

LEGISLATIVE FINANCE-HOUSE/SENATE FINANCE COMM. FILES 8879

SB 150 cont. - SB 156 626 217

PUBLIC OPINION MESSAGE

DEAR: SENATOR DUNCAN

NAME: KAYE CORY BAKER
TITLE:
ADDRESS: BOX 55659
CITY: NORTH POLE
PHONE: 489-2455

Calame
ZIP: 99705

BILL NO: SB 150
SUBJECT: SENIOR HOUSING OFFICE/OLDER AK COMM
MESSAGE: SB 150 / SB 487: MEMBERS OF SANTA SENIOR CENTER ASSOCIATION INC.
SUPPORT SB 150 AND SB 487. CAPITAL MONEY FROM AHFC INTO SENIOR HOUSING
REVOLVING FUND AS BASIS FOR SELLING BONDS. URGENT NEED FOR SENIOR HOUSING
IN NORTH POLE AREA. PLEASE SPREAD ON RECORD. EOM/MJO

POMID: 07075258
DATE: 03/01/90
TIME: 07:52:58
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
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DAVIS, M.	DONLEY	FAHRENKAMP
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FOSTER	FURNACE	FISCHER
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HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
KUBINA	LARSON	KERTTULA
LEMAN	MACLEAN	PEARCE
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PETTYJOHN	PHILLIPS	STURGULEWSKI
RIEGER	SHARP	SZYMANSKI
SHULTZ	SIACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
HALLIS	ZAWACKI	

Radio Program 1/17/90

**LEGISLATIVE PRIORITIES
OF
THE PIONEERS OF ALASKA**

1. During this session of the Legislature the Pioneers are most interested in protecting the Senior programs presently in place. We prefer the \$250.00 monthly bonus program remain as it is, however, rather than see it suffer major setbacks, the Grand Igloo supports an annuity program as introduced by Senator Kerttula.

2. The Pioneers support a requirement of 65 years of age as a minimum for admission to the Pioneer Home system, and removal of the word 'destitute' as is presently used in giving priority for admission.

3. The Pioneers support full state funding to cover property tax exemptions for Seniors.

4. The Pioneers support in-Home Support Care and Senior Housing. Re: HB 218; SB 150.

5. The Pioneers support Health Care legislation. Re: HB 47.

6. Also, it has been noted, from a recent news article that Sen Uehling has prefiled legislation that would give Medicare eligible Senior an option to choose to receive health care under Medicaid at home rather than in a Long Term Care facility. The Pioneers certainly support this concept.

The Pioneers have taken no position regarding a State Income Tax or the Governor's proposal on an Education Endowment.

The Pioneer's registered lobbyist is Bill Ray, 165 Behrends Ave, Juneau, AK, 99801, Tel: (907) 586-1225

Bob Huffman, Chm.
Legislative Committee
Pioneers of Alaska



ALASKA STATE LEGISLATIVE COMMITTEE

CHAIRMAN
Mr. R. W. Bob Pavitt
130 Seward Street #205
Juneau, AK 99801
(907) 586-2005

VICE CHAIRMAN
Mrs. Marie C. MacKenzie
1620 Crescent
Anchorage, AK 99508
(907) 562-4895

SECRETARY
Miss Ann L. Mason
324 Kellum #101
Fairbanks, AK 99701
(907) 456-6717

SENIOR CITIZEN HOUSING
POSITION PAPER

BACKGROUND/PROBLEM

Since 1980, Alaska's senior population has grown by 66% to more than 19,000 residents according to the Department of Labor. It is one of the fastest growing age groups in the state. If Alaska's population continues to grow older as projected, the senior population could double soon after the year 2000. Many seniors who formerly would have retired Outside are now remaining in Alaska.

Affordable, secure, accessible housing facilities with attendant supportive services are meager at best, and totally unavailable in most rural and urban Alaska communities. Thus, the strong desire of older Alaskans to remain independent as long as possible in their own homes must give way to some other housing solution when they can no longer maintain a private residence.

It is socially and economically advantageous to all Alaskans to effectively address senior citizen housing needs.

PROPOSED SOLUTION

Mechanisms must be established to enable and encourage seniors and their families, profit or non-profit organizations and government agencies to work cooperatively in meeting the needs. Development of alternative approaches, home equity conversions and provision of methods for realistic financing are but a few of the topics which must be addressed. Appropriate lands on which to locate necessary facilities need to be made available.

Physical housing, as such, is not the only aspect to be addressed in meeting senior needs. Greater support must be provided for adult family care, weatherization, day care, respite care, case management, and other services which make it possible for a senior to stay in his or her own home as long as possible.

In summary, necessary lands, financing methods, mechanisms for cooperative action and supportive services must be made available if we are to solve senior citizen housing problems in Alaska.

PROPOSED LEGISLATION

SB 150 would create a senior housing office in the Department of Community and Regional Affairs, and a revolving loan fund for all types of senior housing.

HB 218 would expand the Alaska Housing Finance Corporation's authority to include loans to build congregate housing for seniors, and to cooperatively establish a pilot program of such housing.

These bills currently in the Alaska Legislature would constitute a start in addressing senior housing problems, and the AARP ALASKA STATE LEGISLATIVE COMMITTEE supports passage of this legislation.

SENATE STATE AFFAIRS COMMITTEE TESTIMONY
October 19, 1989

My name is Amos J. Alter. I live at 303 Distin Ave. in Juneau. I speak in recognition of a serious need for affordable housing alternatives for Alaska's elderly people. In addition to recognizing the need I speak in support of actions to provide housing for middle and low income persons.

As a member of the State Legislative Committee of the American Association of Retired Persons, a group with an Alaska membership of about 32,000 persons, I speak in support of the concept of making those resources available to seniors which enable them to stay in their own homes as long as possible thereby avoiding the high costs to society incurred by institutionalization. Among other things such resources should include a variety of housing alternatives, congregate, group new or converted facilities, additions to existing housing, non-profit, public or private participation. State and local governments and individuals as well as the private sector should be encouraged to cooperate in meeting the need.

A sizable proportion of the senior citizen community is able and willing to make reasonable payment for housing. Incentives such as funding through revenues, low interest loans, land grants for sites and coordination and leadership in developing viable alternatives are all needed. There is a singular lack of housing alternatives for those middle income persons ineligible for low rent housing and yet unable to meet housing needs beyond a private home. Residential and assisted living alternatives for these persons in their own communities would allow them to remain in Alaska. As they are allowed to remain in Alaska they would continue to contribute to their communities economically as well as socially. A retired person spending retirement income in the community is a significant part of the economic base of that community.

In summary it is to the advantage of all Alaskans to provide housing alternatives for the elderly which keep seniors independent as long as possible. AARP supports those actions which will expedite and provide affordable housing alternatives for all Alaskan elders regardless of their income.

S B

T 5 2

SENATE COMMITTEE REPORT

FURTHER

2/16/89

DATE TURNED INTO OFFICE 4/27/90

Mr. President:

Finance Committee considered SB 152

providing for the issuance of \$11,000,000 for the purpose of paying the cost of an appropriation to the neighborhood revitalization and development fund; efd and recommended

[] replace with CS SB 152 (FIN)) [] 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 SFC/DCTED 4/27/90 [] updated [] previous
[] same as previous fiscal note(s) published _____

MEMBERS SIGNING NO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature] No PASS *[Handwritten signature]* No PASS
Chairman signature and recommendation
[] Committee Backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____ Department of Commerce
 Title: Neighborhood Reinvestment Corp Agency Affected: & Economic Development
 BRU: Business Development
 Sponsor: Rodey Components: _____
 Requestor: Senate Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
----------------	---	---	---	---	---	---

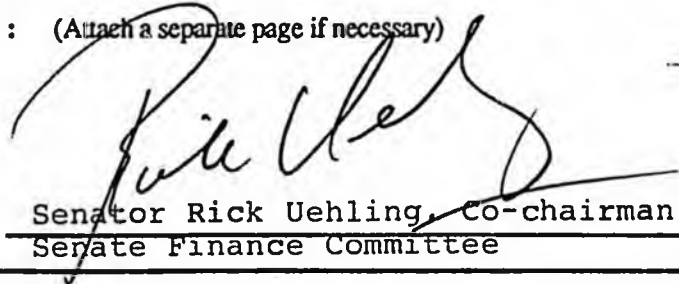
FUNDING: (Thousands of Dollars)

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)



Prepared by: Senator Rick Uehling, Co-chairman
 Division: Senate Finance Committee

Phone: 465-4821
 Date: April 27, 1990

Approved by Commissioner: _____
 Agency: _____

Date: _____

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

APR 25 1990

6-0606E
Chenoweth
4/24/90

Original sponsor(s): SEN. RODEY, Pearce

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 152 (*FIA*)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting property eligible for development
7 assistance from the Neighborhood Reinvestment Corpo-
8 ration from compliance with certain provisions of the
9 Uniform Common Interest Ownership Act."

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

11 * Section 1. AS 34.08.510(b) is amended to read:

12 (b) A public offering statement and a resale certificate are not
13 required to be prepared or delivered on

14 (1) a gratuitous disposition of a unit;

15 (2) a disposition under a court order;

16 (3) a disposition by a governmental agency;

17 (4) a disposition by foreclosure or deed in lieu of fore-

18 closure;

19 (5) a disposition to a dealer;

20 (6) a disposition that may be canceled at any time and for
21 any reason by the purchaser without penalty; [OR]

22 (7) a disposition of a unit in a planned community in which
23 the declaration limits the maximum annual assessment of a unit to not
24 more than \$300, as adjusted under AS 34.08.820, if

25 (A) the declarant has a reasonable and good faith
26 belief that the maximum stated assessment will be sufficient to
27 pay the expenses of the planned community;

28 (B) the declaration cannot be amended to increase the
29 assessment during the period of declarant control without the

1 consent of all unit owners; and

2 (C) the planned community is not subject to develop-
3 ment rights; or

4 (8) a disposition of property by a nonprofit development
5 corporation if that corporation is eligible for assistance from the
6 Neighborhood Reinvestment Corporation organized under 42 U.S.C. 8101 -
7 42 U.S.C. 8107 (Neighborhood Reinvestment Corporation Act) for neigh-
8 borhood housing services, neighborhood revitalization, and economic
9 development projects in a community.

Patrick M. Rodey
Senator

Alaska State Legislature



Senate

3111 C. St., Suite 510
Anchorage, Alaska 99503
(907) 561-7618

During Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-3793

DATE: April 26, 1990

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

FROM: Senate Pat Rodey

SUBJECT: Committee Substitute for Senate Bill 152

The committee substitute addresses a simple change to the Uniform Common Interest Ownership Act.

The change will allow the Neighborhood Reinvestment Corporation (NRC), which is authorized under federal law 42 U.S.C. 8101-42 U.S.C. 8107 to be exempt from the requirement to develop a Public Offering Statement.

Because the NRC is organized under federal law they are currently required to do a similar statement and there seems to be no need to duplicate the process. The current state law was established for developers who built condominiums or cooperatives for profit and I believe was not intended for non-profits such as the NRC.

This amendment is designed to be very specific and only deals with corporations like the NRC that develop low income housing. With this exemption they will be able to reduce the costs to the borrower, by reducing the amount of attorney time they need in developing their Public Offering Statements.

This is a very brief explanation of the exemption, but if you have any questions please don't hesitate to call my staff Mark Begich at 3793.

NEIGHBORHOOD REVITALIZATION INITIATIVE

Anchorage Neighborhood Housing Services is part of a network of 220 "Neighborworks" organizations across the country. These non-profit public/private partnerships are creating reinvestment opportunities through a variety of revitalization strategies in both urban and rural communities across the country. Collectively, these 220 Neighborworks have generated \$6 billion in reinvestment in formerly declining neighborhoods throughout the United States.

The Alaska Neighborhood Revitalization Act (the Act) was passed during the last session of the Alaska Legislature. The Act set up a mechanism within the Department of Commerce to establish neighborhood housing services corporations in other communities. The Act requires a partnership between the Neighborhood Reinvestment Corporation (a congressionally chartered entity) and the local community to insure that the non-profit is set up with the right ingredients for success. Neighborhood Reinvestment provides on-going training and technical assistance to the NHS programs as well as some grant support for new program development.

The Act further allows for Neighborhood Housing Services of America (the Neighborworks secondary market) to provide technical assistance and purchase loans made by the local non-profits, thereby making additional loan funds available.

NHSA receives its funds by including private sector contributions through corporate social investment policies that allow for investment in financial acquisitions.

Anchorage Neighborhood Housing Services is currently the only NHS program operating in the state of Alaska, although one has recently been incorporated in Fairbanks. This summary fact sheet details some information about the track record of the Anchorage NHS over its 8 year period of operation.

ANCHORAGE NHS SUMMARY FACT SHEET

* Anchorage Neighborhood Housing Services operates both a commercial/business loan fund as well as a residential loan fund in three neighborhoods. Most loans are made to non-bankable clients or projects, yet the average annual delinquency rate is at 3%.

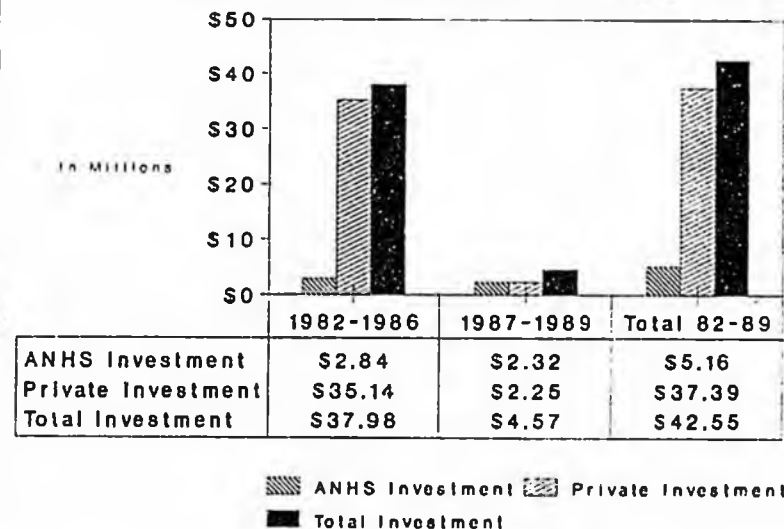
* Direct loans from ANHS total \$5.16 million, stimulating \$37.39 million in private reinvestment.

* ANHS has experience in residential housing loans and activities as well as in commercial economic development.

* The ANHS commercial fund has generated 57 new jobs in its 2 year history. The commercial loan fund and other small business redevelopment activities have stimulated \$26.1 million in commercial activity.

ANHS Neighborhood Construction Activity

1982-1989 in Spauld, Government Hill & Noodin Valley



3/21/90
SB/52

The Neighborhood Reinvestment Corporation

A congressionally-chartered, public nonprofit corporation, Neighborhood Reinvestment was established in 1978 (P.L. 95-557) to continue the efforts of the Urban Reinvestment Task Force. Its mission includes the revitalization of declining lower income neighborhoods for the benefit of their current residents, and the provision of affordable housing to neighborhood residents.

The Corporation achieves these goals primarily through the development and support of local neighborhood-based partnerships. The most widely known of these is the Neighborhood Housing Services (NHS) program, a partnership of neighborhood residents, business leaders and local government officials.

These and other local partnership organizations form the NeighborWorks system—the nation's largest and most successful systematic approach to neighborhood revitalization. NeighborWorks members are at work in 239 neighborhoods in 137 cities across the country. An additional 52 formerly-declining neighborhoods have been returned to substantial self-reliance through the efforts of NeighborWorks members.

As the anchor for this national system of local partnerships, Neighborhood Reinvestment provides a range of training and technical assistance to help each local partnership establish neighborhood goals and develop the strategies needed to achieve those goals.

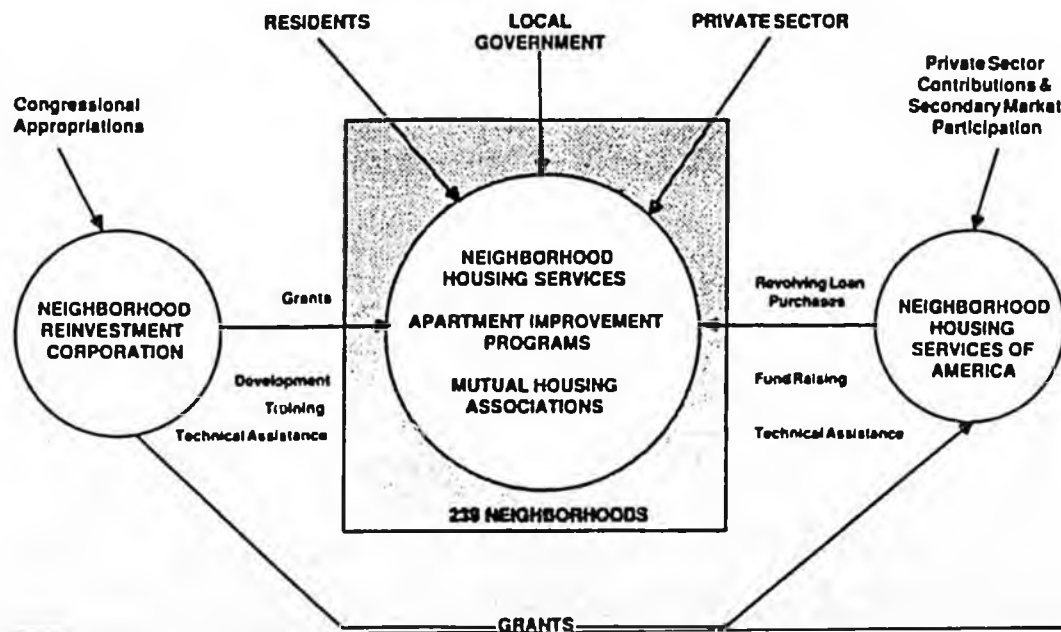
Neighborhood Reinvestment also makes small seed money grants to the local partnerships, which are matched many times over by contributions from local governments, businesses and foundations. In addition, the Corporation provides grants to Neighborhood Housing Services of America, the system's national secondary market.

The Corporation received a \$19 million federal appropriation in fiscal year 1987. Since 1974, a total expenditure of \$135 million in federal appropriations by the Corporation and its predecessor has produced an impact of more than \$4 billion in neighborhoods across the country.

The Corporation's board of directors is composed of a Governor of the Federal Reserve, the Comptroller of the Currency, the Secretary of Housing and Urban Development, the Chairman of the Federal Home Loan Bank Board, the Chairman of the Federal Deposit Insurance Corporation, and the Chairman of the National Credit Union Administration.

Although the Corporation is headquartered in Washington, D.C., the majority of its staff are based in nine districts across the country to better assist the local partnerships they serve.

The NeighborWorks System



FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Neighborhood Revitalization and
Development General Obligation Bonds
Sponsor: Rodey
Requestor: Senate Labor and Commerce

Agency Affected: State Bond Committee
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	385.0	1,566.2	1,566.2
TOTAL OPERATING	0	0	0	385.0	1,566.2	1,566.2
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	385.0	1,566.2	1,566.2
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	385.0	1,566.2	1,566.2

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 for analysis.

Debt Service

Assumes 10 year bonds at an average interest rate of 7.0 percent.
FY 91 is one semi-annual interest only payment.

Prepared By: Milt Barker *MB*
Division: Treasury

Phone: 465-2350
Date: _____

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

Date: 2/13/89

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget

Impacted Agency(ies)

RECEIVED
FEB 14 1989

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Neighborhood Revitalization
Initiative
Sponsor: Senator Rodey
Requestor: Senate Labor & Commerce

Agency Affected: Commerce & Econ. Dev.
BRU: Business Development
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES			75.3	202.0	202.0	202.0
TRAVEL			10.0	25.0	20.0	20.0
CONTRACTUAL			110.0	110.0	90.0	90.0
SUPPLIES			3.0	3.0	2.7	2.7
EQUIPMENT			6.0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS			150.0	325.0	405.0	175.0
MISCELLANEOUS						
TOTAL OPERATING			354.3	665.0	719.7	489.7

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

GENERAL FUND			354.3	665.0	719.7	489.7
FEDERAL FUNDS						
OTHER						
TOTAL			354.3	665.0	719.7	489.7

POSITIONS:

FULL-TIME			3	4	4	4
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached

Prepared by: Tom Lawson, Acting Director Phone: 465-2017
Division: Business Development Date: 2-13-89

Approved by Commissioner: Larry Merculieff Date: 2/13/89
Agency: Department of Commerce & Economic Development

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

RECEIVED
FEB 15 1989

page 1 of 4

3307D-1/021389b

LEGISLATIVE FINANCE

Fiscal Note DATED

FISCAL NOTE ANALYSIS

SSSB 135--ALASKA NEIGHBORHOOD REVITALIZATION INITIATIVE

Assumptions/Program Summary

SSSB 135 establishes a program which promotes neighborhood revitalization and development through local initiatives of the state's communities with the assistance of financial institutions and the state. The legislation creates a neighborhood revitalization and development fund to be administered by the Department of Commerce and Economic Development. Neighborhood housing services, community revitalization, and economic development projects are eligible. The program requires that any nonprofit organization applying for the grant funds from DCEd must meet the criteria of the Neighborhood Reinvestment Corporation.

(The Neighborhood Reinvestment Corporation was established in 1978 by Congress as a public nonprofit corporation to assist communities in revitalizing declining neighborhoods for the benefit of current residents. That goal is achieved primarily through the development and support of Neighborhood Housing Services (NHS) programs, such as Anchorage Neighborhood Housing Services. In 1986 there were 239 NHS's in 137 cities.)

The bill also establishes the Alaska Main Street Program to provide grants to persons and organizations for economic revitalization and development projects in older central business districts and neighborhoods, using techniques developed by the National Trust for Historic Preservation.

The Neighborhood Revitalization and Development Fund is funded in part by proceeds from a proposed bond issue (SB 152) of \$11,000,000, if approved by the voters. Proceeds from the general obligation bond sale can only be used for capital improvement projects so any administrative costs or grants that are not directly attributable to such projects must be funded through the general fund or other sources.

It is estimated that about 13 communities may be able to participate in the Neighborhood Revitalization and Development Program. Under the Main Street Program it is assumed that approximately twelve to fourteen communities will participate in program grants.

The election on the question of the bond sale (SB 152), the proceeds of which fund the initiative, would be held in November 1990. Assuming voter approval of the initiative, and the bond sale is conducted in a timely manner, the first six months of FY 91 will be spent establishing the new programs, including development of administrative regulations.

Personal Services. In the first year, staff for the Main Street and the Neighborhood revitalization and development Programs includes the following 3 permanent full time six month positions:

Program Coordinator-Development Specialist II (Range 20)	\$29.0
Architect (Range 21)	30.5
Accounting Clerk II (Range 09)	15.8

Note: in the second year (FY92) these position are 12 month positions and salary/benefits cost listed are doubled.

The Statewide coordinator will initiate, coordinate and supervise both programs. The architect will serve as the Alaska Main Street Program architect and will provide design and historic perservation assistance. It is important that the architect position be filled at the beginning of the program in order for the individual to participate in the design and development of the Alaska Main Street program as well as to utilize the training services of the National Trust for Historic Preservation. Under the supervision of the program coordinator, the accounting clerk will administer the grants for both programs and will assist in the administrative details of developing the program.

A second development specialist (DS I, Range 18, \$51.0) will be necessary beginning in FY 91 to fully implement the Neighborhood Revitalization and Development Program.

Travel. Costs include travel to Washington, D.C. by the program coordinator and architect to receive training by the National Trust for Historic Preservation. In addition, once the program is established, one site visit for each community is estimated, with approximately six communities participating the first year. In subsequent years out-of-state travel should diminish while in-state travel will increase, resulting in a slight reduction of expenses.

Contractual Services. Typically, states contract with the National Main Street Center, National Trust for Historic Preservation, for assistance and training in establishing and operating a Main Street Program. The average costs of programs in other states is \$100.0 per year. Technical assistance offered ranges from developing criteria for selecting communities that will participate in the state program to conducting evaluations of local programs. Complete training in revitalization techniques to local programs is provided. Training continues over a three-year period, focusing on increasingly complex issues.

An alternative approach is to contract for the various services needed on a competitive basis. A number of consulting firms in the Northwest and other parts of the country have gained expertise with the Main Street Program over the past ten years and offer Main Street program implementation and training services.

The balance of the contractual service funds (\$10.0) are needed for office related services, including advertising, phone, postage, copying, printing, etc. In subsequent years contractual expenses will decrease.

Supplies. Funds will be used to purchase office supplies and training materials. Costs will decrease in future years.

Equipment. Cost will be just for the first year and will include purchase of a computer/word processor terminal and miscellaneous equipment.

Grants. Under the Main Street Program, grants would be provided to communities to develop and operate a local Main Street Program. Grants to communities would be on a three year track with first year funding at \$50.0, second year - \$25.0, and third year - \$10.0. In the first year (FY 91) through a competitive grant process, three communities would receive grants; in the next two years, five communities would receive first year funding.

	<u>Total</u>
<u>FY 91</u>	
3 1st yr. communities @ \$50.0	\$150.0
<u>FY 92</u>	
5 1st yr. communities @ \$50.0	
3 2nd yr. communities @ \$25.0	325.0
<u>FY 93</u>	
5 1st yr. communities @ \$50.0	
5 2nd yr. communities @ 25.0	
3 3rd yr. communities @ 10.0	405.0
<u>FY 94</u>	
5 2nd yr. communities @ 25.0	
5 3rd yr. communities @ 10.0	175.0

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SENATE COMMITTEE REPORT

FURTHER

No further

2/16/89

DATE TURNED INTO OFFICE

2/11/89

Mr. President:

Finance

Committee considered

SB 159

making a supplemental appropriation to the department of Revenue for reimbursement to municipalities under the fisheries tax refund program and the aviation fuel revenue sharing; efd and recommended

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

Major
 do pass

- do not pass
- no recommendation
- individual recommendations
- further referral to _____

Approved

FISCAL NOTE(S) zero fiscal impact ^(73,457,774) appropriation no EN

new updated previous

same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

Chairman signature and recommendation

[Handwritten signature]
Do Pass

Committee Backup attached

<u>Funding Information</u>	
General Fund	\$3,457,774
Other Funds	- 0 -
	<u>\$3,457,774</u>

BY ZHAROFF, STURGULEWSKI,
DUNCAN, FAIKS, KERTTULA,
SZYMANSKI, JONES, COGHILL

1 IN THE SENATE

2

SENATE BILL NO. 153

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Revenue for reimbursement to municipal-
8 ities under the fisheries tax refund program and the
9 aviation fuel revenue sharing; and providing for an
10 effective date."

10

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

12

* Section 1. The sum of \$3,411,196 is appropriated from the general
13 fund to the Department of Revenue for reimbursement to municipalities under
14 AS 43.75.130 (fisheries tax refund program).

14

15

* Sec. 2. The sum of \$46,578 is appropriated from the general fund to
16 the Department of Revenue for payment to municipalities under AS 43.40.-
17 010(e) (aviation fuel revenue sharing program).

17

18

* Sec. 3. The unexpended and unobligated balance of the appropriation
19 made by this Act lapses into the general fund June 30, 1989.

18

20

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



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

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

MEMORANDUM

TO: Senator Rick Uehling, Co-Chairman
Senate Finance Committee

FROM: Senator Fred F. Zharoff 

DATE: February 16, 1989

SUBJ: Scheduling of SB 153

On Friday, February 3, 1989, I introduced SB 153, "An Act making a supplemental appropriation to the Department of Revenue for reimbursement to municipalities under the fisheries tax refund program and the aviation fuel revenue sharing; and providing for an effective date." This bill was referred to the Resources and Finance Committees. The Resources Committee considered this bill on February 15 and moved it to Finance with 5 "do pass" recommendations and one "no recommendation".

The intent of SB 153 is to reimburse to communities the funds they are entitled to from state collected revenues under the fisheries tax and aviation fuel revenue sharing programs. The FY 89 budget passed by the legislature in 1988 did not authorize the Department of Revenue to distribute all the fish tax revenues municipalities were entitled to due to an underestimation of the amount of fish taxes that would be collected by the state under this program by the Department of Revenue. Therefore, this bill would allow the DOR to distribute the remaining amount due to communities.

The Aviation Fuel Tax Revenue Sharing program portion of the bill allows the DOR to share with the Municipality of Anchorage funds under this program that the DOR did not anticipate receiving in FY 89 at Merrill Field and therefore no legislative authorization to distribute these funds to Anchorage was given during the 1988 session.

Since many communities based their municipal budgets on receiving all they were entitled to under these programs, I am hopeful that this bill will move quickly through the legislature. I did not want these funds tied up until the end of session with the governor's supplemental appropriations bill. Because municipalities are counting on receipt of these funds to balance their budgets, I respectfully request that the Senate Finance committee schedule a hearing on this bill at its earliest possible convenience.

Sen. Zharoff

SECTIONAL ANALYSIS OF SENATE BILL 153

SECTION 1: Appropriates the amount still owed to municipalities and boroughs under the fisheries tax refund program (AS 43.75.130(a)) to the Department of Revenue for disbursement. The amount still owed is \$3,411,196.

SECTION 2: Appropriates the amount still owed to the Municipality of Anchorage under the Aviation Fuel Revenue sharing program (AS 43.40.010(e)) to the Department of Revenue for disbursement. The amount still owed is \$46,578.

SECTION 3: Lapses the unexpended and unobligated balances created by this bill on July 1, 1989.

SECTION 4: Provides for an immediate effective date.

SECTIONAL ANALYSIS

Sen. Zharoff

BILL SUMMARY OF SB 153

Under AS 43.75.130, the state is obligated to reimburse to communities one half of the revenues collected under the fisheries business tax collected in those communities where processing occurs. Traditionally, the Department of Revenue would estimate the amount that the state would be obligated to reimburse to the communities under this program and provide that information to the legislature for inclusion in DOR's budget. The problem with this approach is that DOR does not know the exact amount to be distributed during a given fiscal year by the time the legislature adjourns because of the timing of collections of the tax. This has created underfunding in the budget of the amount to be reimbursed to communities in each of the past two operating budgets. Last year, the legislature passed a supplemental appropriation of \$730,264 because of underfunding. This year, the amount of underfunding has been calculated to be \$3,411,196, or roughly 30% of the total amount the state is obligated to share. All the fish taxes have been collected. the state has received its share and the \$3.4 million remaining obligation to municipalities has been collected and deposited in the general fund. All that remains is for legislative authorization to distribute these funds.

The Aviation Fuel Revenue Sharing supplemental is similiar. Sixty percent of the aviation fuel taxes collected by the state (minus administrative costs) are refunded to municipalities owning or leasing and operating an airport. The \$46,579 included in Section 2 is the Municipality of Anchorage's share of unanticipated, and therefore unbudgeted, Aviation Fuel taxes collected at Merrill Field.

The Department of Revenue submitted these supplementals for inclusion in the governor's supplemental bill, but since municipalities are counting on these funds for their FY 89 budgets, I have introduced SB 153 in hopes that this bill will receive expedited action and these funds will not be held up in the governor's supplemental.

STATE OF ALASKA
STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

P.O. BOX 5
JUNEAU, ALASKA 99811-0400
PHONE: (907) 465-2300
TELEFAX: (907) 465-2389

February 14, 1989

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

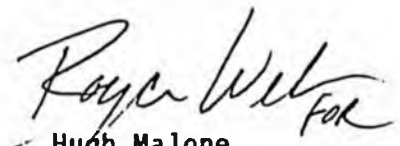
Dear Senator Zharoff:

This is in response to your request for this Department's position on Senate Bill 153.

As you know, the Department of Revenue has requested supplemental appropriations to fully fund the shared taxes program for FY89. The initial appropriation was based on a Department of Revenue estimate and was short approximately \$3.4 million. More than 50 municipalities and boroughs throughout Alaska are affected. The supplemental request process has been a routine measure in recent years. We have proposed language in this years budget bill (HB 100) which would authorize the Department to pay out all shared taxes collected under the various tax statutes. This would effectively put an end to our annual request for a supplemental to make a late payment of revenues to the communities.

SB 153 is intended to speed up the supplemental process by providing a separate appropriation bill to fund the refund program. It is anticipated that this legislation would pass through the legislature much more quickly than HB 100. It is important that communities receive these funds quickly. The Department supports your efforts to assist us in obtaining these necessary funds.

Sincerely,




Hugh Malone
Commissioner
Department of Revenue
(907)465-2300

89-48

STATE OF ALASKA
DEPARTMENT OF REVENUE
INCOME AND EXCISE AUDIT DIVISION

M E M O R A N D U M

TO: Nancy Bennett
Director
Administrative Services

FROM: Steven E. Kettel 
Director
Income & Excise Audit Division

DATE: January 13, 1989 .

SUBJECT: FY 89 Aviation Fuel
Supplemental Request

We request \$46,578.11 in a supplemental for FY 89 Aviation Fuel Revenue Sharing. This amount is derived from taxes collected from Merrill Field Airport which we were unable to share until this time. This request should be funded from general fund monies.

cc: Sandra Yadao
Brenda Vaughn
Shirley Minnick

JH:SEK:lr

MEMORANDUM

STATE OF ALASKA

DEPARTMENT OF REVENUE

TO: Nancy Bennett
Director
Administrative Services

DATE: November 1, 1988

FILE NO: 6099I

TELEPHONE NO: 465-2320

THRU:

SUBJECT: FY 89 Raw Fish
Supplemental

FROM: Steven E. Kettel
Director
Income and Excise Audit Division

We request \$3,411,196.00 in a supplemental for FY 89 Raw Fish Revenue Sharing. This request should be funded from general fund monies.

cc: Sandra Yadao
Shirley Minnich

FY 85 RAW FISH
SHARED REVENUE - CITIES AND BOROUGHS

	TOTAL #	AMT FOR FY 85 SHARING	AMT SHARED	TOTAL PR-2-85
MUA 635 Anchorage Municipality		225,010.90	117,535.97	70,475.03
CBJ 496 Juneau		23,469.22	16,519.90	6,949.32
CIS 599 Sitka		316,496.50	222,522.59	93,773.68
BBB 699 Bristol Bay Borough		1,407,775.62	990,247.24	416,042.29
FNS 462 North Star Borough		413.99	294.93	124.06
HAB 944 Haines Borough		126,422.01	102,296.62	43,452.39
KPB 465 Kenai Peninsula Borough		1,474,563.05	1,027,244.93	426,119.72
KGB 466 Ketchikan Gateway Borough		157,154.79	107,205.06	45,349.73
KIB 128 Kodiak Island Borough		1,149,361.73	809,297.70	340,474.03
MAB 586 Matanuska-Susitna Borough		22.34	57.96	24.38
NSB 460 North Slope Borough				
NAB 168 NORTHWEST ARCTIC BOROUGH		10.36	7.29	3.27
NEB 138 ALEUTIANS EAST BOROUGH		9,523.58	6,172.01	3,344.57
TOTAL BOROUGHS		4,920,136.14	3,462,479.50	1,457,436.71
CIA 323 Akhiok				
CIA 322 Akiachak				
CIA 321 Akiak				
CIA 072 Akutan		376,494.36	244,269.54	132,224.82
CIA 693 Alakanuk				
CAL 596 Aleknagik				
CAL 597 Allakaket				
CIA 143 Ambler				
CAP 063 Anaktuvok Pass				
CIA 275 Anderson				
Subtotal this page		376,494.36	244,269.54	132,224.82

SHARED REVENUE - CITIES AND BOROUGHES

CIA 461	Anqoon			
CIA 062	Aniak	236.46	166.44	70.02
CIA 057	Anvik	904.08	636.38	267.70
CIA 565	Atmautluak			
COA 027	Atkasuk			
CIB 781	Barrow			
CIB 819	Bethel	30,055.48	21,156.05	8,899.43
CBM 320	Brevig Mission			
CBU 595	Buckland			
CIC 132	Chauthbaluk			
CIC 319	Chefornak			
CIC 202	Chevak			
COC 272	Chituk	282,144.29	202,824.77	85,319.52
CCP 269	Clark's Point	44,117.93	31,054.65	13,063.33
CCB 210	Cold Bay			
CIC 801	Cordova	810,736.13	570,574.35	240,157.78
CIC 492	Craig			
CID 317	Deering			
CDJ 475	Delta Junction			
CID 836	Dillingham	1,470.69	1,035.22	435.47
CID 072	Diomedes			
CEA 594	Eagle			
CIE 061	Eek			
CIE 316	Ekwok			
CIE 593	Elim			

Subtotal this page 1,175,661.11 827,447.96 347,213.25

SHARED REVENUE - CITIES AND BOROUGHS

CIE 322	Emmonak			
CIF 635	Fairbanks	7.19	5.06	2.13
CFY 463	Fort Yukon			
CIF 201	Fortuna Ledge	9,411.44	6,624.71	2,786.73
CIG 271	Galena	1,633.27	1,149.66	483.61
CIG 231	Gambell			
CIG 315	Golovin			
CGB 110	Goodnews Bay			
CIG 200	Grayling			
CIH 871	Haines	297.71	209.56	88.15
CHC 590	Holy Cross			
CIH 724	Homer	169,922.24	119,509.26	50,413.98
CIH 254	Hoonah	47,310.70	33,302.00	14,008.70
CHB 589	Hooper Bay			
CJH 520	Houston			
CIH 314	Hughes			
CIH 852	Huslia			
CIH 230	Hydaburg			
CIK 111	Kachemak			
CIK 464	Kake	24,136.93	16,989.99	7,146.94
CIK 313	Kaktovik			
CIK 197	Kaltaq			
CIK 927	Kasaan			
COK 301	Kasiqluk			
CIK 891	Kenai	212,056.64	255,414.70	107,441.85

Subtotal this page 615,576.12 433,204.03 182,372.09

SHARED REVENUE - CITIES AND BOROUGHS

CIK 709	Ketchikan	125,453.22	88,306.52	37,146.70
CIK 060	Kiana			
CKC 059	King Cove	574,007.31	372,415.94	201,591.37
CIK 196	Kivalina			
CIK 229	Klawock	9,266.04	6,522.37	2,743.67
CIK 312	Kobuk			
CIK 916	Kodiak	820,675.22	619,909.40	260,768.82
CIK 311	Kotlik			
CIK 679	Kotzebue	10.36	7.29	3.07
CIK 195	Koyuk			
CIK 228	Koyukuk			
CIK 088	Kupreanof			
CIK 133	Kwethluk			
CLB 218	Larsen Bay	5,042.56	3,449.46	1,593.10
CIL 199	Lower Kalskaq			
CIM 310	Manokotak			
CMC 599	McGrath			
CIM 109	Mekoryuk	62.68	44.12	18.56
CMV 111	Mountain Village	26,827.35	18,823.77	7,943.58
CIN 309	Napakiak			
CIN 308	Napaskiak			
CIN 291	Nenana	836.00	502.46	247.54
CNS 226	New Stuyahok			
CIN 521	Newhalen			
CIN 194	Newtok			

Subtotal this page 1,627,122.44 1,110,122.52 517,056.41

SHARED REVENUE - CITIES AND BOROUGHES

CIN 853	Niaghtmute			
CIN 085	Nikolai			
CIN 936	Nome			
CIN 174	Wilton			
CIN 227	Noorvik			
CNP 676	North Pole			
CNU 598	Nuqsut			
CIN 314	Nunapitchuk			
NCC 026	Nulato	545.51	383.93	161.53
COH 108	Old Harbor			
CIO 469	Ouzinkie			
CIP 644	Palmer			
CIP 470	Pelican	124,091.58	87,341.02	36,740.56
CIP 181	Petersburg	566,134.03	398,401.74	167,732.29
CIP 194	Pilot Station			
CIP 307	Platinum			
CPH 224	Point Hope			
CPA 471	Port Alexander			
CPH 306	Port Heiden			
CPL 107	Port Lions			
CIO 193	Quinagak			
CIR 225	Ruby			
CRM 305	Russian Mission			
CSG 054	Saint George			
CSM 472	Saint Marys			

Subtotal this page 690,761.12 496,126.74 204,634.39

SHARED REVENUE - CITIES AND BOROUGHES

CIS 192	Saint Michael	3,111.57	2,190.23	921.34.
CSP 331	Saint Paul	144,789.86	101,917.58	42,872.28
CSP 978	Sand Point	167,222.23	108,529.08	58,693.15.
CIS 106	Savoonga			
CIS 583	Saxman			
CIS 191	Scammon Bay			
CIS 058	Selawik			
CIS 624	Seldovia	12,500.00	8,798.75	3,701.25.
COS 266	Seward	220,692.30	155,345.31	65,346.99
CIS 190	Shageluk			
CIS 189	Shaktolik			
CSP 522	Sheldon Point			
CIS 105	Shishmaref			
CIS 188	Shunqnak			
CIS 396	Skaqway			
CIS 564	Soldotna			
CIS 187	Stebbins			
CIT 855	Tanana			
CIT 473	Teller			
CTS 272	Ten-kee Springs	147.92	104.16	43.82.
CTB 301	Thorne Bay			
CIT 854	Toqiak	58,215.22	37,529.36	15,786.96
CTB 223	Toksook Bay	141.12	99.22	41.79.
CIT 305	Tuluksak			
CIT 186	Tununak			

Subtotal this page 601,921.32 414,513.30 197,407.58

SHARED REVENUE - CITIES AND BOROUGHS

CIU 258	Unalakleet			
CIU 215	Unalaska	944,291.94	664,687.10	279,604.84
CIU 198	Upper Kalskaq			
CIV 401	Valdez	165,389.93	116,418.01	48,971.97
CIW 222	Wainwright			
CIW 185	Wales			
CIW 159	Wasilla			
CWM 304	White Mountain			
CIW 474	Whittier	24,527.46	17,264.99	7,262.58
CIW 559	Wrangell	38,059.99	26,799.65	11,269.24
CIY 479	Yakutat	134,217.41	94,475.63	39,741.78

CITIES	Subtotal - Page 7	1,306,425.68	919,635.27	386,850.41
	Page 6	601,921.38	414,513.90	187,407.53
	Page 5	690,761.12	486,126.74	204,634.38
	Page 4	1,622,193.74	1,110,127.33	512,056.41
	Page 3	615,576.12	433,204.03	182,372.09
	Page 2	1,175,661.11	827,447.96	348,213.25
	Page 1	376,494.36	244,269.54	132,224.92

Total Cities 6,399,002.51 4,435,221.57 1,957,752.94

Total Boroughs 4,927,125.11 3,412,697.50 1,451,427.64

GRAND TOTAL 11,309,219.65 7,899,024.07 3,411,195.58

FISH TAX SUPPLEMENTAL BY DISTRICT

<u>DIST</u>	<u>COMMUNITY</u>	<u>AMOUNT</u>
A	Ketchikan Gateway Borough	45,349.73
A	City of Ketchikan	37,146.70
A	Petersburg	167,732.29
A	Wrangell	<u>11,269.24</u>
	Total Dist A	261,497.96
B	Sitka	93,773.68
B	Haines Borough	43,452.39
B	Haines	88.15
B	Hoonah	14,008.70
B	Kake	7,146.94
B	Klawock	2,743.67
B	Pelican	36,740.56
B	Tenakee Springs	43.82
B	Yakutat	<u>39,741.78</u>
	Total Dist B	237,739.69
C	Juneau	<u>6,949.32</u>
	Total Dist C	6,949.32
D	Kenai Peninsula Borough	436,618.12
D	Homer	50,413.98
D	Kenai	107,441.85
D	Seldovia	<u>3,701.25</u>
	Total Dist D	598,175.20
E	Mat-Su Borough	24.38
E	Cordova	240,157.78
E	Seward	65,346.99
E	Valdez	48,971.97
E	Whittier	<u>7,262.58</u>
	Total Dist E	361,763.70
F-I	Anchorage	<u>70,475.03</u>
	Total Dist F-I	70,475.03
J	Nenana	<u>247.54</u>
	Total Dist J	247.54

FISH TAX SUPPLEMENTAL BY DISTRICT

K	Fairbanks North Star Borough	124.06
K	Fairbanks	<u>2.13</u>
	Total Dist K	126.19
L	Northwest Arctic Borough	3.07
L	Kotzebue	3.07
L	St. Michael	<u>921.34</u>
	Total Dist L	927.48
M	Aniak	70.02
M	Anvik	267.70
M	Bethel	8,899.43
M	Fortuna Ledge	2,786.73
M	Galena	483.61
M	Mekoryuk	18.56
M	Mountain Village	7,943.58
M	Nulato	161.53
M	Toksook Bay	<u>41.79</u>
	Total Dist M	20,672.95
N	Bristol Bay Borough	416,848.28
N	Kodiak Island Borough	340,474.08
N	Aleutians East Borough	3,344.57
N	Akutan	132,224.82
N	Chignik	85,319.52
N	Clark's Point	13,063.33
N	Dillingham	435.47
N	King Cove	201,591.37
N	Kodiak	260,768.82
N	Larsen Bay	1,593.10
N	St. Paul	42,872.28
N	Sand Point	58,693.15
N	Togiak	15,786.96
N	Unalaska	<u>279,604.84</u>
	Total Dist N	1,852,620.59
	Statewide Total	3,411,195.65

Resolution of the Alaska Municipal League

Resolution No. 89-36

**A RESOLUTION URGING THE LEGISLATURE TO PASS A
SUPPLEMENTAL APPROPRIATION FOR FULL FUNDING
OF THE RAW FISH TAX PROGRAM**

WHEREAS, under the provisions of AS 43.75.130, the State of Alaska annually remits a share of raw fish tax revenues to the municipalities from which the tax was collected, and

WHEREAS, the amount of these revenues, as provided in the statute, is based on the actual raw fish taxes collected from processors located within a given municipality, and

WHEREAS, the State of Alaska has failed to return the full amount to the municipalities as provided in the statutes, and

WHEREAS, the State Legislature failed to appropriate sufficient monies to fund the Raw Fish Tax Program;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League urges the Alaska State Legislature to pass a supplemental appropriation fully funding the Raw Fish Tax Program and TO authorize prompt remittance of the balance due the affected municipalities.

BE IT FURTHER RESOLVED that the Alaska Municipal League requests the State to adopt legislation, regulations, and policies that will ensure the appropriation of the full share of Raw Fish Tax revenues due municipalities by August 1 of each year.

Adopted at Annual Business Meeting o November 18, 1988 o Fairbanks, Alaska

- RESOLUTIONS OF SUPPORT -

S B

L B H

SENATE FINANCE COMMITTEE REPORT

DATE: 3/16/90

FURTHER:

DATE TURNED INTO OFFICE: 4/19/90

The Finance Committee considered

SB 154

"An Act relating to equipment lease-financing and authorizing a master equipment lease-financing project; and providing for an effective date."

and recommended:

replace with _____ CS SB 154 (Fix)
 or adopt _____ CS _____
 attached amendment(s)
 _____ letter of intent adopted

same title
 new title
 technical
title change
(HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

[Signature]
[Signature]

APPROVES PREVIOUS:

fiscal note(s) DOA 55.9 Dept/Date: _____
St. Bond (2143.5)

zero fiscal note(s) ASBA 12/27/88
DCED 12/27/88

OTHER RECOMMENDATIONS:

[Signature] - NO REC
[Signature] - No Rec -

1. [Signature] No Rec

2. [Signature] (to Pass)

Co-Chairs: Signatures and Recommendations

HO 3FC 4-19-90

STATE OF ALASKA
1990 LEGISLATIVE SESSION

Bill Version: CSSB 154 (L&C) (b)
Publish Date: 3/19/90

FISCAL NOTE

REQUEST:

Revision Date: 3/16/90 Agency Affected: Department of Administration
Title: An Act relating to State equipment, BRU: General Services
including equipment lease--financing . . .
Sponsor: Rules Components: Purchasing
Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	41.8	43.1	44.0	44.9	45.8	46.7
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	5.0	2.0	2.0	2.0	2.0	2.0
SUPPLIES	1.5	1.6	1.7	1.8	1.9	2.0
EQUIPMENT	0	7.0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS (PHONE)	.6	.6	.7	.7	.8	.8
TOTAL OPERATING	55.9	47.3	48.4	49.4	50.5	51.5
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	55.9	47.3	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	48.4	49.4	50.5	51.5
TOTAL	55.9	47.3	48.4	49.4	50.5	51.5

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact to the FY 90 budget. Potential financial savings should be reflected in the Department of Revenue fiscal note. We project a General Fund increase in year one and two in administrative expense due to the requirement to coordinate several hundred accounts in order to make one payment under the third party equipment lease plan to Alaska State Housing Authority, and to compile the required reports to the legislature. See attached for analysis. The requirement for General Fund would be replaced year three onward with I/A receipts to be transferred from the affected agencies.

Prepared by: Robert J. Link, Director Phone: 465-2250
Division: General Services and Supply Date: 03/16/90

Approved by Commissioner: Frank S. Baxter Date: 3/16/90
Agency: Department of Administration

Distribution (by preparer):

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

Changes in CSSB 154 (Fin)
have no fiscal impact.
This fiscal note is
appropriate. 4/19/90

CONTINUATION of FISCAL NOTE ANALYSIS

For CSSB 154 (L&C)

FISCAL NOTE ANALYSIS

Operating costs are based on the following assumptions:

Personal Services cost: One permanent, full-time Accounting Technician II, Range 14, Step B through J based on current contract.

Contractual: Estimated cost of \$5,000.00 for Professional Services contract for computer programming in FY 91, \$2,000.00 for support each year thereafter.

Supplies: Estimated cost of paper, desk supplies, etc., minimal increases each fiscal year in anticipation of inflated costs.

Equipment: Reflects purchase of personal computer. Costs needed to connect to mainframe (Alaska Statewide Accounting System [AKSAS]), printer and basic software. Costs are based on current State contract.

Miscellaneous: Estimated cost of long-distance telephone service. Escalated in third and fifth fiscal years to cover anticipated inflation.



Position Title Accounting Technician II		No. of Positions 1	Range/Step 14B	Barg. Unit GGLI	
Time Status FT	Staff Months 12	Location Juneau		Election District	
Type of Expenditure		Justification			
		<p>There is currently no staff available to perform the duties mandated by this legislation. The required job duties and responsibilities are most associated to the class specifications of an Accounting Technician II. One full-time staff person would be responsible for reviewing several hundred accounts, determining which accounts would be refinanced, calculating account expenses, transferring funds and making one payment to the Alaska State Housing Authority. A report to the legislature would be compiled annually indicating the amount of interest to be saved by each agency during the next fiscal year as a result of participating in the master lease program.</p>			
Amount					
1	2				3
Salary	29.2				
Benefits	12.6				
Premium Pay					
Other					
Total Personal Services					41.8
Travel					
Contractual					5.6
Commodities					1.5
Equipment					7.0
Other					
Total Cost		55.9			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	55.9			
I-A Receipts	1006				
CIP Receipts	1061				
Other					

4/11B1/060602-9

Administration

**Request For
New Position**

Agency _____
 BRU _____
 Component _____
 General Services and Supply
 Purchasing

FY 91

Page 3 of 3
 Revised Date

R/0 SFC 4-19-90

STATE OF ALASKA
1990 LEGISLATIVE SESSION

Bill Version: CS SB 154 (L&C) (a)
Publish Date: 3/16/90

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Authorizing master lease-financing
for state equipment
Sponsor: Senate Labor & Commerce
Requestor: Senate Labor & Commerce

Agency Affected: State Bond Committee
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	(2143.5)	136.4	98.5	479.3	1381.8	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(2143.5)	136.4	98.5	479.3	1381.8	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	(2143.5)	136.4	98.5	479.3	1381.8	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 for analysis.
Fiscal effect for FY 90 is zero.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: March 15, 1990

Approved by Commissioner: Milton B. Barker for
Agency: Department of Revenue

Date: 3-15-90

Distribution (by preparer):

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

Changes in CSSB 154 (Fin)
have no fiscal impact.
This fiscal note is
appropriate. 4/19/90

Fiscal Note Analysis

The projected annual savings on refinancing State equipment leases are estimated in the table below. This estimate is from a detailed analysis of State equipment leases prepared in June 1987 by Shearson Lehman Brothers.

The savings from a master lease refinancing of State equipment leases would accrue to individual agency budgets. As presently envisioned, the State Bond Committee would make the lease payments on the master lease, but these payments would be funded by Reimbursable Services Agreements (RSA's) from the agencies that purchased the equipment. Information developed from implementation of the program should permit identification of specific lease costs and savings in specific agencies which could be deleted and replaced with a single appropriation to the State Bond Committee.

The present value of the savings shown in the table from a master lease refinancing of State equipment leases is \$424,000 or 6.3 percent of the amount of the refinancing. Please see the attached letter of January 27, 1989 from John Andrews for more information on the master lease program.

Lease-Financing Costs (Savings)

<u>Fiscal Year</u>	<u>Equipment Lease Refinancing</u>
1991	\$(2,143,460)
1992	136,406
1993	98,534
1994	479,273
1995	<u>1,381,766</u>
Total	\$ (47,480)

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Master Lease Financing
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Alaska State Building Auth.
BRU: _____
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						
---------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Changes in CSSB 154 (Fin) have no fiscal impact. This fiscal note is appropriate. 4/19/90 www
No fiscal impact is projected through 1996.

Prepared by: Lynn Wegener *Lynn A Wegener* Phone: 562-2813
Division: Finance Department Date: 12/27/88

Approved by Commissioner: *[Signature]* Date: 12/27/88
Agency: Alaska State Building Authority

Distribution (by preparer):

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

) Changes in CSSB 154(L&C) have no fiscal impact. This fiscal note is appropriate.
: Projections of no fiscal impact would continue through 1996.

2/0 57C 4-19-90

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB 154 (L&C) (c)
PUBLISH DATE: 3/16/90

lo. 46

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
Title: Master lease financing of equipment BRU: AK. State Bldg. Auth.
Sponsor: Rules Committee Components: _____
Requestor: Governor

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						
CONTRACTUAL						
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING						

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Changes in CSSB 154 (Fin) have no fiscal impact. This fiscal note is appropriate. 4/19/90
No fiscal impact is projected through 1996.

Prepared by: Commissioner's Office Phone: 465-2500
Division: Dept. of Commerce & Economic Development Date: 12/27/1988

Approved by Commissioner: [Signature] Date: 12/27/1988
Agency: Dept. of Commerce & Economic Development

Distribution (by preparer):

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

) Changes in CSSB 154 (L&C) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

Original sponsor(s): Rules/Governor

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 154 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state equipment, including equipment lease-financing, and authorizing a master equipment lease-financing and lease-refinancing project; and providing for an effective date."

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

* Section 1 AS 18.55.010 is amended to read:

Sec. 18.55.010. PURPOSE OF AS 18.55.010 - 18.55.290. The purpose of AS 18.55.010 - 18.55.290 is to remedy the acute housing shortage that exists in certain localities of the state by undertaking slum clearance, low-cost housing projects, housing for persons and their families engaged in national defense activities in the state, and housing projects and housing for veterans of World War II and other citizens of the state, and to remedy the short supply of necessary public buildings and equipment by providing for the financing, construction, and acquisition of public buildings and equipment for lease to the state.

* Sec. 2. AS 18.55.080 is amended to read:

Sec. 18.55.080. MEMBERS OR EMPLOYEES PROHIBITED FROM ACQUIRING INTEREST IN PROJECTS. A member or employee of the authority may not acquire an interest, direct or indirect, in a housing, [OR] public building, or equipment project, or in property or a contract for materials or services included or planned to be included in a project. If a member or employee owns or controls an interest, the member or employee shall immediately disclose the interest in writing to the

authority. Failure to make disclosure constitutes misconduct in office.

* Sec. 3. AS 18.55.100(a)(15) is amended to read:

(15) arrange or contract for the financing, design, construction, and acquisition of public buildings and equipment for lease to the state in accordance with AS 18.55.010 - 18.55.290.

* Sec. 4. AS 18.55.100(d) is amended to read:

(d) Notwithstanding (a)(7) and (15) of this section, a proposed public building or equipment project shall be submitted by the authority to the legislature for review. The authority may proceed with the public building or equipment project only if it is approved by law. An appropriation does not constitute approval by law for purposes of this subsection.

* Sec. 5. AS 18.55.150 is amended to read:

Sec. 18.55.150. SECURITY FOR BONDS. The authority may issue bonds including but not limited to bonds on which the principal and interest are payable (1) exclusively from the income and revenue of the housing project financed with the proceeds of the bonds, (2) exclusively from the income and revenue of designated housing projects whether or not they are financed in whole or in part with the proceeds of the bonds, (3) from its revenue generally, or (4) exclusively from rents collected on public buildings or equipment. Bonds may be additionally secured by a pledge of a grant or contribution from the federal government or from another source, or by a pledge of income or revenue of the authority, or by a mortgage of a housing project or other property of the authority.

* Sec. 6. AS 18:55.180 is amended to read:

Sec. 18.55.180. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes of the authority are authorized by adoption of a resolution

1 prescribing the date of issuance and maturity, interest rate, de-
2 nomination, form, conversion privilege, rank or priority, execution,
3 terms of redemption, medium, and place of payment. Bonds and notes
4 may be sold in the manner, on the terms, and at the price the author-
5 ity determines. Each bond and note is negotiable. The signature of a
6 member or an officer upon a bond or note or coupon is not invalidated
7 by that person's ceasing to hold office before the delivery of the
8 bond or note. The recitation of a bond or note that it has been
9 issued in the financing of a housing, [OR] public building, or equip-
10 ment project under AS 18.55.010 - 18.55.290 is conclusive as to the
11 issuance of the bond or note and the character of the project in a
12 challenge of the validity of the bond or note or the security for it.

13 * Sec. 7. AS 18.55.200(4) is amended to read:

14 (4) covenant with respect to limitations on its right to
15 sell, lease, or otherwise dispose of a housing, [OR] public building,
16 or equipment project or a part of a housing, [OR] public building, or
17 equipment project;

18 * Sec. 8. AS 18.55.200(10) is amended to read:

19 (10) covenant, subject to the limitations contained in
20 AS 18.55.010 - 18.55.290, as to the rents and fees to be charged in
21 the operation of a housing, [OR] public building, or equipment proj-
22 ect, the amount to be raised each year or other period of time by
23 rents, fees, and other revenues, and as to the use and disposition of
24 these revenues;

25 * Sec. 9. AS 18.55.200(15) is amended to read:

26 (15) vest in one or more trustees the right, in the event of
27 a default by the authority, to take possession of a housing, [OR]
28 public building, or equipment project or a part of the project, and so
29 long as the authority continues in default to retain possession and to

use, operate, and manage the project, and to collect the rents and revenues from the project, and to dispose of the money according to the agreement between the authority and the trustees;

* Sec. 10. AS 18.55.220 is amended to read:

Sec. 18.55.220. POWER OF AUTHORITY TO CONFER UPON OBLIGEE RIGHT TO BRING ACTION OR PROCEEDING. The authority may by resolution, trust indenture, mortgage, lease, or other contract confer upon an obligee holding or representing a specified amount in bonds, or holding a lease, the right upon a default as defined in the resolution or instrument by civil [SUIT,] action or other proceeding

(1) to have possession of a housing, [OR] public building, or equipment project or part of one surrendered to the obligee, with possession retained by the obligee as long as the authority continues in default;

(2) to obtain the appointment of a receiver of a housing, [OR] public building, or equipment project or part of one and its rents and profits, who may enter, take possession, and for the duration of the default operate and maintain it, collect and receive all fees, rents, revenues, or other charges [THEREAFTER] arising after that, and keep the money in a separate account or accounts to be applied in accordance with the obligations of the authority as the court directs;

(3) to require the authority and its members to account as if they were [TO] trustees of an express trust.

* Sec. 11. AS 18.55.240 is amended to read:

Sec. 18.55.240. POWER OF AUTHORITY TO OBTAIN FEDERAL AID AND COOPERATION. The authority may borrow, accept contributions, grants, or other financial assistance from the federal government in aid of any housing, [OR] public building, or equipment project and for this

purpose may comply with conditions and enter into the mortgages, trust indentures, leases, or agreements that are necessary, convenient, or desirable in order to obtain financial aid or cooperation from the federal government in the undertaking, construction, maintenance, or operation of a housing, [OR] public building, or equipment project.

* Sec. 12. AS 36.30.080 is amended by adding new subsections to read:

(d) If the department enters into a lease-financing agreement with the Alaska State Housing Authority for the financing or refinancing of equipment purchases by the state under a master lease program, the department shall report to the legislature by January 30 of each year the amount of interest to be saved by each agency during the next fiscal year as a result of participation in the master lease program. The savings shall be calculated as the difference between the total payments to be made to the department by the agency under the program during the fiscal year and the total lease payments that would be required if the equipment were purchased under the same terms except at a true interest cost equal to

(1) the rate charged by the vendor for financing purchase of the equipment; or

(2) if no vendor financing is available, the prime rate charged by banks on short-term business loans at the time of purchase.

(e) If the department has entered into a lease-financing agreement that provides financing or refinancing under a master lease program for the type of equipment that an agency wants to purchase, has purchased, or is leasing, the agency shall use the master lease program to finance or refinance the equipment.

* Sec. 13. The Alaska State Housing Authority may acquire for lease to the state under a master lease program (1) new equipment to replace equipment owned by or leased to the state before the effective date of this Act,

or (2) equipment leased to the state before the effective date of this Act. The authority may provide up to a total of \$40,000,000 for the acquisition in order to finance the new equipment identified under (1) of this section or to refinance the leased equipment identified under (2) of this section.

* Sec. 14. Section 13 of this Act gives the approval referred to in AS 18.55.100(d), as amended by sec. 4 of this Act.

* Sec. 15. The Department of Administration may enter into one or more lease-financing agreements with the Alaska State Housing Authority up to a total of \$40,000,000 to

(1) finance new equipment to replace equipment owned by or leased to the state before the effective date of this Act; or

(2) refinance equipment leased to the state before the effective date of this Act.

* Sec. 16. Section 15 of this Act gives the approval referred to in AS 36.30.080(c).

* Sec. 17. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

SB154
file
STEVE COWPER, GOVERNOR

ELEVENTH FLOOR
STATE OFFICE BUILDING
P.O. BOX SB
JUNEAU, ALASKA 99811-0400

March 19, 1990

The Honorable Rick Uehling
Co-Chairman
Senate Finance Committee
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

MAR 19 1990

Dear Senator Uehling:

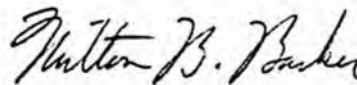
I would like to call to your attention, and urge the Senate Finance Committee to favorably consider, CS SB 154 (Labor & Commerce), "an Act relating to state equipment, including equipment lease-financing, and authorizing a master equipment lease-financing project".

This legislation authorizes the Alaska State Housing Authority to provide lease-financing for State equipment purchases, subject to approval by law. Enactment of this legislation will not affect the amounts appropriated to State agency budgets. Budget appropriations determine what amounts, if any, an agency may spend on equipment acquisition, through lease-financing or otherwise. This legislation merely provides a lower (tax-exempt) interest rate when agencies decide to use the "credit card" approach to equipment purchases. A 1987 Shearson Lehman analysis of existing State equipment leases indicated the tax-exempt approach could save \$424,000 by refinancing outstanding vendor leases.

As a result of Legislative desire to be able to consolidate and marshal these savings for other fiscal priorities, the State Affairs committee substitute provides in section 12 for the identification and reporting of the amounts saved by each agency. In order to gain experience and assure satisfaction with the workings of the program, the Labor & Commerce committee substitute limits the initial approvals by law in sections 13 and 15 to lease-financing only for the purpose of refinancing outstanding equipment leases.

I would appreciate any consideration you could give to this legislation.

Yours truly,



Milton B. Barker
Deputy Commissioner

MBB/ph

90-62

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

154

February 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to lease-financing for state equipment.

The main purposes of the bill are to:

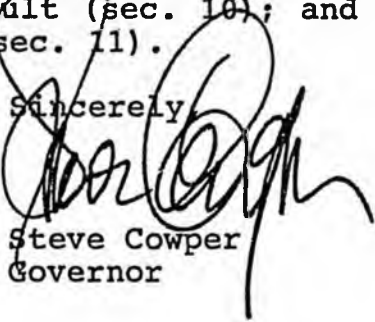
1. provide general statutory authority for the Alaska State Building Authority (ASBA) to finance and acquire equipment for lease to the state (sec. 3 of the bill);
2. specifically authorize ASBA to acquire and finance new equipment, or acquire and refinance equipment already on lease to the state, under a master lease program (secs. 12 and 13); and
3. specifically authorize, in accordance with the State Procurement Code, the Department of Administration to enter into lease-financing agreements with ASBA for the master lease program (secs. 14 and 15).

The approach to financing state equipment embodied in this bill offers potentially significant savings in interest costs on state equipment financing compared to interest rates charged by equipment vendors. The master lease program would be administered by the Department of Administration and available to all state agencies.

The second amendment of AS 18.55.100(d) in sec. 4, regarding legislative approval of equipment projects, raises a constitutional issue under the separation-of-powers doctrine, as does the current wording of that subsection. However, knowing of the legislature's concern about the overall debt management of the state, I believe that it might be helpful to set out this procedure in the statute, as a courtesy to the legislature.

Aside from the immediate-effective-date provision (sec. 16), the remaining sections of the bill consist of amendments that add references to state equipment lease-financing in various ASBA statutes relating to housing or public building projects of ASBA. These include corporate purpose (sec. 1 of the bill); prohibition of ASBA members or employees from acquiring an interest in projects (sec. 2); securing bonds with lease payments (sec. 5); validity of bonds and notes (sec. 6); bond covenants to limit disposition of projects (sec. 7); establish rates and fees for projects (sec. 8); vest in a trustee the right to take possession in the event of default on a project (sec. 9); grant bondholders rights to take possession or appoint a receiver for projects in default (sec. 10); and acceptance of federal aid for projects (sec. 11).

Sincerely,



Steve Cowper
Governor

S

B

L

B

H

HOUSE COMMITTEE REPORT

File

(11)

Date Referred: May 2, 1990

FURTHER REFERRALS:

Date of Committee Action: 5/7/90

The FINANCE Committee considered:

CSSB 154 (FINANCE)

CS SB NO. 154 (Finance)

EQUIPMENT LEASE-FINANCING BY ASBA

"An Act relating to state equipment, including equipment lease-financing, and authorizing a master equipment lease-financing and lease-refinancing project; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with _____ the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: Senate letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- (2) fiscal impact DOA, Rev
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check appropr. luna)

Do Not Pass No Rec Amend

[Signature] Koponen

[Signature] _____

<u>[Signature]</u> Hoffman	✓		
<u>[Signature]</u> Larson	X		
<u>[Signature]</u> Swackhammer	X		
<u>[Signature]</u> Brown	X		
<u>[Signature]</u> Schultz	X		
<u>[Signature]</u> Phillips	✓		
<u>[Signature]</u> Riegan	✓		

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

STATE OF ALASKA
1990 LEGISLATIVE SESSION

Bill Version: CSSB 154 (L&C)
Publish Date: _____

FISCAL NOTE

REQUEST:

Revision Date: 3/16/90 Agency Affected: Department of Administration
Title: An Act relating to State equipment, BRU: General Services
including equipment lease--financing . . .
Sponsor: Rules Components: Purchasing
Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	41.8	43.1	44.0	44.9	45.8	46.7
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	5.0	2.0	2.0	2.0	2.0	2.0
SUPPLIES	1.5	1.6	1.7	1.8	1.9	2.0
EQUIPMENT	7.0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS (PHONE)	.6	.6	.7	.7	.8	.8
TOTAL OPERATING	55.9	47.3	48.4	49.4	50.5	51.5
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	55.9	47.3	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	48.4	49.4	50.5	51.5
TOTAL	55.9	47.3	48.4	49.4	50.5	51.5

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact to the FY 90 budget. Potential financial savings should be reflected in the Department of Revenue fiscal note. We project a General Fund increase in year one and two in administrative expense due to the requirement to coordinate several hundred accounts in order to make one payment under the third party equipment lease plan to Alaska State Housing Authority, and to compile the required reports to the legislature. See attached for analysis. The requirement for General Fund would be replaced year three onward with I/A receipts to be transferred from the affected agencies.

Prepared by: Robert J. Link, Director Phone: 465-2250
Division: General Services and Supply Date: 03/16/90

Approved by Commissioner: Frank S. Baxter Date: 3/16/90
Agency: Department of Administration

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

CORRECTED 5/4/90

CONTINUATION of FISCAL NOTE ANALYSIS

For CSSB 154 (L&C)

FISCAL NOTE ANALYSIS

Operating costs are based on the following assumptions:

Personal Services cost: One permanent, full-time Accounting Technician II, Range 14, Step B through J based on current contract.

Contractural: Estimated cost of \$5,000.00 for Professional Services contract for computer programming in FY 91, \$2,000.00 for support each year thereafter.

Supplies: Estimated cost of paper, desk supplies, etc., minimal increases each fiscal year in anticipation of inflated costs.

Equipment: Reflects purchase of personal computer. Costs needed to connect to mainframe (Alaska Statewide Accounting System [AKSAS]), printer and basic software. Costs are based on current State contract.

Miscellaneous: Estimated cost of long-distance telephone service. Escalated in third and fifth fiscal years to cover anticipated inflation.



Position Title		Accounting Technician II		No. of Positions	1	Range/Step	14B	Barg. Unit	GGU
Time Status	FT	Staff Months	12	Location	Juneau		Election District		
				Justification					
Type of Expenditure				Amount					
1		2		3					
Salary		29.2							
Benefits		12.6							
Premium Pay									
Other									
Total Personal Services				41.8					
Travel									
Contractual				5.6					
Commodities				1.5					
Equipment				7.0					
Other									
Total Cost				55.9					
Funding Source for Total Cost									
Federal Receipts		1002							
G. F. Match		1003							
General Fund		1004		55.9					
I-A Receipts		1006							
CIP Receipts		1061							
Other									

There is currently no staff available to perform the duties mandated by this legislation. The required job duties and responsibilities are most associated to the class specifications of an Accounting Technician II. One full-time staff person would be responsible for reviewing several hundred accounts, determining which accounts would be refinanced, calculating account expenses, transferring funds and making one payment to the Alaska State Housing Authority. A report to the legislature would be compiled annually indicating the amount of interest to be saved by each agency during the next fiscal year as a result of participating in the master lease program.

4/11B1/060602-9

**Request For
New Position**

Agency Administration
 BRU General Services and Supply
 Component Purchasing

Page 3 of 3
 Revised Date

FY 91

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Various State Agencies
 Title: Authorizing Master Lease
 Financing for State Equipment BRU: _____
 Sponsor: Senate Finance Components: _____
 Requestor: Senate Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	(1,812.0)	(1,812.0)	(1,812.0)	(1,812.0)	(1,812.0)
TOTAL OPERATING	0	(1,812.0)	(1,812.0)	(1,812.0)	(1,812.0)	(1,812.0)
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	(1,812.0)	(1,812.0)	(1,812.0)	(1,812.0)	(1,812.0)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	(1,812.0)	(1,812.0)	(1,812.0)	(1,812.0)	(1,812.0)

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: FY 1990 effect is zero. Amounts are the difference in equipment lease rental payments on \$40 million financed over 5 years at 6.55 percent under master lease financing (current tax-exempt rate for A rated 5 year maturity) vs. 13.28 percent vendor financing. The 6.73 percent spread of vendor rates over tax-exempt rates was the actual spread on State equipment leases found in a June 16, 1987 Shearson Lehman Brother analysis.

Prepared By: Milt Barker MB

Phone: 465-2350

Division: Treasury

Date: April 30, 1990

Approved by Commissioner: Walter B. Barker for

Date: 4-30-90

Agency: Department of Revenue

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor

Office of Management and Budget
Impacted Agency(ies)



Alaska State Legislature
Senate

POUCH v
JUNEAU, ALASKA 99811

SENATE
LETTER OF INTENT
FOR
CS SB 154 (Finance)

It is the intent of the Legislature that Alaska State Housing Authority and the Department of Administration place first priority on refinancing existing equipment leases under any master lease-financing program established pursuant to this Act, and that the Department of Administration identify in the report required pursuant to AS 36.30.080(d) the amount of equipment lease-financing provided under this Act for refinancing existing equipment leases as opposed to financing new equipment that replaces existing equipment.

*Senate
Adopted
4/30*

Original sponsor(s): Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 (FOR SENATE BILL NO. 154 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state equipment, including equip-
7 ment lease-financing, and authorizing a master equip-
8 ment lease-financing and lease-refinancing project;
9 and providing for an effective date."

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

11 * Section 1 AS 18.55.010 is amended to read:

12 Sec. 18.55.010. PURPOSE OF AS 18.55.010 - 18.55.290. The pur-
13 pose of AS 18.55.010 - 18.55.290 is to remedy the acute housing short-
14 age that exists in certain localities of the state by undertaking slum
15 clearance, low-cost housing projects, housing for persons and their
16 families engaged in national defense activities in the state, and
17 housing projects and housing for veterans of World War II and other
18 citizens of the state, and to remedy the short supply of necessary
19 public buildings and equipment by providing for the financing, con-
20 struction, and acquisition of public buildings and equipment for lease
21 to the state.

22 * Sec. 2. AS 18.55.080 is amended to read:

23 Sec. 18.55.080. MEMBERS OR EMPLOYEES PROHIBITED FROM ACQUIRING
24 INTEREST IN PROJECTS. A member or employee of the authority may not
25 acquire an interest, direct or indirect, in a housing, [OR] public
26 building, or equipment project, or in property or a contract for
27 materials or services included or planned to be included in a project.
28 If a member or employee owns or controls an interest, the member or
29 employee shall immediately disclose the interest in writing to the

1 authority. Failure to make disclosure constitutes misconduct in
2 office.

3 * Sec. 3. AS 18.55.100(a)(15) is amended to read:

4 (15) arrange or contract for the financing, design, con-
5 struction, and acquisition of public buildings and equipment for lease
6 to the state in accordance with AS 18.55.010 - 18.55.290.

7 * Sec. 4. AS 18.55.100(d) is amended to read:

8 (d) Notwithstanding (a)(7) and (15) of this section, a proposed
9 public building or equipment project shall be submitted by the author-
10 ity to the legislature for review. The authority may proceed with the
11 public building or equipment project only if it is approved by law.
12 An appropriation does not constitute approval by law for purposes of
13 this subsection.

14 * Sec. 5. AS 18.55.150 is amended to read:

15 Sec. 18.55.150. SECURITY FOR BONDS. The authority may issue
16 bonds including but not limited to bonds on which the principal and
17 interest are payable (1) exclusively from the income and revenue of
18 the housing project financed with the proceeds of the bonds, (2)
19 exclusively from the income and revenue of designated housing projects
20 whether or not they are financed in whole or in part with the proceeds
21 of the bonds, (3) from its revenue generally, or (4) exclusively from
22 rents collected on public buildings or equipment. Bonds may be addi-
23 tionally secured by a pledge of a grant or contribution from the
24 federal government or from another source, or by a pledge of income or
25 revenue of the authority, or by a mortgage of a housing project or
26 other property of the authority.

27 * Sec. 6. AS 18.55.180 is amended to read:

28 Sec. 18.55.180. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and
29 notes of the authority are authorized by adoption of a resolution

1 prescribing the date of issuance and maturity, interest rate, de-
2 nomination, form, conversion privilege, rank or priority, execution,
3 terms of redemption, medium, and place of payment. Bonds and notes
4 may be sold in the manner, on the terms, and at the price the author-
5 ity determines. Each bond and note is negotiable. The signature of a
6 member or an officer upon a bond or note or coupon is not invalidated
7 by that person's ceasing to hold office before the delivery of the
8 bond or note. The recitation of a bond or note that it has been
9 issued in the financing of a housing, [OR] public building, or equip-
10 ment project under AS 18.55.010 - 18.55.290 is conclusive as to the
11 issuance of the bond or note and the character of the project in a
12 challenge of the validity of the bond or note or the security for it.

13 * Sec. 7. AS 18.55.200(4) is amended to read:

14 (4) covenant with respect to limitations on its right to
15 sell, lease, or otherwise dispose of a housing, [OR] public building,
16 or equipment project or a part of a housing, [OR] public building, or
17 equipment project;

18 * Sec. 8. AS 18.55.200(10) is amended to read:

19 (10) covenant, subject to the limitations contained in
20 AS 18.55.010 - 18.55.290, as to the rents and fees to be charged in
21 the operation of a housing, [OR] public building, or equipment proj-
22 ect, the amount to be raised each year or other period of time by
23 rents, fees, and other revenues, and as to the use and disposition of
24 these revenues;

25 * Sec. 9. AS 18.55.200(15) is amended to read:

26 (15) vest in one or more trustees the right, in the event of
27 a default by the authority, to take possession of a housing, [OR]
28 public building, or equipment project or a part of the project, and so
29 long as the authority continues in default to retain possession and to

1 use, operate, and manage the project, and to collect the rents and
2 revenues from the project, and to dispose of the money according to
3 the agreement between the authority and the trustees;

4 * Sec. 10. AS 18.55.220 is amended to read:

5 Sec. 18.55.220. POWER OF AUTHORITY TO CONFER UPON OBLIGEE RIGHT
6 TO BRING ACTION OR PROCEEDING. The authority may by resolution, trust
7 indenture, mortgage, lease, or other contract confer upon an obligee
8 holding or representing a specified amount in bonds, or holding a
9 lease, the right upon a default as defined in the resolution or in-
10 strument by civil [SUIT,] action or other proceeding

11 (1) to have possession of a housing, [OR] public building,
12 or equipment project or part of one surrendered to the obligee, with
13 possession retained by the obligee as long as the authority continues
14 in default;

15 (2) to obtain the appointment of a receiver of a housing,
16 [OR] public building, or equipment project or part of one and its
17 rents and profits, who may enter, take possession, and for the dura-
18 tion of the default operate and maintain it, collect and receive all
19 fees, rents, revenues, or other charges [THEREAFTER] arising after
20 that, and keep the money in a separate account or accounts to be
21 applied in accordance with the obligations of the authority as the
22 court directs;

23 (3) to require the authority and its members to account as
24 if they were [TO] trustees of an express trust.

25 * Sec. 11. AS 18.55.240 is amended to read:

26 Sec. 18.55.240. POWER OF AUTHORITY TO OBTAIN FEDERAL AID AND
27 COOPERATION. The authority may borrow, accept contributions, grants,
28 or other financial assistance from the federal government in aid of
29 any housing, [OR] public building, or equipment project and for this

1 purpose may comply with conditions and enter into the mortgages, trust
2 indentures, leases, or agreements that are necessary, convenient, or
3 desirable in order to obtain financial aid or cooperation from the
4 federal government in the undertaking, construction, maintenance, or
5 operation of a housing, [OR] public building, or equipment project.

6 * Sec. 12. AS 36.30.080 is amended by adding new subsections to read:

7 (d) If the department enters into a lease-financing agreement
8 with the Alaska State Housing Authority for the financing or refinanc-
9 ing of equipment purchases by the state under a master lease program,
10 the department shall report to the legislature by January 30 of each
11 year the amount of interest to be saved by each agency during the next
12 fiscal year as a result of participation in the master lease program.
13 The savings shall be calculated as the difference between the total
14 payments to be made to the department by the agency under the program
15 during the fiscal year and the total lease payments that would be
16 required if the equipment were purchased under the same terms except
17 at a true interest cost equal to

18 (1) the rate charged by the vendor for financing purchase
19 of the equipment; or

20 (2) if no vendor financing is available, the prime rate
21 charged by banks on short-term business loans at the time of purchase.

22 (e) If the department has entered into a lease-financing agree-
23 ment that provides financing or refinancing under a master lease
24 program for the type of equipment that an agency wants to purchase,
25 has purchased, or is leasing, the agency shall use the master lease
26 program to finance or refinance the equipment.

27 * Sec. 13. The Alaska State Housing Authority may acquire for lease to
28 the state under a master lease program (1) new equipment to replace equip-
29 ment owned by or leased to the state before the effective date of this Act,

1 or (2) equipment leased to the state before the effective date of this Act.
2 The authority may provide up to a total of \$40,000,000 for the acquisition
3 in order to finance the new equipment identified under (1) of this section
4 or to refinance the leased equipment identified under (2) of this section.

5 * Sec. 14. Section 13 of this Act gives the approval referred to in
6 AS 18.55.100(d), as amended by sec. 4 of this Act.

7 * Sec. 15. The Department of Administration may enter into one or more
8 lease-financing agreements with the Alaska State Housing Authority up to a
9 total of \$40,000,000 to

10 (1) finance new equipment to replace equipment owned by or
11 leased to the state before the effective date of this Act; or

12 (2) refinance equipment leased to the state before the effective
13 date of this Act.

14 * Sec. 16. Section 15 of this Act gives the approval referred to in
15 AS 36.30.080(c).

16 * Sec. 17. This Act takes effect immediately under AS 01.10.070(c).

Item 2

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

154

February 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to lease-financing for state equipment.

The main purposes of the bill are to:

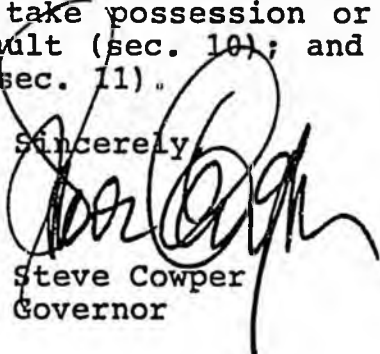
1. provide general statutory authority for the Alaska State Building Authority (ASBA) to finance and acquire equipment for lease to the state (sec. 3 of the bill);
2. specifically authorize ASBA to acquire and finance new equipment, or acquire and refinance equipment already on lease to the state, under a master lease program (secs. 12 and 13); and
3. specifically authorize, in accordance with the State Procurement Code, the Department of Administration to enter into lease-financing agreements with ASBA for the master lease program (secs. 14 and 15).

The approach to financing state equipment embodied in this bill offers potentially significant savings in interest costs on state equipment financing compared to interest rates charged by equipment vendors. The master lease program would be administered by the Department of Administration and available to all state agencies.

The second amendment of AS 18.55.100(d) in sec. 4, regarding legislative approval of equipment projects, raises a constitutional issue under the separation-of-powers doctrine, as does the current wording of that subsection. However, knowing of the legislature's concern about the overall debt management of the state, I believe that it might be helpful to set out this procedure in the statute, as a courtesy to the legislature.

Aside from the immediate-effective-date provision (sec. 16), the remaining sections of the bill consist of amendments that add references to state equipment lease-financing in various ASBA statutes relating to housing or public building projects of ASBA. These include corporate purpose (sec. 1 of the bill); prohibition of ASBA members or employees from acquiring an interest in projects (sec. 2); securing bonds with lease payments (sec. 5); validity of bonds and notes (sec. 6); bond covenants to limit disposition of projects (sec. 7); establish rates and fees for projects (sec. 8); vest in a trustee the right to take possession in the event of default on a project (sec. 9); grant bondholders rights to take possession or appoint a receiver for projects in default (sec. 10); and acceptance of federal aid for projects (sec. 11).

Sincerely,



Steve Cowper
Governor



STEVE COWPER, GOVERNOR

DEPARTMENT OF REVENUE

TREASURY DIVISION

ELEVENTH FLOOR
STATE OFFICE BUILDING
P O BOX 58
JUNEAU, ALASKA 99811-0400

April 20, 1990

The Honorable Steve Frank
Senate Finance Committee
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Senator Frank:

CS SB 154 (Finance), "an Act relating to state equipment, including equipment lease-financing, and authorizing a master equipment lease-financing project" authorizes the Alaska State Housing Authority to provide lease-financing for State equipment purchases, subject to approval by law. Enactment of this legislation will not affect the amounts appropriated to State agency budgets. Budget appropriations determine what amounts, if any, an agency may spend on equipment acquisition, through lease-financing or otherwise. This legislation merely provides a lower (tax-exempt) interest rate when agencies decide to use the "credit card" approach to equipment purchases. A 1987 Shearson Lehman analysis of existing State equipment leases indicated the tax-exempt approach could save \$424,000 in present value terms by refinancing outstanding vendor leases.

As a result of Legislative desire to be able to consolidate and marshal these savings for other fiscal priorities, the State Affairs committee substitute provides in section 12 for the identification and reporting of the amounts saved by each agency. In order to gain experience and assure satisfaction with the workings of the program, the Labor & Commerce committee substitute limits the initial approvals by law in sections 13 and 15 to lease-financing only for the purpose of refinancing outstanding equipment leases.

In order to maximize the savings and develop previously unavailable information on the extent of State equipment leasing, the Finance CS makes use of the master lease program mandatory for State agencies in section 12. The Finance CS also expands the \$40 million authorization in sections 13 and 15 to include equipment replacement as well as refinancing, in order to further increase savings without stimulating a net increase in State equipment.

Yours truly,

Milton B. Barker
Deputy Commissioner

MBB/ph

90-95

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SENATE COMMITTEE REPORT

FURTHER

3/28/89

DATE TURNED INTO OFFICE

4/17/89

Mr. President:

Finance

Committee considered

SB 155

transfer of certain alcoholic beverage licenses; efd

and recommended

- 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) ^{DOR:ABC} zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature: Rich...]
 Chairman signature and recommendation

Committee Backup attached

[Handwritten signature] 6-CHTR

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Transfer of alcoholic beverage licenses
Sponsor: Sen. rules by Governor request
Requestor: Sen. C & RA Committee

Agency Affected: Department of Revenue
BRU: Alcoholic Beverage Control Board
Components: _____

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

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	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)

Prepared by: Patrick L. Sharrock, Director Phone: 277-8638
Division: Alcoholic Beverage Control Board Date: March 1, 1989
Approved by Commissioner: Hugh Malone Date: 3/6/89
Agency: REVENUE

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. 155

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 certain alcoholic
7 beverage licenses; and providing for an effective
8 date."

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

10 * Section 1. AS 04.11.400(j) is amended to read:

11 (j) The board may approve the issuance [OR TRANSFER OF
12 OWNERSHIP] of a restaurant or eating place license in a municipality
13 without regard to (a) of this section if the board finds that issuance
14 [OR TRANSFER] of the license is necessary for the public convenience.

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

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that makes changes in existing law to eliminate an inconsistency, and resultant confusion, regarding transfer of certain alcoholic beverage licenses.

AS 04.11.360(11) and AS 04.11.400(j) relate to "restaurant or eating place licenses," which are the licenses permitting restaurants to dispense beer or wine. These exception licenses are issued without regard to the population of a given locality if the Alcoholic Beverage Control (ABC) Board determines that new licenses are necessary for the public convenience.

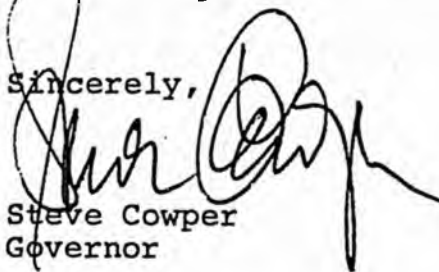
Because restaurant or eating place licenses issued under AS 04.11.400(j) are not subject to population limitations, there is no "quota" that limits the number that may be issued in a given locality. Accordingly, the licenses do not have an inherent "market value"; and as many restaurant or eating place licenses may be issued in a locality as the board finds are necessary for the public convenience. There is, therefore, no recognizable interest of a licensee in being able to market a license in conjunction with the sale of a restaurant or eating place. A person purchasing or starting a restaurant can, under strict board regulation, apply for a new beer and wine license without regard to the population levels at the time of the application. There is, therefore, no reason to permit the transfer of these licenses. Additionally, under AS 04.11.330(9), the board is required to deny renewal of a license issued under AS 04.11.400(j) if the public convenience does not require renewal.

Currently, AS 04.11.360(11) prohibits the transfer of such licenses. AS 04.11.400(j), however, creates confusion by permitting the board to approve the issuance or transfer of ownership of a restaurant or eating place license when it

155

is necessary for the public convenience. This inconsistency would be resolved by deleting the provision in AS 04.11.400(j) which permits the board to approve transfer of ownership of such a license. This amendment will eliminate confusion and conflicting direction in present law.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name below.

Steve Cowper
Governor

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SENATE COMMITTEE REPORT

FURTHER

3/21/89
Mr. President:

DATE TURNED INTO OFFICE

4/5/89

Finance

Committee considered

SB 156

regulation of nurse aides by the Board of Nursing; efd

and recommended

- replace with CS ~~SB 156 (Finance)~~) 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

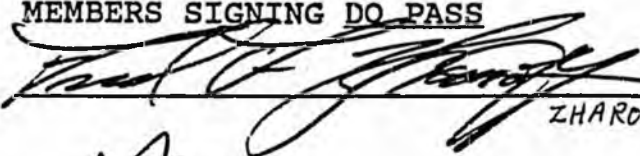
individual recommendations

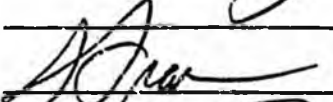
further referral to _____

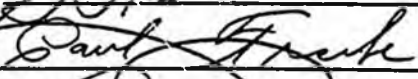
- FISCAL NOTE(S) zero fiscal impact appropriation no. FN
- new updated previous
- same as previous fiscal note(s) published _____

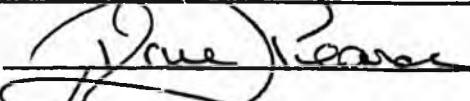
MEMBERS SIGNING DO PASS

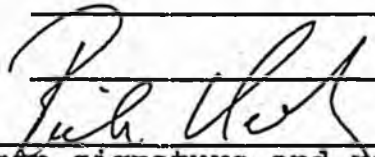
OTHER RECOMMENDATIONS


ZHAROFF


FRANK


FISCHER


PEARCE


UEHLING
Chairman signature and recommendation

Committee Backup attached

 (No Rec)

R/O SFC 4-5-89

STATE OF ALASKA

BILL VERSION: CS SB 156 (Finance)

1989 LEGISLATIVE SESSION

PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

REVISION DATE: _____
TITLE: Regulation of nurse aides
by Board of Nursing

AGENCY: Commerce & Econ Development
BRU: Occupational Licensing

SPONSOR: Rules/Governor

COMPONENTS: Administration

REQUESTOR: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERS. SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND/BUILD.						
GRANTS/CLAIMS						
MISCELLANEOUS		96.1	96.1	96.1	96.1	96.1
TOTAL		96.1	96.1	96.1	96.1	96.1

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

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

FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER I-A Rects		96.1	96.1	96.1	96.1	96.1
TOTAL		96.1	96.1	96.1	96.1	96.1

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: SEE ATTACHED

PREPARED BY:


SENATOR RICK UEHLING, CO-CHAIRMAN
SENATE FINANCE COMMITTEE

DATE: April 5, 1989

PHONE No.: 465-4821

Page 1 of 2

CS FOR SENATE BILL NO. 156 (Finance)

"An Act relating to the regulation of nurse aides by the Board of Nursing; and providing for an effective date."

ANALYSIS

Under the Nursing Reform Act of 1987 (PL 103-200), the federal government requires each state to create a nurse aide training and certification program and to begin implementation of the program at the start of 1989. As a result, funding of \$96.1 is being provided to the Division of Occupational Licensing by interagency receipts from the Division of Medical Assistance in the Department of Health and Social Services. The federal government is funding a portion of the \$96.1 for FY 89 and FY 90 after which the costs to run the program will be built into the occupational licensing operation budget. Therefore, new funds are not required at this time.

04/05/89

R/D SFC 4-5-89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CS SB 156 (Finance)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to the reg-
ulation of nurse aides
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Health & Social Services
BRU: Medical Assistance
Administration
Components: Certification &
Licensing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	-0-				
TRAVEL	-0-	-0-				
CONTRACTUAL	-0-	128.2				
SUPPLIES	-0-	-0-				
EQUIPMENT	-0-	-0-				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	128.2	-0-	-0-	-0-	-0-

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

GENERAL FUND	-0-	64.1	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	64.1				
OTHER						
TOTAL	-0-	128.2	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) An increment has been included within the Governor's FY90 budget request to pay for expenditures associated with the nurse aid registry in FY90. Of this request, one-half or 64.1 are general funds and an equal amount are federal funds.

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Phone: 465-3355
Date: _____
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