

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

SB 264 cont. - SB 268 645 236

6-1182R -
Lauterbach
4/27/89

Original sponsors: Kelly, Sturgulewski,
Eliason, et al.

4/28/89
ADOPTED

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 264 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an oil and hazardous substance
7 response office, corps, and depots; authorizing use
8 of money in the oil and hazardous substance release
9 response fund for certain related expenses; and
10 providing for an effective date."

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

12 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that the
13 March 24, 1989, oil spill disaster in Prince William Sound demonstrates a
14 need for the state to have an independent spill containment and clean-up
15 capability in the event of future discharges of oil or a hazardous sub-
16 stance.

17 (b) It is the purpose of this Act to provide assurance to the people
18 of the state that their health, safety, and well-being will be protected
19 from the adverse consequences of oil and hazardous substance releases of a
20 magnitude that presents a grave and substantial threat to the economy and
21 the environment of the state.

22 * Sec. 2. AS 46.08.040 is amended to read:

23 Sec. 46.08.040. PURPOSES OF THE FUND. The commissioner may use
24 money from the fund to

25 (1) contain, clean up, and take other necessary action,
26 such as monitoring, assessing, investigating, and evaluating the
27 release or threatened release of oil or a hazardous substance that
28 poses an imminent and substantial threat to the public health or
29 welfare, or to the environment;

1 (2) pay all costs incurred to establish and maintain the
2 oil and hazardous substance response office and for the expenses of
3 the oil and hazardous substance response corps and the oil and hazard-
4 ous substance response depots established by that office;

5 (3) provide matching funds for participation in federal oil
6 discharge cleanup activities and under 42 U.S.C. 9601 - 9657 (Compre-
7 hensive Environmental Response, Compensation, and Liability Act of
8 1980); and

9 (4) [(3)] recover the cost to the state or to a municipal-
10 ity of a containment and cleanup resulting from the release or the
11 threatened release of oil or a hazardous substance.

12 [* Sec. 3. AS 46.08.070(b) is amended to read:

13 (b) The attorney general, at the request of the commissioner,
14 may seek to recover money expended by the department under this chap-
15 ter or other law to contain and clean up oil or a hazardous substance
16 that has been released or to control the threatened release of oil or
17 a hazardous substance. The attorney general may not seek to recover
18 money expended by the department under this chapter for the costs of
19 establishing oil and hazardous substance response offices and depots.]

20 * Sec. 4. AS 46.08 is amended by adding new sections to read:

21 ARTICLE 2. OIL AND HAZARDOUS SUBSTANCE RESPONSE OFFICE.

22 Sec. 46.08.100. OFFICE ESTABLISHED. There is established in the
23 department the oil and hazardous substance response office. The
24 office shall include a director and employees who are specially
25 trained in programs and technologies related to the containment and
26 cleanup of releases or threatened releases of oil and hazardous sub-
27 stances.

28 Sec. 46.08.110. RESPONSE CORPS. (a) The office shall establish
29 an oil and hazardous substance response corps.

1 (b) The corps consists of volunteers who register with the
2 office and agree to be trained by the office in techniques for con-
3 tainment and cleanup and to be available on short notice to assist the
4 office in containment and cleanup.

5 (c) Members of the corps are entitled to per diem and expenses
6 as determined by the commissioner for training and for days spent in
7 service to the state in containment and cleanup actions.

8 Sec. 46.08.120. RESPONSE DEPOTS. The office shall maintain
9 emergency response depots in areas of the state determined by the
10 director to be potential sites of releases or threatened releases of
11 oil or hazardous substances. The depots shall be equipped and staffed
12 in a manner that ensures prompt response when containment and cleanup
13 actions are necessary.

14 Sec. 46.08.130. DUTIES OF THE OFFICE. (a) The office shall be
15 prepared to respond promptly to a discharge of oil or a hazardous
16 substance.

17 (b) The office may respond under (a) of this section to an oil
18 or hazardous substance discharge only if:

19 (1) the oil discharge is a catastrophic oil discharge that
20 constitutes an emergency under AS 46.04.080(a);

21 (2) the discharge of oil or a hazardous substance is de-
22 clared to be an emergency under AS 46.03.865;

23 (3) the governor declares the discharge an emergency under
24 AS 26.23;

25 (4) the commissioner reasonably believes that there has
26 been a discharge of oil or a hazardous substance, or that there is a
27 potential discharge of oil or a hazardous substance, and the discharge
28 may qualify under (1) - (3) of this subsection; or

29 (5) the commissioner reasonably believes that the discharge

1 or potential discharge poses an imminent and substantial threat to
2 public health or welfare or to the environment.

3 Sec. 46.08.140. EMERGENCY POWERS. (a) When the office has
4 reasonable grounds to believe that a release of oil or a hazardous
5 substance has occurred or is threatened to occur which, in the judg-
6 ment of its director, presents an imminent or present danger to the
7 health or welfare of the people of the state or would result in or is
8 likely to result in irreversible or irreparable damage to the natural
9 resources or environment, and it appears to be prejudicial to the
10 interest of the people of the state to delay action until an oppor-
11 tunity for a hearing can be provided, state employees or members of
12 the corps may, with permission of the director and without prior
13 hearing, enter private property for the purpose of containment or
14 cleanup.

15 (b) The property owner affected by a response action taken under
16 (a) of this section has the right to be heard as soon as practicable
17 and to present proof to the office that the containment or cleanup
18 action is unnecessary or that it is not necessary to enter the per-
19 son's property for the containment or cleanup action.

20 Sec. 46.08.150. CONTRACTS. The office may enter into agreements
21 with agencies of the state and federal government, political subdivi-
22 sions, the University of Alaska, ^{OR} and private entities to

23 (1) establish and maintain regional oil and hazardous
24 substances depots and to acquire the supplies and equipment necessary
25 for response readiness;

26 (2) train members of response corps; and

27 (3) conduct research into oil and hazardous substances
28 spill technology.

29 Sec. 46.08.160. LIMITATION OF LIABILITY. The state, an employee

1 of the state, and a member of the corps are not liable for costs or
2 damages as a result of actions taken under AS 46.08.100 - 46.08.190 in
3 response to a release or threatened release unless the actions taken
4 by the state, the employee, or the member of the corps constitute
5 gross negligence or intentional misconduct.

6 Sec. 46.08.190. DEFINITIONS. In AS 46.08.100 - 46.08.190

7 (1) "corps" means the oil and hazardous substance response
8 corps;

9 (2) "depots" means the oil and hazardous substance supply
10 and equipment storage depots;

11 (3) "office" means the oil and hazardous substance response
12 office.

13 * Sec. 5. APPLICABILITY OF ACT. This Act does not relieve a person
14 responsible for an oil terminal facility, offshore exploration or produc-
15 tion facility, or a vessel that transports crude oil, or a person who has
16 control of a hazardous substance from the responsibility for containing and
17 cleaning up a discharge of oil or the hazardous substance as required by
18 law.

19 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).
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6-1182P
Lauterbach
4/27/89

Original sponsors: Kelly, Sturgulewski,
Eliason, et al.

*See paper clips for
Amendments
4/27/89 pm*

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13 March 24, 1989, oil spill disaster in Prince William Sound demonstrates a
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15 capability in the event of future discharges of oil or a hazardous sub-
16 stance.

17 (b) It is the purpose of this Act to provide assurance to the people
18 of the state that their health, safety, and well-being will be protected
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20 magnitude that presents a grave and substantial threat to the economy and
21 the environment of the state.

22 * Sec. 2. AS 46.08.040 is amended to read:

23 Sec. 46.08.040. PURPOSES OF THE FUND. The commissioner may use
24 money from the fund to

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28 poses an imminent and substantial threat to the public health or
29 welfare, or to the environment;

1 (2) pay all costs incurred to establish and maintain the
2 oil and hazardous substance response office and for the expenses of
3 the oil and hazardous substance response corps and the oil and hazard-
4 ous substance response depots established by that office;

5 (3) provide matching funds for participation in federal oil
6 discharge cleanup activities and under 42 U.S.C. 9601 - 9657 (Compre-
7 hensive Environmental Response, Compensation, and Liability Act of
8 1980); and

9 (4) [(3)] recover the cost to the state or to a municipal-
10 ity of a containment and cleanup resulting from the release or the
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25 office in containment and cleanup.

26 (c) Members of the corps are entitled to per diem and expenses
27 as determined by the commissioner for training and for days spent in
28 service to the state in containment and cleanup actions.

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 12 constitutes an emergency under AS 46.04.080(a);

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 14 clared to be an emergency under AS 46.03.865;

15 (3) the governor declares the discharge an emergency under
 16 AS 26.23;

17 (4) the commissioner reasonably believes that there has
 18 been a discharge of oil or a hazardous substance, or that there is a
 19 potential discharge of oil or a hazardous substance, and the discharge

20 may qualify under (1) - (3) of this subsection; or

21 *Adopted SD*
the Commissioner reasonably believes that
 22 (5) [^]the discharge or potential discharge poses an imminent
 23 and substantial threat to public health or welfare or to the environ-
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25 Sec. 46.08.140. EMERGENCY POWERS. (a) When the office has
 26 reasonable grounds to believe that a release of oil or a hazardous
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1 resources or environment, and it appears to be prejudicial to the
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 5 hearing, enter private property for the purpose of containment or
 6 cleanup.

7 (b) The property owner affected by a response action taken under
 8 (a) of this section has the right to be heard as soon as practicable
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 16 substances depots and to acquire the supplies and equipment necessary
 17 for response readiness;

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 20 spill technology.

21 Sec. 46.08.190. DEFINITIONS. In AS 46.08.100 - 46.08.190

22 (1) "corps" means the oil and hazardous substance response
 23 corps;

24 (2) "depots" means the oil and hazardous substance supply
 25 and equipment storage depots;

26 *Add* (3) "office" means the oil and hazardous substance response
 27 office.

28 * Sec. 4. *Limitation of Liability* APPLICABILITY OF ACT. This Act does not relieve a person
 29 responsible for an oil terminal facility, offshore exploration or

1 production facility, or a vessel that transports crude oil, or a person who
2 has control of a hazardous substance from the responsibility for containing
3 and cleaning up a discharge of oil or the hazardous substance as required
4 by law.

5 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).
6

7 *Conceptual Amendment:*
8 *Pearce - AS 46.03.070(b)*
9 *Chenoweth -*

10 *The commissioner or attorney general*
11 *may not seek to recover the cost*
12 *of depots.*

Original sponsors: Kelly, Sturgulewski,
Eliason, et al.

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17 trained in programs and technologies related to the containment and
18 cleanup of releases or threatened releases of oil and hazardous sub-
19 stances.

20 (b) The commissioner may establish and maintain the office by

21 (1) direct employment;

22 (2) contract with political subdivisions, the University of
23 Alaska, transporters, and other private persons; or

24 (3) any combination of (1) and (2) of this subsection.

25 Sec. 46.08.110. RESPONSE CORPS. (a) The office shall establish
26 an oil and hazardous substance response corps.

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6-1182Ma ✓
Lauterbach

4/27/89
Pearce
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A M E N D M E N T

OFFERED IN THE SENATE

BY PEARCE

TO: CSSB 264 ()

Page 4, after line 25:

Insert a new section to read:

"Sec. 46.08.160. LIMITATION OF LIABILITY. The state, an employee of the state, and a member of the corps are not liable for costs or damages as a result of actions taken under AS 46.08.100 - 46.08.190 in response to a release or threatened release unless the actions taken by the state, the employee, or the member of the corps constitute gross negligence or intentional misconduct."

MEMORANDUM

Date: April 27, 1989
To: Sen. Kelly
From: G. Michael Harmon
Subj: CSSB264 Wage Provisions

According to Jackie McClintock, director of the Division of Workers' Compensation, the question is whether corps volunteers will be state employees for the purposes of workers comp.

It is her opinion that they would be covered by the workers comp statutes even if we take out the term wages and substitute the phrase "per diem as determined by the commissioner." Per diem, for the purposes of workers comp, is considered pay for the purposes of workers comp, the department has ruled.

The director also says it is her opinion that the volunteers would be covered in any event because of AS 23.30.244. Civil defense and disaster relief forces as state employees. That provision, which was approved as part of last year's workers comp bill, provides that:

"A resident of Alaska temporarily engaged in a civil defense or disaster relief function in another state or country under AS 26.23.130 or as a volunteer in this state is considered an employee of the state for the purposes of this chapter."

Finally, Ms. McClintock says she cannot estimate the fiscal impact of this additional workers comp coverage.

SB264 Cost Estimate

4/22/89
Tim Kelley

Response Office _____ \$1,960,000

Salaries & Benefits

Office Expenses

Travel

Office Equipment

Response Corps Establishment & Training _____ \$5,000,000

Depots (11)

Booms, absorbants, pumps, etc. \$8,250,000

Speciality Equipment 3,000,000

Contractual Storage 550,000

Subtotal _____ \$11,800,000

Oil Spill Containmen & Clean-up Technology Research _____ \$1,000,000

TOTAL \$19,760,000

1/13

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act establishing an oil and hazardous substance response office and
Sponsor: corps, etc.
Requestor: Kelly, Sturgulewski, Eliason, etc.

Agency Affected: Environmental Conservation
BRU: Environmental Quality
Administrative Services
Components: Environmental Quality
Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		660.0	660.0	660.0	660.0	660.0
TRAVEL		60.0	60.0	60.0	60.0	60.0
CONTRACTUAL		2700.0	2620.0	1620.0	1620.0	1620.0
SUPPLIES		265.0	265.0	265.0	265.0	265.0
EQUIPMENT		345.0	325.0	325.0	325.0	325.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		4030.0	3930.0	2930.0	2930.0	2930.0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		4030.0	3930.0	2930.0	2930.0	2930.0
TOTAL		4030.0	3930.0	2930.0	2930.0	2930.0

POSITIONS:

FULL-TIME		9	9	9	9	9
PART-TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Dan Easton Phone: 465-2640
Division: Environmental Quality Date: April 21, 1989

Approved by Commissioner: *ADH/L* Date: 04/21/89
Agency: Alaska Department of Environmental Conservation

Distribution (by preparer):

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

THE FOLLOWING IS A VERY PRELIMINARY ANALYSIS BASED ON A BRIEF REVIEW OF THE PROPOSED LEGISLATION. THE ANALYSIS AND INCLUDED ESTIMATES WILL BE REFINED DURING THE COMMITTEE PROCESS.

ESTABLISH DEPOTS AND RESPONSE STATIONS (\$2000.0)

The Department estimates that \$2000.0 will be required for each of the first two years to establish and stock depots and response stations at a minimum of two locations: Valdez and on the Kenai Peninsula. Once established, subsequent year costs are expected to decline to \$500.0 for contracted services to maintain inventories and response readiness.

100	\$ -0-
200	\$ -0-
300	\$1,500.0
400	\$ 250.0
500	\$ 250.0
Total	<u>\$2,000.0*</u>

*includes \$1,500.0 in first and second year costs

ESTABLISH OIL AND HAZARDOUS SUBSTANCE RESPONSE OFFICE (\$2,030.0)

The Response Office would consist of a full-time staff of nine agency personnel: a director, six response specialists, one clerk-typist and one administrative assistant. First-year costs to establish and staff the office are estimated at \$700.0. Subsequent year costs are estimated at \$600.0. Other costs include training contracts (\$200.0), contracts with local governments (\$500.0), wages and per diem for volunteer training (\$300.0), contracts with private response specialists (\$100.0), and contracts for oil spill response research (\$100.0).

100	\$ 660.0
200	\$ 60.0
300	\$1,200.0
400	\$ 15.0
500	\$ 95.0
Total	<u>\$2,030.0*</u>

*includes \$100.0 in first year costs

S B

2 6 4

HOUSE COMMITTEE, REPORT

(11)

Date Referred: May 4, 1989

FURTHER REFERRALS:

Date of Committee Action: 5/6/89

The FINANCE Committee considered:

CSSB 264 (FINANCE)

CS FOR SENATE BILL NO. 264 (Finance)

[OIL/HAZ. SUBSTANCE RESPONSE CORPS]

"An Act establishing an oil and hazardous substance response office, corps, and depots; authorizing use of money in the oil and hazardous substance release response fund for certain related expenses; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with HCS CS SR264 (Fn) [] the same title
- [] have attached amendment(s) [] a new title
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) DEC 4/28/89
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

[Signature] Swackhammer
[Signature] Brown
[Signature] Koponen
[Signature] Ulmer
[Signature] Wallis

Signature	Do Not Pass	No Rec	Amend
<u>[Signature]</u> Hoffman		X	
<u>[Signature]</u> Larson		X	
<u>[Signature]</u> Barnes			
<u>[Signature]</u> Shultz			X
<u>[Signature]</u> Phillip			X

[Signature]
 Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: April 28 1989
 Title: An Act establishing an oil and hazardous substance response office and corps, etc.
 Sponsor: Kelly, Sturgeonlewski, Eliason, etc.
 Requestor: _____
 Agency Affected: Environmental Conservation
 BRU: Environmental Quality
Administrative Services
 Components: Environmental Quality
Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		443.9	443.9	443.9	443.9	443.9
TRAVEL		40.0	40.0	40.0	40.0	40.0
CONTRACTUAL		2872.0	2872.0	1772.0	1772.0	1772.0
SUPPLIES		259.0	259.0	259.0	259.0	259.0
EQUIPMENT		295.0	295.0	295.0	295.0	295.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		3909.9	3909.9	2809.9	2809.9	2809.9

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		3909.9	3909.9	2809.9	2809.9	2809.9
TOTAL		3909.9	3909.9	2809.9	2809.9	2809.9

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Lynn Kent Phone: 465-2630
 Division: Environmental Quality Date: 4/28/89

Approved by Commissioner: *Adrian* Date: 4/28/89
 Agency: Alaska Department of Environmental Conservation

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

Telephone:
(907) 465-2600

FISCAL ANALYSIS
CSSB 264 (Finance)

April 28, 1989

Contact: Lynn Kent

ESTABLISH DEPOTS AND RESPONSE STATIONS (\$2000.0)

The Department estimates that \$2000.0 will be required for each of the first two years to establish and stock depots and response stations at a minimum of two locations: Valdez and on the Kenai Peninsula. Once established, subsequent year costs are expected to decline to \$500.0 for contracted services to maintain inventories and response readiness.

100	\$ -0-
200	\$ -0-
300	\$1,500.0
400	\$ 250.0
500	\$ 250.0
Total	\$2,000.0*

*includes \$1,500.0 in first and second year costs

ESTABLISH OIL AND HAZARDOUS SUBSTANCE RESPONSE OFFICE (\$1909.9)

The Response Office would consist of a full-time staff of nine agency personnel: a director, six response specialists, one clerk-typist and one administrative assistant. The contractual line includes \$100.0 for the first two years for establishment of an office; this money will not be necessary in subsequent years. Other costs include training contracts (\$200.0), contracts with local governments (500.0), wages and per diem for volunteer training (\$300.0), contracts with private response specialists (\$100.0), and contracts for oil spill response research (\$100.0).

<u>Position</u>	<u>100</u>	<u>200</u>	<u>300</u>	<u>400</u>	<u>500</u>	<u>Total</u>
1 Env. Cons. Mgr. (Range 22)	65.9	5.0	8.0	1.0	5.0	84.9
1 Ecologist III (Range 20)	57.7	5.0	8.0	1.0	5.0	76.7
3 Ecologist II (Range 18)	159.9	15.0	24.0	3.0	15.0	216.9
2 Ecologist I (Range 16)	87.4	10.0	16.0	2.0	10.0	125.4
1 Clk Typist III (Range 8)	29.3	0	8.0	1.0	5.0	43.3
1 Admin. Asst. III (Range 16)	43.7	5.0	8.0	1.0	5.0	62.7
Totals	443.9	40.0	72.0	9.0	45.0	609.9

Position Costs	\$ 609.9
Contractual Costs	\$1,300.0
Total	\$1,909.9

This fiscal note shows "other" funds as the funding source because funding will come from the Oil and Hazardous Substance Release Fund. However, additional resources will need to be provided to the Response Fund, as there is not currently an adequate balance to support this effort.

Original sponsors: Kelly, Sturgulewski,
Eliason, et al.

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 264 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an oil and hazardous substance
7 response office, corps, and depocs; authorizing use
8 of money in the oil and hazardous substance release
9 response fund for certain related expenses; and
10 providing for an effective date."

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

12 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that the
13 March 24, 1989, oil sp. 1 disaster in Prince William Sound demonstrates a
14 need for the state to have an independent spill containment and clean-up
15 capability in the event of future discharges of oil or a hazardous sub-
16 stance.

17 (b) It is the purpose of this Act to provide assurance to the people
18 of the state that their health, safety, and well-being will be protected
19 from the adverse consequences of oil and hazardous substance releases of a
20 magnitude that presents a grave and substantial threat to the economy and
21 the environment of the state.

22 * Sec. 2. AS 46.08.040 is amended to read:

23 Sec. 46.08.040. PURPOSES OF THE FUND. The commissioner may use
24 money from the fund to

25 (1) contain, clean up, and take other necessary action,
26 such as monitoring, assessing, investigating, and evaluating the
27 release or threatened release of oil or a hazardous substance that
28 poses an imminent and substantial threat to the public health or
29 welfare, or to the environment;

1 (2) pay all costs incurred to establish and maintain the
2 oil and hazardous substance response office and for the expenses of
3 the oil and hazardous substance response corps and the oil and hazard-
4 ous substance response depots established by that office;

5 (3) provide matching funds for participation in federal oil
6 discharge cleanup activities and under 42 U.S.C. 9601 - 9657 (Compre-
7 hensive Environmental Response, Compensation, and Liability Act of
8 1980); and

9 (4) [(3)] recover the cost to the state or to a municipal-
10 ity of a containment and cleanup resulting from the release or the
11 threatened release of oil or a hazardous substance.

12 * Sec. 3. AS 46.08 is amended by adding new sections to read:

13 ARTICLE 2. OIL AND HAZARDOUS SUBSTANCE RESPONSE OFFICE.

14 Sec. 46.08.100. OFFICE ESTABLISHED. There is established in the
15 department the oil and hazardous substance response office. The
16 office shall include a director and employees who are specially
17 trained in programs and technologies related to the containment and
18 cleanup of releases or threatened releases of oil and hazardous sub-
19 stances.

20 Sec. 46.08.110. RESPONSE CORPS. (a) The office shall establish
21 an oil and hazardous substance response corps.

22 (b) The corps consists of volunteers who register with the
23 office and agree to be trained by the office in techniques for con-
24 tainment and cleanup and to be available on short notice to assist the
25 office in containment and cleanup.

26 (c) Members of the corps are entitled to per diem and expenses
27 as determined by the commissioner for training and for days spent in
28 service to the state in containment and cleanup actions.

29 Sec. 46.08.120. RESPONSE DEPOTS. The office shall maintain

1 emergency response depots in areas of the state determined by the
2 director to be potential sites of releases or threatened releases of
3 oil or hazardous substances. The depots shall be equipped and staffed
4 in a manner that ensures prompt response when containment and cleanup
5 actions are necessary.

6 Sec. 46.08.130. DUTIES OF THE OFFICE. (a) The office shall be
7 prepared to respond promptly to a discharge of oil or a hazardous
8 substance.

9 (b) The office may respond under (a) of this section to an oil
10 or hazardous substance discharge only if:

11 (1) the oil discharge is a catastrophic oil discharge that
12 constitutes an emergency under AS 46.04.080(a);

13 (2) the discharge of oil or a hazardous substance is de-
14 clared to be an emergency under AS 46.03.865;

15 (3) the governor declares the discharge an emergency under
16 AS 26.23;

17 (4) the commissioner reasonably believes that there has
18 been a discharge of oil or a hazardous substance, or that there is a
19 potential discharge of oil or a hazardous substance, and the discharge
20 may qualify under (1) - (3) of this subsection; or

21 (5) the commissioner reasonably believes that the discharge
22 or potential discharge poses an imminent and substantial threat to
23 public health or welfare or to the environment.

24 Sec. 46.08.140. EMERGENCY POWERS. (a) When the office has
25 reasonable grounds to believe that a release of oil or a hazardous
26 substance has occurred or is threatened to occur which, in the judg-
27 ment of its director, presents an imminent or present danger to the
28 health or welfare of the people of the state or would result in or is
29 likely to result in irreversible or irreparable damage to the natural

1 resources or environment, and it appears to be prejudicial to the
2 interest of the people of the state to delay action until an oppor-
3 tunity for a hearing can be provided, state employees or members of
4 the corps may, with permission of the director and without prior
5 hearing, enter private property for the purpose of containment or
6 cleanup.

7 (b) The property owner affected by a response action taken under
8 (a) of this section has the right to be heard as soon as practicable
9 and to present proof to the office that the containment or cleanup
10 action is unnecessary or that it is not necessary to enter the per-
11 son's property for the containment or cleanup action.

12 Sec. 46.08.150. CONTRACTS. The office may enter into agreements
13 with agencies of the state and federal government, political subdivi-
14 sions, the University of Alaska, or private entities to

15 (1) establish and maintain regional oil and hazardous
16 substances depots and to acquire the supplies and equipment necessary
17 for response readiness;

18 (2) train members of response corps; and

19 (3) conduct research into oil and hazardous substances
20 spill technology.

21 Sec. 46.08.160. LIMITATION OF LIABILITY. The state, an employee
22 of the state, and a member of the corps are not liable for costs or
23 damages as a result of actions taken under AS 46.08.100 - 46.08.190 in
24 response to a release or threatened release unless the actions taken
25 by the state, the employee, or the member of the corps constitute
26 gross negligence or intentional misconduct.

27 Sec. 46.08.190. DEFINITIONS. In AS 46.08.100 - 46.08.190

28 (1) "corps" means the oil and hazardous substance response
29 corps;

1 (2) "depots" means the oil and hazardous substance supply
2 and equipment storage depots;

3 (3) "office" means the oil and hazardous substance response
4 office.

5 * Sec. 4. APPLICABILITY OF ACT. (a) This Act does not relieve a
6 person responsible for an oil terminal facility, offshore exploration or
7 production facility, or a vessel that transports crude oil, or a person who
8 has control of a hazardous substance from the responsibility for containing
9 and cleaning up a discharge of oil or the hazardous substance as required
10 by law.

11 (b) This Act does not add to or detract from the authority under law
12 of a municipality to impose taxes on oil and gas property or other proper-
13 ties for the purpose of establishing or maintaining services and facilities
14 to minimize the risk of or respond to a release of oil or a hazardous
15 substance.

16 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).
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Amendment adopted.

Amendment to page 5, lines 5 through 10

Sec 4. APPLICABILITY OF ACT. (a) This Act does not relieve a person responsible x x x

(b) This act does not add ~~to~~ detract from the authority under law of a municipality to impose taxes on oil and gas properties or other properties for the purpose of establishing or maintaining services and facilities to minimize the risk of or respond to a release of oil or hazardous substances.

Alaska State Legislature

AMENDMENT

REPRESENTATIVE
BETTE CATO
DISTRICT 6
BOX 775
VALDEZ, ALASKA 99686
(907) 835-4568
WHILE IN JUNEAU
P O BOX V
JUNEAU, ALASKA 99811
(907) 465-4858
(907) 586-2660

House of Representatives

COMMITTEES
CHAIRMAN
HOUSE TRANSPORTATION
MEMBER
COMMUNITY AND
REGIONAL AFFAIRS
LEGISLATIVE COUNCIL
TRANSPORTATION
BUDGET SUBCOMMITTEE

May 4, 1989

TO: All House Finance Committee members

FROM: Representative Bette Cato *BC*

SUBJECT: CS for Senate Bill 264 (^{FINANCE}~~Resources~~)

Attached is an amendment I would like to include in CS for SB 264. Senator Kelly, the sponsor, has no objection to this amendment.

Thank you for considering this request.

LETTER OF INTENT
CSSB 264 (Finance)

Notwithstanding the provisions of AS 46.08.070 and similar laws, it is the intent of the legislature that the attorney general not seek to recover money expended by the Department of Environmental Conservation for the costs of establishing the oil and hazardous substance response office and oil and hazardous substance response depots even though that money is expended from the oil and hazardous substance release response fund.

HS Res. did not adopt
Hr. Fin. did not adopt

Senate Letter of Intent adopted
4/59

MEMORANDUM

Date: May 4, 1989
To: House Finance Committee
From: Senator Tim Kelly
Subj: CSSB264 (Finance)

CSSB264 (Finance) would establish a system and management structure to give the State of Alaska its own emergency backup oil and hazardous substance spill response capability.

It is based on the premise that the people of Alaska can no longer put their faith in industry to protect them from the environmental damage and economic hardships caused by a catastrophic oil spill. We must have the capability to respond if industry can't or won't.

In summary, the bill would do three things.

- It would establish an oil spill response office in DEC. This office would be staffed by a small core group of professions. It would be responsible for oil spill response research, planning, operations, command and control.
- It would create an oil spill response corps. The corps would be composed of volunteers from around the state who would be trained to respond rapidly to oil and hazardous substances spills. The corps would be patterned after a new incident command system developed to combat large forest fires like those that ravaged the western states last summer. And it would be similar to the system of volunteer fire fighters who battle blazes in rural Alaska. The National Guard is another comparison. Members of the corps would be average citizens who would be trained and then called up in case of an emergency. They would be paid only during training and when they were called out. The specific organization structure for the corps would be established during the planning process detailed in CSSB261.
- It would establish a string of depots around the state where we would stockpile containment and cleanup equipment. As I envision it, we would contract for warehouses for the depots. The location of these depots would be established during the planning process in SB261.

It's a rough estimate only, but the cost of implementing this system is projected at about \$20 million. Funding would come from the existing oil and hazardous substance release response fund. Again, a final determination on cost will be based on the results of the planning process detailed in SB261.

During the Senate committee process, several major changes were made in the bill to tighten it up and clarify legislative intent. These changes include:

- The addition of a findings and purposes section to clarify our intent that the state must have a backup response capability in cases of spills which represent a grave and substantial threat to the economy and the environment. We don't want this legislation to authorize DEC to to out and dig up every gas station storage tank in the state, but we also don't want to be caught off guard again like we were in Prince William Sound. Also in this regard, we added a duties of the office section to specifically define when the corps may be called to action.
- Language to make it clear that the state would be relieved of liability for actions of the corps except in cases of gross negligence or intentional misconduct. This is the good samaritan protection we've given various volunteers over the years.
- Language also to make it clear that the bill does not relieve the oil industry of responsibility for containing and cleaning up spills as required by current law. Again, I see the corps as an emergency backup and do not want to relieve industry of its primary responsibility.
- Elimination of the word wages from the language concerning compensation for members of the corps. My intent was not to create a whole new class of state employees although members of the corps would be covered by state workers compensation laws.

SB264 Cost Estimate

Response Office.....\$1,960,000

Salaries & Benefits

Office Expenses

Travel

Office Equipment

Response Corps Establishment & Training.....\$5,000,000

Depots (11)

Booms, absorbants, pumps, etc. \$8,250,000

Speciality Equipment 3,000,000

Contractual Storage 550,000

Subtotal.....\$11,800,000

Oil Spill Containmen & Clean-up Technology Research.....\$1,000,000

TOTAL \$19,760,000

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SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE Waived 4/7/89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE _____

4/7/89

Mr. President:

Finance Committee considered SB 265

making appropriations for the capital expenses of state government; efd

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted
- do pass *Discussion 5-1-90*
- do not pass *See HB 463-FY 91 Capital*
- no recommendation
- individual recommendations *Bill died in Committee.*
- further referral to _____

FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

1989 Capital Budget Subcommittee

Uehling, chairman

Adams

Eliason

Jones

Kerttula

Chair: signature and recommendation

Committee backup attached

Introduced: 4/7/89
Referred: Finance

6-1206A

Funding Information

General Fund	\$ 14,115,800
Other Funds	193,729,100
	<u>\$207,844,900</u>

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 265

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 appropriations for the capital ex-
7 penses of state government; and providing for an
8 effective date."

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

10 * Section 1. The appropriations made by this Act are for capital proj-
11 ects and are subject to AS 37.25.020.

12 (SECTION 2 BEGINS ON PAGE 2)

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1 * SEC. 2 THE FOLLOWING APPROPRIATION ITEMS ARE FOR
 2 CAPITAL PROJECTS AND GRANTS FROM THE GENERAL FUND OR
 3 OTHER FUNDS AS SET OUT IN SEC. 3 OF THIS ACT TO THE
 4 AGENCIES NAMED AND FOR THE PURPOSES EXPRESSED. (ED#___)
 5 MEANS THAT THE CAPITAL PROJECT IS LOCATED WITHIN THAT
 6 HOUSE OF REPRESENTATIVES ELECTION DISTRICT. THIS
 7 GEOGRAPHIC REFERENCE HAS BEEN INSERTED BY STAFF AND IS
 8 FOR INFORMATION PURPOSES ONLY.

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
	* * * * *	* * * * *			11
	* * * * * DEPARTMENT OF EDUCATION	* * * * *			12
	* * * * *	* * * * *			13
14	EDUCATION				14
15	STATEWIDE PUBLIC LIBRARY CONSTRUCTION GRANTS (ED 99)	300,000		300,000	15
	* * * * *	* * * * *			16
	* * * * * DEPARTMENT OF MILITARY & VETERANS AFFAIRS	* * * * *			17
	* * * * *	* * * * *			18
19	PUBLIC PROTECTION				19
20	SEARCH AND RESCUE TEMPORARY OFFICE (ED 99)	25,000		25,000	20
21	ENVIRONMENTAL CONTRACTS (ED 7-15)	30,000	7,500	22,500	21
22	LOCAL TRAINING AREA (ED 7-15)	2,000,000		2,000,000	22

	APPROPRIATION		APPROPRIATION FUND SOURCES	
	ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
1				
2				
3	*****	*****		
4	***** DEPARTMENT OF NATURAL RESOURCES	*****		
5	*****	*****		
6	NATURAL RESOURCE MANAGEMENT			
7	BOUNDARY WORKING GROUP COOPERATIVE (ED 99)	320,500	150,000	170,500
8	*****	*****		
9	***** DEPARTMENT OF FISH & GAME	*****		
10	*****	*****		
11	NATURAL RESOURCE MANAGEMENT			
12	SPORT FISHERIES			
13	PUBLIC ACCESS ACQUISITION (ED 99)	2,400,000	600,000	1,800,000
14	*****	*****		
15	***** DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES	*****		
16	*****	*****		
17	TRANSPORTATION			
18	STATEWIDE PROGRAMS			
19	GENERAL FUND MATCH FOR FEDERAL-AID HIGHWAYS (ED 99)	10,857,400	10,857,400	
20	GENERAL FUND MATCH FOR FEDERAL-AID AVIATION (ED 99)	2,426,300	2,426,300	
21	ANNUAL PLANNING WORK PROGRAM (ED 99)	540,000	60,000	480,000
22	STATEWIDE RESEARCH PROGRAM (ED 99)	550,000		550,000
23	STATE EQUIPMENT FLEET REPLACEMENT PROGRAM (ED 99)	11,000,000		11,000,000
24	UMTA TRANSIT GRANTS (ED 99)	500,000		500,000
25	ANNUAL BRIDGE INSPECTION AND INVENTORY (ED 99)	500,000		500,000
26	GEOREFERENCING MONUMENTATION (ED 99)	400,000		400,000

1 DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)		1	
2		APPROPRIATION	APPROPRIATION FUND SOURCES
3		ITEMS	GENERAL FUND OTHER FUNDS
4	ALLOCATIONS		
4	URBAN AREA PLANNING (STATEWIDE) (ED 99)	325,000	325,000
5	STANDARDS MANUALS PUBLISHING (ED 99)	35,000	35,000
6	CAPITAL IMPROVEMENT PROJECT ENGINEERING EQUIPMENT (ED 99)	250,000	250,000
7	NATIONAL HIGHWAY INSTITUTE (ED 99)	25,000	25,000
8	CENTRAL REGION FEDERAL HIGHWAYS	56,173,300	56,173,300
9	CENTRAL REGION PRELIMINARY ENGINEERING (ED 99)	3,876,500	
10	STERLING HIGHWAY RECONSTRUCTION - MP 79 TO 94 (ED 5)	24,289,100	
11	GLENN HIGHWAY WIDENING AND RECONSTRUCTION - EKLUTNA TO PARKS (ED 16)	12,234,400	
12	EAGLE RIVER BRIDGE/HILAND DRIVE PHASE I NORTH ACCESS (ED 15)	9,111,500	
13	ANCHORAGE TRANSIT (ED 7-15)	1,827,000	
14	CENTRAL REGION BRIDGE REPLACEMENT (ED 99)	1,600,000	
15	CENTRAL REGION SAFETY IMPROVEMENTS (ED 99)	1,350,000	
16	MAT-SU HIGHWAY CHANNELIZATION, ILLUMINATION AND TRAFFIC CONTROL PHASE II (ED 16)	568,400	
17	SEWARD HIGHWAY NASH ROAD INTERSECTION IMPROVEMENTS (ED 7-15)	356,400	
18	CENTRAL REGION RAILROAD CROSSING IMPROVEMENTS (ED 99)	450,000	
19	CENTRAL REGION AUTOMATIC VEHICLE CLASSIFICATION AND WEIGHT-IN-MOTION EQUIPMENT (ED 99)	350,000	
20	ANCHORAGE RIDESHARING (ED 7-15)	160,000	
21	CENTRAL REGION FEDERAL AVIATION PROGRAM	13,876,100	13,876,100
22	CENTRAL REGION AIRPORT DEVELOPMENT LAND USE PLANS (ED 99)	656,300	

1 DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)

2		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
		ALLOCATIONS	APPROPRIATION	APPROPRIATION	FUND SOURCES																	
			ITEMS	GENERAL FUND	OTHER FUNDS																	
4	MCGRATH AIRPORT APRON CONSTRUCTION (ED 24)	3,370,300																				
5	WASILLA AIRPORT RELOCATION (ED 16)	2,812,500																				
6	NAPASKIAK AIRPORT RECONSTRUCTION (ED 25)	2,671,900																				
7	NEWTOK AIRPORT RECONSTRUCTION (ED 25)	2,250,000																				
8	SEWARD AIRPORT GENERAL AVIATION APRON EXPANSION (ED 6)	750,000																				
9	ILIAMNA AIRPORT RUNWAY IMPROVEMENTS (ED 26)	615,000																				
10	DILLINGHAM AIRPORT IMPROVEMENTS AND GENERAL AVIATION APRON EXPANSION (ED 26)	375,000																				
11	CENTRAL REGION AIRPORT SIGNING (ED 99)	281,300																				
12	SAINT MARYS AIRPORT RUNWAY IMPROVEMENT (ED 24)	93,800																				
13	NORTHERN REGION FEDERAL HIGHWAY PROGRAM		35,620,000		35,620,000																	
14	NORTHERN REGION PRELIMINARY ENGINEERING, RIGHT-OF-WAY AND UTILITIES (ED 99)	7,865,000																				
15	ALASKA HIGHWAY - MP 1362 TO 1381 (ED 17)	11,150,000																				
16	ELLIOT HIGHWAY - MP 7 TO 26 REHABILITATION (ED 19-21)	4,350,000																				
17	SOUTH CUSHMAN WIDENING (ED 19-21)	4,200,000																				
18	JOHANSEN EXPRESSWAY - UNIVERSITY TO PEGER (ED 19-21)	2,000,000																				
19	UNIVERSITY AVENUE WIDENING (ED 19-21)	1,710,000																				
20	NORTHERN REGION SAFETY PROGRAM (ED 99)	1,500,000																				
21	AIRPORT WAY FRONTAGE ROAD EXTENSION (ED 19-21)	700,000																				
22	BADGER/HOLMES CONNECTOR (ED 19-21)	360,000																				
23	NOME-COUNCIL HIGHWAY SNOW CONTROL - MP 4 TO 15 (ED 23)	850,000																				

1 DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
3					
4	FMATS TRAFFIC SYSTEM IMPROVEMENTS (ED 19-21)	575,000			
5	RICHARDSON HIGHWAY EROSION CONTROL (ED 17)	360,000			
6	NORTHERN REGION FEDERAL AVIATION		18,945,000		18,945,000
7	NORTHERN REGION AVIATION PRELIMINARY ENGINEERING, RIGHT-OF-WAY AND UTILITIES (ED 99)	1,485,000			
8	KOTZEBUE RUNWAY RESURFACING (ED 22)	3,000,000			
9	KGYUK AIRPORT IMPROVEMENTS (ED 23)	2,900,000			
10	GALENA PARALLEL TAXIWAY AND APRON EXPANSION (ED 24)	2,550,000			
11	TELLER AIRPORT RESURFACING AND EXTENSION (ED 23)	1,990,000			
12	DIOMEDE HELIPORT (ED 23)	1,200,000			
13	KOYUKUK AIRPORT RESURFACING AND LIGHTING (ED 24)	1,380,000			
14	HUSLIA RUNWAY RESURFACING (ED 24)	1,325,000			
15	KIANA RUNWAY RECONSTRUCTION (ED 22)	900,000			
16	CENTRAL RUNWAY WIDENING AND APRON CONSTRUCTION (ED 19-21)	900,000			
17	BARROW AIRPORT LIGHTING AND LIGHTING REGULATOR BUILDING (ED 22)	900,000			
18	FORT YUKON FLOAT POND IMPROVEMENTS (ED 24)	415,000			
19	SOUTHEAST REGION FEDERAL HIGHWAY PROGRAM		7,704,400		7,704,400
20	SOUTHEAST REGION HIGHWAY SAFETY IMPROVEMENT PROGRAM (ED 99)	400,000			
21	KLAWOCK AIRPORT ACCESS ROAD AND BIG SALT HIGHWAY WIDENING AND RECONSTRUCTION (ED 2)	3,174,000			
22	GLACIER HIGHWAY PAVING AND INTERSECTION IMPROVEMENTS (ED 4)	1,278,900			
23	GLACIER HIGHWAY - INDIAN POINT TO POINT LOUISA (ED 4)	913,500			

1 DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS
3					
4	HAINES HIGHWAY - MP 24 TO BORDER (ED 2)	913,500			
5	EGAN EXPRESSWAY IMPROVEMENTS (SAFETY AND CAPACITY) (ED 4)	300,000			
6	THANE ROAD RECONSTRUCTION (ED 4)	274,500			
7	GLACIER HIGHWAY - FRED MEYER TO MCNUGGET INTERSECTION (ED 4)	200,000			
8	SITKA SAWMILL CREEK ROAD/JARVIS STREET INTERSECTION IMPROVEMENTS (ED 3)	150,000			
9	KLONDIKE HIGHWAY SNOW CONTROL (ED 2)	100,000			
10	SOUTHEAST REGION FEDERAL AVIATION		6,000,000		6,000,000
11	HAINES AIRPORT RECONSTRUCTION (ED 2)	2,400,000			
12	WRANGELL AIRPORT IMPROVEMENTS (ED 1)	1,800,000			
13	SKAGWAY AIRPORT IMPROVEMENTS (ED 2)	1,000,000			
14	KETCHIKAN AIRPORT AIRCRAFT RESCUE AND FIRE FIGHTING VEHICLE (ED 1)	550,000			
15	KETCHIKAN AIRPORT EQUIPMENT (ED 1)	250,000			
16	ANCHORAGE INTERNATIONAL AIRPORT		9,300,000		9,300,000
17	AIA INTERNAL ROADWAYS/TUG ROADS RECONSTRUCTION (ED 7-15)	2,500,000			
18	AIA DOMESTIC TERMINAL EXPANSION PHASE III SUPPLEMENTAL (ED 7-15)	2,700,000			
19	AIA RAMP AREA RECONSTRUCTION (ED 7-15)	1,000,000			
20	AIA BLAST PROTECTION - RUNWAY 6R/24L (ED 7-15)	1,800,000			
21	AIA ANNUAL IMPROVEMENTS (ED 7-15)	650,000			
22	AIA AIRPORT MONITORING SYSTEM (ED 7-15)	400,000			
23	AIA AIRPORT DRAINAGE PLAN (ED 7-15)	250,000			

1 DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
3			3,150,000		3,150,000
4	FAIRBANKS INTERNATIONAL AIRPORT				
5	FIA ANNUAL IMPROVEMENTS (ED 19-21)	300,000			
6	FIA NORTHWEST APRON AND TAXIWAY EXTENSION (ED 19-21)	1,400,000			
7	FIA COMPUTERIZED ACCESS CONTROL SYSTEM (ED 19-21)	500,000			
8	FIA TERMINAL BUILDING REPAIRS (ED 19-21)	400,000			
9	FIA EPA APPROVED FIRE TRAINING AREA (ED 19-21)	550,000			
10	MARINE HIGHWAY SYSTEM FEDERAL PROGRAM		16,912,300		16,912,300
11	M/V TUSTUMENA REFURBISHMENT PHASE II (ED 99)	9,539,000			
12	M/V MALASPINA HOTEL REFURBISHMENT (ED 99)	3,126,200			
13	M/V COLUMBIA HOTEL REFURBISHMENT (ED 99)	502,400			
14	M/V TAKU REPOWER (ED 99)	274,100			
15	M/V BARTLETT AUXILLARY REFURBISHMENT (ED 99)	173,600			
16	M/V LECONTE HOTEL REFURBISHMENT (ED 99)	155,300			
17	M/V COLUMBIA MARINE SANITATION DEVICE (ED 99)	1,187,600			
18	SEWARD TERMINAL IMPROVEMENTS (ED 6)	152,600			
19	SITKA UPLANDS IMPROVEMENTS (ED 3)	91,400			
20	M/V MALASPINA AUXILIARY REFURBISHMENT (ED 99)	1,710,100			

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	APPROPRIATION OTHER FUNDS	FUND SOURCES
1					1
2					2
3	*****	*****			3
4	***** DEPARTMENT OF ENVIRONMENTAL CONSERVATION	*****			4
5	*****	*****			5
6	NATURAL RESOURCE MANAGEMENT				6
7	LEAKING UNDERGROUND STORAGE TANK GRANT (ED 99)	3,000,000		3,000,000	7
8	*****	*****			8
9	***** DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS	*****			9
10	*****	*****			10
11	DEVELOPMENT				11
12	WEATHERIZATION AND ENERGY CONSERVATION (ED 99)	1,700,000		1,700,000	12
13	COMMUNITY BLOCK GRANTS (ED 99)	3,000,000		3,000,000	13
14	* SEC. _3 THE FOLLOWING SETS OUT THE FUNDING BY SOURCE				14
15	FOR THE APPROPRIATIONS MADE IN SEC. _2 OF THIS ACT.				15
16	CAPITAL PROJECTS				16
17	FEDERAL RECEIPTS	173,497,100			17
18	GENERAL FUND MATCH	14,093,700			18
19	GENERAL FUND	7,500			19
20	GENERAL FUND/PROGRAM RECEIPTS	35,000			20
21	HIGHWAY WORKING CAPITAL FUND	11,000,000			21
22	INTERNATIONAL AIRPORT REVENUE FUND	8,982,000			22
23	CAPITAL IMPROVEMENT PROJECT RECEIPTS	250,000			23
24	*** TOTAL FUNDING ***	\$207,865,300			24
25	***** TOTAL BUDGET *****	\$207,865,300			25

1 * SEC. _4 THIS ACT TAKES EFFECT JULY 1, 1989.

1

5/11/90
DFLG

WORKSHEET FOR PREPARATION OF THE FY 91 OPERATIONAL, SPC. PROJ., AND CIP BUDGET

CAPITAL IMPROVEMENT PROJECT BUDGET REQUEST

REG	BPS NUMBER	GROUP NUMBER	PROJECT TITLE	FY90 REQUEST	FY91 REQUEST	PERSONNEL					MM	STATE GF	FEDERAL D-J			
						100	200	300	400	500				FT	PT	
HQ	8010	CIP	ACCESS COORDINATION	\$123.6	\$170.9	\$160.4	\$10.0	\$0.0	\$0.5	\$0.0	1	0	0	30.0	\$42.7	\$128.2
HQ	8040	CIP	SMALL ACCESS PROJECTS	\$296.0	\$128.5	\$48.3	\$5.4	\$57.0	\$8.8	\$9.0	0	1	1	16.0	\$32.1	\$96.4
SE	CIP	CIP	OHMER CREEK BOAT RAMP		\$300.0			\$300.0							\$75.0	\$225.0
SC	CIP	CIP	KENAI RIVER LAUNCHES (2)		\$400.0			\$400.0							\$100.0	\$300.0
ISC	CIP	CIP	FORGE LAKE LAUNCH IMPROVEMENT		\$200.0			\$200.0							\$50.0	\$150.0
SC	CIP	CIP	RUSSIAN CREEK PARKING		\$60.0			\$60.0							\$15.0	\$45.0
SE	CIP	CIP	SE RAMP IMPROVEMENTS		\$100.0			\$100.0							\$25.0	\$75.0
SC	CIP	CIP	SOURDOUGH CREEK LAUNCH		\$250.0			\$250.0							\$62.5	\$187.5
SE	CIP	CIP	WARD LAKE TRAIL AND LAUNCH		\$75.0			\$75.0							\$18.8	\$56.3
SC	CIP	CIP	ANCHOR RIVER		\$250.0			\$250.0							\$62.5	\$187.5
SC	CIP	CIP	CASWELL CRK. PARKING		\$100.0			\$100.0							\$25.0	\$75.0

THIS IS ABOUT THE 17% LEVEL OF ALL D-J FUNDS

CIP REQUEST = \$500.0 \$1,500.0

SC	CIP	CIP	URBAN LAKE IMPROVEMENTS		\$150.0			\$150.0							\$37.5	\$112.5
SE	CIP	CIP	JUNEAU REMOTE CABIN		\$30.0			\$30.0							\$7.5	\$22.5
SC	CIP	CIP	PALMER LAKES		\$70.0			\$70.0							\$17.5	\$52.5
INT	CIP	CIP	CHENA RIVER CABIN		\$10.0			\$10.0							\$2.5	\$7.5
SE	CIP	CIP	SE REFUGE FLOAT #2		\$150.0			\$150.0							\$37.5	\$112.5
INT	CIP	CIP	TANANA RIVER LAUNCH		\$50.0			\$50.0							\$12.5	\$37.5
SC	CIP	CIP	WOMEN'S BAY RAMP		\$300.0			\$300.0							\$75.0	\$225.0

CIP/ACCESS TOTAL

8/1/90

DRAFT

1 * SEC. 01 THE FOLLOWING APPROPRIATION ITEMS ARE FOR
2 CAPITAL PROJECTS AND GRANTS FROM THE GENERAL FUND OR
3 OTHER FUNDS AS SET OUT IN SECTION 02 OF THIS ACT BY
4 FUNDING SOURCE TO THE AGENCIES NAMED AND FOR THE
5 PURPOSES EXPRESSED.

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	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	APPROPRIATION OTHER FUNDS
8	*****	*****		
9	***** DEPARTMENT OF EDUCATION	*****		
10	*****	*****		
11	EDUCATION			
12		PUBLIC LIBRARY CONSTRUCTION GRANTS (ED 99)	140,000	140,000
13	*****	*****		
14	***** DEPARTMENT OF LABOR	*****		
15	*****	*****		
16	SOCIAL SERVICES			
17		DATA PROCESSING ENHANCEMENTS (ED 99) <i>Requires 85.5 GF - A</i>	1,224,400	1,224,400
18	*****	*****		
19	***** DEPARTMENT OF NATURAL RESOURCES	*****		
20	*****	*****		
21	NATURAL RESOURCE MANAGEMENT			
22		LAND AND WATER CONSERVATION FUND (LWCF) FEDERAL GRANTS (ED 99)	1,000,000	1,000,000
23		NATIONAL HISTORIC PRESERVATION FUND (NHPF) FEDERAL GRANTS (ED 99)	640,000	640,000

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1		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	APPROPRIATION OTHER FUNDS	FUND SOURCES	1
2							2
3		* * * * *	* * * * *				3
4		* * * * * DEPARTMENT OF FISH & GAME	* * * * *				4
5		* * * * *	* * * * *				5
6	NATURAL RESOURCE MANAGEMENT						6
7	SPORT FISHERIES						7
8	PUBLIC ACCESS DEVELOPMENT (ED 99)		2,000,000	500,000	1,500,000		8
9	* * * * *		* * * * *				9
10	* * * * * DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES		* * * * *				10
11	* * * * *		* * * * *				11
12	TRANSPORTATION						12
13	GENERAL FUND MATCH FOR FEDERAL-AID HIGHWAYS (ED 99)		20,280,000	20,280,000			13
14	GENERAL FUND MATCH FOR FEDERAL-AID AVIATION (ED 99)		5,800,000	5,800,000			14
15	CORPS OF ENGINEERS PROGRAM MATCH (ED 99)		4,000,000	4,000,000			15
16	ANNUAL PLANNING WORK PROGRAM (ED 99)		540,000	60,000	480,000		16
17	STATEWIDE RESEARCH PROGRAM (ED 99)		550,000		550,000		17
18	ANNUAL BRIDGE INSPECTION AND INVENTORY (ED 99)		600,000		600,000		18
19	GEOREFERENCING MONUMENTATION (ED 99)		500,000		500,000		19
20	UMTA TRANSIT GRANTS (ED 99)		400,000		400,000		20
21	URBAN AREA PLANNING (ED 99)		338,000		338,000		21
22	UNITED STATES GEOLOGICAL SURVEY FLOOD ANALYSIS (ED 99)		160,000		160,000		22
23	NATIONAL HIGHWAY INSTITUTE (ED 99)		142,500		142,500		23
24	CENTRAL REGION FEDERAL AID HIGHWAYS		66,167,000		66,167,000		24

1	DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)				1		
2			ALLOCATIONS	APPROPRIATION	APPROPRIATION FUND SOURCES	2	
3				ITEMS	GENERAL FUND	OTHER FUNDS	3
4	CENTRAL REGION PRELIMINARY ENGINEERING (ED 99)	5,555,000					4
5	CENTRAL REGION SAFETY IMPROVEMENTS (ED 99)	1,350,000					5
6	CENTRAL REGION GUARDRAIL UPGRADE (ED 99)	2,960,000					6
7	ANCHORAGE AREA REHABILITATION PROJECT: NORTHERN LIGHTS AND BENSON (ED 7-15)	10,641,600					7
8	ANCHORAGE AREA REHABILITATION PROJECT: TUDOR ROAD/MINNESOTA TO 36TH ON MULDOON (ED 7-15)	959,400					8
9	ANCHORAGE TRANSIT (ED 7-15)	1,862,300					9
10	CENTRAL REGION BRIDGE REPLACEMENT: DAVIDSON DRIVE/PETERS CREEK (ED 7-15)	400,000					10
11	ANCHORAGE RIDESHARING (ED 7-15)	265,000					11
12	KENAI SPUR ROAD WIDENING (ED 5)	12,982,600					12
13	GLENN HIGHWAY: EKLUTNA TO PARKS/PHASE 1A RECONSTRUCTION (ED 16)	11,710,700					13
14	GLENN HIGHWAY: REHABILITATION MP 35-54 (ED 16)	7,847,300					14
15	GLENN HIGHWAY: EROSION CONTROL (ED 16)	1,105,300					15
16	CENTRAL REGION BRIDGE REPLACEMENT: HATCHER PASS ROAD/LITTLE SUSITNA (ED 16)	1,000,000					16
17	CENTRAL REGION BRIDGE REPLACEMENT: EDGERTON/PARKS ROAD/LITTLE SUSITNA (ED 16)	960,000					17
18	CENTRAL REGION BRIDGE REPLACEMENT: CLARK-WOLVERINE ROAD - WOLVERINE CREEK (ED 16)	560,000					18
19	MAT-SU AREA HIGHWAYS: ILLUMINATION AND SAFETY IMPROVEMENTS (ED 16)	280,300					19
20	PARKS HIGHWAY REHABILITATION: CHULITNA BRIDGE REDECK (ED 16)	200,000					20

1	DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)				1		
2			ALLOCATIONS	APPROPRIATION	APPROPRIATION FUND SOURCES	2	
3				ITEMS	GENERAL FUND	OTHER FUNDS	3
4	PARKS HIGHWAY: OLD MAT-SU ROAD INTERSECTION (ED 16)		100,000				4
5	CENTRAL REGION RAILROAD CROSSING IMPROVEMENTS (ED 99)		1,530,000				5
6	CENTRAL REGION CAPACITY MONITORING EQUIPMENT (ED 99)		230,600				6
7	DILLINGHAM KANAKANAK SPUR ROAD/ALEKNAGIK ROAD UPGRADE (ED 26)		3,666,900				7
8	CENTRAL REGION FEDERAL AVIATION PROGRAM			4,840,500		4,840,500	8
9	SEWARD AIRPORT GENERAL AVIATION APRON EXPANSION (ED 6)		700,000				9
10	EEK AIRPORT MASTER PLAN (ED 25)		187,500				10
11	NONDALTON AIRPORT APRON CONSTRUCTION AND RUNWAY RECONSTRUCTION (ED 26)		1,453,100				11
12	AIRPORT RESCUE AND FIRE FIGHTING VEHICLES: ANIAX, ILIAMNA AND COLD BAY (ED 99)		703,100				12
13	NAKNEK AIRPORT MASTER PLAN (ED 26)		187,500				13
14	HOOPER BAY AIRPORT IMPROVEMENTS (ED 23)		1,000,000				14
15	SAINT MARYS AIRCRAFT RESCUE FIREFIGHTING VEHICLE AND BUILDING (ED 24)		609,300				15
16	NORTHERN REGION FEDERAL HIGHWAYS			39,362,800		39,362,800	16
17	NORTHERN REGION HIGHWAYS: PE/ROW/UTILITIES (ED 99)		7,292,800				17
18	RICHARDSON HIGHWAY: MP 287 NORTH REHABILITATION (ED 17)		6,000,000				18
19	PARKS HIGHWAY: MP 216 NORTH REHABILITATION (ED 17)		4,000,000				19
20	RICHARDSON HIGHWAY: MP 79-100 REHABILITATION (ED 17)		3,260,000				20

1	DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)				1
2			APPROPRIATION	APPROPRIATION	FUND SOURCES
3		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4	RICHARDSON HIGHWAY: MP 106-115 REHABILITATION (ED 17)	3,000,000			
5	RICHARDSON HIGHWAY: TAZLINA RIVER EROSION (ED 17)	1,000,000			
6	CIRCLE HOT SPRINGS ROAD REHABILITATION (ED 19-21)	1,100,000			
7	1ST/2ND/WILBUR WIDENING (ED 19-21)	2,300,000			
8	LATHROP STREET/EXPRESSWAY - 19TH (ED 19-21)	600,000			
9	FARMERS LOOP ROAD RECONSTRUCTION (ED 19-21)	3,750,000			
10	BALLAINE/GOLDSTREAM/SHEEP CREEK REHABILITATION (ED 19-21)	3,210,000			
11	NOME-TELLER: MP 0 WEST REHABILITATION (ED 23)	3,250,000			
12	NOME-TAYLOR HIGHWAY: MP 0 NORTH CONSTRUCTION (ED 23)	600,000			
13	NORTHERN REGION FEDERAL AVIATION PROGRAM		27,728,000		27,728,000
14	NORTHERN REGION AVIATION PE/ROW/UTILITIES (ED 99)	1,000,000			
15	KIANA RUNWAY RECONSTRUCTION (ED 22)	1,100,000			
16	NOORVIK AIRPORT IMPROVEMENTS (ED 22)	950,000			
17	SELAWIK CROSSWIND RUNWAY (ED 22)	2,950,000			
18	NOME RUNWAY: REPAIRS & REHABILITATION PHASE III & IV (ED 23)	8,100,000			
19	SAINT MICHAEL AIRPORT RELOCATION (ED 23)	3,200,000			
20	UNALAKLEET AIRPORT IMPROVEMENTS AND AIRPORT RESCUE AND FIRE FIGHTING (ED 23)	2,130,000			
21	STEVENS VILLAGE NEW AIRPORT CONSTRUCTION (ED 24)	3,300,000			
22	HUGHES AIRPORT IMPROVEMENTS (ED 24)	750,000			

1	DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)				1		
2			ALLOCATIONS	APPROPRIATION	APPROPRIATION FUND SOURCES	2	
3				ITEMS	GENERAL FUND	OTHER FUNDS	3
4	KALTAG RUNWAY EXTENSION AND EQUIPMENT STORAGE BUILDING (ED 24)		1,725,000				4
5	NULATO APRON AND RESURFACING (ED 24)		1,500,000				5
6	KOYUK AIRPORT IMPROVEMENTS PHASE II (ED 23)		500,000				6
7	BETTLES EQUIPMENT STORAGE BUILDING (ED 24)		375,000				7
8	RAMPART EQUIPMENT STORAGE BUILDING (ED 24)		148,000				8
9	SOUTHEAST REGION FEDERAL HIGHWAY PROGRAM			10,740,700		10,740,700	9
10	TONGASS AVENUE TRAFFIC IMPROVEMENTS (ED 1)		1,000,000				10
11	SOUTHEAST REGION PRELIMINARY ENGINEERING (ED 99)		474,000				11
12	HOONAH ARTERIAL STAGE II PE THRU CONSTRUCTION (ED 2)		3,293,000				12
13	SOUTHEAST REGION - HSIP (ED 99)		400,000				13
14	CRAIG TO KLAWOCK OVERLAY (ED 2)		1,500,000				14
15	SOUTHEAST REGION REFLECTIVE PAVEMENT MARKERS (ED 99)		593,800				15
16	KLAWOCK RIVER BRIDGE SUPPLEMENTAL (ED 2)		250,000				16
17	KLAWOCK TO THE AIRPORT (ED 2)		914,500				17
18	EGAN EXPRESSWAY TO SHELL SIMMONS/DEL RAY (ED 4)		1,204,500				18
19	DOUGLAS HIGHWAY: CORDOVA TO BRIDGE (ED 4)		800,000				19
20	GLACIER HIGHWAY: INDIAN POINT TO TEE HARBOR (ED 4)		310,900				20
21	SOUTHEAST REGION FEDERAL AVIATION PROGRAM			2,700,000		2,700,000	21
22	PETERSBURG AIRPORT FENCING (ED 1)		600,000				22
23	WRANGELL SEAPLANE FLOAT EXPANSION (ED 1)		300,000				23

1	DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)		APPROPRIATION	APPROPRIATION FUND SOURCES	1
2			ITEMS	GENERAL FUND	OTHER FUNDS
3		ALLOCATIONS			
4	KLAWOCK AIRPORT LIGHTING (ED 2)	700,000			
5	YAKUTAT SEAPLANE FACILITY (ED 2)	600,000			
6	HYDABURG SEAPLANE FLOAT (ED 2)	500,000			
7	ANCHORAGE INTERNATIONAL AIRPORT		1,710,000		1,710,000
8	ANCHORAGE INTERNATIONAL AIRPORT: TAXIWAY I/R RESURFACING (ED 7-15)	1,710,000			
9	FAIRBANKS INTERNATIONAL AIRPORT		225,000		225,000
10	FAIRBANKS INTERNATIONAL AIRPORT: MASTER PLAN UPDATE (ED 19-21)	225,000			
11	MARINE HIGHWAY SYSTEM FEDERAL PROGRAM		16,261,800		16,261,800
12	KETCHIKAN STAGING AREA EXPANSION (ED 1)	1,507,300			
13	HOONAH MOORING IMPROVEMENTS (ED 2)	69,200			
14	HOONAH UPLANDS IMPROVEMENTS (ED 2)	518,100			
15	SKAGWAY FENDERING AND MOORING (ED 2)	400,800			
16	HAINES UPLANDS IMPROVEMENTS (ED 2)	1,260,700			
17	BARTLETT AUXILIARY REFURBISHMENT (ED 6)	1,443,700			
18	CORDOVA STAGING AREA (ED 6)	1,019,800			
19	CORDOVA FERRY TERMINAL BRIDGET REPLACEMENT (ED 6)	70,900			
20	BARTLETT REPOWER (ED 6)	274,100			
21	VALDEZ TERMINAL REPLACEMENT (ED 6)	177,400			
22	TAKU REPOWER (ED 99)	4,547,700			
23	TAKU AUXILIARY REFURBISHMENT (ED 99)	1,684,900			

1	DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES (CONT.)				1
2			APPROPRIATION	APPROPRIATION FUND SOURCES	2
3		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4	MALASPINA REFURBISHMENT (ED 99)	2,475,800			
5	COLUMBIA REPOWER (ED 99)	354,700			
6	SOUTHEAST FEEDER VESSEL SHORE (ED 99)	235,000			
7	COLUMBIA AUXILIARY REFURBISHMENT (ED 99)	221,700			
8	*****		*****		
9	***** DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS		*****		
10	*****		*****		
11	DEVELOPMENT				
12	WEATHERIZATION AND ENERGY CONSERVATION (ED 99)		1,700,000		1,700,000
13	COMMUNITY BLOCK GRANTS (ED 99)		3,000,000		3,000,000
14	*****		*****		
15	***** UNIVERSITY OF ALASKA		*****		
16	*****		*****		
17	UNIVERSITY OF ALASKA				
18	ORGANIZED RESEARCH, POKER FLAT RESEARCH RANGE UPGRADE (ED 19-21)		20,000,000		20,000,000
19	* SEC. 02 THE FOLLOWING SETS OUT THE FUNDING BY AGENCY				
20	FOR THE APPROPRIATIONS MADE IN THE PRECEDING SECTIONS OF				
21	THIS ACT.				
22	CAPITAL PROJECTS				
23	FEDERAL RECEIPTS	202,110,700			
24	GENERAL FUND MATCH	30,640,000			
25	*** TOTAL FUNDING ***	\$232,750,700			

1 CAPITAL PROJECTS (CONT.)
26 * * * * * TOTAL BUDGET * * * * *

\$232,750,700

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2 * SEC. 03 THIS ACT TAKES EFFECT JULY 1, 1990.

FISCAL YEAR 1991 BUDGET SUMMARY BY FUNDING SOURCE

FUNDING SOURCE	OPERATING BUDGET	LOANS BUDGET	NEW LEGISLATION BUDGET	CAPITAL BUDGET	TOTAL BUDGET
FEDERAL RECEIPTS				202,110,700	202,110,700
GENERAL FUND MATCH				30,640,000	30,640,000
*** TOTALS ***				\$232,750,700	\$232,750,700

DRAFT

TIME AND DATE 10:14 4/30/90

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SENATE COMMITTEE REPORT

FURTHER

4/26/89

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE

SB 267

Committee considered _____

optional exemptions from and deferral of payment of municipal taxes

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 *Died in subcommittee under*
- do not pass *Sens. Binkley + Duncan*
- no recommendation
- individual recommendations *See House version*
- further referral to _____ *HB 272*

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

Chair _____ signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE _____
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FIN

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 4.25.89

4/7/89

Mr. President:

C&RA

Committee considered

SB 267

optional exemptions from and deferral of payment of municipal taxes

reports it back as follows:

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

OFN

C&RA & COMMERCE
 FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature]
 Chair : signature and recommendation

Committee backup attached

Introduced: 4/7/89
Referred: Community and Regional
Affairs and Finance

6-0908A

1 IN THE SENATE

BY THE SENATE SPECIAL COMMITTEE ON
BANKING AND ECONOMIC DEVELOPMENT

2 SENATE BILL NO. 267

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 optional exemptions from and
7 deferral of payment of municipal taxes."

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

9 * Section 1. AS 29.45.050 is amended by adding new subsections to read:

10 (m) A municipality may by ordinance classify as to type and
11 exempt all or some types of economic development property from up to
12 50 percent of the rate of taxes levied on other property in the munic-
13 ipality. Property may not be exempted under this subsection for
14 longer than five years. A municipality may by ordinance permit defer-
15 ral of payment of taxes on all or some types of economic development
16 property for up to five years. An ordinance adopted under this sub-
17 section must include specific eligibility requirements and require a
18 written application for each exemption or deferral. In this sub-
19 section, "economic development property" means real or personal prop-
20 erty that may be depreciated for federal income tax purposes, has not
21 been previously taxed by the municipality, and is used in a trade or
22 business in a way that creates employment in the municipality, gener-
23 ates sales outside of the municipality of goods or services produced
24 in the municipality, or materially reduces the importation of goods or
25 services from outside the municipality; but does not include property
26 that has been used in the same trade or business in the state outside
27 of the municipality within six months before the date the application
28 for exemption or deferral under this subsection is filed.

29 (n) A municipality may by ordinance classify as to type
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1 inventories intended for export outside the state and partially or
2 totally exempt all or some types of those inventories from taxation.
3 The ordinance may provide for different levels of exemption for dif-
4 ferent classifications of inventories. An ordinance adopted under
5 this subsection must include specific eligibility requirements and
6 require a written application for each exemption.
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STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 267
PUBLISH DATE: 4/26/89 (a)

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
Title: Municipal Tax Exemption or BRU: Business Development
Deferral
Sponsor: Special Committee on Banking
Requester: XXXXXX and Economic Development Components: _____

EXPENDITURES / REVENUES : (Thousands of Dollars)

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

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

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Tom Lawson, Acting Director
Division: Business Development

Phone: 465-2017
Date: 4-21-89

Approved by Commissioner: Larry Mercurieff
Agency: Department of Commerce & Economic Development

Phone: 465-2500
Date: _____

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act relating to optional
 exemptions..municipal taxes."
 Sponsor: Senate Committee on Banking &
 Requestor: Economic Development

Agency Affected: Community & Regional Affairs
 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						

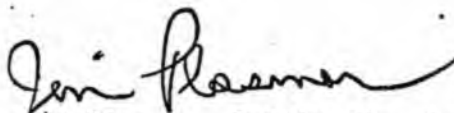
FUNDING: (Thousands of Dollars)

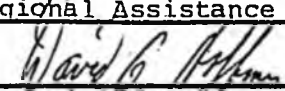
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: 
 Division: Municipal & Regional Assistance Phone: 465-4750
 Date: 4/25/89

Approved by Commissioner:  Date: 4-25-89
 Agency: Community & Regional Affairs

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

Original sponsor: Special Committee on Banking
and Economic Development

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 267 ()

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 optional exemptions from, or
7 deferral of payment of, municipal taxes."

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

9 * Section 1. AS 29.45.050 is amended by adding new subsections to read:

10 (m) A municipality may by ordinance partially or totally exempt
11 all or some types of economic development property from taxation for
12 up to five years. The municipality may provide for renewal of the
13 exemption under conditions established in the ordinance. A municipal-
14 ity may by ordinance permit deferral of payment of taxes on all or
15 some types of economic development property for up to five years. The
16 municipality may provide for renewal of the deferral under conditions
17 established in the ordinance. An ordinance adopted under this subsec-
18 tion must include specific eligibility requirements and require a
19 written application for each exemption or deferral. In this subsec-
20 tion "economic development property" means real or personal property
21 that

22 (1) has not previously been taxed as real or personal
23 property by the municipality;

24 (2) is used in a trade or business in a way that

25 (A) creates employment in the municipality;

26 (B) generates sales outside of the municipality of
27 goods or services produced in the municipality; or

28 (C) materially reduces the importation of goods or
29 services from outside the municipality; and

1 (3) has not been used in the same trade or business in
2 another municipality for at least six months before the application
3 for deferral or exemption is filed; this paragraph does not apply if
4 the property was used in the same trade or business in an area that
5 has been annexed to the municipality within six months before the
6 application for deferral or exemption is filed; this paragraph does
7 not apply to inventories.

8 (n) A municipality may by ordinance classify as to type inven-
9 tories intended for export outside the state and partially or totally
10 exempt all or some types of those inventories from taxation. The
11 ordinance may provide for different levels of exemption for different
12 classifications of inventories. An ordinance adopted under this
13 subsection must include specific eligibility requirements and require
14 a written application for each exemption.
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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 99801
(907) 465-3793

DATE: April 25, 1989

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

FROM: Senator Pat Rodey *PR*

SUBJECT: SB267, Optional Tax Exemption from of
Municipal Taxation for Economic Development

I would like to request that the Senate Finance Committee consider scheduling SB 267, An Act Relating to Optional Exemptions from and Deferral of Payment of Municipal Taxes.

The purpose of this legislation is to allow local governments another tool in diversifying their economic base. This legislation allows two more additional property tax exemptions that local governments could elect to use.

These two exemptions have no cost to the state and will only effect new property that is solely for the purpose of export.

If you have any questions please feel free to call my legislative aide, Mark Begich at 465-3793 in Juneau or 337-6748 in Anchorage.

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SENATE COMMITTEE REPORT

FURTHER

4/20/89
Mr. President:

DATE TURNED INTO OFFICE 4/20/89

Finance Committee considered SB 268

municipal financing and municipal joint insurance arrangements; the Alaska Municipal Bond Bank Authority; efd

and recommended

- replace with CS SB 268 (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) ^{DCED} zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

OTHER RECOMMENDATIONS

[Signature] Co-CHAIR
 (DO NOT PASS)

Chairman signature and recommendation

Committee Backup attached [Signature] Co-CHAIR
 Do Pass

40 SFC 4-22-89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CS SB 268 (Finance)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
Title: An Act relating to municipal BRU: Insurance
financing and municipal joint arrangements
Sponsor: Frank, Sturgulewski, et al. Components: _____
Requester: Senate C&RA

EXPENDITURES / REVENUES : (Thousands of Dollars)

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

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

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Changes in the CS (Fin) have no fiscal effect. This fiscal note is appropriate. *W* SFC: 4/22/89

Prepared by: Joan Brown, Administrative Officer
Division: Insurance

Phone: 465-2515
Date: 4-11-89

Approved by Commissioner: Larry Mercurieff *SM*
Agency: Department of Commerce & Economic Development

Phone: 465-2500
Date: 4/12/89

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

Original sponsors: Frank, Sturgulewski,
Adams, et al.

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 268 (Finance)

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 joint insurance arrangements,
7 municipal financing, and the Alaska Municipal Bond
8 Bank Authority; and providing for an effective date."

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

10 * Section 1. FINDING AND PURPOSE. (a) The legislature finds that
11 dramatic increases in the cost of liability and other insurance coverage
12 for municipalities has adversely affected municipal budgets, and that even
13 at increased premiums, insurance coverage is often not available to cover
14 important liability exposure.

15 (b) The purpose of this Act is to allow municipalities and municipal
16 joint insurance arrangements organized under AS 21.76 to utilize debt
17 financing to establish reserves to self-insure against liability, when the
18 cost of excess insurance or reinsurance is too high.

19 * Sec. 2. AS 21.76.020 is repealed and reenacted to read:

20 Sec. 21.76.020. REGULATION BY DIVISION OF INSURANCE AND ANNUAL
21 REPORT. (a) A joint insurance arrangement may not be considered
22 insurance for the purpose of any other law of the state and is not
23 subject to regulations adopted by the director.

24 (b) By October 1 of each year the administrator of a joint
25 insurance arrangement shall prepare and deliver to the Legislative
26 Budget and Audit Committee a report showing the true and correct
27 financial condition of the joint insurance arrangement. The report
28 must

29 (1) be attested to by the administrator and the board of

1 directors;

2 (2) include an analysis certified by a member of the Ameri-
3 can Academy of Actuaries, of the sufficiency of the loss reserves; and

4 (3) be certified by a certified public accountant.

5 * Sec. 3. AS 21.76.080(b) is amended to read:

6 (b) An expenditure may be made from a joint insurance fund only
7 to

8 (1) pay claims, losses, or benefits, including interest on
9 them, and the administrative and adjustment expenses incurred in
10 connection with them, involving the types of protection for which the
11 fund provides coverage as specified in the joint insurance agreement;

12 (2) pay contractual obligations of a joint insurance fund
13 established by a municipal joint insurance arrangement to the Alaska
14 Municipal Bond Bank Authority or other lender; and

15 (3) purchase insurance coverage for members of a municipal
16 joint insurance arrangement on a group basis.

17 * Sec. 4. AS 21.76 is amended by adding a new section to read:

18 Sec. 21.76.120. DEBT FINANCING. (a) A municipality or a munic-
19 ipal joint insurance arrangement may authorize the issuance of nego-
20 tiable or nonnegotiable bonds, notes, or certificates of participation
21 to establish reserves and to self-insure against liability not covered
22 by excess insurance or reinsurance. A bond, note, or certificate
23 issued under this subsection by a municipal joint insurance arrange-
24 ment shall be secured and payable from participating members of the
25 municipal joint insurance arrangement as provided in the cooperative
26 agreement.

27 (b) A municipality that has entered into a municipal joint
28 insurance arrangement may enter into contracts and agreements concern-
29 ing debt issued under (a) of this section and provide for matters that

1 affect the security of the debt. Bonds, notes, and certificates of
2 participation issued under (a) of this section may be sold at either
3 public or private sale as provided by the participants in the municipi-
4 pal joint insurance arrangement in the manner and at the price the
5 participants determine.

6 * Sec. 5. AS 37.10.085 is amended by adding a new subsection to read:

7 (b) This section does not apply to debt issued by a municipality
8 or a municipal joint insurance arrangement under AS 21.76.120.

9 * Sec. 6. AS 44.85.010(a) is amended to read:

10 (a) It is the policy of the state

11 (1) to foster and promote by all reasonable means the
12 provision of adequate capital markets and facilities for borrowing
13 money by municipalities in the state to finance capital improvements
14 or for other authorized purposes, to assist these municipalities in
15 fulfilling their capital needs and requirements by use of borrowed
16 money within statutory interest rate or cost of borrowing limitations,
17 to the greatest extent possible to reduce costs of borrowed money to
18 taxpayers and residents of the state, and equally to encourage contin-
19 ued investor interest in the purchase of bonds or notes of municipali-
20 ties as sound and preferred securities for investment;

21 (2) to encourage municipalities to continue their indepen-
22 dent undertakings and financing of capital improvements and other
23 authorized purposes and to assist them by making capital funds avail-
24 able at reduced interest costs for orderly financing of capital im-
25 provements and other purposes especially during periods of restricted
26 credit or money supply, particularly for those municipalities not
27 otherwise able to borrow for capital needs;

28 (3) to assist municipalities to provide for adequate insur-
29 ance coverage by authorizing the Alaska Municipal Bond Bank Authority

1 to issue negotiable or nonnegotiable revenue bonds, notes, or certifi-
2 cates of participation either directly or through an entity it may
3 create for the purpose of providing a self-insurance program for
4 municipalities or municipal joint insurance arrangements organized
5 under AS 21.76.

6 * Sec. 7. AS 44.85.080 is amended by adding a new paragraph to read:

7 (21) by regulation, create a new entity for the purpose of
8 issuing negotiable or nonnegotiable revenue bonds, notes, or certifi-
9 cates of participation to finance a self-insurance program for munic-
10 ipalities or municipal joint insurance arrangements organized under
11 AS 21.76; the powers, duties, and membership of the new entity shall
12 be limited to the powers, duties, and membership of the authority and
13 stated in the regulation; the new entity shall be a public corporation
14 and an instrumentality of the state with the same legal existence and
15 continuing succession as the bond bank authority.

16 * Sec. 8. AS 44.85.170 is amended to read:

17 Sec. 44.85.170. LOANS TO POLITICAL SUBDIVISIONS AND JOINT INSUR-
18 ANCE ARRANGEMENTS. (a) The bond bank authority, to carry out the
19 purposes and policies of this chapter, may lend money to municipal-
20 ities through the purchase by the bond bank authority of municipal
21 bonds of municipalities and if the purpose of the loan is to provide
22 financing for a municipal self-insurance program and the loan meets
23 the credit standards of the bond bank authority, may lend money to
24 municipalities, or municipal joint insurance arrangements organized
25 under AS 21.76. Notwithstanding a home rule charter provision re-
26 quiring public sale by a municipality of its municipal bonds, a munic-
27 ipality may sell its municipal bonds to the bond bank authority at a
28 negotiated, private sale. The bond bank authority, for this purpose,
29 may issue its bonds and notes payable solely from the revenues or

1 funds available to the bond bank authority for such payment and may
2 otherwise assist municipalities as provided in this chapter.

3 (b) Notwithstanding any other provision of law, to the extent
4 that any department or agency of the state is the custodian of money
5 payable to a municipality, at any time after written notice to the
6 department or agency head from the bond bank authority that the munic-
7 ipality is in default on the payment of principal or interest on
8 municipal bonds then held or owned by the bond bank authority, or
9 amounts due under an agreement between the bond bank authority and a
10 municipality or a municipal joint insurance arrangement organized
11 under AS 21.76, the department or agency shall withhold the payment of
12 that money from that municipality and pay over the money to the bond
13 bank authority for the purpose of paying principal of and interest on
14 the bonds or debt. The notice shall be given in each instance of
15 default.

16 * Sec. 9. AS 44.85.180(a) is amended to read:

17 (a) Subject to AS 44.85.100(b), the bond bank authority may
18 issue its bonds or notes in principal amounts that it considers neces-
19 sary to provide funds for any purposes under this chapter, including

20 (1) the purchase of municipal bonds;

21 (2) the making of loans through the purchase of municipal
22 bonds, notes, or certificates of participation secured by an agreement
23 between the bond bank authority and a municipality or a municipal
24 joint insurance arrangement organized under AS 21.76;

25 (3) the payment, funding or refunding of the principal of,
26 or interest or redemption premiums on, bonds or notes issued by it
27 whether the bonds or notes or interest to be funded or refunded have
28 or have not become due;

29 (4) the establishment or increase of reserves to secure or