

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 789

## WILDLIFE WATCHING IN ALASKA—WHAT'S IT WORTH?

by SuzAnne Miller

The image of Alaska as a wildlife haven has significant economic value which will only grow as wildlife continues to decline elsewhere. It is in Alaska's best interest to maintain and cultivate the resources upon which that image is based.

ADF&G's Division of Wildlife Conservation has initiated a research program to determine the economic value of Alaska's wildlife resources. It will allow the state to focus on wildlife as an economic resource which can be evaluated like other resources.

Research in the economic program is focusing on two areas: impact and value. A project has been started to estimate the impacts (the amount of money actually spent) of wildlife-dependent business activities on both the state and regional economies. This involves developing computer models which follow the flow of money generated by such businesses. This study will provide information on how much money comes in, where it comes from, who receives it, how much of it flows back out of the economies, and what jobs are created. This information will allow the state to examine the economic effects of different resource management decisions, to identify new business opportunities and to limit the flow of money outside the state. Alaska residents, nonresident visitors to Alaska, and Alaskan businesses will be surveyed to gather data on their respective expenditures.

Economic value data (how much a person values an experience, not how much they actually spend for it) will be collected through a series of site specific projects. For example, the Division of Wildlife Conservation cooperated with Yale University on an economic survey of wildlife watchers visiting the McNeil River State Game Sanctuary last summer. Results will be available later this year. Similarly, the division is cooperating with the University of Alaska Fairbanks to study the economic value of the Delta bison herd. Questions regarding economic value will be included on the surveys conducted for the impact study.

The difference between what a person actually spends for an experience (economic impact) and how much they would be willing to spend (economic value) is called consumer

surplus. Knowing the consumer surplus for specific wildlife dependent activities (watching, hunting, etc.) will enable the state to consider ways of capturing some of that surplus in the form of state revenues.

The trick is to devise methods of payment (hunting licenses, for example) and appropriate amounts which will not turn users away, but will bring their actual expenditures closer to their total values. The only way to achieve this is through knowledge of both their expenditures and their values.

With the help of the U.S. Fish and Wildlife Service's Federal Aid Program and with the U.S. Forest Service's Rocky Mountain Forest and Range Experiment Station, the Division gathered some of the nation's leading economists to develop a technically sound study plan. The results will be presented in a book entitled *Valuing Wildlife Resources in Alaska* to be published by Westview Press later this year. The book will establish the foundation for the division to proceed in applying economic principles to wildlife management issues.

Since wildlife and wilderness recreational opportunities are rural, they can be used to promote economic development and stability in remote areas where unemployment is high. Many wildlife-related business opportunities do not require large capital outlays, allowing entry by small operators.

By studying potential visitor's preferences, the state can stimulate appropriate tourism to capture more money from visitors. Thus the state can identify new revenue sources from visitors without burdening Alaska residents.

Too often wildlife has been seen as an obstacle to economic development, rather than as an opportunity. Knowledge of the value of Alaska's wildlife will enable decision-makers to better select among resource management and development alternatives.

*SuzAnne Miller is a biometrician with the Division of Wildlife Conservation, ADF&G, Anchorage.*

HB448

(11)

# HOUSE COMMITTEE REPORT

Date Referred: March 13, 1992

FURTHER REFERRALS:

Date of Committee Action: 3/30/92

The FINANCE Committee considered:

HB 448

HOUSE BILL NO. 448

FISHERIES TAX

"An Act amending the definition of 'value' for purposes of administration of fisheries taxes; and providing for an effective date."

**RECOMMENDATIONS:**

be replaced with CSHB 448 (RES)  the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal impact \_\_\_\_\_

fiscal note(s) Revenue 3/13/92

zero fiscal note \_\_\_\_\_

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

| SIGNING <u>DO</u> PASS          | DP | OTHER RECOMMENDATIONS                     | DNP | NR | AM |
|---------------------------------|----|-------------------------------------------|-----|----|----|
| <i>Mark Boyer</i> BOYER         | X  | <i>Eileen P. Mackan</i> <sup>Mackan</sup> |     | X  |    |
| <i>Kay Brown</i> BROWN          | ✓  |                                           |     |    |    |
| <i>Thomas Kopmen</i> KOPMEN     | ✓  |                                           |     |    |    |
| <i>Greg Jallo</i> JALLO         | ✓  |                                           |     |    |    |
| <i>Bob Sharp</i> SHARP          | ✓  |                                           |     |    |    |
| <i>Robert Phillips</i> PHILLIPS | ✓  |                                           |     |    |    |
| <i>Richard Larson</i> LARSON    | X  |                                           |     |    |    |
| <i>William Wimmer</i> WIMMER    | X  |                                           |     |    |    |
| <i>Mike Navarre</i> NAVARRE     | ✓  |                                           |     |    |    |
|                                 |    |                                           |     |    |    |
|                                 |    |                                           |     |    |    |

*Navarre & Pinaches*

CS FOR HOUSE BILL NO. 448 (RESOURCES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 3/13/92  
Referred: Finance

Sponsor(s): REPRESENTATIVES G.PHILLIPS, Kubina

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the definition of 'value' for purposes of administration of fisheries  
2 taxes; and providing for an effective date."

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

4 \* Section 1. AS 43.75.290(11) is repealed and reenacted to read:

5 (11) "value" means

6 (A) the market value of the fisheries resource if the taking of the fisheries  
7 resource is done in company-owned or company-subsidized boats operated by employees  
8 of the fisheries business or in boats that are operated under lease or other arrangement;  
9 or

10 (B) for fisheries resources other than those described in (A) of this  
11 paragraph, the actual price paid for the fisheries resource by the fisheries business to the  
12 fisherman, including indirect consideration and bonus amounts paid for fuel, supplies,  
13 gear, ice, handling, tender fees, or delivery, whether paid at the time of purchase of the  
14 fisheries resource or tendered as a deferred or delayed payment; in this subparagraph,

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"delivery" means

(i) transportation of the fisheries resource from the boat or vessel on which the product was taken to a tender; or

(ii) if delivery was not to a tender, transportation of the fisheries resource from the boat or vessel on which the product was taken to a shore-based facility in which delivery of the fisheries resource is normally accepted.

\* Sec. 2. This Act takes effect January 1, 1993.

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSHB 448

Revision Date: March 26, 1992  
Title: Amending the definition of 'value'  
.... fisheries taxes  
Sponsor: Rep. G. Phillips  
Requestor: House Resources

Department Affected: Department of Revenue  
BRU: Revenue Operations  
Component: Income and Excise Audit

COMPONENT SERIAL NO. 1 | 1 | 3

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING          | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|--------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES  |       |       |       |       |       |       |
| TRAVEL             |       |       |       |       |       |       |
| CONTRACTUAL        |       |       |       |       |       |       |
| SUPPLIES           |       |       |       |       |       |       |
| EQUIPMENT          |       |       |       |       |       |       |
| LANDS & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS     |       |       |       |       |       |       |
| MISCELLANEOUS      |       |       |       |       |       |       |
| TOTAL OPERATING    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| CAPITAL            | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| REVENUE            | 10.0  | 550.0 | 550.0 | 550.0 | 550.0 | 550.0 |
| FUND SOURCE        |       |       |       |       |       |       |

FUNDING: (Thousands of Dollars)

|               |     |     |     |     |     |     |
|---------------|-----|-----|-----|-----|-----|-----|
| GENERAL FUND  | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FEDERAL FUNDS |     |     |     |     |     |     |
| OTHER         |     |     |     |     |     |     |
| FUND SOURCE   |     |     |     |     |     |     |
| TOTAL         | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS:

This bill clarifies the definition of taxable value for fisheries business tax, salmon enhancement taxes and seafood marketing assessment. This bill will not take effect until January 1, 1993. Revenues in FY93 will not be substantial because most 1993 returns are not due until FY94.

Prepared By: Paul E. Dick *PE Dick* Phone: 465-2330  
Division: Income and Excise Audit Date: March 26, 1992

Approved by Commissioner: Darrel J. Rexwinkel *D. Rexwinkel*  
Agency: Department of Revenue Date: 3/26/92



# Alaska State Legislature

HOUSE OF REPRESENTATIVES

**REPRESENTATIVE GAIL PHILLIPS**

Official Business  
PHONE: (907) 465-2689  
FAX: (907) 465-3472

STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

**COMMITTEE SUBSTITUTE FOR HOUSE BILL 448 (RES)**

**PRESENTED TO THE HOUSE FINANCE COMMITTEE**

The Resource Committee Substitute for House Bill 448 is titled "An Act amending the definition of 'value' for purposes of administration of fisheries taxes, and providing for an effective date." I introduced the original version of this bill to clarify the amounts to be covered by fisheries taxes because, in the past, processors and fishermen have disputed the definition of value in an attempt to avoid paying the full amount of taxes due.

One argument used by those attempting to avoid paying the full tax due is that "bonuses" are not part of the actual amount paid fishermen for the fish. This interpretation leaves an opening for processors to pay lower prices for the fish, and make up for this lower amount to the fishermen by giving bonuses for services such as delivery or handling. HB 448 makes the point about whether bonuses are covered completely indisputable.

In addition, HB 448 sets out more specifically those services provided by the fishermen that are to be taxed. Previous language in the statute used the term "such as" and left the services to be covered up to differing interpretations. The change proposed by my original bill as well as the Resource Committee Substitute tightens up this language, again to leave no doubt as to which services are to be covered by fisheries taxes.

If passed, CS HB 448 will go into effect on January 1, 1993.

In addition, I would like to mention that HB 448 is supported by several levels of government and by several aquaculture associations as well. We will be hearing from a few of these associations by teleconference today.

Thank you for the opportunity to present this bill.

STEVE COWPER, GOVERNOR

**DEPARTMENT OF REVENUE**

STATE OFFICE BUILDING  
P.O. BOX SA  
JUNEAU, ALASKA 99811-0400

March 5, 1991

The Honorable Mike Navarre  
Co-Chairman, House Finance Committee  
Alaska State Legislature  
Capital Room 515  
P.O. Box V  
Juneau, Alaska 99811

The Honorable Gail Phillips  
House Finance Committee  
Alaska State Legislature  
Court Room 605  
P.O. Box V  
Juneau, Alaska 99811

Re: Fisheries Taxes

Dear Representative Navarre and Representative Phillips:

The Division of Income and Excise Audit was requested last session to audit fisheries businesses in the Cook Inlet region and to report our findings to the House Finance Committee. We have now concluded those audits and are forwarding the findings to the Committee. The audit findings are reflected in Appendix A. A number of the adjustments resulting from the audits have been protested and are pending before the Department.

The delivery fee or tendering fee issue is the most disputed audit finding. Delivery or tendering fees are customary in the industry and are paid by processors to fishermen or third parties for moving the product from the fishing vessel or beachsite to the facilities of the processor. The position of some processors is that these fees are a transportation cost rather than a part of the value of the fisheries resources. The processors argue the value of the resource is based on the ex vessel price for purposes of computing the fisheries taxes. A Department hearing officer, in one administrative decision in 1984, indirectly ruled that value is based on the ex vessel price. The Division takes the position, however, that all amounts paid to fishermen to acquire fish are includable in value, and that position is reflected in the audits.

During the course of several recent audits we discovered the tendering fee issue is not confined to the Cook Inlet area. Furthermore the tendering fee issue itself has broader implications than might be apparent at first glance.

The Honorable Mike Nayarre  
The Honorable Gail : Ilips  
House Finance Committee  
March 5, 1991  
Page Two

Taxpayers are utilizing a "net back" approach to valuing fisheries resources. Typically, a processor will start with the sales price of the processed resource and back out various imputed costs in addition to tendering/delivery fees, such as spotting fees, finding fees, purchase management fees, unloading fees, and other costs. These costs, in addition to a processing fee are subtracted from the sales price of finished product to arrive at a value of the resource.

We find these arrangements to be common among cooperatives, where the fishermen own the processing facility. We also found this arrangement in other cases where, apparently due to scarcity of resource, the processor shares the processing profits with a consortium of fishermen to guarantee an adequate supply of resource for processing.

Taxpayers have argued that such net backs and adjustments are proper to arrive at an "ex vessel price" which they believe is the proper tax base for fisheries business tax.

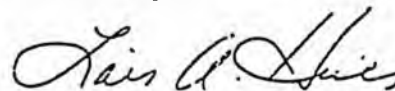
We believe the proper interpretation of the statute requires that all values and costs incurred prior to processing should be included in the taxable value. Since the fisheries business tax under AS 43.75 is placed on the processing activity, it seems logical that taxable value should include all costs incurred prior to processing. Stated another way, all costs incurred by the processor to procure resources for processing at the processor's facilities should be included in value.

This approach would also require that processors who own and operate tenders include the costs of operating the tenders in the taxable value.

Given the industry's view that the fisheries business tax is on ex vessel value, a clarifying amendment to AS 43.75 could be helpful to more clearly set out the all inclusive nature of the fisheries business tax base. The department intends to proceed to notice regulations in the near future that will reflect this interpretation.

The bonus or retro payment adjustment is based on additional payments for the resources to fishermen after the season. It appears these payments are clearly intended to be a part of the taxable value of the resources.

Sincerely,



Lois A. Hicks  
Acting Director  
Income and Excise Audit Division

LAH:CM

91-18

RESULTS OF AUDIT  
COOK INLET FISHERIES BUSINESSES

ADJUSTMENTS

|                          |                      |                  |                |               |
|--------------------------|----------------------|------------------|----------------|---------------|
|                          | <i>Delivery fees</i> |                  |                |               |
| <u>Total Adjustments</u> | <u>3,253,307</u>     | <u>1,260,930</u> | <u>554,875</u> | <u>65,729</u> |

| TAX EFFECT             |                |               |               |              | <u>TOTAL TAX</u> |
|------------------------|----------------|---------------|---------------|--------------|------------------|
| <u>ASSESSMENT</u>      |                |               |               |              |                  |
| Fisheries Tax          | 97,599         | 37,828        | 16,646        | 1,972        | 154,045          |
| Salmon Enhancement Tax | 65,066         | 25,219        | 11,098        | 1,315        | 102,698          |
| AK Seafood Marketing   | <u>9,760</u>   | <u>3,783</u>  | <u>1,665</u>  | <u>197</u>   | <u>15,405</u>    |
| Total Tax Assessed     | <u>172,425</u> | <u>66,830</u> | <u>29,409</u> | <u>3,484</u> | <u>272,148</u>   |

More Than one years - '87 '88 '89

## Prince William Sound Aquaculture Corporation



P.O. Box 1110 Cordova, Alaska 99574-1110 Phone (907) 434-7511 FAX (907) 434-7514  
821 N St. #101B Anchorage, Alaska 99501-3265 Phone (907) 274-6066 FAX (907) 274-1959

February 14, 1992

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

Members of the Legislature:

Prince William Sound Aquaculture Corporation (PWSAC) is pleased to support House Bill No. 448, which amends the definition of "value" in AS 43.75.290(11), for purposes of administration of fisheries taxes, and provides for an effective date.

Representative Gail Phillips has introduced HB448 to facilitate the collection of fisheries taxes in a fair and timely manner. With fisheries practices changing rapidly in all parts of the state, the language of the statute needs to be brought up to date to ensure that the original legislative intent will continue to be carried out.

We encourage your active support of Representative Phillips' House Bill No. 448.

Best regards,

John McMullen  
President



FEB 10 1992

COOK INLET  
AQUACULTURE ASSOCIATION

HC 2, BOX 849  
SOLDOTNA, AK 99669-9707  
(907) 283-5761

February 5, 1992

Rep. Gail Phillips  
House of Representatives  
P.O. Box V  
Juneau, Alaska 99811

Dear Rep. Phillips and other members of the Alaska Legislature:

I have reviewed "An Act amending the definition of 'value' for purposes of administration of fisheries taxes" and support passage. The bill addresses a growing problem with revenue implications for Regional Aquaculture Associations and several levels of government.

Department of Revenue interprets the existing definition of "value" to mean any type of compensation a buyer gives to a fishermen as part of a fish sale transaction. As you know, the problem under existing law is that some processors and certain fishermen dispute this interpretation and seek to avoid proper taxation.

People seeking to avoid raw fish and salmon enhancement taxes argue that "value" is only what is paid fishermen for the fish; "bonus" amounts paid for icing, using RSW systems, delivery, prompt delivery, exclusivity (selling all fish to a single buyer), loyalty (selling to the same processor over several years) and others, do not count as "value" for tax purposes.

People seeking to avoid tax simply establish a low price for the fish and dream up a series of "bonuses" which can comprise as much as 50% of the amount paid to fishermen. This bill, by expanding the list of examples of things which are to be included as "value" makes clear that the original Department of Revenue interpretation is correct.

I am greatly interested in the progress of this bill and am available to answer questions or provide additional information.

Sincerely,

Thomas E. Mears,  
Executive Director

cc: Senator Fischer  
Representative Navarre

HB448

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/1/92

FURTHER:

DATE TURNED INTO OFFICE:

5/11/92

The Finance Committee considered CS FOR HOUSE BILL NO. 448 (RESOURCES)

"An Act amending the definition of 'value' for purposes of administration of fisheries taxes; and providing for an effective date."

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)
- or adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

same title  
 new title  
 technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

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

do pass

do not pass

no recommendation

individual recommendations

**NEW FISCAL NOTES:** Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

appropriation--no fiscal note

**PREVIOUS FISCAL NOTES:** Dept/Date

zero fiscal notes DOR 3-5-92

fiscal notes \_\_\_\_\_

**DO PASS:**

**OTHER RECOMMENDATIONS:**

*[Handwritten signatures]*

*[Handwritten signatures]*

1. *[Signature]* 2. *[Signature]*  
Co-Chair: Signature/Recommendation

Co-Chair: Signature/Recommendation

FISCAL NOTE

No. 1

Bill Version: CSHB 448 (RES)

(H) Publish Date: 3-13-92

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

REPORTED OUT OF  
SFC 5-11-92

Revision Date: March 5, 1992  
Title: Amending the definition of 'value'  
.... fisheries taxes  
Sponsor: G. Phillips  
Requestor: HS RESOURCES

Department Affected: Department of Revenue  
BRU: Revenue Operations  
Component: Income and Excise Audit

COMPONENT SERIAL NO. | 1 | 1 | 3 |

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING          | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|--------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES  |       |       |       |       |       |       |
| TRAVEL             |       |       |       |       |       |       |
| CONTRACTUAL        |       |       |       |       |       |       |
| SUPPLIES           |       |       |       |       |       |       |
| EQUIPMENT          |       |       |       |       |       |       |
| LANDS & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS     |       |       |       |       |       |       |
| MISCELLANEOUS      |       |       |       |       |       |       |
| TOTAL OPERATING    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| CAPITAL            | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| REVENUE            | 10.0  | 550.0 | 550.0 | 550.0 | 550.0 | 550.0 |
| FUND SOURCE        |       |       |       |       |       |       |

FUNDING: (Thousands of Dollars)

|               |     |     |     |     |     |     |
|---------------|-----|-----|-----|-----|-----|-----|
| GENERAL FUND  | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FEDERAL FUNDS |     |     |     |     |     |     |
| OTHER         |     |     |     |     |     |     |
| FUND SOURCE   |     |     |     |     |     |     |
| TOTAL         | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS:

This bill clarifies the definition of taxable value for fisheries business tax, salmon enhancement taxes and seafood marketing assessment. This bill will not take effect until January 1, 1993. Revenues in FY93 will not be substantial because most 1993 returns are not due until FY94.

Prepared By: Paul E. Dick *PE* LEM 3-5-92 Phone: \_\_\_\_\_  
Division: Income and Excise Audit Date: March 5, 1992

Approved by Commissioner: Darrel J. Rexwinkel *DJR* Date: March 5, 1992  
Agency: Department of Revenue

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

CS FOR HOUSE BILL NO. 448 (RESOURCES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 3/13/92  
Referred: Finance

Sponsor(s): REPRESENTATIVES G.PHILLIPS, Kubina

A BILL

FOR AN ACT ENTITLED

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resource from the boat or vessel on which the product was taken to a shore-based  
facility in which delivery of the fisheries resource is normally accepted.

\* Sec. 2. This Act takes effect January 1, 1993.

**DEPARTMENT OF REVENUE**

STATE OFFICE BUILDING  
P O. BOX SA  
JUNEAU, ALASKA 99811-0400

HB 448

March 5, 1991

The Honorable Mike Navarre  
Co-Chairman, House Finance Committee  
Alaska State Legislature  
Capital Room 515  
P.O. Box V  
Juneau, Alaska 99811

The Honorable Gail Phillips  
House Finance Committee  
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Court Room 605  
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The Honorable Mike Navarre  
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House Finance Committee  
March 5, 1991  
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We find these arrangements to be common among cooperatives, where the fishermen own the processing facility. We also found this arrangement in other cases where, apparently due to scarcity of resource, the processor shares the processing profits with a consortium of fishermen to guarantee an adequate supply of resource for processing.

Taxpayers have argued that such net backs and adjustments are proper to arrive at an "ex vessel price" which they believe is the proper tax base for fisheries business tax.

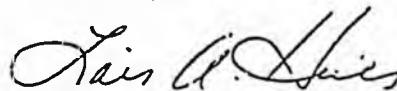
We believe the proper interpretation of the statute requires that all values and costs incurred prior to processing should be included in the taxable value. Since the fisheries business tax under AS 43.75 is placed on the processing activity, it seems logical that taxable value should include all costs incurred prior to processing. Stated another way, all costs incurred by the processor to procure resources for processing at the processor's facilities should be included in value.

This approach would also require that processors who own and operate tenders include the costs of operating the tenders in the taxable value.

Given the industry's view that the fisheries business tax is on ex vessel value, a clarifying amendment to AS 43.75 could be helpful to more clearly set out the all inclusive nature of the fisheries business tax base. The department intends to proceed to notice regulations in the near future that will reflect this interpretation.

The bonus or retro payment adjustment is based on additional payments for the resources to fishermen after the season. It appears these payments are clearly intended to be a part of the taxable value of the resources.

Sincerely,



Lois A. Hicks  
Acting Director  
Income and Excise Audit Division

LAH:CM

91-18

RESULTS OF AUDIT  
COOK INLET FISHERIES BUSINESSES

ADJUSTMENTS

|                          |                  |                  |                |               |
|--------------------------|------------------|------------------|----------------|---------------|
| <u>Total Adjustments</u> | <u>3,253,307</u> | <u>1,260,930</u> | <u>554,875</u> | <u>65,729</u> |
|--------------------------|------------------|------------------|----------------|---------------|

TAX EFFECT

TOTAL TAX

ASSESSMENT

|                        |                    |                   |                   |                  |                    |
|------------------------|--------------------|-------------------|-------------------|------------------|--------------------|
| Fisheries Tax          | 97,599             | 37,828            | 16,646            | 1,972            | 154,045            |
| Salmon Enhancement Tax | 65,066             | 25,219            | 11,098            | 1,315            | 102,698            |
| AK Seafood Marketing   | <u>9,760</u>       | <u>3,783</u>      | <u>1,665</u>      | <u>197</u>       | <u>15,405</u>      |
| <br>Total Tax Assessed | <br><u>172,425</u> | <br><u>66,830</u> | <br><u>29,409</u> | <br><u>3,484</u> | <br><u>272,148</u> |

More Than One Years - 187 88 85

# Prince William Sound Aquaculture Corporation



P.O. Box 1110 Cordova, Alaska 99574-1110 Phone (907) 434-7511 FAX (907) 434-7514  
821 N St. #101B Anchorage, Alaska 99501-3265 Phone (907) 274-6066 FAX (907) 274-1959

February 14, 1992

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

Members of the Legislature:

Prince William Sound Aquaculture Corporation (PWSAC) is pleased to support House Bill No. 448, which amends the definition of "value" in AS 43.75.290(11), for purposes of administration of fisheries taxes, and provides for an effective date.

Representative Gail Phillips has introduced HB448 to facilitate the collection of fisheries taxes in a fair and timely manner. With fisheries practices changing rapidly in all parts of the state, the language of the statute needs to be brought up to date to ensure that the original legislative intent will continue to be carried out.

We encourage your active support of Representative Phillips' House Bill No. 448.

Best regards,

John McMullen  
President



FEB 10 1992

COOK INLET  
AQUACULTURE ASSOCIATION

HC 2, BOX 849  
SOLDOTNA, AK 99669-9707  
(907) 283-5761

February 5, 1992

Rep. Gail Phillips  
House of Representatives  
P.O. Box V  
Juneau, Alaska 99811

Dear Rep. Phillips and other members of the Alaska Legislature:

I have reviewed "An Act amending the definition of 'value' for purposes of administration of fisheries taxes" and support passage. The bill addresses a growing problem with revenue implications for Regional Aquaculture Associations and several levels of government.

Department of Revenue interprets the existing definition of "value" to mean any type of compensation a buyer gives to a fisherman as part of a fish sale transaction. As you know, the problem under existing law is that some processors and certain fishermen dispute this interpretation and seek to avoid proper taxation.

People seeking to avoid raw fish and salmon enhancement taxes argue that "value" is only what is paid fishermen for the fish; "bonus" amounts paid for icing, using RSW systems, delivery, prompt delivery, exclusivity (selling all fish to a single buyer), loyalty (selling to the same processor over several years) and others, do not count as "value" for tax purposes.

People seeking to avoid tax simply establish a low price for the fish and dream up a series of "bonuses" which can comprise as much as 50% of the amount paid to fishermen. This bill, by expanding the list of examples of things which are to be included as "value" makes clear that the original Department of Revenue interpretation is correct.

I am greatly interested in the progress of this bill and am available to answer questions or provide additional information.

Sincerely,

Thomas E. Mears,  
Executive Director

cc: Senator Fischer  
Representative Navarre

SALMON ENHANCEMENT TODAY MEANS BETTER SALMON FISHING TOMORROW



printed on recycled paper



Fax Message:

Page 1 of 1

To: Senator Eliason  
Representative Grussendorf

From: Harold Thompson  
Date: 3/27/92

Re: H.B. 448

You may have seen a copy of my letter to Rep. Phillips regarding my concern with the bill relative to our practice of giving ice to the fishermen that sell to us to encourage liberal use of ice.

Mr. Paul Dick of the Dept. of Revenue phoned me today and assured me that our practice would not be interpreted by their department in a way that would result in any action by them, relative to H.B. 448. That being the case, I no longer have any reservations about this legislation.

Thank you,

A handwritten signature in black ink, appearing to be "H. Thompson", written over a horizontal line.

(907) 747-6662

TELEFAX (907) 747-6268

Telex 090-45-391 SSSEAFOOD SIK

FRESH AND FROZEN SALMON, COD, BLACK COD, HALIBUT, ROCK FISH, CRAB, HERRING





# Alaska State Legislature

HOUSE OF REPRESENTATIVES

**REPRESENTATIVE GAIL PHILLIPS**

STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

Official Business  
PHONE: (907) 465-2689  
FAX: (907) 465-3472

## COMMITTEE SUBSTITUTE FOR HOUSE BILL 448 (RES)

### Sponsor Statement

The Resource Committee Substitute for House Bill 448 is titled "An Act amending the definition of 'value' for purposes of administration of fisheries taxes, and providing for an effective date." I introduced the original version of this bill to clarify the amounts to be covered by fisheries taxes because, in the past, processors and fishermen have disputed the definition of value in an attempt to avoid paying the full amount of taxes due.

One argument used by those attempting to avoid paying the full tax due is that "bonuses" are not part of the actual amount paid fishermen for the fish. This interpretation leaves an opening for processors to pay lower prices for the fish, and make up for this lower amount to the fishermen by giving bonuses for services such as delivery or handling. HB 448 makes the point about whether bonuses are covered completely indisputable.

In addition, this bill sets out more specifically those services provided by the fishermen that are to be taxed. Previous language in the statute used the term "such as" and left the services to be covered up to differing interpretations. The change proposed by my original bill as well as the Resource Committee Substitute tightens up this language, again to leave no doubt as to which services are to be covered by fisheries taxes.

If passed, CS HB 448 will go into effect on January 1, 1993.

In addition, I would like to mention that CS HB 448 is supported by several levels of government and by several aquaculture associations as well. We will be hearing from a few of these associations by teleconference today.

HB460

# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 6, 1992

FURTHER REFERRALS:

Date of Committee Action: \_\_\_\_\_

The FINANCE Committee considered:

HB 460

HOUSE BILL NO. 460

ADVISORY VOTE/STATEWIDE HEALTH CARE

"An Act providing for an advisory vote on statewide health care; and providing for an effective date."

**RECOMMENDATIONS:**

be replaced with CS HB 460 (FIN)  the same title  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact \_\_\_\_\_

fiscal note(s) Gov 3/27/92

zero fiscal note \_\_\_\_\_

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

| SIGNING DO PASS               | DP                                  | OTHER RECOMMENDATIONS      | DNP | NR                                  | AM                                  |
|-------------------------------|-------------------------------------|----------------------------|-----|-------------------------------------|-------------------------------------|
| <i>Mike Savone</i>            | <input checked="" type="checkbox"/> | <i>Ed O'Rourke</i>         |     | <input checked="" type="checkbox"/> |                                     |
| <i>Mark Borna</i>             | <input checked="" type="checkbox"/> | <i>Tommy Barnes</i>        |     | <input checked="" type="checkbox"/> |                                     |
| <del><i>[Signature]</i></del> | <input checked="" type="checkbox"/> | <i>Bill E. [Signature]</i> |     | <input checked="" type="checkbox"/> |                                     |
| <i>Walter J. [Signature]</i>  | <input checked="" type="checkbox"/> |                            |     |                                     | <input checked="" type="checkbox"/> |
|                               |                                     |                            |     |                                     |                                     |
|                               |                                     |                            |     |                                     |                                     |
|                               |                                     |                            |     |                                     |                                     |
|                               |                                     |                            |     |                                     |                                     |
|                               |                                     |                            |     |                                     |                                     |
|                               |                                     |                            |     |                                     |                                     |
|                               |                                     |                            |     |                                     |                                     |
|                               |                                     |                            |     |                                     |                                     |
|                               |                                     |                            |     |                                     |                                     |
|                               |                                     |                            |     |                                     |                                     |

*Mike Savone Ed O'Rourke*  
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

No. 1  
BILL. Bill Version: CSHB 460(HES)  
(H) Publish Date: 3-27-92

Revision Date: \_\_\_\_\_  
Title: Advisory Vote on Statewide Health Care and  
Effective Date \_\_\_\_\_  
Sponsor: Representative Donley  
Requestor: House Health and Social Services Committee

Department Affected: Office of the Governor-Elections  
BRU: Division of Elections  
Component: II-Primary and General Elections

COMPONENT SERIAL NO.

|   |   |   |   |
|---|---|---|---|
| 0 | 0 | 2 | 2 |
|---|---|---|---|

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING         | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0     | 0     | 0     | 0     | 0     | 0     |
| TRAVEL            | 0     | 0     | 0     | 0     | 0     | 0     |
| CONTRACTUAL       | 2.2*  | 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   | 2.2*  | 0     | 0     | 0     | 0     | 0     |

|         |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

|                      |   |   |   |   |   |   |
|----------------------|---|---|---|---|---|---|
| REVENUE FUND SOURCE: | 0 | 0 | 0 | 0 | 0 | 0 |
|----------------------|---|---|---|---|---|---|

FUNDING: (Thousands of Dollars)

|                    |      |   |   |   |   |   |
|--------------------|------|---|---|---|---|---|
| GENERAL FUND       | 2.2* | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS      | 0    | 0 | 0 | 0 | 0 | 0 |
| OTHER FUND SOURCE: | 0    | 0 | 0 | 0 | 0 | 0 |
| TOTAL              | 2.2* | 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 |

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.) \* This figure covers cost of inclusion of information about this issue in the Official Elections Pamphlet as required by AS 15.58, and programming for DataVote counting of votes cast on this measure. However, only 4 measures can be printed on a single ballot card. Should this measure require printing an additional ballot card, the fiscal impact would be: 53.4.

Prepared by: Laura A. Glaiser, Projects Coordinator Phone: 465-4611  
Division: Elections Date: 03/23/92

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: Office of the Governor

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

7-LS1756M  
Lauterbach  
4/30/92

CS FOR HOUSE BILL NO. 460 (FINANCE)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES DONLEY, Ellis, Koponen, Bruckman, Moyer, B.Davis

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for an advisory vote on access to basic health care for all Alaskans;  
2 and providing for an effective date."

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

4 \* Section 1. The lieutenant governor shall place before the qualified voters of the state at the next  
5 general election the question advisory to the legislature of whether the legislature should enact a law  
6 providing for access to basic health care for all Alaskans. The question shall appear on the ballot in  
7 substantially the following form:

8 Q U E S T I O N

9 Health care costs in the state have risen dramatically in the last  
10 decade even though there are many Alaskans who do not have access to  
11 basic health care. Providing access to basic health care for all Alaskans  
12 will require financial contributions from individual Alaskans or expenditure  
13 of money from the state general fund.

14



Attachment #2

4/28/92

HB 460

AMENDMENT TO HB 460

Page 1, lines 9 and 10:

delete all material and add:

Shall the Alaska State Legislature enact laws that would provide all state residents with access to basic health care and that would control the costs of health care?

# Alaska State Legislature



House of Representatives  
House Judiciary Committee  
Chairman Dave Donley

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-4990

## MEMORANDUM

TO: Representative Mike Navarre, Co-Chair  
Representative Eileen MacLean, Co-Chair  
House Finance Committee

FROM: Representative Dave Donley **B**

RE: Request for scheduling HB 460, providing for an  
advisory vote on statewide health care.

DATE: April 9, 1992

---

I would appreciate it very much if you would schedule HB 460 for a hearing before your committee as soon as possible. This is an extremely simple bill which places before the voters the question "Shall the Alaska State Legislature enact a law that would make health care available to all state residents?"

I think that it is important to get a reading from the voters on whether this is an issue of great concern, as we, as legislators, all seem to think. Recent constituent surveys taken by several legislators have found that this is not an area of major concern in their districts. It would be helpful to us to get a reading statewide on this issue before we begin the long, painful, and costly process of crafting a health care plan for all Alaskans.

I would appreciate an expeditious hearing on this bill.

Thank you for your consideration.

DD/hk



# ALASKA STATE MEDICAL ASSOCIATION

4107 Laurel Street • Anchorage, Alaska 99508-5334 • (907) 562-2662

March 5, 1992

Representative David Donley  
Alaska House of Representatives  
Alaska State Legislature  
P. O. Box V (MS3100)  
Juneau, Alaska 99811

Dear Representative Donley:

At a recent meeting of the Alaska State Medical Association Legislative Affairs Committee, your House Bill 460 was discussed. This bill would provide an advisory vote on State-wide health care. This bill was strongly supported. As you know, the medical association has been instrumental in developing the Comprehensive Health Insurance and Payment Reform Act of 1992 (CHIPRA) which, indeed, would make health care available for all State residents.

I would suggest that the ballot language be expanded to ask the voters if they would approve of monies from Permanent Fund Dividends being used to help pay for health insurance coverage.

I would be happy to work with you on this legislation, if you wish. If I can be of assistance, do not hesitate to contact me.

Sincerely yours,

Donald R. Lehmann, M. D.  
Chairman, Legislative Affairs Committee

PLEASE MICROFILM TOP PAGE ONLY

DOCUMENTS WHICH HAVE NOT BEEN  
FILMED BUT ARE AVAILABLE IN THE  
ORIGINAL FILE INCLUDE:

→ Access and the Uninsured - A GUIDE FOR STATES  
National Academy for State Health Policy

HB465

(11)

Date Referred: March 25, 1992

HOUSE COMMITTEE REPORT  
FURTHER REFERRALS:

Date of Committee Action: 5/4/92

The FINANCE Committee considered:

HB 465

HOUSE BILL NO. 465

RECYCLING/SOLID WASTE MANAGEMENT PLANS

"An Act relating to recycling and the management of solid and hazardous waste by state agencies."

RECOMMENDATIONS:

be replaced with CS HB 465 (FIN)  the same title  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal impact \_\_\_\_\_

fiscal note(s) DEC 3/25/92

zero fiscal note DOTPF : D CED

zero fiscal note(s) Admin 3/25/92

| SIGNING <u>DO PASS</u>      | DP                                  | OTHER RECOMMENDATIONS    | DNP | NR                                  | AM |
|-----------------------------|-------------------------------------|--------------------------|-----|-------------------------------------|----|
| <u>Mike Spavone</u> NAVARRE | <input checked="" type="checkbox"/> | <u>Eileen P. Maclean</u> |     | <input checked="" type="checkbox"/> |    |
| <u>Marle Bayn</u> Bayer     | <input checked="" type="checkbox"/> | <u>Kamona Barnes</u>     |     | <input checked="" type="checkbox"/> |    |
| <u>Jay Brown</u> BROWN      | <input checked="" type="checkbox"/> | <u>Bob Sharp</u> Sharp   |     | <input checked="" type="checkbox"/> |    |
| <u>[Signature]</u> KOPONEN  | <input checked="" type="checkbox"/> | <u>Phillips</u> Phillips |     | <input checked="" type="checkbox"/> |    |
| <u>[Signature]</u> HANSON   | <input checked="" type="checkbox"/> |                          |     |                                     |    |
| <u>[Signature]</u> WILSON   | <input checked="" type="checkbox"/> |                          |     |                                     |    |
|                             |                                     |                          |     |                                     |    |
|                             |                                     |                          |     |                                     |    |
|                             |                                     |                          |     |                                     |    |
|                             |                                     |                          |     |                                     |    |
|                             |                                     |                          |     |                                     |    |

Mike Spavone NAVARRE  
Chairman's Signature  
Eileen P. Maclean Maclean

Revision Date 3/5/92  
 Title: Relating to Recycling and the Management of solid waste  
 Sponsor: Ulmer, Davis  
 Requestor: \_\_\_\_\_

Department Affected: Environmental Conservation  
 BRU: Environmental Quality  
 Compose: Solid and Hazardous Waste section

COMPONENT SERIAL NO. 1427

EXPENDITURES/REVENUES:

(Thousands of Dollars)

| OPERATING         | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 60.0  | 63.0  | 66.0  | 69.0  | 72.0  | 75.0  |
| TRAVEL            | 5.0   | 5.0   | 5.0   | 5.0   | 5.0   | 5.0   |
| CONTRACTUAL       | 108.0 | 8.0   | 8.0   | 8.0   | 8.0   | 8.0   |
| SUPPLIES          | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| EQUIPMENT         | 5.0   | 5.0   | 5.0   | 5.0   | 5.0   | 5.0   |
| LAND&STRUCTURES   |       |       |       |       |       |       |
| GRANTS,CLAIMS     |       |       |       |       |       |       |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   | 179.0 | 82.0  | 85.0  | 88.0  | 91.0  | 94.0  |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|              |  |  |  |  |  |  |
|--------------|--|--|--|--|--|--|
| REVENUE      |  |  |  |  |  |  |
| FUND SOURCE: |  |  |  |  |  |  |

FUNDING: (Thousands of Dollars)

|               |       |      |      |      |      |      |
|---------------|-------|------|------|------|------|------|
| GENERAL FUND  | 179.0 | 82.0 | 85.0 | 88.0 | 91.0 | 94.0 |
| FEDERAL FUNDS |       |      |      |      |      |      |
| OTHER         |       |      |      |      |      |      |
| FUND SOURCE:  |       |      |      |      |      |      |
| TOTAL         | 179.0 | 82.0 | 85.0 | 88.0 | 91.0 | 94.0 |

POSITIONS:

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

Estimate of current year imp

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared by: Glenn Miller  
 Division: Solid and Hazardous Waste

Phone: 465-5150  
 Date: 3/12/92

Approved by Commissioner: Dwight Adams for John Sandoe  
 Agency: Environmental Conservation Date: 3/12/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

ANALYSIS - CSHB 465 (RES.)

The funds requested will be used to create a new full time Environmental Specialist III position in the Solid Waste Management program. The new employee will work with all State agencies to plan for solid waste management and implement the plans. Additional funding for contractual services is also requested. The selected contractors will collect technical information about the waste generation rates and composition of solid waste generated by State agencies.

In our fiscal note on the first draft of HB465 DEC requested \$208,000 in contract funds. The request has now been reduced to \$108,000. The reduction reflects the change in the bill which removes references to hazardous waste in AS 46.06.025. The DEC efforts will be limited to solid waste management planning under this funding request.

Comments on the bill:

1. Our comments and fiscal note reflect only section 46.06.025. The Procurement Recycling Plan would appear to be the responsibility of other agencies.
2. In general, this is a good concept. We expect industry to manage their wastes and promote use of recycled products. Therefore it is appropriate for State agencies to do the same.



FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSHB 465 (Res)

---

**ANALYSIS:**

This bill requires the department to prepare a procurement recycling plan which would set goals for purchases of recycled products. The plan can be prepared by the division with no fiscal impact. The monitoring and accounting of agency expenditures for recycled products must be tracked by the agencies.

Agency fiscal impacts result mostly from the additional costs of recycled paper. Under the committee substitute these costs are estimated to be no greater than what is currently required under AS 36.30.095, Recycled Products.

The remaining recycled products which could have potential impact are not possible to assess at this time. Recycled latex paint has no known source in-state at this time. Recycled plastics are finding new applications on an almost daily basis. Many of these products are replacing products made of other material at a comparable price or at a savings.

Vehicle lubricants, recycled tires, compost products and paints are bought almost exclusively by and for the Department of Transportation and Public Facilities. The committee substitute requires the Department of Transportation and Public Facilities to prepare a procurement recycling plan for the products purchased under their statutory purchasing authority.

**FISCAL NOTE**

Revision Date: NA  
Title: Recycling/Solid Waste Management Plans

Department Affected: DOT&PF  
BRU: Statewide Engineering & Operations Standards

Sponsor: Ulmer, B.Davis, Brown, Koponen, Finkelstein  
Requestor: Resources

Component: Engeer. & Operations Stand.  
Component Serial Number: 547

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

| OPERATING               | FY92     | FY93     | FY94     | FY95     | FY96     | FY97     |
|-------------------------|----------|----------|----------|----------|----------|----------|
| 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        |
| <b>TOTAL OPERATING:</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

|         |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

|         |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

**FUNDING: (Thousands of Dollars)**

|                       |          |          |          |          |          |          |
|-----------------------|----------|----------|----------|----------|----------|----------|
| GENERAL FUNDS         | 0        | 0        | 0        | 0        | 0        | 0        |
| FEDERAL FUNDS         | 0        | 0        | 0        | 0        | 0        | 0        |
| OTHER                 | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>TOTAL FUNDING:</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

**POSITIONS**

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

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary)

See next page.

Prepared by: Roger W. Allington, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: March 24, 1992

Approved by Commissioner:   
Frank G. Parpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: March 24, 1992

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

ANALYSIS (cont. from page 1):

**Introduction**

This bill affects the department in three broad arenas:

- 1) State Equipment Fleet (motor vehicle lubricants and retreaded tires)
- 2) Capital project construction (paints, compost products and plastics)
- 3) Maintenance and Operations (paints, compost products and plastics)

Of these three areas we are only predicting a fiscal impact affecting Maintenance & Operations. The reasoning for this analysis is as follows:

**State Equipment Fleet**

The fleet manager is already knowledgeable about both recycled products in his area of operation.. The fleet is currently using retreaded tires in many applications, thus the recycling plan will basically confirm current practice. As retreaded tires are generally less expensive than new tires, there could be minor savings if the recycling plan results in an increase in the used of retreaded tires. Any increase is likely offset by the higher cost of recycled lubricants. At present, recycled motor vehicle lubricants are generally more expensive than new lubricants, sometimes greatly so. The fleet manager can accommodate the preparation of the recycling plan as part of their normal work effort.

**Capital Projects**

In specifying the use of recycled products within a capital project the department may incur either higher or lower costs. We anticipate that these costs differences will offset or be insignificant relative to the budget of a given project. The recycling plan for capital construction would become part of the standards and operating procedures normally prepared by the Division of Engineering & Operations Standards; no additional staffing is required.

**Maintenance & Operations**

Given the current budget restraints facing the state, we would propose to build a recycling plan on a "zero fiscal impact" basis. That is, the goals for recycling would be structured to result in a net zero increase to department budgets. To the extent that one recycled products "saves" money, this would provide credit for another recycled product that "costs" an additional amount.

If the Legislature would prefer that we pursue higher recycling goals, in spite of additional costs, we could adopt recycling plans built upon an given level of additional funding. However, until the more detailed analysis has been done as to what specific products are available and how much they cost, an estimate of the cost difference is not possible. We believe a plan based on "zero fiscal impact" is attainable, though it may have different recycling goals than one that relies on some level of subsidy.

Preparation of the recycling plans would be tasked out to the various M&O regional offices thereby reducing the total workload to any one office. No funds for this effort are requested.

**FISCAL NOTE**

**STATE OF ALASKA  
1992 LEGISLATIVE SESSION**

BILL NO. CSHB 465

Revision Date: 4/24/92  
 Title: Solid and Hazardous Waste Management  
 Sponsor: F. Ulmer  
 Requestor: F. Ulmer

Department Affected: Commerce & Econ. Dev.  
 BRU: Economic Development  
 Component: General Business

COMPONENT SERIAL NO. 

|   |   |   |
|---|---|---|
| 8 | 0 | 1 |
|---|---|---|

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

| OPERATING                     | FY 83    | FY 84    | FY 85    | FY 86    | FY 87    | FY 88    |
|-------------------------------|----------|----------|----------|----------|----------|----------|
| 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        |
| <b>TOTAL OPERATING</b>        | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| <b>CAPITAL</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| <b>REVENUE FUND RESOURCE:</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

**FUNDING: (Thousands of Dollars)**

|                    |          |          |          |          |          |          |
|--------------------|----------|----------|----------|----------|----------|----------|
| GENERAL FUND       | 0        | 0        | 0        | 0        | 0        | 0        |
| FEDERAL FUNDS      | 0        | 0        | 0        | 0        | 0        | 0        |
| OTHER FUND SOURCE: | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>TOTAL</b>       | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

**POSITIONS:**

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

Estimate of current year impact: \_\_\_\_\_

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

Prepared By: W. G. Paulick, Development Specialist Phone: 465-2017  
 Division: Economic Development Date: 4/30/92  
 Approved by Commissioner: Glenn A. Olds *[Signature]*  
 Agency: Department of Commerce & Economic Development Date: 4/30/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., and Impacted Agency(ies).  
 Page 1 of 1

CS FOR HOUSE BILL NO. 465 (FINANCE)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

By THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES ULMER, B.Davis, Brown, Koponen, Finkelstein

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the procurement of recycled products and the management of solid  
2 waste by state agencies."

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

4 \* Section 1. LEGISLATIVE FINDINGS AND PURPOSES. (a) The legislature finds that

5 (1) a global economy is emerging in which otherwise unrelated countries and other  
6 governmental entities that are located in the same geographic region are forging cooperative  
7 arrangements that benefit their individual and common well-being;

8 (2) these cooperative arrangements are increasing the economic competitiveness of the  
9 participants, which increases the economic benefits and the overall quality of life for the citizens of the  
10 individual participants;

11 (3) the states of Alaska, Idaho, Montana, Oregon, and Washington, and the Canadian  
12 provinces of Alberta and British Columbia are in a strategic position to cooperate in adopting standards  
13 for the procurement of recycled products, and this cooperation would increase the overall market effect  
14 of the standards each state or province adopts.

1 (b) The purposes of this Act are to

2 (1) substantially increase the procurement of recycled products by state governmental  
3 agencies and to provide a model to encourage a comparable commitment by individual citizens and  
4 businesses of the state;

5 (2) direct government procurement policies and goals toward the procurement of those  
6 recycled products for which markets can be developed or that substantially affect the state's waste  
7 management problems; and

8 (3) establish recycled product procurement standards that can be used in procurement  
9 programs by all state government agencies and that are consistent with those of other states and  
10 provinces in the Pacific Northwest economic region of the United States and Canada.

11 \* Sec. 2. AS 36.30 is amended by adding a new section to read:

12 Sec. 36.30.075. RECYCLED PRODUCT PROCUREMENT PLANS. (a) The  
13 Department of Transportation and Public Facilities shall establish for itself, and the department  
14 shall establish for all state agencies other than the Department of Transportation and Public  
15 Facilities, a plan to increase the procurement of recycled products when an agency procures  
16 plastic products, motor vehicle fuels, motor vehicle lubricants, tires, latex paints, paper products,  
17 and compost products.

18 (b) The plans must include minimum procurement goals for procuring recycled products  
19 when procuring plastic products, motor vehicle fuels, motor vehicle lubricants, and latex paints.  
20 The goals must be expressed as a percentage of the annual total dollar amount expended by an  
21 agency to procure the particular product.

22 (c) The goals of the plans for the procurement of recycled products for paper products  
23 must be consistent with AS 36.30.095.

24 (d) The plans may not require the use of a recycled product for a motor vehicle fuel or  
25 a motor vehicle lubricant if the recycled product

26 (1) is not available within a reasonable period of time or in quantities necessary  
27 to meet the needs of the procuring agency;

28 (2) does not meet the performance standards recommended by the manufacturer  
29 of the equipment or vehicle for which it will be used or the warranty requirements for the motor  
30 vehicle;

31 (3) is only available at a cost that is more than five percent greater than the cost

1 of a comparable fuel or lubricant that is not a recycled product.

2 (e) When feasible, the plans must include a requirement that an agency shall use retread  
3 tires for the nonsteering wheels of agency vehicles, except for emergency vehicles, including fire  
4 suppression and emergency assistance vehicles.

5 (f) The plans must include a requirement that agencies use reasonable efforts to eliminate  
6 the purchase of paper products that cannot be recycled.

7 (g) In this section,

8 (1) "plan" means a procurement of recycled products plan established under (a)  
9 of this section;

10 (2) "recycled product," except for paper, motor vehicle fuels, and tires, means a  
11 product in which at least 50 percent of the total weight consists of secondary waste materials and  
12 post-consumer waste materials and at least 10 percent of the total weight consists of post-  
13 consumer waste materials; "recycled product" as applied to paper has the meaning established  
14 by the Department of Administration; "recycled product" as applied to motor vehicle fuels means  
15 a product containing oxygenates or other air quality and fuel enhancement additives made  
16 primarily from secondary waste materials and post-consumer waste materials; "recycled product"  
17 as applied to tires means retread tires; "recycled product," except for paper, motor vehicle fuels,  
18 and tires, includes a product that has completed its life cycle as a consumer item, but otherwise  
19 is refurbished for reuse without substantial alteration of the product's form; in this paragraph,

20 (A) "post-consumer waste materials" means finished materials that would  
21 normally be disposed of as solid waste, having completed their life cycles as consumer  
22 items;

23 (B) "secondary waste materials" means product fragments and finished  
24 products that have completed their life cycle as a consumer item and that are normally  
25 disposed of as solid waste; "secondary waste material" does not include excess virgin  
26 resources remaining after a manufacturing process;

27 (3) "retread tire" means a tire that uses an existing casing for the purpose of  
28 vulcanizing new tread to the casing, that meets the testing program of the United States General  
29 Services Administration, and that is listed on the Qualified Products List issued by the General  
30 Services Administration.

31 \* Sec. 3. AS 46.06 is amended by adding a new section to read:

1           Sec. 46.06.025. SOLID WASTE MANAGEMENT PLAN. (a) The department shall  
2 develop a statewide plan to manage the solid waste generated by state agencies. The plan must  
3 be consistent with AS 46.06.021. The initial plan must cover at least a 10-year period. When  
4 preparing the plan, the department shall consult with affected state agencies, local governments,  
5 and other appropriate entities.

6           (b) The plan must include an identification of the characteristics of the waste stream of  
7 recyclable materials generated by state agencies, including the nature, type, amount, use, and  
8 present destination of the recyclable materials. In this subsection, "recyclable materials" means  
9 materials that would otherwise be useless, unwanted, or discarded materials, except that the  
10 materials still have useful physical or chemical properties after serving a specific purpose and can  
11 be reused or recycled.

12           (c) The plan must include an evaluation of the nature, type, quality, and quantity of  
13 secondary waste materials generated by state agencies that can be used for trade in the state, in  
14 the northwestern states of the United States, and in the western provinces of Canada. In this  
15 subsection, "secondary waste materials" means product fragments and finished products that have  
16 completed their life cycle as a consumer item and that are normally disposed of as solid waste;  
17 "secondary waste material" does not include excess virgin resources remaining after a  
18 manufacturing process.

19           (d) The department shall update the plan every two years.

20           (e) The administrative director of the court system shall adopt a statewide solid waste  
21 management plan to be used by the court system. The plan must be consistent with (a) - (d) of  
22 this section.

23           (f) The legislative council shall adopt a statewide solid waste management plan to be  
24 used by the legislative branch. The plan must be consistent with (a) - (d) of this section.

25           (g) In this section,

26                   (1) "plan" means a statewide solid waste management plan;

27                   (2) "state agency" means a department, institution, board, commission, division,  
28 authority, public corporation, or other administrative unit of the executive branch of state  
29 government, but does not include the University of Alaska, the Alaska State Housing Authority,  
30 the Alaska Railroad Corporation, the Alaska Housing Finance Corporation, or the Alaska  
31 Aerospace Development Corporation.

1 \* Sec. 4. The Department of Administration and the Department of Transportation and Public  
2 Facilities shall adopt the initial minimum purchasing goals required by AS 36.30.075(b), enacted by  
3 sec. 2 of this Act, on or before July 1, 1993.

Jack R. Heesch  
President

523 W. 8th Avenue P.O. Box 201608  
Anchorage, Alaska 99520-1608  
(907) 279-0478 FAX (907) 279-8261

Attachment  
5/4/92 AM P. 03

PROPOSED MODIFICATIONS TO CS HB 465(RES)

Sec. 2. AS 36.30 is amended by adding a new section to read:

Sec. 36.30.075. PROCUREMENT RECYCLING PLANS. (a) The Department of Transportation and Public Facilities shall establish for itself, and the department shall establish for all state agencies other than the Department of Transportation and Public Facilities, a plan to increase the procurement of recycled products when an agency procures plastic products, motor vehicle fuels and lubricants, tires, latex paints, paper products, and compost products.

(b) The plans must include minimum procurement goals for procuring recycled products when procuring plastic products, motor vehicle fuels or lubricants, and latex paints. The goals must be expressed as a percentage of the annual total dollar amount expended by an agency to procure the particular product.

(c) The goals of the plans for the procurement of recycled products for paper products must be consistent with AS 36.30.095.

(d) The plans may not require the use of a recycled product for a motor vehicle fuel or lubricant if the recycled product

(1) is not available within a reasonable period of time or in quantities necessary to meet the needs of the procuring agency;

(2) does not meet the performance standards recommended by the manufacturer of the equipment or vehicle for which it will be used or the warranty requirements for the motor vehicle;

(3) is only available at a cost that is more than five percent greater than the cost of a comparable fuel or lubricant that is not a recycled product.

Add at page 3, end of line 13:

"Recycled Product" as applied to motor vehicle fuels means a product containing oxygenates or other air quality and fuel enhancement additives made primarily from secondary waste materials and post consumer waste materials.

1 tires for the nonsteering wheels of agency vehicles, except for emergency vehicles, including fire  
2 suppression and emergency assistance vehicles.

3 (f) The plans must include a requirement that agencies use reasonable efforts to eliminate  
4 the purchase of paper products that cannot be recycled.

5 (g) In this section,

6 (1) "plan" means a recycling plan established under (a) of this section;

7 (2) "recycled product," except for paper <sup>and motor vehicle fuels,</sup> ~~and tires,~~ means a product in which at  
8 least 50 percent of the total weight consists of secondary waste materials and post-consumer  
9 waste materials and at least 10 percent of the total weight consists of post-consumer waste  
10 materials; "recycled product" as applied to paper has the meaning established by the Department  
11 of Administration; "recycled product" as applied to tires means retread tires; "recycled product,"  
12 except for paper <sup>and motor vehicle fuels,</sup> ~~and tires,~~ includes a product that has completed its life cycle as a consumer  
13 item, but otherwise is refurbished for reuse without substantial alteration of the product's form;  
14 in this paragraph,

15 (A) "post-consumer waste materials" means finished materials that would  
16 normally be disposed of as solid waste, having completed their life cycles as consumer  
17 items;

18 (B) "secondary waste materials" means product fragments and finished  
19 products that have completed their life cycle as a consumer item and that are normally  
20 disposed of as solid waste; "secondary waste material" does not include excess virgin  
21 resources remaining after a manufacturing process;

22 (3) "retread tire" means a tire that uses an existing casing for the purpose of  
23 vulcanizing new tread to the casing, that meets the testing program of the United States General  
24 Services Administration, and that is listed on the Qualified Products List issued by the General  
25 Services Administration.

26 \* Sec. 3. AS 46.06 is amended by adding a new section to read:

27 Sec. 46.06.025. SOLID WASTE MANAGEMENT PLAN. (a) The department shall  
28 develop a statewide plan to manage the solid waste generated by state agencies. The plan must  
29 be consistent with AS 46.06.021. The initial plan must cover at least a 10-year period. When  
30 preparing the plan, the department shall consult with affected state agencies, local governments,  
31 and other appropriate entities.

**STATE OF ALASKA  
1992 LEGISLATIVE SESSION**

**FISCAL NOTE**

No. 2  
Bill Version: CSHB 465 (RES)  
(H) Publish Date: 3-9-92

Revision Date: 2/26/92

Title: Solid and Hazardous Waste Management

Department Affected: Commerce & Econ. Dev.

BRU: Economic Development

Sponsor: F. Ulmer

Requestor: F. Ulmer

Component: General Business

COMPONENT SERIAL NO. 

|   |   |   |   |
|---|---|---|---|
| 0 | 8 | 0 | 1 |
|---|---|---|---|

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

| OPERATING              | FY 93        | FY 94        | FY 95        | FY 96        | FY 97        | FY 98        |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| PERSONAL SERVICES      | 108.9        | 114.3        | 120.1        | 126.1        | 132.4        | 138.9        |
| TRAVEL                 | 15.0         | 17.5         | 20.0         | 20.0         | 20.0         | 20.0         |
| CONTRACTUAL            | 80.0         | 5.0          | 5.0          | 5.0          | 100.0        | 5.0          |
| SUPPLIES               | 5.0          | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          |
| EQUIPMENT              | 15.0         | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          |
| LAND & STRUCTURES      |              |              |              |              |              |              |
| GRANTS, CLAIMS         |              |              |              |              |              |              |
| MISCELLANEOUS          |              |              |              |              |              |              |
| <b>TOTAL OPERATING</b> | <b>223.9</b> | <b>144.3</b> | <b>152.6</b> | <b>158.6</b> | <b>259.9</b> | <b>171.4</b> |

|                |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|
| <b>CAPITAL</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>REVENUE FUND RESOURCE:</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUNDING: (Thousands of Dollars)**

|               |       |       |       |       |       |       |
|---------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND  | 223.9 | 144.3 | 152.6 | 158.6 | 259.9 | 171.4 |
| FEDERAL FUNDS |       |       |       |       |       |       |
| OTHER         |       |       |       |       |       |       |
| FUND SOURCE:  |       |       |       |       |       |       |
| <b>TOTAL</b>  |       |       |       |       |       |       |

**POSITIONS:**

|           |     |     |     |     |     |     |
|-----------|-----|-----|-----|-----|-----|-----|
| FULL-TIME | 2.0 | 1.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| PART-TIME | 1.0 |     |     |     |     |     |
| TEMPORARY |     |     |     |     |     |     |

Estimate of current year impact: \_\_\_\_\_

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

Prepared By: W. G. Paulick, Development Specialist Phone: 465-2017

Division: Economic Development Date: 2/26/92

Approved by Commissioner: Glenn A. Olds *[Signature]*

Agency: Department of Commerce & Economic Development Date: 2-28-91

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., and Impacted Agency(ies).

Page 1 of 1



*Department of Transportation  
and Public Facilities*

# POSITION PAPER

BILL NO: CS HB 465

APPROVED:

  
Frank G. Turpin, Commissioner

TITLE: Recycling/Solid Waste  
Management Plans

DATE: March 24, 1992

This bill, if enacted, would require this department to prepare plans for the procurement of recycled products including plastics, motor vehicle lubricants, tires, latex paints, paper products and compost products. For certain categories of products, such as paper, minimum recycled targets are established.

Adequate performance and safety standards for recycled tires and lubricants are established to protect both the safety of those within state vehicles for which these recycled products are used, and to the state's investment in these vehicles.

The bill correctly delegates the responsibility for recycling plans to the two departments which hold the primary authority for state procurement: Administration, and Transportation & Public Facilities. As written, this department would be responsible for recycling plans for construction and state equipment fleet procurements.

The department supports and endorses this bill. Government has an important role to play in fostering the development of markets for recycled products. This bill appears to be a workable law to encourage this process.

*For Further Information contact Katy McHugh at 465-3900.*

# Alaska State Legislature

## HOUSE OF REPRESENTATIVES



### REPRESENTATIVE FRAN ULMER

MEMORANDUM

April 1, 1992

TO: Rep. Mike Navarre  
House Finance Committee

FROM: Rep. Fran Ulmer

RE: CSHB 465 - Procurement of recycled products

---

As a follow up to my request for a hearing at your earliest convenience for CSHB 465, I would like to let you know of my intentions to ask for a Finance Comm. substitute which removes Section 4 from the bill.

This section refers to a Marketing Development Report from the Dept. of Commerce and Economic Development. Following conversations with a number of individuals actively engaged in the recycling effort here in Alaska, I have come to the conclusion that a comprehensive marketing study at this time would be pre-mature.

At this time, and most probably for some years into the future, the major markets for recyclable wastes from Alaska will be in the Pacific Northwest, Washington, Oregon and British Columbia. Similarly, the manufacturing of goods from recyclable wastes will continue to occur primarily outside Alaska. While I continue to hope that this state can become much more involved in the utilization and manufacturing of recyclable waste into usable products, I believe that will happen as a result of this study.

Removal of this section deletes a fiscal note of 223.9.

April 30, 1992

SECTIONAL ANALYSIS - HB 465 - PROCUREMENT OF RECYCLABLES

\* Section 1. Legislative Findings and Purposes.

Subsection (a) That unrelated countries around the world are forging cooperative agreements to increase the economic competitiveness of their economies, and that five Northwest states and two Canadian provinces, the Pacific Northwest Economic Region (PNWER), can adopt purchasing standards for recyclable products which will increase the marketability of these products.

Subsection (b) To substantially increase the purchase of recycled products which will increase the market potential for those products and substantially affect the states waste management problems, and develop standards that are compatible with the other members of PNWER.

\* Section 2. Amends AS 36.30 to add a new section (36.30.075)

Subsection (a) requires the Department of Transportation and Public Facilities to develop for itself, and the Department of Administration for all state agencies except for DOTPF, a plan to increase the purchase of certain recycled products.

Subsection (b) requires the plan to have minimum purchase goals, expressed as a percentage of the total dollar amount of purchases by state agencies.

Subsection (c) requires that the plan for purchasing recycled paper products be consistent with AS 36.30.095.

Subsection (d) defines the standards for the purchase of motor oil products.

Subsection (e) defines the standards for the purchase of retread tires, and provides for the exception of certain emergency vehicles.

Subsection (f) requires that the plan include effort to eliminate the purchase of paper products that cannot be recycled.

Subsection (g) defines the terms "plan", "recycled product", and "retread tire."

\* Section 3. Amends AS 46.06 to add a new section (AS 46.06.025)

-MORE-

April 30, 1992

Subsection (a) requires the Dept. of Environmental Conservation to develop a statewide plan to manage solid and hazardous waste generated by state agencies, and to consult with the affected state agencies.

Subsection (b) requires the plan to identify the characteristics of recyclable materials in the waste stream and their present destination.

Subsection (c) requires the plan to include an evaluation of those recyclable materials that can be used for trade in the state and in the PNWER.

Subsection (d) requires the plan to be updated every two years.

Subsection (e) requires the director of the court system to adopt a solid and hazardous waste management plan, consistent with (a) - (d) of this section.

Subsection (f) requires the legislative council to adopt a solid and hazardous waste management plan, consistent with (a) - (d) of this section.

Subsection (g) defines "plan" and "state agency."

- \* Section 4. requires the Department of Administration and the Department of Transportation and Public Facilities to adopt minimum purchasing requirements required by AS 36.30.075(b), section 2 of the Act, by July 1, 1993.

## BILL ANALYSIS

HB 465

---

### Background/Legislative Intent

This bill seeks to increase the amount of recycled products purchased and the amount of products recycled by State agencies.

- The Department of Administration would develop a procurement recycling plan setting goals to increase the purchase of recycled materials.
- The Department of Environmental Conservation would develop a waste management plan which would identify recyclable waste material generated in the state.
- The Department of Commerce and Economic Development would provide a report describing how development of markets for recyclable products can be encouraged.

### Analysis

Section 2 of the bill requires the Department of Administration to prepare a procurement recycling plan by January 1993 that would increase the procurement of recycled products by agencies. The plan includes:

- Minimum purchase goals expressed as a percentage of annual total dollars spent by agency on recycled plastic products, motor vehicle lubricants and latex paints.
- Minimum purchase goals expressed in a percentage of total dollars spent by agency for paper products and compost products:

#### Goals Set in the Bill

1. By 1995, at least 25% of paper and compost products must be recycled products.
  2. By 1997, at least 40% of paper and compost products must be recycled products.
  3. By 1999, at least 60% of paper and compost products must be recycled products.
- Use of retread tires when feasible except on certain emergency vehicles.
  - Eliminate the purchase of paper products which can not be recycled.

The bill defines recycled paper as a paper product of which

at least 50% of the total weight consists of secondary waste materials or at least 25% of the total weight consists of post consumer waste.

This definition is more stringent than the definitions used by the U.S. Environmental Protection Agency (EPA) in the "Minimum Content Standards of Selected Paper and Paper Products." The Department of Administration uses the EPA content standards for the recycled paper standards it is required to set under AS 36.30.339, Procurement Preference for Recycled Products. This is the standard most paper manufacturers attempt to meet. The current consensus definition of recycled bond and xerographic paper is 50% waste paper per EPA definition of which 10% is post consumer waste.

The definition of post consumer waste used in the bill closely approximates the EPA definition. Currently fine papers i.e., bond, xerographic and text stock, are generally available with post consumer content up to 10%. There is little supply of this paper meeting the 25% content standard proposed. The state of Oregon, which utilizes this definition, has never purchased fine papers with 25% post consumer content because it is not readily available.

The definition of secondary waste material in HB 465 is more restrictive than the EPA definition of waste paper. EPA definition permits the use of:

- excess virgin resources remaining after the manufacturing process,
- materials recovered or generated during the manufacture of paper, and
- manufacturing forest residues or other wastes before reaching the consumer cycle.

Procurement officials in the state of Oregon advise that expenditures on recycled paper products meeting the definition of 50% secondary waste as proposed in this bill make up in excess of 30% of their total paper purchases.

Although there recycled paper is available to meet this definition, there are national definitions in draft or under development which identify post consumer waste and other acceptable waste products which are diverted from the waste stream and can be a part of the recycled paper manufacturing process. We believe the statute should not restrict the Department of Administration from using a reasonable nationally recognized definition in the plan.

The procurement recycling plan would be sent to agencies and set minimum expenditures goals for recycled products required under this bill. Agencies would be requested to track expenditures for each product and provide a summary report to

the division. Each agency would be required to submit a report summarizing the amount spent for the identified categories of recycled products.

Section 3 requires the Department of Environmental Conservation to develop a ten year plan to manage statewide solid and hazardous waste generated by agencies.

Section 4 of the bill requires the Commissioner of the Department of Commerce and Economic Development, in consultation with the Commissioners of Administration and Environmental Conservation, to report to the Legislature.

The report must address:

- what the State can do to encourage the development of in-state and out-of-state markets for recycled products, and
- analysis of the role procurement preferences play to encourage in-state and out-of-state markets for recycled products.

#### Amendments Proposed

An amendment is proposed which would permit the Department of Administration to define recycled paper standards. If amended, the Department would set a reasonable achievable standard for recycled content for all recycled paper products. EPA definitions of post consumer materials and waste paper would be used or other consensus definitions from such groups as American Society for Testing Materials, National Association of State Purchasing Officials or the Western States Contracting Alliance when available. The amendment will permit the content standard to be established for the particular paper product to be purchased.

#### Amendments Proposed

Amend Page 2, line 14 - 16:

. . . materials; "recycled product" as applied to paper shall be defined by the department: [means a paper product in which at least 50 percent of the total weight consists of secondary waste materials or at least 25 percent of the total waste consists of post consumer waste;] "recycled product" as applied to tires means retread tires; . . .

Governor's Waste Reduction  
and Recycling Task Force

Final Report  
April 15, 1992  
Juneau, Alaska

**SUMMARY RECOMMENDATIONS**

In order for waste reduction and recycling programs to be effective, there must be a coordinated effort by all state agencies. The Department of Environmental Conservation, in consultation with other state agencies and other appropriate entities, should establish a statewide plan to manage solid waste generated by state agencies. The plan should be developed in cooperation with the Department of Administration and the Department of Transportation and Public Facilities to increase the procurement of recycled products when practical, as well as identifying other products made from recycled materials as they become available.

## II. Buying Recycled Products

### A. Buy Recycled Products

State government is buying recycled paper products and using recycled paper products in many of their contracts. There is an opportunity to increase purchases in paper products and other products as they become available and practical. The objective is to facilitate the procurement of supplies containing post-consumer materials.

#### 1. Barriers and Impediments

a. **Behavioral:** Buyers do not understand why they should seek out or buy recycled products. They do not understand there is a waste management problem or that buying recycled products will improve the market for recyclable waste materials. Buyers perceive recycled products as inferior, despite the improvements over the past 20 years making many recycled products virtually indistinguishable from virgin products.

b. **Technical:** The recycled products market is demand driven, and most recycled products are simply not available locally. A wide variety of products are available made from paper, plastics, aluminum, steel, rubber and other wastes for office supplies, landscaping, construction, and automotive use. However, most employees and contractors who specify products for use in state projects have limited opportunity to inspect these goods first hand to determine acceptability. There is a problem in that the recycled products market is growing so rapidly, that it is difficult for state employees to keep apprised of the broad spectrum of items which might be suitable for state use.

c. **Economic:** Many of the products that are available have excessive costs in the near term. This will change quickly as demand for the products increases. A marketing plan does not exist and is necessary. Department budgets do not provide for this aspect.

d. **Institutional:** Buyers are unaware of the availability of acceptable recycled products.

#### 2. Solutions and Recommendations

Existing law provides preferences to facilitate purchases. Administrative Order No. 119

also promotes the use of recycled products. Additional procurement efforts may include the following:

- a. Encourage agencies to specify recycled products such as paper, cardboard, plastics, oil and insulation.
- b. Encourage use of recycled, recyclable, and non-toxic products in service contracts such as printing, janitorial and food service, following an evaluation of these products.
- c. Encourage architects and engineers (hired and contracted) to specify recycled products in construction and landscaping where practicable.
- d. Encourage the use of recyclable materials, including uncolored paper, mono-waste packaging, glassine-windowed envelopes, and similar items.
- e. Encourage contractors to print state reports on recycled paper or to use electronic media.
- f. Encourage contractors and agencies to pack items for shipment with recyclable materials and in recycled or reusable containers.
- g. Provide cost incentives for printing two-sided versus single-sided copies.
- h. Include bid contract terms that allow addition of recycled products as they become available.
- i. Recycle surplus property.
- j. Promote recycling and waste reduction in state publications.
- k. Assist state purchasers in the identification of opportunities to use recycled products such as cardboard, plastic parking stops, plastic benches, oil, paper, insulation and various other products.
- l. Promote specifications which include compatibility with recycling efforts and the use of recycled products.

In some instances, particularly in the early period of implementation, some recycled materials may be more expensive. However, other recycled materials, such as janitorial paper products, may be less expensive. Increased demand for recycled content in

products will, in the long term, lower the purchase price and increase availability of recycled products. Increased purchasing of recycled and recyclable products and actually recycling them will reduce environmental problems.

The state would develop business partnerships between the state, local political subdivisions, and private organizations, to utilize recyclable materials produced by the state and to manufacture recycled products which could be purchased by the state. Identification of real potential recyclable products, and the potential recycled product purchases, could develop in-state business partnerships that would employ state residents to collect and remanufacture these products.

#### B. Find New Uses for Available Recycled Products

New products from recycled materials are developed almost daily. In January 1991, Resource Integration Systems, Ltd. for the Metropolitan Service District of Oregon published product categories made from recycled materials. The Recycled Products Guide published by American Recycling Market, Inc. lists 300 different product classifications. It is worth noting that these products demonstrate what is available. Not all of these products have distribution networks or are available in Alaska. Some of the categories include:

##### Packaging and containers

- Bags: used burlap and polyethylene, plastic grocery, used sling bulk, trash liners and other plastic bags, used barrels
- Boxes: used and recycled fiber
- Compost bins
- Dumpster lids
- Packaging peanuts, used
- Pallets, remanufactured
- Recycling buckets
- Recycling boxes
- Polyester strapping
- Utility bins and drums
- Trash containers
- Cellulose Wadding
- Shredded Paper

##### Paper and Office Products

- Papers, recycled
- Tissue products
- Toner cartridge, remanufactured
- Binders
- Scissors, rulers

**Resolution of the Alaska Municipal League**

**Resolution No. 92-9**

**A RESOLUTION MAKING RECOMMENDATIONS TO THE STATE OF ALASKA  
REGARDING POLLUTION PREVENTION**

WHEREAS, the Alaska Municipal League, in cooperation with the Alaska Department of Conservation has created the Municipal Pollution Prevention Roundtable, and

WHEREAS, the Municipal Pollution Prevention Roundtable is a forum for local government officials to share and exchange information useful in making informed waste management decisions and in preventing pollution to the fullest extent possible, and

WHEREAS, the Municipal Pollution Prevention Roundtable's goals are to expand awareness and discussion on 1) waste management and pollution prevention policy issues affecting local governments; 2) federal, state, and local government roles in pollution prevention; 3) incentives to promote waste reduction and recycling and recycled product procurement; 4) waste reduction and recycling and pollution prevention economics and technologies; 5) waste management and pollution prevention activities at the local and state level in Alaska; 6) the management of special wastes such as batteries, household hazardous wastes, tires, and glass, and

WHEREAS, the Municipal Pollution Prevention Roundtable is comprised of municipal solid waste professionals and elected officials from cities and boroughs across Alaska, and

WHEREAS, the Municipal Pollution Roundtable has met four times to explore these topics and has heard from a variety of experts in the field of pollution prevention, and

WHEREAS, the Municipal Pollution Roundtable has arrived at a number of recommendations which, if implemented, would advance the environmental well-being of the State of Alaska and benefit Alaska's citizens;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League recommends that the State of Alaska continue its current Solid Waste Management Planning Program and expand the funding to municipalities to include implementation and community visits from the Alaska Department of Environmental Conservation to expand the state's understanding of communities' unique needs and situations.

BE IT FURTHER RESOLVED that the Alaska Municipal League urges the State of Alaska to initiate a waste characterization and feasibility study in coordination with municipalities that will assess, identify, and quantify solid waste and other pollution concerns for the purposes of implementing waste reduction and recycling activities,

pursuing an action-oriented cleanup program of specific problem wastes (such as batteries), promoting related business development, and developing a statewide solid waste management plan.

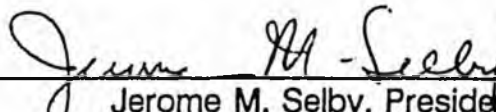
BE IT FURTHER RESOLVED that the Alaska Municipal League requests that the State of Alaska, Department of Commerce and Economic Development, Division of Business Development, encourage business development in recycling centers and manufacturing enterprises which use waste materials in their production process and pursue market development for use of recycled products.

BE IT FURTHER RESOLVED that the Alaska Municipal League recommends that the State of Alaska provide tax incentives for businesses to stimulate collection, handling, and final disposition of recyclables and other waste materials in rural and urban Alaska.

BE IT FURTHER RESOLVED that the Alaska Municipal League recommends that the State of Alaska, Department of Education, encourage schools to offer an environmental/earth sciences curriculum with an emphasis on pollution prevention.

BE IT FURTHER RESOLVED that the Alaska Municipal League recommends that the State of Alaska, Department of Environmental Conservation, continue to provide a forum for communication among municipalities regarding solid waste and pollution prevention issues.

Adopted this 15th day of November 1991 in Fairbanks, Alaska.

  
\_\_\_\_\_  
Jerome M. Selby, President

ATTEST:

  
\_\_\_\_\_  
Scott A. Burgess, Executive Director



# Alaskans for Litter Prevention and Recycling

*Keeping Alaska Beautiful*

April 6, 1992

Representative Fran Ulmer  
Room 421  
State Capitol Building  
Juneau, Alaska 99801

Dear Representative Ulmer,

On behalf of Alaskans for Litter Prevention and Recycling (ALPAR), I want to express my congratulations and support for House Bill Number 465.

House Bill Number 465 will set an important precedent for recycling efforts in our state. Increasing the procurement of recycled products by state governmental agencies will achieve three important goals: increase individual and public awareness of the need to recycle consumer goods and to purchase recycled goods; set an example for individuals and businesses throughout Alaska; help in establishing markets for recyclables.

We were impressed that House Bill 465 also includes a requirement for developing a statewide plan to manage solid waste generated by state agencies. Such a plan will be an obvious complement to the procurement requirement and will be one more important step towards eliminating unnecessary waste.

Finally, we commend you and offer our very enthusiastic support for state efforts to encourage the development of in-state and out-of-state markets for recycled products. As you know, the development of markets for recyclables is the single greatest factor in determining how recycling in Alaska and throughout the county can grow. Without viable markets for recycled products, there can be no hope of widespread successful recycling efforts. The passage of House Bill Number 465 will help lead the way to formally identifying and developing such markets. We applaud your efforts. If I or other ALPAR members can be of any assistance whatsoever in helping to achieve passage of this Bill, please don't hesitate to contact me.

Sincerely,

Roger Briley  
President

P.O. Box 200393  
Anchorage, Alaska 99520

printed on recycled paper.

(907) 274-3266  
FAX (907) 274-8023

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Teri Crawley

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## Pacific NorthWest Economic Region

February 25, 1992

Representative Fran Ulmer  
Alaska State Legislature  
District 4B - Juneau  
P.O. Box 1  
Juneau, Alaska 99811-3100

Dear Representative Ulmer:

On behalf of the Pacific NorthWest Economic Region, I am writing to express our support for House Bill No. 465 to establish procurement policies throughout the State of Alaska. This legislation is the starting block to build a united coalition between the five northwestern states and the two provinces in Canada to develop minimum content standards for recycling.

The Northwest has traditionally held recycling as a key environmental issue. Northwest legislators now have the opportunity to enact legislation to provide a government model to encourage comparable commitment by its citizens and businesses in their purchasing practices. By encouraging the development of markets for recycled products, northwest legislators can strengthen the region's economy and also gain the full waste-reduction benefits from existing recycling efforts.

The Pacific NorthWest Economic Region consists of the states of Alaska, Idaho, Montana, Oregon, Washington, and the two provinces of Alberta and British Columbia. As a region, we are in a strategic position to act together in setting recycled procurement standards and therefore increasing the overall market effect of such standards.

We applaud Alaska's proposed recycling legislation which targets government procurement policies. The Pacific NorthWest Economic Region fully supports solutions to the region's waste management problems and commends you in pursuing a regional strategy to this critical issue.

Sincerely,

Alan Bluechel, President  
Pacific NorthWest Economic Region  
Vice-President Pro Tem  
Washington State Senate

AB:bf:awn

Organizations that support CSHB 465

Pacific NorthWest Economic Region  
Alaskans for Land Use Prevention and Recycling  
Alaska Municipal League  
Alaska Environmental Lobby  
Northwest EnviroService Inc.  
E & L Auto, Juneau  
Anchorage Recycling  
Department of Environmental Conservation  
Department of Transportation and Public Facilities  
Department of Administration  
Lynn Canal Conservation Council

HB470

# HOUSE COMMITTEE REPORT

*Mac*

(11)

Date Referred: February 12, 1992

FURTHER REFERRALS:

Date of Committee Action: 5/9/92

The FINANCE Committee considered:

HB 470

HOUSE BILL NO. 470

APPROP: MISC. APPROPRIATIONS/REAPPROP'S

"An Act making, amending, and repealing capital and operating appropriations; making miscellaneous supplemental and special appropriations; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 470 Fin  the same title

a new title

have attached amendment(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact \_\_\_\_\_

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

zero fiscal note \_\_\_\_\_

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

| SIGNING DO PASS                | DP | OTHER RECOMMENDATIONS         | DNP | NR | AM |
|--------------------------------|----|-------------------------------|-----|----|----|
| <i>Ed Machean</i> Machean      | ✓  | <i>Thomas H Barnes</i> Barnes | X   |    |    |
| <i>Mike Savane</i> Savane      | ✓  | <i>Boyd M Sharp</i> Sharp     | X   |    |    |
| <i>Mark Boyer</i> Boyer        | X  | <i>Ralph E. Hill</i> Hill     |     |    |    |
| <i>Tay Brown</i> Brown         | ✓  | <i>Philip</i> Philip          |     |    |    |
| <i>Boyd M Sharp</i> Sharp      | X  |                               |     |    |    |
| <i>Ronald J. Larson</i> Larson | X  |                               |     |    |    |
| <i>J. Wilmer</i> Wilmer        | X  |                               |     |    |    |
|                                |    |                               |     |    |    |
|                                |    |                               |     |    |    |
|                                |    |                               |     |    |    |

*Mike Savane* *Ed Machean*  
CHAIRMAN'S SIGNATURE

CSHB 470 (Fin) - Amending Appropriations/Supplemental and Special Appropriations

| SEC. # | AGENCY                     | PROGRAM/PURPOSE                                            | GENERAL FUND | OTHER FUNDS | TOTAL FUNDS |
|--------|----------------------------|------------------------------------------------------------|--------------|-------------|-------------|
| 1      | Governor                   | Human Rights Commission                                    | 31.5         |             | 31.5        |
| 2      | Governor                   | Audit/Management                                           | (39.0)       |             | (39.0)      |
| 3      | Governor                   | Elections                                                  | 7.5          |             | 7.5         |
| 4      | Administration             | Longevity Bonus Payments                                   | 1,380.0      |             | 1,380.0     |
| 5      | Administration             | Public Defender Agency                                     | 396.9        |             | 396.9       |
| 6      | Administration             | Rural Alaska Television Network                            | 307.8        |             | 307.8       |
| 7      | Administration             | Division of Personnel-Increased Operating Costs            | 90.0         |             | 90.0        |
| 8      | Law                        | Judgments and Claims                                       | 1,185.6      |             | 1,185.6     |
| 9      | Law                        | Exxon Valdez Litigation                                    | (500.0)      | (500.0)     | (1,000.0)   |
| 10     | Law                        | Independent Special Counsel                                | 250.0        |             | 250.0       |
| 11     | Education                  | Postsecondary Ed-Student Loan Data Proc Conversion         |              | 165.5       | 165.5       |
| 12     | Health/Social Services     | Permanent Fund Dividend Hold Harmless                      |              | 1,497.7     | 1,497.7     |
| 13     | Health/Social Services     | Family Services-Western Region                             | (100.3)      |             | (100.3)     |
| 14     | Health/Social Services     | Community Mental Health Grants                             | (150.0)      |             | (150.0)     |
| 15     | Health/Social Services     | Community Developmental Disabilities Grants                | (349.9)      |             | (349.9)     |
| 16     | Health/Social Services     | Public Assistance Eligibility Determination                | 288.0        | 216.9       | 504.9       |
| 17     | Health/Social Services     | McLaughlin Youth Center                                    | 205.5        |             | 205.5       |
| 18     | Health/Social Services     | Alaska Psychiatric Institute                               | 400.0        |             | 400.0       |
| 19     | Health/Social Services     | Harborview Development Center                              | 313.6        |             | 313.6       |
| 20     | Health/Social Services     | Adult Public Assistance                                    | 1,662.3      |             | 1,662.3     |
| 21     | Military/Veterans' Affairs | Alaska National Guard Retirement Benefits                  | (26.4)       |             | (26.4)      |
| 22     | Military/Veterans' Affairs | Veterans' Affairs Death Gratuity                           | 85.5         |             | 85.5        |
| 23     | Military/Veterans' Affairs | Disaster Relief Fund-1989 NW Arctic Bor Cold Wave Disaster | 974.4        | 2,923.1     | 3,897.5     |
| 24     | University                 | Bornstein Arbitration Award & Settlement with ACCFT        | 3,187.7      |             | 3,187.7     |
| 25     | Military/Veterans' Affairs | Disaster Relief Fund-extend lapse date                     |              |             |             |
| 26     | Commerce/Economic Dev      | Power Cost Equalization-extend lapse date                  |              |             |             |
| 27     | Commerce/Economic Dev      | Alaska Public Utilities Commission-Telecom Issues          | 150.0        |             | 150.0       |
| 28     | Commerce/Economic Dev      | Occupational Licensing-Legal Services                      | 92.0         |             | 92.0        |
| 29     | Natural Resources          | Fire Suppression Costs                                     | 12,000.0     |             | 12,000.0    |
| 30     | Natural Resources          | Agricultural Loans-Asset Protection/Legal Expenses         | 400.0        |             | 400.0       |

CSHB 470 (Fin) - Amending Appropriations/Supplemental and Special Appropriations

| SEC. # | AGENCY                     | PROGRAM/PURPOSE                                             | GENERAL FUND | OTHER FUNDS | TOTAL FUNDS |
|--------|----------------------------|-------------------------------------------------------------|--------------|-------------|-------------|
| 31     | Fish/Game                  | Administration/Support                                      | (25.6)       | 25.6        |             |
| 32     | Fish/Game                  | F.R.E.D.                                                    | (40.4)       |             | (40.4)      |
| 33     | Fish/Game                  | Fisheries Rehabilitation and Enhancement                    | 40.4         |             | 40.4        |
| 34     | Public Safety              | Search and Rescue                                           | 125.0        |             | 125.0       |
| 35     | Transportation/PF          | Rural Airport Maintenance                                   | 2,138.8      |             | 2,138.8     |
| 36     | Transportation/PF          | Klondike Highway Operations                                 | 94.1         |             | 94.1        |
| 37     | Transportation/PF          | Unanticipated Electrical Costs - FY91                       | 43.0         |             | 43.0        |
| 38     | Transportation/PF          | Unanticipated Electrical Costs - FY92                       | 106.8        |             | 106.8       |
| 39     | Transportation/PF          | Snow Removal/Ice Control                                    | 560.0        |             | 560.0       |
| 40(a)  | Transportation/PF          | Central Region M&O-Highways/Aviation                        | 150.0        |             | 150.0       |
| 40(b)  | Transportation/PF          | Northern Region M&O-Interior District Highways/Aviation     | (100.0)      |             | (100.0)     |
| 40(c)  | Transportation/PF          | Southeast Region M&O-Highways/Aviation                      | (50.0)       |             | (50.0)      |
| 41     | Transportation/PF          | Ratify Disbursements FY86-FY91 for IBU/MMP Health Ins Costs |              |             |             |
| 42     | Transportation/PF          | FY92 IBU/MMP Health Insurance Costs                         |              | 206.9       | 206.9       |
| 43     | Transportation/PF          | Ratify Expenditures Credit Card Discounts/Agent Fees        |              |             |             |
| 44     | Environmental Cons         | Administrative Services                                     | 158.5        |             | 158.5       |
| 45     | Environmental Cons         | Environmental Quality                                       | (158.5)      |             | (158.5)     |
| 46     | Community/Regional Aff     | Day Care Assistance                                         | (438.0)      |             | (438.0)     |
| 47     | Corrections                | Administration/Support                                      | 289.2        |             | 289.2       |
| 47     | Corrections                | Statewide Operations                                        | 8,399.7      |             | 8,399.7     |
| 48     | Corrections                | Correctional Industries                                     |              | 53.7        | 53.7        |
| 49     | University                 | Judgments and Claims against the University                 | 256.1        |             | 256.1       |
| 50     | University                 | Benzene Contamination Removal-Fbx Campus-FY92/FY93          | 940.0        |             | 940.0       |
| 51(a)  | Administration             | Miscellaneous Claims/Stale-dated Warrants                   | 159.6        |             | 159.6       |
| 51(a)  | Health/Social Services     | Miscellaneous Claims/Stale-dated Warrants                   | 388.2        |             | 388.2       |
| 51(a)  | Commerce/Econ Dev          | Miscellaneous Claims/Stale-dated Warrants                   | 0.5          |             | 0.5         |
| 51(a)  | Military/Veterans' Affairs | Miscellaneous Claims/Stale-dated Warrants                   | 15.6         |             | 15.6        |
| 51(a)  | Fish/Game                  | Miscellaneous Claims/Stale-dated Warrants                   | 12.5         |             | 12.5        |
| 51(a)  | Public Safety              | Miscellaneous Claims/Stale-dated Warrants                   | 3.5          |             | 3.5         |
| 51(a)  | Transportation/PF          | Miscellaneous Claims/Stale-dated Warrants                   | 16.4         |             | 16.4        |

CSHB 470 (Fin) - Amending Appropriations/Supplemental and Special Appropriations

| SEC. # | AGENCY                     | PROGRAM/PURPOSE                                                | GENERAL FUND | OTHER FUNDS | TOTAL FUNDS |
|--------|----------------------------|----------------------------------------------------------------|--------------|-------------|-------------|
| 51(a)  | Corrections                | Miscellaneous Claims/State-dated Warrants                      | 4.2          |             | 4.2         |
| 51(b)  | Transportation/PF          | Miscellaneous Claims                                           |              | 0.8         | 0.8         |
| 52     | Governor                   | Elections-Redraft Precinct Boundary Maps                       | 424.0        |             | 424.0       |
| 53     | Governor                   | Executive Operations/OMB-extend lapse date                     |              |             |             |
| 54     | Governor                   | ANWR Education Effort-extend lapse date                        |              |             |             |
| 55(a)  | Administration             | Office of Public Advocacy                                      | (20.0)       |             | (20.0)      |
| 55(b)  | Administration             | Office of Public Advocacy-Reconcile Trust Accounts-FY93 lapse  | 20.0         |             | 20.0        |
| 56     | Health/Social Services     | Foster Care-Care Provider Payments/Subsidized Adoptions        | 408.2        |             | 408.2       |
| 57     | Labor                      | Safety Advisory Cncl-93 Annual Gov's Safety Conf- extend lapse |              |             |             |
| 58     | Community/Regional Aff     | Community Development-Rural Dev Grants-extend lapse            |              |             |             |
| 59(a)  | Military/Veterans' Affairs | Disaster Relief Fund-Kodiak Rainfall Disaster                  | 650.0        |             | 650.0       |
| 59(a)  | Military/Veterans' Affairs | Disaster Relief Fund-Seward Sewer Lagoon Disaster              | 500.0        |             | 500.0       |
| 59(a)  | Military/Veterans' Affairs | Disaster Relief Fund-Diomedes Fire Disaster                    | 550.0        |             | 550.0       |
| 59(b)  | Governor                   | Mat Su Borough Disaster Relief from Loan to Grant Status       |              |             |             |
| 60     | Health/Social Services     | Manillaq Senior Center                                         | 257.8        |             | 257.8       |
| 61     | Public Safety              | Contract Jails-Increased Operating Costs                       | 815.0        |             | 815.0       |
| 62(a)  | Community/Regional Aff     | Homeowners Property Tax Exemption                              | 2,838.8      |             | 2,838.8     |
| 62(a)  | Community/Regional Aff     | Renters' Equivalency Rebate                                    | 820.0        |             | 820.0       |
| 62(b)  | Community/Regional Aff     | Extend lapse unexpended/unobligated balance of 62(a)           |              |             |             |
| 63     | Legislature                | Ombudsman-extend lapse                                         |              |             |             |
| 64     | Legislature                | Budget and Audit Committee-extend lapse                        |              |             |             |
| 65     | Legislature                | House Finance Education Funding Activities-extend lapse        |              |             |             |
| 66     | Legislature                | Legislative Affairs Agency-extend lapse                        |              |             |             |
| 67     | Legislature                | Council and Subcommittees-extend lapse                         |              |             |             |
| 68     | Legislature                | Operating Budget-extend lapse                                  |              |             |             |
| 69     | Governor                   | 3.6% COLA for Executive Branch Employees                       | 5,599.8      | 4,016.0     | 9,615.8     |
| 70     | University                 | Salary Adjustments-Employees Prince Wm Sound Comm College      | 27.0         |             | 27.0        |
| 71     | Governor                   | OMB-3.6% COLA for AK Marine Hwy Maritime Bargaining Units      | 165.9        | 214.6       | 380.5       |
| 72     | Transportation/PF          | Marine Engineers Beneficial Assoc Bargaining Agreement-FY91    | 90.6         |             | 90.6        |
| 73     | Community/Regional Aff     | Community Development Quota Program                            | 100.0        |             | 100.0       |