

LEGISLATIVE FINANCE-HOUSE/SENATE FINANCE COMM. FILES 8879

SB 416 cont. - SB 427 684 275

1 by the agency or person.

2 * Sec. 11. AS 24.55.190 is amended by adding a new subsection to read:

3 (c) The report provided under (a) of this section is confiden-
4 tial and may not be disclosed to the public by the agency. The om-
5 budsman may disclose the report under AS 24.55.200 only after provid-
6 ing notice that the investigation has been concluded

7 (1) to the agency; and

8 (2) if the investigation was conducted in response to a
9 complaint, to the complainant under AS 24.55.210.

10 * Sec. 12. AS 24.55.310 is amended to read:

11 Sec. 24.55.310. CONFLICT OF INTEREST. The ombudsman, the acting
12 [DEPUTY] ombudsman and their professional staff are subject to AS 39.-
13 50 (conflict of interest).

14 * Sec. 13. AS 24.55.320 is amended to read:

15 Sec. 24.55.320. MUNICIPALITIES AND SCHOOL DISTRICTS. A munic-
16 ipality or school district may [BY ORDINANCE] elect to become subject
17 to the jurisdiction of the ombudsman appointed under this chapter. If
18 a municipality or school district so elects, it shall notify the
19 ombudsman of that election and shall thereafter be considered an
20 agency for the purposes of this chapter. If a municipality or school
21 district subjects itself to the jurisdiction of the ombudsman, the
22 municipality or school district shall pay its pro rata share of the
23 cost of the operation of the office of the ombudsman based on the
24 number of complaints or the case load emanating from that municipality
25 or school district, as prescribed by the ombudsman. If a municipality
26 or school district elects to remove itself from the jurisdiction of
27 the ombudsman, it [SHALL DO SO BY ORDINANCE,] shall notify the ombuds-
28 man of that election and shall not thereafter be considered an agency
29 for the purposes of this chapter. A municipality that elects to

1 become subject to the jurisdiction of the ombudsman or to remove
2 itself from that jurisdiction must do so by ordinance. A school
3 district that elects to become subject to the jurisdiction of the
4 ombudsman or to remove itself from that jurisdiction must do so by
5 resolution.

6 * Sec. 14. AS 24.55.330 is amended by adding a new paragraph to read:

7 (4) "record" means a document, paper, memorandum, book,
8 letter, file, drawing, map, plat, photo, photographic file, motion
9 picture, film, microfilm, microphotograph, exhibit, magnetic or paper
10 tape, punched card, or other item developed or received under law or
11 in connection with the transaction of official business, but does not
12 include an attorney's work product.

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL

1 IN THE SENATE

2 SENATE BILL NO. 416

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the office of the ombudsman and
7 to the powers and duties of the ombudsman."

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

9 * Section 1. AS 24.55.040(b) is amended to read:

10 (b) If the term of an ombudsman expires without the appointment
11 of a successor under this chapter, the incumbent ombudsman may con-
12 tinue in office until a successor is appointed. If the ombudsman
13 dies, resigns, becomes ineligible to serve, or is removed or suspended
14 from office, the person appointed as [DEPUTY OMBUDSMAN BECOMES] acting
15 ombudsman under AS 24.55.070(a) serves until a new ombudsman is ap-
16 pointed for a full term.

17 * Sec. 2. AS 24.55.070(a) is amended to read:

18 (a) The ombudsman shall [MAY] appoint a person to serve as
19 acting [DEPUTY] ombudsman in the absence of the ombudsman. The om-
20 budsman shall also appoint assistants and clerical personnel necessary
21 to carry out the provisions of this chapter.

22 * Sec. 3. AS 24.55.070(b) is amended to read:

23 (b) The ombudsman may delegate to the [DEPUTY OR] assistants any
24 of the ombudsman's duties except those specified in AS 24.55.190 and
25 24.55.200, however, during the ombudsman's absence from the principal
26 business offices, the ombudsman may delegate the duties specified in
27 AS 24.55.190 and 24.55.200 to the acting ombudsman [DEPUTY] for the
28 duration of the absence. The duties specified in AS 24.55.190 and
29 S 24.55.200 shall be performed by the acting [DEPUTY] ombudsman when

1 serving [AS ACTING OMBUDSMAN] under AS 24.55.040(b).

2 * Sec. 4. AS 24.55.080(a) is repealed and reenacted to read:

3 (a) Subject to restrictions and limitations imposed by the
4 executive director of the Legislative Affairs Agency, the administra-
5 tive facilities and services of the Legislative Affairs Agency, in-
6 cluding computer, data processing, and teleconference facilities, may
7 be made available to the ombudsman to be used in the management of the
8 office of the ombudsman and to carry out the purposes of this chapter.

9 * Sec. 5. AS 24.55.090 is amended to read:

10 Sec. 24.55.090. PROCEDURE. (a) The ombudsman shall, by regula-
11 tions adopted under the Administrative Procedure Act (AS 44.62),
12 establish procedures for receiving and processing complaints, conduct-
13 ing investigations, [AND] reporting findings, and ensuring that confi-
14 dential information obtained by the ombudsman in the course of an
15 investigation will not be improperly disclosed.

16 (b) The [HOWEVER, THE] ombudsman may not charge fees for the
17 submission or investigation of complaints.

18 * Sec. 6. AS 24.55.130 is amended by adding a new subsection to read:

19 (c) Notice given under this section may be oral but the om-
20 budsman shall state in writing the reasons for not investigating a
21 complaint if requested by the complainant.

22 * Sec. 7. AS 24.55.140 is amended to read:

23 Sec. 24.55.140. NOTICE TO THE AGENCY. If the ombudsman decides
24 to investigate a complaint, the ombudsman shall notify the agency of
25 the intention to investigate unless the ombudsman believes that ad-
26 vance notice will unduly hinder the investigation or make it ineffec-
27 tual. Notice given under this section may be oral or written, at the
28 discretion of the ombudsman.

29 * Sec. 8. AS 24.55.160(a) is amended to read:

1 (a) In an investigation, the ombudsman may
2 (1) make inquiries and obtain information considered neces-
3 sary;
4 (2) enter without notice to inspect the premises of an
5 agency, but only when agency personnel are present; [AND]
6 (3) hold private hearings; and
7 (4) notwithstanding other provisions of law, have access at
8 all times to records of every state agency, including confidential
9 records.

10 * Sec. 9. AS 24.55.170(a) is amended to read:

11 (a) Subject to the privileges that [WHICH] witnesses have in the
12 courts of this state, the ombudsman may compel by subpoena, at a
13 specified time and place, the

14 (1) [COMPEL BY SUBPOENA, AT A SPECIFIED TIME AND PLACE,
15 THE] appearance and sworn testimony of a person who the ombudsman
16 reasonably believes may be able to give information relating to a
17 matter under investigation; and

18 (2) production by [COMPEL] a person of a record that [, BY
19 SUBPOENA, TO PRODUCE DOCUMENTS, PAPERS, OR OBJECTS WHICH] the ombuds-
20 man reasonably believes may relate to the matter under investigation.

21 * Sec. 10. AS 24.55.180 is amended to read:

22 Sec. 24.55.180. CONSULTATION [WITH AGENCY]. Before giving an
23 opinion or recommendation that [WHICH] is critical of an agency or
24 person, the ombudsman shall consult with that agency or person. The
25 ombudsman may make a preliminary opinion or recommendation available
26 to the agency or person for review, but the preliminary opinion or
27 recommendation is confidential and may not be disclosed to the public
28 by the agency or person.

29 * Sec. 11. AS 24.55.190 is amended by adding a new subsection to read:

1 (c) The report provided under (a) of this section is confiden-
2 tial and may not be disclosed to the public by the agency. The om-
3 budsman may disclose the report under AS 24.55.200 only after provid-
4 ing notice that the investigation has been concluded

5 (1) to the agency; and

6 (2) if the investigation was conducted in response to a
7 complaint, to the complainant under AS 24.55.210.

8 * Sec. 12. AS 24.55.310 is amended to read:

9 Sec. 24.55.310. CONFLICT OF INTEREST. The ombudsman, the acting
10 [DEPUTY] ombudsman and their professional staff are subject to AS 39.-
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14 ipality or school district may [BY ORDINANCE] elect to become subject
15 to the jurisdiction of the ombudsman appointed under this chapter. If
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17 ombudsman of that election and shall thereafter be considered an
18 agency for the purposes of this chapter. If a municipality or school
19 district subjects itself to the jurisdiction of the ombudsman, the
20 municipality or school district shall pay its pro rata share of the
21 cost of the operation of the office of the ombudsman based on the
22 number of complaints or the case load emanating from that municipality
23 or school district, as prescribed by the ombudsman. If a municipality
24 or school district elects to remove itself from the jurisdiction of
25 the ombudsman, it [SHALL DO SO BY ORDINANCE,] shall notify the ombuds-
26 man of that election and shall not thereafter be considered an agency
27 for the purposes of this chapter. A municipality that elects to
28 become subject to the jurisdiction of the ombudsman or to remove
29 itself from that jurisdiction must do so by ordinance. A school

1 district that elects to become subject to the jurisdiction of the
2 ombudsman or to remove itself from that jurisdiction must do so by
3 resolution.

4 * Sec. 14. AS 24.55.330 is amended by adding a new paragraph to read:

5 (4) "record" means a document, paper, memorandum, book,
6 letter, file, drawing, map, plat, photo, photographic file, motion
7 picture, film, microfilm, microphotograph, exhibit, magnetic or paper
8 tape, punched card, or other item developed or received under law or
9 in connection with the transaction of official business, but does not
10 include an attorney's work product.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act Relating to the Office of the Ombudsman
Sponsor: _____
Requestor: Office of the Ombudsman

Agency Affected: Legislative
BRU: Office of the Ombudsman
Components: _____

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
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FUNDING: (Thousands of Dollars)

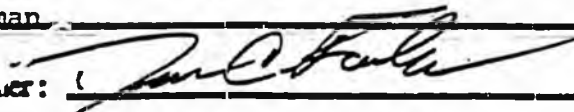
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This bill has no fiscal impact on the State Operating budgets

Prepared by: Duncan C. Fowler Phone: 465-4970
Division: Ombudsman Date: 2-7-90
Approved by Commissioner:  Date: 2-7-90
Agency: Ombudsman

Distribution (by preparer):

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

) Changes in CS SB 416 (SA)
have no fiscal impact.
This fiscal note is
appropriate.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act Relating to the Office of the Ombudsman
Sponsor: _____
Requestor: Office of the Ombudsman

Agency Affected: Legislative
BRU: Office of the Ombudsman

Components: _____

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
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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)

This bill has no fiscal impact on the State Operating budgets

Prepared by: Duncan C. Fowler

Phone: 465-4970

Division: Ombudsman

Date: 2-7-90

Approved by Commissioner: 

Date: 2-7-90

Agency: Ombudsman

Distribution (by preparer):

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

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SENATE FINANCE COMMITTEE REPORT

DATE: 1/30/90

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

Finance

Committee considered

SB 420

"An Act making a special appropriation to the budget reserve fund; and providing for an effective date."

and recommended:

replace with _____ CS _____
 or adopt _____ CS _____

same title
 new title
 technical
title change
(HB only)

attached amendment(s)

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

*Bill died in
Committee.*

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

OTHER RECOMMENDATIONS:

1. _____

2. _____

Co-Chairs: Signatures and Recommendations

Introduced: 1/30/90
Referred: Finance

6-1949A

Funding Information: General Fund \$400,000,000
 Other Funds -0-
 \$400,000,000

BY SEN. FRANK, Sturgulewski, Kelly

1 IN THE SENATE

2 SENATE BILL NO. 420

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE · SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the budget
7 reserve fund; and providing for an effective date."

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

9 * Section 1. The sum of \$400,000,000 is appropriated from the general
10 fund to the budget reserve fund (AS 37.05.540).

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

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SENATE FINANCE COMMITTEE REPORT

DATE: 1/31/90

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

Finance

Committee considered

SB 424

"An Act making supplemental appropriations to the Department of Law for oil and gas litigation; and providing for an effective date."

and recommended:

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

[] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

[] fiscal note(s) _____

[] zero fiscal note(s) _____

[] appropriation-no fiscal note

SIGNING DO PASS:

APPROVES PREVIOUS:

Dept/Date:

[] fiscal note(s) _____

[] zero fiscal note(s) _____

OTHER RECOMMENDATIONS:

1. _____

2. _____

Co-Chairs: Signatures and Recommendations

Introduced: 1/31/90
Referred: Finance

go00460s

<u>Funding Information:</u>	General Fund	\$8,605,800
	Other Funds	-0-
		<u>\$8,605,800</u>

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 424

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the
7 Department of Law for oil and gas litigation; and
8 providing for an effective date."

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

10 * Section 1. The sum of \$747,600 is appropriated from the general fund
11 to the Department of Law for expenses incurred in the litigation of oil and
12 gas matters for the fiscal year ending June 30, 1989.

13 * Sec 2. The sum of \$7,858,200 is appropriated from the general fund
14 to the Department of Law for expenses incurred in the litigation of oil and
15 gas matters for the fiscal year ending June 30, 1990.

16 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

STEVE COWPER
GOVERNOR



SB424

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 31, 1990

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 making supplemental appropriations to the Department of Law for litigation of oil and gas matters for fiscal years 1989 and 1990. Additional material pertaining to this budget will be furnished to the legislature by my staff.

Sincerely,

A large, stylized handwritten signature of Steve Cowper in black ink.

Steve Cowper
Governor

S B

4 2 2

SENATE FINANCE COMMITTEE REPORT

DATE: 3/27/90

FURTHER:

DATE TURNED INTO OFFICE: 4/17/90

The Finance Committee considered

SB 422

"An Act relating to guide-outfitter use area permits, the Big Game Commercial Services Board, and guideoutfitters, transporters, and providers of other big game commercial services."

and recommended:

replace with _____ CS SB 422 (Fix)
 or adopt _____ CS _____

same title
 new title
 technical title change (HB only)

attached amendment(s)
 _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):
Dept/Date:
 fiscal note(s) DEVED 4/10/90
139.3 operating, 372.8 RUTUL

APPROVES PREVIOUS:
Dept/Date:
 fiscal note(s) DEVB 72.0 2/12/90

zero fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:
[Signature]
[Signature]

OTHER RECOMMENDATIONS:
[Signature] - No Rec
[Signature] - No Rec

1. [Signature]
Co-Chair

2. [Signature]
Co-Chair

Co-Chairs' Signatures and Recommendations

ANOTHER 2 New EMPLOYEES

FISCAL NOTE

APR 10 1990

REQUEST:

Revision Date: _____
Title: An Act relating to guide-outfitter use area permits;
Sponsor: Senate Rules by Request
Requestor: Senate Finance

Agency Affected: Commerce & Economic Dev.
BRU: Occupational Licensing
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	85.3	85.3	85.3	85.3	85.3	85.3
TRAVEL	26.4	26.4	26.4	26.4	26.4	26.4
CONTRACTUAL	8.0	8.0	8.0	8.0	8.0	8.0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	17.6	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	139.3	121.7	121.7	121.7	121.7	121.7

CAPITAL	0	0	0	0	0	0
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REVENUE	372.8	372.8*	372.8*	372.8*	372.8*	372.8*
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (GF/PR)	139.3	121.7	121.7	121.7	121.7	121.7
TOTAL	139.3	121.7	121.7	121.7	121.7	121.7

POSITIONS:

FULL-TIME						
PART-TIME	2	2	2	2	2	2
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

*Revenues: Of this amount, \$231.8 is raised from the Commercial Use Permit fee and will be separately accounted for by the Department of Administration for use by the Legislature to make appropriations to DF&G and Public Safety. The remainder is licensing fees for use by the DCED to pay for board expenditures related to this bill. (CONTINUED ON ATTACHED)

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
Division: Occupational Licensing Date: 4/9/90

Approved by Commissioner: Larry Merculieff Date: 4-10-90
Agency: Department of Commerce & Economic Development

Distribution (by preparer):

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

CONTINUATION OF FISCAL NOTE FOR CSSB 422 (Fin)

The bill requires the Big Game Commercial Services Board to establish guide-outfitter use areas throughout the state, to adopt procedures for evaluating qualifications of use area applicants, and to annually offer available use areas to qualified guide outfitters.

In addition, the bill authorizes the board to issue use area permits; monitor and limit the number of clients that may be guide-outfitted in a use area each year; suspend or revoke a use area permit; and publish a comprehensive list of all unawarded guide-outfitter areas. The staff work involved in processing the highly complex operational plans will be submitted for competing use area applications and in adequately preparing for board meetings where use areas will be awarded will require an additional Licensing Examiner position. In addition, keeping track of use areas awarded or unawarded will consume extensive staff time. Finally, coordination with ADF&G staff will also require additional time.

The Investigator position is required to beef up enforcement. If we are to properly manage the commercial industry's use of our big game resource, then the state must adequately enforce the licensing requirements contained in SB 422. To assist the board with the responsibilities mandated in the bill, the fiscal note provides for:

1 Occupational Licensing Examiner I, 12 months, GGU, Range 12A	\$ 35.0
1 Investigator III, 12 months, GGU, Range 18A	<u>50.3</u>
Sub-Total:	\$ 85.3

Travel:

Funding provides two additional meetings annually for the Big Game Commercial Services Board and staff to conduct its business, including review of qualified applicants for issuance of use area permits.

\$ 16.4

This funding will also provide travel for the Investigator III to assist the board in enforcing the use area permit requirements and to conduct rural area education regarding the new big game commercial services statutes and to encourage rural resident participation in the big game commercial services industry.

10.0

Sub-Total: \$ 26.4

Contractual Services:

This funding will cover the expense of public noticing regulations, publishing comprehensive lists of unawarded use areas, postage, and other communications.

\$ 8.0

Supplies:

Provides for daily operating desk top supplies for the two positions. \$ 2.0

Equipment: (One time expense)

2 - Strata III telephone units and lines	\$1.2
2 - Wang DP/WP Workstations	4.4
2 - Desks, double pedestal	1.6
2 - Chairs, swivel with arms	.8
2 - Chairs, side without arms	.5
2 - Typewriters	1.4
2 - File Cabinets, 5-drawer, legal with lock	1.2
2 - Workstations (modular furniture)	<u>6.5</u>
Sub-Total:	\$ 17.6
GRAND TOTAL	<u>\$139.3</u>

Revenues

The revenue figure of \$372.8 represents a combination of program receipt revenues generated by guide-outfitter use area application fees and guide-outfitter and transporter commercial use permit fees.

A. Guide-outfitter use area application fees: \$141.0

Guide-outfitter application fees must generate \$141.0 in program receipts to cover the expense of administration of the use area system by the Big Game Commercial Services Board. This figure is reached by estimating 600 guide-outfitter use area applications at \$235.00 per application. Until we know exactly how many use areas the Division of Wildlife Conservation will recommend be established, it is impossible to accurately detail the number of applications that may be filed and the actual application cost to the applicant for a guide-outfitter use area.

B. Guide-outfitter commercial use permit fee: \$156.8

Based on approximately 2,407 guide-outfitter clients in 1989 (using 215 contracting guides), the commercial use permit progressive fee schedule in Section 12 of the bill will generate \$156.8.

C. Transporter commercial use permit fees: \$ 75.0

Approximately 117 transporters will also pay commercial use permit fees. At this time, we are unable to estimate the exact amount to be collected from transporters since we have no records of the number of big game hunters transported by transporters and because the fees are to be set by the board through regulation. We, therefore, utilize a guesstimate of \$75.0.

Total \$372.8

The total estimated income from the Commercial Use Permit fee is \$231.8. While the commercial use permit fee will be collected by the Division of Occupational Licensing, it will be separately accounted for and available for disbursement by the Legislature to the Departments of Fish and Game and Public Safety for wildlife management and enforcement.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act Relating to Guide
Outfitters Use Area Permits...
Sponsor: Rules Committee
Requestor: _____

Agency Affected: Fish and Game
BRU: Wildlife Conservation
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	67.5	71.7	36.9	36.9	20.1	20.1
TRAVEL	3.0	3.0	1.0	1.0	1.0	1.0
CONTRACTUAL	.5	7.5	1.0	1.0	1.0	1.0
SUPPLIES	1.0	1.5	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	72.0	83.7	39.9	39.9	23.1	23.1
CAPITAL	0	0	0	0	0	0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary) No FY 90 impact.
The FY 91 and FY 92 expenditures reflect the development of a computerized mapping and information management system for processing use area data needed in the administration of the guide/outfitter industry. Continued on Page 2

Prepared by: W. Lewis Pamplin, Jr., Director Phone: 465-4190
Division: Wildlife Conservation Date: 2/9/90

Approved by Commissioner: [Signature] Date: 2/12/90
Agency: Fish and Game

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

Changes in CSSB 422 (Fin) have no fiscal impact. This fiscal note is appropriate. 4/17/90 page 1 of 2

Expenditures in FY 93 and FY 94 reflect the role that the division plays in providing the Big Game Commercial Services Board with wildlife resource information required to determine the number of guide/outfitters authorizations in each use area and used in the award process. FY 95 and FY 96 reflect the continuing support role of the division to the Board.

		FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	
		Mos. Cost	Mos. Cost	Mos. Cost	Mos. Cost	Mos. Cost	Mos. Cost	
LINE 100 *								
WB III @ \$4.5/mo	11	49.5				3	14.1	
@ \$4.7/mo			12	56.4	6	28.2	6	28.2
AP II @ \$3.3/mo	3	9.9	3	9.9	1	3.3	1	3.3
DPC II @ \$2.7/mo	3	8.1	2	5.4	2	5.4	1	2.7
SUB TOTAL		67.5	71.7	36.9	36.9	20.1	20.1	
LINE 200 TRAVEL		3.0	3.0	1.0	1.0	1.0	1.0	
LINE 300 CONTRACTUAL SERVICES		.5	7.5	1.0	1.0	1.0	1.0	
LINE 400 SUPPLIES		1.0	1.5	1.0	1.0	1.0	1.0	
LINE 500 EQUIPMENT		0	0	0	0	0	0	
TOTAL		72.0	83.7	39.9	39.9	23.1	23.1	

Note: The total for FY 92 is greater than previously projected, and subsequent years totals are lower. This is due to additional mapping work necessitated under the proposed legislation, with less work anticipated after FY 92.

The reduced line 100 costs in FY 95 and FY 96 reflect the fact that by FY 95, the Big Game Commercial Services Board will have already awarded the majority of use areas, and we will begin to assume a "maintenance" role with regard to the system.

* These positions are existing PCNs.

*Adopted 4-13-90
Incorporates
Amend. 1, 2, 3, 4*

Original sponsor(s): Rules Committee by Request

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 422 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to guide-outfitter use area permits, the Big Game Commercial Services Board, guide-outfitters, transporters and air carriers, and providers of other big game commercial services, and commercial use permits; and providing for an effective date."

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

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

(1) unregulated access to game management units by guide-outfitters

(A) can potentially harm the state's valuable big game resources by allowing overharvest of big game species or populations that have a low recovery capacity or that exist in low abundance; and

(B) has hindered management of hunters guide-outfitted by guide-outfitters, led to conflicts among guide-outfitters, and decreased the quality of the hunting experience for clients of guide-outfitters and other hunters;

(2) an economically viable guide-outfitter industry can offer a quality hunting experience to hunters from throughout the world who seek a unique opportunity to pursue and take trophy big game animals in the state and can contribute significantly to the state's economy by increasing tourism and supporting a variety of businesses associated with the guide-outfitter industry;

(3) the guide-outfitter industry provides an opportunity for enhancing the state's economy, particularly the underdeveloped economies of

the rural regions of the state;

(4) intense competition exists for big game in many parts of the state and the allocation of access to big game hunting opportunities among guide-outfitters will prevent overharvest of big game in those areas and will provide continued open access to the big game resource by all users;

(5) a resource-based management system for allocating access to big game hunting opportunities among guide-outfitters will alleviate conflicts among guide-outfitters, will provide an effective basis for regulating guide-outfitters, and will enhance conservation and management of big game;

(6) a long-term interest in the conservation of wildlife encourages sound management practices among users of wildlife and fosters a mutually beneficial relationship between wildlife and the users of wildlife because the user understands that the user's own future well-being is dependent upon wise use of the resource in the present.

(b) The purpose of this Act is to

(1) establish a resource-based system of allocating access to big game hunting opportunities among guide-outfitters that is fully consistent with common use principles of the Constitution of the State of Alaska; and

(2) support the conservation and management of the state's wildlife, provide economic and noneconomic benefits to the state and to the citizens of the state, and generate revenue for the state from the wise use of wildlife for commercial purposes.

(c) This Act does not affect the existing rights and privileges of subsistence and resident sport hunters to take game in the state.

* Sec. 2. AS 08.54 is amended by adding new sections to read:

ARTICLE 5. GUIDE-OUTFITTER USE AREAS.

Sec. 08.54.610. GUIDE-OUTFITTER USE AREAS. (a) The board shall

establish guide-outfitter use areas throughout the state. The board shall consider the recommendations of the Department of Fish and Game in identifying the boundaries of the use areas. The board shall adopt the recommendations of the Department of Fish and Game for each use area unless the board obtains a finding from the Department of Fish and Game that an amended use area boundary as proposed by the board will not adversely affect wildlife conservation and management.

(b) The board may amend the boundaries of use areas adopted under (a) of this section if

(1) the Department of Fish and Game finds that the proposed amendment will not adversely affect wildlife conservation and management; and

(2) the board notifies all guide-outfitters who hold use area permits for the affected use areas of the proposed amendment and provides those guide-outfitters with an opportunity to comment on the proposed amendment.

(c) AS 08.54.620 - 08.54.690 do not apply within an area or to the activities of a guide-outfitter within an area of the state that is not included within the boundary of a guide-outfitter use area adopted by the board.

Sec. 08.54.620. OFFERINGS OF GUIDE-OUTFITTER USE AREAS. (a) The board shall annually offer available use areas to qualified guide-outfitters. The board shall stagger the offering of use areas.

(b) The board may request recommendations from the public for use areas to be offered at the next offering of use areas.

(c) The board shall decide whether a use area will be offered for sole or joint use before offering the use area. In making its decision, the board shall consider for each use area

(1) information provided by the Department of Fish and Game

on the status of big game populations, historical harvests of big game, and uses of wildlife in the use area;

(2) information gathered from previous use by guide-outfitters that would facilitate big game management and planning;

(3) requirements for economically viable guide-outfitter operations;

(4) the number of economically viable guide-outfitter operations that the use area could support;

(5) the effect of guide-outfitting activities on resident hunters; and

(6) other relevant factors, including land ownership concerns, land management concerns, and law enforcement concerns.

(d) Use areas for which use area permits have expired, been relinquished by the permittee, automatically revoked under AS 08.54.-660, or revoked by the board may be offered by the board at the next offering of use areas.

(e) The notice of the offering of use areas must include for each use area

(1) the location and a brief description of the use area;

(2) whether the use area is available for sole or joint use.

Sec. 08.54.630. GUIDE-OUTFITTER USE AREA PERMIT; REGISTRATION PERMIT. (a) A guide-outfitter use area permit or registration permit authorizes a guide-outfitter to guide-outfit hunts in the use area for those big game species specified by the permit and may limit the number of clients that may be guide-outfitted in the use area each year.

(b) A sole use area permit grants to the permittee the sole privilege to guide-outfit hunts for all big game species that occur

within the use area. A joint use area permit grants to the permittee the privilege to guide-outfit hunts in the use area for the big game species specified in the permit; however, all joint use area permits for a use area, when considered together, must grant privileges to guide-outfit hunts for all big game species that occur within the use area.

(c) A use area that is not awarded to a guide-outfitter under AS 08.54.650 is open to use by guide-outfitters who are certified to guide-outfit hunts in the game management unit in which the use area is located and who obtain a registration permit for the use area. The board may establish the number of registration permits that will be issued for each use area. Registration permits are valid for the calendar year in which they are issued. A registration permit must specify the big game species for which hunts may be guide-outfitted under the authority of the permit.

(d) A guide-outfitter may not guide-outfit a hunt for a big game species in a use area, unless the guide-outfitter has a use area permit or registration permit that entitles the guide-outfitter to guide-outfit hunts for that species in that use area.

(e) A guide-outfitter shall physically participate in field operations while guide-outfitted hunts are conducted under the authority of a use area permit or registration permit held by the guide-outfitter.

Sec. 08.54.640. APPLICATION FOR A GUIDE-OUTFITTER USE AREA PERMIT. (a) A guide-outfitter who is licensed under AS 08.54.350 and is certified by the board to guide-outfit hunts in the game management unit in which the use area is located may apply for a guide-outfitter use area permit.

(b) A guide-outfitter shall submit a separate application for

each use area permit sought. The application shall be made on a form provided by the board and shall be accompanied by the application fee and a proposed operations plan for the conduct of guide-outfitted hunts under the use area permit, including locations of base camps, the number of clients, and the big game species to be hunted.

(c) The department shall set the application fee for a guide-outfitter use area permit under AS 08.01.065.

Sec. 08.54.650. PROCEDURES FOR AWARDING GUIDE-OUTFITTER USE AREA PERMIT. (a) The board shall adopt procedures for evaluating the qualifications of applicants for guide-outfitter use area permits. The procedures must appropriately balance the criteria included under (b) of this section to ensure that all applicants are afforded a fair opportunity to obtain a use area permit in those game management units for which the applicant is certified by the board.

(b) The board shall evaluate each application and determine whether the applicant is qualified for a guide-outfitter use area permit under criteria adopted by the board, including

(1) the applicant's ability and means to provide the type and quality of guide-outfitting services proposed by the applicant, as demonstrated by the applicant's proposed operations plan;

(2) whether the applicant has proposed a guide-outfitting operation in the use area that is economically feasible given the economic resources of the applicant;

(3) the applicant's history of safety in guide-outfitting hunts or demonstrated ability to guide-outfit hunts safely;

(4) the applicant's history of compliance with state and federal fish and game and guide-outfitting statutes and regulations;

(5) the applicant's experience in or knowledge of the use area;

(6) the applicant's history of compliance with AS 08.54.-520(a) in regard to prior authorization to enter or remain on state, federal, or private land;

(7) whether the applicant has obtained those prior authorizations to guide-outfit hunts on state, federal, or private land in the use area from the significant or major landowners in the use area or has demonstrated the ability to acquire those authorizations;

(8) whether the applicant holds all permits and licenses necessary to guide-outfit hunts in the use area or has demonstrated the ability to obtain the necessary permits and licenses.

(c) If the board determines that more applicants are qualified to receive a use area permit for a use area than there are use area permits available, then the board shall reevaluate the applications of the qualified applicants and, with or without requesting additional documentation, shall select the best qualified applicants to receive the available permits. The board may request the qualified applicants to appear before the board to discuss the applicant's application in regard to the criteria in (b) of this section.

(d) The board shall award a use area permit only to a qualified applicant.

(e) If a successful applicant does not provide, at the time the board awards the use area permit, proof of the permits and licenses necessary to guide-outfit hunts in the use area or the authorizations to guide-outfit hunts on state, federal, or private land in the use area from the significant or major landowners in the use area, the board shall issue a conditional use area permit that is valid for 120 days. A conditional use area permit does not entitle the permittee to guide-outfit hunts within the use area. If the successful applicant provides proof satisfactory to the board within 120 days after

1 issuance of the conditional use area permit that the applicant has re-
2 ceived the necessary permits and licenses and land use authorizations,
3 the applicant shall be awarded a use area permit. If the successful
4 applicant does not provide the required proof within 120 days after
5 issuance of the conditional use area permit, the conditional use area
6 permit is void. If a conditional use area permit is voided under this
7 subsection, the board shall offer the use area permit to the next best
8 qualified applicant for the use area.

9 Sec. 08.54.660. TERM AND SUSPENSION OR REVOCATION OF GUIDE-
10 OUTFITTER USE AREA PERMIT; OPERATIONS PLAN. (a) The board shall
11 grant guide-outfitter use area permits for a term not to exceed 10
12 years, unless the board determines, after consultation with the De-
13 partment of Fish and Game, that a longer term will further promote the
14 wildlife conservation and management objectives of the use areas. The
15 term of a use area permit may not in any instance exceed 15 years.

16 (b) The board may after a hearing suspend or revoke a use area
17 permit for

- 18 (1) violation of the conditions of the use area permit;
- 19 (2) failure to exercise the privileges conferred by the use
20 area permit for one year;
- 21 (3) a significant unauthorized deviation, as defined by the
22 board, from an operations plan;
- 23 (4) fraud in applying for a use area permit or assignment
24 of a use area permit; or
- 25 (5) other good cause, as defined by the board.

26 (c) The board may suspend or revoke a use area permit upon
27 conviction of the permittee of an unlawful act under AS 08.54.520.

28 (d) A use area permit is revoked automatically upon revocation
29 of the permittee's guide-outfitter license. A use area permit is

1 suspended automatically upon suspension of the permittee's guide-
2 outfitter license.

3 (e) If the license of a guide-outfitter is summarily suspended
4 under AS 08.01.075(c), the use area permits held by the guide-out-
5 fitter are suspended automatically until after the final disposition
6 of the disciplinary proceeding by the board.

7 (f) A hearing to suspend or revoke a use area permit may be
8 combined with a disciplinary proceeding under AS 08.01.075 or AS 08.-
9 54.500 involving the use area permittee.

10 (g) A use area permit may be revoked or the terms of the use
11 area permit or an operations plan may be altered by the board for
12 wildlife conservation and management considerations.

13 (h) A use area permittee shall submit an amended operations plan
14 if the permittee intends to vary the permittee's guide-outfitting
15 operation from that stated in the plan. An amended operations plan is
16 not effective until approved by the board. A permittee may not con-
17 duct a guide-outfitting operation outside of the terms of an approved
18 operations plan.

19 Sec. 08.54.670. ASSIGNMENT OF GUIDE-OUTFITTER USE AREA PERMIT.

20 (a) Except as provided in this section, a use area permit may not be
21 sold, leased, or otherwise assigned.

22 (b) A use area permit may be assigned by the board under regu-
23 lations of the board if the assignment is

24 (1) consistent with the purposes of AS 08.54.670 - 08.-
25 54.690;

26 (2) not for consideration to the former permittee;

27 (3) to a guide-outfitter qualified to receive the use area
28 permit; and

29 (4) due to the death or disability of the former permittee

1 or for other good cause, as defined by the board.

2 (c) An assigned use area permit is valid only for the period for
3 which the use area permit was originally issued.

4 (d) If proceedings in which a guide-outfitter license may be
5 revoked or suspended under this chapter are pending against a guide-
6 outfitter, the guide-outfitter's use area permits may not be assigned
7 unless allowed for good cause by the board. During the period for
8 which a guide-outfitter's license is suspended under this chapter, use
9 area permits held by the guide-outfitter may not be assigned.

10 (e) If proceedings in which a guide-outfitter use area permit
11 may be revoked or suspended under AS 08.54.660 are pending against a
12 guide-outfitter, the use area permits that are the subject of the
13 pending proceedings may not be assigned. During the period for which
14 a use area permit is suspended under AS 08.54.660, the use area permit
15 may not be assigned.

16 Sec. 08.54.680. INFORMATION ON GUIDE-OUTFITTER USE AREAS AND
17 COMMERCIAL USE PERMITTEES. (a) The board shall maintain and publish
18 on a regular basis a comprehensive list of all unawarded guide-out-
19 fitter use areas that are open to application for use by qualified
20 guide-outfitters.

21 (b) The board shall maintain a centralized information center
22 where information on guide-outfitter use areas and all commercial use
23 permittees can be readily obtained by guide-outfitters, government
24 agencies, and the public.

25 Sec. 08.54.690. DEFINITIONS. In AS 08.54.670 - 08.54.690

26 (1) "joint use" means the utilization of a guide-outfitter
27 use area by more than one use area permittee;

28 (2) "sole use" means the utilization of a guide-outfitter
29 use area by one use area permittee.

1 * Sec. 3. AS 08.54.310(a) is amended by adding new paragraphs to read:

2 (11) certify guide-outfitters to conduct guide-outfitting
3 activities within a game management unit;

4 (12) establish by regulation a system of guide-outfitter use
5 areas for allocating access to big game hunting opportunities among
6 guide-outfitters.

7 * Sec. 4. AS 08.54.350(a) is amended to read:

8 (a) A natural person is entitled to a guide-outfitter license if
9 the person

10 (1) is 21 years of age or older;

11 (2) has practical field experience in the handling of
12 firearms, hunting, judging trophies, field preparation of meat and
13 trophies, first aid, photography, and related guide-outfitting activi-
14 ties;

15 (3) is familiar with the terrain and transportation prob-
16 lems in the game management unit for which the license is requested;

17 (4) has passed the qualification examinations prepared and
18 administered by the board;

19 (5) has demonstrated to the board sufficient standards of
20 competence and ethical conduct and has not been convicted of a state
21 or federal hunting or guide-outfitting statute or regulation within
22 the last five years for which the person was fined more than \$500 or
23 imprisoned for more than five days;

24 (6) has legally hunted in the state for part of each of any
25 five years in a manner directly contributing to the person's experi-
26 ence and competency as a guide-outfitter;

27 (7) has been licensed as and performed the services of a
28 class-A assistant guide-outfitter or assistant guide-outfitter in the
29 state for a part of each of three years, or has guide-outfitted in the

1 state for a part of each of three years under a marine mammal guide-
2 outfitter license issued under AS 08.54.360;

3 (8) has demonstrated a current knowledge of fishing, hunt-
4 ing, and guide-outfitting regulations;

5 (9) is capable of performing the essential duties associ-
6 ated with guide-outfitting;

7 (10) has been favorably recommended in writing by six big
8 game hunters, two for each year of the person's most recent three
9 years as a class-A assistant guide-outfitter or assistant guide-
10 outfitter, when the person has guide-outfitted or assisted in guide-
11 outfitting as a class-A assistant guide-outfitter or assistant guide-
12 outfitter, whose recommendations have been solicited by the board from
13 a list provided by the applicant;

14 (11) possesses a business license to provide guide-outfit-
15 ting services; and

16 (12) has paid the license fee and has applied for a commer-
17 cial use permit [FEE].

18 * Sec. 5. AS 08.54 is amended by adding a new section to read:

19 Sec. 08.54.355. GAME MANAGEMENT UNIT CERTIFICATION. (a) The
20 board shall certify guide-outfitters licensed under AS 08.54.350 to
21 guide-outfit hunts within a game management unit.

22 (b) A guide-outfitter may not guide-outfit hunts in a game
23 management unit unless the guide-outfitter is certified by the board
24 to guide-outfit hunts in the game management unit.

25 (c) The board shall allow a guide-outfitter to prequalify for
26 certification for each game management unit in which the guide-out-
27 fitter is competent to guide-outfit hunts. The board shall allow a
28 guide-outfitter to transfer a certification between game management
29 units.

1 * Sec. 6. AS 08.54.360(a) is amended to read:

2 (a) The board may issue a marine mammal guide-outfitter license
3 to a natural person who applies to guide-outfit a hunt for a specific
4 species of marine mammal in a specifically designated area if the
5 person

6 (1) is 21 years of age or older;

7 (2) has, for at least 10 years, resided and hunted in the
8 area of the state in which the applicant is to guide-outfit;

9 (3) is able to perform the duties of a marine mammal guide-
10 outfitter;

11 (4) has demonstrated knowledge of the following areas to an
12 extent and degree satisfactory to the board:

13 (A) current fish and game laws and regulations;

14 (B) relevant characteristics of the specific species
15 to be hunted;

16 (C) field preparation of trophies;

17 (D) care of game meat;

18 (E) use of guide-outfitting gear;

19 (F) firearm safety;

20 (G) practical first aid; and

21 (H) booking and contracting hunts;

22 (5) has not been convicted of violating a state or federal
23 game or guide-outfitting statute or regulation during the previous
24 five years for which the person was fined more than \$500 or imprisoned
25 for more than five days;

26 (6) possesses a business license to provide guide-outfit-
27 ting services; and

28 (7) has paid the license fee and has applied for a commer-
29 cial use permit [FEE].

1 * Sec. 7. AS 08.54.370(a) is amended to read:

2 (a) An applicant for renewal of a guide-outfitter license or a
3 marine mammal guide-outfitter license shall submit with the applica-
4 tion for renewal

5 (1) the hunt record required under AS 08.54.550 for the
6 period covered by the current license;

7 (2) the license fee for the next licensing period; [AND]

8 (3) the commercial use permit fee for the [NEXT LICENSING]
9 period covered by the current permit; and

10 (4) an amended guide-outfitter use area operations plan, if
11 appropriate.

12 * Sec. 8. AS 08.54.400(a) is amended to read:

13 (a) A person is entitled to a transporter license if the person

14 (1) applies on a form provided by the department;

15 (2) pays the license fee;

16 (3) applies for a [PAYS THE] commercial use permit, if
17 required under AS 08.54.470 [FEE];

18 (4) provides proof of

19 (A) an air taxi/commercial operator certificate issued
20 by the Federal Aviation Administration under 14 C.F.R. Part 135,
21 if the person provides air transportation services to big game
22 hunters;

23 (B) licensure by the Coast Guard to carry passengers
24 for hire, if the person provides water transportation services to
25 big game hunters and if licensure is required by the Coast Guard;
26 and

27 (5) has a business license to transport big game hunters.

28 * Sec. 9. AS 08.54.400(c) is amended to read:

29 (c) An applicant for renewal of a transporter license shall

1 submit with the application for renewal

2 (1) an activity report on a form provided by the department
3 for the period covered by the current license; an activity report
4 shall contain information required by the board by regulation;

5 (2) the license fee for the next licensing period;

6 (3) the commercial use permit fee for the [NEXT LICENSING]
7 period covered by the current permit, if the applicant was required to
8 obtain a permit under AS 08.54.470; and

9 (4) proof of

10 (A) an air taxi/commercial operator certificate issued
11 by the Federal Aviation Administration under 14 C.F.R. Part 135,
12 if the applicant provides air transportation services to big game
13 hunters;

14 (B) licensure by the Coast Guard to carry passengers
15 for hire, if the applicant provides water transportation services
16 to big game hunters and if licensure is required by the Coast
17 Guard.

18 * Sec. 10. AS 08.54.460(a) is amended to read:

19 (a) A person, other than a guide-outfitter, marine mammal guide-
20 outfitter, or a transporter, who provides other big game commercial
21 services for compensation shall register with the board on a form
22 provided by the board and shall obtain a commercial use permit and pay
23 the annual commercial use permit fee set by the department in consul-
24 tation with the board [UNDER AS 08.54.470]. In this section, "other
25 big game commercial services" includes provision of accommodations in
26 the field at a permanent lodge, house, or cabin owned by the commer-
27 cial use permit holder, hunt broker services, gear rental services,
28 photographic or videographic services, and services as defined by the
29 board by regulation.

1 * Sec. 11. AS 08.54.470(a) is amended to read:

2 (a) A person who is licensed under this chapter as a guide-
3 outfitter, marine mammal guide-outfitter, or transporter shall obtain
4 an annual commercial use permit. However, a transporter who provides
5 only air transportation services and who does not charge more than the
6 usual tariff or charter rate for the carriage of big game hunters,
7 their equipment, or big game animals harvested by hunters is exempt
8 from the requirement to obtain a commercial use permit or to pay the
9 commercial use permit fee. The [AND PAY AN] annual commercial use
10 permit fee shall be paid as set out in this section.

11 * Sec. 12. AS 08.54.470(b) is repealed and reenacted to read:

12 (b) The commercial use permit fee shall be set by the depart-
13 ment, in consultation with the board,

14 (1) for transporters on the basis of a progressive fee in
15 proportion to the number of big game hunters transported by the trans-
16 porter during the period for which the permit was issued;

17 (2) for guide-outfitters and marine mammal guide-outfit-
18 ters, at not less than the following amounts based on the number of
19 clients guide-outfitted by the guide-outfitter or marine mammal guide-
20 outfitter during the period for which the permit was issued:

21	0 - 5 clients	\$ 250
22	6 - 10 clients	500
23	11 - 15 clients	750
24	16 - 20 clients	1,000
25	21 - 25 clients	1,500
26	26 - 30 clients	2,000
27	31 or more clients	2,500.

28 * Sec. 13. AS 08.54.470(c) is amended to read:

29 (c) A guide-outfitter, marine mammal guide-outfitter, and

transporter shall pay the commercial use permit fee at the time of application for [ISSUANCE OR] renewal of a guide-outfitter license, marine mammal guide-outfitter license, or transporter license. If the guide-outfitter, marine mammal guide-outfitter, or transporter does not apply for renewal of the guide-outfitter license, marine mammal guide-outfitter license, or transporter license, the commercial use permit fee shall be paid within 30 days after the end of the annual period for which the commercial use permit was issued.

* Sec. 14. AS 08.54.470 is amended by adding a new subsection to read:

(e) Notwithstanding (a) of this section and AS 08.54.370, a person who is licensed under this chapter as a guide-outfitter but who is retired from or does not engage in guide-outfitting activities is exempt from requirements to obtain a commercial use permit and to pay the commercial use permit fee. The department shall adopt regulations to implement this subsection.

* Sec. 15. AS 08.54 is amended by adding a new section to read:

Sec. 08.54.560. REPORTS RELATING TO CARRIAGE OF BIG GAME HUNTERS. (a) A person who is subject to AS 42.30.200 shall submit to the department by January 31 of each year an activity report relating to the carriage, to, from, or in the field, during the previous year of big game hunters, their equipment, and big game animals harvested by hunters. The report shall be made on a form provided by the department and must contain information required by the board by regulation.

(b) A person who intentionally violates this section is guilty of a class B misdemeanor.

* Sec. 16. AS 08.54.590(13) is amended to read:

(13) "transportation services" means the carriage of or advertising to carry, for compensation, [OF] big game hunters, their equipment, or big game animals harvested by hunters to, from, or in

the field; "transportation services" does not include the carriage by aircraft of big game hunters, their equipment, or big game animals harvested by hunters (A) on nonstop flights between state, municipally, or federally maintained airports and float plane docks unless the air taxi operator or air carrier providing transportation services on flights between maintained airports advertises big game commercial services that benefit an air taxi operator or air carrier that is a subsidiary, affiliate, or contractor of the air taxi operator or air carrier that is advertising; or (B) by an air taxi operator or air carrier who does not charge more than the usual tariff or charter rate for [WHICH] the carriage of big game hunters, their equipment, or big game animals harvested by hunters, unless the air taxi operator or air carrier providing transportation services advertises big game commercial services; in this paragraph, "advertises" or "advertising" means soliciting big game hunters to be customers of an air taxi operator or air carrier for the purpose of providing air transportation to, from, or in the field through the use of print or electronic media specifically directed to big game hunters, including advertising at trade shows, or the use of hunt broker services or other promotional services [IS ONLY AN INCIDENTAL, AS DEFINED BY THE BOARD, PORTION OF ITS BUSINESS];

* Sec. 17. IDENTIFICATION OF PROPOSED GUIDE-OUTFITTER USE AREAS. (a) The Department of Fish and Game shall propose guide-outfitter use areas for use by the Big Game Commercial Services Board in establishing a resource-based management system for allocating access to big game hunting opportunities among guide-outfitters. The department shall identify proposed guide-outfitter use areas for appropriate regions and areas of the state. The department may set priorities for identifying use areas and may determine the extent and number of use areas to be identified at one time. The

department shall complete the identification of proposed use areas within two years after the close of the first public comment period prescribed under (e) of this section. The department shall complete the identification of proposed use areas for a significant portion of the state within nine months after the close of the first public comment period prescribed under (e) of this section.

(b) The Big Game Commercial Services Board may recommend to the department those areas of the state that should receive priority in identifying use areas.

(c) The department shall publish a public notice that it is accepting public comment for identification of areas as proposed guide-outfitter use areas. The department shall accept public comment for 60 days after the notice is first published.

(d) The department shall propose use areas in light of the following considerations:

(1) wildlife management concerns, including abundance and diversity of wildlife, historical harvest of wildlife from the area, and existing administrative boundaries established for wildlife management purposes;

(2) wildlife law enforcement concerns;

(3) public comment received under (c) of this section;

(4) land ownership in the area;

(5) administrative restrictions;

(6) existence of boundaries that can be readily identified in the field;

(7) accessibility of the area and other transportation considerations;

(8) existence of complementary and noncomplementary land uses within the area;

(9) existing facilities within the area; and

(10) other considerations relevant to the purposes of this section.

(e) The department shall provide maps or descriptions to the public of the use areas proposed under (d) of this section and shall solicit public comment on the proposed use areas. The public shall have 45 days after the maps or descriptions are distributed to comment on the use areas proposed by the department. At the close of the comment period, the department shall review the proposed use areas in light of the public comment received and shall then recommend boundaries for the proposed use areas. The department shall transmit its boundary recommendations to the Big Game Commercial Services Board as the recommendations are made final.

(f) The actions of the department under this section are exempt from the Administrative Procedure Act (AS 44.62).

(g) In this section

(1) "department" means the Department of Fish and Game;

(2) "public" includes a natural person, corporation, association, organization, society, company, partnership, or state, federal, or local government agency.

* Sec. 18. PRELIMINARY DETERMINATION OF ELIGIBILITY FOR GUIDE-OUTFITTER USE AREA PERMIT. (a) In order to facilitate and expedite the process for issuing guide-outfitter use area permits during the first five years that offerings of guide-outfitter use areas are made under AS 08.54.610 - 08.54.690, enacted by sec. 2 of this Act, the Big Game Commercial Services Board shall make preliminary determinations of the eligibility of a guide-outfitter to receive use area permits.

(b) A guide-outfitter may apply, at times set by the board, for a preliminary determination of eligibility for a use area permit for each game management unit in which the guide-outfitter is certified or prequalified for certification to guide-outfit hunts under AS 08.54.355, enacted

by sec. 5 of this Act.

(c) A guide-outfitter is qualified for a preliminary determination of eligibility to receive a use area permit if the board finds that the guide-outfitter satisfies the criteria of AS 08.54.650(b), enacted by sec. 2 of this Act, that can be satisfied without reference to the characteristics of a specific use area.

(d) A preliminary determination of eligibility to receive a use area permit does not vest a right in the guide-outfitter to receive a use area permit when use areas are offered under AS 08.54.650, enacted by sec. 2 of this Act.

* Sec. 19. During the first five years that offerings of use areas are made under AS 08.54.610 - 08.54.690, enacted by sec. 2 of this Act, the Big Game Commercial Services Board shall offer all guide-outfitter use areas.

* Sec. 20. The operation of AS 08.54.440 is suspended until January 1, 1991.

* Sec. 21. TRANSITION; COMMERCIAL USE PERMIT FEE FOR 1991 AND SUBSEQUENT YEARS. AS 08.54.350(a), as amended by sec. 4 of this Act, AS 08.54.360(a), as amended by sec. 6 of this Act, AS 08.54.370(a), as amended by sec. 7 of this Act, AS 08.54.400(a), as amended by sec. 8 of this Act, AS 08.54.400(c), as amended by sec. 9 of this Act, AS 08.54.470(a), as amended by sec. 11 of this Act, AS 08.54.470(b), as amended by sec. 12 of this Act, and AS 08.54.470(c), as amended by sec. 13 of this Act apply to initial applications for and renewals of guide-outfitter licenses, marine mammal guide-outfitter licenses, and transporter licenses for 1991 and subsequent years and to payment of commercial use permit fees for 1991 and subsequent years. Applicants for guide-outfitter licenses, marine mammal guide-outfitter licenses, and transporter licenses for 1990 or for renewal of these licenses for 1990 shall pay the commercial use permit fee in accordance with AS 08.54 as it existed on the day before the effective date

of this section.

* Sec. 22. TRANSITION; AIR CARRIER ADVERTISING. An air taxi operator or air carrier, whose operations are not included within the definition of "transportation services" in AS 08.54.590(13), as amended by sec. 16 of this Act, but whose publicity brochures or other print media produced before April 1, 1990, contain advertisements for big game commercial services that remain in circulation or use after April 1, 1990, will not be considered as advertising big game commercial services.

* Sec. 23. SEVERABILITY. If a provision of this Act or the application of this Act to a person or circumstance is held invalid, the remainder of this Act and the application of this Act to other persons or circumstances are not affected by the invalidity.

* Sec. 24. Section 20 of this Act is retroactive to May 12, 1989.

* Sec. 25. AS 08.54.310(b)(1) is repealed.

* Sec. 26. Sections 20 and 24 of this Act take effect immediately under AS 01.10.070(c).

4-17-90
Burns
Amend.

A M E N D M E N T N O. 1

Adopted
as amended.

OFFERED IN THE SENATE

TO: CSSB 422(Resources):

Page 17, Line 28, after "docks":

Insert: ", unless the air taxi operator or air carrier providing transportation services on flights between maintained airports advertises big game commercial ~~hunting~~ services that benefit an air taxi operator or air carrier that is a subsidiary, affiliate, or contractor of the air taxi operator or air carrier that is advertising"

Page 18, Line 3, after "hunters":

Insert: ", unless the operator or carrier providing transportation services advertises big game commercial ~~hunting~~ services; in this paragraph, "advertises" or "advertising" means soliciting big game hunters to be customers of an air taxi operator or air carrier for the purpose of providing air transportation to, from, or in the field through the use of print or electronic media specifically directed to big game hunters, including advertising at trade shows or the use of hunt broker services or other promotional services"

Burns- Recommend: "big game
commercial services"

Remove: "hunting"

Adopted

A M E N D M E N T N O . 2

4-17-90
Burns
Amend.

Adopted
as amended

OFFERED IN THE SENATE

TO: CSSB 422(Resources)

Page 21, Line 15:

Insert a new section to read:

April 1

"* Sec. 22. TRANSITION; AIR CARRIER ADVERTISING. An air taxi operator or air carrier whose operations do not fall within the definition of transportation services contained in Sec. 16 of this Act but whose publicity brochures or other print media produced prior to ~~June 30, 1990~~ contain advertisements for big game commercial hunting services that remain in circulation or use after ~~June 30, 1990~~ will not be considered as advertising big game commercial hunting services. ~~In no event will an air taxi operator or air carrier be required to become licensed as a transporter simply because print media produced prior to June 30, 1990 remained in circulation after that date.~~

Renumber the following sections accordingly.

Burns- Change June 30 to April 1
and eliminate last
sentence.

Adopted

4/17/90
6-1718Ee Pearce
Utermohle
Amend. #3
Stoops

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 422 (Resources)

Page 14, line 17, after "permit":

Insert ", if required under AS 08.54.470"

Page 15, line 7, following "permit":

Insert ", if the applicant was required to obtain a permit under AS 08.54.470"

Page 16, line 3, following ".":

Insert "However, a transporter who provides only air transportation services and who does not charge more than the usual tariff or charter rate for the carriage of big game hunters, their equipment, or big game animals harvested by hunters is exempt from the requirement to obtain a commercial use permit or to pay the commercial use permit fee."

Duncan 4/17/90

Amend. #4

Burke

AMENDMENT

OFFERED IN THE SENATE

TO: CS SB 422 (Resources)

P. 6, Line 9, Replace (a) with the following:

(a) The board shall adopt procedures for evaluating the qualifications of applicants for guide-outfitter use area permits. The procedures must appropriately balance the criteria included under (b) of this section to ensure that all applicants are afforded a fair opportunity to obtain a use area permit in those game management units for which the applicant is certified by the board.

APR 2 1990

SB 422
file

PROPOSED AMENDMENT

BY: The Big Game Commercial Services Board, Division of Occupational Licensing, Department of Commerce & Economic Development

Page 17, Line 28

ADD: after "docks":

unless the person providing transportation services advertises as defined in this section;

Page 18, Line 3

ADD: after "hunters":

unless the person providing transportation services advertises as defined in this section;

Page 18, Line 5

ADD: a new Sec. 17 to read:

* Sec. 17. AS 08.54.590, the DEFINITIONS section, is amended by adding a new paragraph to read:

(15) "advertise" means to make big game hunting and related transportation services publicly and generally known through the use of a media or indirectly through hunt brokers services or promotional services;

Renumber the following bill sections accordingly.

CSB:RPB/s

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 18, 1990

SUBJECT: CSSB 422 (Finance); Transition: Air Carrier Advertising

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

FROM: George Utermohle *GU*
Legislative Counsel

The Senate Finance Committee has included in CSSB 422 (Finance) an amendment providing for the transition of new provisions regarding the advertising of big game commercial services by air taxi operators and air carriers.

It is unclear from the language of the amendment what the amendment is intended to accomplish. The amendment provides that if an air carrier is not a provider of transportation services as defined in Section 16 of the bill then any advertising brochures produced by the air carrier prior to April 1, 1990 are not considered to be advertising big game commercial services. However under the bill if the air carrier does advertise big game commercial services, then the air carrier is a provider of transportation services and thus is not eligible to benefit from the exemption.

I can only speculate as to the intent of this transition provision, but it is my assumption that the provision is intended to protect those air carriers who are not included within the current definition of transportation services, because they fly hunters only between state or federally maintained airports or transport big game hunters as only an incidental part of their business, but nonetheless do advertise big game commercial services to the public. After this bill takes effect these air carriers would be required to obtain a transporter license because they advertise big game commercial services and transport big game hunters. Conceivably the transition provision intends to allow this group of air carriers to continue their business as in the

Senator Rick Uehling
Page 2
April 18, 1990

past and to use up their existing stocks of advertising material without falling under the new definition of transportation services. If this is in fact the case, then this result can be achieved by the following language:

Sec. 22. TRANSITION; AIR CARRIER ADVERTISING. Air taxi operators or air carriers who were not required to obtain a transporter license under AS 08.54 before the effective date of sec. 16 of this Act and who, but for the fact that they solicit big game hunters as customers for the purpose of providing air transportation to, from, or in the field through the use of publicity brochures or other printed material, would not have to obtain a transporter license after the effective date of sec. 16 of this Act, may continue to use existing stocks of publicity brochures and other printed materials that solicit big game hunters as customers of the air taxi operator or air carrier without having to obtain a transporter license if

(1) the publicity brochures and other printed materials were produced before April 1, 1990; and

(2) the air taxi operator or air carrier does not, on or after April 1, 1990, produce or distribute other publicity brochures or printed materials that solicit big game hunters as customers of the air taxi operator or air carrier.

If some other result is intended, please contact me so that the appropriate language can be prepared.

GU:pl
WKP4/064

7/17/90

RESOLUTION NO. 90-50-BOG

ALASKA BOARD OF GAME

RELATING TO REPORTING OF HUNTER USAGE OF AIR TAXI OPERATIONS

WHEREAS, it is of critical importance to the Board of Game in its role of protecting the wildlife resources of the State and allocating uses of these resources to the public, to know the location, numbers and timing of game harvest by hunters utilizing air taxi transportation; and

WHEREAS, the Board recognizes that air transportation is a very important means of access to game resources by many citizens of Alaska as well as non-residents, and

WHEREAS, the Board has received many reports from the public of excessive local harvest in certain areas by hunters transported by air taxi, and

WHEREAS, the lack of legal requirements for reporting of hunters transported by air taxi operators prevents the Board from having the information necessary to objectively determine whether a problem exists and whether corrective action is necessary,

NOW THEREFORE BE IT RESOLVED,

the Alaska Board of Game urges the Alaska State Legislature to pass legislation that would require all air taxi operators to report the number of hunters and big game animals transported; and

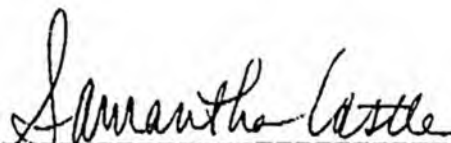
Post-It brand fax transmittal memo 7671 # of pages 2

To	Senate Vohling	From	Low Pamplin
Co.	Senate	Co.	ADF-G
Dept.		Phone #	267-2129
Fax #	465-4455	Fax #	344-7914

RESOLUTION NO. 90-50-806
Alaska Board of Game
Page Two

BE IT FURTHER RESOLVED,

that copies of this Resolution be promptly transmitted to the Governor, the President of the Senate, the Speaker of the House, the Chairman of the Senate and House Resources, and Transportation, committees, and to the Commissioner of the Department of Fish and Game.



Samantha Castle, Chairman
Alaska Board of Game

ADOPTED: April 2, 1990
Anchorage, Alaska
VOTE: 7 Favor 0 Oppose

2/22/90
(S) RES
FIN

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
 Title: An Act relating to guide-outfitter use area permits; . . . BRU: Occupational Licensing
 Sponsor: House Rules by Request Components: _____
 Requestor: House Resources

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	85.3	85.3	85.3	85.3	85.3	85.3
TRAVEL	26.4	26.4	26.4	26.4	26.4	26.4
CONTRACTUAL	8.0	8.0	8.0	8.0	8.0	8.0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	17.6	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	139.3	121.7	121.7	121.7	121.7	121.7
CAPITAL	0	0	0	0	0	0
REVENUE	361.0	361.0	361.0	361.0	361.0	361.0

SB
422

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (GF/PR)	139.3	121.7	121.7	121.7	121.7	121.7
TOTAL	139.3	121.7	121.7	121.7	121.7	121.7

POSITIONS:

FULL-TIME						
PART-TIME	2	2	2	2	2	2
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

The bill requires the Big Game Commercial Services Board to establish guide-outfitter use areas throughout the state, to adopt procedures for evaluating qualifications of use area applicants, and to annually offer available use areas to qualified guide outfitters. (CONTINUED ON ATTACHED)

Prepared by: Jennifer Strickler, Administrative Officer
 Division: Occupational Licensing

Phone: 465-2144
 Date: 2/21/90

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

Date: 21 Feb 90

Distribution (by preparer):

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

CONTINUATION OF FISCAL NOTE
FOR SB 422

In addition, the bill authorizes the board to issue use area permits; monitor and limit the number of clients that may be guide-outfitted in a use area each year; suspend or revoke a use area permit; and publish a comprehensive list of all unawarded guide-outfitter areas. The staff work involved in processing the highly complex operational plans will be submitted for competing use area applications and in adequately preparing for board meetings where use areas will be awarded will require an additional Licensing Examiner position. In addition, keeping track of use areas awarded or unawarded will consume extensive staff time. Finally, coordination with ADF&G staff will also require additional time.

The Investigator position is required to beef up enforcement. If we are to properly manage the commercial industry's use of our big game resource, then the state must adequately enforce the licensing requirements contained in SB 422. To assist the board with the responsibilities mandated in the bill, the fiscal note provides for:

1 Occupational Licensing Examiner I, 12 months, GGU, Range 12A	\$ 35.0
1 Investigator III, 12 months, GGU, Range 18A	<u>50.3</u>
Sub-Total:	\$ 85.3

Travel:

Funding provides two additional meetings annually for the Big Game Commercial Services Board and staff to conduct its business, including review of qualified applicants for issuance of use area permits.

\$ 16.4

This funding will also provide travel for the Investigator III to assist the board in enforcing the use area permit requirements and to conduct rural area education regarding the new big game commercial services statutes and to encourage rural resident participation in the big game commercial services industry.

10.0

Sub-Total: \$ 26.4

Contractual Services:

This funding will cover the expense of public noticing regulations, publishing comprehensive lists of unawarded use areas, postage, and other communications.

\$ 8.0

Supplies:

Provides for daily operating desk top supplies for the two positions. \$ 2.0

Equipment: (One time expense)

2 - Strata III telephone units and lines	\$1.2
2 - Wang DP/WP Workstations	4.4
2 - Desks, double pedestal	1.6
2 - Chairs, swivel with arms	.8
2 - Chairs, side without arms	.5
2 - Typewriters	1.4
2 - File Cabinets, 5-drawer, legal with lock	1.2
2 - Workstations (modular furniture)	<u>6.5</u>
Sub-Total:	\$ 17.6
GRAND TOTAL	<u>\$139.3</u>

Revenues

The revenue figure of \$361.0 represents a combination of program receipt revenues generated by guide-outfitter use area application fees and guide-outfitter and transporter paid wildlife conservation fees.

Guide-outfitter application fees must generate \$141.0 in program receipts to cover the expense of administration of the use area system by the Big Game Commercial Services Board. This figure is reached by estimating 600 guide-outfitter use area applications at \$235.00 per application. Until we know exactly how many use areas the Division of Wildlife Conservation will recommend be established, it is impossible to accurately detail the number of applications that may be filed and the actual application cost to the applicant for a guide-outfitter use area.

Collection of the annual wildlife conservation fees is estimated by the Department of Fish and Game to generate \$220.0 in program receipts. DF&G based its estimate on 1988-1989 harvest data concerning the harvest of big game by individuals who utilized big game commercial services. While the wildlife conservation fee is collected by the Division of Occupational Licensing, it is separately accounted for and is available for disbursement by the Legislature to the Departments of Fish and Game and Public Safety for wildlife management and enforcement.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act relating to guide-outfitter use area permits; . . .
 Sponsor: Senate Rules by Request
 Requestor: Senate Resources
 Agency Affected: Commerce & Economic Dev.
 BRU: Occupational Licensing
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	85.3	85.3	85.3	85.3	85.3	85.3
TRAVEL	26.4	26.4	26.4	26.4	26.4	26.4
CONTRACTUAL	8.0	8.0	8.0	8.0	8.0	8.0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	17.6	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	139.3	121.7	121.7	121.7	121.7	121.7

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

REVENUE	32.2	32.2	32.2	32.2	32.2	32.2
---------	------	------	------	------	------	------

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (GF/PR)	139.3	121.7	121.7	121.7	121.7	121.7
TOTAL	139.3	121.7	121.7	121.7	121.7	121.7

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

The bill requires the Big Game Commercial Services Board to establish guide-outfitter use areas throughout the state, to adopt procedures for evaluating qualifications of use area applicants, and to annually offer available use areas to qualified guide-outfitters. (CONTINUED ON ATTACHED)

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
 Division: Occupational Licensing Date: 2/7/90

Approved by Commissioner: Larry Mercurieff Date: 2/8/90
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):

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

**CONTINUATION OF FISCAL NOTE
FOR SB 422**

In addition, the bill authorizes the board to issue use area permits; monitor and limit the number of clients that may be guide-outfitted in a use area each year; suspend or revoke a use area permit; and publish a comprehensive list of all unawarded guide-outfitter areas. The staff work involved in processing the highly complex operational plans will be submitted for competing use area applications and in adequately preparing for board meetings where use areas will be awarded will require an additional Licensing Examiner position. In addition, keeping track of use areas awarded or unawarded will consume extensive staff time. Finally, coordination with ADF&G staff will also require additional time.

The Investigator position is required to beef up enforcement. If we are to properly manage the commercial industry's use of our big game resource, then the state must adequately enforce the licensing requirements contained in SB 422. To assist the board with the responsibilities mandated in the bill, the fiscal note provides for:

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Funding provides two additional meetings annually for the Big Game Commercial Services Board and staff to conduct its business, including review of qualified applicants for issuance of use area permits.

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This funding will also provide travel for the Investigator III to assist the board in enforcing the use area permit requirements and to conduct rural area education regarding the new big game commercial services statutes and to encourage rural resident participation in the big game commercial services industry.

10.0

Sub-Total: \$ 26.4

Contractual Services:

This funding will cover the expense of public noticing regulations, publishing comprehensive lists of unawarded use areas, postage, and other communications.

\$ 8.0

Supplies:

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\$ 2.0

Equipment: (One time expense)

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2 - Chairs, side without arms	.5
2 - Typewriters	1.4
2 - File Cabinets, 5-drawer, legal with lock	1.2
2 - Workstations (modular furniture)	<u>6.5</u>

Sub-Total: \$ 17.6

GRAND TOTAL \$139.3

Revenues

The revenue identified is based on 1,286 guide-outfitters and transporters paying the \$25 Wildlife Conservation Fee required in Section 6 of the bill at least once annually.

Presently, we are unable to more accurately predict the amount of revenues generated each year by this bill. However, revenues collected are anticipated to be more than the amount shown in this fiscal note as a result of the use area permit application fee (yet to be established by the Big Game Commercial Services Board) and the \$25 and \$5 Wildlife Conservation Fees for each big game animal taken annually.

213/10
(5) RE-

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Public Safety
Title: Guide-Outfitter Use Areas BRU: Fish & Wildlife Protection
Sponsor: Senate Rules Component: Enforcement & ISU
Requestor: Senate Resources

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

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
---------	---	---	---	---	---	---

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER/PROG RCPT						
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)
No fiscal impact is anticipated.

This fiscal note did not accompany the bill.

Prepared by: Captain Conrad G. Seibel
Division: Fish & Wildlife Protection

Phone: 269-5509
Date: 2-9-90

Approved by Commissioner: SA. H. English
Agency: Department of Public Safety

Date: 2-9-90
Page 1 of 1

Copy 2/9/90

S B

4 2 7

SENATE FINANCE COMMITTEE REPORT

DATE: 3/22/90

FURTHER:

DATE TURNED INTO OFFICE: 3/23/90

The Finance Committee considered

SB 427

AHFC housing programs; exempting the corporation from the Executive Budget Act and the State Procurement Code; amending the special mortgage loan purchase program and progressively reducing the maximum level of loan amounts eligible for a reduction under a mortgage loan subsidy; amending mortgage loan subsidy program; efd.

and recommended:

replace with _____ CS SB 427^{2d} (Finance)
 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) _____

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) DOH 3/5/90
DOH 2/28/90

appropriation-no fiscal note

SIGNING DO PASS:

Paul Ueh

OTHER RECOMMENDATIONS:

Alman - no Rec. (may need Procurement Code Amend.)

Paul Ueh Note - do not pass

wait amend ment

in procurement preference for Alaska bidders

1. _____

2. _____

Co-Chairs: Signatures and Recommendations

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: "An Act relating to program and administration requirements of certain" BRU: General Services and Supply
 Sponsor: Rules/Housing Finance Task Force Components: Purchasing
 Requestor: _____

*corporations; expending. . .

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Section 9 of the bill deletes the requirement for the Alaska Railroad to adopt procurement procedures which are substantially equivalent to the procedures prescribed under the procurement code and resultant regulations. Section 10 of this bill revises the definition of agency to allow for the Alaska Housing Finance Corporation to purchase under procedures established by their board of directors which are substantially equivalent to the procedures and regulations established by the executive branch under the procurement code. There is no fiscal impact to the Department of Administration if this bill becomes law.

Prepared by: Robert J. Link, Director Phone: 465-2250
 Division: General Services and Supply Date: 3/5/90

Approved by Commissioner: Frank S. Baxter Date: 3/5/90
 Agency: Department of Administration

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

Changes in CSSB 427 (Fin)
 have no fiscal impact.
 This fiscal note is
 appropriate. 3/23/90 *www*

FISCAL NOTE

REQUEST:

Revision Date: 2/27/90
 Title: Program and Administration of AHFC
 Sponsor: Senator Pat Rodey
 Requestor: Senator Pat Rodey

Agency Affected:
 BRU: Alaska Housing Finance Corporation
 Components: _____

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
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Robert Sullivan
 Division: Mortgage Department

Phone: 564-9315
 Date: 2/25/90

Approved by Commissioner: [Signature]
 Agency: Revenue

Date: 2/28/90

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

Changes in CSSB ^{2d}427 (Fin) have no fiscal impact. This fiscal note is appropriate. 3/23/90 vlv

Original sponsor(s): Rules/Housing Finance Task Force

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 427 (2d Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to program and administration requirements of certain state corporations; expanding the number of directors of the Alaska Housing Finance Corporation; exempting the Alaska Housing Finance Corporation from the State Procurement Code and making an exception for the corporation under the Executive Budget Act; amending the corporation's special mortgage loan purchase program and progressively reducing the maximum level of loan amounts eligible for a reduction under a mortgage loan subsidy; amending the corporation's mortgage loan subsidy program for persons of lower and moderate income; and relating to procurement practices of certain state corporations; and providing for an effective date."

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

* Section 1. AS 18.56.030(a) is amended to read:

(a) The corporation shall be governed by a board of directors consisting of

(1) the commissioner of revenue and the commissioner of commerce and economic development;

(2) one other member who is the head of a [THE] principal department of the executive branch of state government appointed by the governor; and

(3) four [TWO] public members appointed by the governor, one of whom shall be a representative of the financial community and one of whom shall be a person licensed as a real estate broker under AS 08.88.171(a).

* Sec. 2. AS 18.56.091 is amended by adding a new subsection to read:

(b) Notwithstanding (a) of this section, the loan amount eligible for assistance under the subsidy authorized by (a) of this section is the amount determined under AS 18.56.098(f).

* Sec. 3. AS 18.56.098(f) is amended to read:

(f) In this section and in AS 18.56.099

(1) "graduated payment mortgage loan" means a mortgage loan the terms of which provide for monthly principal and interest payments that

(A) during the first year of the mortgage loan are lower than the monthly principal and interest payments that would be required under the terms of a level payment mortgage loan made at the same interest rate; and

(B) during subsequent years of the mortgage loan are graduated to provide for the same return over the term of the loan that would have been provided by a level payment mortgage loan made at the same interest rate;

(2) "loan amount eligible for assistance" means the amount of a mortgage loan that does not exceed the amount of the loan established by law; if an amount has not been established by law, the amount is zero;

(3) "mortgage loan" includes a beneficial interest or participation in a mortgage loan; [(3) REPEALED]

(4) "residence" means

(A) an owner-occupied, single-family residence,

including a mobile home; [,] or

(B) an owner-occupied duplex, triplex, or fourplex.

* Sec. 4. AS 18.56.098(f) is repealed and reenacted to read:

(f) In this section and in AS 18.56.091 and 18.56.099

(1) "graduated payment mortgage loan" means a mortgage loan the terms of which provide for monthly principal and interest payments that

(A) during the first year of the mortgage loan are lower than the monthly principal and interest payments that would be required under the terms of a level payment mortgage loan made at the same interest rate; and

(B) during subsequent years of the mortgage loan are graduated to provide for the same return over the term of the loan that would have been provided by a level payment mortgage loan made at the same interest rate;

(2) "loan amount eligible for assistance" means

(A) the first \$50,000 of a mortgage loan for persons of lower or moderate income whose purchase of a home is assisted under AS 18.56.091; or

(B) except as to persons whose purchase of a home is assisted under AS 18.56.091, the amount of a mortgage loan that does not exceed the amount of the loan established by law; if an amount has not been established by law, the amount is zero;

(3) "mortgage loan" includes a beneficial interest or participation in a mortgage loan;

(4) "residence" means

(A) an owner-occupied, single-family residence, including a mobile home; or

(B) an owner-occupied duplex, triplex, or fourplex.

* Sec. 5. AS 18.56.098(g) is amended to read:

(g) The corporation shall establish the interest rate on a first mortgage loan purchased under (a) of this section in accordance with the following:

(1) The interest rate on the loan amount eligible for assistance [FIRST \$90,000] of a mortgage loan purchased with the proceeds of an issue of taxable bonds of the corporation is three percent less than the cost of funds of that issue, except that

(A) if the cost of funds of that issue is less than 10 percent, the interest rate is equal to the cost of funds; and

(B) if the cost of funds of that issue is more than 10 percent, the interest rate may not be less than 10 percent.

(2) An interest rate determined under this subsection on the loan amount eligible for assistance [FIRST \$90,000] of a mortgage loan that is not purchased from the proceeds of bonds that are qualified veterans' mortgage bonds under the applicable provisions of 26 U.S.C. (Internal Revenue Code) [26 U.S.C. 103A (MORTGAGE SUBSIDY BOND TAX ACT OF 1980), AS AMENDED,] shall be reduced by one percentage point if the loan is made to an eligible veteran under AS 18.56.101.

(3) The interest rate for the amount of a mortgage loan purchased under (a) of this section that exceeds the loan amount eligible for assistance [\$90,000] is equal to the cost of funds to the corporation attributable to that part of the loan.

(4) The interest rate on the loan amount eligible for assistance [FIRST \$90,000] of a mortgage loan purchased with money that is not the proceeds of either taxable or tax-exempt bonds is the rate the corporation determines is appropriate by application of the provision of (1) of this subsection.

(5) The interest rate on the loan amount eligible for

assistance [FIRST \$90,000] of a mortgage loan purchased from the proceeds of bonds that are exempt from taxation other than bonds that constitute qualified veterans' bonds under (i) of this section, is equal to the interest rate determined under (1) and (2) of this subsection on a loan purchased under (a) of this section from the proceeds of the most recent applicable issue of taxable bonds sold by the corporation. A higher or lower interest rate shall be established on the entire loan amount if required to ensure the tax-exempt status of the bonds.

(6) The corporation shall determine the interest rate on a mortgage loan that is an adjustable rate mortgage loan as provided in this subsection. The corporation shall recalculate the interest rate from time to time based on changes in the cost to the corporation of the funds used to purchase the adjustable rate mortgage loan. However, the corporation may establish a minimum interest rate applicable to an adjustable rate mortgage loan, and the interest rate on the adjustable rate mortgage loan may not be less than the minimum interest rate so established regardless of the cost of funds to the corporation.

(7) For loans made under this section, the corporation shall give effect to interest rate changes applicable to the loans based on time of loan application, time of issuance of the corporation's bonds issued to purchase loans, or other factors as the corporation determines.

(8) [(7)] In this subsection

(A) "cost of funds" means the true interest cost expressed as a rate on bonds of the corporation plus an additional percentage as determined by the corporation to represent the allocable expenses of operation, costs of issuance, and

mortgage servicing;

(B) "taxable bonds" means bonds bearing interest that is taxable under applicable provisions of 26 U.S.C. (Internal Revenue Code) and which were [26 U.S.C. 103A (MORTGAGE SUBSIDY BOND TAX ACT OF 1980)] issued to finance the purchase of first mortgage loans.

* Sec. 6. AS 18.56.098(h) is amended to read:

(h) The corporation shall establish the interest rate on a second mortgage loan purchased under (a) of this section in the manner established for computing the interest rates on a first mortgage loan under (g) of this section except that, in the case of a second mortgage loan, if the first mortgage loan made to the same borrower is held by the corporation and was purchased under the special mortgage loan purchase program, the outstanding principal balance of the existing first mortgage loan is subtracted from the loan amount eligible for assistance [\$90,000] to determine the amount of the loan that is eligible for an interest rate on a second mortgage loan determined by reference to (g) of this section.

* Sec. 7. AS 18.56.098(i) is amended to read:

(i) The interest rate on the loan amount eligible for assistance [FIRST \$90,000] of a mortgage loan purchased from the proceeds of bonds that constitute qualified veterans' mortgage bonds under applicable provisions of 26 U.S.C. (Internal Revenue Code) is [26 U.S.C. 103A (MORTGAGE SUBSIDY BOND TAX ACT OF 1980) AS AMENDED, IS THE GREATER OF (1) FOUR PERCENT LESS THAN THE COST OF FUNDS OR (2)] the rate for other loans to veterans under (g)(2) of this section [AS 18.56.098(g)(3)]. A higher or lower interest rate shall be established on the entire loan amount if required by applicable provisions of 26 U.S.C. (Internal Revenue Code) [UNDER 26 U.S.C. 103A].

* Sec. 8. AS 36.30.015(e) is amended to read:

(e) The boards of directors of the Alaska Railroad Corporation, the Alaska Housing Finance Corporation, and the Alaska State Housing Authority shall adopt procedures to govern the procurement of supplies, services, professional services, and construction for [BY] the respective public corporations [CORPORATION]. The procedures must

(1) reflect competitive bidding principles and provide vendors reasonable and equitable opportunities to participate in the procurement process; and

(2) include procurement methods to meet emergency and extraordinary circumstances [BE SUBSTANTIALLY EQUIVALENT TO THE PROCEDURES PRESCRIBED IN THIS CHAPTER AND IN REGULATIONS ADOPTED UNDER THIS CHAPTER].

* Sec. 9. AS 36.30.990(1) is amended to read:

(1) "agency"

(A) means a department, institution, board, commission, division, authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of the executive branch of state government;

(B) does not include

(i) [, EXCEPT FOR] the University of Alaska;

(ii) [,] the Alaska State Housing Authority;

(iii) the [AND] Alaska Railroad Corporation;

(iv) the Alaska Housing Finance Corporation;

(v) [IT DOES NOT INCLUDE] a regional Native housing authority created under AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

* Sec. 10. AS 37.07 is amended by adding a new section to read:

Sec. 37.07.085. ALASKA HOUSING FINANCE CORPORATION BUDGET. (a)

Notwithstanding the provisions of AS 37.07.080(h), the Alaska Housing Finance Corporation may, by resolution adopted by the board of directors, increase an item appropriated from corporation receipts if

(1) the board of directors determines that circumstances require an increase in expenditures in excess of an existing appropriation made under the authority conferred by this chapter; and

(2) additional corporation receipts are available.

(b) Before the resolution required by (a) of this section takes effect, the board of directors shall submit a revised program to the governor for approval as provided in AS 37.07.080(d). A copy of the revised program shall be submitted to the legislative budget and audit committee.

(c) The increase authorized by (a) of this section may not extend beyond the end of the fiscal year in which the resolution is adopted.

* Sec. 11. LOAN AMOUNTS ELIGIBLE FOR ASSISTANCE FOR LOANS ISSUED UNDER AS 18.56.098 DURING STATE FISCAL YEARS 1991 - 1993. For first and second mortgage loans purchased by the Alaska Housing Finance Corporation from the special mortgage loan purchase program and from qualified veterans' mortgage bonds

(1) after June 30, 1990, and before July 1, 1991, the loan amount eligible for assistance under AS 18.56.098 is \$70,000;

(2) after June 30, 1991, and before July 1, 1992, the loan amount eligible for assistance under AS 18.56.098 is \$50,000;

(3) after June 30, 1992, and before July 1, 1993, the loan amount eligible for assistance under AS 18.56.098 is \$30,000.

* Sec. 12. Of the two additional public members appointed by the governor under AS 18.56.030(a), amended by sec. 1 of this Act, one member shall serve a term of two years and one shall serve a term of one year. When

making the appointments, the governor shall specify the length of the term of each person appointed.

* Sec. 13. Sections 2 and 4 of this Act take effect July 1, 1992.

* Sec. 14. Except for secs. 2 and 4 of this Act, this Act takes effect July 1, 1990.

Amend #1 ② moved 3/22/90 SB 427
Adopted. Roddy
3/22/90

* Sec. AS 37.07 is amended by adding a new section to read:

Sec. 37.07.085. ALASKA HOUSING FINANCE CORPORATION BUDGET. (a) Notwithstanding the provisions of AS 37.07.080(h), the Alaska Housing Finance Corporation may, by resolution adopted by the board of directors, increase an item appropriated from corporation receipts if:

(1) the board of directors determines that circumstances require an increase in expenditures in excess of an existing appropriation made under the authority conferred by this chapter; and

(2) additional corporation receipts are available.

(b) Before the resolution required by (a) of this section takes effect, the board of directors shall submit a revised program to the governor for approval as provided in 37.07.080(d). A copy of the revised program shall be submitted to the legislative budget and audit committee.

(c) The increase authorized by (a) of this section may not extend beyond the end of the fiscal year in which the resolution is adopted.

3/23/90 RO CSSB 427 (2d Fin)

This Am appears on pp 7-8 (lines 28-29 & 1-12),
Section 10

3/22/90 Hand out for review
p.m.

SB 427

Discussion Only.

Amend #A

* Sec. AS 37.07 is amended by adding a new section to read:

Sec. 37.07.085. ALASKA HOUSING FINANCE CORPORATION.

(a) All unrestricted mortgage loan interest payments and all other receipts, including, without limitation, mortgage loan commitment fees, received by or accrued to the Alaska Housing Finance Corporation, and all income earned on assets of the corporation, are appropriated to the Alaska housing finance revolving fund (AS 18.56.082) for the purposes described in AS 18.56.

(b) Notwithstanding the provisions of AS 37.07.080(h), the Alaska Housing Finance Corporation may, by resolution adopted by the board of directors, increase an item appropriated from corporation receipts if:

(1) the board of directors determines that circumstances require an increase in expenditures in excess of an existing appropriation made under the authority conferred by this chapter; and

(2) additional corporation receipts are available.

(c) Before the resolution required by (a) of this section takes effect, the board of directors shall submit a revised program to the governor for approval as provided by 37.07.080(d). A copy of the revised program shall be submitted to the legislative budget and audit committee.

(d) The increase authorized by (b) of this section may not extend beyond the end of the fiscal year in which the resolution is adopted.

*This memo not distributed
to SFC.*

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

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

MEMORANDUM

March 23, 1990

SUBJECT: Alaska Housing Finance Corporation
(CSSB 427(2d Fin))

TO: Senator Rick Uehling

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

Here is the draft committee substitute you requested incorporating language you supplied to me. As requested, no changes have been made to this language. Since, we were directed to use the language exactly as submitted, we have not reviewed it for technical or legal problems.

TBC:pl
WKP3/073

Enclosure

This is not distributed to SFC.

6-2074M,
Cook/
Chenoweth
3/23/90

Original sponsor(s): Rules/Housing Finance Task Force

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 427 (2d 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 program and administration re-

7 quirements of certain state corporations; expanding

8 the number of directors of the Alaska Housing Finance

9 Corporation; exempting the Alaska Housing Finance

10 Corporation from the State Procurement Code and

11 making an exception for the corporation under the

12 Executive Budget Act; amending the corporation's

13 special mortgage loan purchase program and progres-

14 sively reducing the maximum level of loan amounts

15 eligible for a reduction under a mortgage loan sub-

16 sidy; amending the corporation's mortgage loan sub-

17 sidy program for persons of lower and moderate in-

18 come; and relating to procurement practices of cer-

19 tain state corporations; and providing for an effec-

20 tive date."

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

22 * Section 1. AS 18.56.030(a) is amended to read:

23 (a) The corporation shall be governed by a board of directors
24 consisting of

25 (1) the commissioner of revenue and the commissioner of
26 commerce and economic development;

27 (2) one other member who is the head of a [THE] principal
28 department of the executive branch of state government appointed by
29 the governor; and

1 (3) four [TWO] public members appointed by the governor,
2 one of whom shall be a representative of the financial community and
3 one of whom shall be a person licensed as a real estate broker under
4 AS 08.88.171(a).

5 * Sec. 2. AS 18.56.091 is amended by adding a new subsection to read:

6 (b) Notwithstanding (a) of this section, the loan amount eligi-
7 ble for assistance under the subsidy authorized by (a) of this section
8 is the amount determined under AS 18.56.098(f).

9 * Sec. 3. AS 18.56.098(f) is amended to read:

10 (f) In this section and in AS 18.56.099

11 (1) "graduated payment mortgage loan" means a mortgage loan
12 the terms of which provide for monthly principal and interest payments
13 that

14 (A) during the first year of the mortgage loan are
15 lower than the monthly principal and interest payments that would
16 be required under the terms of a level payment mortgage loan made
17 at the same interest rate; and

18 (B) during subsequent years of the mortgage loan are
19 graduated to provide for the same return over the term of the
20 loan that would have been provided by a level payment mortgage
21 loan made at the same interest rate;

22 (2) "loan amount eligible for assistance" means the amount
23 of a mortgage loan that does not exceed the amount of the loan estab-
24 lished by law; if an amount has not been established by law, the
25 amount is zero; [REPEALED] *Out in final run*

26 (3) "mortgage loan" includes a beneficial interest or
27 participation in a mortgage loan;

28 (4) "residence" means

29 (A) an owner-occupied, single-family residence,

1 including a mobile home; [,] or

2 (B) an owner-occupied duplex, triplex, or fourplex.

3 * Sec. 4. AS 18.56.098(f) is repealed and reenacted to read:

4 (f) In this section and in AS 18.56.091 and 18.56.099

5 (1) "graduated payment mortgage loan" means a mortgage loan
6 the terms of which provide for monthly principal and interest payments
7 that

8 (A) during the first year of the mortgage loan are
9 lower than the monthly principal and interest payments that would
10 be required under the terms of a level payment mortgage loan made
11 at the same interest rate; and

12 (B) during subsequent years of the mortgage loan are
13 graduated to provide for the same return over the term of the
14 loan that would have been provided by a level payment mortgage
15 loan made at the same interest rate;

16 (2) "loan amount eligible for assistance" means

17 (A) the first \$50,000 of a mortgage loan for persons
18 of lower or moderate income whose purchase of a home is assisted
19 under AS 18.56.091; or

20 (B) except as to persons whose purchase of a home is
21 assisted under AS 18.56.091, the amount of a mortgage loan that
22 does not exceed the amount of the loan established by law; if an
23 amount has not been established by law, the amount is zero;

24 (3) "mortgage loan" includes a beneficial interest or
25 participation in a mortgage loan;

26 (4) "residence" means

27 (A) an owner-occupied, single-family residence, in-
28 cluding a mobile home; or

29 (B) an owner-occupied duplex, triplex, or fourplex.

1 * Sec. 5. AS 18.56.098(g) is amended to read:

2 (g) The corporation shall establish the interest rate on a first
3 mortgage loan purchased under (a) of this section in accordance with
4 the following:

5 (1) The interest rate on the loan amount eligible for
6 assistance [FIRST \$90,000] of a mortgage loan purchased with the
7 proceeds of an issue of taxable bonds of the corporation is three
8 percent less than the cost of funds of that issue, except that

9 (A) if the cost of funds of that issue is less than 10
10 percent, the interest rate is equal to the cost of funds; and

11 (B) if the cost of funds of that issue is more than 10
12 percent, the interest rate may not be less than 10 percent.

13 (2) An interest rate determined under this subsection on
14 the loan amount eligible for assistance [FIRST \$90,000] of a mortgage
15 loan that is not purchased from the proceeds of bonds that are qual-
16 ified veterans' mortgage bonds under the applicable provisions of 26
17 U.S.C. (Internal Revenue Code) [26 U.S.C. 103A (MORTGAGE SUBSIDY BOND
18 TAX ACT OF 1980), AS AMENDED,] shall be reduced by one percentage
19 point if the loan is made to an eligible veteran under AS 18.56.101.

20 (3) The interest rate for the amount of a mortgage loan
21 purchased under (a) of this section that exceeds the loan amount
22 eligible for assistance [\$90,000] is equal to the cost of funds to the
23 corporation attributable to that part of the loan.

24 (4) The interest rate on the loan amount eligible for
25 assistance [FIRST \$90,000] of a mortgage loan purchased with money
26 that is not the proceeds of either taxable or tax-exempt bonds is the
27 rate the corporation determines is appropriate by application of the
28 provision of (1) of this subsection.

29 (5) The interest rate on the loan amount eligible for