes paid to the State by the offshore processors. We believe this an inequitable situation which must be addressed.

Further, as a matter of public policy, we believe that any bill which passes the Legislature should incorporate the following basic distribution plan:

Incorporated governments located within ADF&G commercial fishery management areas which are impacted by a fishery should be eligible for any funds which would be distributed under this bill. We urge the Committee to consider adopting the distribution plan utilized by the Department of Community and Regional Affairs under the pilot project program of several years ago.

In closing, the City of Dillingham wishes to express its

strong support for the passage of H.B. 456 which includes our proposed distribution plan. We also wish to stress that legislation patterned after our proposal would accomplish the following public policy objectives:

1. It would correct a long-standing inequity in current law which adversely affect local governments which absorb the impacts created by offshore processors, but receive no financial assistance to cope with those impacts.

2. It holds the promise of giving local governments access to a long-term, stable source of income which will exist long after Prudhoe Bay revenues have dried up.

3. It discourages the recent trend by local governments to implement "creative alternatives" to capture tax revenues from floating processors, such as annexing bay with boundaries drawn to include areas where floating processors now operate.

In the Community and Regional Affairs Committee and in the Resources Committee there have been concerns expressed regarding the fiscal impact of this legislation. In addition, there have been concerns expressed about the impact of the onshore fish tax credit for construction of processing facilities. It is our understanding the fish tax credit program will end next year. Therefore, to ease the Committee's potential concern about fiscal impact on the State Treasury, we suggest a delayed effective date on the bill to July 1, 1991 or July 1, 1992.

Mr. Chairman, members of the Committee, the City thanks you for giving us the opportunity to testify on this important bill.

STATE OF ALASKA  
THE LEGISLATURE

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


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 26, 1990

SUBJECT: Draft Community & Regional Affairs Committee  
Substitute for House Bill 456 - sectional  
analysis

TO: Representative Eileen MacLean, Chair  
House Community & Regional Affairs Committee  
ATTN: Rena Bukovich

FROM: Jack Chenoweth  
Legislative Counsel 

The draft committee substitute substantially modifies the sponsor substitute offered ten days ago.

The legislation establishes a mechanism for sharing additional revenue derived from the fisheries business tax. Bill section 2, adds a new section, AS 43.75.137, to the chapter levying and collecting the fisheries business tax. It directs that 50% of the amounts received by the Department of Revenue from the current tax levy on floating fisheries businesses that is not already shared with municipalities under existing AS 43.75.130 is to be transferred to the Department of Community & Regional Affairs to support the new revenue sharing mechanism.

The specifics of the sharing mechanism are set out in bill section 1. AS 29.65.450, added by that bill section, directs the Department of Community & Regional Affairs as follows:

Subsection 450(a) establishes as a threshold requirement for receipt of a revenue sharing entitlement that the recipient shall be a municipality and the municipality shall have "suffered significant effects from fisheries business activities during the base year."

Subsection 450(b) sets out the formula for computation of entitlements:

$$\frac{\text{commercial fishing vessel days}}{.01 \times \text{municipal population in preceding year}} + \frac{\text{commercial fishing vessel days}}{\text{distribution factor}}$$

in which the distribution factor is the larger of:

(1) the receiving municipality's per capita distribution of the fisheries business tax under AS 43.75.130 during the preceding year; or

(2) the average statewide per capita distribution of the fisheries business tax (calculated for all receiving municipalities) under AS 43.75.130 during the preceding year.

Subsection 450(c) authorizes pro rata distribution of the distribution of the tax money available for distribution.

Subsection 450(d) directs a municipality receiving an entitlement to use the entitlement "to help reduce the effect of fisheries business activities on the municipality," but allows the local government to use the money to meet the expenses of any municipal service.

Subsection 450(e), a management provision, directs the Department of Community & Regional Affairs to calculate the factors applicable to determine the distribution, and requires the municipal applicants and recipients to cooperate with the department in carrying out the program responsibilities.

Subsection 450(f) authorizes the department to adopt necessary regulations.

Subsection 450(g) sets out definitions for terms used in the preceding subsections. Note, especially, the definitions of "commercial fishing vessel day" and "fisheries business activity."

Bill section 3 sets the effective date for this measure as July 1, 1990, the start of the next fiscal year.



P.O. Box 23, Craig, Alaska 99921

(907) 826-3275

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January 12, 1990

Rep. Peter Goll  
P.O. Box V  
Juneau 99811

Dear Representative Goll:

The situation with the boat harbors in Craig is getting desperate. Every year the North Cove harbor sustains considerable damage from winter storms because it is not adequately protected. Because Craig receives no raw-fish tax, we are unable to adequately maintain the on-going maintenance required by the State contract let alone do the repairs necessary every year as a result of the winter storms. Moorage fees just do not generate enough revenues as we have spaces for only 129 vessels.

In order to solve the harbor problems, we have tried several approaches:

-First, in order to protect the North Cove harbor, we declared through a City Resolution (see attached) that an emergency existed that required funds to install a temporary log-boom breakwater to prevent further damage to the harbor. We then requested and received support from Emergency Services and DOT/PF to seek a declaration from the Governor for emergency funds (see attached). The Governor on 1/5/90, although agreeing that the need for the breakwater had been demonstrated, did not grant the request as other funding methods were available (see attached letter).

-Secondly, the City Council passed a Resolution authorizing the Administrator to seek legislative assistance in mitigating the problem caused by the City not receiving any raw-fish tax while at the same time providing services for one of the largest purse-seine and troll fleets in Alaska (see attached). This problem is further compounded by the fact that although the demand is there resulting in a 2 to 3 year waiting list for moorage, the City does not have enough moorage spaces to meet the demand and generate revenues to support the harbors. Every year other City revenues are used to cover the deficit created by harbor support. In working with both Southeast Conference and AML, we were able to get these organizations to support resolutions calling for a stronger commitment to collect raw-fish tax and to find ways to use raw-fish tax to support fishing harbors located in the unorganized borough (see attached resolutions). The problem remains, however, and Craig has received no raw-fish tax revenues for many years.

page 2.

Try though we have, we have to date been unsuccessful in both of these efforts. Hence the purpose of this correspondence.

(1)The immediate problem of annual damage to North Cove harbor must be addressed first in that the risk of loss of property and the endangerment of life and limb must be prevented or at least reduced significantly. The temporary log-boom breakwater will go a long way to reducing these risks. Although the log-boom will not protect against significant swells from the north, nevertheless it will eliminate damaging chop and the subsequent icing present whenever a northerly winter storm occurs. The City of Craig is therefore asking that you and your fellow legislators assist us in finding at least \$150,000 to construct a temporary log-boom breakwater in accordance to the requirements of DOT. As you will note from the emergency application, the City will contribute some in-kind services to complete the project. The permit application with the Corps of Engineers has already been submitted and they have indicated that the process can be expedited if necessary.

As you will note, I have indicated that this is a temporary breakwater, one that eventually will have to be replaced with a permanent rock breakwater. The Corps of Engineers is in the process of conducting a reconnaissance and feasibility study of the Craig harbor under the provisions of the Safe Harbor Act and a more permanent breakwater will have to wait until the completion and recommendation of this study.

(2)The long range solution to Craig's harbor problems is dependent upon whether or not adequate funds are available for harbor expansion and repair. As we all know, the primary source of these funds is in the distribution of the raw-fish tax back to the municipalities harboring the fishing fleet and providing support to the fishing and fish-processing effort.

In 1989, \$15,721,755 of raw-fish tax was collected and distributed back to the cities and organized boroughs throughout Alaska. Petersburg received \$807,316, Ketchikan City & Borough received \$690,163 and Craig received \$0. All of the fish caught and landed in Craig by the Craig based fleet was transported to and processed in either Petersburg or Ketchikan, hence these communities received the tax collected for these fish. All raw-fish tax revenues collected outside of the city limits of Craig by floating processors buying from the Craig based fleet was kept entirely by the State as the processors were located in the unorganized borough. These, I might add, are processors located within a very short distance from Craig, some within sight of the city limits.

page 3

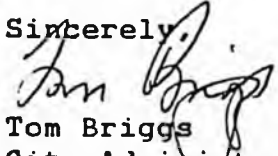
We realize that the obvious solution to this problem is to attract processors within the city limits of Craig. Every effort is being made to do this from upgrading our water supply (estimated completion of water treatment plant is Fall of 1990) to settling the land reconveyance issue with our local native corporation. In the meantime, however, the fact is that a large amount of tax collected in the unorganized boroughs throughout the State is not going to municipalities harboring the fishing fleet but is being collected and held by the State. I can't believe that this was the Legislature's intent when they passed Title 43.75, the statute establishing the fisheries business tax imposed upon shore-based and floating processors, commonly referred to as the "raw-fish tax".

In AS 43.75.130, Refund to local governments, it is very apparent that the Legislature intended that 50 percent of the tax was to go back to the municipalities supporting the fishing and processing activities. The only problem with the statute is that it fails to address the distribution back to the municipalities of the tax collected in the unorganized borough. Realizing that the method for allocation of tax revenues back to municipalities in the unorganized borough may be unclear, it nevertheless is something that can be worked out on a formula based on population, harbor space or other criteria.

May I request that the Legislature please address the inequities in the manner that the raw-fish tax is distributed to the municipalities that are involved in harboring and supporting the fishing fleets throughout Alaska. Without these tax revenues intended for the effected municipalities, adequate care and maintenance of our harbors will fall far short of that necessary to attract and provide for a professional fishing fleet, especially in light of the declining State revenues and the declining logging industry.

Thank you for attention to these problems and I look forward to hearing from you on these or other matters.

Sincerely,

  
Tom Briggs  
City Administrator



TELEPHONE  
(907) 586-1325  
FAX 463-5480

217 SECOND STREET, SUITE 200  
JUNEAU, ALASKA 99801

## AML PRIORITY ISSUES

April 4, 1990

### RESTORATION OF FUNDING FOR MUNICIPAL ASSISTANCE AND REVENUE SHARING

The League seeks restoration of funding for the Municipal Assistance and State Revenue Sharing programs in recognition of the shared resources and responsibilities of the State and local governments to provide essential services to Alaska's citizens.

The League requests that for FY 91 the Municipal Assistance Program be funded at not less than \$56,084,400, the FY 89 appropriation level and the level requested by the Governor for FY 90. The League requests that the State Revenue Sharing Program be funded for FY 91 at \$40,773,400, the FY 89 appropriation level and the level requested by the Governor for FY 90.

**Bill Number:** HB 500, the Governor's budget

**Status:** HB 500 is in House Finance; HB 101, which would increase minimum entitlements under the Revenue Sharing Program from \$25,000 to \$50,000 with a \$3.4 million hold-harmless cost, is in Senate Finance.

**Action Needed:** Restoration of the 6 percent cuts in Municipal Assistance and Revenue Sharing plus passage of HB 101 (with the inclusion of the \$3.4 million for the hold harmless provision).

### FULL FUNDING FOR EDUCATION

The League requests full funding for public education, including the Education Foundation Formula (\$512,771,092) and the School Construction Debt Reimbursement Program (\$131,500,000), in recognition of the State's constitutional responsibility to provide education to all of Alaska's children.

### **REMOVAL OF SALES TAX CAP**

The League supports legislation that would remove the 6 percent sales tax cap currently imposed on general law municipalities.

**Bill Number:** SB 505

**Status:** SB 505 is awaiting a hearing in Senate Finance (it is tentatively scheduled for a hearing next week). Zero fiscal note.

**Action Needed:** Passage.

### **REMOVAL OF RESTRICTIONS ON SEPARATE TAXATION OF ALCOHOL**

The League supports legislation that would allow municipalities to tax alcohol at any rate and in the absence of other sales taxes.

**Bill Number:** SB 507

**Status:** SB 507 is awaiting a hearing in Senate Labor and Commerce

**Action Needed:** Passage.

### **SHARING OF FISHERIES BUSINESS TAX RECEIPTS WITH MUNICIPALITIES**

The League supports legislation establishing a program to share fisheries business tax receipts from processors operating outside municipal boundaries with affected municipalities to mitigate the impacts of the fisheries on the provision of local services.

**Bill Number:** HB 456  
SB 512

**Status:** CSHB 456 (C&RA) is awaiting a hearing in House Finance Committee. SB 512 is waiting for a hearing in Senate Resources.

**Action Needed:** Passage of HB 456.

### **REPORTING OF REAL PROPERTY TRANSACTION VALUES**

The League supports legislation requiring that real property transaction values be reported and that this information be made available to municipalities.

The Alaska Municipal League supports establishment of a program to share fisheries business tax proceeds from offshore processors with affected municipalities to mitigate the impacts of the fisheries on the provision of local services.

Coastal municipalities must provide additional governmental services because of the impact of seafood processors, both within and outside municipal boundaries. It is important that tax receipts from all types of processors be shared with the municipalities affected by their operations.

Under the provisions of AS 43.75, Fisheries Taxes, all processors must pay a fisheries business tax to the State. Only the portion of the tax collected as a result of processing activity that takes place within municipal boundaries is shared with municipalities. This is intended to help offset the demands on local services resulting from the influx of people, demand for utilities, increased use of health facilities, additional call for law enforcement, and other impacts that result from the fish harvesting and processing activities. The formula for distribution of these tax revenues is based on the revenue generated from fisheries business operations occurring within municipal boundaries. The municipalities get 50 percent, and the State retains 50 percent. Shared fisheries tax revenues are a substantial source of revenue for many local governments: in FY 89, for example, 53 municipalities received over \$15.7 million, with shares ranging from as little as \$52.50 to over \$1.7 million (Bristol Bay Borough and Kodiak Island Borough).

Current statutes provide that the revenue generated from fish processing plants located outside municipal boundaries goes entirely to the State and is not shared with local governments, in spite of the fact that the activities of these processors do impact local governments. Many municipalities have to provide additional services as a result of offshore processing operations outside their borders, for instance health services, garbage hauling, and expanded law enforcement activities. These impacts can be significant to municipalities and their taxpayers, especially in proportion to the level of service provided to their permanent municipal population. However, the State, which does not provide services at the local level, receives the tax receipts from the processors operating outside municipal boundaries.

In FY 1989, the total tax liability of processors was \$41.3 million. Of this, \$31.4 million was attributable to processing activity that took place within municipal boundaries (resulting in a \$15.7 million distribution to municipalities). The balance, \$9.9 million, was attributable to processors operating outside municipalities and

was retained by the State. If this had been shared 50/50 with affected municipalities, local governments would have received up to \$4.95 million to help mitigate the additional costs of providing services to processors and their employees.

The League supports a program that would share the fisheries business tax revenues generated from processors located outside municipal boundaries with those communities that can demonstrate an effect on municipal operations resulting from the processors' activities. During FY 86, the Department of Community and Regional Affairs conducted a pilot project to allocate revenues from offshore processing activities to municipalities, and legislation (HB 314/SB 454) was introduced in 1988 that would have made such a program permanent. The impact of offshore processors on local government operation is, if anything, increasing, and municipalities, which must provide services to such processors, should be given a share of the revenue received by the State from them.

**NOTE:** Senator Zharoff is planning to introduce legislation (copy attached) that would establish a program to share fisheries business tax revenue collected from processors outside municipal boundaries with affected municipalities.

# **FISH TAX COMPLIANCE PROJECT**

**FIRST ANNUAL REPORT  
JANUARY 31, 1990**

**PREPARED BY:**

**STEVEN E. KETTEL  
VINCENT D. WRIGHT  
ALASKA DEPARTMENT OF REVENUE**

## Introduction

The Department of Revenue, Income and Excise Audit Division is responsible for enforcement and collection of the Fisheries Business Tax, also known as the raw fish tax, under AS 43.75. The tax is generally levied against fish processors engaged in processing raw fish products in the state. The tax is also collected from fishermen and others who export fish out of the state in an unprocessed form. The rate of tax varies depending upon the type of processing conducted, the species of fish processed, location of the fish caught or the method used to catch the fishery resource. Revenues from the fisheries business tax are placed in the general fund. One-half of the tax is shared back to cities and boroughs in which the processing activities occurred. Chart #3 illustrates our present fish tax collection and distribution and is more fully discussed at the end of this report.

Recently, the Alaska legislature directed that the department increase its level of fish tax and license compliance and approved increases in the division's budget to enhance its tax compliance activities in the fish tax area. The request for enhanced compliance has also been recently echoed by the Alaska Municipal League, Legislative Audit and the former House Research Agency. As late as 1982 the division had audit and compliance personnel in Fairbanks and Juneau and twice the staff it now has in Anchorage. Due to budget cutbacks and the partial reallocation of resources to oil and gas audit, Fairbanks and Juneau offices were closed. Audit and compliance activities in fisheries, mining and to some degree motor fuel tax was curtailed. In FY88 and FY89 the governor requested and legislators appropriated additional resources to the division to increase compliance specifically in the area of fisheries taxes. This initial report is designed to give the reader a historical perspective of fish tax collection efforts and focus attention on the need for additional resources to ensure that the fish processing industry pays its fair share of taxes to the state.

## Fish Tax Task Force

On June 16, 1988 the division established a fish tax compliance task force. The general purpose for the task force was to increase tax collections and compliance with fish tax laws through in-field audit examinations, increased visibility of department personnel on the fishing grounds, and enhanced communications with industry and civic leaders in the state's fisheries hot spots.

Several objectives for the force were established and were accomplished. These included:

- 1) Coordinating efforts with Fish and Wildlife Protection and the Department of Fish and Game;
- 2) Establishing a Fish Tax evasion hotline;

- 3) Implementing the exchange of information program with the cities and boroughs affected by revenue sharing;
- 4) Increasing in-field activities including vessel boardings and field audits;
- 5) Utilizing public service announcements, and using radio, newspaper and television to advertise our presence in the fishing community and our determination to collect appropriate fish taxes due the state.

#### Juneau Audit & Compliance Unit

In conjunction with the task force, the division has also reallocated resources to establish a tax audit and compliance unit in Southeast Alaska. By April 1, we anticipate having on staff a supervisor, two auditors and a tax examiner to coordinate the fish tax audit and compliance activities in Southeast Alaska, Kodiak, the Aleutians and Pribilofs. Staffing problems have delayed the formation of the group, but recent hirings have put us in good shape going into the 1990 fishing season.

#### Measuring Performance

The division is given limited funding in which to perform its legislatively mandated functions. The division is required to administer twelve different tax programs in addition to five shared tax and license programs along with the unclaimed property program. Consequently, it is required to allocate its resources to ensure compliance with every tax law it administers. How those resources are allocated depends in large measure on the level of compliance presently existing and the anticipated increase in state revenues that audit activities may bring.

Two factors led the Governor and legislature to place additional resources in this division specifically to address fisheries tax issues. First, was the perception that voluntary compliance was low as a result of several years of limited audit activities. Second, the Americanization of the Bering Sea bottomfish industry has resulted in an increase in the number of fishermen and floating processors having contact with Alaska's ports, and the development of additional shoreside processing capacity. The potential for tremendous volumes of fish coming near shore or onshore for processing also dramatically increased. With the majority of this activity taking place in remote areas of the state, voluntary compliance was anticipated to be low.

Beginning in fiscal year 1988 and continuing through 1989, the division has increased its audit activity and its visibility on the fishing grounds. Staff have visited the lucrative Sitka herring fishery, Valdez, Kodiak, Kenai Peninsula, Bristol Bay, Port Moller, Dutch Harbor and St. Paul. At each site vessels were boarded and other enforcement and data gathering actions were taken. In terms of dollars and cents these efforts have proven highly successful. Chart #1 compares the value of tax assessments and adjustments made to tax returns over the past 6 years, with the administrative costs we

have allocated to conduct compliance activities. In FY89, the last complete year in which statistics are available, nearly \$1.5 million in adjustments to fish taxes were made. Less than \$200,000 was expended to generate that tax, for a 7 to 1 return. In FY90, assessments have already outdistanced FY89's results with nearly half the year yet remaining. Costs to administer the program have increased. However, we do not believe we have reached the point of diminishing returns. In fact, we have more complaints, leads, anonymous tips and requests from other agencies than we have staff to handle them.

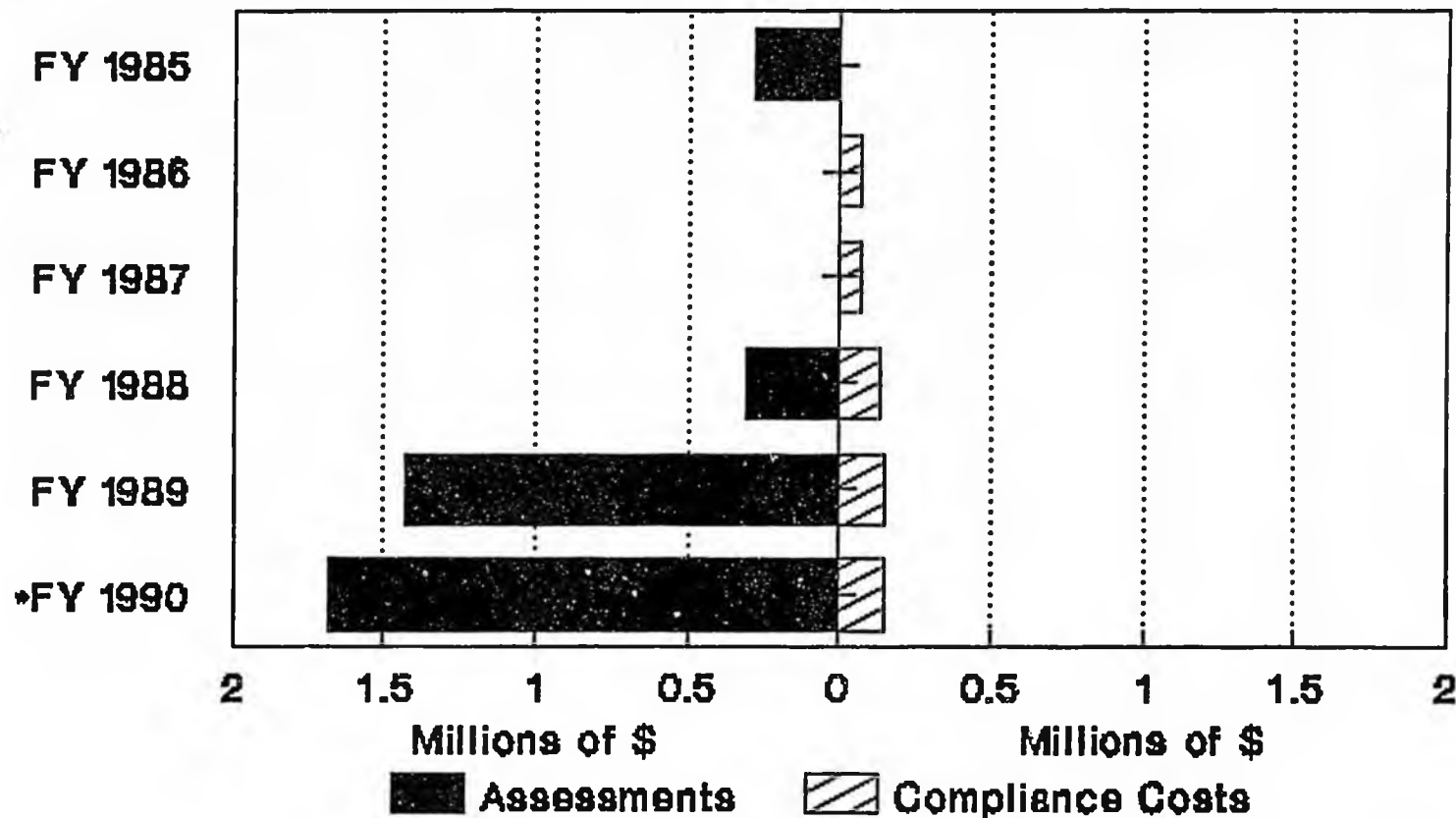
The trend for fish tax revenues is up over the past 3 years and most agree there is no sign of the fishing boom leveling off in the near future. Chart #2 illustrates the significant increase in fish tax collections from FY87 through FY89, matching the dramatic rise in the value of Alaska fish harvest. The division's resources are being seriously challenged to keep up with the boom. The large numbers of floating processors moving into many new areas such as the Pribilofs, and outer reaches of Alaska's Western shores are creating new compliance problems. We do not have the personnel to be on site for all important fisheries. High travel costs to those remote areas are stretching our budget resources even further.

#### Disposition of Raw Fish Tax

As with many of the tax types administered by this department, much of the raw fish tax revenues which would otherwise flow to the general fund is either shared with communities impacted by the fishing industry or donated back to the fish processors in the form of tax credits. Total fish tax take before revenue sharing and credits has risen from \$18 million in FY 85 to a record \$41.4 million in FY 89. In that same time frame general fund revenues available for appropriation actually has declined from a high of \$18.3 million in FY 87 to \$11.0 million in FY 89.

The decline in general fund revenues is attributed to two causes. The Department has worked much more closely with local communities and floating processors to ensure that revenue generated in those municipalities is properly shared. Secondly, beginning in FY 88 fish processors were entitled to deduct from their fish tax liability a credit for expenditures made to construct, improve, or increase the quality or capacity of their shorebased processing operations. In FY 88 and FY 89 these credits have reduced general fund revenues by over \$21 million. Chart #3 illustrates the disposition of raw fish tax from FY 86 through FY 89.

# Assessments vs Compliance Cost ( Fisheries )



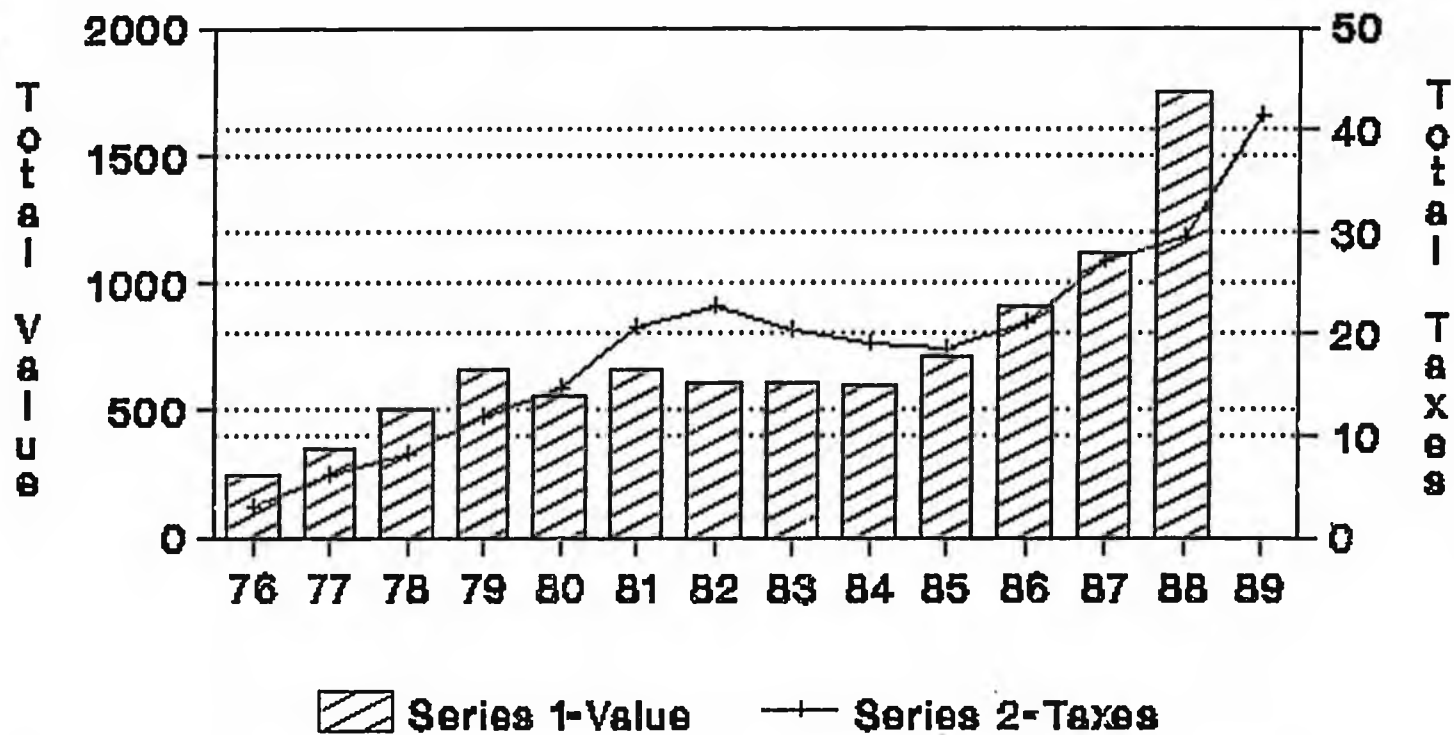
\*The costs and assessments are for one half year only.

CHART 1

DEPT. OF REVENUE  
1-31-90

# Fisheries

## Value vs. Taxes (millions of \$)

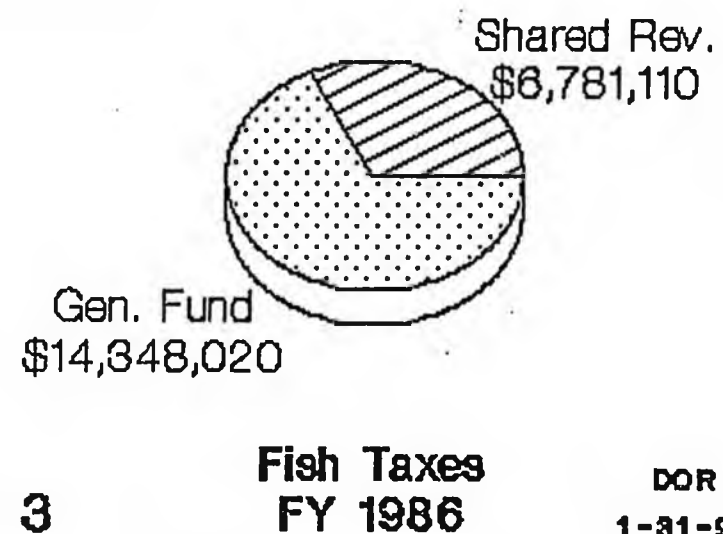
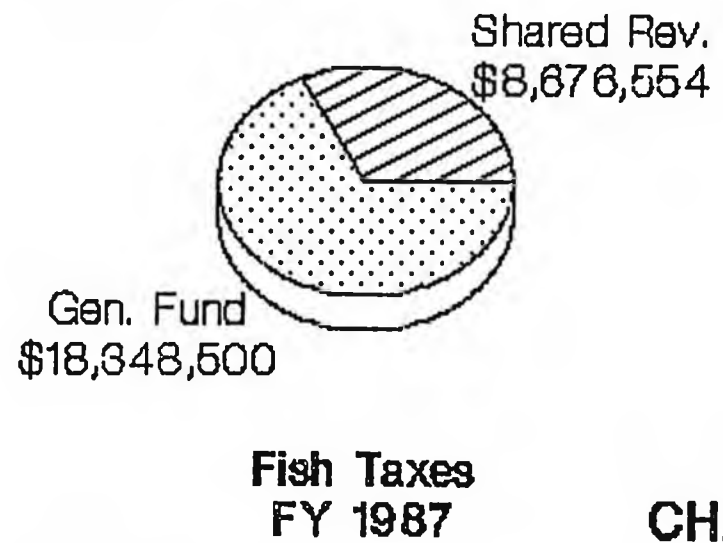
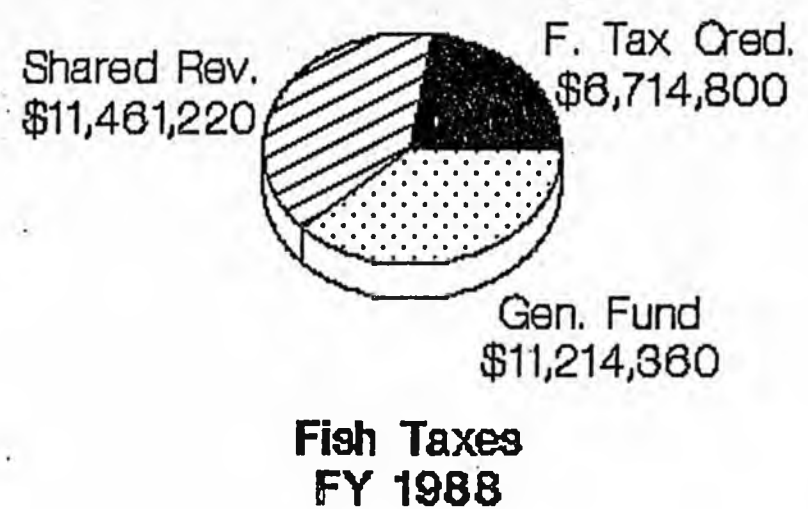
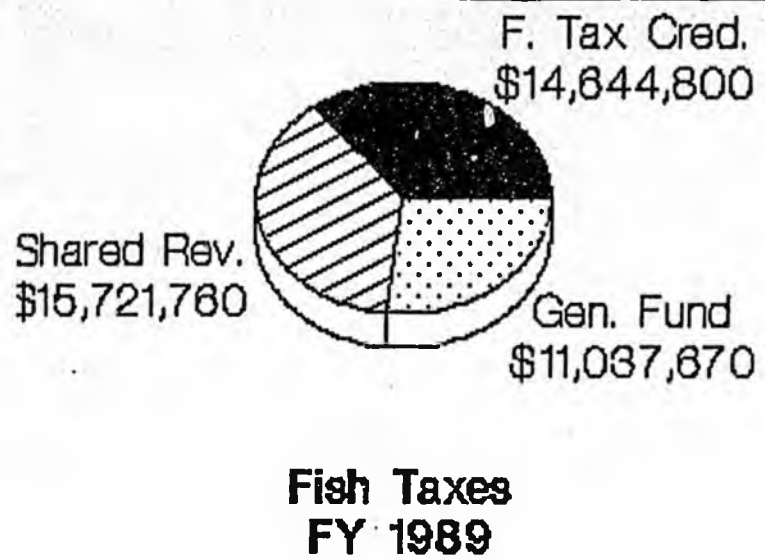


Source of Value Info. - Dept. of F&G  
Value Data by CY - Tax Data by FY

**CHART 2**

DEPT. OF REVENUE  
1-31-90

# DISPOSITION OF FISH TAXES



**CHART 3**

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: "An act relating to fisheries  
 business tax refunds."  
 Sponsor: Goll  
 Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
 BRU: Local Government Assistance  
 Components: Statewide Assistance

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	22.4	22.4	23.1	23.1	24.0	24.0
TRAVEL	2.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	3.0	3.0	3.0	3.0	3.0	3.0
SUPPLIES						
EQUIPMENT	1.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>28.4</b>	<b>27.4</b>	<b>28.1</b>	<b>28.1</b>	<b>29.0</b>	<b>29.0</b>

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

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

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	28.4	27.4	28.1	28.1	29.0	29.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>28.4</b>	<b>27.4</b>	<b>28.1</b>	<b>28.1</b>	<b>29.0</b>	<b>29.0</b>

**POSITIONS:**

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

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

No fiscal impact in FY 90.

Prepared by: Jim Plasman, Deputy Director  
 Division: Municipal & Regional Assistance

Phone: 465-4750  
 Date: 02-27-90

Approved by Commissioner: David C. Hoffman  
 Agency: Community & Regional Affairs

Date: 2-27-90

**Distribution (by preparer):**

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

Position Title <b>Grants Administrator</b>		No. of Positions <b>1</b>	Range/Step <b>17 A</b>	Barg. Unit <b>GGU</b>
Time Status <b>Part-time</b>	Staff Months <b>6 months</b>	Location <b>Juneau</b>		Election District
<b>Justification</b>				
<b>Type of Expenditure</b>		<b>Amount</b>		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	17.4			
Benefits	5.0			
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>22.4</b>		
Travel		2.0		
Contractual		3.0		
Commodities				
Equipment		1.0		
Other				
<b>Total Cost</b>		<b>28.4</b>		
<b>Funding Source for Total Cost</b>				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	28.4		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

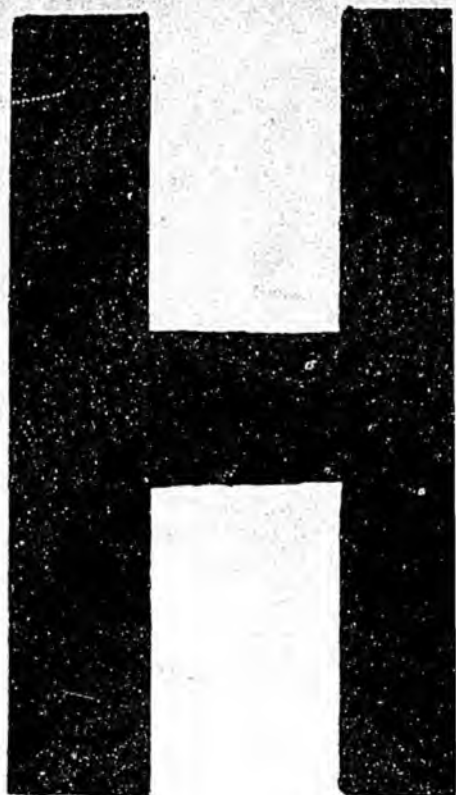
This position will administer the tax sharing program. The amount of work associated with the program does not justify a full-time position.

**Request For  
New Position**

Agency Community & Regional Affairs  
 BRU Local Government Assistance  
 Component Statewide Assistance

Page 1 of 1  
 Revised Date

**FY 91**



# SENATE FINANCE COMMITTEE REPORT

DATE: 5/5/90

FURTHER:

DATE TURNED INTO OFFICE: 5/7/90

The Finance Committee considered

CS SSB 456 (Finance)

"An Act relating to the fisheries business tax and to the allocation of certain fisheries business tax receipts to certain municipalities by the Department of Community and Regional Affairs; and providing for an effective date."

and recommended:

replace with \_\_\_\_\_ CS \_\_\_\_\_  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_

same title  
 new title  
 technical title change (HB only)

attached amendment(s)

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

do pass

do not pass

no recommendation

individual recommendations

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

ATTACHES NEW FISCAL NOTE(S):

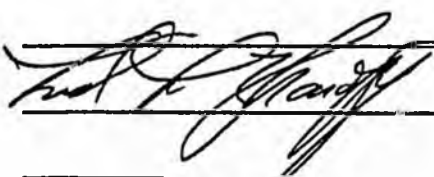
Dept/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

SIGNING DO PASS:

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

1. John Bax No Rec




APPROVES PREVIOUS:

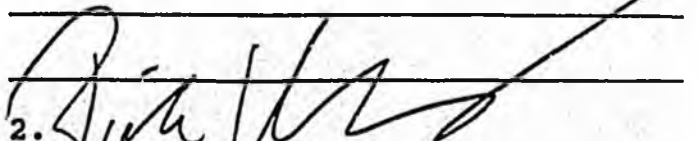
Dept/Date:

fiscal note(s) DCARA 4/30/90  
DCR 4/30/90  
\_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

 No Rec  
 No Rec  
 No Rec  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_

Co-Chairs' Signatures and Recommendations

STATE OF ALASKA  
1990 LEGISLATIVE SESSION

BILL VERSION: CSSSHB 456(FIN) No. 4

PUBLISH DATE: HOUSE 5/1/90

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Fisheries Business Tax Refunds  
to Municipalities  
Sponsor: Goll  
Requestor: Finance

Agency Affected: Revenue  
BRU: Income & Excise Audit  
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	<\$4000.>	<\$4000.>	<\$4000.>	<\$4000.>

Adopted

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Ketter Phone: (907) 465-2320  
Division: Income and Excise Audit Date: April 30, 1990

Approved by Commissioner: Hugh Malone Date: April 30, 1990  
Agency: Department of Revenue

Distribution (by preparer):

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

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: "An Act relating to the fisheries business tax....."  
Sponsor: Representative Goll  
Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
BRU: Local Government Assistance  
Components: Statewide Assistance

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES			23.1	23.1	24.0	24.0
TRAVEL			2.0	2.0	2.0	2.0
CONTRACTUAL			3.0	3.0	3.0	3.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>28.1</b>	<b>28.1</b>	<b>29.0</b>	<b>29.0</b>

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

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

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	28.1	28.1	29.0	29.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>28.1</b>	<b>28.1</b>	<b>29.0</b>	<b>29.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME	-0-	-0-	1	1	1	1
TEMPORARY						

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

There is no fiscal effect for FY 90.

*Jim Plasman*

Prepared by: Jim Plasman, Deputy Director  
Division: Municipal & Regional Assistance

Phone: 465-4750  
Date: 4/30/90

Approved by Commissioner: *David Hoffman*  
Agency: Community & Regional Affairs

Date: 4-30-90

**Distribution (by preparer):**

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

Adopted

Position Title <b>Grants Administrator</b>		No. of Positions <b>1</b>	Range/Step <b>17 A</b>	Barg. Unit <b>GGU</b>
Time Status <b>Part-time</b>	Staff Months <b>6 months</b>	Location <b>Juneau</b>		Election District
Justification				
This position will administer the tax sharing program. The amount of work associated with the program does not justify a full-time position.				
Type of Expenditure		Amount		
1	2	3		
Salary	17.4			
Benefits	5.0			
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>22.4</b>		
Travel		2.0		
Contractual		3.0		
Commodities				
Equipment		1.0		
Other				
<b>Total Cost</b>		<b>28.4</b>		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	28.4		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency Community & Regional Affairs  
 BRU Local Government Assistance  
 Component Statewide Assistance

Page 2 of 2  
 Revised Date

**FY 91**

# **CORRECTION**

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

Position Title <b>Grants Administrator</b>		No. of Positions <b>1</b>	Range/Step <b>17 A</b>	Barg. Unit <b>GGU</b>
Time Status <b>Part-time</b>	Start Months <b>6 months</b>	Location <b>Juneau</b>		Election District
Justification				
Type of Expenditure			Amount	
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	17.4			
Benefits	5.0			
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>22.4</b>		
Travel		2.0		
Contractual		3.0		
Commodities				
Equipment		1.0		
Other				
<b>Total Cost</b>		<b>28.4</b>		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	28.4		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

This position will administer the tax sharing program. The amount of work associated with the program does not justify a full-time position.

**Request For  
New Position**

Agency Community & Regional Affairs  
BRU Local Government Assistance  
Component Statewide Assistance

Page 2 of 2  
Revised Date

**FY 91**

Original sponsor(s): REP. GOLL

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 456 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

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

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

12 \* Section 1. AS 29.60 is amended by adding a new section to read:

13 ARTICLE 6. SHARED FISHERIES BUSINESS TAXES.

14 Sec. 29.60.450. FISHERIES BUSINESS TAX ALLOCATION. (a) A  
15 municipality may receive a fisheries business tax allocation under  
16 this section if the municipality demonstrates to the department that  
17 the municipality suffered significant effects from fisheries business  
18 activities during the base year.

19 (b) The amount transmitted each fiscal year under AS 43.75.137  
20 shall be apportioned by the department to each management area based  
21 on the ratio of the management area's production value to the total  
22 production value for all of the management areas. The department  
23 shall allocate the amount available for each management area to each  
24 municipality in that management area based on the demonstrated effects  
25 on the municipality of fisheries business activities, the commercial  
26 fishing vessel days in that municipality, or both.

27 (c) A municipality that receives a tax allocation under this  
28 section shall use the tax allocation to help reduce the effect of  
29 fisheries business activities on the municipality, which may include

1 the expenses of any municipal service.

2 (d) At the request of the department, an applicant or a re-  
3 cipient of a tax allocation shall provide the department with the  
4 assistance and information available to the municipality that is  
5 necessary for the department to carry out the department's duties  
6 under this section relating to that municipality.

7 (e) The department may adopt regulations necessary to carry out  
8 the provisions of this section.

9 (f) In this section

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

12 (2) "commercial fishing vessel day" means a day for which a  
13 fishing vessel licensed under AS 16.05.490 pays the municipality a  
14 moorage, harbor, or docking fee;

15 (3) "effect" means the result of fisheries business activ-  
16 ities on the municipality's

17 (A) population;

18 (B) employment;

19 (C) finances;

20 (D) air and water quality;

21 (E) fish and wildlife habitats; and

22 (F) ability to provide essential public services,  
23 including health care, public safety, education, transportation,  
24 marine garbage collection and disposal, solid waste disposal,  
25 utilities, and government administration;

26 (4) "fisheries business activity" means activity related to

27 (A) fishing, including but not limited to the catching  
28 and sale of fisheries resources;

29 (B) vessel moorage and vessel and gear maintenance;

1 (C) preparing fisheries resources for transportation;

2 and

3 (D) processing fisheries resources for sale by  
4 freezing, icing, cooking, salting, or other method and includes  
5 but is not limited to canneries, cold storages, freezer ships,  
6 and processing plants;

7 (5) "management area" means one of the geographical units  
8 designated by the Board of Fisheries by regulation adopted under  
9 AS 16.05.251(a)(2) for the management of commercial fisheries of the  
10 state;

11 (6) "production value" means the weight of the fish and  
12 shellfish produced by floating fisheries businesses.

13 \* Sec. 2. AS 43.75 is amended by adding a new section to read:

14 Sec. 43.75.137. ADDITIONAL REFUND. To the extent that appro-  
15 priations are available for the purpose, and notwithstanding the  
16 requirement of AS 37.07.080(e) that approval of the office of manage-  
17 ment and budget is required, an amount equal to 50 percent of the tax  
18 revenue that is collected under this chapter from floating fisheries  
19 businesses and is not subject to division with a municipality under  
20 AS 43.75.130 shall be transmitted each fiscal year, without the ap-  
21 proval of the office of management and budget, by the department to  
22 the Department of Community and Regional Affairs for disbursal to  
23 eligible municipalities under AS 29.60.450.

24 \* Sec. 3. This Act takes effect July 1, 1992.

HB 456



# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

REPRESENTATIVE KAY WALLIS

Official Business

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

MEMORANDUM

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

Senator Rick Uehling  
Co-chairman, Senate Finance Committee

FROM: Representative Kay Wallis *KW*

DATE: May 6, 1990

SUBJ: HB 456 Fisheries Business Tax Refunds

Today HB 456 was forwarded to Senate Finance. This bill is extremely important to rural Alaska and I am asking your assistance to get the bill scheduled as quickly as possible. The bill's prime sponsor is Representative Goll, but I and several other House members have worked hard to get this bill moving.

Key Provisions of HB 456

Put simply, the bill allows the Department of Community and Regional Affairs to distribute to local governments up to 50% of the raw fish taxes collected from floating processors; these funds are not now shared with local governments. To be eligible for funds under this program, a community would be required to show negative impacts that are created by the fishery and floating processors operating in waters near a municipality.

This bill will benefit every district which has floating processors operating in the district's waters. It is my understanding that several communities in your district would benefit from the passage of this legislation.

To avoid any impact on FY 91 operating budget, we have moved the effective date of the bill to July 1, 1992.

History of the Sharing of Raw Fish Taxes

Perhaps some brief background information on this issue would be helpful in framing the public policy issues surrounding this

matter. Since statehood it has been the policy of the State of Alaska to share raw fish taxes with incorporated communities in or near the area in which the fishery resource is harvested and processed.

When the original tax sharing statute was originally implemented, the vast majority of fish processing facilities were located onshore. However, with the passage of time, advent of new technology, and changing economics of fishery resource processing, and ever-increasing amount of processing is taking place offshore--outside of the municipal boundaries. The net effect of this trend is that onshore communities--which serve as staging areas for the offshore processing activities--bear the brunt of the impacts created by the processing activities. However, the impacted communities do not receive any of the taxes paid to the State by the offshore processors. I believe this an inequitable situation which must be addressed.

I also wish to stress that HB 456 would accomplish the following public policy objectives:

1. It would correct a long-standing inequity in current law which adversely affect local governments which absorb the impacts created by offshore processors, but receive no financial assistance to cope with those impacts.

2. It holds the promise of giving local governments access to a long-term, stable source of income which will exist long after Prudhoe Bay revenues have dried up.

3. It discourages the recent trend by local governments to implement "creative alternatives" to capture tax revenues from floating processors, such as annexing bay with boundaries drawn to include areas where floating processors now operate.

Senator, I hope you will assist to get a hearing on this bill. If you have any questions, please do not hesitate to contact me.

HI

415

# HOUSE COMMITTEE REPORT

(11)

Date Referred: January 31, 1990

FURTHER REFERRALS:

Date of Committee Action: 3/5/90

The FINANCE Committee considered:

HB 457

HOUSE BILL NO. 457

APPROP: BUDGET RESERVE FUND

"An Act making a special appropriation to the budget reserve fund."

**RECOMMENDATIONS:**

- be replaced with CS HB 457 (FIN)  the same title
- have attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(S):  
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) \_\_\_\_\_
- zero fn/analysis \_\_\_\_\_

**SIGNING DO PASS:**

**SIGNING:**  
(Check approp. column)

[Signature] Hoffman  
[Signature] Larson  
[Signature] Swackhammer  
[Signature] Brown  
[Signature] Uimer  
[Signature] Barnes

	Do Not Pass	No Rec	Amend
<u>[Signature]</u> KOPONEN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>[Signature]</u> Shultz	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>[Signature]</u> Phillips	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>[Signature]</u> RIEGER <small>Do Not Pass without Constitutional Amendment</small>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>[Signature]</u> Wallis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[Signature] CARSON  
 Chairman's Signature  
[Signature] Hoffman

Original sponsor(s): Finance Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 457 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the budget  
7 reserve fund."

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

9 \* Section 1. The sum designated as the "general fund balance available  
10 for appropriation" in the annual financial report prepared by the Depart-  
11 ment of Administration under AS 37.05.210(2) for fiscal year 1990 is appro-  
12 priated to the budget reserve fund (AS 37.05.540) on November 1, 1990.

13 \* Sec. 2. That portion of the money received by the state on or after  
14 the effective date of this Act as a result of the termination, through  
15 settlement or otherwise, of an administrative proceeding or litigation  
16 involving mineral lease rentals, royalties, royalty sale proceeds, or  
17 federal mineral revenue sharing payments or bonuses that is not dedicated  
18 to the permanent fund under art. IX, sec. 15, Constitution of the State of  
19 Alaska, or to the public school trust fund under AS 37.14.150 is appropri-  
20 ated to the budget reserve fund (AS 37.05.540).

A Hachmunt #2  
adopted 3/2/90

6-2008Aa  
Cook

A M E N D M E N T 1

OFFERED IN THE HOUSE

BY REP. BROWN

TO: HB 457

Page 1, line 6:

Delete "a"

Delete "appropriation"

Insert "appropriations"

Page 1, after line 12:

Insert a new bill section to read:

"\* Sec. 2. That portion of the money received by the state on or after the effective date of this Act as a result of the termination, through settlement or otherwise, of an administrative proceeding or litigation involving mineral lease rentals, royalties, royalty sale proceeds, or federal mineral revenue sharing payments or bonuses that is not dedicated to the permanent fund under art. IX, sec. 15, Constitution of the State of Alaska is appropriated to the budget reserve fund (AS 37.05.540)."

or into the public school trust fund under AS 37.14.110."

**FY90/91 PROPOSED SPENDING PLAN**  
**GENERAL FUND**  
(in millions of dollars)  
**THE HOUSE HAS NOT TAKEN ACTION ON THE GOVERNOR'S SPENDING PLAN**

	Low Case	Mid Case	High Case	Note
<b>FY 89 CARRY FORWARD</b>	162.7	162.7	162.7	From Annual Financial Report
FY 90 Unrestricted Revenues	2,005.5	2,295.6	2,645.0	DOR \$/bbl 14.64, 16.32, 17.90 (ANS Avg)
FY 90 Adjustments to Revenue	78.3	78.3	78.3	
<b>FY 90 AVAILABLE</b>	<b>2,246.5</b>	<b>2,536.6</b>	<b>2,886.0</b>	
<b>FY 90 Expenditures</b>				
Operating	1,895.7	1,895.7	1,895.7	
Debt Service				
-G.O. Debt	120.4	120.4	120.4	
-School Debt	107.8	107.8	107.8	
-Other Debt	12.1	12.1	12.1	
Capital	180.2	180.2	180.2	
Loans	10.0	10.0	10.0	
FY90 Supplemental-Operating	75.9	75.9	75.9	HB428 am, HB453, HB459, SB396
FY90 Supplemental-Capital	48.8	48.8	48.8	HB464
<b>FY 90 EXPENDITURES</b>	<b>2,450.9</b>	<b>2,450.9</b>	<b>2,450.9</b>	
Transfer to Science/Technology Fund		-34.0	-34.0	
<b>FY 90 CARRY FORWARD</b>	<b>-204.4</b>	<b>51.7</b>	<b>401.1</b>	
FY91 Revenues	1,743.2	2,255.6	2,765.6	DOR \$/bbl 14.67, 17.70, 19.52 (ANS Avg) Does not include additional Motor Fuel Tax as proposed in the Governor's Spending Plan.
FY91 Adjustments to Revenue	52.4	52.4	52.4	
Railbelt Energy Fund	115.0	115.0	115.0	
<b>FY91 AVAILABLE</b>	<b>1,706.2</b>	<b>2,474.7</b>	<b>3,334.1</b>	
<b>FY91 Expenditures</b>	<b>Governor's January 11, 1990 Budget</b>			
Operating	2,063.1	2,063.1	2,063.1	
Debt Service				
-G.O. Debt	95.6	95.6	95.6	
-School Debt	107.8	107.8	107.8	
-Other Debt	12.1	12.1	12.1	
Capital	228.5	228.5	228.5	HB463
Loans	13.7	13.7	13.7	
Oil/Hazardous Fund	27.0	27.0	27.0	
New Legislation	10.0	10.0	10.0	
<b>FY91 Expenditures</b>	<b>2,557.8</b>	<b>2,557.8</b>	<b>2,557.8</b>	
Transfer to Budget Reserve	-	-	776.3	HB457
<b>FY91 CARRY FORWARD</b>	<b>-851.6</b>	<b>-83.1</b>	<b>0.0</b>	

**NOTES:**

[1] All revenues are based on the fall 1989 forecast.

[2] The expenditures proposed above would exceed the statutory spending limit as calculated by the Division of Legislative Finance (\$2513.5) by \$73.4 million.

[3] FY91 Capital expenditures (HB463) include Railbelt Energy Fund projects for \$115.0 million.

In AS 37.05.520 "There is established in the General Fund the Railbelt Energy Fund."

**HB**

**463**

# HOUSE COMMITTEE REPORT

File

(11)

Date Referred: February 2, 1990

FURTHER REFERRALS:

Date of Committee Action: 5/3/90

The FINANCE Committee considered:

HB 463

HOUSE BILL NO. 463

APPROP: CAPITAL BUDGET - FY 91

"An Act making appropriations for the capital expenses of state government; and providing for an effective date."

### RECOMMENDATIONS:

- be replaced with CS HB 463 (FIN)  the same title
- a new title
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) \_\_\_\_\_
- zero fn/analysis \_\_\_\_\_

### SIGNING DO PASS:

### SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

Ed Swackhammer Swackhammer  
Anna Hoff Hoffman  
Ronald J. Larson Larson  
John Brown Brown  
John Koponen Koponen

Signature	Do Not Pass	No Rec	Amend
<u>Ed Swackhammer</u> Swackhammer		X	
<u>Anna Hoff</u> Hoffman	X		
<u>Ronald J. Larson</u> Larson	X		
<u>John Brown</u> Brown			✓
<u>John Koponen</u> Koponen			

Ronald J. Larson Larson  
 Chairman's Signature  
Anna Hoff Hoffman

Original sponsor(s): Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 463 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing capital and  
7 operating appropriations; and providing for an effective  
8 date."

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

10 \* Section 1. The unexpended and unobligated balance of the appropriation  
11 made in sec. 10, ch. 172, SLA 1988, page 15, line 9 (Petersburg-Solid  
12 Waste Incineration - \$800,000) is repealed and reappropriated to the Department of Administration for payment as a grant under AS 37.05.315 to the  
13 City of Petersburg for solid waste disposal.

14  
15 \* Sec. 2. The unexpended and unobligated balance of the appropriation  
16 made in sec. 227, ch. 117, SLA 1989, page 86, line 6 (Petersburg-Wastewater  
17 Treatment/Solid Waste Projects - \$500,000) is repealed and reappropriated  
18 to the Department of Administration for payment as a grant under AS 37.05.-  
19 315 to the City of Petersburg for solid waste disposal.

20 \* Sec. 3. Section 158, ch. 3, FSSLA 1987, page 53, line 6 is amended to  
21 read:

	APPROPRIATION	GENERAL FUND
	ITEMS	
22		
23		
24	Wrangell Solid Waste	
25	<u>Projects [INCINERATOR]</u>	
26	(ED 1)	
27	306,000	306,000

28 \* Sec. 4. Section 286, ch. 50, SLA 1980, page 64, line 16 is amended to  
29 read:

	APPROPRIATION	GENERAL FUND
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ITEMS

Hydaburg - Municipal [CITY]  
building upgrade and repair  
[BASEMENT JAIL CONVERSION]  
(ED 1)

70,000                      70,000

\* Sec. 5. Section 2, ch. 10, SLA 1983, page 16, line 10 is amended to read:

APPROPRIATION                      GENERAL FUND  
ITEMS

Hydaburg - Water system pump  
house improvement/backup  
water system repair (ED 2)

6,000                      6,000

\* Sec. 6. The unexpended and unobligated balance of the appropriation made in sec. 34, ch. 107, SLA 1983, page 103, line 20 (Hydaburg-jail facilities - \$50,000) is repealed and reappropriated to the Department of Administration for payment as a grant under AS 37.05.315 to the City of Hydaburg for repair and upgrade of the Hydaburg multipurpose building.

\* Sec. 7. Section 34, ch. 107, SLA 1983, page 110, line 24 is amended to read:

APPROPRIATION                      GENERAL FUND  
ITEMS

Hydaburg - Completion of  
road to subdivision (ED 2)

27,000                      27,000

\* Sec. 8. The unexpended and unobligated balance of the appropriation made in sec. 227, ch. 117, SLA 1989, page 93, line 10 (Pelican search and rescue vessel - \$60,000) is repealed and reappropriated to the Department of Administration for payment as a grant under AS 37.05.315 to the City of Pelican for a community sewer steam generator.

\* Sec. 9. The unexpended and unobligated balance of the appropriation CSHB 463(Fin)

1 made in sec. 227, ch. 117, SLA 1989, page 93, line 4 (City and Borough of  
2 Sitka-Warm Springs boardwalk repair - \$20,000) is repealed and reappropri-  
3 ated to the Department of Administration, Alaska Public Broadcasting Com-  
4 mission for payment as a grant under AS 37.05.316 to KCAW-FM, Sitka for  
5 equipment replacement.

6 \* Sec. 10. The unexpended and unobligated balances of that portion of  
7 the appropriation made in sec. 158, ch. 3, FSSLA 1987, page 51, line 9 that  
8 is allocated on line 10 (Juneau-Condensation Settlement - \$700,000) and of  
9 that portion of the appropriation made in sec. 3, ch. 128, SLA 1986, page  
10 19, line 15 that is allocated on page 26, line 7 (Douglas Highway Mainte-  
11 nance Seal Coat - \$120,000) are repealed and reappropriated as follows:

12 (1) Department of Natural Resources, division of parks, for  
13 Juneau area parks planning and development - \$115,000;

14 (2) Department of Natural Resources for payment as a grant under  
15 AS 37.05.316 to the Taku Conservation Society for building new cabins -  
16 \$34,005.

17 \* Sec. 11. Section 32, ch. 87, SLA 1989 is amended to read:

18 Sec. 32. The sum of \$50,000 is appropriated from the general  
19 fund to the Department of Natural Resources, division of land and  
20 water management, for appraisal costs associated with [FEDERAL LAND  
21 AND WATER CONSERVATION FUND MATCH FOR] the Kachemak Bay land exchange  
22 for the fiscal year ending June 30, 1990 [1989].

23 \* Sec. 12. Section 227, ch. 117, SLA 1989, page 88, line 18 is amended  
24 to read:

	APPROPRIATION	GENERAL FUND
	ITEMS	
27	Sterling Area Senior Citizens	
28	Inc. - senior center/construc-	
29	tion and materials/ <u>unencumbered</u>	

1            building acquisition (ED 5)            90,000                            90,000

2            \* Sec. 13. Section 227, ch. 117, SLA 1989, page 68, line 11 is amended  
3 to read:

	APPROPRIATION	GENERAL FUND
4		
5	ITEMS	
6	AVTEC major maintenance/repair,	
7	<u>student housing acquisition,</u>	
8	and training equipment (ED 6)    250,000	250,000

9            \* Sec. 14. The unexpended and unobligated balance of the appropriation  
10 made in sec. 2, ch. 45, SLA 1984, page 19, line 22 (Seward-radio translator  
11 purchase & installation - \$38,000) is repealed and reappropriated to the  
12 Alaska Public Broadcasting Commission for payment as a grant under AS 44.-  
13 21.268 to the Puffin Radio Station for acquisition of a Federal Communica-  
14 tions Commission license and transmitting equipment to originate public  
15 radio broadcasting in Seward.

16            \* Sec. 15. The unexpended and unobligated balance of the appropriation  
17 made in sec. 2, ch. 19, SLA 1984, page 4, line 20 (Section 16 Elementary  
18 School Construction - \$5,200,000), as amended by sec. 185(c), ch. 173, SLA  
19 1988, is repealed and reappropriated to the Department of Administration  
20 for payment as a grant under AS 37.05.315 to the Municipality of Anchorage  
21 for the Abbott Loop School addition project.

22            \* Sec. 16. The unexpended and unobligated balance of the appropriation  
23 made in sec. 1, ch. 10, SLA 1988, page 26, line 10 (Anchorage-Tall Spruce  
24 Street from Raspberry Road to Caravelle Drive, road improvements -  
25 \$150,000) is repealed and reappropriated to the Department of Adminis-  
26 tration for payment as a grant under AS 37.05.315 to the Municipality of  
27 Anchorage for Linden Drive reconstruction and upgrade from W. 72nd Avenue  
28 to Altoona Drive.

29            \* Sec. 17. (a) The unexpended and unobligated balance of the  
CSHB 463(Fin)

1 appropriation made in sec. 131, ch. 173, SLA 1988, is repealed and  
2 reappropriated to the Department of Transportation and Public Facilities  
3 for a design study for a traffic signal at the intersection of West Tudor  
4 Road and Cambridge Way/Wilson Way in Anchorage.

5 (b) The unexpended and unobligated balance, not to exceed \$19,160, of  
6 the appropriation made in sec. 102, ch. 130, SLA 1986, as amended by sec.  
7 130, ch. 173, SLA 1988, is repealed and reappropriated to the Department of  
8 Transportation and Public Facilities for a design study for a traffic  
9 signal at the intersection of West Tudor Road and Cambridge Way/Wilson Way  
10 in Anchorage.

11 (c) The unexpended and unobligated balance of the appropriation made  
12 in sec. 319, ch. 171, SLA 1984, page 75, line 10 (Anchorage-36th Avenue/-  
13 Spenard to Arctic right-of-way acquisition, design and engineering -  
14 \$3,100,000) is repealed and reappropriated to the Department of Transporta-  
15 tion and Public Facilities for a design study for a traffic sig l at the  
16 intersection of West Tudor Road and Cambridge Way/Wilson Way in Anchorage.

17 \* Sec. 18. Section 227, ch. 117, SLA 1989, page 96, line 6 is amended  
18 to read:

	APPROPRIATION	GENERAL FUND
	ITEMS	
21	Anchorage - North Star School-	
22	<u>purchase of computer equipment</u>	
23	[INSTALL FIRE ALARM SYSTEM/ 24 UPGRADE PLAYGROUND] (ED 7-15)	49,000
		49,000

25 \* Sec. 19. (a) The unexpended and unobligated balance, not to exceed  
26 \$190,000, of the appropriation made in sec. 199, ch. 106, SLA 1983, as  
27 amended by sec. 21, ch. 3, FSSLA 1987, sec. 222, ch. 173, SLA 1988, and  
28 sec. 30(b), ch. 117, SLA 1989 (Anchorage downtown branch library renovation  
29 and book acquisition - \$470,000) is repealed.

1 (b) The following amounts are appropriated from the general fund to  
2 the Department of Administration for payment as grants under AS 37.05.315  
3 to the Municipality of Anchorage for the purposes listed:

PURPOSE	APPROPRIATION
(1) Design and development of Fairview Lion's Park (Karluk Park)	\$75,000
(2) Parks and recreation neighborhood enhancement youth employment project for House districts 12 and 13	10,000
(3) Visual Arts Center Downtown Summer Festival for the Arts	10,000

12 (c) The sum of \$45,000 is appropriated from the general fund to the  
13 Alaska State Housing Authority for installation of card entry security  
14 systems and lighting improvements at Chugach View and Park View Manor.

15 (d) The sum of \$50,000 is appropriated from the general fund to the  
16 Alaska State Housing Authority for renovation and upgrade of Park View  
17 Manor for a Head Start program operated by Kids Corps, Inc. and for Head  
18 Start equipment.

19 (e) If the amount deposited in the general fund by the repeal of the  
20 appropriations in (a) of this section is less than \$190,000, then the  
21 appropriations made in (b) - (d) of this section shall be reduced in pro-  
22 portion to the amount of the shortfall.

23 \* Sec. 20. (a) The unexpended and unobligated balance of the appro-  
24 priation made in sec. 185(q), ch. 173, SLA 1988 (Department of Environ-  
25 mental Conservation-toxic waste cleanup - \$80,000) is repealed.

26 (b) The unexpended and unobligated balance of the appropriation made  
27 in sec. 1, ch. 10, SLA 1988, page 23, line 14 (Anchorage-Mountain View  
28 Library Maintenance and Repair - \$6,500) is repealed.

29 (c) An amount equal to the amount deposited in the general fund by  
CSHB 463(Fin)

1 the repeal of the appropriations in (a) and (b) of this section is appro-  
2 priated from the general fund to the Department of Administration to be  
3 divided into 10 equal portions for payment as grants under AS 37.05.315 to  
4 the Municipality of Anchorage for the purchase of library books at the  
5 following elementary schools: Mountain View, Williwaw, Wonder Park,  
6 Russian Jack, Creekside Park, Ptarmigan, Nunaka Valley, Aurora, Mt. Spurr,  
7 and Orion.

8 \* Sec. 21. The unexpended and unobligated balance, not to exceed  
9 \$1,500,000, of the appropriation made in sec. 227, ch. 117, SLA 1989, page  
10 67, line 6 (Alaska State Housing Authority - Willow Park demolition and  
11 site renovation - \$2,200,000) is repealed and reappropriated to the Depart-  
12 ment of Administration for payment as a grant under AS 37.05.315 to the  
13 Municipality of Anchorage for asbestos abatement, building demolition, and  
14 site preparation of the Hollywood Vista Apartments by the Anchorage Neigh-  
15 borhood Housing Services, Inc. and for development of a Government Hill  
16 community plan by the Anchorage Neighborhood Housing Services, Inc.

17 \* Sec. 22. (a) The unexpended and unobligated balance of the appro-  
18 priation made in sec. 286, ch. 50, SLA 1980, page 87, line 18 (Goose Bay-  
19 Point MacKenzie agriculture project - \$3,000,000) is repealed.

20 (b) The sum of \$20,000 is appropriated from the general fund to the  
21 Department of Administration for payment as a grant under AS 37.05.315 to  
22 the Matanuska-Susitna Borough for a bus storage facility at Susitna Valley  
23 High School.

24 (c) The sum of \$20,000 is appropriated from the general fund to the  
25 Department of Administration for payment as a grant under AS 37.05.315 to  
26 the City of Wasilla for the purchase of a passenger vehicle for the Wasilla  
27 Senior Center.

28 (d) The sum of \$19,370 is appropriated from the general fund to the  
29 Department of Administration for payment as a grant under AS 37.05.315 to

1 the City of Palmer for the Valley Women's Resources Center for facility  
2 safety improvements and expansion.

3 (e) If the amount deposited in the general fund by the repeal of the  
4 appropriation in (a) of this section is less than \$59,370, then the appro-  
5 priations made by (b) - (d) of this section shall be reduced in proportion  
6 to the amount of the shortfall.

7 \* Sec. 23. Section 227, ch. 117, SLA 1989, page 99, line 4 is amended  
8 to read:

	APPROPRIATION	GENERAL FUND
	ITEMS	
9		
10		
11	Matanuska-Susitna Borough -	
12	Willow public library building	
13	<u>improvement and construction</u>	50,000 50,000

14 \* Sec. 24. Section 227(a)(1), ch. 173, SLA 1988, as amended by sec. 46,  
15 ch. 117, SLA 1989 is amended to read:

16 (1) the sum of \$161,600 is appropriated to the Department  
17 of Administration for payment as grants under AS 37.05.315 to the  
18 Matanuska-Susitna Borough for the purposes expressed and allocated in  
19 the amounts listed:

PURPOSE	ALLOCATION
20	
21 Butte Community Center-water and	
22 septic system	\$ 7,500
23 Soapstone Road rehabilitation	20,000
24 Sutton Community Center-facility and	
25 grounds maintenance and upgrade	5,000
26 Meadow Lakes Fire Station expansion	50,000
27 Willow-public library addition, [AND]	
28 <u>improvement and construction</u>	25,000
29 Musk Ox Farm-visitor parking improve-	



1 \* Sec. 29. The unexpended and unobligated balance of the appropriation  
2 made in sec. 3, ch. 128, SLA 1986, page 18, line 5 (Copper Center land  
3 disposal road access - \$36,000) is repealed and reappropriated to the  
4 Department of Transportation and Public Facilities, Northern Region, South-  
5 central District, for the Silver Springs Fire Hall road widening.

6 \* Sec. 30. (a) The unexpended and unobligated balance of the appro-  
7 priation made in sec. 80, ch. 101, SLA 1982, page 75, line 7 (Northway Road  
8 bridge construction - \$402,500) is repealed.

9 (b) The sum of \$70,000 is appropriated from the general fund to the  
10 Department of Transportation and Public Facilities, Northern Region, Tok  
11 District for chip and seal of the Tanacross Village road, contingent on the  
12 deposit in the general fund of the funds repealed in (a) of this section.

13 (c) The sum of \$10,000 is appropriated from the general fund to the  
14 Department of Community and Regional Affairs for payment as a grant under  
15 AS 37.05.316 to Tetlin Village for winter access road maintenance and  
16 opening, contingent on the deposit in the general fund of the funds re-  
17 pealed in (a) of this section.

18 (d) The sum of \$25,000 is appropriated from the general fund to the  
19 Department of Transportation and Public Facilities, Northern Region, Tok  
20 District for dust control in the City of Eagle, contingent on the deposit  
21 in the general fund of the funds repealed in (a) of this section.

22 (e) The sum of \$10,000 is appropriated from the general fund to the  
23 Department of Transportation and Public Facilities, Northern Region, South-  
24 central District for dust control in Gulkana Village, contingent on the  
25 deposit in the general fund of the funds repealed in (a) of this section.

26 (f) The sum of \$67,500 is appropriated from the general fund to the  
27 Department of Transportation and Public Facilities, Northern Region, Tok  
28 District for dust control in Northway Village, contingent on the deposit in  
29 the general fund of the funds repealed in (a) of this section.

1 (g) The sum of \$12,000 is appropriated from the general fund to the  
2 Department of Transportation and Public Facilities for communication system  
3 maintenance and equipment for the Taylor Highway communications system,  
4 contingent on the deposit in the general fund of the funds repealed in (a)  
5 of this section.

6 (h) The sum of \$23,000 is appropriated from the general fund to the  
7 Department of Transportation and Public Facilities, Northern Region, Tok  
8 camp for emergency snow removal and winter road maintenance, contingent on  
9 the deposit in the general fund of the funds repealed in (a) of this sec-  
10 tion.

11 (i) The sum of \$5,000 is appropriated from the general fund to the  
12 Department of Community and Regional Affairs for payment as a grant under  
13 AS 37.05.316 to Interior Reg' EMS for the Eagle emergency medical ser-  
14 vices communication system equipment.

15 (j) The sum of \$13,000 is appropriated from the general fund to the  
16 Department of Natural Resources, division of parks for completion of the  
17 interpretive pavilion at the United States - Canada border, contingent on  
18 the deposit in the general fund of the funds repealed in (a) of this sec-  
19 tion.

20 (k) The sum of \$4,000 is appropriated from the general fund to the  
21 Department of Fish and Game for Tok area moose brush crushing, contingent  
22 on the deposit in the general fund of the funds repealed in (a) of this  
23 section.

24 (l) The sum of \$4,500 is appropriated from the general fund to the  
25 Department of Natural Resources, division of forestry for construction of  
26 two miles of road at the Porcupine salvage sale areas, contingent on the  
27 deposit in the general fund of the funds repealed in (a) of this section.

28 (m) The sum of \$3,000 is appropriated from the general fund to the  
29 Department of Natural Resources, division of forestry for the upgrade of

1 the Tanana River access road in the Tok area, contingent on the deposit in  
2 the general fund of the funds repealed in (a) of this section.

3 (n) If the amount deposited in the general fund by the repeal of the  
4 appropriation in (a) of this section is less than \$247,000, then the appro-  
5 priations made by (b) - (m) of this section shall be reduced in proportion  
6 to the amount of the shortfall.

7 \* Sec. 31. The unexpended and unobligated balance of the appropriation  
8 made in sec. 227, ch. 117, SLA 1989, page 68, line 20 (Alaska Gateway  
9 School District - school sewer and water system - \$50,000) is repealed and  
10 reappropriated to the Department of Education for payment as a grant under  
11 AS 37.05.316 to the Alaska Gateway School District for district wide asbes-  
12 tos removal and abatement.

13 \* Sec. 32. The unexpended and unobligated balance of the appropriation  
14 made in sec. 72, ch. 87, SLA 1989 (Alaska Gateway School District/Eagle  
15 School power plant repair - \$78,000) is repealed and reappropriated to the  
16 Department of Education for payment as a grant under AS 37.05.316 to the  
17 Alaska Gateway School District for district wide water and sewer repairs.

18 \* Sec. 33. The unexpended and unobligated balance of the appropriation  
19 made in sec. 73, ch. 87, SLA 1989 (Alaska Gateway School District/Northway  
20 School emergency septage repair - \$94,000) is repealed and reappropriated  
21 to the Department of Education for payment as a grant under AS 37.05.316 to  
22 the Alaska Gateway School District for district wide water and sewer re-  
23 pairs.

24 \* Sec. 34. The unexpended and unobligated balance of the appropriation  
25 made in sec. 227, ch. 117, SLA 1989, page 105, line 14 (Northway - roads  
26 rehabilitation upgrade and maintenance - \$25,000) is repealed and reappro-  
27 priated to the Department of Transportation and Public Facilities, Northern  
28 Region, Tok District for upgrade and dust control of the Northway Village  
29 road.

1 \* Sec. 35. The unexpended and unobligated balance of the appropriation  
 2 made in sec. 1, ch. 10, SLA 1988, page 14, line 14 (Gulkana Village Council  
 3 - roads upgrade - \$25,000) is repealed and reappropriated to the Depart-  
 4 ment of Community and Regional Affairs for payment as a grant under AS 37.-  
 5 05.316 to the Gulkana Village Council for community hall upgrades.

6 \* Sec. 36. Section 51, ch. 106, SLA 1983 is amended to read:

7 Sec. 51. The sum of \$3,000 is appropriated from the general fund  
 8 to the Department of Community and Regional Affairs for payment as a  
 9 grant to the unincorporated community of Tetlin for street lights and  
 10 community hall completion.

11 \* Sec. 37. Section 3, ch. 128, SLA 1986, page 29, line 20 is amended to  
 12 read:

	APPROPRIATION		
	ALLOCATIONS	ITEMS	GENERAL FUND
Delta Junction			
[-MULTI PURPOSE			
PAVILION] (ED 17)		680,000	680,000
<u>multipurpose</u>			
<u>pavilion</u>	<u>517,440</u>		
<u>construction of</u>			
<u>fair facility to be</u>			
<u>owned and operated</u>			
<u>by the Deltana Fair</u>			
<u>Association</u>	<u>162,560</u>		

25 \* Sec. 38. The unexpended and unobligated balance of the appropriation  
 26 made in sec. 30, ch. 82, SLA 1981, page 175, line 6, as amended by sec. 72,  
 27 ch. 106, SLA 1983 (Richardson Highway - upgrade and access improvements/  
 28 North Pole pedestrian overpass - \$900,000), is repealed and reappropriated  
 29 to the Department of Transportation and Public Facilities for Plack,

1 Nelson, Brock, Repp, and Dyke roads surface repair.

2 \* Sec. 39. The unexpended and unobligated balance of the appropriation  
3 made in sec. 286, ch. 50, SLA 1980, page 91, line 16 (Dawson-Easy-Newby  
4 roads - surfacing and widening - \$700,000) is repealed and reappropriated  
5 to the Department of Transportation and Public Facilities for Plack,  
6 Nelson, Brock, Repp, and Dyke roads surface repair.

7 \* Sec. 40. Section 158, ch. 3, FSSLA 1987, page 38, line 22, is amended  
8 to read:

	APPROPRIATION	GENERAL FUND
	ITEMS	
<u>Yukon Flats REAA</u>		
Northern Lights school site		
<u>and Circle School water and</u>		
<u>sewer project (ED 19 - 21)</u>		
	100,000	100,000

15 \* Sec. 41. The unexpended and unobligated balance of the appropriation  
16 made in sec. 79, ch. 117, SLA 1989, page 22, line 16 (Birch Hill ski trail  
17 lighting/improvements) is repealed and reappropriated to the Department of  
18 Administration for payment as a grant under AS 37.05.315 to the Fairbanks  
19 North Star Borough for Birch Hill ski trail improvements and maintenance  
20 equipment.

21 \* Sec. 42. The unexpended and unobligated balance of the appropriation  
22 made in sec. 2, ch. 19, SLA 1984, page 7, line 4 (West Valley High School  
23 track completion - \$390,000) is repealed and reappropriated to the Depart-  
24 ment of Administration for payment as a grant under AS 37.05.315 to the  
25 Fairbanks North Star Borough for West Valley High School audio visual  
26 equipment.

27 \* Sec. 43. The unexpended and unobligated balance of the appropriation  
28 made in sec. 78, ch. 117, SLA 1989 (Birch Hill ski trail lighting improve-  
29 ments) is repealed and reappropriated to the Department of Administration  
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1 for payment as a grant under AS 37.05.315 to the Fairbanks North Star  
2 Borough for Birch Hill ski trail improvements and maintenance equipment.

3 \* Sec. 44. The unexpended and unobligated balance of the appropriation  
4 made in sec. 158, ch. 3, FSSLA 1987, page 62, line 21 (Tanana Valley State  
5 Fair Association exhibit hall roof repair - \$2,000) is repealed and reap-  
6 propriated to the Department of Natural Resources for payment as a grant  
7 under AS 37.05.316 to the Tanana Valley State Fair Association for general  
8 fairgrounds improvements.

9 \* Sec. 45. The unexpended and unobligated balance of the appropriation  
10 made in sec. 158, ch. 3, FSSLA 1987, page 63, line 8 (Tanana Valley State  
11 Fair Association - loading and unloading docks and chutes - \$16,400) is  
12 repealed and reappropriated to the Department of Natural Resources for  
13 payment as a grant under AS 37.05.316 to the Tanana Valley State Fair  
14 Association for general fairgrounds improvements.

15 \* Sec. 46. The unexpended and unobligated balance of the appropriation  
16 made in sec. 2, ch. 24, SLA 1984, page 13, line 20 (Chena Ridge shoulder  
17 widening and hazard correction - \$1,200,000) is repealed and reappropriated  
18 to the Department of Transportation and Public Facilities for Miller Hill/-  
19 Yankovitch Road bike path design.

20 \* Sec. 47. Section 1, ch. 10, SLA 1988, page 5, line 21 is amended to  
21 read:

	APPROPRIATION	GENERAL FUND
	ITEMS	
22		
23		
24	Interior Region Emergency	
25	Medical Services Council, Inc.	
26	- Livengood emergency vehicle	
27	garage <u>and emergency medical</u>	
28	<u>service facilities and equip-</u>	
29	<u>ment in Senate District K</u>	120,000

1 \* Sec. 48. The unexpended and unobligated balance of the appropriation  
2 made in sec. 96(b), ch. 117, SLA 1989 (Placer mining seminar - \$4,500) is  
3 repealed and reappropriated to the Department of Natural Resources to  
4 compile and prepare a series E map showing mineral terranes and deposits  
5 and mining districts.

6 \* Sec. 49. Section 107, ch. 117, SLA 1989 is amended to read:

7 Sec. 107. The unexpended and unobligated balance of the appro-  
8 priation made in sec. 34, ch. 107, SLA 1983, page 106, lines 16 - 17,  
9 as amended by sec. 115, ch. 171, SLA 1984 (Point Hope - recreation/  
10 community building and incinerator - \$50,000) is repealed and reappro-  
11 priated to the Department of Administration for payment as a grant  
12 under AS 37.05.315 to the City of Point Hope for construction of the  
13 recreation/commur'ty building and incinerator and improvements to the  
14 old city office.

15 \* Sec. 50. The unexpended and unobligated balance of the appropriation  
16 made in sec. 3, ch. 96, SLA 1985, page 29, line 20 (North Slope Borough -  
17 Barrow Group Home - \$2,000,000) is repealed and reappropriated to the  
18 Department of Administration for payment as a grant under AS 37.05.315 to  
19 the North Slope Borough for construction and operation of the Barrow Group  
20 Home.

21 \* Sec. 51. The unexpended and unobligated balance of the appropriation  
22 made in sec. 319, ch. 171, SLA 1984, page 77, line 16 (Brevig Mission  
23 street lights - \$25,000) is repealed and reappropriated to the Department  
24 of Administration for payment as a grant under AS 37.05.315 to the City of  
25 Brevig Mission for office equipment.

26 \* Sec. 52. The unexpended and unobligated balance of the appropriation  
27 made in sec. 3, ch. 96, SLA 1985, page 34, line 17 (Shishmaref fire equip-  
28 ment and station completion - \$200,000) is repealed and reappropriated to  
29 the Department of Administration for payment as a grant under AS 37.05.315

1 to the City of Shishmaref for fire equipment and station completion.

2 \* Sec. 53. The unexpended and unobligated balance of the appropriation  
3 made in sec. 3, ch. 96, SLA 1985, page 38, line 4 (Koyuk heavy equipment  
4 storage facility - \$100,000) is repealed and reappropriated to the Depart-  
5 ment of Administration for payment as a grant under AS 37.05.315 to the  
6 City of Koyuk for a heavy equipment storage facility.

7 \* Sec. 54. The unexpended and unobligated balance of the appropriation  
8 made in sec. 3, ch. 128, SLA 1986, page 31, line 14 (Wales Peninsula search  
9 and rescue communication system - \$48,000) is repealed and reappropriated  
10 to the Department of Administration for payment as a grant under AS 37.05.-  
11 315 to the City of Wales for the community building project for costs  
12 incurred on or before December 31, 1986.

13 \* Sec. 55. Section 227, ch. 117, SLA 1989, page 80, line 10 is amended  
14 to read:

	APPROPRIATION	GENERAL FUND
	ITEMS	
17	Big Hurrah Road - <u>Relocate Portions</u>	
18	<u>of Existing Road</u> [PRELIM SURVEY,	
19	RIGHT OF WAY ACQUISITION, PRELIM	
20	ROUTE RELOCATION] (ED 23)	90,000

21 \* Sec. 56. (a) The unexpended and unobligated balance of the appro-  
22 priation made in sec. 2, ch. 24, SLA 1984, page 46, line 6 (Fort Yukon  
23 street improvements - \$200,000) is repealed.

24 (b) The unexpended and unobligated balance of the appropriation made  
25 in sec. 80, ch. 101, SLA 1982, page 74, line 11 (Sleetmute airport con-  
26 struction - \$500,000) as amended by sec. 287, ch. 105, SLA 1985, and sec.  
27 151, ch. 130, SLA 1986 is repealed.

28 (c) The unexpended and unobligated balance of the appropriation made  
29 in sec. 117, ch. 171, SLA 1984 (Sleetmute and Holy Cross nondirectional