

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 806

- 1 to be made under this chapter and, upon request, furnish copies at cost to interested persons;
- 2 (4) compile and maintain a current list of all filed reports and statements;
- 3 (5) prepare a summary of each report filed under AS 15.13.110 and make copies
- 4 of this summary available to interested persons at their actual cost;
- 5 (6) notify, by registered or certified mail, all persons who are delinquent in filing
- 6 reports and statements required to be made under this chapter;
- 7 (7) report within 60 days after the election the names of all persons and groups
- 8 who have failed to comply with any of the provisions of this chapter to the office of the attorney
- 9 general;
- 10 (8) examine, investigate, and compare all reports, statements, and actions required
- 11 by this chapter, AS 24.45, and AS 39.50 and report to the attorney general the names of all
- 12 persons or groups that [WHICH] the commission has substantial reason to believe have violated
- 13 this chapter, AS 24.45, or AS 39.50;
- 14 (9) prepare and publish a biennial report to the legislature concerning the activities
- 15 of the commission, the effectiveness of this chapter, its enforcement by the attorney general's
- 16 office, and recommendations and proposals for change;
- 17 (10) adopt regulations necessary to implement and clarify the provisions of
- 18 AS 24.45, AS 39.50, and this chapter, subject to the provisions of the Administrative Procedure
- 19 Act (AS 44.62);
- 20 (11) establish by regulation a schedule of fees for reports, statements, and
- 21 filings, delinquent reports, statements, and filings, and for services performed by the
- 22 commission.

23 * Sec. 5. AS 18.31.200 is amended by adding a new subsection to read:

24 (g) The Department of Labor shall adopt by regulation a fee schedule for

25 (1) review, approval, and certification of asbestos training certification programs

26 and plans under this section; and

27 (2) certification of a person employed to abate an asbestos health hazard.

28 * Sec. 6. AS 18.65.310(a) is amended to read:

29 (a) Upon payment of a \$10 [\$5] fee, the Department of Public Safety shall issue a card

30 identical to the motor vehicle operator's license provided for in AS 28.15.111, except that the

31 card shall be of a different color and shall state in bold type letters across the face of it that it

1 is for identification purposes only.

2 * Sec. 7. AS 19.40 is amended by adding a new section to read:

3 Sec. 19.40.115. CHARGES. The department may establish, levy, and collect tolls, fees,
4 charges, and rentals for the use of the highway.

5 * Sec. 8. AS 27.21.090 is amended to read:

6 Sec. 27.21.090. FEES [APPLICATION FEE]. An application for a new permit, permit
7 renewal, or transfer of a permit must be accompanied by an application fee. The commissioner
8 shall adopt regulations setting out a fee schedule. The application fee may not exceed the actual
9 or anticipated costs of reviewing, administering, and enforcing permits [THE APPLICATION].

10 * Sec. 9. AS 27.21.090 is amended by adding new subsections to read:

11 (b) Operators of coal mining operations subject to AS 27.21.020 - 27.21.260 shall
12 annually pay to the department a mining regulatory fee of 3.5 cents per ton of clean coal
13 produced per calendar or fiscal year.

14 (c) The department shall adopt regulations to implement this section.

15 * Sec. 10. AS 28.10.108(b) is amended to read:

16 (b) Subject to the provisions of (f) of this section, a vehicle subject to registration

17 (1) under AS 28.10.011 and 28.10.421(b)(3) [AND (4)] and (c)(1) - (4) shall have
18 its initial registration, and may have its annual registration, renewed during the month of
19 December;

20 (2) under AS 28.10.181, 28.10.411 and 28.10.421(d)(3) and (8) [(9)] shall have
21 its initial registration, and may have its annual registration, renewed during the month of January.

22 * Sec. 11. AS 28.10.421(b) is amended to read:

23 (b) The annual registration fees under this subsection are imposed within the following
24 classifications for:

25 (1) a passenger vehicle or motor home not used or maintained for the
26 transportation of persons or property for hire or for other commercial use \$75 [\$35];

27 (2) a pick-up truck or a van not exceeding 6,000 pounds unladen weight and not
28 used or maintained for the transportation of persons or property for hire or for other commercial
29 use \$75 [\$40];

30 (3) a taxicab \$200 [\$70];

31 (4) [A MOTOR BUS WITH A SEATING CAPACITY FOR 20 OR MORE

1 PERSONS AND USED EXCLUSIVELY FOR COMMERCIAL PURPOSES IN THE
 2 TRANSPORTING OF VISITORS OR TOURISTS \$85;
 3 (5)] a motorcycle or a motor-driven cycle \$50 [\$20];
 4 (5) [(6)] a trailer not used or maintained for the transportation of persons or
 5 property for hire or for other commercial use, including, but not limited to, a boat trailer, baggage
 6 trailer, box trailer, utility trailer, house trailer, travel trailer, or a trailer rented or offered for rent
 7 \$25 [\$5].

8 * Sec. 12. AS 28.10.421(c) is amended to read:

9 (c) The annual registration fees under this subsection are imposed and are based upon
 10 the actual unladen weight as established by the manufacturer's advertised weight or upon the
 11 actual weight that [WHICH] the owner shall furnish, subject to the approval of the commissioner
 12 or the commissioner's representative, for a vehicle used commercially or noncommercially and
 13 for which a fee is not specified under (b) of this section [, INCLUDING A MOTOR
 14 VEHICLE PULLING A TRAILER OR SEMI-TRAILER, USED OR MAINTAINED FOR THE
 15 TRANSPORTATION OF PASSENGERS FOR HIRE, EXCEPTING TAXICABS AND BUSES
 16 UNDER (b) OF THIS SECTION, OR FOR THE TRANSPORTATION OF PROPERTY FOR
 17 HIRE OR FOR OTHER COMMERCIAL USE, INCLUDING A COMMERCIAL VEHICLE
 18 SUCH AS A TRAILER, SEMI-TRAILER, TRUCK, WRECKER, TOW CAR, HEARSE,
 19 AMBULANCE, AND TRACTOR], as follows

- 20 (1) up to and including 5,000 pounds \$200 [\$51];
- 21 (2) more than 5,000 pounds to and including 12,000 pounds ... \$400 [\$86];
- 22 (3) more than 12,000 pounds to and including 18,000 \$600 [\$156];
- 23 (4) more than 18,000 pounds \$800 [\$221].

24 * Sec. 13. AS 28.10.421(d) is amended to read:

25 (d) The special registration fees under this subsection are imposed annually, unless
 26 otherwise specified, for

- 27 (1) an historic vehicle (one time only upon initial registration under
 28 AS 28.10.181) \$50 [\$10];
- 29 (2) special request plates for
 - 30 (A) Alaska National Guard personnel \$50 [\$30];
 - 31 (B) veterans or retired veterans \$50 [\$30];

1 (C) recipients of the Purple Heart \$50 [\$30];

2 (D) other special request plates \$50 [\$30];

3 plus the fee required for that vehicle under (b) of this section; the fee required by this
4 paragraph shall be collected only on the first issuance [AND ON THE REPLACEMENT]
5 of special request plates;

6 (3) a vehicle owned by a disabled veteran or other handicapped person, and
7 registered under AS 28.10.181 [OR A RESIDENT 65 YEARS OF AGE OR OLDER WHO
8 FILES A WRITTEN APPLICATION FOR AN EXEMPTION ON A FORM PRESCRIBED BY
9 THE DEPARTMENT] none;

10 (4) a vehicle owned by the state none;

11 (5) a vehicle owned by an elected state official
12 the fee required for that vehicle under (b) of this section;

13 (6) [REPEALED

14 (7)] a vehicle owned by a rancher, farmer, or dairyman and registered under
15 AS 28.10.181 the fee required for that vehicle under (b) of this section [\$35];

16 (7) [(8)] a snowmobile or off-highway vehicle \$10 [\$5];

17 (8) [(9)] an amateur mobile radio station vehicle [,

18 (A) WITH A TRANSCEIVER CAPABLE OF LESS THAN 5-BAND
19 OPERATION] the fee required for that vehicle under (b) or (c) of this section;

20 [(B) IN RECOGNITION OF SERVICE TO THE PUBLIC A MOBILE
21 AMATEUR RADIO STATION OWNED BY AN AMATEUR WITH GENERAL CLASS
22 OR HIGHER LICENSE, PROVIDED THE STATION MUST BE SATISFACTORILY
23 PROVED CAPABLE OF OPERATING ON AT LEAST FIVE BANDS FROM 160
24 THROUGH 10 METERS, MUST HAVE AN ANTENNA, AND MUST HAVE A
25 POWER SUPPLY AND WIRING AS A PERMANENT PART OF THE VEHICLE; THE
26 TRANSMITTING UNIT MAY BE REMOVED FROM THE CAR FOR SERVICE OR
27 DRY STORAGE NONE
28 FOR A MOBILE AMATEUR RADIO STATION VEHICLE INCLUDED IN (b)(1) OR

29 (2) OF THIS SECTION;]

30 (9) [(10)] dealer registration plates [,

31 (A) THE INITIAL SET OF PLATES] \$100 [\$45];

1 [(B) EACH SUBSEQUENT SET OF PLATES \$25;]
 2 (10) [(11)] a vehicle owned by a municipality or charitable organization meeting
 3 the requirements of AS 28.10.181(e) \$25 [\$5];
 4 (11) [(12) AN OCCASIONAL USE VEHICLE UNDER AS 28.10.181(k) \$15;
 5 (13)] a vehicle owned by a pearl harbor survivor or a former prisoner of war. .
 6 none;
 7 (12) [(14) REPEALED
 8 (15)] special request university plates \$50
 9 plus the fee required for that vehicle under (b)(1) or (2) of this section; the fee required by this
 10 paragraph shall be collected only on the first issuance and on the replacement of special request
 11 plates; the commissioner of administration shall separately account by university campus
 12 designation for the fees received under this paragraph that the department deposits in the general
 13 fund; the annual estimated balance in the accounts that is in excess of the cost of issuing special
 14 request university plates may be appropriated by the legislature for the support of programs at
 15 each campus.

16 * Sec. 14. AS 28.10.421 is amended by adding a new subsection to read:

17 (h) The fee for renewing a noncommercial vehicle registration by mail on a form
 18 prescribed by the department is \$5 less than the appropriate fee listed in this section.

19 * Sec. 15. AS 28.10.441 is amended to read:

20 Sec. 28.10.441. SCHEDULE OF OTHER FEES AND CHARGES. The following fees
 21 and charges are imposed by the department for the stated services that [WHICH] it provides:

- 22 (1) title fee (including transfer of title) \$25 [\$5];
- 23 (2) lien filing fee \$10 [\$5];
- 24 (3) replacement of any registration plate set, including special request plates
 25 \$25 [\$5];
- 26 (4) duplicate of original certificate of title \$25 [\$5];
- 27 (5) duplicate of certificate of registration \$25 [\$2];
- 28 (6) temporary preregistration permit issued under AS 28.10.031 none;
- 29 (7) special transport permit issued under AS 28.10.151 \$10 [\$5];
- 30 (8) special permit for vehicle used for transport of disabled or handicapped person
 31 issued under AS 28.10.495 none.

1 * Sec. 16. AS 28.15.271(a) is amended to read:

2 (a) The fees for drivers' licenses and permits, including but not limited to renewals, and
3 all related driver skills tests are as follows:

- 4 (1) all noncommercial vehicles and motor-driven cycles
 - 5 (A) each license fee \$25 [\$10];
 - 6 (B) each driver skills test \$15;
- 7 (2) all commercial motor vehicles
 - 8 (A) each license fee \$100;
 - 9 (B) each driver skills test \$25;
- 10 (3) instruction permit \$25 [\$3];
- 11 (4) duplicate of driver's license or instruction permit \$25 [\$3];
- 12 (5) temporary license and renewal of permit \$25 [\$3];
- 13 (6) school bus driver's endorsement renewal \$25 [\$3].

14 * Sec. 17. AS 28.22.011(a) is amended to read:

15 (a) The operator or owner of a motor vehicle subject to registration under AS 28.10.011
16 when driven on a highway, vehicular way or area, or on other public property in the state, shall
17 be insured under a motor vehicle liability policy that complies with this chapter or a certificate
18 of self-insurance that complies with AS 28.20.400 unless

- 19 (1) the motor vehicle is being driven or moved on a highway, vehicular way, or
20 a public parking place in the state that is not connected by a land highway or vehicular way to
 - 21 (A) the land-connected state highway system, or
 - 22 (B) a highway or vehicular way with an average daily traffic volume
23 greater than 499; and
- 24 (2) the operator has not been cited within the preceding five years for a traffic
25 law violation with a demerit point value of six or more on the point schedule determined under
26 regulations adopted by the department under AS 28.15.221 [; OR
- 27 (3) THE MOTOR VEHICLE IS REGISTERED UNDER AS 28.10.181(k)].

28 * Sec. 18. AS 33.30.231 is amended by adding a new subsection to read:

29 (d) Notwithstanding (a) of this section, the department may establish by regulation a
30 schedule of fees or charges for use by a prisoner of a telephone provided by the department. The
31 regulations adopted by the department under this subsection may provide exemptions from the

1 charging or collection of fees or charges if the department determines that charging or collection
2 is not economically feasible or in the public interest.

3 * Sec. 19. AS 41.21.020(a) is amended to read:

4 (a) The department shall

5 (1) develop a continuing plan for the conservation and maximum use in the public
6 interest of the scenic, historic, archaeologic, scientific, biological, and recreational resources of
7 the state;

8 (2) plan for and develop a system of state parks and recreational facilities, to be
9 established as the legislature authorizes and directs;

10 (3) acquire by gift, purchase, or transfer from state or federal agencies, or from
11 individuals, corporations, partnerships or associations, land necessary, suitable and proper for
12 roadside, picnic, recreational, or park purposes;

13 (4) control, develop, and maintain state parks and recreational areas;

14 (5) provide for the acquisition, care, control, supervision, improvement,
15 development, extension, and maintenance of public recreational land, and make necessary
16 arrangements, contracts, or commitments for the improvement and development of land acquired
17 under AS 41.21.010 - 41.21.040; contracting for improvement and development under this
18 paragraph is governed by AS 36.30 (State Procurement Code);

19 (6) adopt, in accordance with this section and the Administrative Procedure Act
20 (AS 44.62), regulations governing the use and designating incompatible uses within the
21 boundaries of state park and recreational areas to protect the property and to preserve the peace;

22 (7) cooperate with the United States and its agencies and local subdivisions of the
23 state to secure the effective supervision, improvement, development, extension, and maintenance
24 of state parks, state monuments, state historical areas, and state recreational areas, and secure
25 agreements or contracts for the purpose of AS 41.21.010 - 41.21.040;

26 (8) encourage the organization of state public park and recreational activities in
27 the local political subdivisions of the state;

28 (9) provide for consulting service designed to develop local park and recreation
29 facilities and programs;

30 (10) provide clearinghouse services for other state agencies concerned with park
31 and recreation matters;

- 1 (11) perform other duties as are prescribed by executive order or by law;
2 (12) maintain memorials to Alaska veterans located in state parks; [AND]
3 (13) adopt, in accordance with the Administrative Procedure Act (AS 44.62),
4 regulations governing the use of the Chena River State Recreation Area and designating
5 incompatible uses within the boundaries of the Chena River State Recreation Area in accordance
6 with AS 41.21.490; and

7 (14) accept cash and other donations from public or private sources to assist
8 and support the department in carrying out the purposes of this chapter.

9 * Sec. 20. AS 41.21.026(a) is amended to read:

10 (a) Notwithstanding (b) of this section, the [THE] department may charge or collect
11 a fee in a park unit for

- 12 (1) rental of public use cabins or other overnight lodgings;
13 (2) [OVERNIGHT] use of a developed or en route campsite;
14 (3) special park use permits;
15 (4) competitive and exclusive commercial use permits;
16 (5) noncompetitive and nonexclusive commercial use permits;
17 (6) use of a sewage holding tank dump station;
18 (7) admission to or guided tours of visitor centers or historic sites; [AND]
19 (8) use of an improved boat ramp in a park facility developed principally for boat
20 launching;

21 (9) sale of

22 (A) firewood;

23 (B) merchandise related to public use, enjoyment, and understanding
24 of parks, including maps, plans, and other graphic materials;

25 (10) use of a developed trailhead, access site, or picnic site, that has parking,
26 rest rooms, and refuse collection; and

27 (11) the presentation or attendance at programs related to natural or cultural
28 history, outdoor skills or education, or other topics concerned with public use, enjoyment,
29 or understanding of parks.

30 * Sec. 21. AS 41.21.026(e) is amended to read:

31 (e) In this section,

1 (1) "developed campsite" means a campsite having access to the following public
2 facilities:

3 (A) [(1)] restrooms;

4 (B) [(2)] a picnic table;

5 (C) [(3)] an outdoor cooking facility; and

6 (D) [(4)] an approved water source;

7 (2) "en route campsite" means a campsite intended principally for short-term
8 occupation while in transit between destinations, and not necessarily having any of the
9 public facilities required for a developed campsite under (1) of this subsection.

10 * Sec. 22. AS 44.28 is amended by adding new sections to read:

11 Sec. 44.28.040. FEES. Notwithstanding AS 09.25.110 - 09.25.130, the department may
12 establish by regulation and may charge reasonable fees for departmental publications and research
13 data to cover the cost of reproduction, printing, mailing, and distribution.

14 Sec. 44.28.090. DEFINITIONS. In this chapter,

15 (1) "commissioner" means the commissioner of corrections;

16 (2) "department" means the Department of Corrections.

17 * Sec. 23. AS 42.05 is amended by adding a new section to read:

18 Sec. 42.05.253. PUBLIC UTILITY REGULATORY COST CHARGE. (a) A public
19 utility operating in the state shall annually pay to the department a regulatory cost charge in an
20 amount not to exceed the following:

21 (1) for regulated utilities, .6 percent of gross revenue derived from operations in
22 the state, as modified under (c) of this section if appropriate;

23 (2) for exempt utilities, .15 percent of gross revenue derived from operations in
24 the state, as modified under (c) of this section if appropriate.

25 (b) The department shall by regulation establish a method to determine annually the
26 amount of the regulatory cost charge for a public utility. If the amount the department expects
27 to collect under (a) of this section exceeds the actual regulatory costs of the commission, the
28 department shall, by regulation, reduce the percentages set out in (a) of this section so that the
29 total amount of the fees collected approximately equals the actual regulatory costs of the
30 commission.

31 (c) In determining the amount of the regulatory cost charge imposed under (a) of this

1 section,

2 (1) a utility selling utility services at wholesale shall modify its gross revenue by
3 deducting payments it receives for wholesale sales;

4 (2) a local exchange telephone utility shall modify its gross revenue by deducting
5 payments received from other carriers for settlements or access charges.

6 (d) The department shall administer, collect, and enforce the charge imposed under this
7 section.

8 (e) The department may adopt regulations under AS 44.62 (Administrative Procedure
9 Act) necessary to administer this section, including requirements and procedures for reporting
10 information and making payments, for investigating the accuracy of filed information, and for
11 collecting required payments.

12 (f) In this section,

13 (1) "department" means the Department of Commerce and Economic
14 Development;

15 (2) "exempt utility" means a public utility that is certificated by the commission
16 under AS 42.05.221 - 42.05.281 but, under AS 42.05.711, is exempt from other regulatory
17 requirements of this chapter;

18 (3) "gross revenue" means the total operating revenue from intrastate services, as
19 shown in a utility's annual report prepared under the uniform system of accounts established by
20 the commission by regulation; except in the case of a long-distance carrier telephone utility,
21 "gross revenue" includes all toll revenue, including toll settlements payments;

22 (4) "regulated utility" means a public utility that is certificated by the commission
23 under AS 42.05.221 - 42.05.281 and that is subject to the other regulatory requirements of this
24 chapter;

25 (5) "wholesale sales" means sales to another utility for resale under circumstances
26 that make revenue from the resale subject to the regulatory cost charge imposed under this
27 section.

28 * Sec. 24. AS 42.05.651(a) is amended to read:

29 (a) After completion of a hearing or investigation held under this chapter, the commission
30 shall allocate the costs of the hearing or investigation among the parties, including the
31 commission, as is just under the circumstances. In allocating costs, the commission shall

1 consider the regulatory cost charge paid by a utility under AS 42.05.253 and may consider
2 the results, ability to pay, evidence of good faith, other relevant factors, and mitigating
3 circumstances. The costs allocated may include the costs of any time devoted to the investigation
4 or hearing by hired consultants, whether or not the consultants appear as witnesses or
5 participants. The costs allocated may also include any out-of-pocket expenses incurred by the
6 commission in the particular proceeding. The commission shall provide an opportunity for any
7 person objecting to an allocation to be heard before the allocation becomes final.

8 * Sec. 25. AS 42.06 is amended by adding a new section to read:

9 Sec. 42.06.285. PIPELINE CARRIER REGULATORY COST CHARGE. (a) A pipeline
10 carrier operating in the state shall annually pay to the department a regulatory cost charge in an
11 amount not to exceed .6 percent of gross revenue derived from operations in the state.

12 (b) The department shall by regulation establish a method to determine annually the
13 amount of the regulatory cost charge. If the amount the department expects to collect under (a)
14 of this section exceeds the actual regulatory costs of the commission, the department shall, by
15 regulation, reduce the percentage set out in (a) of this section so that the total amount of the fees
16 collected approximately equals the actual regulatory costs of the commission.

17 (c) The department shall administer, collect, and enforce the charge imposed under this
18 section.

19 (d) The department may adopt regulations under AS 44.62 (Administrative Procedure
20 Act) necessary to administer this section, including requirements and procedures for reporting
21 information and making payments, for investigating the accuracy of filed information, and for
22 collecting required payments.

23 (e) In this section,

24 (1) "department" means the Department of Commerce and Economic
25 Development;

26 (2) "gross revenue" means the total intrastate operating revenue as shown in a
27 pipeline carrier's annual report prepared under the uniform system of accounts established by the
28 commission by regulation.

29 * Sec. 26. AS 42.06.610(a) is amended to read:

30 (a) During a proceeding held under this chapter, the commission shall allocate the cost
31 of the proceeding among the parties, including the commission, as is just under the

AMENDMENT

penning

BY SHARP

TO: HB 574 (Finance)

Page 16, line 6

After the word "services," add: less cost of purchased power and fuels for energy produced, other than for fuel costs for power produced for wholesale to others.

STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

WALTER J. HICKEL, GOVERNOR

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April 9, 1992

Honorable Bert Sharp
Alaska State House
Room 501 State Capitol
Juneau, Alaska 99811

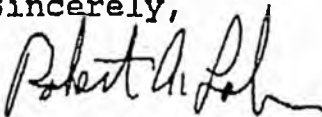
Dear Rep. Sharp:

Your question as relayed by telephone through Gloria Hartzmann was: What effect would the exclusion of the cost of fuel from the definition of gross revenues have on the amount of revenue from regulated electric utilities jurisdictional to the commission? How much would the 0.6% cap need to go up to offset this?

The total cost of fuel for regulated electric utilities in 1990 was \$133,055,792. The statutory cap in proposed AS 42.05.253 (a)(1) would need to be raised by 0.1% to 0.7% and the cap in (a)(2) by 0.025% to 0.175% to cover this exclusion.

I hope this answers your questions. Please feel free to contact me again.

Sincerely,



Robert A. Lohr
Executive Director

ELECTRIC Regulated Utilities Cooperatives	Per APUC Annual Report	Cost Of Power (Fuel Cost)	Gross Revenues Less Cost of Power
AEG&T	15,939,440	15,939,440	0
AVEC	13,687,866	1,052,779	12,635,087
Barrow	1,906,209	208,000	1,698,209
Chugach	107,098,744	18,250,000	88,848,744
CVEA	8,304,169	3,790,000	4,514,169
GVEA	44,522,671	12,880,000	31,642,671
HEA	32,558,312	15,887,000	16,671,312
Kotzebue	2,917,859	954,000	1,963,859
Kodiak	15,795,584	7,630,000	8,165,584
MEA	39,087,914	17,840,000	21,247,914
MKEC	394,290	173,000	221,290
Unalakleet Cooperatives	Combined with MEA 282,213,058	94,604,219	187,608,839
All Others			
AEL&P	19,285,190	6,317,000	12,968,190
Bethel	5,370,917	2,890,000	2,480,917
ML&P	66,456,588	24,000,000	42,456,588
AP&T	4,257,473	1,580,292	2,677,181
Arctic	3,259,996	1,002,595	2,257,401
Haines	1,505,619	460,157	1,045,462
Aniak	782,035	200,000	582,035
G&K	1,199,728	275,000	924,728
Gwitchyaa Zhee	681,756	258,380	423,376
McGrath	971,721	313,200	658,521
Sand Point	1,011,765	238,534	773,231
Tanana	540,806	172,428	368,378
Bettles	414,011	85,000	329,011
Far North	160,094	32,000	128,094
Gustavus	477,167	139,550	337,617
Manley	160,491	83,000	77,491
Napakiaak	255,070	109,528	145,542
Northway	389,665	120,000	269,665
PUI	385,196	78,409	306,787
Teller	357,005	96,500	260,505
Total All Other	107,922,293	38,451,573	69,470,720
Grand Total	390,135,351	133,055,792	257,079,559

House Position Reductions
(House Compared to Governor's Amended)

<u>Department</u>	<u>Specific Reductions</u>		<u>General Reductions</u>	<u>Total FT*</u>
	<u>PFT</u>	<u>PPT</u>	<u>FTE</u>	
Governor	0	0	(2)	(2)
Administration	(5)	0	(10)	(15)
Law	(5)	0		(5)
Revenue	(18)	0		(18)
Education	(19)	2		(19)
Health/Social Services	(39)	1		(39)
Labor	(3)	(1)		(3)
Commerce/Economic Development	(5)	(1)	(3)	(8)
Military/Veterans' Affairs	0	(2)		0
Natural Resources	(2)	(3)	(12)	(14)
Fish and Game	(7)	(1)	(5)	(12)
Public Safety	(2)	(14)		(2)
Transportation/Public Facilities	0	0	(92)	(92)
Environmental Conservation	(11)	0		(11)
Community/Regional Affairs	(12)	2	(2)	(14)
Corrections	(160)	(1)		(160)
University of Alaska **	0	0	(109)	(109)
Alaska Court System	(11)	(3)		(11)
Legislature	(5)	(19)	(9)	(14)
Total Reduction	(304)	(40)	(244)	(548)

* These totals do not reflect positions left vacant due to personal services underfunding or unfunded COLA adjustments.

** Total does not include reduction of 186 adjunct faculty.



ALASKA STATE LEGISLATURE

Representative Gail Phillips

MEMORANDUM

TO: Representatives Mike Navarre and Eileen MacLean
Co-Chairs, House Finance Committee
All House Finance Committee Members

FROM: Representative Gail Phillips *Gail*

RE: Committee Substitute for House Bill 574

DATE: April 6, 1992

CS HB 574 contains too radical a policy of increased fees not to be referred to the Transportation, Oil and Gas and Resources Committees for public hearings.

In addition, the intent of this bill takes effect immediately which is extremely unfair to all industries affected who would have had no opportunity to include these exorbitant increases in financial planning for the year. The oil industry has recently announced major personnel cuts: if this bill is adopted as written, it could very easily be the demise of part of the trucking industry, particularly the smaller companies. For instance, this bill would increase fees for SEALAND, Inc., a major corporation, by approximately three quarters of a million dollars; for Carlile Trucking, a mid-size company, by approximately \$175,512.00; and for ArcTech Services, a smaller company, by approximately \$15,000.

I do not feel we can add these kinds of increases on the trucking, transportation, mining and oil industries, to name a few, without some lead-in time or adjustment period for increased rates.

In addition, regarding page 5, Section 12, AS 28.10.421, I'd like it clarified whether or not trailers used in tractor/trailer hook-ups would be licensed separately and at what rate they would be assessed.

Regarding the Dalton Highway, the Department should not be allowed to levy taxes or collect tolls without confirmation by the Legislature.

Further, on page 6, section 7 relating to vehicles owned by a rancher, farmer or dairyman, I feel the bill needs clarification as to what fee off-road agriculture vehicles will be licensed at in relation to on-road use for transportation of product. For

instance, I feel all off-road agriculture related vehicles should have a reduced fee, while agriculture vehicles using the main road system should be charged the same rate as all other commercial vehicles based on weight.

Also, I feel that page 4, section 9, AS 27.21.090 (b) needs to have full public hearing in the Resources Committee and page 13, section 25, AS 42.06.285 must have opportunity for public comment in both the Oil and Gas and Resources Committees.

Although I realize CS HB574 deals primarily with fees, the financial impact of this bill will have major effect on virtually all industries in Alaska and I, therefore, reiterate my request to have this bill referred to the Transportation, Oil and Gas and Resources Committees in addition to the Finance Committee.

HB575

HOUSE COMMITTEE REPORT

(11)

Date Referred: May 6, 1992

FURTHER REFERRALS:

Date of Committee Action: 5/7/92

The FINANCE Committee considered:

HB 575

HOUSE BILL NO. 575

INCREASE MOTOR FUEL TAX

"An Act increasing the motor fuel tax; and providing for an effective date."

RECOMMENDATIONS:

be replaced with 2d CS HB 575 (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 DOR

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Mike Havens</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>Mark Boyer w/ constitutional amendment</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>Jay Brown</i>	<input checked="" type="checkbox"/>	<i>[Signature] unless need</i>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
		<i>Eileen Mademan</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i>	<input checked="" type="checkbox"/>		
		<i>[Signature]</i>	<input checked="" type="checkbox"/>		

Mike Havens EP Mademan
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSHB 575 (FIN)

Revision Date: May 7, 1992
Title: Increasing Motor Fuel Tax

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

Sponsor: House Finance
Requestor: HS FIN

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	67.0	134.1	134.1	134.1	134.1	134.1
TRAVEL	4.5	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	9.0	9.0	9.0	9.0	9.0	9.0
SUPPLIES	3.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	12.0	0.0	0.0	0.0	0.0	0.0
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	95.5	151.1	151.1	151.1	151.1	151.1
CAPITAL						
REVENUE FUND SOURCE	26,746.0	42,892.0	42,892.0	42,892.0	36,892.0	36,892.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	95.5	151.1	151.1	151.1	151.1	151.1
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	95.5	151.1	151.1	151.1	151.1	151.1

POSITIONS:

FULL-TIME	3.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \$0.0

ANALYSIS:

SEE ATTACHED

Prepared By: Paul Dick Phone: (907) 465-2320
Division: Income and Excise Audit Date: May 7, 1992

Approved by Commissioner: Darrel J. Rexwinkel Date: 5/7/92
Agency: Department of Revenue

Fiscal Note Analysis, CSHB 575 (FIN)
Income and Excise Audit Division
Prepared by Paul Dick
May 7, 1992
Page 2

Analysis

This bill increases the highway motor fuel tax from 8 to 17 cents per gallon effective January 1, 1993 and then to 18 cents per gallon effective July 1, 1996; but only if amendments to the state constitution are proposed at the November 1992 general election to create a dedicated transportation fund, and a majority of the voters at the election approve the adoption of the amendments.

This bill amends AS 29.10 to allow municipalities to levy a motor fuel tax not to exceed 2 cents per gallon effective January 1, 1993. If levied, the Department of Revenue would collect and deduct the municipal tax from the 18 cents per gallon tax under AS 43.40.010. The department would remit the municipal tax to the municipalities and retain 1% of the amount collected to offset the expenses of administration.

Section 12 of this bill adds a 1 cent per gallon surcharge on all motor fuels (highway, marine and aviation) for funding the storage tank assistance fund under the Department of Environmental Conservation which becomes effective July 1, 1992. The surcharge would be automatically repealed effective July 1, 1996 under section 13 of this bill.

Total highway motor fuel tax revenues for FY 91 based on the 8 cents per gallon rate were \$36.7 million. Based on FY 91 data, each cent of motor fuel tax yielded approximately \$4.6 million. Assuming that consumption remains the same as FY 91, an 9 and 10 cent increase would result in approximately \$41.4 million and \$46.0 million additional motor fuel tax revenues to the state respectively.

Based on FY 91 consumption, the 1 cent surcharge would generate an additional \$4.6 million for highway motor fuel; \$2.0 million for marine fuel; and \$4.0 million for aviation fuel. The total revenues collected from the surcharge would be approximately \$10.6 million.

Assuming all municipalities levy the 2 cents tax on highway motor fuel, the department will collect approximately \$9.2 million per year and retain 1%, or \$92,000, for administrative expenses. The balance of \$9,108,000 will be remitted to the municipalities by the department.

Fiscal Note Analysis, CSHB 575 (FIN)
 Income and Excise Audit Division
 Prepared by Paul Dick
 May 7, 1992
 Page 3

Analysis (Continued)

Total revenues for each year, netting the effects of the municipal motor fuel tax levy, are as follows

	<u>FY93*</u>	<u>FY94 - FY96</u>	<u>FY97 - FY98</u>
Surcharge	\$10,600,000	\$10,600,000	\$ N/A
Tax Increase (9 cents)	20,700,000	41,400,000	N/A
Tax Increase (10 cents)	N/A	N/A	46,000,000
Municipal Tax (2 Cents)	<u>(4,554,000)**</u>	<u>(9,108,000)**</u>	<u>(9,108,000)**</u>
Net Additional Revenue	<u>\$26,746,000</u>	<u>\$42,892,000</u>	<u>\$36,892,000</u>

* If signed into law, the surcharge would take effect July 1, 1992. The 9 cent increase takes effect January 1, 1993 if approved by the voters in the November 1992 general election.

** Net of 1% administrative costs retained by the department.

Operating Costs

Personal Services \$134.1

Provides for a Revenue Auditor III, Range 18A; an Accounting Technician I, Range 12A; and an Accounting Clerk III, Range 10A

Travel 5.0

Provides funding for in-state travel audits.

Contractual 9.0

Provides funding for printing and communication costs.

Supplies 3.0

Provides funding for office and data processing supplies.

Equipment 12.0

Provides funding for staff computers.

TOTAL: \$163.1

FY 93 Operating Costs include funding for 6 months of the year plus equipment because the motor fuel increase becomes effective January 1, 1993 under this bill.

CS FOR HOUSE BILL NO. 575 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act increasing the motor fuel tax, imposing a motor fuel surcharge and terminating
2 its imposition, adding to the purposes for which revenues from the motor fuel tax may
3 be expended, amending the motor fuel tax exemption for stationary power plants, and
4 authorizing certain municipalities to levy and the state to collect and remit a motor fuel
5 tax not to exceed two cents per gallon; and providing for an effective date."

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

7 * Section 1. AS 29.10.200 is amended by adding a new paragraph to read:

8 (51) AS 29.45.750 (municipal motor fuel tax)

9 * Sec. 2. AS 29.45 is amended by adding a new section to read:

10 ARTICLE 6. MOTOR FUEL TAX.

11 Sec. 29.45.750. MUNICIPAL MOTOR FUEL TAX. (a) Each of the following may, by
12 ordinance, levy, on the same transactions and subject to the same restrictions as set out in
13 AS 43.40 and to the exemptions set out in AS 43.40.015 - 43.40.100, a tax on motor fuel:

- 1 (1) a unified municipality;
- 2 (2) a home rule or general law borough; and
- 3 (3) a city in the unorganized borough.

4 (b) The tax levied by a municipality under this section may not exceed two cents per
5 gallon.

6 (c) The tax levied under this section does not apply to

- 7 (1) aviation gasoline;
- 8 (2) motor fuel used in and on watercraft of all descriptions; and
- 9 (3) aviation fuel other than gasoline.

10 (d) The levy authorized by this section is in addition to any other levy of a municipal
11 tax on the sale, transfer, or consumption of motor fuel. The governing body of a municipality
12 shall promptly inform the commissioner of revenue of its adoption of an ordinance to levy, or
13 to amend an ordinance that levies, the tax authorized by this section.

14 (e) If a municipality enacts an ordinance to levy the tax authorized by this section, the
15 Department of Revenue shall

16 (1) collect the tax in the manner provided for collection of the tax proposed by
17 AS 43.40; and

18 (2) after retaining one percent of the amount collected under (1) of this subsection
19 to offset the expenses of administration, remit to the municipality the balance of the proceeds of
20 the tax.

21 * Sec. 3. AS 43.40.010(a) is amended to read:

22 (a) On sales or transfers of motor fuel in the state outside a municipality that levies
23 a tax under AS 29.45.750, there [THERE] is levied a tax of 17 [EIGHT] cents a gallon. On
24 sales or transfers of motor fuel within a municipality in the state that levies a tax under
25 AS 29.45.750, there is levied a per gallon tax of 17 cents less the rate per gallon, not to
26 exceed two cents per gallon, that is imposed by a levy of a motor fuel tax by the
27 municipality under AS 29.45.750. The tax under this subsection is levied on all motor fuel
28 sold or otherwise transferred within the state, except that

- 29 (1) the tax on aviation gasoline is four cents a gallon,
- 30 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents
31 a gallon, and

1 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a
2 gallon.

3 * Sec. 4. AS 43.40.010(a) is amended to read:

4 (a) On sales or transfers of motor fuel in the state outside a municipality that levies a tax
5 under AS 29.45.750, there is levied a tax of 18 [17] cents a gallon. On sales or transfers of
6 motor fuel within a municipality in the state that levies a tax under AS 29.45.750, there is levied
7 a per gallon tax of 18 [17] cents less the rate per gallon, not to exceed two cents per gallon, that
8 is imposed by a levy of a motor fuel tax by the municipality under AS 29.45.750. The tax under
9 this subsection is levied on all motor fuel sold or otherwise transferred within the state, except
10 that

11 (1) the tax on aviation gasoline is four cents a gallon,

12 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents
13 a gallon, and

14 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a
15 gallon.

16 * Sec. 5. AS 43.40.010(b) is amended to read:

17 (b) On consumption of motor fuel in the state outside a municipality that levies a
18 tax under AS 29.45.750, there [THERE] is levied a tax of 17 [EIGHT] cents a gallon. On
19 consumption of motor fuel within a municipality in the state that levies a tax under
20 AS 29.45.750, there is levied a per gallon tax of 17 cents less the rate per gallon, not to
21 exceed two cents per gallon, that is imposed by a levy of a motor fuel tax by the
22 municipality under AS 29.45.750. The tax under this subsection is levied on all motor fuel
23 consumed by a user, except that

24 (1) the tax on aviation gasoline consumed is four cents a gallon,

25 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents
26 a gallon, and

27 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a
28 gallon.

29 * Sec. 6. AS 43.40.010(b) is amended to read:

30 (b) On consumption of motor fuel in the state outside a municipality that levies a tax
31 under AS 29.45.750, there is levied a tax of 18 [17] cents a gallon. On consumption of motor

1 fuel within a municipality in the state that levies a tax under AS 29.45.750, there is levied a per
2 gallon tax of 18 [17] cents less the rate per gallon, not to exceed two cents per gallon, that is
3 imposed by a levy of a motor fuel tax by the municipality under AS 29.45.750. The tax under
4 this subsection is levied on all motor fuel consumed by a user, except that

5 (1) the tax on aviation gasoline consumed is four cents a gallon,

6 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents
7 a gallon, and

8 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a
9 gallon.

10 * Sec. 7. AS 43.40.010(e) is amended to read:

11 (e) Sixty percent of the proceeds of the revenue from the taxes levied under this section
12 on aviation fuel, excluding the amount determined to have been spent by the state in its
13 collection, shall be refunded to a municipality owning and operating or leasing and operating an
14 airport in the proportion that the revenue was collected at the municipal airport. All other
15 proceeds of the taxes levied under this section on aviation fuel shall be paid into a special
16 aviation fuel tax account in the state general fund. The legislature may appropriate funds from
17 this account for aviation facilities.

18 * Sec. 8. AS 43.40.010(f) is amended to read:

19 (f) The proceeds from the revenue from the tax levied under this section on motor fuel
20 used in boats and watercraft of all descriptions shall be deposited in a special watercraft fuel tax
21 account in the general fund. The legislature may appropriate from this account for water and
22 harbor facilities.

23 * Sec. 9. AS 43.40.010(g) is amended to read:

24 (g) The proceeds of the revenue from the tax levied under this section on all motor
25 fuels, except as provided in (e), (f) and (j) of this section, shall be deposited in a special highway
26 fuel tax account in the state general fund. The legislature may appropriate funds from it for
27 expenditure by the Department of Transportation and Public Facilities directly or as matched with
28 available federal-aid highway money for maintenance of highways, construction of highway
29 projects and ferries included in the program provided for in AS 19.10.150, including approaches,
30 appurtenances and related facilities and acquisition of rights-of-way or easements, [AND] other
31 highway costs including surveys, administration, and related matters, and pedestrian, air quality,

1 and transit improvements. All departments of the state government authorized to spend funds
2 collected from taxes imposed by this section [CHAPTER] shall perform, when feasible, all
3 construction or reconstruction projects by contract after the projects have been advertised for
4 competitive bids, except that, when feasible, arrangements shall be made with political
5 subdivisions to carry out the construction or reconstruction projects. If it is not feasible for the
6 work to be performed by state engineering forces, the commissioner of transportation and public
7 facilities may contract on a professional basis with private engineering firms for road design,
8 bridge design, and services in connection with surveys. If more than one private engineering
9 firm is available for the work the contracts shall be entered into on a negotiated basis.

10 * Sec. 10. AS 43.40.010(i) is amended to read:

11 (i) Within 30 days after the legislature convenes the Department of Transportation and
12 Public Facilities shall submit an annual budget covering anticipated revenues and their
13 expenditure, for the consideration and approval by the legislature. The budget shall cover all
14 money collected or anticipated to be collected under this section [CHAPTER] for the year
15 following the adjournment of each regular session of the legislature.

16 * Sec. 11. AS 43.40.010(j) is amended to read:

17 (j) The proceeds from the tax levied under this section on motor fuel used in snow
18 vehicles and, unless a tax refund is applied for under AS 43.40.050(a), other internal combustion
19 engines not used in or in conjunction with a motor vehicle licensed to be operated on public
20 ways shall be deposited in a special nonpublic highway use account in the general fund. The
21 legislature may appropriate from this account to the Department of Transportation and Public
22 Facilities for trail staking and shelter construction and maintenance.

23 * Sec. 12. AS 43.40 is amended by adding a new section to read:

24 Sec. 43.40.012. SURCHARGE ON MOTOR FUEL. (a) In addition to the tax levied
25 by AS 43.40.010, there is levied a surcharge of one cent a gallon on all motor fuel subject to tax
26 under AS 43.40.010.

27 (b) The surcharge imposed by (a) of this section shall be collected and remitted in the
28 same manner as the tax levied and collected under AS 43.40.010.

29 (c) Notwithstanding any other provision of this chapter, the commissioner of revenue
30 shall deposit amounts received from the levy of the surcharge under this section into the general
31 fund.

1 (d) The commissioner of administration shall separately account for the proceeds of the
2 surcharge collected under this section and deposited into the general fund. The legislature may
3 use the annual estimated balance in the account to make appropriations to the Department of
4 Environmental Conservation for the storage tank assistance fund established under AS 46.03.410.

5 * Sec. 13. AS 43.40.100(2) is amended to read:

6 (2) "motor fuel" means fuel used in an engine for the propulsion of a motor
7 vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a stationary
8 engine, machine or mechanical contrivance which is run by an internal combustion motor;
9 "motor fuel" does not include

10 (A) fuel consigned to foreign countries;

11 (B) fuel sold for use in jet propulsion aircraft operating in flights to
12 foreign countries;

13 (C) fuel used in stationary power plants operating as public utility plants
14 and generating electrical energy for sale to the general public;

15 (D) fuel used by nonprofit power associations or corporations for
16 generating electric energy for resale;

17 (E) fuel used by charitable institutions;

18 (F) fuel which is at least 10 percent alcohol by volume;

19 (G) fuel sold or transferred between qualified dealers;

20 (H) fuel sold to federal, state, and local government agencies for official
21 use;

22 (I) fuel used in stationary power plants that generate electrical energy for
23 private residential consumption;

24 (J) fuel used to heat private or commercial buildings or facilities;

25 (K) fuel used for other nontaxable purposes as prescribed by regulations
26 adopted by the department; or

27 (L) fuel used in stationary power plants [OF 100 KW OR LESS] that
28 generate electrical power for commercial enterprises not for resale;

29 * Sec. 14. AS 43.40.012 is repealed.

30 * Sec. 15. Sections 1 - 6 of this Act do not take effect if amendments to the state constitution are
31 proposed at the November 1992 general election to create as a dedicated fund a transportation fund to

1 receive, among other sources, the revenue from the state's levy and collection of motor fuel taxes, and
2 a majority of the voters at that election does not approve the adoption of those amendments.

3 * Sec. 16. Sections 7 - 13 of this Act take effect July 1, 1992.

4 * Sec. 17. If secs. 1 - 3 and 5 of this Act take effect, they take effect January 1, 1993.

5 * Sec. 18. If secs. 4 and 6 of this Act take effect, they take effect July 1, 1996.

6 * Sec. 19. Section 14 of this Act takes effect July 1, 1996.

7 * Sec. 20. Section 15 of this Act takes effect immediately under AS 01.10.070(c).

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 10, 1992

FURTHER REFERRALS:

Date of Committee Action: 5/2/92

The FINANCE Committee considered:

HB 575

HOUSE BILL NO. 575

INCREASE MOTOR FUEL TAX

"An Act increasing the motor fuel tax; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 575 (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 Revenue

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

BOYER

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Mike Navarre</i> NAVARRE	<input checked="" type="checkbox"/>	<i>Eileen P. Maclean</i> Maclean			<input checked="" type="checkbox"/>
<i>Marie Boyer w/ Constitutional Amendment</i>	<input checked="" type="checkbox"/>	<i>Dorinda Barnes</i> Barnes	<input checked="" type="checkbox"/>		
<i>Kay Brown</i> BROWN	<input checked="" type="checkbox"/>	<i>Bob Sharp</i> Sharp		<input checked="" type="checkbox"/>	
<i>Kopmen</i> KOPMEN	<input checked="" type="checkbox"/>	<i>Reed E. Phillips</i> Phillips		<input checked="" type="checkbox"/>	
<i>Ronald J. Larson</i> Larson	<input checked="" type="checkbox"/>				

Mike Navarre *Eileen P. Maclean*
CO CHAIRMAN'S SIGNATURE
MAY 1992. Maclean

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSHB 575 (FIN)

Revision Date: May 5, 1992
Title: Increasing Motor Fuel Tax

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

Sponsor: House Finance
Requestor: HS FIN

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	0.0	134.1	134.1	134.1	134.1	134.1
TRAVEL	0.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	3.0	9.0	9.0	9.0	9.0	9.0
SUPPLIES	0.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	0.0	12.0	0.0	0.0	0.0	0.0
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	3.0	163.1	151.1	151.1	151.1	151.1
CAPITAL						
REVENUE FUND SOURCE	4,600.0	41,492.0	41,492.0	41,492.0	41,492.0	41,492.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	3.0	163.1	151.1	151.1	151.1	151.1
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	3.0	163.1	151.1	151.1	151.1	151.1

POSITIONS:

FULL-TIME	0.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \$0.0

ANALYSIS:

SEE ATTACHED

Prepared By: Paul Dick PD Phone: (907) 465-2320
Division: Income and Excise Audit Date: May 5, 1992

Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel*
Agency: Department of Revenue Date: 5/5/92

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

Analysis

Effective January 1, 1993, this bill increases the highway motor fuel tax by 125% from 8 to 18 cents per gallon, but only if amendments to the state constitution are proposed at the November 1992 general election to create a dedicated transportation fund and a majority of the voters at the election approve the adoption of the amendments.

This bill amends AS 29.10 to allow municipalities to levy a motor fuel tax not to exceed 2 cents per gallon. If levied, the Department of Revenue would collect and deduct the municipal tax from the 18 cents per gallon tax under AS 43.40.010. The department would remit the municipal tax to the municipalities and retain 1% of the amount collected to offset the expenses of administration.

This bill also adds a 1 cent per gallon surcharge for funding the storage tank assistance fund under the Department of Environmental Conservation which becomes effective July 1, 1992. This provision does not require the approval of the voters at a general election.

Total highway motor fuel tax revenues for FY 91 based on the 8 cents per gallon rate were \$36.7 million. Based on FY 91 data, each cent of motor fuel tax yielded approximately \$4.6 million. Assuming that consumption remains the same as FY 91, an 10 cent increase would result in approximately \$46 million additional motor fuel tax revenues to the state. The surcharge would generate an additional \$4.6 million.

Assuming all municipalities levy the 2 cents tax, the department will collect approximately \$9.2 million and retain 1%, or \$92,000, for administrative expenses. The balance of \$9,108,000 will be remitted to the municipalities by the department.

Total revenues for each year, netting the effects of the municipal motor fuel tax levy, are as follows

	<u>FY93*</u>	<u>FY 94 - FY98</u>
Surcharge	\$4,600,000	\$ 4,600,000
Tax increase (10 cents)	N/A	46,000,000
Municipal Tax (2 Cents)	<u>N/A</u>	<u>(9,108,000)**</u>
Net Additional Revenue	<u>\$4,600,000</u>	<u>\$41,492,000</u>

* If signed into law, the surcharge would take effect July 1, 1992. All other provisions take effect July 1, 1993 if approved by the voters in the November 1992 general election.

** Net of 1% administrative costs retained by the department.

Operating Costs (FY 94)

Personal Services \$134.1

Provides for a Revenue Auditor III, Range 18A;
an Accounting Technician I, Range 12A; and an
Accounting Clerk III, Range 10A

Travel 5.0

Provides funding for in-state travel audits.

Contractual 9.0

Provides funding for printing and communication
costs.

Supplies 3.0

Provides funding for office and data processing
supplies.

Equipment 12.0

Provides funding for staff computers.

TOTAL: \$163.1

FY 93 Operating Costs include contractual funding for printing new forms to include the surcharge of 1 cent per gallon which would become effective July 1, 1992 under this bill. No additional positions are required to collect the 1 cent surcharge.

FY 95 - FY 98 include the same operating costs as FY 94 with the exclusion of the one time equipment funding request.

CS FOR HOUSE BILL NO. 575 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act increasing the motor fuel tax, imposing a motor fuel surcharge, and authorizing
2 certain municipalities to levy and the state to collect and remit a motor fuel tax not to
3 exceed two cents per gallon; and providing for an effective date."

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

5 * Section 1. AS 29.10.200 is amended by adding a new paragraph to read:

6 (51) AS 29.45.750 (municipal motor fuel tax)

7 * Sec. 2. AS 29.45 is amended by adding a new section to read:

8 ARTICLE 6. MOTOR FUEL TAX.

9 Sec. 29.45.750. MUNICIPAL MOTOR FUEL TAX. (a) Each of the following may, by
10 ordinance, levy, on the same transactions and subject to the same restrictions as set out in
11 AS 43.40 and to the exemptions set out in AS 43.40.015 - 43.40.100, a tax on motor fuel:

12 (1) a unified municipality;

13 (2) a home rule or general law borough; and

14 (3) a city in the unorganized borough.

1 (b) The tax levied by a municipality under this section may not exceed two cents per
2 gallon.

3 (c) The tax levied under this section does not apply to

4 (1) aviation gasoline;

5 (2) motor fuel used in and on watercraft of all descriptions; and

6 (3) aviation fuel other than gasoline.

7 (d) The levy authorized by this section is in addition to any other levy of a municipal
8 tax on the sale, transfer, or consumption of motor fuel. The governing body of a municipality
9 shall promptly inform the commissioner of revenue of its adoption of an ordinance to levy, or
10 to amend an ordinance that levies, the tax authorized by this section.

11 (e) If a municipality enacts an ordinance to levy the tax authorized by this section, the
12 Department of Revenue shall

13 (1) collect the tax in the manner provided for collection of the tax proposed by
14 AS 43.40; and

15 (2) after retaining one percent of the amount collected under (1) of this subsection
16 to offset the expenses of administration, remit to the municipality the balance of the proceeds of
17 the tax.

18 * Sec. 3. AS 43.40.010(a) is amended to read:

19 (a) On sales or transfers of motor fuel in the state outside a municipality that levies
20 a tax under AS 29.45.750, there [THERE] is levied a tax of 18 [EIGHT] cents a gallon. On
21 sales or transfers of motor fuel within a municipality in the state that levies a tax under
22 AS 29.45.750, there is levied a per gallon tax of 18 cents less the rate per gallon, not to
23 exceed two cents per gallon, that is imposed by a levy of a motor fuel tax by the
24 municipality under AS 29.45.750. The tax under this subsection is levied on all motor fuel
25 sold or otherwise transferred within the state, except that

26 (1) the tax on aviation gasoline is four cents a gallon,

27 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents
28 a gallon, and

29 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a
30 gallon.

31 * Sec. 4. AS 43.40.010(b) is amended to read:

1 (b) On consumption of motor fuel in the state outside a municipality that levies a
2 tax under AS 29.45.750, there [THERE] is levied a tax of 18 [EIGHT] cents a gallon. On
3 consumption of motor fuel within a municipality in the state that levies a tax under
4 AS 29.45.750, there is levied a per gallon tax of 18 cents less the rate per gallon, not to
5 exceed two cents per gallon, that is imposed by a levy of a motor fuel tax by the
6 municipality under AS 29.45.750. The tax under this subsection is levied on all motor fuel
7 consumed by a user, except that

8 (1) the tax on aviation gasoline consumed is four cents a gallon,

9 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents
10 a gallon, and

11 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a
12 gallon.

13 * Sec. 5. AS 43.40.010(e) is amended to read:

14 (e) Sixty percent of the proceeds of the revenue from the taxes levied under this section
15 on aviation fuel, excluding the amount determined to have been spent by the state in its
16 collection, shall be refunded to a municipality owning and operating or leasing and operating an
17 airport in the proportion that the revenue was collected at the municipal airport. All other
18 proceeds of the taxes levied under this section on aviation fuel shall be paid into a special
19 aviation fuel tax account in the state general fund. The legislature may appropriate funds from
20 this account for aviation facilities.

21 * Sec. 6. AS 43.40.010(f) is amended to read:

22 (f) The proceeds from the revenue from the tax levied under this section on motor fuel
23 used in boats and watercraft of all descriptions shall be deposited in a special watercraft fuel tax
24 account in the general fund. The legislature may appropriate from this account for water and
25 harbor facilities.

26 * Sec. 7. AS 43.40.010(g) is amended to read:

27 (g) The proceeds of the revenue from the tax levied under this section on all motor
28 fuels, except as provided in (e), (f) and (j) of this section, shall be deposited in a special highway
29 fuel tax account in the state general fund. The legislature may appropriate funds from it for
30 expenditure by the Department of Transportation and Public Facilities directly or as matched with
31 available federal-aid highway money for maintenance of highways, construction of highway

1 projects and ferries included in the program provided for in AS 19.10.150, including approaches,
2 appurtenances and related facilities and acquisition of rights-of-way or easements, and other
3 highway costs including surveys, administration, and related matters. All departments of the state
4 government authorized to spend funds collected from taxes imposed by this section [CHAPTER]
5 shall perform, when feasible, all construction or reconstruction projects by contract after the
6 projects have been advertised for competitive bids, except that, when feasible, arrangements shall
7 be made with political subdivisions to carry out the construction or reconstruction projects. If
8 it is not feasible for the work to be performed by state engineering forces, the commissioner of
9 transportation and public facilities may contract on a professional basis with private engineering
10 firms for road design, bridge design, and services in connection with surveys. If more than one
11 private engineering firm is available for the work the contracts shall be entered into on a
12 negotiated basis.

13 * Sec. 8. AS 43.40.010(i) is amended to read:

14 (i) Within 30 days after the legislature convenes the Department of Transportation and
15 Public Facilities shall submit an annual budget covering anticipated revenues and their
16 expenditure, for the consideration and approval by the legislature. The budget shall cover all
17 money collected or anticipated to be collected under this section [CHAPTER] for the year
18 following the adjournment of each regular session of the legislature.

19 * Sec. 9. AS 43.40.010(j) is amended to read:

20 (j) The proceeds from the tax levied under this section on motor fuel used in snow
21 vehicles and, unless a tax refund is applied for under AS 43.40.050(a), other internal combustion
22 engines not used in or in conjunction with a motor vehicle licensed to be operated on public
23 ways shall be deposited in a special nonpublic highway use account in the general fund. The
24 legislature may appropriate from this account to the Department of Transportation and Public
25 Facilities for trail staking and shelter construction and maintenance.

26 * Sec. 10. AS 43.40 is amended by adding a new section to read:

27 Sec. 43.40.012. SURCHARGE ON MOTOR FUEL. (a) In addition to the tax levied
28 by AS 43.40.010, there is levied a surcharge of one cent a gallon on all motor fuel subject to tax
29 under AS 43.40.010.

30 (b) The surcharge imposed by (a) of this section shall be collected and remitted in the
31 same manner as the tax levied and collected under AS 43.40.010.

1 (c) Notwithstanding any other provision of this chapter, the commissioner of revenue
2 shall deposit amounts received from the levy of the surcharge under this section into the general
3 fund.

4 (d) The commissioner of administration shall separately account for the proceeds of the
5 surcharge collected under this section and deposited into the general fund. The legislature may
6 use the annual estimated balance in the account to make appropriations to the Department of
7 Environmental Conservation for the storage tank assistance fund established under AS 46.03.410.

8 * Sec. 11. Sections 1 - 4 of this Act do not take effect if amendments to the state constitution are
9 proposed at the November 1992 general election to create as a dedicated fund a transportation fund to
10 receive, among other sources, the revenue from the state's levy and collection of motor fuel taxes, and
11 a majority of the voters at that election does not approve the adoption of those amendments.

12 * Sec. 12. If secs. 1 - 4 of this Act take effect, they take effect January 1, 1993.

13 * Sec. 13. Sections 5 - 10 of this Act take effect July 1, 1992.

14 * Sec. 14. Section 11 of this Act takes effect immediately under AS 01.10.070(a).

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSHB 575 (FIN)

Revision Date: May 6, 1992
Title: Increasing Motor Fuel Tax

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

Sponsor: House Finance
Requestor: HS FIN

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	67.0	134.1	134.1	134.1	134.1	134.1
TRAVEL	4.5	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	9.0	9.0	9.0	9.0	9.0	9.0
SUPPLIES	3.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	12.0	0.0	0.0	0.0	0.0	0.0
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	95.5	151.1	151.1	151.1	151.1	151.1
CAPITAL						
REVENUE FUND SOURCE	29,046.0	47,492.0	47,492.0	47,492.0	47,492.0	47,492.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	95.5	151.1	151.1	151.1	151.1	151.1
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	95.5	151.1	151.1	151.1	151.1	151.1

POSITIONS:

FULL-TIME	3.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \$0.0

ANALYSIS:

SEE ATTACHED

Prepared By: Paul Dick PD Phone: (907) 465-2320
Division: Income and Excise Audit Date: May 6, 1992

Approved by Commissioner: Darrel J. Rexwinkel *Darrel Rexwinkel*
Agency: Department of Revenue Date: 5/6/92

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

Analysis

Effective January 1, 1993, this bill increases the highway motor fuel tax by 125% from 8 to 18 cents per gallon, but only if amendments to the state constitution are proposed at the November 1992 general election to create a dedicated transportation fund and a majority of the voters at the election approve the adoption of the amendments.

This bill amends AS 29.10 to allow municipalities to levy a motor fuel tax not to exceed 2 cents per gallon. If levied, the Department of Revenue would collect and deduct the municipal tax from the 18 cents per gallon tax under AS 43.40.010. The department would remit the municipal tax to the municipalities and retain 1% of the amount collected to offset the expenses of administration.

This bill also adds a 1 cent per gallon surcharge on all motor fuels (highway, marine and aviation) for funding the storage tank assistance fund under the Department of Environmental Conservation which becomes effective July 1, 1992. This provision does not require the approval of the voters at a general election.

Total highway motor fuel tax revenues for FY 91 based on the 8 cents per gallon rate were \$36.7 million. Based on FY 91 data, each cent of motor fuel tax yielded approximately \$4.6 million. Assuming that consumption remains the same as FY 91, an 10 cent increase would result in approximately \$46 million additional motor fuel tax revenues to the state.

The 1 cent surcharge would generate an additional \$4.6 million for highway motor fuel; \$2.0 million for marine fuel; and \$4.0 million for aviation fuel. The total revenues collected from the surcharge would be approximately \$10.6 million.

Assuming all municipalities levy the 2 cents tax, the department will collect approximately \$9.2 million per year and retain 1%, or \$92,000, for administrative expenses. The balance of \$9,108,000 will be remitted to the municipalities by the department.

Total revenues for each year, netting the effects of the municipal motor fuel tax levy, are as follows

	<u>FY93*</u>	<u>FY 94 - FY98</u>
Surcharge	\$10,600,000	\$10,600,000
Tax increase (10 cents)	23,000,000	46,000,000
Municipal Tax (2 Cents)	<u>(4.554.000)</u>	<u>(9.108.000)**</u>
Net Additional Revenue	<u>\$29.046.000</u>	<u>\$47.492.000</u>

* If signed into law, the surcharge would take effect July 1, 1992. All other provisions take effect January 1, 1993 if approved by the voters in the November 1992 general election.

** Net of 1% administrative costs retained by the department.

Operating Costs (FY 94)

Personal Services \$134.1

Provides for a Revenue Auditor III, Range 18A;
an Accounting Technician I, Range 12A; and an
Accounting Clerk III, Range 10A

Travel 5.0

Provides funding for in-state travel audits.

Contractual 9.0

Provides funding for printing and communication
costs.

Supplies 3.0

Provides funding for office and data processing
supplies.

Equipment 12.0

Provides funding for staff computers.

TOTAL: \$163.1

FY 93 Operating Costs include funding for 6 months of the year because
the motor fuel increase becomes effective January 1, 1993 under this bill.

FY 95 - FY 98 include the same operating costs as FY 94.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

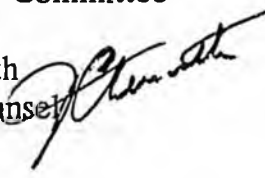
240 Main Street, Suite 500
Juneau, Alaska 99801-2101

MEMORANDUM

May 4, 1992

SUBJECT: CSHB 575 (Finance) (Work Order No. 7-LS1949\P)

TO: Representative Eileen McLean
Representative Mike Navarre, Co-Chairs
House Finance Committee

FROM: Jack Chenoweth
Legislative Counsel 

A portion of this bill is conditioned upon the voters' not defeating the "dedicated transportation fund" proposal in the November, 1992, general election if the proposal is put to them. The only "dedicated fund" proposal that looks to have a possibility of adoption this year is SJR 23. Under it, the revenue from motor fuel taxes would become subject to dedicated treatment on and after July 1, 1993.

The penny per gallon surcharge, added by sec. 10, the revenue from which would become available for the storage tank assistance fund, would take effect July 1, 1992, and there is no provision for its automatic expiration. However, since I think the courts would view that surcharge as an increment to the motor fuel tax, then assuming legislative passage and eventual voter approval of SJR 23, that additional penny would also be subject to the dedication requirement for the revenue it generates beginning July 1, 1993.

In other words, under the assumptions mentioned, you should not count on use of the proposed motor fuel surcharge to support the storage tank cleanup program after mid-1993.

JBC:mi
92-066.mai

Enclosure

CS FOR HOUSE BILL NO. 575 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act increasing the motor fuel tax; and providing for an effective date."

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

3 * Section 1. AS 43.40.010(a) is amended to read:

4 (a) There is levied a tax of 16 [EIGHT] cents a gallon on all motor fuel sold or otherwise
5 transferred within the state, except that

6 (1) the tax on aviation gasoline is four cents a gallon,

7 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents
8 a gallon, and

9 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a
10 gallon.

11 * Sec. 2. AS 43.40.010(b) is amended to read:

12 (b) There is levied a tax of 16 [EIGHT] cents a gallon on all motor fuel consumed by
13 a user, except that

14 (1) the tax on aviation gasoline consumed is four cents a gallon,

1 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents
2 a gallon, and

3 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a
4 gallon.

5 * Sec. 3. Sections 1 and 2 of this Act do not take effect if amendments to the state constitution are
6 proposed at the November 1992 general election to create as a dedicated fund a transportation fund to
7 receive, among other sources, the revenue from the state's levy and collection of motor fuel taxes, and
8 a majority of the voters at that election does not approve the adoption of those amendments.

9 * Sec. 4. If secs. 1 and 2 of this Act take effect, they take effect January 1, 1993.

FISCAL NOTE

No. 7
 Bill Version: CSHB 575 (TRA)
 (H) Publish Date: 4-10-92

STATE OF ALASKA
 1992 LEGISLATIVE SESSION

Revision Date: April 6, 1992
 Title: Increasing Motor Fuel Tax
 Sponsor: House Finance
 Requestor: _____

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	29.0	57.9	57.9	57.9	57.9	57.9
TRAVEL	2.5	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	6.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.5	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	4.0	0.0	0.0	0.0	0.0	0.0
LANDS & STRUCTURES						
GRANTS; CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	42.0	63.9	63.9	63.9	63.9	63.9
CAPITAL						
REVENUE FUND SOURCE	23,000.0	46,000.0	46,000.0	46,000.0	46,000.0	46,000.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	42.0	63.9	63.9	63.9	63.9	63.9
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	42.0	63.9	63.9	63.9	63.9	63.9

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \$0.0

ANALYSIS:

Increased taxes will result in additional compliance auditing. See Attached.

Prepared By: Paul Dick Phone: (907) 465-2320
 Division: Income and Excise Audit Date: April 6, 1992
 Approved by Commissioner: Darrel J. Rexwinkel Date: 4/6/92
 Agency: Department of Revenue

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

Intent

HB 575 increases the highway motor fuel excise tax to 18 cents per gallon. This bill does not affect the motor fuel excise tax rates for marine and aviation fuel.

Analysis

Effective January 1, 1993, this bill increases the highway motor fuel excise tax by 125% from 8 to 18 cents per gallon. The increase to 18 cents per gallon will place Alaska at the national average highway fuel tax rate (see attached table).

Total highway motor fuel tax revenues for FY 91 based on the 8 cents per gallon rate were \$36.7 million. Based on FY 91 data, each cent of motor fuel tax yielded approximately \$4.6 million. Assuming that consumption remains the same as FY 91, a 10 cent increase will result in \$46.0 million additional motor fuel tax revenues to the state.

Operating Costs

<u>Personal Services</u>	\$57.9
Provides for a Revenue Auditor III, Range 18A.	
<u>Travel</u>	5.0
Provides funding for in-state travel audits.	
<u>Contractual</u>	6.0
Provides funding for printing and communication costs.	
<u>Supplies</u>	1.0
Provides funding for office and data processing supplies.	
<u>Equipment</u>	4.0
Provides funding for a computer for FY 93.	
TOTAL:	<u>\$63.9*</u>

* FY 93 Funding level is for six months.

COMMITTEE COPY

State Excise Tax Rates on Motor Fuel and Cigarettes
 September 1, 1991-figures are ¢ per gal. or ¢ per pack

	Gasoline	Diesel	Gasohol	Cigarettes		Gasoline	Diesel	Gasohol	Cigarettes
CT	23.0	23.0	22.0	40.0 *	AL	11.0 *	12.0	11.0 *	16.5
DE	19.0	19.0	19.0	24.0	AR	18.5	18.5	18.5	22.0
ME	19.0	20.0	19.0	37.0	FL	4.0 *#	4.0 *#	4.0 *#	33.9
MD	18.5	18.5	18.5	16.0	GA	7.5 #	7.5 #	7.5 #	12.0
MA	21.0 **	21.0 **	21.0 **	26.0	KY	15.0 **	12.0 **	15.0 **	3.0
NH	18.0	18.0	18.0	25.0	LA	20.0	20.0	20.0	20.0
NJ	10.5	13.5	6.5	40.0	MS	18.0	18.0	18.0	18.0
NY	8.0 #	10.0 #	8.0 #	39.0	NC	22.6 **	22.6 **	22.6 **	5.0
PA	12.0	12.0	12.0	31.0	SC	16.0	16.0	10.0	7.0
RI	26.0 **	26.0 **	26.0 **	37.0	TN	21.0 *	18.0 *	21.0 *	13.0
VT	15.0	16.0	15.0	18.0	VA	17.7 *	16.2 *	17.7 *	2.5
DC	18.0	18.0	18.0	30.0	WV	15.5 #	15.5 #	15.5 #	17.0
AK	8.0	8.0	0.0	29.0	IL	19.0 *#	21.5 *#	19.0 *#	30.0
AZ	18.0	18.0	18.0	18.0	IN	15.0 #	16.0 #	15.0 #	15.5
CA	15.0 #	15.0 #	15.0 #	35.0	IA	20.0	22.5	19.0	36.0
CO	22.0	18.0	22.0	20.0	KS	17.0	19.0	17.0	24.0
HI	16.0 *#	16.0 *#	16.0 *#	40% *	MI	15.0 ***	15.0 ***	15.0 ***	25.0
ID	21.0	21.0	14.0	18.0	MN	20.0	20.0	18.0	43.0
MT	20.0	20.0	20.0	18.0	MO	11.0	11.0	11.0	13.0
NV	16.25 •	22.0 •	16.25 •	35.0	NE	23.7 **	23.7 **	21.7 **	27.0
NM	16.2	16.2	16.2	15.0 *	ND	17.0	17.0	17.0	29.0
OR	20.0	20.0	20.0	28.0	OH	21.0	21.0	21.0	18.0
TX	20.0	20.0	20.0	41.0	OK	17.0	14.0	17.0	23.0
UT	19.0	19.0	19.0	26.5	SD	18.0 *	18.0 *	16.0 *	23.0
WA	23.0	23.0	23.0	34.0	WI	22.5 **	22.5 **	22.5 **	30.0
WY	9.0	9.0	5.0	12.0	US	18.0	18.0	18.0	24.0

State sales taxes are also applied. Sales taxes apply to cigarettes in all states except CO and WY.

* Additional local tax apply

** Variable rates set by the Dept. of Revenue.

• Tax rates scheduled to increase October 1, 1991: NV, 19.75 cents (gasoline and gasohol) 24.5 cents (diesel). Cigarette tax increases to 18 cents in MO if approved by voters in Nov.

Source: Compiled by FTA from various sources.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSHB 575 (TRA)

Revision Date: April 14, 1992
Title: Increasing Motor Fuel Tax

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

Sponsor: House Finance
Requestor: HS TRANS

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	29.0	57.9	57.9	57.9	57.9	57.9
TRAVEL	2.5	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	3.0	6.0	6.0	6.0	6.0	6.0
SUPPLIES	0.5	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	4.0	0.0	0.0	0.0	0.0	0.0
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	39.0	69.9	69.9	69.9	69.9	69.9
CAPITAL						
REVENUE FUND SOURCE	4,313.0	8,626.0	8,626.0	8,626.0	8,626.0	8,626.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	39.0	69.9	69.9	69.9	69.9	69.9
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	39.0	69.9	69.9	69.9	69.9	69.9

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \$0.0

ANALYSIS:

SEE ATTACHED

Prepared By: Paul Dick Phone: (907) 465-2320
Division: Income and Excise Audit Date: April 14, 1992

Approved by Commissioner: Darrel J. Rexwinkel Date: _____
Agency: Department of Revenue

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

Intent

CSHB 575 increases the highway motor fuel excise tax to 10 cents per gallon and exempts fuel used on-site at mining operations from the tax.

Analysis

Effective January 1, 1993, this bill increases the highway motor fuel excise tax by 25% from 8 to 10 cents per gallon.

Total highway motor fuel tax revenues for FY 91 based on the 8 cents per gallon rate were \$36.7 million. Based on FY 91 data, each cent of motor fuel tax yielded approximately \$4.6 million. Assuming that consumption remains the same as FY 91, a 2 cent increase will result in \$9.2 million additional motor fuel tax revenues to the state.

This bill will also exempt fuel used on-site at a mining operation from the motor fuel tax. Currently, mining operations claim a 6 cent refund on all fuel used in their operations. The exemption in this bill will mean that the state will forego 4 cents per gallon (10 cents per gallon tax less the 6 cents per gallon refund provision) on those gallons which would have been subject to refund.

For the calendar year 1991, mining operations claimed refunds on approximately 14,350,000 gallons of fuel. Assuming that mining operations use fuel at the 1991 level, the state will forego \$574,000 per year (14,350,000 gallons x 4 cents/gallon) because of the exemption.

Total revenues for each year, netting the effects of the exemption against the 2 cent increase, follows:

	<u>FY93*</u>	<u>FY94 - FY98</u>
Tax Increase (2 cents)	\$4,600,000	\$9,200,000
Mining Exemption	<u>(287,000)</u>	<u>(574,000)</u>
Net Additional Revenue	<u>\$4,313,000</u>	<u>\$8,626,000</u>

* Since this bill takes effect January 1, 1993, FY 93 revenues reflect amounts for half of a year.

Operating Costs

<u>Personal Services</u>	\$57.9
Provides for a Revenue Auditor III, Range 18A.	
<u>Travel</u>	5.0
Provides funding for in-state travel audits.	
<u>Contractual</u>	6.0
Provides funding for printing and communication costs.	
<u>Supplies</u>	1.0
Provides funding for office and data processing supplies.	
<u>Equipment</u>	4.0
Provides funding for a computer for FY 93.	
TOTAL:	<u>\$73.9*</u>

* FY 93 Funding level is for six months.

HB595

HOUSE COMMITTEE REPORT

(11)

Date Referred: May 13, 1992

FURTHER REFERRAL

Date of Committee Action: 5/14/92

The FINANCE Committee considered:

HB 595

HOUSE BILL NO. 595

ESTAB. ALASKA STATE HOUSING COMMISSION

"An Act relating to housing: expanding the board of directors of the Alaska Housing Finance Corporation; relating to the management of the Alaska Housing Finance Corporation; creating the Alaska State Housing Planning Commission and establishing its duties; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 595 (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) _____

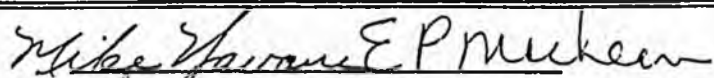
fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Eileen P. ^{Maclean} McKean	<input checked="" type="checkbox"/>	Jamada ^{Burnes}		<input checked="" type="checkbox"/>	
Mike ^{Navarre} Spavone	<input checked="" type="checkbox"/>	Robert ^{Larsen}		<input checked="" type="checkbox"/>	
Al ^{Arpenson}	<input checked="" type="checkbox"/>	Ben ^{Sharp}	<input checked="" type="checkbox"/>		
John ^{Brown}	<input checked="" type="checkbox"/>	Roll E ^{Phillips}	<input checked="" type="checkbox"/>		
Steve ^{Jacob}	<input checked="" type="checkbox"/>				
Mark ^B	<input checked="" type="checkbox"/>				


 CD CHAIRMAN'S SIGNATURE
 NAVARRE Maclean

CS FOR HOUSE BILL NO. 595 (FINANCE)**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - FIRST SPECIAL SESSION****BY THE HOUSE FINANCE COMMITTEE**

Offered:

Referred:

Sponsor(s): **HOUSE FINANCE COMMITTEE BY REQUEST****A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to housing and public buildings, and to the Alaska Housing Finance
2 Corporation; and providing for an effective date."

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

4 * Section 1. FINDINGS. The legislature finds that

5 (1) housing programs in the state are not consolidated and are spread among many state
6 agencies, offices, and divisions, and that a coordinated state housing policy to provide clear direction
7 for addressing housing needs does not exist;

8 (2) there is only limited statistical data on housing needs and, as a result, housing
9 programs are designed with little quantitative information regarding the real needs of Alaskans;

10 (3) low-income and rural housing needs in the state are critical and have not been met
11 with existing housing resources;

12 (4) in order to promote and improve the opportunity for all Alaskans to live in safe,
13 sanitary, and energy efficient housing, coordination of the state's varied and disparate housing program
14 initiatives is required;

1 (5) coordination of the state housing programs can be best effectuated by a merger of the
2 housing programs of the Alaska State Housing Authority and the Department of Community and
3 Regional Affairs into the Alaska Housing Finance Corporation; and

4 (6) the replacement of three agencies, each dealing with a part of the state's housing
5 programs, with a single agency, the Alaska Housing Finance Corporation, with an expanded mission,
6 governed by a board of directors to make policy and to provide for the financing, acquisition,
7 rehabilitation, construction, weatherization, and operation of housing for low- and moderate-income
8 Alaskans and Alaskans in rural Alaska will serve a public purpose in benefitting the people of the state.

9 * Sec. 2. PURPOSE. (a) Merger is the process by which two or more corporations are united by
10 a transfer of the responsibilities, assets, and liabilities of all into one of them, with that one entity
11 continuing in existence as the successor corporation. Except for the provisions described in (b) and (c)
12 of this section, the purpose of this Act is to direct the merger of the Alaska State Housing Authority,
13 a public corporation of the state, into the Alaska Housing Finance Corporation, another public
14 corporation of the state, transferring the programs of the former to the latter and leaving the latter as the
15 public corporation responsible for the former's housing and public building project assistance, moderate
16 income and rental housing, and slum clearance and redevelopment programs and initiatives for the people
17 of the state.

18 (b) To provide further for the consolidation of housing programs under the Alaska Housing
19 Finance Corporation,

20 (1) the provisions of secs. 77 - 80 of this Act; of AS 18.56.400 - 18.56.650, added by
21 sec. 100 of this Act; and of secs. 140 and 142 of this Act transfer certain programs of the Department
22 of Community and Regional Affairs related to housing to the expanded Alaska Housing Finance
23 Corporation;

24 (2) the provisions of AS 18.56.700 - 18.56.810, added by sec. 100, and secs. 140 and 143
25 of this Act transfer the responsibility for the operation of the senior citizen housing office and for the
26 provision of senior citizens housing programs under AS 44.47.585 - 44.47.620 from the Department of
27 Community and Regional Affairs into the expanded Alaska Housing Finance Corporation;

28 (3) the provisions of AS 18.56.850, added by sec. 100, and secs. 140 and 144 of this Act
29 transfer the responsibility for development of home energy conservation and weatherization programs
30 from the Department of Community and Regional Affairs into the expanded Alaska Housing Finance
31 Corporation;

1 (4) the provisions of secs. 108 and 109 of this Act assign to the Alaska Housing Finance
2 Corporation the ~~exclusive~~ responsibility for provision of replacement housing planning loans and a
3 coordinate responsibility in the provision of assistance to state agencies for replacement housing under
4 the state program that authorizes and directs relocation assistance due to acquisition of real property for
5 state agency activities.

6 (c) With anticipated state revenue expected to decrease substantially during state fiscal year
7 1993, the legislature looks to reduce general fund expenditures and to increase the state general fund
8 balance available during that fiscal year to meet the costs of state government operations, its loan
9 programs, and its capital improvements program. The purpose of sec. 147 of this Act is to authorize
10 the purchase by the Alaska Housing Finance Corporation, at a discount, of the mortgage notes now held
11 by the Department of Community and Regional Affairs for the loans it has made under the department's
12 various housing assistance programs set out in AS 44.47.370 - 44.47.560 and 44.47.585 - 44.47.635, and
13 to require the deposit of amounts paid to the department for its notes into the state general fund. The
14 purchase of the notes and transfer of money to the state general fund, as authorized by sec. 147 of this
15 Act, when coupled with a transfer of revenue to the state expected to be approved by the board of
16 directors of the Alaska Housing Finance Corporation during 1992, will increase the balance of the state
17 general fund by approximately \$200,000,000, thereby materially reducing the expected state deficit for
18 state fiscal year 1993.

19 (d) The provisions of secs. 120 - 132, 139, and 149 of this Act validate certain nonconforming
20 and rural housing mortgage loans and loan commitments, redesignated as small community loans, entered
21 into by the Department of Community and Regional Affairs after December 31, 1991, and before the
22 effective date of those sections.

23 (e) It is the intent of the legislature that

24 (1) existing housing programs being merged into the Alaska Housing Finance Corporation
25 continue without interruption, and that the program of weatherization assistance for low-income persons
26 continue the use of subgrantees and contractors under 10 CFR 440.15; and

27 (2) appropriate training be provided to the staff and board of the corporation as necessary
28 to effectuate the purpose of the merger.

29 (f) The Alaska Housing Finance Corporation is empowered to act in behalf of the state and its
30 people in exercising the state housing programs and functions as a public purpose for the benefit of the
31 people of the State of Alaska.

1 * Sec. 3. AS 18.55.010 is amended to read:

2 Sec. 18.55.010. PURPOSE OF AS 18.55.100 - 18.55.290 [AS 18.55.010 - 18.55.290].

3 The purpose of AS 18.55.100 - 18.55.290 [AS 18.55.010 - 18.55.290] is to remedy the acute
4 housing shortage that exists in certain localities of the state by undertaking slum clearance,
5 low-cost housing projects, housing for persons and their families engaged in national defense
6 activities in the state, and housing projects and housing for veterans [OF WORLD WAR II] and
7 other citizens of the state and to remedy the short supply of necessary public buildings by
8 providing for the financing, construction, and acquisition of public buildings for lease to the state.

9 * Sec. 4. AS 18.55.080 is amended to read:

10 Sec. 18.55.080. MEMBERS OR EMPLOYEES PROHIBITED FROM ACQUIRING
11 INTEREST IN PROJECTS. A member of the board of directors or employee of the
12 corporation [AUTHORITY] may not acquire an interest, direct or indirect, in a housing or public
13 building project authorized by AS 18.55.100 - 18.55.290, or in property or a contract for
14 materials or services included or planned to be included in a project authorized by
15 AS 18.55.100 - 18.55.290. If a member of the board of directors or employee owns or controls
16 an interest, the member or employee shall immediately disclose the interest in writing to the
17 corporation [AUTHORITY]. Failure to make disclosure constitutes misconduct in office.

18 * Sec. 5. AS 18.55.100(a) is amended to read:

19 (a) To the extent not already provided by AS 18.56, the corporation [THE
20 AUTHORITY] has all powers necessary to carry out the purposes of AS 18.55.010 - 18.55.290,
21 including the power to [BUT NOT LIMITED TO THE FOLLOWING:]

22 (1) sue and be sued;

23 (2) adopt a seal;

24 (3) have perpetual succession;

25 (4) adopt, amend, and repeal bylaws and regulations;

26 (5) make and execute contracts and other instruments;

27 (6) in its own name, own, exchange, transfer, lease, rent, convey, or acquire by
28 eminent domain under AS 09.55.240 - 09.55.460, or otherwise, real and personal property;
29 provided that no project site or part of a project site may be acquired by eminent domain until
30 the corporation [AUTHORITY] has secured, through negotiation, options for the purchase of
31 at least 50 per cent of the properties included in the site, except in disaster areas; in an eminent

1 domain proceeding the court may, upon motion and after a hearing, fix the time when and the
2 terms upon which the parties in possession are required to surrender possession to the plaintiff;
3 if the court finds that urgent public necessity requires, it may grant the plaintiff possession at any
4 time after the proceeding has been commenced;

5 (7) [TO] provide, subject to the applicable planning, zoning, sanitary, and building
6 laws, ordinances, and regulations for the construction, improvement, alteration, or repair of a
7 housing or public building project or any part of a housing or public building project, and also,
8 subject to the same restrictions, to provide for the construction, improvement, alteration, repair,
9 planning, financing, and interim operation of a sewer or water system, or part of a sewer or water
10 system, to foster, encourage, and permit the development of housing projects by private and
11 public developers and builders;

12 (8) operate those housing projects and to act as agent or lessee in developing or
13 administering housing projects undertaken by the federal government;

14 (9) arrange or contract for services, privileges, works, or facilities for or in
15 connection with a housing project or the occupants of a housing project and notwithstanding
16 anything to the contrary contained in AS 18.55.010 - 18.55.470 or in any other provision of law,
17 include in the contract stipulations that the contractor and subcontractors comply with
18 requirements as to minimum wages and maximum hours of labor, with any conditions that the
19 federal government may have attached to its financial aid of the project, and with any pertinent
20 state law;

21 (10) establish and revise rent schedules;

22 (11) insure any real or personal property or operations of the corporation
23 [AUTHORITY] against any risks or hazards;

24 (12) invest in property or securities in which banks or trust companies may legally
25 invest any money [FUNDS] held in reserves or sinking funds or any money [FUNDS] not
26 required for immediate disbursement;

27 (13) purchase its bonds at a price not more than the principal amount of the bonds
28 and accrued interest, all bonds so purchased to be canceled;

29 (14) investigate and study living and housing conditions and the clearing and
30 reconstructing of slum areas;

31 (15) arrange or contract for the financing, design, construction, and acquisition

1 of public buildings for lease to the state in accordance with AS 18.55.010 - 18.55.290;

2 (16) charge to and collect fees from owners or developers of low-income housing
3 for the application for and allocation of federal low-income housing tax credits;

4 (17) collect and pay reasonable fees and charges in connection with making,
5 purchasing, and servicing its mortgages, loans, notes, bonds, certificates, commitments, and other
6 evidences of indebtedness.

7 * Sec. 6. AS 18.55.100(b) is amended to read:

8 (b) Notwithstanding any other provisions in AS 18.55.010 - 18.55.470,

9 (1) when the local governing body certifies that an area is in need of a housing
10 project under any of the provisions or powers within AS 18.55.010 - 18.55.470 as a result of the
11 earthquakes of 1964 and all results and aftereffects respecting which the governor of the state has
12 certified the need for disaster assistance, the corporation [AUTHORITY] may plan, undertake,
13 and carry out the project in the disaster area;

14 (2) with the approval of the local governing body, and immediately after the
15 approval, the corporation [AUTHORITY] may acquire real property for the purposes of
16 AS 18.55.010 - 18.55.470, and demolish and remove any structure on the property, and it may
17 pay all costs related to the acquisition, demolition, or removal, including any administrative or
18 relocation expenses, unless payment of the costs are contrary to applicable federal law or
19 regulation;

20 (3) [REPEALED,

21 (4)] for the purposes of this subsection, AS 18.55.130 and 18.55.330 do not apply.

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

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

27 * Sec. 8. AS 18.55.110 is amended to read:

28 Sec. 18.55.110. COOPERATION WITH AND AID OF FEDERAL GOVERNMENT.
29 For purposes of AS 18.55.100 - 18.55.290, the corporation [THE AUTHORITY] may do all
30 things necessary or desirable to cooperate with or act as agent for the federal government, or to
31 secure financial aid for housing projects for veterans of World War II and other citizens of the

1 state, provided that those projects may not be undertaken unless an acute shortage of housing
2 exists. ~~With respect to those projects, the corporation~~ [AUTHORITY] may not be subject to
3 limitations, restrictions, or requirements of other laws, except those relating to land acquisition,
4 prescribing or limiting the procedure or action to be taken in the development or administration
5 of any buildings, property, public works, undertakings, or projects of municipal or public
6 corporations or agencies of the state.

7 * Sec. 9. AS 18.55.120 is amended to read:

8 Sec. 18.55.120. OPERATION AND MANAGEMENT OF PROJECTS. For purposes
9 of AS 18.55.100 - 18.55.290, the corporation [THE AUTHORITY] shall manage and operate
10 low-cost housing projects with rentals fixed at the lowest rates consistent with decent, safe, and
11 sanitary dwellings. A low-cost housing project may not be constructed or operated for profit or
12 as a source of revenue to a municipality or the state. Rentals in the housing projects may not
13 exceed the amount that the corporation [AUTHORITY] finds necessary to produce revenues
14 sufficient together with all other available money from whatever source derived, to

15 (1) pay, as they become due, the principal and interest on its bonds;

16 (2) meet the cost of maintaining and operating the projects, including insurance
17 and administrative expenses; and

18 (3) create, during not less than the six years immediately following issuance of
19 any bonds, a reserve sufficient to meet the largest principal and interest payments due in any one
20 year thereafter and to maintain that reserve.

21 * Sec. 10. AS 18.55.130 is amended to read:

22 Sec. 18.55.130. QUALIFICATIONS OF TENANTS AND MAXIMUM NUMBER OF
23 ROOMS. (a) In the operation or management of low-cost housing projects, the corporation
24 [AUTHORITY] shall from time to time establish rents and requirements for admission of tenants
25 to its low-cost housing projects [OF THE AUTHORITY] in each municipality [CITY OR
26 BOROUGH OF ANY CLASS] in which low-cost housing projects of the corporation
27 [AUTHORITY] are located. The rents and requirements for admission are subject to the
28 approval of the United States Department of Housing and Urban Development.

29 (b) Except in the case of leased housing [,] as provided in 42 U.S.C. 1421b, [THE
30 UNITED STATES HOUSING ACT OF 1937, SEC. 23 (PL 89-117; 79 STAT. 455;
31 AUGUST 19, 1965)] as amended [(42 U.S.C. 1421b)], the corporation shall fix the income

1 limits for occupancy of its low-cost housing projects [OF THE AUTHORITY] and rents that are
2 [SHALL BE FIXED BY THE AUTHORITY AND] approved by the United States Department
3 of Housing and Urban Development after taking into consideration

4 (1) the family size, composition, age, physical handicaps, and other factors that
5 might affect the rent-paying ability of the family; [,] and

6 (2) the economic factors that affect the financial stability and solvency of the
7 project.

8 (c) Rents and requirements for admission to low-cost housing projects as provided in (a)
9 and (b) of this section [,] must be so established that a gap of at least 20 per cent, except in the
10 case of an elderly family or displaced family or in the case of leased housing under 42 U.S.C.
11 1421b, [THE UNITED STATES HOUSING ACT OF 1937, SEC. 23 (PL 89-117; 79 STAT. 455;
12 AUGUST 19, 1965)] as amended, [(42 U.S.C. 1421b)] will be left between the upper rental
13 limits for admission to low-cost housing projects of the corporation [AUTHORITY] and the
14 lowest rents at which private enterprise unaided by public subsidy is providing housing
15 substantially similar to the low-cost housing projects of the corporation [AUTHORITY].

16 (d) The corporation [AUTHORITY] may not rent more than the minimum number of
17 rooms that it considers necessary to provide safe and sanitary accommodations without
18 overcrowding.

19 (e) Nothing in this section or AS 18.55.120 limits the power of the corporation
20 [AUTHORITY] to vest in an obligee the right to take possession of a housing project or have
21 a receiver appointed free from the restrictions imposed by this section or AS 18.55.120 in case
22 of default by the corporation [AUTHORITY].

23 * Sec. 11. AS 18.55.140 is amended to read:

24 Sec. 18.55.140. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. The
25 corporation [AUTHORITY] may issue bonds and notes from time to time in its discretion for
26 a purpose authorized by this chapter [ANY OF ITS CORPORATE PURPOSES] and may issue
27 refunding bonds for the purpose of paying or retiring bonds previously issued under this chapter
28 [BY IT].

29 * Sec. 12. AS 18.55.150 is amended to read:

30 Sec. 18.55.150. SECURITY FOR BONDS. (a) In conjunction with projects
31 authorized by this chapter, the corporation [THE AUTHORITY] may issue bonds, including

1 [BUT NOT LIMITED TO] bonds on which the principal and interest are payable

2 (1) exclusively from the income and revenue of the housing project financed with
3 the proceeds of the bonds; [,]

4 (2) exclusively from the income and revenue of designated housing projects
5 whether or not they are financed in whole or in part with the proceeds of the bonds; or [,]

6 (3) from its revenue generally; [,] or

7 (4) exclusively from rents collected on public buildings.

8 (b) Bonds authorized by (a) of this section may be additionally secured

9 (1) by a pledge of a grant or contribution from the federal government or from
10 another source;

11 (2) [, OR] by a pledge of income or revenue of the corporation: or

12 (3) [AUTHORITY, OR] by a mortgage of a housing project or other property of
13 the corporation [AUTHORITY].

14 * Sec. 13. AS 18.55.160 is amended to read:

15 Sec. 18.55.160. LIMITATION OF LIABILITY ON BONDS. (a) The members of the
16 board of directors of the corporation [AUTHORITY] and any person executing the bonds
17 issued under AS 18.55.100 - 18.55.290 are not liable personally on the bonds by reason of their
18 issuance.

19 (b) The bonds of the corporation issued under AS 18.55.100 - 18.55.290
20 [AUTHORITY] are not a debt of the state or a political or municipal corporation or other
21 subdivision of the state and each bond shall so state on its face. Neither the state nor a political
22 or municipal corporation or other subdivision of the state other than the corporation
23 [AUTHORITY] is liable on the bonds, nor are the bonds payable out of money or property
24 [FUNDS OR PROPERTIES] other than those of the corporation [AUTHORITY].

25 (c) The corporation [AUTHORITY] may not pledge the faith of the people of the state
26 for a loan or obligation that is entered into under AS 18.55.100 - 18.55.290.

27 (d) Bonds of the corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY]
28 are not a debt, indebtedness, or the borrowing of money within the meaning of any limitation or
29 restriction on the issuance of bonds contained in the constitution or laws of the state.

30 * Sec. 14. AS 18.55.170 is amended to read:

31 Sec. 18.55.170. EXEMPTION FROM TAXES. Bonds and other obligations of the

1 corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY] are declared to be issued
2 for an essential public and governmental purpose and are public instrumentalities and, together
3 with interest on them and income from them, are exempt from taxes.

4 * Sec. 15. AS 18.55.180 is amended to read:

5 Sec. 18.55.180. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes
6 of the corporation issued under AS 18.55.100 - 18.55.290 [AUTHORITY] are authorized by
7 adoption of a resolution prescribing the date of issuance and maturity, interest rate, denomination,
8 form, conversion privilege, rank or priority, execution, terms of redemption, medium and place
9 of payment. Bonds and notes may be sold in the manner, on the terms, and at the price the
10 corporation [AUTHORITY] determines. Each bond and note is negotiable. The signature of
11 a member of the board of directors of the corporation or an officer of the corporation upon
12 a bond or note or coupon is not invalidated by that person's ceasing to hold office before the
13 delivery of the bond or note. The recitation of a bond or note that it has been issued in the
14 financing of a housing or public building project under AS 18.55.010 - 18.55.290 is conclusive
15 as to the issuance of the bond or note and the character of the project in a challenge of the
16 validity of the bond or note or the security for it.

17 * Sec. 16. AS 18.55.187 is amended to read:

18 Sec. 18.55.187. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private
19 sale of bonds or bond anticipation notes to an underwriter when that sale is authorized by
20 AS 18.55.100 - 18.55.290, the corporation shall retain a financial advisor who is independent
21 from the underwriter. The financial advisor may not bid on the bonds or notes if offered at
22 public sale or negotiate for their purchase if sold at private sale.

23 * Sec. 17. AS 18.55.200 is amended to read:

24 Sec. 18.55.200. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
25 UNDER LEASES. When authorized by AS 18.55.100 - 18.55.290, in [IN] connection with the
26 issuance of bonds or the incurring of obligations under leases and in order to secure the payment
27 of bonds or lease obligations, the corporation [AUTHORITY], in addition to its other powers,
28 may

29 (1) pledge all or a part of its gross or net rents, fees, or revenues to which its
30 right exists or may exist;

31 (2) mortgage all or a part of its real or personal property, owned or later acquired;

- 1 (3) covenant against pledging all or a part of its rents, fees, and revenues, or
2 against mortgaging all or a part of its real or personal property, to which its right or title exists
3 or may come into existence or against permitting or suffering any lien on the revenues or
4 property;
- 5 (4) covenant with respect to limitations on its right to sell, lease, or otherwise
6 dispose of a housing or public building project or a part of a housing or public building project;
- 7 (5) covenant as to what other, or additional debts or obligations may be incurred
8 by it;
- 9 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
10 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;
- 11 (7) provide for the replacement of lost, destroyed, or mutilated bonds;
- 12 (8) covenant against extending the time for the payment of its bonds or interest
13 on the bonds;
- 14 (9) redeem the bonds, and covenant for their redemption and to provide the terms
15 and conditions of redemption;
- 16 (10) covenant subject to the limitations contained in AS 18.55.100 - 18.55.290
17 [AS 18.55.010 - 18.55.290] as to the rents and fees to be charged in the operation of a housing
18 or public building project, the amount to be raised each year or other period of time by rents,
19 fees, and other revenues, and as to the use and disposition of these revenues;
- 20 (11) create or authorize the creation of special funds for money held for
21 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the
22 use and disposition of this money;
- 23 (12) prescribe the procedure by which the terms of a contract with bondholders
24 may be amended or abrogated, the amount of bonds the holders of which must consent thereto
25 and the manner in which the consent may be given;
- 26 (13) covenant as to the rights, liabilities, powers, and duties arising upon the
27 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
28 default and terms and conditions upon which any or all of its bonds or obligations shall become
29 or may be declared due before maturity, and covenant as to the terms and conditions upon which
30 this declaration and its consequences may be waived;
- 31 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion

1 of them, the right to enforce the payment of the bonds or covenants securing or relating to the
2 bonds;

3 (15) vest in one or more trustees the right, in the event of a default by the
4 corporation [AUTHORITY], to take possession of a housing or public building project or a part
5 of the project, and so long as the corporation [AUTHORITY] continues in default to retain
6 possession and to use, operate, and manage the project, and to collect the rents and revenues from
7 the project, and to dispose of the money according to the agreement between the corporation
8 [AUTHORITY] and the trustees;

9 (16) provide for the powers and duties of the trustees, and limit the liability of
10 the trustees; and

11 (17) provide the terms and conditions upon which the trustee or trustees or the
12 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
13 the bonds.

14 * Sec. 18. AS 18.55.210 is amended to read:

15 Sec. 18.55.210. RIGHT OF OBLIGEE OF CORPORATION [AUTHORITY] TO
16 BRING INJUNCTION. An obligee of the corporation [AUTHORITY] may, in addition to all
17 other rights that may be conferred by AS 18.55.100 - 18.55.290 and subject only to contractual
18 restriction binding upon the obligee, seek an injunction or an action in nature of an action for
19 mandamus against the members of the board of directors, the corporation, or [AUTHORITY,]
20 its officers, agents, or employees for a matter arising out of AS 18.55.100 - 18.55.290.

21 * Sec. 19. AS 18.55.220 is amended to read:

22 Sec. 18.55.220. POWER OF CORPORATION [AUTHORITY] TO CONFER UPON
23 OBLIGEE RIGHT TO BRING ACTION OR PROCEEDING. In conjunction with the exercise
24 of a power authorized by AS 18.55.100 - 18.55.290, the corporation [THE AUTHORITY]
25 may, by resolution, trust indenture, mortgage, lease, or other contract, confer upon an obligee
26 holding or representing a specified amount in bonds, or holding a lease, the right upon a default
27 as defined in the resolution or instrument by suit, action, or proceeding

28 (1) to have possession of a housing or public building project or part of one
29 surrendered to the obligee, with possession retained by the obligee as long as the corporation
30 [AUTHORITY] continues in default;

31 (2) to obtain the appointment of a receiver of a housing or public building project

1 or part of one and its rents and profits, who may enter, take possession, and for the duration of
2 the default ~~operate and maintain it, collect and receive all fees, rents, revenues, or other charges~~
3 thereafter arising, and keep the money in a separate account or accounts to be applied in
4 accordance with the obligations of the corporation [AUTHORITY] as the court directs;

5 (3) to require the corporation [AUTHORITY] and the [ITS] members of its
6 board of directors to account as if they were the trustees of an express trust.

7 * Sec. 20. AS 18.55.230 is amended to read:

8 Sec. 18.55.230. EXEMPTION OF REAL PROPERTY OF CORPORATION
9 [AUTHORITY] FROM EXECUTION OR OTHER PROCESS. In conjunction with the
10 exercise of a power authorized by AS 18.55.100 - 18.55.290, the [ALL] real property of the
11 corporation [AUTHORITY] is exempt from levy and sale by execution. Execution [, AND NO
12 EXECUTION] or other judicial process may not issue against it and [NO] judgment against the
13 corporation [AUTHORITY] may not be a charge or lien upon its real property. However, this
14 section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage of the
15 authority or to pursue any remedy for the enforcement of a pledge or lien given by the
16 corporation under AS 18.55.100 - 18.55.290 [AUTHORITY] on its rents, fees, or revenues.

17 * Sec. 21. AS 18.55.240 is amended to read:

18 Sec. 18.55.240. POWER OF CORPORATION [AUTHORITY] TO OBTAIN FEDERAL
19 AID AND COOPERATION. The corporation [AUTHORITY] may borrow, accept
20 contributions, grants, or other financial assistance from the federal government in aid of any
21 housing or public building project and for this purpose may comply with conditions and enter
22 into the mortgages, trust indentures, leases, or agreements that are necessary, convenient, or
23 desirable in order to obtain financial aid or cooperation from the federal government in the
24 undertaking, construction, maintenance, or operation of a housing or public building project
25 authorized by AS 18.55.100 - 18.55.290.

26 * Sec. 22. AS 18.55.250 is amended to read:

27 Sec. 18.55.250. EXEMPTION FROM TAXES AND ASSESSMENTS. The property
28 owned by the corporation under the authority granted in AS 18.55.100 - 18.55.290 [OF THE
29 AUTHORITY] is public property used for essential public and governmental purposes, and is
30 [THIS PROPERTY AND THE AUTHORITY ARE] exempt from all taxes and special
31 assessments of a municipality, the state, or a political subdivision of the state. However, instead

1 of the payment of taxes on this property, the corporation [AUTHORITY] may make payments
2 to the municipality or political subdivision for improvements, services, and facilities furnished
3 by it for the benefit of a housing or public building project.

4 * Sec. 23. AS 18.55.255(a) is amended to read:

5 (a) In conjunction with the exercise of a power authorized by AS 18.55.100 -
6 18.55.290, the corporation [THE AUTHORITY] may convey real or personal property that it
7 determines is in excess of its needs. Except as provided in (b) and (c) of this section, the sale
8 shall be by public auction or by sealed bids at a price not lower than the fair market value
9 determined by an appraisal made within 180 days before the sale by a qualified appraiser.
10 Public notice shall be given by publishing notice of the sale at least once a week for two
11 consecutive weeks in a newspaper of general circulation within the area in which the property
12 to be sold is located and by posting notice of sale in at least two public places in the area. In
13 no event may the auction be held less than 30 days after the last day of publication. If [NO]
14 acceptable bids are not received the corporation [AUTHORITY] may sell the property at
15 negotiated sale within six months after the date of the auction. A negotiated sale may not be
16 made on an appraisal made more than nine months before the date of sale. The price at a
17 negotiated sale may not be less than the appraised value.

18 * Sec. 24. AS 18.55.255(b) is amended to read:

19 (b) Real or personal property of the corporation [AUTHORITY] may be conveyed
20 under (a) of this section to a state or federal agency or political subdivision for less than the
21 appraised value without competitive bidding, upon a determination by the board that the terms
22 are fair and proper and in the best interests of the state. Before authorizing a conveyance
23 under this section, the [THE] board of directors of the corporation shall consider both the
24 nature of the agency's or political subdivision's public services or functions and the terms under
25 which the property was acquired by the corporation [AUTHORITY].

26 * Sec. 25. AS 18.55.260 is amended to read:

27 Sec. 18.55.260. LEGALITY OF CORPORATION'S [AUTHORITY] BONDS
28 AS INVESTMENTS. Bonds of the corporation that are issued under AS 18.55.100 -
29 18.55.290 [AUTHORITY] are legal and proper investments and security for public and private
30 banking, insurance, and trust funds.

31 * Sec. 26. AS 18.55.270 is amended to read:

1 Sec. 18.55.270. [REPORTS AND] RECOMMENDATIONS FOR LEGISLATION. The
2 corporation [AUTHORITY SHALL FILE WITH THE DEPARTMENT OF COMMERCE AND
3 ECONOMIC DEVELOPMENT AN ANNUAL REPORT OF ITS ACTIVITIES AND] shall make
4 recommendations for [THE] legislation or other action it considers necessary to carry out the
5 purposes of AS 18.55.100 - 18.55.290 [AS 18.55.010 - 18.55.290].

6 * Sec. 27. AS 18.55.280(a) is amended to read:

7 (a) In conjunction with the exercise by the corporation of a power authorized by
8 AS 18.55.100 - 18.55.290, a [ANY] public body, officer, or agency of the state may

9 (1) lend or donate money or property to the corporation [AUTHORITY];

10 (2) cooperate with it in the planning, construction, or operation of a public
11 housing or public building project;

12 (3) transfer to it an interest in property, grant an easement, and undertake
13 otherwise authorized construction of facilities adjacent to a project;

14 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;

15 (5) make exceptions from building codes, exercise its planning and zoning powers,
16 and annex the site of a project;

17 (6) contract to exercise its powers relating to repair, elimination, or closing of
18 unsafe, insanitary, or unfit dwellings;

19 (7) purchase the bonds of the corporation for a housing or public building
20 project authorized by AS 18.55.100 - 18.55.290 [AUTHORITY];

21 (8) incur the entire expense of improvements made under AS 18.55.010 -
22 18.55.290;

23 (9) agree with the corporation [AUTHORITY] that a certain sum or that no sum
24 shall be paid by the corporation [AUTHORITY] to the public body, officer, or agency [IT]
25 instead of taxes;

26 (10) enter into agreements respecting exercise of a power [ANY POWERS]
27 granted in AS 18.55.100 - 18.55.290 if that agreement is [HEREIN WHICH SHALL BE]
28 approved and executed by the public body or municipality in or adjacent to the project before
29 the project is [MAY BE] constructed; and

30 (11) in general do all things necessary or convenient to cooperate in the planning,
31 construction, or operation of a project.

1 * Sec. 28. AS 18.55.288(1) is repealed and reenacted to read:

2 ~~Sec. 28.~~(1) "corporation" means the Alaska Housing Finance Corporation;

3 * Sec. 29. AS 18.55.288(3) is amended to read:

4 (3) "public building [BUILDINGS]" means a publicly owned structure leased to
5 the state for governmental, public, or educational use.

6 * Sec. 30. AS 18.55.290 is amended to read:

7 Sec. 18.55.290. SHORT TITLE. AS 18.55.010 - 18.55.290 may be cited as the Housing
8 Project and Public Building Assistance Act [ALASKA STATE HOUSING AUTHORITY
9 ACT].

10 * Sec. 31. AS 18.55.310 is amended to read:

11 Sec. 18.55.310. POWERS AND DUTIES OF CORPORATION [AUTHORITY]. The
12 corporation [AUTHORITY] shall construct, protect, operate, maintain, rent, and sell at the places
13 in the state that it [THE AUTHORITY] considers most appropriate moderate-cost or rental
14 housing facilities and projects for veterans and other residents of the state. For this purpose the
15 corporation [AUTHORITY] may accept money [FUNDS] from any source, including the federal
16 government, and may enter into appropriate contracts, including contracts with the federal
17 government.

18 * Sec. 32. AS 18.55.330 is amended to read:

19 Sec. 18.55.330. PREFERENCE TO VETERANS. The corporation [AUTHORITY] shall
20 initially offer 50 percent of the dwelling units in a housing project held by it under
21 AS 18.55.300 - 18.55.470 for rent or sale to veterans. The offer shall be by publication of
22 reasonable notice in a newspaper circulated in the area in which the housing project is located.
23 The corporation [AUTHORITY] shall set aside these units for rental or sale to veterans for at
24 least 30 days following first publication of the notice before making them available to other
25 residents. ~~If~~ after an additional 30 days a unit remains unassigned, the corporation
26 [AUTHORITY] may rent or sell it to any person in the state, provided that residents have first
27 preference.

28 * Sec. 33. AS 18.55.340 is amended to read:

29 Sec. 18.55.340. CARE, OPERATION, MAINTENANCE, AND RENTAL OF HOUSING.
30 The corporation [AUTHORITY] has control over and is responsible for the care, operation,
31 maintenance, and rental or sale of the housing held by it under AS 18.55.300 - 18.55.470. It

1 may enter into appropriate arrangements for carrying out this responsibility and for safeguarding
2 the interest of the state.

3 * Sec. 34. AS 18.55.350 is amended to read:

4 Sec. 18.55.350. AVAILABILITY OF HOUSING UNITS. The corporation
5 [AUTHORITY] shall make the housing units held by it [CONSTRUCTED] under
6 AS 18.55.300 - 18.55.470 available for rental to eligible persons upon application in the form it
7 prescribes, and at the moderate rentals that it considers proper, or for sale at the prices and
8 subject to the terms and conditions that it considers fair and equitable. The corporation [THE
9 AUTHORITY] shall use the money it receives [FUNDS RECEIVED] from the sale of housing
10 or housing projects held by it under AS 18.55.300 - 18.55.470, and the revenue from rentals,
11 after payment of obligations and deductions for proper expenses of maintenance and operation,
12 for the construction of further housing, under the terms of AS 18.55.300 - 18.55.470.

13 * Sec. 35. AS 18.55.370 is amended to read:

14 Sec. 18.55.370. USE OF MONEY [FUNDS]. Money [THE FUNDS] appropriated or
15 made available under AS 18.55.300 - 18.55.470 may be used by the corporation [AUTHORITY]
16 to make

17 (1) character loans, not exceeding \$500 for each dwelling, to residents or
18 cooperatives for the improvement, conversion, or construction of dwellings in remote areas for
19 occupancy by the residents or members of the cooperatives;

20 (2) loans for moderate-cost or rental housing facilities and projects to public
21 agencies, or private nonprofit or limited dividend corporations, or private corporations or
22 cooperatives organized under AS 10.15.005 - 10.15.600 that are regulated or restricted by the
23 corporation until [AUTHORITY (UNTIL] the termination of all loan obligations to it [IT] as
24 to rents or sales, charges, capital structure, rate of return, and methods of operation to the extent
25 and in the manner that provides reasonable rentals to tenants and a reasonable return on the
26 investment; loans to cooperatives may be made for up to 95 per cent of the appraised value of
27 the housing facility.

28 * Sec. 36. AS 18.55.380 is amended to read:

29 Sec. 18.55.380. CORPORATION [AUTHORITY] MAY USE POWERS UNDER
30 OTHER LAWS. The corporation may invoke a power given to it [ANY POWERS OF THE
31 AUTHORITY] under any statute, including [BUT NOT LIMITED TO] the powers of eminent

1 domain and those relating to the issuance of bonds and obligations [, MAY BE INVOKED]
2 with respect to a project undertaken or loan made or to be made under the authorization provided
3 in AS 18.55.300 - 18.55.470.

4 * Sec. 37. AS 18.55.390 is amended to read:

5 Sec. 18.55.390. LIMITATION ON CORPORATION'S [AUTHORITY'S] POWER. The
6 power of the corporation [AUTHORITY] to act under AS 18.55.300 - 18.55.470 is limited to
7 projects in which [WHERE] adequate financing on reasonable terms is not otherwise available
8 or entrepreneurial sponsorship is lacking.

9 * Sec. 38. AS 18.55.400 is amended to read:

10 Sec. 18.55.400. EXPENDITURE OF MONEY [FUNDS]. The corporation
11 [AUTHORITY] may spend the portion of the money [FUNDS] appropriated under
12 AS 18.55.300 - 18.55.470 that it considers advisable, either directly or in cooperation with
13 educational institutions or government agencies, to develop, through study, research, and analysis,
14 information regarding low cost building supplies, materials, and methods of construction, and to
15 disseminate this information.

16 * Sec. 39. AS 18.55.420 is amended to read:

17 Sec. 18.55.420. POWER TO ADOPT AND ENFORCE [MAKE] REGULATIONS. The
18 corporation [AUTHORITY] may

19 (1) make and enforce reasonable rules and regulations under AS 18.56.098 to
20 carry out the purposes of AS 18.55.300 - 18.55.470; and

21 (2) [MAY] determine the allocation of dwelling units and projects constructed in
22 a municipality on the basis of the municipality's [ITS] population or the demand or potential
23 demand for dwelling units in it.

24 * Sec. 40. AS 18.55.440 is amended to read:

25 Sec. -18.55.440. ADDITIONAL POWERS. For the purpose of carrying out
26 AS 18.55.300 - 18.55.470, the corporation [AUTHORITY] may acquire by purchase, lease,
27 condemnation, or otherwise,

28 (1) land and appurtenances to land necessary or desirable for the establishment,
29 construction, and operation of moderate cost and moderate rental housing;

30 (2) [. THE AUTHORITY MAY ACQUIRE BY PURCHASE, LEASE,
31 CONDEMNATION, OR OTHERWISE,] rights-of-way or easements for roads, streets, trails,

1 utilities, power lines, and other similar facilities necessary and desirable for the proper
2 establishment, operation, and maintenance of a housing project.

3 * Sec. 41. AS 18.55.450 is amended to read:

4 Sec. 18.55.450. ABILITY [AUTHORITY] TO ACCEPT LAND [LANDS] AND OTHER
5 PROPERTY. The corporation [AUTHORITY] may accept land , a building, property, or
6 equipment that is available from an executive department, independent establishment or agency
7 of the federal government or the state, or a municipality, for the purpose of carrying out
8 AS 18.55.300 - 18.55.470.

9 * Sec. 42. AS 18.55.460 is amended to read:

10 Sec. 18.55.460. PREFERENCE FOR STATE PROFESSIONAL AND CONTRACTORS'
11 SERVICES. In planning, designing, and constructing projects under AS 18.55.300 - 18.55.470,
12 the corporation [AUTHORITY] shall use [ALASKAN] professional and contractor services of
13 state residents as far as practicable and shall encourage the use of local building materials.

14 * Sec. 43. AS 18.55.470(1) is repealed and reenacted to read:

15 (1) "corporation" means the Alaska Housing Finance Corporation;

16 * Sec. 44. AS 18.55.490 is amended to read:

17 Sec. 18.55.490. LEGISLATIVE INTENT. It is the intent of the legislature in
18 AS 18.55.480 - 18.55.960 to take advantage of 42 U.S.C. 1441 - 1469c (Title I of the Housing
19 Act of 1949 (P.L. 81-171; 63 Stat. 413)) [TITLE I OF THE HOUSING ACT OF 1949 (P.L.
20 81-171; 63 STAT. 413)], as amended.

21 * Sec. 45. AS 18.55.500 is amended to read:

22 Sec. 18.55.500. INTEREST OF MEMBERS OF BOARD OF DIRECTORS OR
23 EMPLOYEES OF CORPORATION [AUTHORITY] IN PROJECT PROHIBITED. (a) A
24 member of the board of directors or employee of the corporation [AUTHORITY] may not
25 voluntarily acquire an interest, direct or indirect, in a redevelopment project or in property
26 included or planned by the authority to be included in a redevelopment project, or in a contract
27 or proposed contract in connection with a project. If the acquisition is not voluntary the member
28 or employee shall immediately disclose the interest in writing to the corporation [AUTHORITY]
29 and the disclosure shall be entered upon the minutes of the corporation [AUTHORITY].

30 (b) If a member of the board of directors or employee of the corporation
31 [AUTHORITY] owns or controls or owned or controlled within the preceding two years an

1 interest, direct or indirect, in property that the member or employee knows is included or planned
2 by the corporation [AUTHORITY] to be included in a redevelopment project, the member or
3 employee shall immediately disclose the interest in writing to the corporation [AUTHORITY]
4 and the disclosure shall be entered upon the minutes of the corporation [AUTHORITY], and the
5 member or employee may not participate in an action by the corporation [AUTHORITY]
6 affecting the property. A violation of this section constitutes misconduct in office or dereliction
7 of duties of employment or both.

8 * Sec. 46. AS 18.55.510(a) is amended to read:

9 (a) The corporation [AUTHORITY] may not transact business or exercise its powers
10 under AS 18.55.480 - 18.55.960 in a municipality until the governing body approves by
11 resolution the exercise in the municipality of the powers, functions, and duties of the corporation
12 [AUTHORITY] under AS 18.55.480 - 18.55.960.

13 * Sec. 47. AS 18.55.520 is amended to read:

14 Sec. 18.55.520. POWERS OF THE CORPORATION [AUTHORITY]. In addition to
15 all powers previously vested in or granted to the corporation [AUTHORITY] by any other law,
16 the corporation [AUTHORITY] has all the powers necessary or convenient to carry out and
17 effectuate the purposes and provisions of AS 18.55.480 - 18.55.960, including the following
18 powers:

19 (1) to prepare or have prepared and to recommend redevelopment plans to the
20 governing body of any municipality within its area of operation and to undertake and carry out
21 redevelopment projects within its area of operation;

22 (2) to arrange or contract for the furnishing or repair, by any person or agency,
23 public or private, of services, privileges, works, streets, roads, public utilities or other facilities
24 for or in connection with a redevelopment project; and notwithstanding anything to the contrary
25 contained in AS 18.55.480 - 18.55.960 or any other provision of law, to agree to the conditions
26 that it considers reasonable and appropriate that are attached to federal financial assistance and
27 imposed pursuant to federal law relating to the determination of prevailing salaries or wages or
28 compliance with labor standards, in the undertaking or carrying out of a redevelopment project,
29 and to include a contract let in connection with a redevelopment project, provisions to fulfill any
30 of these conditions it considers reasonable and appropriate;

31 (3) within its area of operation,

1 (A) to purchase, lease, obtain options upon, acquire by gift, grant, bequest,
2 devise, eminent domain, or otherwise, any real or personal property or any interest in it,
3 together with any improvements on it necessary or incidental to a redevelopment project;

4 (B) to hold, improve, clear, or prepare for redevelopment the [ANY
5 SUCH] property it obtains under (A) of this paragraph;

6 (C) to sell, lease, exchange, transfer, assign, subdivide, retain for its own
7 use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or
8 personal property or any interest in it;

9 (D) to enter into contracts with redevelopers of property containing
10 covenants, restrictions, and conditions regarding the use of the property for residential,
11 commercial, industrial, recreational purposes or for public purposes in accordance with
12 the redevelopment plan and other covenants, restrictions, and conditions that the
13 corporation [AUTHORITY] considers necessary to prevent a recurrence of slum or
14 blighted areas or to effectuate the purposes of AS 18.55.480 - 18.55.960;

15 (E) to make any covenant, restriction, or condition of the foregoing
16 contracts a covenant running with the land, and to provide appropriate remedies for a
17 breach of the covenant, restriction, or condition, including the right in the corporation
18 [AUTHORITY] to terminate the contract and the interest in the property created under
19 the contract;

20 (F) to borrow money and issue bonds and provide security for loans or
21 bonds;

22 (G) to insure or provide for the insurance of real or personal property or
23 operations of the corporation [AUTHORITY] against risk or hazard, including the power
24 to pay premiums on this insurance;

25 (H) to enter into any contracts necessary to effectuate the purposes of
26 AS 18.55.480 - 18.55.960; however, statutory provisions with respect to the acquisition,
27 clearance, or disposition of property by another public body do not restrict the
28 corporation [AUTHORITY] or the other public body in these functions, unless the
29 legislature has specifically so provided [STATES];

30 (4) to invest money [FUNDS] held in reserves or sinking funds or any money
31 [FUNDS] not required for immediate disbursement, in property or securities in which savings

1 banks may legally invest money [FUNDS] subject to their control, and to redeem its bonds at
2 the redemption price established in the bonds or to purchase its bonds at less than redemption
3 price; and all bonds redeemed or purchased shall be cancelled;

4 (5) to borrow money and to apply for and accept advances, loans, grants,
5 contributions, and any other form of financial assistance from the federal government, the state,
6 municipality, or other public body or from any sources, public or private, for the purposes of
7 AS 18.55.480 - 18.55.960, to give the security required and to enter into and carry out contracts
8 in connection with the transaction; [THE AUTHORITY] notwithstanding the provisions of any
9 other law, the corporation may include in a contract for financial assistance with the federal
10 government for a redevelopment project those conditions imposed pursuant to federal law that
11 the corporation [AUTHORITY] considers reasonable and appropriate and which are not
12 inconsistent with the purposes of AS 18.55.480 - 18.55.960;

13 (6) to act through a member or another person designated by the corporation
14 [AUTHORITY] to conduct examinations and investigations and to hear testimony and take proof
15 under oath at public or private hearings on any matter material for its information; to administer
16 oaths, and to issue commissions for the examination of witnesses who are outside the state or
17 unable to attend before the corporation [AUTHORITY], or excused from attendance; to make
18 available to appropriate agencies or public officials, including those charged with the duty of
19 abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or
20 unsanitary structures or eliminating slums or conditions of blight within its area of operation, its
21 findings and recommendations with regard to any building or property where conditions exist that
22 are dangerous to the public health, safety, morals, and welfare;

23 (7) within its area of operation, to make or have made all surveys, appraisals,
24 studies, and plans necessary to carry out the purposes of AS 18.55.480 - 18.55.960 and to
25 contract or cooperate with persons or agencies, public or private, in the making and carrying out
26 of the surveys, appraisals, studies, and plans;

27 (8) to prepare plans and provide reasonable assistance for the relocation of
28 families displaced from a redevelopment project area to the extent essential for acquiring
29 possession of and clearing the area or parts of the area to permit the carrying out of the
30 redevelopment project;

31 (9) to make expenditures that are necessary to carry out the purposes of

1 AS 18.55.480 - 18.55.960, and to make expenditures from money [FUNDS] obtained from the
2 federal government and the state [INCLUDING THE ALASKA STATE HOUSING
3 AUTHORITY FUND], without regard to any other laws pertaining to the making and approval
4 of appropriations and expenditures;

5 (10) to exercise all or any part or combination of powers granted by this section;

6 (11) with the approval of the local governing body,

7 (A) before approval of an urban renewal or redevelopment plan, or
8 approval of any modifications of the plan to acquire real property in an urban renewal or
9 redevelopment area, to demolish and remove any structures on the property, and pay all
10 costs related to the acquisition, demolition, or removal, including any administrative or
11 relocation expenses; and

12 (B) to assume the responsibility to bear any loss that may arise as the
13 result of the exercise of its powers [AUTHORITY] under this paragraph in the event that
14 the real property is not made part of the urban renewal or redevelopment project;

15 (12) to prepare or have prepared and to recommend neighborhood development
16 plans to the governing body of any municipality within its area of operation and to undertake and
17 carry out neighborhood development projects within its area of operation.

18 * Sec. 48. AS 18.55.525 is amended to read:

19 Sec. 18.55.525. NEIGHBORHOOD DEVELOPMENT PROJECTS. (a) A neighborhood
20 development project, as undertaken and administered by the corporation [AUTHORITY], shall
21 consist of urban renewal project undertakings and activities in one or more urban renewal areas
22 that are planned and carried out on the basis of annual increments in accordance with 42 U.S.C.
23 1469 - 1469c (secs. 131 - 134, Title I, Housing Act of 1949), as amended.

24 (b) The corporation shall adhere to the provisions of [PROVISIONS IN]
25 AS 18.55.480 ~~±~~ 18.55.960 [SHALL BE ADHERED TO] in its [THE] planning and carrying out
26 of a neighborhood development project [BY THE AUTHORITY].

27 * Sec. 49. AS 18.55.530(a) is amended to read:

28 (a) Except as provided in AS 18.55.520(11), the corporation [THE AUTHORITY] may
29 not acquire real property for a redevelopment project unless the governing body of the
30 municipality has approved the redevelopment plan, as prescribed in (i) of this section[, EXCEPT
31 AS PROVIDED IN AS 18.55.520(11)].

1 * Sec. 50. AS 18.55.530(d) is amended to read:

2 (d) The corporation [AUTHORITY] may prepare or have prepared a redevelopment plan
3 or any person or agency, public or private, may submit a redevelopment plan to the corporation
4 [AUTHORITY]. A redevelopment plan must be sufficiently complete to indicate its relationship
5 to definite local objectives as to appropriate land uses, improved traffic, public transportation,
6 public utilities, recreational and community facilities, and other public improvements and the
7 proposed land uses and building requirements in the redevelopment project area, and must include
8 [WITHOUT BEING LIMITED TO]

9 (1) the boundaries of the redevelopment project area, with a map showing the
10 existing uses and conditions of the real property within those boundaries [THEREIN];

11 (2) a land use plan showing proposed uses of the area;

12 (3) information showing the standards of population densities, land coverage, and
13 building intensities in the area after redevelopment;

14 (4) a statement of the proposed changes, if any, in zoning ordinances or maps,
15 street layouts, street levels or grades, building codes, and ordinances;

16 (5) a site plan of the area; and

17 (6) a statement as to the kind and number of additional public facilities or utilities
18 that will be required to support the new land uses in the area after redevelopment.

19 * Sec. 51. AS 18.55.530(e) is amended to read:

20 (e) Before recommending a redevelopment plan to the governing body for approval, the
21 corporation [AUTHORITY] shall submit the plan to the planning commission, if any, of the area
22 in which the redevelopment project area is located for review and recommendations as to its
23 conformity with the general plan for the physical development of the area. The planning
24 commission shall submit its written recommendations with respect to the proposed redevelopment
25 plan to the corporation [AUTHORITY] within 30 days after receipt of the plan for review.
26 Upon receipt of the recommendations of the planning commission or, if [NO] recommendations
27 are not received within 30 days, then without the recommendations, the corporation
28 [AUTHORITY] may recommend the redevelopment plan to the governing body of the
29 municipality for approval.

30 * Sec. 52. AS 18.55.530(g) is amended to read:

31 (g) The recommendation of a redevelopment plan by the corporation [AUTHORITY]

1 to the governing body shall be accompanied by

2 ~~the~~ (1) the recommendations, if any, of the planning commission concerning the
3 redevelopment plan;

4 (2) [BY] a statement of the proposed method and estimated cost of the acquisition
5 and preparation for redevelopment of the redevelopment project area and the estimated proceeds
6 or revenues from its disposal to redevelopers;

7 (3) [BY] a statement of the proposed method of financing the redevelopment
8 project; and

9 (4) [BY] a statement of a feasible method proposed for the relocation of families
10 to be displaced from the redevelopment project area.

11 * Sec. 53. AS 18.55.530(i) is amended to read:

12 (i) Following the hearing required by (h) of this section, the governing body may by
13 ordinance initially approve a redevelopment plan if it finds that the plan is feasible and conforms
14 with the general plan for the physical development of the area. Approval of subsequent
15 modifications of the plan that do not involve substantive changes shall be by resolution. A
16 redevelopment plan that has not been approved by the governing body when recommended by
17 the corporation [AUTHORITY] may again be recommended to it with any modifications
18 considered advisable.

19 * Sec. 54. AS 18.55.530(j) is amended to read:

20 (j) The corporation may modify a [A] redevelopment plan [MAY BE MODIFIED] at
21 any time [BY THE AUTHORITY]. However, if it is modified after the lease or sale of real
22 property in the redevelopment project area, the redeveloper or the developer's successor in
23 interest affected by the proposed modification must consent to the modification. If [WHERE]
24 the proposed modification will substantially change the redevelopment plan as previously
25 approved by the governing body, the modification must similarly be approved by the governing
26 body.

27 * Sec. 55. AS 18.55.530(k) is amended to read:

28 (k) Notwithstanding any other provision of this chapter, if [WHERE] the local governing
29 body certifies that an area is in need of redevelopment or rehabilitation as a result of flood, fire,
30 hurricane, earthquake, storm, or other catastrophe respecting which the governor has certified the
31 need for disaster assistance under [PUBLIC LAW 875, 81ST CONGRESS, OR OTHER] federal