

LEGISLATIVE FINANCE - HOUSE / SENATE FINANCE COMM. FILES 8879

SB 75 cont. - SB 83 606 197

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: House CS for CS SB 75
(State Affairs)

PUBLISH DATE:

REQUEST: FISCAL NOTE

Revision Date: April 3, 1989
Title: An Act relating to the identification of and disclosures on
and about state publications; and providing for an effective date

Agency Affected: DOT&PF
BRU: Design & Construction
Maintenance & Operations
Engineering & Operations Standards
AMHS
Components:

Sponsor: Pearce, Uehling & Faiks
Requestor:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

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

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

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

FUNDING: (THOUSANDS OF DOLLARS)

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

There will be some impact but it will be minimal.

Prepared by: Loren Rasmussen *LR*
Division: Engineering and Operations Standards

Phone: 465-2951
Date: April 3, 1989

Approved by Commissioner: *M.K.A. H.L.*
Agency: Department of Transportation and Public Utilities

Date: April 3, 1989

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

RECEIVED
APR 4 1989

LEGISLATIVE FINANCE



Department of Transportation and Public Facilities

POSITION PAPER

Bill No: House CS for CS SB 75 (State Affairs)
Title: An Act relating to the identification of and disclosures on and about state publications; and providing for an effective date

Approved:
Date: April 3, 1989

The Department neither supports or opposes this committee substitute for Senate Bill 75.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CS SB 75 (Rules)
PUBLISH DATE:

REQUEST: FISCAL NOTE

Revision Date: March 8, 1989
Title: An Act relating to the identification of and disclosures on
and about state publications; and providing for an effective date

Agency Affected: DOT&PF
BRU: Design & Construction
Maintenance & Operations
Engineering & Operations Standards
AMHS

Sponsor: Pearce, Uehling & Faiks
Requestor:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	156	156	156	156	156	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	5	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	25	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	186	156	156	156	156	156
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	186	156	156	156	156	156
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	5	5	5	5	5	5
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

To accurately determine the personnel costs it will be necessary to have accounting clerks in each of the three regions, AMHS, and one for headquarters. In addition some modifications would be necessary for the CIP accounting system.

5 range 8C Accounting clerks
 $(\$173/\text{mo})(12 \text{ mo})(1.5 \text{ factor})(5) = 155.790 = 156,000$
 Minor revisions to CIP accounting system 5,000
 Equipment (computer) for non-CIP personnel 25,000
 \$186,000

Prepared by: *Loren Roemer*
 Division: Engineering & Operations Standards

Phone: 465-2951
 Date: March 28, 1989

Approved by Commissioner: *M. K. J. III*
 Agency: Department of Transportation and Public Facilities

Date: March 28, 1989

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

RECEIVED
 MAR 29 1989

LEGISLATIVE FINANCE

Department of Transportation & Public Facilities



POSITION PAPER

BILL NO: CS Senate Bill 75 (Rules
An Act to the identification of
TITLE: and disclosure on and about state
publications; and providing for
an effective date

APPROVED: *M-k S. Hly*
DATE: March 28, 1989

The Department strongly opposes the committee substitute for Senate Bill 75.

The Department does not oppose furnishing, prominently within a document, those costs which relate directly to the normal printing industry.

The Department has two major concerns with this committee substitute for Senate Bill 75.

First, the definition of publication is too all inclusive as contained in Sec. 44.99.150(2). By this definition all construction CIP projects publications would be included which could encompass such items as the plans and specifications, location and design study reports, material investigation reports, and environmental assessment reports, etc. This additional burden and cost to a CIP project would seem to be difficult to justify in these times when we are diligently seeking ways to cut or contain the costs of administrating CIP projects.

The second concern is in Section 44.99.150(1)(A) when the definition of "preparation cost" include the personnel costs.

Except for personnel assigned to CIP projects, the Department does not maintain an accounting system which would separate the personnel costs for the preparation of a document. Thus, the bill would require the Department to establish another accounting system, including a time card system, just to accurately determine the personnel costs.

The definition of "Production costs" and the subsequent "preparation" may also be subject to various interpretations. For example, does the preparations include the actual writing, research or development of a document or just the printing and publication costs with the directly related personnel costs.

As has been stated before, the Department is opposed to the bill in the present form. We would suggest eliminating all CIP projects with their related documents from the definition of publications and limiting the personnel costs specifically to those that are directly associated with the actual normal industry of printing.

For further information call Catherine A. McHugh at 465-3900

DOT&PF PUBLICATIONS LIST

<u>TITLE</u>	<u>PUBLISHER</u>	<u>STATUS</u>	<u>TARGET DATE</u>	<u>RESPONSIBLE DIVISION</u>
ALASKA AIRPORT SPECIFICATION MANUAL	ALASKA DOT&PF	IN USE	/ /	SW E&OS
ALASKA SIGN DESIGN SPECIFICATIONS	ALASKA DOT&PF	IN USE	/ /	SW E&OS
ALASKA TEST METHODS	ALASKA DOT&PF	IN USE	/ /	SW E&OS
ALASKA TRAFFIC MANUAL	ALASKA DOT&PF	IN USE	/ /	SW E&OS
APPROVED PRODUCTS LIST	ALASKA DOT&PF	IN USE	/ /	SW E&OS
AUDIT POLICY AND OPERATING MANUAL	ALASKA DOT&PF	IN USE	/ /	INT REV
BUILDING DESIGN MANUAL	ALASKA DOT&PF	IN USE	/ /	SW E&OS
CONSTRUCTION MANUAL	ALASKA DOT&PF	IN USE	/ /	SW E&OS
CORRECTION TABLES FOR STANDARD DENSITY TESTS	ALASKA DOT&PF	IN USE	/ /	SW E&OS
DATA PROCESSING STANDARDS AND GUIDELINES	ALASKA DOT&PF	IN USE	/ /	SW INF SYS
DRAFT CARTOGRAPHIC PROCEDURE DOCUMENT	ALASKA DOT&PF	IN USE	/ /	SW P&B
DRIVEWAY STANDARDS	ALASKA DOT&PF	IN USE	/ /	SW E&OS
ENERGY STANDARDS	ALASKA DOT&PF	IN USE	/ /	SW E&OS
ENVIRONMENTAL MANUAL		RESEARCH/DEVELOPMENT	10/31/88	SW E&OS
FUNCTIONAL CLASSIFICATION POLICY AND PROCEDURE MANUAL	ALASKA DOT&PF	IN USE	/ /	SW P&B
GEOTECHNICAL PROCEDURES MANUAL	ALASKA DOT&PF	IN USE	/ /	SW E&OS
GUIDE FOR FLEXIBLE PAVEMENT	ALASKA DOT&PF	IN USE	/ /	SW E&OS

<u>TITLE</u>	<u>PUBLISHER</u>	<u>STATUS</u>	<u>TARGET DATE</u>	<u>RESPONSIBLE DIVISION</u>
GUIDE FOR REGIONAL AND PROJECT STAFF	ALASKA DOT&PF	IN USE	/ /	
HYDRAULICS MANUAL	ALASKA DOT&PF	IN USE	/ /	SW E&OS
MAINTENANCE MANUAL		PLANNING STAGE	04/29/88	SW E&OS
PCB MANUAL	ALASKA DOT&PF	IN USE	/ /	SW E&OS
PHOTOLAB TECHNICAL MANUAL	ALASKA DOT&PF	IN USE	/ /	SW P&B
PHOTOLOG MANUAL		RESEARCH/DEVELOPMENT	04/29/88	SW E&OS
PRECONSTRUCTION MANUAL	ALASKA DOT&PF	IN USE	/ /	SW E&OS
PROJECT CONTROL OPERATIONS MANUAL		RESEARCH/DEVELOPMENT	/ /	SW M&F
PROJECT FUND DEVELOPMENT PROCESSING		FINAL REWRITE	/ /	SW M&F
PROJECT GRANT FUNDING PROCEDURES MANUAL		RESEARCH/DEVELOPMENT	/ /	SW E&OS
RIGHT OF WAY MANUAL	ALASKA DOT&PF	IN USE	/ /	SW E&OS
ROOFING STANDARDS	ALASKA DOT&PF	IN USE	/ /	SW E&OS
SEF POLICY AND PROCEDURE MANUAL	ALASKA DOT&PF	IN USE	/ /	SW M&F
STANDARD DRAWINGS	ALASKA DOT&PF	IN USE	/ /	SW E&OS
STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION	ALASKA DOT&PF	IN USE	/ /	SW E&OS
UTILITIES MANUAL	ALASKA DOT&PF	IN USE	/ /	SW E&OS

FISCAL NOTE

REQUEST:

Revision Date: February 27, 1989 Agency Affected: Department of Administration
Title: An Act relating to State BRU: General Services and Supply
Publications Central Duplicating/Purchasing
Sponsor: Pearce Components: General Services and Supply
Requestor: Senate State Affairs Central Duplicating/Purchasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

We do not anticipate any significant fiscal impact in expenditures or revenues for the Division of General Services and Supply.
Central Duplicating will continue to provide quotations to state agencies so they can include these figures in their costs analysis. There would be no additional costs for printing services.

Prepared By: Robert J. Link, Director *Robert J. Link* Phone: 465-2250
Division: General Services and Supply Date: _____

Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 3/7/89
Agency: Department of Administration

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

RECEIVED
MAR 8 1989

LEGISLATIVE FINANCE

CONTINUATION of FISCAL NOTE ANALYSIS
For Bill/Resolution No. CS SB 75 (St. Aff.)

SUBJECT OF PROPOSED BILL: An act relating to State Publications.

SUMMARY/EXPLANATION OF INTENT: For agency publications which are bid by General Services and Supply, the additional information required would be provided for under existing procurement regulations. The disclosed information can be included in the bidding specifications at no fiscal impact to the division. We do not anticipate any critical fiscal impact when issuing competitive sealed bids for agency publications.

This fiscal note analysis only applies to the Department of Administration and does not represent fiscal impacts to other agencies.

ESTIMATED FISCAL IMPACT:

Capital: 0

Operating: 0

FISCAL NOTE

REQUEST:

Revision Date: February 27, 1989
 Title: An Act relating to State Publications
 Sponsor: Pearce
 Requestor: Senate State Affairs

Agency Affected: Department of Administration
 BRU: General Services and Supply
 Central Duplicating/Purchasing
 Components: General Services and Supply
 Central Duplicating/Purchasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

We do not anticipate any significant fiscal impact in expenditures or revenues for the Division of General Services and Supply.
 Central Duplicating will continue to provide quotations to state agencies so they can include these figures in their costs analysis. There would be no additional costs for printing services.

Prepared By: Robert J. Link, Director *Robert J. Link* Phone: 465-2250
 Division: General Services and Supply Date: 2/28/89

Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 2/28/89
 Agency: Department of Administration

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS SB 75

SUBJECT OF PROPOSED BILL: An act relating to State Publications.

SUMMARY/EXPLANATION OF INTENT: For agency publications which are bid by General Services and Supply, the additional information required would be provided for under existing procurement regulations. The disclosed information can be included in the bidding specifications at no fiscal impact to the division. We do not anticipate any critical fiscal impact when issuing competitive sealed bids for agency publications.

This fiscal note analysis only applies to the Department of Administration and does not represent fiscal impacts to other agencies.

ESTIMATED FISCAL IMPACT:

Capital: 0

Operating: 0

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SR 75
PUBLISH DATE: 2/28/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act Relating to State Publications
Sponsor: Pearce
Requestor: _____

Agency Affected: Dept. of Administration
BRU: General Services & Supply
Central Duplicating/Purchasing
Components: General Services & Supply
Central Duplicating/Purchasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

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

See attachment.

Prepared by: Robert J. Link, Director *Robert J. Link* Phone: 465-2250
Division: General Services & Supply Date: 1-19-89

Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 1/25/89
Agency: Department of Administration

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

received
1-26-89

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 75

We do not anticipate any significant fiscal impact in expenditures or revenues for the Division of General Services & Supply.

Central Duplicating will continue to provide price quotations to state agencies so they can include these figures in their cost analysis. There would be no additional costs for printing services.

For agency publications which are bid by General Services & Supply, the additional information required would be provided for under existing procurement regulations. The disclosed information can be included in the bidding specifications at no fiscal impact to the division. We do not anticipate any critical fiscal impact when issuing competitive sealed bids for agency publications.

This fiscal note analysis only applies to the Department of Administration and does not represent fiscal impacts to other agencies.

S

B

7

5

HOUSE COMMITTEE REPORT

File

(11)

Date Referred: April 24, 1990

FURTHER REFERRALS:

Date of Committee Action: 5/7/90

The FINANCE Committee considered:

CSSB 75(Rls)am

CS SB NO. 75 (Rules) am

STATE PUBLICATIONS/DISCLOSURE & COSTS

"An Act relating to the identification of and disclosures on and about state publications; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with HCS CS SB 75 (JUD) 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 Fish r game
- zero with analysis _____
- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis DOA 4/24/90

SIGNING DO PASS:

SIGNING:

(Check) approp. column

Do Not Pass No Rec Amend

[Signature] Hoffman
[Signature] Brown
[Signature] Koponen
[Signature] Phillips
[Signature] Reger

SIGNING	Do Not Pass	No Rec	Amend
<u>[Signature]</u> Larson	X		
<u>[Signature]</u> Swachnamme			
<u>[Signature]</u> Ummu		✓	
<u>[Signature]</u> Shultz		✓	

[Signature] Larson
 Co Chairman's Signature
[Signature] Hoffman

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: An Act relating to State BRU: General Services and Supply
Publications Central Duplicating/Purchasing
 Sponsor: Pearce Components: General Services and Supply
 Requestor: House Judiciary Central Duplicating/Purchasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
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
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

We do not anticipate any significant fiscal impact in expenditures or revenues for the Division of General Services and Supply. Central Duplicating will continue to provide quotations to state agencies so they can include these figures in their costs analysis. There would be no additional costs for printing services. Agencies would pay costs of required typesetting.

Prepared by: Robert J. Link, Director *Robert Link* Phone: 465-2250
 Division: General Services and Supply Date: 4/23/90
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 4/23/90
 Agency: Department of Administration

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HCS CSSB 75 (JUD)

SUBJECT OF PROPOSED BILL: An act relating to State Publications.

SUMMARY/EXPLANATION OF INTENT: For agency publications which are bid by General Services and Supply, the additional information required would be provided for under existing procurement regulations. The disclosed information can be included in the bidding specifications at no fiscal impact to the division. We do not anticipate any critical fiscal impact when issuing competitive sealed bids for agency publications.

This fiscal note analysis only applies to the Department of Administration and does not represent fiscal impacts to other agencies.

ESTIMATED FISCAL IMPACT:

Capital: 0

Operating: 0

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Identification of and disclosures
on and about state publications
 Sponsor: Pearce
 Requestor: _____

Agency Affected: Fish and Game
 BRU: Snort Fish, Commercial Fisheries,
and FRED
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	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: Bob Wilbur Phone: 465-4210
 Division: Commercial Fisheries Date: _____

Approved by Commissioner: _____ Date: _____
 Agency: _____

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



**STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS**

DEPARTMENT Fish and Game	DIVISION Sport Fish/Comm Fish/FRED	BILL NUMBER HCS CS SB 75	SPONSOR Senator Pearce
SHORT TITLE OF BILL Identification of and disclosures on and about state publications			
DEPARTMENT POSITION Support with amendment			
PREPARED BY Bob Wilbur	DATE 4/13/89	COMMISSIONER'S SIGNATURE	DATE

SUMMARY

OTHER AGENCIES AFFECTED BY BILL All state employees	CONSTITUENT GROUP(S) AFFECTED BY BILL Unknown
ORGANIZATIONAL SUPPORT FOR BILL Unknown	ORGANIZATIONAL OPPOSITION TO BILL Unknown
FISCAL IMPACT: <input checked="" type="checkbox"/> NONE <input type="checkbox"/> FISCAL NOTE ATTACHED	

BACKGROUND/LEGISLATIVE INTENT

To establish cost explanations for all state publications that exceed \$1500 in production costs, such explanations to be placed "next to the agency identification" and in the same sized type as the body of the publication.

- ANALYSIS OF BILL/PROGRAM EFFECTS**
- Tracking of production expenses would require additional personnel time. Since funding is not available for that activity, production of reports would be delayed or suspended.
 - The statement, especially given its required location (cover and/or title page) and type size (same as the publication body), would significantly detract from the professional appearance of state publications.
 - Items to be included in production costs are vague and ambiguous. Many items would be extremely difficult to accurately quantify or breakout on a per-publication basis. To do so would involve a significant amount of personnel time. To not do so would make the costs analysis inaccurate and of little practical value.

- AMENDMENTS PROPOSED**
- Allow the cost analysis statement to be placed at the back, on the inside of the backcover, or at other locations where it would not detract from the professional quality of state publication; i.e., provide some leeway.
 - Restrict the type to no smaller than 8 points. This is a legible type size that would look more professional and would create contrast to attract reader attention. (see example on continued page)

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

Amendments Proposed (continued)

8 point example:

This publication was produced at an annual cost of \$2350, \$0.75 per copy, to provide necessary fishery research data to the fishing industry, resource agencies and scientists, and was printed in Juneau, Alaska.

3. Clarify and simplify costs to be included in the \$1500 threshold. We recommend that "typesetting" not include word processing and desktop publishing; that "art work" not include graphs, tables, charts, maps, photographs, etc.; that "printing" not include photocopied reproduction; and that "preparation" not include editing or writing. Clarify costs to be included in "materials" and in "circulation" or exclude these costs.
4. Consider excluding documents/reports that are printed and distributed only once versus periodical publications that are printed annually, semiannually, quarterly, or monthly, generally as numbered or dated volumes. Otherwise, clarify how the statement, "...at an annual cost of \$ _____", should be calculated for publications that are produced once rather than annually.
5. Consider excluding scientific reports that primarily serve to inform an Alaskan industry or scientists. These types of reports provide essential information and are almost always reproduced in a fairly conservative and prudent manner without extravagance.
6. Exclude news releases and emergency orders. There is no way to know in advance how many will have to be produced during a year.

Original sponsor(s): SEN. PEARCE, Uehling, Faiks

1 IN THE SENATE BY THE JUDICIARY COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 75 (Judiciary)

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 production of and disclosures
7 on and about state publications."

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

9 * Section 1. AS 44.99 is amended by adding new sections to read:

10 ARTICLE 3. STATE PUBLICATIONS.

11 Sec. 44.99.130. PRODUCTION OF PUBLICATIONS. (a) The publica-
12 tions of a state agency shall be produced at a state-operated facility
13 unless the person or entity designated under (b) of this section for
14 the agency determines in writing that the needs of the state require a
15 publication that does not comply with the standards established under
16 AS 44.99.160 or that cannot be produced by a state-operated facility.

17 (b) The determination under (a) of this section shall be made by
18 the

19 (1) commissioner of administration for a state agency in
20 the executive branch, except as provided in (4) - (6) of this sub-
21 section;

22 (2) administrative director of the judicial branch for an
23 agency in the judicial branch;

24 (3) Alaska Legislative Council for an agency in the legis-
25 lative branch;

26 (4) Board of Regents or president of the University of
27 Alaska for the university;

28 (5) board of directors of the Alaska State Housing Authori-
29 ty for the authority; and

1 (6) board of directors of the Alaska Railroad Corporation
2 for the corporation.

3 Sec. 44.99.140. DISCLOSURES ON PUBLICATION. (a) If a publica-
4 tion of a state agency is exempted under AS 44.99.130(a) from being
5 produced at a state-operated facility and if the actual annual costs
6 for the publication that are paid from the general fund exceed \$1,500,
7 the publication must include a statement that gives the name of the
8 agency releasing the publication, the purpose of the publication, the
9 cost for each copy of the publication, and the city and state where
10 the printing was done. The statement must read: "This publication
11 was released by ... (name of state agency) ..., produced at a cost of
12 \$. . . . per copy to... (statement of purpose)..., and printed in.....
13 (city and state where printed)." If the publication is required by
14 law, the statement must also include: "This publication is required
15 by . . . (appropriate citation to Alaska law)." The statement may
16 include, if applicable, a declaration of the revenue raised by the
17 sale of the publication or from the purchase of advertising in the
18 publication. The statement shall be printed in one conspicuous place
19 in the body of the publication in a type size that is not smaller than
20 eight points and shall be placed in a box composed of at least one-
21 point rule. In this section, "cost for each copy" means the figure
22 that results after dividing the total contract cost of producing the
23 publication by the number of copies produced. This section does not
24 apply to a publication that is intended primarily for foreign or other
25 out-of-state use.

26 Sec. 44.99.150. LIST OF PUBLICATIONS. A state agency shall
27 compile and maintain a list of the publications that it produces each
28 fiscal year.

29 Sec. 44.99.160. STANDARDS. The Department of Administration

1 shall establish standards for the production of publications by state
2 agencies, except that the Board of Regents of the University of Alaska
3 shall establish the standards for the university. The standards must
4 be designed to promote simplicity, low cost, consistency, and maximum
5 use of state-operated production facilities.

6 Sec. 44.99.170. DEFINITIONS. In AS 44.99.130 - 44.99.170,

7 (1) "publication" means a written document, including
8 books, brochures, flyers, manuals, newsletters, pamphlets, programs,
9 reports, and similar documents, but does not include standard forms,
10 letterhead stationery, letterhead envelopes, election ballots, con-
11 struction plans and specifications, location and design study reports,
12 the Alaska Statutes, the Alaska Administrative Code, the Alaska Rules
13 of Court, publications produced by the University of Alaska press, and
14 papers that are submitted to a publisher, including a publisher of
15 journals and anthologies, that is not a state agency;

16 (2) "state agency" means

17 (A) a department, institution, board, commission,
18 division, authority, public corporation, or other administrative
19 unit of the executive branch, including the University of Alaska
20 and the Alaska Railroad Corporation;

21 (B) a committee, division, or administrative unit of
22 the legislative branch, including the Alaska Legislative Council,
23 the leadership of each house, and the office of the ombudsman;

24 (C) an administrative unit of the judicial branch,
25 including the Alaska Judicial Council and the Commission on
26 Judicial Conduct.

27 * Sec. 2. The office of management and budget in the Office of the
28 Governor shall submit to the legislature by February 1, 1991, a list of the
29 publications that state law requires the state to publish and that the

- 1 executive branch determines should not be required. The list must contain
- 2 an explanation of the reasons for the executive branch's determination.

Copy Carol Collins

Alaska State Legislature

3111 C Street, Suite 150
Anchorage, Alaska 99503
(907) 561-2038



During Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-4993

Senator Drue Pearce
District G

MEMORANDUM

TO: Representative Lyman F. Hoffman, Co-Chairman
Representative Ronald L. "Ron" Larson, Co-Chairman
House Finance Committee

FROM: Drue Pearce

RE: Scheduling Request for SB 75

DATE: April 26, 1990

The committee substitute for SB 75 passed out of House Judiciary Committee on April 23, 1990, with a zero fiscal note.

This Bill requires that publications of a state agency be produced at a state operated facility unless the needs of the state require a publication that does not comply with production standards to be established by the Department of Administration, or in the case of the University of Alaska, by the Board of Regents. This determination is to be made by those persons or entities listed in the Bill. If an exemption is determined to be necessary, and if the costs of publication payable from the general fund will exceed \$1,500.00 a year, the publication will be required to include a "cost box" showing the name of the agency releasing the publication, its purpose, the cost per copy and the location of the printing, unless it is a publication that is intended primarily for foreign or other out-of-state use.

The purpose of the Bill is to provide some budget constraints upon state agencies and to inform the public on a publication-by-publication basis what the various brochures and pamphlets they read cost to produce and where the printing was done.

Please consider an early hearing on this measure.

DP:pc

Alaska State Legislature



House of Representatives House Judiciary Committee

P. O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-4990
(907) 465-4712

April 23, 1990

Representative Sam Cotten
Speaker of the House
Alaska Legislature
P.O. Box V
Juneau, AK 99811

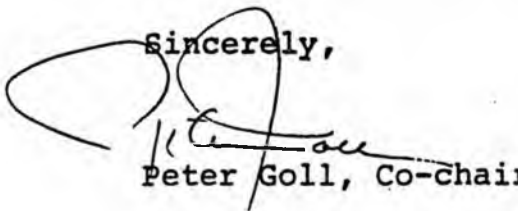
Dear Representative Cotten:

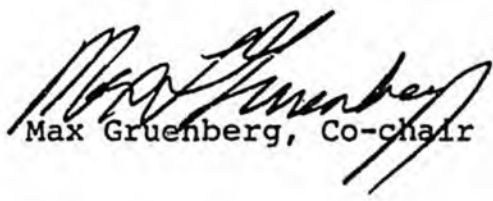
The House Judiciary Committee has heard, adopted a committee substitute, and passed out SB 75, relating to state publications. The substitute was arrived at by consensus between Senator Pearce, the Department of Administration, and the committee.

In crafting the final bill, the Senate passed version was changed enough to require a title change. This House Concurrent Resolution suspends those Uniform Rules of the Legislature dealing with changes in the title of a bill.

The House Judiciary Committee respectfully requests that you assign the resolution only to the Rules Committee since the committee has already considered it in passing out SB 75.

Sincerely,


Peter Goll, Co-chair


Max Gruenberg, Co-chair

BY THE JUDICIARY COMMITTEE

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO.
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Suspending Uniform Rules 41(b), 24(c),
6 and 35 of the Alaska State Legislature
7 concerning Senate Bill No. 75.

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

9 That under Rule 54 of the Uniform Rules of the Alaska State Legisla-
10 ture the provisions of Rule 41(b), Rule 24(c), and Rule 35 of the Uniform
11 Rules, regarding changes to the title of a bill, are suspended in consid-
12 eration of Senate Bill No. 75, relating to state publications.

13
14
15
16
17
18
19
20
21
22
23
24
25

Alaska State Legislature

P.O. Box Y
Juneau, AK 99811-3100
Phone: (907) 163-3991
Fax: (907) 163-3351

Legislative Research Agency



January 26, 1990

MEMORANDUM

TO: Representative Peter Goll

ATTN: Hayden Kayden

FROM: Judy Brake^{AB}
Legislative Analyst

RE: State Agency Publications Mandated by the Legislature
Research Request 90.193 (REVISED)

You requested a list of state agency publications and reports mandated by the legislature.

A list of mandated state agency publications is attached. Most of the information on frequency of publication came from the statutes; when the table shows no frequency in the "report type" column, either the requirements were ambiguous or the report is one-time or to be generated as circumstances require.

The reports for which annual publication is specified total 146. However, an exact number of total publications and reports cannot be determined because publication frequency is not always specified in the law; a publication requirement may be triggered by circumstance; updating may be required but at unspecified intervals; an agency may combine several required reports into one; and agencies may ignore a requirement to make certain reports.

We compiled this publication list by means of a key-word search of the statutes in the STAIRS system. Time did not allow us to verify our list with each state agency. The list will contain too many entries in those cases where reports are combined or subsumed into other reports by agencies.

Our method may have missed some reports because the key word formulations used to search the statutes may not have captured all relevant publications. Also, we decided to omit various kinds of required reports. These deliberate omissions are described below.

Representative Goll
January 26, 1990
Page 2

1. reports that are expressly to be combined with other reports;
2. intra-agency reports, such as those from boards to supervising departments;
3. obviously minor reports of a strictly financial nature;
4. budgets, except for the governor's budget;
5. reports that are to be done "when requested" by the governor or legislature;
6. one-time reports or reports required by unusual circumstances, e.g., the removal of a Public Defender or the dissolution of a municipality;
7. requirements to publish "public notice";
8. publication of most regulations unless the statutory authority of that agency specifically says that the agency "shall publish" certain regulations; and
9. publications required by legislative letters of intent. Budget bills have numerous letters of intent that mandate the preparation of reports and plans;

We hope this information is valuable to you. If you have questions about it do not hesitate to contact this agency.

Attachments

STATUTE CITATION	TYPE OF REPORT	REPORT TYPE	
44.01.200	Commercial Fishing & Agricultural Bank	Annual report to bank's members	Annual
37.05.035	Each State Agency	Annual report of all aggregate loans for each agency which makes or purchases a loan	Annual
37.07.050	Each State Agency	Report for OMB and Leg. Finance on plans, goals, budget request, receipts legislative needs, etc.	Annual
14.44.055	Education Commission of the States	Annual report re: compact for education	Annual
43.19.010	Multistate Tax Commission	Bylaws	
43.19.010	Multistate Tax Commission	Annual report	Annual
43.19.010	Multistate Tax Commission	Information to assist states in implementation of multistate tax compact and taxpayers in complying with laws.	
14.44.015	Western Interstate Commission for Higher Education	Annual report to governors and legislators of compacting states	Annual
14.44.055	Western Interstate Commission for Higher Education	Bylaws	
41.98.100	Western Interstate Nuclear Board	Annual report and recommendations	Annual
Administration			
14.25.030		Annual PERS and TRS financial report	Annual
36.30.060		Regulations re: old age and survivors insurance for state employees	
37.05.030		Consolidated financial report of state agencies, financial condition of the state, etc.	Annual
37.05.210		Report of financial transactions of the year and of financial condition of the state	Annual
39.30.070		Annual report on old age and survivors' insurance protection	Annual
39.35.020		Annual PERS and TRS financial report	Annual
44.21.310		Annual report on telecommunications activities of the department	Annual
44.21.310		Comprehensive telecommunications development plan and inventory of state communications facilities	Annual
44.21.315		Annual update on long-term plan for instruction telecommunications	Annual
44.21.315		Annual report on instructional telecommunications	Annual
44.21.315		Annual update on long-term plan for teleconferencing facilities and services	Annual
47.24.010		Annual report on state pioneers' homes	Annual
44.21.266	AK Public Broadcasting Commission	Plan for public broadcasting systems	A
39.25.195	Director of Personnel	Report on nonpermanent and emergency hire in state government	Annual
39.27.035	Director of Personnel	Report and recommended salary schedules for partially exempt and classified service state employees	Annual
39.51.180	Incentive Awards Board	Annual report	Annual
44.21.230	Older Alaskans Commission	Plan re: needs of older Alaskans and analysis of services provided	
18.65.160	Public Defender Agency	Annual report	Annual
39.35.020	Public Employees Retirement System	Annual report	Annual
15.13.030	Public Offices Commission	Annual report	Annual
15.13.030	Public Offices Commission	Summary of reports required of candidates	
15.13.110	Public Offices Commission	Manual explaining how to make reports to APOC	B
24.45.031	Public Offices Commission	Summaries of reports received from lobbyists (at least quarterly & annually)	Annual/Quirl
24.45.031	Public Offices Commission	Annual report on regulation of lobbyist	Annual
24.45.041	Public Offices Commission	Annual directory of registered lobbyists	Annual
24.45.041	Public Offices Commission	Instructions for accounting and record keeping required of lobbyists	
Commerce & Economic Development			
66.05.055		Report on regulation and status of banks	Annual
08.24.061		Pamphlet on laws and regulations applicable to collection agencies	
08.24.071		Annual directory of licensed collection agencies	Annual
10.06.160		Annual list of domestic and authorized foreign corporations and registered agents	Annual
29.60.420		Annual report of community facilities grants under AS 29.60.400	Annual
36.30.332		List of Alaska products	Annual
44.33.020		Annual report on economic growth of the state	Annual
45.50.270		List of log brands	Biennial
05.40.070	AK Amateur Sports Authority	Comprehensive long-range plan for facilities	C
05.40.190	AK Amateur Sports Authority	Report on operations, income and expenditures	Annual
37.14.230	AK Children's Trust Fund Board	Annual report	Annual
44.83.185	AK Energy Authority	Feasibility and reconnaissance studies for proposed new projects	E

STATUTE CITATION	TYPE OF REPORT	REPORT TYPE
Commerce & Economic Development		
44.83.361 AK Energy Authority	Report of actions under and accounting of the rural electrification revolving loan fund	Annual
44.83.940 AK Energy Authority	Annual report	Annual
44.83.950 AK Energy Authority	Project status report	
44.83.960 AK Energy Authority	Annual long-term energy plan	Annual
44.88.085 AK Industrial Development & Export Authority	Regulations	
44.88.140 AK Industrial Development & Export Authority	Performance and financial report	Annual
44.88.140 AK Industrial Development & Export Authority	Report of nature & extent of tax exemption of property, assets, etc.	Annual
44.88.173 AK Industrial Development & Export Authority	Finance plan before approving a project, when legislative approval is required	
44.33.431 AK Minerals Commission	Recommendations to governor and legislature	
42.40.260 AK Railroad Corporation	Annual report	Annual
42.40.290 AK Railroad Corporation	Long-range capital improvement plan with annual revisions	D
38.06.070 AK Royalty Oil & Gas Development Advisory Board	Report re: dispositions of royalty gas or oil which require legislative approval	
16.51.100 AK Seafood Marketing Institute	Annual report	Annual
44.33.270 AK Tourism Marketing Council	Annual report; quarterly reports	Annual/Qu
08.54.310 Big Game Commercial Services Board	Annual register of big game commercial services providers	Annual
08.48.071 Board of Architects, Engineers & Land Surveyors	Annual report	Annual
08.36.070 Board of Dental Examiners	Annual report	Annual
08.68.330 Board of Nursing	List of approved nursing education programs in the state	F
08.80.040 Board of Pharmacy	Annual report	Annual
08.80.040 Board of Pharmacy	List of potentially dangerous medicines to be sold only by licensed pharmacists	F
21.05.115 Director of Insurance	Pamphlet on insurance and the rights of the consumer	G
21.06.110 Division of Insurance	Annual report	Annual
05.15.090 Games of Chance and Skill	Summary of reports required of operators of games of chance and contests of skill.	Annual
44.47.567 Local Boundary Commission	Proposed boundary changes and related plans	Annual
42.05.201 Public Utilities Commission	Public utilities reports, orders, decisions and regulations when appropriate to inform the public	
42.05.201 Public Utilities Commission	Oil and gas pipeline facilities, reports, etc. when appropriate to inform public	
42.05.211 Public Utilities Commission	Annual report	Annual
Commerce & Economic Development and Revenue		
43.75.034 Fisheries Business Tax Credit	Combined report on fisheries business tax credit program	Annual-M
Commerce & Economic Development & Ag's office		
05.15.090 Games of Chance and Skill	Joint report on effects of operation of this chapter on law enforcement	Annual
Community & Regional Affairs		
44.47.150	municipal lands trustee program report	Annual
44.47.530	Annual account of the housing assistance revolving fund	Annual
44.47.762 State Job Training Coordinating Council	Annual report on the business incentive training program	Annual
Corrections		
33.32.020	Annual report on correctional industries fund.	Annual

STATUTE CITATION	TYPE OF REPORT	REPORT TYPE
Court System		
09.38.085	Information on procedures and rights of creditors and debtors	
22.15.040	Small claims handbook	
25.24.250	Marriage dissolution instructions	
25.35.030	Instructions for persons seeking relief from domestic violence	
36.30.030	Procedures governing procurement of supplies, services and construction by the judicial branch	
Art4 Sec9	Constitution--Judicial Council	
36.30.030	Recommendations and reports on the administration of justice	I
Education		
14.11.010	Summary of projects requested by each assembly, council or regional school board	
14.11.100	State aid for schools under this section: facilities construction; rehabilitation and improvement	Annual
14.20.650	Compilation of contracts under interstate agreement on qualifications of education personnel	
14.36.010	Annual report on evaluation of community school programs	Annual
44.27.056	AK Council on the Arts	J
14.42.030	Commission on Postsecondary Education	G
14.42.030	Commission on Postsecondary Education	Annual
14.43.095	Commission on Postsecondary Education	Annual
14.56.125	State Library Distribution & Data Access Center	Annual
14.42.030	Statewide plan for coordinating postsecondary education in the state.	
14.43.095	Report recommending changes in AK postsecondary education programs	
14.56.125	Financial Aid Committee of the Commission on Postsecondary Education-annual report	
	Current index of all publications, etc. on file.	
Environmental Conservation		
46.03.020	Report of permits and authorizations included or deleted under AS 46.35 (procedures coordination)	Annual
46.03.032	Report on Alaska clean water fund	Annual
46.04.200	Statewide master oil & hazardous substance discharge & prevention contingency plan	D
46.08.060	Report on release response fund finances, response activities and cost projections	Annual
Fish & Game		
16.05.092	Fisheries Rehabilitation, Enhancement and Development Division Annual Report	Annual
16.05.130	Report on use of money from waterfowl tags and limited edition prints	Annual
16.05.825	Report on upland game bird release program	Annual
16.20.190	Endangered species list (reviewed at least every two years)	
16.43.980	Commercial Fisheries Entry Commission	Annual
16.20.190	Annual report	
Governor's Office		
37.07.020	Capital improvement projects for succeeding 6 fiscal years	Annual
37.07.020	Budget for succeeding fiscal year	Annual
44.19.035	Report on harmful effects of the Jones Act and progress towards its repeal.	Annual
44.19.049	Report of activity re: grants and loans to municipalities damaged by natural disaster	Annual
44.19.075	Report on activities of the Alaska foreign offices	Annual
44.19.180	Alaska Women's Commission	Annual
08.08.085	Board of Governors of Alaska Bar	Annual
44.19.162	Coastal Zone Policy Council	Annual
44.19.442	Equal Employment Opportunity	Annual
44.19.442	Equal Employment Opportunity	Annual
18.80.150	Human Rights Commission	Annual
37.07.050	Office of Management & Budget	Annual
37.07.080	Office of Management & Budget	Quarterly
44.19.145	Office of Management & Budget	Annual
37.07.050	Summary of program & financial information prepared by state agencies	
37.07.080	Quarterly report on the operations of each state agency	
44.19.145	Report on long-range development program of the state for incorporation into governor's report to legislature	

STATUTE CITATION	TYPE OF REPORT	REPORT TYPE
Governor's Office		
44.83.183 Office of Management & Budget	Review of feasibility studies and finance plans under the AK Energy Authority	E
39.23.240 State Officers Compensation Commission	Annual or biennial report of recommendations re: compensation of state officers--preliminary findings and final report	Annual
44.19.504 Telecommunications Council	Information systems plan	
44.19.504 Telecommunications Council	Annual Report	Annual
Health & Social Services		
18.05.020	Annual report	Annual
18.20.100	Annual report of hospital regulation activities	Annual
18.20.150	State plan for medical facilities (submitted to feds)	
18.25.110	Report of grants made for community health facilities	Annual
47.07.040	Annual program status and recommendations on medical assistance for needy persons	Annual
47.07.040	State plan for medical assistance for needy persons (submitted to feds)	
47.10.160	Findings, recommendations and plan for construction of needed juvenile facilities	
47.10.300	Report on programs for runaway minors	Annual
47.30.470	Annual report on alcoholism and drug abuse in Alaska and the grant-in-aid program	Annual
47.75.040	Proposed state social services plan for fiscal year	Annual
47.30.666 AK Mental Health Board	Annual report; annual state implementation plan for mental health program	Annual
18.50.040 Bureau of Vital Statistics	Bureau of Vital Statistics; reports of statistics	Annual
47.80.090 Governor's Council for Handicapped & Gifted	Annual state plan for programs for persons with developmental disabilities	Annual
47.37.040 Office of Alcoholism & Drug Abuse	Annual Report	Annual
47.37.130 Office of Alcoholism & Drug Abuse	List of approved public and private treatment facilities	F
Labor		
18.60.040	Report on prevention of accident and health hazards	Annual
23.05.110	Biennial report on workman's compensation	Biennial
Labor & AG's Office		
36.10.130	Resident hire report	
Law		
44.23.020	Report to legislature re: work of the office and needed legislation	Annual
44.23.020	Pamphlet on landlord and tenant rights	G
44.23.040	Report on activities and recommendations toward promotion of uniform laws	Annual
Legislature		
24.20.206 Budget & Audit Committee	Annual audit and evaluation of Permanent Fund Corporation	Annual
24.20.206 Budget & Audit Committee	Annual audit and evaluation of AHFC and Alaska Industrial Development & Export Authority	Annual
24.20.206 Budget & Audit Committee	Recommendations for investment of general fund surplus and permanent fund income	Annual
24.20.206 Budget & Audit Committee	Report on investment programs of state agencies which lend or invest	Annual
24.20.206 Budget & Audit Committee	Review of report of the governor re: executive budget	Annual
24.20.271 Budget & Audit Committee	Reports on audits of boards, commissions, programs and activities of agencies subject to sunset.	Annual
24.20.311 Budget & Audit Committee	Annual report summarizing audit reports & committee recommendations	Annual
24.05.130 House & Senate	Daily journals	L
44.01.270 Legislative Audit	Summary of CFAB bank audit	Annual
24.20.065 Legislative Council	Report on annual examination of regulations, AG opinions, etc, with recommendations	Annual
24.20.120 Legislative Council	Summary report on findings and recommendations	Annual
36.30.020 Legislative Council	Procedures governing procurement of supplies, services and construction by the legislative branch	
24.55.230 Ombudsman	Annual report of activities	Annual

STATUTE CITATION	TYPE OF REPORT	REPORT TYPE
Revenue		
44.85.100 AK Municipal Bond Bank Authority	Annual report	Annual
37.13.170 AK Permanent Fund Corporation	Annual report	Annual
37.12.090 AK Resources Corporation	Annual report	Annual
37.17.090 AK Science & Technology Board	Results of research sponsored by the foundation.	M
37.17.090 AK Science & Technology Board	Annual report	Annual
18.56.200 Alaska Housing Finance Corporation	Annual report	Annual
Transportation & Public Facilities		
19.30.233	Use of money allocated for local service roads and trails; and status of departmental construction	Annual
19.30.310	Use of money allocated for road maintenance service areas	Annual
35.10.015	Annual report on work to upgrade public facilities to make them accessible to handicapped, etc.	Annual
36.30.540	Biennial report on procurements by agencies	Biennial
44.42.050	Annual long-range transportation and capital improvement plan	Annual
44.42.055	Annual state public facilities plan	Annual
44.42.065	Report of energy audits of public buildings performed during the year	Annual
University of Alaska		
14.40.085 AK State Climate Cneter	Plan for gathering & disseminating climate information	N
14.40.087 Alaska Center for International Business	Annual report	Annual
14.40.170 Board of Regents	Annual report of expenditures from funds derived from sales, leases or transfer of land	Annual
14.40.190 Board of Regents	Report of receipts and expenditures, condition of university property, and educational work performed	Annual
14.40.250 Board of Regents	Annual report on actions taken as trustees and administrators of money and property	Annual
16.52.050 Board of Regents	Annual Report on Fishery Industrial Technology Center	Annual

NOTES:

- A: Annual updates required
- B: For each state election
- C: To be updated at least every five years
- D: Annual revisions required
- E: Currently average 3 to 5 per year
- F: Occasional updates required (possibly issued as supplements)
- G: Occasional revisions required
- H: Annual report requirement repealed effective February 15, 1992.
- I: At least every two years
- J: "From time to time" (less than annually)
- K: Published as computer accessed microfiche: AK State Publications Microfiche
- L: Daily during legislative sessions
- M: "On a regular basis"
- N: Biennial updates required
- O: When each study is completed

Prepared by the Legislative Research Agency, January 26, 1990 (90.193A-Revised).

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

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

MAY 4 1989

The Honorable Peter Goll
Alaska State Representative
P. O. Box V
Juneau, AK 99811-3100

Dear Representative Goll:

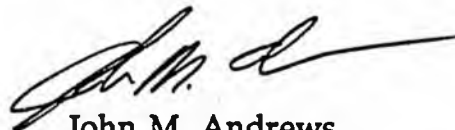
With regard to SB 75 (cost of publications), I would like to convey to you my support of the idea of keeping these costs within reasonable bounds.

From the perspective of the Department of Administration, I do not feel it is worth the effort and expense to impose the requirements of SB 75 on the publications we produce. We cannot afford to waste scarce funds on lavish publications; and I know of no instances within the department where we have. From here, the bill appears to try to fix something that isn't broken.

From the broader perspective of the executive branch, it appears to me that declining budgets are the best safeguard against lavish publications. Indeed, looking at the steadily-increasing volume of printing requests handled by Central Duplicating, I conclude that the current tight budgets are doing the job. When funds were more plentiful, the relatively modest capabilities of Central Duplicating were not so popular.

Nonetheless, if complaints persist that the executive branch is wasting funds on luxury publications, then perhaps we should look into some administrative mechanism for directly monitoring and controlling these costs. I would be happy to suggest to the Governor's Office that we do some analysis of these costs and methods of their control during this legislative interim, and to share the results of this analysis with you upon its completion.

Sincerely,



John M. Andrews
Commissioner

Alaska State Legislature



House of Representatives House Judiciary Committee

P. O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-4990
(907) 465-4712

MEMORANDUM

TO: Peter Goll
FROM: Hayden Kaden *HK*
RE: Publication cost of "Alaska's Mineral Industry
1988".
DATE: September 26, 1989

Knowing your interest in the subject of the cost of various state publications, especially in light of Senator Pearce's SB 75 which is in our committee, I checked on the cost of publishing "Alaska's Mineral Industry 1988".

Much of the layup work was done "in-house". According to Jim Degan of the Division of Business Development in the Department of Commerce and Economic Development, the publication cost \$1.97 per copy. 7,000 copies were run for a total cost of \$13,825.

I will include this memo in the bill file on SB 75.

cc: Representative Max Gruenberg
Senator Drew Pearce



alaska judicial council

1029 W. Third Avenue, Suite 201, Anchorage, Alaska 99501 (907) 279-2526 FAX (907) 276-5046

EXECUTIVE DIRECTOR
William T. Cotton

January 17, 1990

NON-ATTORNEY MEMBERS
Hilbert J. Henrickson, M.D.
Leona Okakok
Janis G. Roller

Representatives Goll & Gruenberg
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

ATTORNEY MEMBERS
Daniel L. Callahan
William T. Council
James D. Gilmore

RE: CSSB 75 (SA)

CHAIRMAN, EX OFFICIO
Warren W. Matthews
Chief Justice
Supreme Court

Dear Representatives Goll & Gruenberg:

The Alaska Judicial Council believes that it would be appropriate to exempt the Council from the above legislation. The legislation would increase the costs and administrative burden of this agency. While this increased burden is not extensive, it is significant.

The apparent goal of the legislation--to forward local hire--is not served by including the Judicial Council within its ambit. Three types of Judicial Council reports would fall under the proposed legislation. First, the Council has a constitutional mandate to issue a biennial report to the supreme court and legislature. Second, a report for the retention election evaluation of judges also is issued every other year. Third, the Council issues a major research report on an average of once a year.

None of these reports have ever been published outside the state except for the retention survey in a few years prior to 1987. Further, in any case in which the Council does contract for publishing a report, a bid or request for proposals is used and hence the state's bid preference laws apply. (I do not think these laws were in effect before 1987 when the University of Michigan submitted a low bid on the retention survey.)

We appreciate your consideration of this request. Please let me know if you have any questions. I look forward to meeting with you during the session.

Sincerely,

A handwritten signature in cursive script that reads "William T. Cotton".

William T. Cotton
Executive Director

WTC/jmz

S

B

8

2

SENATE COMMITTEE REPORT

FURTHER

2/9/89

DATE TURNED INTO OFFICE

2/22/89

Mr. President:

Finance

Committee considered

SB 82

loans and lending practices of the Alaska Commercial Fishing and Agriculture Bank; providing an exemption for the bank's membership stock and certain other securities issued by the bank from registration and recommended under the Alaska Securities Act; efd

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published 1/18/89

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature] Shore
[Signature] Purcell
[Signature] Frank
[Signature] Pearce
[Signature] Webbing

Chairman signature and recommendation

Committee Backup attached

[Signature] Co-CHAIR
[Signature] Binkley
 DO PASS

R/SFC 2-22-89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 82
PUBLISH DATE: 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Commercial Fishing and Agri-
culture Bank
Sponsor: Zarhoff, Sturgulewski, et al
Requestor: Senate Resources

Agency Affected: Commerce & Econ. Dev.
BRU: Banking and Securities
Components: Securities

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact.

Prepared by: L.P. Carroll, Senior Securities Examiner
Division: Banking and Securities

Phone: 465-2521
Date: 01/17/89

Approved by Commissioner: Larry Mercurieff
Agency: Dept. of Commerce and Economic Development

Date: 1/18/1989

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- mm0595t
- 011789a

received
1-18-89

BY ZHAROFF, STURGULEWSKI,
ELIASON, DUNCAN, BINKLEY,
SZYMANSKI, KELLY, ADAMS,
COGHILL, KERTTULA AND PEARCE

1 IN THE SENATE

2

SENATE BILL NO. 82

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to loans and lending practices of
7 the Alaska Commercial Fishing and Agriculture Bank;
8 providing an exemption for the bank's membership
9 stock and certain other securities issued by the bank
10 from registration under the Alaska Securities Act;
11 and providing for an effective date."

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

13 * Section 1. PURPOSE. It is the purpose of this Act to maintain and
14 enhance the flexibility of the Alaska Commercial Fishing and Agriculture
15 Bank (AS 44.81) by amending applicable statutes so that the bank may

16 (1) make loans to finance the sale of a limited entry permit to
17 a resident commercial fisherman who does not meet the bank's normal credit
18 standards, if the permit seller is willing to participate in the loan in
19 order to support the efforts of a resident entrant into the commercial
20 fishery under that permit;

21 (2) improve its ability to refinance loans;

22 (3) accept as collateral pledged for security for a loan a
23 limited entry permit in addition to the one to be purchased; and

24 (4) more readily protect the financial interests of a debtor in
25 instances in which the limited entry permit of that debtor has been sub-
26 jected to foreclosure under AS 44.81.

27 * Sec. 2. AS 44.81.210(a) is amended by adding a new paragraph to read:

28 (24) issue certificates of loan participation to members and
29 to other individuals, corporations, partnerships, and joint ventures.

98-26-2 372 AS

1 * Sec. 3. AS 44.81.230 is amended by adding new subsections to read:

2 (e) In addition to the permit of the debtor pledged as security
3 for a loan under (a) of this section, the debtor may pledge another
4 limited entry permit as security for that loan if the bank approves
5 and the permit to be pledged meets the requirements of (b) of this
6 section.

7 (f) In anticipation of possible foreclosure on an entry permit
8 under AS 44.81.250, the debtor may nominate a person to assume a note
9 given under AS 44.81.210(a)(20). If the person nominated qualifies
10 under (a) of this section at the time of the foreclosure, the person
11 may assume all rights and liabilities of the debtor in the event the
12 bank forecloses on the entry permit.

13 * Sec. 4. AS 44.81.235(b) is amended to read:

14 (b) A limited entry permit may be used as security for more than
15 one loan if each loan meets the requirements of AS 44.81.210(a)(20) or
16 (a) of this section.

17 * Sec. 5. AS 44.81.235(c) is amended to read:

18 (c) A limited entry permit may be used as security for a loan to
19 refinance existing debts if the proceeds of each original loan were
20 used in accordance with AS 44.81.210(a)(20) or (a) of this section.

21 * Sec. 6. AS 44.81.250(b) is amended to read:

22 (b) If the commission does not exercise its right of first
23 refusal within 30 days after it receives the offer, or if the permit
24 is not subject to a buy-back program under AS 16.43.290 - 16.43.330,
25 the bank shall promptly notify the debtor of this fact. If the debtor
26 has not previously nominated a qualified person to assume the note
27 under AS 44.81.230(f), the [THE] debtor has 30 days from the postmark
28 date of the notice to nominate a person qualified to assume the note.
29 The person nominated must qualify under the requirements of

1 AS 44.81.230(a). If qualified, the person nominated may assume all
2 rights and liabilities of the original debtor.

3 * Sec. 7. AS 44.81.250(d) is amended to read:

4 (d) Nothing in this section affects the right of the bank to
5 institute legal action for a deficiency resulting from a default on a
6 note given under AS 44.81.210(a)(20) or 44.81.230 [AS 44.81.230]. In
7 addition to any deficiency, the debtor is liable for the costs of
8 administering the note and for costs and attorney fees.

9 * Sec. 8. AS 44.81.250 is amended by adding a new subsection to read:

10 (e) If the commission is unable to provide a list of one or more
11 qualified persons as provided in AS 44.81.250(c) within 15 days, or if
12 no person listed is determined by the bank to be qualified to assume
13 the note, the bank may sell the permit to an individual commercial
14 fisherman who has been a state resident for two years immediately
15 preceding the date of the sale. If the proceeds of the sale of a
16 permit exceed the amount necessary to pay the note in full, plus
17 interest to date of sale, penalties, costs, and attorney fees, the
18 bank shall remit the excess to the original debtor.

19 * Sec. 9. AS 45.55.140(a) is amended by adding a new paragraph to read:

20 (12) shares of membership stock in the Alaska Commercial
21 Fishing and Agriculture Bank, and other securities issued by that bank
22 to members or in connection with loans to members.

23 * Sec. 10. This Act takes effect immediately under AS 01.10.070(c).

SB 82: An Act relating to loans and lending practices of the Alaska Commercial Fishing and Agriculture Bank.

The banking section is neutral on this measure. The intent is to facilitate transfers of Limited Entry Permits held as loan security by CFAB. This bill will remove CFAB from securities law regulation for issue of its stock and/or other securities in conjunction with loans to members.

S. M. [Signature]
Larry Mercuri, Commissioner

Date: 1-18-1989

SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99815 (907) 488-5259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

SECTIONAL ANALYSIS

Senate Bill No. 82 - "An Act relating to loans and lending practices of the Alaska Commercial Fishing and Agriculture Bank; providing an exemption for the bank's membership stock and certain other securities issued by the bank from registration under the Alaska Securities Act; and providing for an effective date."

SECTION 1 PURPOSE.

Explains the rationale behind the bill.

SECTION 2

New paragraph (12) added to 44.81.210(a).

Gives CFAB the power to issue loan participation certificates.

SECTION 3

New subsections (e) and (f) added to 44.81.230.

(e) Allows a borrower to pledge more than one limited entry permit as security for a loan. This will be of benefit to fishermen who have multiple permits and are trying to expand their operations. They will be able to use their limited entry permits as financial assets to leverage the funds they need to purchase vessels, gear, etc. They can diversify and spread fixed costs over more fisheries. This will be of particular benefit to fishermen who have little liquidity, but substantial equity in existing permits.

(f) Allows a borrower to nominate another person to assume the debt on a permit loan. This way the individual who holds a loan participation certificate can take over the loan in the case of foreclosure.

SECTION 4

Amendment to subsection (b) in 44.81.235.

Corrects an oversight in the existing statute by allowing a loan made to purchase a limited entry permit to be included when a single permit is pledged to secure multiple loans.

SECTIONAL ANALYSIS

SECTION 5

Amendment to subsection (c) in 44.81.235.

Corrects an oversight in the existing statute by allowing CFAB to refinance a loan which is made to purchase a limited entry permit. Under the current statute, CFAB may accept a permit as collateral when refinancing loans for fishing vessels, fishing gear, set net sites, and working capital, but not loans which are for the purchase of a permit.

SECTION 6

Amendment to subsection (b) in 44.81.250.

Makes this section of the existing CFAB statute consistent with the amendment in paragraph (f) of Section 3, above, by including a reference to the nomination of a person to assume debt.

SECTION 7

Amendment to subsection (d) in 44.81.250.

Adds reference to loans for the purchase of limited entry permits to the statute regarding CFAB's legal rights during foreclosure.

SECTION 8

New subsection (e) added to 44.81.250.

Describes the procedure CFAB shall follow when it has repossessed a limited entry permit.

SECTION 9

New paragraph (12) added to 45.55.140(a).

Exempts CFAB from the state's securities registration requirements. This restores the exemption CFAB had in statute when it was originally created. The exemption is currently granted to banks, savings institutions, savings and loan associations, trust companies, foreign governments, employee benefit plans, insurance companies, credit unions, nonprofit organizations, and others. The exemption will allow CFAB to offer loan participation certificates and remove the question of whether this transaction must comply with the extensive requirements for securities registration. CFAB will still be subject to annual audits by the Division of Banking, Securities and Corporations, an independent outside auditor, and, upon legislative instruction, by the Legislative Audit Division, as provided for in 44.81.270.

SECTION 10

Immediate effective date.

SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 406, KODIAK, ALASKA 99616 (907) 486-5259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 486-3473 • 486-3474

FEB 10 1989

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Rick Uehling
Co-Chairman
Senate Finance Committee

FROM: Senator Fred F. Zharoff *F. Zharoff*

DATE: February 10, 1989

RE: Senate Bill 82 - "An Act relating to loans and lending practices of the Alaska Commercial Fishing and Agriculture Bank; providing an exemption for the bank's membership stock and certain other securities issued by the bank from registration under the Alaska Securities Act; and providing for an effective date."

I respectfully request that SB 82 either be waived by the Finance Committee or scheduled for a hearing at the earliest possible opportunity. The bill carries a zero fiscal note. It passed out of the Senate Resources Committee on Feb. 3 and the Senate Labor and Commerce Committee on Feb. 8.

SB 82 would allow the Alaska Commercial Fishing and Agriculture Bank (CFAB) to establish a new program that will help keep limited entry permits in the hands of Alaska residents.

The new program will be especially applicable to those situations in which a commercial fisherman wishes to liquidate his fishing operation by selling his or her limited entry permit to a specific resident fisherman -- frequently a younger family member -- who has little cash and who, alone, is not perceived to be sufficiently creditworthy to be granted a permit purchase loan. Under the new program, a seller may share in the credit risk of a CFAB-financed permit purchase by using a portion of the sale proceeds to purchase a participation in the loan involved. The seller's financial interest is protected because of CFAB's ability to foreclose its permit lien in the event of irremediable default. Also, if desired, the seller can retrieve the permit by having the purchaser (the borrower) designate the seller as the person to assume the debt in the event of default and foreclosure.

As an investment, the loan participation certificate will allow the seller to receive the market interest rate on the deferred portion of the sale proceeds.

The program offers an alternative to what is commonly called "permit migration" or "permit drain". Under current circumstances, a rural permit holder -- unable to find a local fisherman with the financial capacity to buy the permit -- concludes there is no alternative other than to sell the permit to an urban Alaskan or nonresident who can raise the cash upfront.

The bill also makes a number of miscellaneous amendments to CFAB's statute. The sections related to the program described above are Sec. 2, (f) in Sec. 3, Sec. 6, and Sec. 9.

It is crucial that SB 82 be acted on as soon as possible for the new program to be effectively utilized by Alaskan fishermen in 1989. Even though limited entry permits are bought and sold throughout the year, the market sees the most activity and peaks in the period between early March and May.

The following backup information is attached:

1. Sectional analysis.
2. Department of Commerce and Economic Development position paper and fiscal note.
3. Letter from Mr. Bruce Twomley, chairman of the Commercial Fisheries Entry Commission.
4. Letter from Mr. Donald F. Nielsen, senior vice president of the Bristol Bay Native Corporation.
5. 1987 Annual Examination Report prepared by the Division of Banking, Securities, Small Loans and Corporations.
6. CFAB 1988 Annual Report.

STATE OF ALASKA

COMMERCIAL FISHERIES ENTRY COMMISSION

RECEIVED JAN 12 1989

STEVE COWPER, GOVERNOR

P.O. BOX KB
JUNEAU, ALASKA 99811-0302
PHONE: (907) 465-4081

January 11, 1989

The Honorable Fred F. Zharoff
Alaska State Legislature
M/S 3100

Re: CFAB Legislation
SB 82

Dear Senator Zharoff:

Thank you for the opportunity to review your legislation introduced on behalf of the Alaska Commercial Fishing and Agriculture Bank, which I understand has become SB 82.

CFAB's president, Mr. Ed Crane, developed the idea behind the legislation about a year ago, and we have discussed the proposal with him a number of times since then. We are very pleased that CFAB perceived the need and took the initiative to develop this remedy. We also commend you for having introduced this legislation.

SB 82 appears to the Entry Commission to be sound. For those Alaskan fishermen wishing to take advantage of such an opportunity, this legislation should be helpful. In direct response to your question, we would be happy to support this legislation. Please do not hesitate to contact us, if we can provide you with any further information.

Cordially,

COMMERCIAL FISHERIES ENTRY COMMISSION

Bruce Twomley, Chairman
Rich Listowski, Commissioner
Phil Smith, Commissioner

by: 

cc: Bob Evans
Deputy Chief of Staff
Office of the Governor
M/S 0101



800 CORDOVA / P.O. BOX 100220 / ANCHORAGE, ALASKA 99510 / (907) 278-3602
TELECOPY (907) 278-3924

RECEIVED FEB 6 1989

February 6, 1989

Honorable Fred Zharoff
Alaska Senate
P.O. Box V
Juneau, Alaska 99811

Dear Senator Zharoff:

We understand that you are the prime sponsor, with ten of your colleagues as co-sponsors, of Senate Bill 82. The basic effect of SB-82, if passed, will be to allow the Alaska Commercial Fishing and Agriculture Bank (CFAB) to implement a concept which addresses the financing of limited entry permit purchases. In particular, CFAB's concept would provide a potential means of assisting in a situation where a permit holder is motivated to sell his or her permit to a younger family member or other local resident who is unable to obtain financing under conventionally available terms.

At Bristol Bay Native Corporation, we are very much aware of the increasing difficulty of retaining permit ownership in Alaska's rural communities. Your understanding of the matter is evidenced by the introduction of SB-82. We commend you and your colleagues, and we want to express our support for that legislation and for any effort which will enhance CFAB's ability to be a more constructive factor toward the retention of limited entry permit ownership in rural communities.

Very truly yours,

A handwritten signature in cursive script that reads "Donald F. Nielsen".

Donald F. Nielsen
Senior Vice President

cc: Honorable George Jacko
Bristol Bay Native Association

EXAMINER'S COMMENTS AND CONCLUSIONS

NUMBER

SCOPE OF EXAMINATION

In compliance with Chapter 81 of the Alaska Statutes as amended June 6, 1987, an examination of the Alaska Commercial Fishing and Agricultural Bank was performed by the Department of Commerce and Economic Development, Division of Banking, Securities and Corporations, that contains financial information prepared in accordance with generally accepted accounting principles.

LOAN PORTFOLIO

Analysis of the examination ratios indicate improvement in the quality of the loan portfolio since the first examination on April 29, 1985. The ratio of adversely classified loans to total loans decreased from 43.70% to 34.98% and the ratio of overdue loans to gross loans decreased from 41.54% to 37.36%. While these ratios are still considered to be above the norms, the trend shows definite improvement.

Of the \$13,965,552 in adversely classified loans, \$12,761,018 are nonearning loans (nonaccrual loans), and of that total, seven borrowers account for \$10,814,726. These seven lines were all granted from 1981 to 1984, prior to the arrival of the present management team. Since four of the seven lines are involved in bankruptcy proceedings, there is little that present management can do to accelerate resolution of these problem lines.

The reserve for loan losses has been increased to \$3,427,597, or 7.70% of total loans, and given loss classifications of \$1,891,586 appear adequate to provide the necessary loss protection.

BANK POLICIES AND PRACTICES

Since 1984, the senior management of the bank has been entirely replaced. As evidenced by the examination ratios and trends, there has been significant improvement in the bank's performance. The problem loans have been identified and are being handled as well as circumstances permit. In addition, a new loan policy was adopted, and the loan approval procedure is more closely controlled and monitored.

It is difficult, at best, to make the higher credit-risk loans as mandated by statute and still remain a viable business. The nonearning loans are the largest impediment to more profitable operations and the accumulation of capital to provide for growth and to meet statutory obligations. The increased competition from commercial banks and other state programs has taken some of the better quality customers, and the bank must contend with borrowers of greater credit-risk, a higher cost-of-funds, and the nonearning loans. Given the depressed economy, there is little more that can be done. However, with the present policies and practices, the condition of the bank is such that it appears capable of withstanding the current economic depression.

State Banking Authority (Signature)

Frank J. Puschak by: Terry L. Jutz

Examiner (Signature)

State Banking Authority (Signature)

Regional Director (Signature)

STATEMENT OF FINANCIAL POSITION

NUMBER

TYPE: Regular			DATE: 11/30/87		
ASSETS	AMOUNT	%	LIABILITIES AND CAPITAL	AMOUNT	%
Net loans and leases	41,113	84	Core deposits		
Securities over one year			Time deposits over 100M		
Subtotal	41,113	84	Deposits held in foreign offices		
Interest bearing depositary balances			Federal funds purchased and repos		
Federal funds sold and repos			Other borrowings includes note option	20,213	41
Trading account assets			Variable liabilities	20,213	41
Debt securities one year and less	5,390	11	Acceptances outstanding		
Temporary investments	5,390	11	Other liabilities	278	2
TOTAL EARNING ASSETS	46,503	95	TOTAL LIABILITIES	21,091	43
Cash and noninterest-bearing depositary balances	961	2	Mortgages and capitalized leases		
Acceptances (customers' liability)			Subordinated notes and debentures		
Premises, fixed assets, and capitalized leases	250	nil	TOTAL LIABILITIES AND DEBT	21,091	43
Other real estate owned			Limited life preferred stock	31,800	65
Investments in unconsolidated subsidiaries			TOTAL EQUITY CAPITAL	(3,571)	8
Intangible assets					
Other assets	1,506	3			
TOTAL ASSETS	49,220	100%	TOTAL LIABILITIES AND CAPITAL	49,220	100%

MEMORANDUM INFORMATION (include the amounts of brokered deposits maturing in one year or less and over one year)

* Matures on or before July 20, 2000

SUMMARY OF ASSETS SUBJECT TO ADVERSE CLASSIFICATION OR SPECIAL MENTION

ASSET CATEGORY	Special Mention	Substandard	Doubtful	Loss	Total Classified
Loans		12,283		1,682	13,965
Receivables		1,615			1,615
Other Assets		83		209	292
Totals - Current Examination		13,981		1,891	15,872
Totals at 4/29/85 examination		35,891		3,317	39,208
Totals at examination					
Totals at examination					

EXAMINATION RATIOS AND TRENDS

RATIOS	Current Exam.	Prior Exam.	Prior Exam.	Prior Exam.
	11/30/87	4/29/85		
Adversely Classified Assets: Total Assets	32.25%	38.78%		
Adversely Classified Loans and Leases: Total Loans and Leases	34.98%	43.70%		
Overdue Loans and Leases: Gross Loans and Leases	37.36%	41.54%		

COMMENTS:

Examination ratios indicate improvement in reducing adversely classified loans and assets.

ANALYSIS OF BANK EARNINGS

NUMBER

COMPARATIVE STATEMENT OF INCOME TYPE:	INTERIM		1986	1985	1984
		11-30-87			
Interest Income		5,574	6,284	10,504	12,911
Interest Expense		2,240	3,766	6,267	8,387
Net Interest Income		<u>3,334</u>	<u>2,518</u>	<u>4,237</u>	<u>4,524</u>
Non-interest Income					
Overhead Expense		2,440	1,932	2,888	3,260
Provision for Loan and Lease Losses		75	50	1,235	11,242
Provision for Allocated Transfer Risk					
Securities Gains (Losses)					
Net Operating Income (Pre-Tax)		819	536	114	(9,978)
Applicable Taxes		19	226	32	
Net Operating Income (After Tax)		800	310	82	(9,978)
Extraordinary Credits (Charges), Net of Tax Effect		19	226	32	
Net Income		819	536	114	(9,978)
Other Increases/Decreases		209	220	(348)	(234)
Cash Dividends					
Net Change in Equity Capital Accounts		1,028	756	(234)	(10,212)

COMPONENT RATIOS AND TRENDS

RATIOS	BANK			
	11-30-87	1986*	1985*	1984*
Net Operating Income to Average Assets	1.59%	0.48%	0.09%	(0.72)%
Net Interest Income (TE) to Average Earning Assets	6.51%	4.14%	4.87%	4.22%
Overhead Expense to Average Assets	4.85%	3.02%	3.12%	2.85%
Net Income to Average Total Equity	3.00%	2.01%	0.43%	(31.49)%

COMMENTS:

* Based upon year-end data.

Trend analysis indicates improved earnings, but the increasing trend in overhead expenses means that overhead should be reviewed with the goal of reducing expenses.

ANALYSIS OF LOAN AND LEASE RESERVES

RECONCILEMENT	TO DATE	1986	1985	1984
Beginning Balance	3,291	3,442	5,318	4,140
Gross Loan and Lease Losses	125	889	3,486	10,534
Recoveries	187	688	375	470
Net Loan and Lease Losses (Recoveries)	(62)	201	3,111	10,064
Provision for Loan and Lease Losses	75	50	1,235	11,242
Other Increases (Decreases)				
Ending Balance	3,428	3,291	3,442	5,318

COMPONENT RATIOS AND TRENDS

RATIOS	BANK			
	11-30-87	1986	1985	1984
Loss Reserve to Total Loans and Leases	7.70%	7.41%	5.22%	5.61%
Net Losses to Average Total Loans and Leases	(0.14)%	N/A	N/A	N/A
Recoveries to Prior Period Losses	21.03%	19.74%	3.56%	N/A
Earnings Coverage of Net Losses (X)	(13.20)	2.67	0.37	N/A

COMMENTS:

N/A - Not Available.

A ratio of 7.70% for loss reserve to total loans indicates a conservative and adequate level of reserves.



UNITED FISHERMEN OF ALASKA

211 4th Street, Suite 106
Juneau, AK 99801
907-586-2820

UNITED FISHERMEN OF ALASKA

Resolution 89-1

WHEREAS Alaska has a system of limited entry that regulates participation in many of the commercial fisheries of the state, and

WHEREAS in many of the rural areas of the state there has been a permit drain caused by sales of locally owned permits to persons living outside of the area, and

WHEREAS the permit drain is detrimental to the economies of rural Alaska, and

WHEREAS the opportunity for some Alaskans to obtain financing for the purchase of permits is limited by lending requirements that they cannot satisfy, and

WHEREAS the Alaska Commercial Fishing and Agriculture Bank was created to serve the credit needs of resident Alaska fishermen, and

WHEREAS CFAB has developed a concept that would increase the opportunities for Alaskans to obtain permit financing, and

WHEREAS the implementation of the CFAB concept will require changes to the statute that governs the cooperative,

NOW THEREFORE BE IT RESOLVED that United Fishermen of Alaska endorses and supports the creation of a loan program that will increase the opportunities for more Alaskans to purchase limited entry permits, and

BE IT FURTHER RESOLVED that United Fishermen of Alaska supports the purposes and intents of Senate Bill 82 and House Bill 108.

Theo Matthews
Theo Matthews
President

Feb 14, 1989
Date

RESOLUTION FROM UNITED FISHERMEN OF ALASKA

THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
FILE



1988 ANNUAL REPORT
ALASKA COMMERCIAL FISHING & AGRICULTURE BANK

Alaska Commercial Fishing and Agriculture Bank

1988 Annual Report

Table of Contents

Executive Message	2
1988 Loan Activity and Economic Impact	5
Balance Sheets	6
Statements of Net Proceeds	7
Statements of Changes in Capital and Patronage	8
Statements of Changes in Financial Position	10
Notes to Financial Statements	11
Report of Independent Accountants	15
Board of Directors and Staff	16

For more information contact

Alaska Commercial Fishing and
Agriculture Bank
2550 Denali Street, Suite 1201
Anchorage, Alaska 99503
(907) 276-2117 or (800) 544-2225

Executive Message to Members

May 31, 1988, marked the close of CFAB's first twelve-month fiscal year after seven years of operating on a calendar year basis and a five-month transition "year" which ended on May 31, 1987. While that makes certain kinds of comparisons difficult, your Board of Directors and management are pleased with the results of the year just ended and with the identifiable and measurable indications of continued progress.

Operating Results and Effects

As shown in the Financial Reports section of this Annual Report, CFAB's Fiscal 1988 operations resulted in about \$2,410,200 of proceeds before non-recurring items and before the imputation of any income tax effect. There was one particularly distressing and costly extraordinary event: In late 1987 an Anchorage Superior Court jury concluded that, several years earlier, CFAB had negligently and improperly responded to developments and circumstances which involved a multiplicity of parties, a loan proposal to finance a vessel refurbishing, and an undisclosed seaman's lien. There were \$688,500 of net proceeds available after the effects of that judgment, and the Board of Directors acted to apply that amount to reduction of the unallocated and undistributed 1984 loss. One of our major objectives continues to be to amortize that loss in a manner which will equitably spread the burden over a number of years.

The gradual reduction of that unallocated and undistributed 1984 loss produces a clear benefit to existing and future CFAB member-borrowers. But the effect of that benefit is diffused; no member-borrower is able to identify or calculate a specific effect on his or her loan account. However, the factors and events which led to that reduction do in fact have the additional effect of lessening the demands CFAB must make on those member-borrowers. Accordingly, we were pleased to announce a ½ percent reduction in CFAB's Variable Base Interest Rate effective July 1, 1988. Furthermore, as this message is being written there are plans to implement a second reduction, also ½ percent, effective September 1, 1988.

The Trend Toward Financial Stability

What were these "factors" and "events" which are now generating benefits and relieving pressures for CFAB and its member-borrowers? The answer can be found in a review of earlier Annual Reports. Since 1984, there has been in each report to members a discussion of CFAB's burden of non-performing loans. Each of those non-performing loans represents dollars which CFAB has borrowed and on which it must pay interest; but since the non-performing loan is not itself producing interest, CFAB has necessarily relied on other member-borrowers to carry the extra burden. Any interested observer of the Alaska commercial banking community over the past several years can undoubtedly understand and appreciate the dangers which an excessive volume of non-performing loans present for a lending institution.

Although this report to members is about CFAB's operations in Fiscal 1988, a clearer and somewhat more dramatic view of the significance of non-earning loans and of the slow and difficult process of dealing with them can be gained by comparing data at May 31, 1988, and at May 31, 1985 (which was not an audit date). The following schedule shows the number of borrowers with non-earning loans of \$1,000,000 or more; \$500,000 to \$999,999; etc. as of those two dates.

Size of Loan Accounts	May 31, 1985		May 31, 1988	
	Number of Borrowers	Total	Number of Borrowers	Total
Over \$1,000,000	7	\$20,165,695	2	\$ 5,300,515
\$500,000/\$999,999	4	2,552,087	2	1,543,479
\$250,000/\$499,999	5	1,644,819	3	988,641
\$100,000/\$249,999	11	2,041,415	7	1,051,154
\$50,000/\$99,999	15	1,054,709	9	732,983
Under \$50,000	24	507,587	19	424,833
Totals	66	\$27,966,312	42	\$10,046,005

The reduction of about \$17.9 million in non-earning loans during the 3-year period is certainly a positive indicator of CFAB's relative financial health, but unless that reduction has been the result of cash proceeds or of conversion to an interest-earning asset — rather than the result of charge-offs or of acquisition of non-productive collateral — it has little constructive effect.

The schedule below, then, serves to make more evident what the actual effect of the non-earning loan reduction has been.

	May 31, 1985	May 31, 1988	Change
Investments	\$ 3,200,000	\$ -0-	(\$ 3,200,000)
Earning Loans and Receivables	50,566,400	31,569,700	(18,996,700)
Total Earning Assets	55,766,400	31,569,700	(\$24,196,700)
Less: Interest-Bearing Debt	67,660,000	18,649,700	(49,010,300)
Net (Deficit) Earning Assets	(\$11,893,600)	\$12,920,000	\$20,813,600

The positive change of nearly \$21.0 million (an amount well in excess of the \$17.9 million reduction in non-earning loans) is a meaningful indication of CFAB's viability today. We believe and intend that Fiscal 1989 will mark the transition from a "rehabilitation" mode to one of controlled growth for CFAB.

Achievements in Overhead Reductions

There is another important element to CFAB's recovery in which we take special pride and which we must mention. It was evident three and one-half years ago that CFAB's basic operating costs — its "overhead" — needed to be drastically reduced, even while we were committing major and sometimes costly resources to the administration and liquidation of non-performing loans. Those operating expenses had averaged slightly more than \$3.2 million annually in the years 1981 through 1984. In calendar 1985, they were reduced to \$2.8 million. There was significant reduction, to \$1.9 million, in calendar 1986. For the five-month fiscal "year" ending in May 1987 those expenses were incurred at an annualized rate of about \$2.0 million. The total for fiscal 1988 was less than \$1.8 million. That represents a 47 percent reduction from CFAB's peak year (1982) for operating expenses, and translates into \$3,300 less annualized costs for each and every loan on CFAB's books at May 31, 1988!

While we take pride in the accomplishment just mentioned, there is greater pride in emphasizing to you that it was essentially an accomplishment of CFAB's entire staff. Directors and managers establish objectives and policies, and provide direction, but implementation and achievement requires the constant and committed effort of every single staff member at every level. CFAB's staff today is a small

group, in numbers; but its overall quality and its record of accomplishments are admired within the Alaska financial community. As owners of CFAB, you also should take pride in that staff.

Other Measures of Progress

There are a number of other matters, with varying levels of significance and visibility, which developed or occurred during Fiscal 1988:

- At the end of the year, member-borrowers' equity investment under the "new" Class B Preferred Stock program totaled \$1,053,400. While there is no special meaning to that number, we believe that exceeding \$1.0 million is a notable milestone for the 2½-year-old program.

- As of November 30, 1987, the State of Alaska's bank examiners performed the first annual examination of CFAB in accordance with statutory amendments proposed by CFAB, and passed by the legislature, in early 1987. In every substantive way, the examiners' findings and report were consistent with CFAB's own evaluation of its overall financial condition and of its loan portfolio.

- CFAB's Bylaws were amended by the Board of Directors and distributed to all members in May. There were numerous changes. Particular objectives, which we believe were achieved, were to make the procedures for nominating Director candidates, and for the election of Directors, simpler and more efficient as well as to make it more practically possible for any interested member to become a candidate.

- The exposure and delivery of CFAB's credit services to prospective applicants is being enhanced by our development of a Loan Correspondent program. This program, simple in concept but with significant potential impact, involves the selection and designation of businesspersons or professionals to act as liaisons or points of contact for CFAB in fishing communities around the state. Their role is to provide basic information about CFAB to inquirers and to offer assistance in organizing and preparing loan applications and supporting information, in communications with CFAB, and in finalizing a loan transaction. They are not CFAB employees, and they have no influence on CFAB's

decision-making process; but they can be vital links in what is sometimes a confusing, intimidating, and/or costly application process. As of this writing, CFAB has Loan Correspondents in various communities in Southeastern Alaska and in the Prince William Sound, Southcentral, and Kodiak areas — by the end of 1988, we hope to have the network extended into the Bristol Bay area and Western Alaska.

- For a period from December 1983 through the end of 1985, CFAB had in place a supplemental member investment program known as the "C Stock Redemption Plan." It was intended to accelerate the accumulation of member-borrower equity, in anticipation of the future need to retire the State's equity investment in the Bank. Member-borrowers whose loans were obtained or modified during the period mentioned were participants in the program and continued to make the required investments, so long as their respective loans were outstanding, through the end of 1987.

Because of perceived ineffective or inappropriate features of the C Stock Redemption Plan, CFAB's "new" Class B Preferred Stock program (mentioned earlier) was adopted in January 1986 as a primary vehicle for borrower-member equity investment in the Bank. In early 1988 the Board of Directors concluded that, as a matter of practicality and equitability, the relatively small amount — \$251,919 — of C Stock Redemption Plan investment should be retired, with the proceeds returned to the owning member-borrowers. That was accomplished as of March 31; depending upon the respective circumstances of member-borrowers' loan accounts, the proceeds were paid in cash or applied to outstanding balances or, in instances where the Bank had earlier recognized a loss of principal or interest, were transferred to CFAB's Allowance for Loan Losses account.

- In January 1986, CFAB introduced its Modified Level Payment loan program — a fairly simple concept within which a loan's repayment installment amounts were fixed for three years at a time, even though the interest rate might vary. At the time of introduction, we believed that loan structure might appeal to some borrowers as a desirable alternative to the traditional repayment requirement of fixed principal amounts plus interest. CFAB's borrowers have voted by their actions, however, and by an overwhelming margin they have been selecting the Modified Level Payment plan as most suitable to their needs.

- Since June 1987, and as a result of amendments to CFAB's statute passed by the 1987 State Legislature, the circumstances under which CFAB may accept a Limited Entry Permit as loan collateral have been broadened. We have seen a considerable increase in the demand for such loans, a trend toward establishing permits as more useful assets for Alaska fishermen.

As the prices for which many permits are traded creep higher, and as an increasing number of the earliest permit-holders reach retirement age, we have encountered many instances in which the potential or desired sale of a permit to a younger local fisherman — frequently a second generation member of the same family — cannot be completed because the intended buyer is not able to make a cash purchase and has not acquired sufficient resources or experience to warrant normal financing by CFAB. We have developed a concept under which we believe CFAB could properly and constructively provide financing in certain of those cases, but the concept cannot be implemented without further amendment to CFAB's statute. We intend to ask the 1989 State Legislature for those amendments.

The 1988 Annual Meeting

In 1986 and 1987, CFAB held its Annual Meetings in three sessions each — sessions were held in Ketchikan, Cordova, Sitka, Kodiak, and Anchorage (twice). The Board of Directors and management continue to be attracted to the philosophical arguments in favor of holding meeting sessions in local communities, but it has not been a successful approach in terms of overall attendance. We have concluded to hold the 1988 meeting in one session, in Anchorage, only; but we are also exploring the feasibility of re-instituting local and informal meetings throughout the year, involving a limited number of CFAB personnel, in order to provide communications opportunities for more members. We welcome members' suggestions.

Paul A. Huppert
Chairman, Board of Directors

Edward E. Crane
President

1988 Loan Activity and Economic Impact

CFAB's Board of Directors and management continue to believe that the very existence of the Bank is a major and positive factor for participants in the resource industries which it serves — particularly those participants in the seafood industry. The number of sources of financing to that industry, especially to the harvester segment, is quite limited; and CFAB's presence in the market provides a strong competitive element.

During the past three to four years, the focus of CFAB's staff, and of the institution as a whole, has been primarily on rehabilitation and on the management of its non-earning loan accounts. The Bank has not been aggressive in seeking new business, and it appears to have been generally perceived over that period as an unattractive lender. Consequently, CFAB's outstanding loan volume has shrunk dramatically since a year-end peak of \$103.6 million at December 31, 1983.

That shrinkage slowed in Fiscal 1988. At May 31, outstanding loan balances were about 6.1 percent less than at May 31, 1987. There were 111 new term loans made during Fiscal 1988. Those loans totaled about \$7,706,000, of which \$1,303,000 was to refinance existing loans; the remaining \$6,403,000 was "new" money. Of the 111 loans made, 44 were to existing CFAB members, but 67 involved totally new members. That latter number is gratifyingly high in comparison to the experience of the previous three years.

CFAB's impact is manifested in other ways. In addition to the new term loans mentioned above (most of which were to individual fishermen), the Bank established seasonal revolving lines of credit totaling \$18.3 million for processors during Fiscal 1988. Nearly \$17 million of that amount was in the seafood industry; the remainder was for timber processing. A major percentage of the dollars borrowed by these Alaskan processors is for their purchases from fishermen, so CFAB's position in the flow of proceeds to fishermen from the ultimate purchasers of finished products is extremely important.

Balance Sheets

	May 31.		December 31.
	1988	1987	1986
Assets			
Cash	\$ 126,046	\$ 7,315	\$ 147,410
Temporary investments			4,150,000
Loans and other receivables, net of allowance for loan losses of \$2,197,140, \$3,367,869 and \$3,291,026	39,419,164	41,017,553	41,130,799
Accrued interest receivable	2,001,891	2,384,196	1,306,952
Investment in Spokane Bank for Cooperatives	5,526,629	5,390,548	5,390,548
Bank premises, furniture and equipment, net	169,920	297,266	351,874
Acquired assets held for sale	85,589	83,007	83,007
Other assets	13,389	23,511	28,997
	<u>\$47,342,628</u>	<u>\$49,196,396</u>	<u>\$52,589,587</u>
Liabilities			
Accounts payable and accrued expenses	\$ 138,482	\$ 231,523	\$ 191,979
Accrued interest payable	290,327	388,743	233,634
Class B preferred stock subscriptions	5,700		60,163
Notes payable	18,649,657	21,293,770	25,002,539
	<u>19,084,166</u>	<u>21,914,036</u>	<u>25,488,315</u>
Commitments and Contingent Liabilities (Note J)			
Capital and patronage			
Share capital -			
Class C special preferred stock, \$10,000 par value, authorized 4,000 shares, outstanding 3,180 shares	31,800,000	31,800,000	31,800,000
Class B preferred stock, \$100 par value, authorized 400,000 shares, outstanding 31,287, 39,693 and 40,410 shares	3,128,700	3,969,300	4,041,000
Loans receivable on Class B preferred stock	(2,075,300)	(3,448,700)	(3,698,500)
Class A membership stock, \$10 par value, authorized 10,000 shares, outstanding 1,068, 1,001 and 975 shares	10,680	10,010	9,750
	<u>32,864,080</u>	<u>32,330,610</u>	<u>32,152,250</u>
C stock retirement pool		251,919	184,930
Capital in excess of par value	95,310	89,280	86,940
Contributed capital	144,626	144,626	144,626
	<u>33,104,016</u>	<u>32,816,435</u>	<u>32,568,746</u>
Allocated undistributed patronage	825,691	825,691	825,691
Net proceeds		147,708	535,780
Unallocated patronage deficit	(5,671,245)	(6,507,474)	(6,828,945)
	<u>28,258,462</u>	<u>27,282,360</u>	<u>27,101,272</u>
	<u>\$47,342,628</u>	<u>\$49,196,396</u>	<u>\$52,589,587</u>

See notes to financial statements.

Statements of Net Proceeds

	Year ended May 31, 1986	Five months ended May 31, 1987	Year ended December 31, 1986
Interest Income			
Interest on loans and other receivables	\$5,712,091	\$1,966,333	\$6,119,445
Interest on temporary investments	3,707	30,990	165,143
	<u>5,715,798</u>	<u>1,997,323</u>	<u>6,284,588</u>
Interest expense			
Loss on sale of assets	1,936,013	964,863	3,765,900
Provision for loan losses	37,799	4,526	1,347
	<u>(451,699)</u>	<u>49,300</u>	<u>50,470</u>
	<u>1,522,113</u>	<u>1,018,689</u>	<u>3,817,717</u>
	<u>4,193,685</u>	<u>978,634</u>	<u>2,466,871</u>
Other Expenses			
Salaries and benefits	1,233,697	512,117	1,184,760
Occupancy expense	170,808	82,599	203,379
Depreciation and amortization	92,086	45,422	131,789
Travel, lodging and meals	59,089	25,370	65,219
Professional fees	58,149	84,415	110,181
Office operations	47,182	31,951	64,246
Advertising and promotion	41,129	20,832	67,861
Directors' fees	31,725	7,500	25,650
Telephone and postage	26,899	14,399	40,484
Miscellaneous	22,680	6,321	36,522
	<u>1,783,444</u>	<u>830,926</u>	<u>1,931,091</u>
	<u>2,410,241</u>	<u>147,708</u>	<u>535,780</u>
Unusual Item - Costs and Settlement of Litigation	<u>1,721,720</u>		
Proceeds before income tax expense and extraordinary credit	688,521	147,708	535,780
Income tax expense	<u>274,000</u>	<u>53,000</u>	<u>226,300</u>
Proceeds before extraordinary credit	414,521	94,708	309,480
Extraordinary credit — Utilization of net operating loss carryforward	<u>274,000</u>	<u>53,000</u>	<u>226,300</u>
Net Proceeds	<u>\$ 688,521</u>	<u>\$ 147,708</u>	<u>\$ 535,780</u>

See notes to financial statements.

Statements of Changes in Capital and Patronage

	Share capital	C stock retirement pool	Capital in excess of par value
Balance, January 1, 1986	\$31,809,310	\$ 92,152	\$ 82,980
Issuance (redemption) of stock during the year:			
Class B preferred stock, 25,435 shares, net	(2,543,500)		
Class A stock, 44 shares	440		3,960
C Stock retirement pool:			
Class B preferred stock assessments, net of assessments receivable		92,778	
Reduction in loans receivable on Class B preferred stock	2,886,000		
Loan principal charged against allocated undistributed patronage			
Net proceeds			
Balance, December 31, 1986	<u>32,152,250</u>	<u>184,930</u>	<u>86,940</u>
Amortization of unallocated patronage deficit			
Issuance (redemption) of stock during the period:			
Class B preferred stock, 717 shares, net	(71,700)		
Class A stock, 26 shares	260		2,340
Reduction in loans receivable on Class B preferred stock	249,800		
C stock retirement pool:			
Class B preferred stock assessments, net of assessments receivable		66,989	
Patronage refunds paid			
Net proceeds			
Balance, May 31, 1987	<u>32,330,610</u>	<u>251,919</u>	<u>89,280</u>
Amortization of unallocated patronage deficit			
Issuance (redemption) of stock during the year:			
Class B preferred stock, 8,406 shares, net	(840,600)		
Class A stock, 67 shares	670		6,030
Reduction in loans receivable on Class B preferred stock	1,373,400		
C stock retirement pool:			
Retirement of Class B preferred stock assessments		(251,919)	
Net proceeds			
Amortization of unallocated patronage deficit			
Balance, May 31, 1988	<u><u>\$32,864,080</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 95,310</u></u>

See notes to financial statements.

<u>Contributed capital</u>	<u>Allocated undistributed patronage</u>	<u>Net proceeds</u>	<u>Unallocated patronage deficit</u>	<u>Total</u>
\$ 144,626	\$1,045,365	\$ -0-	\$(6,828,945)	\$26,345,488
				(2,543,500)
				4,400
				92,778
				2,886,000
	(219,674)			(219,674)
		535,780		535,780
<u>144,626</u>	<u>825,691</u>	<u>535,780</u>	<u>\$(6,828,945)</u>	<u>27,101,272</u>
		(321,471)	321,471	
				(71,700)
				2,600
				249,800
				66,989
		(214,309)		(214,309)
		147,708		147,708
<u>144,626</u>	<u>825,691</u>	<u>147,708</u>	<u>\$(6,507,474)</u>	<u>27,282,360</u>
		(147,708)	147,708	
				(840,600)
				6,700
				1,373,400
				(251,919)
		688,521		688,521
		(688,521)	688,521	
<u>\$ 144,626</u>	<u>\$ 825,691</u>	<u>\$ -</u>	<u>\$(5,671,245)</u>	<u>\$28,258,462</u>

Statements of Changes in Financial Position

	Year ended May 31, 1988	Five months ended May 31, 1987	Year ended December 31, 1986
Source of Funds:			
From operations			
Net proceeds	\$ 688,521	\$ 147,708	\$ 535,780
Items not requiring the use of funds:			
Depreciation and amortization	92,086	45,422	131,789
Provision for loan losses	(451,699)	49,300	50,470
Loss on sale of assets	37,799	4,526	1,347
Funds provided from operations	366,707	246,956	719,386
Net proceeds from sale of assets		4,660	1,368
Proceeds from stock issuance	6,700	2,600	4,400
Decrease in cash		140,095	
Decrease in temporary investments		4,150,000	
Decrease in acquired assets held for sale			1,523,157
Decrease in loans	2,762,118	43,403	21,515,111
Recoveries on loans charged off, net		27,543	
Decrease in other assets	10,122	5,486	61,566
Decrease in accrued interest receivable	382,305		808,394
Increase in accounts payable and accrued expenses		39,544	
Increase in accrued interest payable		155,109	
Increase in Class B preferred stock subscriptions	5,700		60,163
Increase in Class B preferred stock assessments, net		66,989	92,778
Increase in Class B preferred stock, net	532,800	178,100	342,500
	<u>\$4,066,452</u>	<u>\$5,060,485</u>	<u>\$25,128,823</u>
Use of Funds:			
Loans charged off, net of recoveries	\$ 719,030	\$	\$ 200,574
Loan principal charged against allocated undistributed patronage			219,674
Increase in cash	118,731		40,637
Increase in temporary investments			950,000
Increase in accrued interest receivable		1,077,244	
Increase in investment in Spokane Bank for Cooperatives	136,081		138,125
Increase in bank premises, furniture and equipment	2,539		14,874
Patronage refunds paid		214,309	
Decrease in accounts payable and accrued expenses	93,041		116,038
Retirement of Class B preferred stock assessments	251,919		
Increase in acquired assets held for resale	2,582		
Decrease in accrued interest payable	98,416		183,146
Decrease in stock subscription payable		60,163	
Decrease in notes payable	2,644,113	3,708,769	23,265,755
	<u>\$4,066,452</u>	<u>\$5,060,485</u>	<u>\$25,128,823</u>

See notes to financial statements.

Notes to Financial Statements

Year Ended May 31, 1988, Five Months Ended
May 31, 1987, and Year Ended December 31, 1986

Note A — Summary of Significant Accounting Policies:

Operations: The Alaska Commercial Fishing and Agriculture Bank (CFAB) was incorporated on May 4, 1979 to promote growth of Alaska agriculture and fishing by providing debt financing to resident-owned businesses engaged in harvesting, processing or marketing, and to promote its own growth as a strong user-oriented institution through cooperative ownership and self-governance.

Interest on loans: The accrual of income is suspended on loans in which the payment of interest is contractually past due more than 90 days.

Investment in Spokane Bank for Cooperatives: The investment in Spokane Bank for Cooperatives (SBC) is stated at cost plus uncash patronage notifications. No ready market exists for this investment. Patronage dividends from SBC reduce interest expense to SBC in the year declared.

Allowance for loan losses: The allowance for loan losses is based upon specific identification of uncollectible loans and a general reserve for those loans not specifically identified.

Acquired assets held for sale: Acquired assets held for sale include those assets acquired through foreclosure. These assets are carried at the lower of fair value or the recorded investment in the related loan. Holding costs are expensed when incurred unless such costs increase the fair value of the asset.

Bank premises, furniture and equipment: Bank premises, furniture and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are charged to operations by use of the straight-line method over estimated useful lives of three to ten years. Expenditures for maintenance and repairs are charged to operating expense as incurred. Expenditures for renewals or improvements which extend the life of an asset are capitalized at cost and depreciated as stated above. Upon sale, retirement or other dispositions of property, the cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss recorded.

Income taxes: CFAB qualifies as a cooperative under Subchapter T of the Internal Revenue Code. Deferred income taxes may arise as a result of differences in the time of reporting for financial and Federal income tax purposes. The most significant difference relates to the allowance for loan losses. Deferred taxes have been offset by net operating loss carryforwards. At May 31, 1988, approximately \$5,500,000 of loss carryforward remains.

Change in fiscal year-end: During 1987, the Board of Directors voted to change from a fiscal year-end of December 31 to May 31 to better reflect the Bank's fiscal operating cycle. Accordingly, financial statements as of May 31, 1987 and for the five-month period then ended are presented.

Reclassifications: Certain reclassifications have been made to 1986 information to conform to 1987 and 1988 presentations.

Note B — Loans:

CFAB's loan portfolio by major category is as follows:

	May 31,		December 31,
	1988	1987	1986
Seafood harvesters	\$27,116,280	\$31,501,629	\$29,994,692
Fish processors	4,037,972	6,900,866	8,702,504
Agriculture and timber	7,638,225	7,605,989	7,596,991
Other receivables	4,899,127	1,818,638	1,826,138
	<u>43,691,604</u>	<u>47,827,122</u>	<u>48,120,325</u>
Less loans receivable on Class B preferred stock	(2,075,300)	(3,448,700)	(3,698,500)
	<u>41,616,304</u>	<u>44,378,422</u>	<u>44,421,825</u>
Less allowance for loan losses	(2,197,140)	(3,367,869)	(3,291,026)
	<u>\$39,419,164</u>	<u>\$41,010,553</u>	<u>\$41,130,799</u>

Notes to Financial Statements *continued*

In accordance with its statutory mandate and authority, CFAB's financing activity is limited to the Alaskan commercial fishing and agriculture industries. This concentration of loans in resource-based industries results in an unusual level of risk exposure.

The loan portfolio includes loans which have been classified as nonaccrual. Nonaccrual loans by major category are as follows:

	May 31,		December 31,
	1988	1987	1986
Seafood harvesters	\$ 3,982,047	\$ 5,776,534	\$ 5,311,987
Fish processors	1,122,643	3,726,235	4,441,655
Agriculture and timber	5,830,615	7,579,151	7,569,743
Less loans receivable on Class B preferred stock	(888,700)	(1,555,400)	(1,539,600)
	<u>\$10,046,605</u>	<u>\$15,526,520</u>	<u>\$15,783,785</u>

Activity in the allowance for loan losses is as follows:

	May 31,		December 31,
	1988	1987	1986
Balance at beginning of year	\$3,367,869	\$3,291,026	\$3,441,130
Charged to expense (income)	(451,699)	49,300	50,470
Recoveries on loans previously charged off	125,318	117,491	688,266
	<u>3,041,488</u>	<u>3,457,817</u>	<u>4,179,866</u>
Loans charged off	(844,348)	(89,948)	(888,840)
Balance at end of year	<u>\$2,197,140</u>	<u>\$3,367,869</u>	<u>\$3,291,026</u>

The allowance for loan losses is re-evaluated by management and increases or decreases are recorded through the current period provision for loan losses.

Loans to directors: To qualify for election to the CFAB Board of Directors, an individual must be a borrowing member. Loans to members who serve on the Board of Directors must be approved by the SBC. Loans to these members totalled \$113,897, \$129,094 and \$141,247 at May 31, 1988 and 1987, and December 31, 1986, respectively.

Note C — Investment in Spokane Bank for Cooperatives:

The Spokane Bank for Cooperatives is a member of the Farm Credit System. The Farm Credit System has incurred losses during 1986 and 1987. Continued losses may result in impairment of the investment in the Spokane Bank for Cooperatives in future years as the result of system-wide loss sharing arrangements in effect among system members.

Note D — Bank Premises, Furniture and Equipment:

The following represents a classification of bank premises, furniture and equipment by major category:

	May 31,		December 31,
	1988	1987	1986
Furniture, fixtures and equipment	\$ 833,146	\$ 868,405	\$ 893,365
Leasehold improvements	147,202	147,202	147,202
	<u>980,348</u>	<u>1,015,607</u>	<u>1,040,567</u>
Less accumulated depreciation and amortization	(810,428)	(718,341)	(688,693)
	<u>\$ 169,920</u>	<u>\$ 297,266</u>	<u>\$ 351,874</u>

Note E — Notes Payable:

Notes payable consists of:

	May 31,		December 31,
	1988	1987	1986
SBC long-term notes with interest rates ranging from 11.232% to 11.28% maturing at various dates to January, 1993	\$10,000,000	\$20,000,000	\$25,000,000
SBC short-term notes and seasonal loan with interest rates ranging from 7.26% to 9.00%, maturing at various dates in 1989	8,649,657	1,293,770	—
Other	—	—	2,539
	<u>\$18,649,657</u>	<u>\$21,293,770</u>	<u>\$25,002,539</u>

Notes to Financial Statements *continued*

The loans are secured by substantially all CFAB assets.

Principal payments required on notes payable are as follows:

<u>Year ending May 31.</u>	<u>Amount</u>
1989	\$8,649,657
1990	-
1991	-
1992	5,000,000
1993	5,000,000

Note F — Employee Benefit Plans:

CFAB has an employee benefit plan as defined under section 401(k) of the Internal Revenue Service Code covering substantially all employees.

An employee is allowed to contribute up to 15% of his/her earnings to the maximum limit allowed by the Code. Contributions by CFAB to the plan are at the discretion of the Board of Directors. Contributions by CFAB for the year ended May 31, 1988, five months ended May 31, 1987, and year ended December 31, 1986 were \$65,539, \$26,169 and \$57,422, respectively.

The Board of Directors voted to terminate CFAB's floor retirement pension plan during 1986. As of December 31, 1986, the net assets available for benefits under the floor retirement plan was \$34,000. This amount will be refunded to CFAB upon the approval of termination by regulatory agencies. In accordance with generally accepted accounting principles, no gain will be recorded until the regulatory approval of the termination is obtained.

Note G — Capital:

Share capital: Shares owned by the State of Alaska must be repurchased by CFAB on or before July 20, 2000.

Preferential shareholders' rights on dissolution are attached in the order of Class C, Class B and Class A.

The following rights apply to the three categories of stock:

Class C - No voting or dividend rights. May only be issued to the State of Alaska.

Class B - No voting rights. Class B stock may only be held by members of CFAB. Prior to December 31, 1985, all loans required a purchase of Class B stock in an amount equal to 10% of the loan balance; however, this purchase was not funded but was evidenced by notes. On loans made subsequent to December 31, 1985, each borrower is required to make a cash purchase of Class B stock in an amount equal to 5% of the total loan. This investment will remain in place until retired by the Board of Directors.

Class A - No dividend rights. Each member of CFAB must own one share of Class A stock. Each share of stock carries one vote. To vote, a member must be engaged in commercial fishing or agriculture and must be a current borrower or have borrowed from CFAB during the preceding two years or have minimum retained patronage earnings with CFAB of \$2,500.

C Stock retirement pool: Loans made by CFAB during the period December 1982 to December 1985 were subject to a supplemental investment requirement called the C Stock Retirement Program. Members borrowing during that period were required to make annual year-end investments related to their respective usage of CFAB funds during that year. The program was discontinued, with respect to new participants, upon adoption of CFAB's current Class B Preferred Stock investment policy at January 1, 1986. In March 1988, the accumulated investments in the C Stock Retirement Pool, totaling \$251,919, were retired. Proceeds were returned in cash to members whose loans had been paid in full or were applied to the credit of members with outstanding loan accounts.

Notes to Financial Statements *continued***Note H — Income Taxes:**

Income tax expense consists of the following:

	Year ended May 31, 1988	Five months ended May 31, 1987	Year ended December 31, 1986
Current:			
Federal	\$136,000	\$ 423,000	\$179,800
State	28,000	91,000	46,500
	<u>164,000</u>	<u>514,000</u>	<u>226,300</u>
Deferred:			
Federal	77,000	(380,000)	
State	33,000	(81,000)	
	<u>110,000</u>	<u>(461,000)</u>	
	<u>\$274,000</u>	<u>\$ 53,000</u>	<u>\$226,300</u>

At May 31, 1988, CFAB had available for financial reporting purposes approximately \$5,500,000 of net operating loss carryforward which expire May 31, 2000, if not used to reduce future taxable income.

Note I — Restructure of Loans:

During the year ended May 31, 1988, the terms of non-accrual loans totalling approximately \$1,500,000 were modified through negotiation, and the loans were restructured as a note receivable. The interest rate on that note receivable was reduced from CFAB's normal lending rate for a period of three years. Interest income of approximately \$130,000 was received and recorded on this note for the year ended May 31, 1988; if the interest rates on the original loans had remained in effect, approximately \$200,000 of interest would have been due during that period.

Note J — Commitments and Contingent Liabilities:

Contingencies: CFAB is a litigant in several legal actions arising from normal business activities including actions related to delinquent loans and foreclosures. CFAB reserves for potential losses on delinquent loans as described in Note A. As to litigation outside of delinquencies and foreclosures, management believes that those actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect CFAB's financial position or its results of operations.

Commitments: CFAB has entered into certain noncancelable long-term operating lease agreements for buildings. Rental expense under these leases totalled \$165,348, \$78,558 and \$192,450 for the year, five months and years ended May 31, 1988 and 1987, and December 31, 1986, respectively. Minimum annual lease payments are as follows:

Year ending May 31,	Amount
1989	\$174,000
1990	43,000

Note K — Subsequent Event:

On July 19, 1988, the Federal Bankruptcy Court in Anchorage confirmed the Plan of Reorganization in connection with the Chapter 11 proceeding of one of CFAB's larger borrowers. CFAB subsequently received approximately \$5.7 million of cash and released all of its claims against the debtor. The entire proceeds were applied to reduce CFAB's borrowings from the Spokane Bank for Cooperatives and, in addition, CFAB's nonaccrual loans outstanding were reduced by an amount in excess of \$3.0 million.



Board of Directors
Alaska Commercial Fishing
and Agriculture Bank
Anchorage, Alaska

We have examined the balance sheets of Alaska Commercial Fishing and Agriculture Bank as of May 31, 1988, May 31, 1987 and December 31, 1986, and the related statements of net proceeds, changes in capital and patronage, and changes in financial position for the respective year, five months, and year then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Alaska Commercial Fishing and Agriculture Bank as of May 31, 1988, May 31, 1987 and December 31, 1986, and the results of its operations and the changes in its financial position for the respective year, five months, and year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Touche Ross & Co.

Certified Public Accountants
July 1, 1988

Board of Directors and Staff

Board of Directors

Paul A. Huppert
Chairman

Robert Waldrop
Vice Chairman

Gilbert Gunderson
Secretary-Treasurer

Hyoung "Henry" Kim
Director

Alan D. Otness
Director

Dean Paddock
Director

Harvey Samuelson
Director

Staff

Iver Amundsen
Assistant Vice President

Karl D. Barnard
Vice President

Dan Berkshire
Vice President

Christina E. Boyce-Lee
Receptionist

Darleen S. Church
Vice President

Robert H. Clark
Assistant Vice President

Wendy M. Clark
Administrative Secretary

Rosemary G. Cox
Bookkeeper

Edward E. Crane
President

John W. Enge
Fisheries Analyst

A. W. Hall
Business Development Officer

Lela F. Hart
Assistant Vice President

Evelyn Johnson
Receptionist

Sharon A. Morgan
Administrative Support Secretary

Mary B. Ober
Documentation Assistant

David G. Rogers
Senior Vice President

Douglas W. Sindt
Data Processing Supervisor

Lora C. Smith
Senior Bookkeeper

Deborah A. Tosch-Price
Documentation Paralegal

Godelieve C. Van Lint
Administrative Support Clerk

DeLories M. vonGemmingen
Executive Secretary



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99815 (907) 486-5259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 485-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Rep. Lyman Hoffman
Rep. Ron Larson
Co-Chairmen
House Finance Committee

FROM: Sen. Fred F. Zharoff

DATE: April 21, 1989

RE: Senate Bill 82 - "An Act relating to loans and lending practices of the Alaska Commercial Fishing and Agriculture Bank; providing an exemption for the bank's membership stock and certain other securities issued by the bank from registration under the Alaska Securities Act; and providing for an effective date."

Waived by HFC

5-8-89

A handwritten signature in dark ink, appearing to read "Fred F. Zharoff", written over the "FROM:" line of the memorandum.

SB 82 would allow the Alaska Commercial Fishing and Agriculture Bank (CFAB) to establish a new program that will help keep limited entry permits in the hands of Alaska residents.

The new program will be especially applicable to those situations in which a commercial fisherman wishes to liquidate his fishing operation by selling his or her limited entry permit to a specific resident fisherman -- frequently a younger family member -- who has little cash and who, alone, is not perceived to be sufficiently creditworthy to be granted a permit purchase loan. Under the new program, a seller may share in the credit risk of a CFAB-financed permit purchase by using a portion of the sale proceeds to purchase a participation in the loan involved. The seller's financial interest is protected because of CFAB's ability to foreclose its permit lien in the event of irremediable default. Also, if desired, the seller can retrieve the permit by having the purchaser (the borrower) designate the seller as the person to assume the debt in the event of default and foreclosure.

As an investment, the loan participation certificate will allow the seller to receive the market interest rate on the deferred portion of the sale proceeds.

The program offers an alternative to what is commonly called "permit migration" or "permit drain". Under current circumstances, a rural permit holder -- unable to find a local fisherman with the financial capacity to buy the permit -- concludes there is no alternative other than to sell the permit to an urban Alaskan or nonresident who can raise the cash upfront.

The bill also makes a number of miscellaneous amendments to CFAB's statute. The sections related to the program described above are Sec. 2, (f) in Sec. 3, Sec. 6, and Sec. 9.

The following backup information is attached:

1. Sectional analysis.
2. Department of Commerce and Economic Development position paper and fiscal note.
3. Letter from Mr. Bruce Twomley, chairman of the Commercial Fisheries Entry Commission.
4. Resolution of support from the United Fishermen of Alaska.
5. Letter from Mr. Donald F. Nielsen, senior vice president of the Bristol Bay Native Corporation.
6. Narrative sheets from CFAB's 1987 and 1988 state bank examination reports.
7. CFAB 1988 Annual Report.
8. CFAB statutes.



1

SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P.O. BOX 406, KODIAK, ALASKA 99815 (907) 486-5269

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 485-3473 • 485-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

SECTIONAL ANALYSIS

House CS For Senate Bill No. 82 - "An Act relating to loans and lending practices of the Alaska Commercial Fishing and Agriculture Bank; providing an exemption for the bank's membership stock and certain other securities issued by the bank from registration under the Alaska Securities Act; and providing for an effective date."

SECTION 1 PURPOSE.

Explains the rationale behind the bill.

SECTION 2

New paragraph (12) added to 44.81.210(a).

Gives CFAB the power to issue loan participation certificates to individuals, corporations, partnerships, and joint ventures, in order to cover all the possibilities for financing. Amended in the House Labor and Commerce Committee to restrict loan participation by any one entity to not more than 20 percent of permits in a specific fishery.

SECTION 3

New subsections (e) and (f) added to 44.81.230.

- (e) Allows a borrower to pledge more than one limited entry permit as security for a loan. This will be of benefit to fishermen who have multiple permits and are trying to expand their operations. They will be able to use their limited entry permits as financial assets to leverage the funds they need to purchase vessels, gear, etc. They can diversify and spread fixed costs over more fisheries. This will be of particular benefit to fishermen who have little liquidity, but substantial equity in existing permits.
- (f) Allows a borrower to nominate another person to assume the debt on a permit loan. This way the individual who holds a loan participation certificate can take over the loan in the case of foreclosure.

SECTION 4

Amendment to subsection (b) in 44.81.235.

Corrects an oversight in the existing statute by allowing a loan made to purchase a limited entry permit to be included when a single permit is pledged to secure multiple loans.

SECTION 5

Amendment to subsection (c) in 44.81.235.

Corrects an oversight in the existing statute by allowing CFAB to refinance a loan which is made to purchase a limited entry permit. Under the current statute, CFAB may accept a permit as collateral when refinancing loans for fishing vessels, fishing gear, set net sites, and working capital, but not loans which are for the purchase of a permit.

SECTION 6

Amendment to subsection (b) in 44.81.250.

Makes this section of the existing CFAB statute consistent with the amendment in paragraph (f) of Section 3, above, by including a reference to the nomination of a person to assume debt.

SECTION 7

Amendment to subsection (d) in 44.81.250.

Adds reference to loans for the purchase of limited entry permits to the statute regarding CFAB's legal rights during foreclosure.

SECTION 8

New subsection (e) added to 44.81.250.

Describes the procedure CFAB shall follow when it has repossessed a limited entry permit.

SECTION 9

New paragraph (12) added to 45.55.140(a).

Exempts CFAB from the state's securities registration requirements. This restores the exemption CFAB had in statute when it was originally created. The exemption is currently granted to banks, savings institutions, savings and loan associations, trust companies, foreign governments, employee benefit plans, insurance companies, credit unions, nonprofit organizations, and others. The exemption will remove the question of whether CFAB -- when it provides membership stock to borrowers or offers loan participation certificates -- must comply with the extensive requirements for securities registration. CFAB will still be subject to annual audits by the Division of Banking, Securities and Corporations, an

independent outside auditor, and, upon legislative instruction, by the Legislative Audit Division, as provided for in 44.81.270.

SECTION 10

Immediate: effective date.

S

B

8

3

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 31, 1989

FURTHER REFERRALS:

Date of Committee Action: 4/12/89

The FINANCE Committee considered:

SB 83

SENATE BILL NO. 83

[AK RESOURCES CORP. ASSETS]

"An Act relating to the transfer of assets of the Alaska Resources Corporation upon dissolution; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with _____ [] 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) 1/9/89 Revenue
[] zero fn/analysis _____

SIGNING DO PASS:

Paul J. Larson LARSON
Cliff Swackhammer SWACKHAMMER
Dorena H. Barnes BARNES
Kathleen Wallis WALLIS
Rob E. Phillips PHILLIPS
William Ulmer ULMER

SIGNING:

(Check approp. column)

	Do Not Pass	No Rec	Amend
<u>Jay Brown</u> BROWN		X	
<u>Harjo</u> KOPONEN		X	

Paul J. Larson
Chairman's Signature

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 83
PUBLISH DATE: 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Transfer of Alaska Resources
Corporation assets upon dissolution
Sponsor: Rules
Requestor: Governor

Agency Affected: Department of Revenue
BRU: Treasury
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: December 29, 1989

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: December 29, 1988

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

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 83

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the transfer of assets of the
7 Alaska Resources Corporation upon dissolution; and
8 providing for an effective date."

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

10 * Section 1. Section 17, ch. 161, SLA 1984 is amended to read:

11 Sec. 17. The Alaska Resources Corporation is dissolved. As of
12 the date of dissolution, [ADMINISTRATION OF] the outstanding loan
13 portfolio and [ALONG WITH] all [ATTENDANT] rights and obligations of
14 the corporation are [IS] transferred to the Department of Revenue.

15 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).