

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 848

SENATE COMMITTEE REPORT  
FIRST COMMITTEE OF REFERRAL

DATE: 2/13/91

FURTHER: Finance

Date of 5-Day Notice: 2/28/91  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-5-91

Transportation Committee considered SB 118

Ferries and ferry terminals and establishing the Alaska Marine Highway Authority.

and recommended: *s it be replaced w/*

- replace with \_\_\_\_\_ CS SB 118 (Trans.)  same title
- attached amendment(s) and report it back as follows  new title
- \_\_\_\_\_ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

*PH's*

ATTACHES NEW FISCAL NOTE(S):

Department (s)/Date:

Department (s)/Date:

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

- zero fiscal note(s) \_\_\_\_\_ *SB d*
- DOT - 2/27/91 *CS*
- DO Admin (Risk Mgmt.) - 3/1/91
- DO Admin (Labor Relat.) - 3/1/91

- appropriation-no fiscal note
- Governor's bill w/fiscal note

SIGNING DO PASS:

*[Handwritten signatures]*

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Handwritten signature]*  
Chair: Signature and Recommendation



FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

No. 2

Bill Version: SB 118

(S) Publish Date: 4/5/91

Revision Date: \_\_\_\_\_

Title: Alaska Marine Highway Authority Act

Sponsor: Jones

Requestor: \_\_\_\_\_

Department Affected: \_\_\_\_\_

BRU: Labor Relations

Component: Labor Relations

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

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

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

POSITIONS:

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

Changes in CSSB 118 (TRA) have no fiscal impact. This fiscal note is appropriate.  
4/4/91 Cam  
date Comte Aide (initial)

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

ANALYSIS: (Attach a separate page if necessary.)

The enactment would separate the Marine Highway System into a separate quasi-governmental authority. All authority employees including those now in the classified service would be removed from coverage of State Personnel laws and regulations and from coverage by the Public Employment Relations Act. Legislative approval of monetary terms is thereby removed. Actual economic impact is unknown, but "whipsawing" potential for other employee groups is increased. There will be no direct increase in costs for this division.

Prepared by: Bruce Cummins, Director  
Division: Labor Relations

Phone: 465-4404  
Date: February 26, 1991

Approved by Commissioner: Millett Keller  
Agency: Administration

Date: 5/5/91

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

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

FISCAL NOTE

C No 3

h Version: SB 118

f (S) Publish Date: 4/5/91

Revision Date:

Title: An act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority.

Department Affected:

DOT&PF  
BRU: Alaska Marine Highway System

Sponsor: Senator Zharoff  
Requestor:

Component:  
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

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

POSITIONS

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

Changes in CSSB 118 (TRA) have no fiscal impact. This fiscal note is appropriate.

4/4/91  
date

Carroll  
Comte Aide (initial)

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

ANALYSIS: (Attach a separate page if necessary)

Assuming the Authority is granted the powers contemplated by the legislation, including the changes recommended in the AMHS position paper, operating efficiencies should offset any increased costs. This also assumes the current services provided by other state agencies will continue at no increased cost. The ultimate financial benefit of this legislation is to provide the AMHS management with the structure necessary to develop long term operating plans that maintain and expand service without increased demands on the General Fund.

Prepared by: John Halterman

Phone: 465-3950

Division: Alaska Marine Highway Systems

Date: February 27, 1991

Approved by Commissioner: Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: February 27, 1991

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

CS FOR SENATE BILL NO. 118 (TRANSPORTATION)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 4/5/91  
Referred: Finance

Sponsor(s): SENATORS JONES, Zharoff, Halford, Pearce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to ferries and ferry terminals and establishing the Alaska Marine  
2 Highway Authority."

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

4 \* Section 1. PURPOSE. The purpose of this Act is to establish an authority for the operation,  
5 management, planning, and construction of facilities for the marine highway system with a legal  
6 existence independent of and separate from the state government. The authority shall be the exclusive  
7 state agency directly associated with the operation, management, planning, and construction of facilities  
8 for the marine highway system.

9 \* Sec. 2. AS 19 is amended by adding a new chapter to read:

10 CHAPTER 55. ALASKA MARINE HIGHWAY AUTHORITY.

11 ARTICLE 1. CREATION AND ORGANIZATION.

12 Sec. 19.55.010. ALASKA MARINE HIGHWAY AUTHORITY. The Alaska Marine  
13 Highway Authority is established. The authority is a public corporation of the state. The  
14 corporation is an instrumentality of the state in the Department of Transportation and Public

1 Facilities but has a legal existence independent of and separate from the state and has continuing  
2 succession until its existence is terminated by law.

3 Sec. 19.55.020. DIRECTORS. (a) The board of directors of the authority consists of  
4 seven directors. One director is the commissioner of transportation and public facilities and six  
5 directors are appointed by the governor. The six appointed members must be state residents  
6 except as provided in (1) of this subsection. One appointed member must be a representative of  
7 the tourist industry who meets one of the requirements under (1) - (4) of this subsection, and one  
8 must be a representative of the commercial carriers who meets one of the requirements under  
9 (1) - (4) of this subsection. Appointed members must include

10 (1) a representative of the maritime industry; a person who is not a state resident  
11 may be appointed under this paragraph;

12 (2) a member of a maritime union;

13 (3) two residents of Southeast Alaska;

14 (4) a resident of the Gulf of Alaska area west of Icy Cape; and

15 (5) a person who represents the interests of the public.

16 (b) The appointed directors serve four-year terms and may be removed by the governor  
17 only for cause. Each director shall hold office for the term of the director's appointment and  
18 until a successor is appointed and qualified. A director is qualified for reappointment. A  
19 vacancy in a directorship occurring other than by expiration of term shall be filled in the same  
20 manner as the original appointment but only for the unexpired term.

21 (c) The directors shall comply with AS 39.50 (Conflict of Interest). Each director before  
22 entering upon the director's duties shall subscribe to an oath to perform the duties of office  
23 faithfully, impartially, and justly to the best of the director's ability. A record of the oath shall  
24 be filed with the Office of the Governor.

25 (d) An appointed director is entitled to compensation at a rate of \$300 for each day the  
26 director is engaged in actual performance of duties under this chapter. The board of directors  
27 of the authority may provide by regulation for compensation for partial days for an appointed  
28 director. In addition, an appointed director is entitled to travel and per diem expenses authorized  
29 for state boards and commissions under AS 39.20.180.

30 Sec. 19.55.030. OFFICERS AND QUORUM. The directors shall elect one of their  
31 number as chair of the board of directors. The directors shall elect a secretary and a treasurer

1 who need not be directors, and the same person may be elected to serve both as secretary and  
2 treasurer. The powers of the authority are vested in the directors, and four directors of the  
3 authority constitute a quorum. Except as provided in AS 19.55.050(7), action may be taken and  
4 motions and resolutions adopted by the board of directors at a meeting by the affirmative vote  
5 of at least four directors. A vacancy in the board of directors of the authority does not impair  
6 the right of a quorum to exercise all the powers and perform all the duties of the board.

7 Sec. 19.55.040. STAFF. (a) The board of directors shall employ a chief executive  
8 officer who serves at the pleasure of the board.

9 (b) The chief executive officer may, with the approval of the board, select and employ  
10 additional staff as necessary, including additional administrative officers. The chief executive  
11 officer may appoint, employ, and remove at the pleasure of the chief executive officer with the  
12 approval of the board the following employees of the authority:

- 13 (1) port captain;
- 14 (2) port engineer;
- 15 (3) marine facilities engineering manager;
- 16 (4) reservation and marketing manager;
- 17 (5) customer services supervisor;
- 18 (6) administrative services director;
- 19 (7) deputy and assistant directors.

20 (c) In addition to its staff of employees, the board of directors may contract for and  
21 engage the services of consultants and professional, technical, and financial advisors the authority  
22 considers necessary for the purpose of developing information, conducting hearings, studies,  
23 investigations, or other proceedings, or otherwise exercising its powers.

24 Sec. 19.55.045. EMPLOYEES OF THE AUTHORITY. (a) Employees of the authority  
25 are state employees.

26 (b) Eligible employees of the authority shall participate in the supplemental employee  
27 benefits program under AS 39.30.150 - 39.30.180 and in the public employees' retirement system  
28 under AS 39.35. The authority shall pay the employer's contributions required under  
29 AS 39.30.150 - 39.30.180 and AS 39.35.

## 30 ARTICLE 2. POWERS AND DUTIES.

31 Sec. 19.55.050. POWERS OF AUTHORITY. In addition to other powers granted in this

1 chapter, the authority may

- 2 (1) sue and be sued;
- 3 (2) adopt and alter an official seal;
- 4 (3) adopt and enforce bylaws and regulations for the conduct of its business and
- 5 for the use of its services and facilities;
- 6 (4) maintain offices at a place in the state and at places out of the state that are
- 7 served by the marine highway system;
- 8 (5) establish terms and conditions of employment by the authority and conduct
- 9 or designate a representative to conduct labor negotiations with employees;
- 10 (6) subject to appropriation by the legislature, acquire, hold, use, and dispose of
- 11 its income, revenues, funds, and money;
- 12 (7) acquire, hold, use, lease, rent, construct, and dispose of personal property for
- 13 its purposes, except that the authority may dispose of a ferry only on approval of at least five of
- 14 its directors;
- 15 (8) acquire, hold, use, lease, or rent real property and dispose of real property
- 16 under AS 19.55.130;
- 17 (9) exercise the power of eminent domain;
- 18 (10) operate, maintain, improve, and extend a system of ferries connecting with
- 19 the public roads and highways of the state and including the boats, vessels, wharves, docks,
- 20 approaches, landings, and appurtenances the authority determines to be necessary or desirable for
- 21 safe and efficient operation of the ferry system so as to best serve the public;
- 22 (11) do all acts and things necessary, convenient, or desirable to carry out the
- 23 powers expressly granted or necessarily implied in this chapter;
- 24 (12) establish annual rates and tariffs, after public hearings;
- 25 (13) modify scheduled routes, after public hearings.

26 Sec. 19.55.060. DUTIES OF AUTHORITY. The authority shall

- 27 (1) assist the residents, businesses, and communities of the state in obtaining
- 28 optimal marine passenger and freight service;
- 29 (2) schedule vessel sailings to optimize the frequency of service to all ports;
- 30 (3) encourage and integrate with other public and private carriers to the greatest
- 31 extent possible to provide ferry service within the state and between Alaskan ports and ports

1 outside the state in order to provide optimum service within the state;

2 (4) provide reservation access and marketing information throughout the state;

3 (5) encourage vessel construction, maintenance, and service in the state to the  
4 greatest extent possible;

5 (6) employ residents of the state to the greatest extent legally possible;

6 (7) recognize Alaska-based unions and employee associations to the greatest  
7 extent legally possible.

8 Sec. 19.55.070. USE OF NAME AUTHORIZED. The authority is authorized to operate  
9 its ferry system under the name "Alaska Marine Highway System".

10 Sec. 19.55.080. COMPREHENSIVE LONG-RANGE PLAN. The authority, with the  
11 cooperation of the Department of Transportation and Public Facilities, shall prepare a  
12 comprehensive long-range plan for the development and improvement of the marine highway  
13 system and shall revise and update the plan at least every five years.

14 ARTICLE 3. ACQUISITION OF PROPERTY.

15 Sec. 19.55.100. ACQUISITION OF LAND AND INTERESTS IN LAND. The authority,  
16 as part of the cost of constructing, maintaining, or improving the marine highway system, may  
17 acquire by purchase, gift, exchange, or eminent domain land in fee simple or interests in land that  
18 it considers necessary and reasonable for either temporary or permanent public use. By the same  
19 means, the authority may obtain material, including clay, gravel, sand, or rock, or the land  
20 necessary to obtain the material, including access to it. The authority may acquire the land or  
21 material notwithstanding the fact that title to it is vested in the state or a department, agency,  
22 commission, or institution of the state.

23 Sec. 19.55.110. AUTHORITY TO ACQUIRE PROPERTY FOR THE PURPOSE OF  
24 EXCHANGE. When a majority of the directors of the authority declares that it is in the best  
25 public interest of the state, the authority may acquire by purchase, gift, exchange, or eminent  
26 domain privately or publicly owned land or an interest in land for the purpose of exchanging the  
27 land for privately or publicly owned land that the authority is authorized by law to acquire.

28 Sec. 19.55.120. EMINENT DOMAIN. (a) The authority may exercise the power of  
29 eminent domain under AS 09.55.240 - 09.55.460 to acquire land on behalf of the state for the  
30 purposes of this chapter. Notwithstanding AS 09.55.250, the authority may acquire a fee simple  
31 title whenever, in the judgment of the board, ownership of a fee simple title is necessary to carry

1 out the purposes of this chapter.

2 (b) The authority may file a declaration of taking in the manner provided for the state  
3 under AS 09.55.420.

4 (c) The power of eminent domain conferred under this section includes the power to  
5 obtain clay, gravel, sand, timber, rock, or other material for the operation of the authority, the  
6 land necessary to obtain the material, and access to the land and material.

7 (d) The exercise of the power of eminent domain requires the prior approval of the  
8 governor.

9 Sec. 19.55.130. DISPOSAL OF LAND OR INTERESTS IN LAND. (a) The authority  
10 may vacate land or interests in land acquired for use in the marine highway system by executing  
11 and filing a deed in the appropriate recording district. Upon vacating, title reverts to the persons,  
12 heirs, successors, or assigns in whom it was vested at the time of the taking.

13 (b) The authority may transfer land not considered necessary for use in the marine  
14 highway system to the Department of Natural Resources for disposal. The proceeds of disposal  
15 by the Department of Natural Resources shall be credited to the funds from which the purchase  
16 was originally made.

17 ARTICLE 4. VESSELS AND FERRY TERMINAL FACILITIES.

18 Sec. 19.55.310. FERRY TERMINAL FACILITIES. (a) The authority may construct,  
19 purchase, or lease ferry terminal facilities at locations it selects for the loading and unloading of  
20 passengers and vehicles under their own power, on and off ferries. The authority shall repair and  
21 maintain those facilities that it owns.

22 (b) The authority may adopt regulations governing the use of ferry terminal facilities by  
23 the public.

24 Sec. 19.55.320. CONNECTION OF FACILITIES TO HIGHWAYS. The authority may  
25 connect ferry terminal facilities with local highway systems.

26 Sec. 19.55.330. NAMING OF VESSEL OR FACILITY. (a) A vessel or facility of the  
27 marine highway system constructed or acquired by the authority may only be named by law.

28 (b) A maritime vessel must bear the name of an Alaska glacier.

29 (c) A vessel used principally on the inland waterways of the state must bear the name  
30 of an historical vessel that used the rivers of the state.

31 Sec. 19.55.340. EXISTING FACILITIES NOT AFFECTED. A ferry terminal facility

1 in existence and serving the public on January 1, 1959, is not affected by AS 19.55.310 -  
2 19.55.320.

3 ARTICLE 5. GENERAL PROVISIONS.

4 Sec. 19.55.900. BUDGET AND APPROPRIATIONS. The authority shall submit its  
5 annual budget to the legislature through the governor as provided for state agencies by the  
6 Executive Budget Act (AS 37.07). The authority shall expend money appropriated by the  
7 legislature as authorized by the legislature.

8 Sec. 19.55.910. ANNUAL REPORT. By January 15 of each year, the board of directors  
9 of the authority shall submit to the governor and the legislature a comprehensive report  
10 describing the operations, income, and expenditures for the preceding fiscal year.

11 Sec. 19.55.920. ANNUAL AUDIT. The authority shall have its financial records audited  
12 annually by a certified public accountant. The legislative auditor may prescribe the form and  
13 content of the financial records of the authority and shall have access to those records at any  
14 time.

15 Sec. 19.55.930. SUPPORT SERVICES. On request of the authority the Department of  
16 Administration shall provide support services to the authority on the same basis as a state  
17 department. Support services available to the authority include use of the state accounting  
18 system, payroll system, and computer and telecommunications networks.

19 Sec. 19.55.940. APPLICATION OF EXISTING LAWS. AS 36.30 does not apply to the  
20 operations or property of the authority, except as specifically provided in that chapter.

21 Sec. 19.55.990. DEFINITIONS. In this chapter, unless the context requires otherwise,

22 (1) "authority" means the Alaska Marine Highway Authority;

23 (2) "ferry" means a vessel used in the common carriage of passengers and  
24 vehicles in intrastate or interstate commerce.

25 Sec. 19.55.995. SHORT TITLE. This chapter may be cited as the Alaska Marine  
26 Highway Authority Act.

27 \* Sec. 3. AS 03.53.010(a) is amended to read:

28 (a) An animal may not be transported into the state aboard a ferry operated by the  
29 Alaska Marine Highway Authority [DIVISION OF MARINE TRANSPORTATION OF THE  
30 DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES] unless the animal's  
31 owner, custodian, or attendant possesses a valid health certificate for the animal. This certificate

1 shall accompany the animal or be in the possession of the animal's owner, custodian, or attendant  
2 aboard the ferry and shall be presented when requested by an employee of the state ferry system  
3 at the time the owner, custodian, or attendant makes arrangements to transport the animal, boards  
4 the ferry with the animal, or at any other time.

5 \* Sec. 4. AS 19.65.050 is amended to read:

6 Sec. 19.65.050. LEGISLATIVE FINDINGS, PURPOSE, AND INTENT. (a) The  
7 legislature finds that

8 (1) the Alaska Marine Highway Authority [MARINE HIGHWAY SYSTEM] is  
9 an essential part of the state transportation system, and that it warrants continued and predictable  
10 state support;

11 (2) many communities' economies are dependent on a steady and stable marine  
12 highway system service level;

13 (3) the state's tourism industry is greatly enhanced by a dependable marine  
14 highway transportation network; and

15 (4) efficient and prudent management of the system will benefit the state's  
16 economy and foster economic development.

17 (b) It is the purpose of AS 19.65.050 - 19.65.100 to

18 (1) enable the authority [ALASKA MARINE HIGHWAY SYSTEM] to manage  
19 and operate in a manner that will enhance performance and accountability by allowing the  
20 authority [SYSTEM] to account for and spend its generated revenue;

21 (2) provide the management tools necessary to efficiently operate the authority  
22 [ALASKA MARINE HIGHWAY SYSTEM];

23 (3) within constitutional constraints, provide for a predictable funding base for  
24 authority [SYSTEM] operations; and

25 (4) provide for predictability and stability in the service level furnished to  
26 communities served by the authority [SYSTEM].

27 (c) It is the intent of AS 19.65.050 - 19.65.100 to

28 (1) encourage prudent administration through cost management and accurate  
29 budgeting by the board of directors [MANAGERS] of the authority [ALASKA MARINE  
30 HIGHWAY SYSTEM];

31 (2) increase revenue from the operation of the authority [SYSTEM] consistent

1 with the public interest, increase service consistent with sound fiscal policy, and assist the  
2 prudent management and operation of the authority [SYSTEM]; and

3 (3) achieve stability in the level of service communities can anticipate through  
4 accurate planning and scheduling.

5 \* Sec. 5. AS 19.65.060 is amended to read:

6 Sec. 19.65.060. ALASKA MARINE HIGHWAY AUTHORITY [SYSTEM] FUND. (a)

7 There is created, as a special account in the general fund, the Alaska marine highway authority  
8 [MARINE HIGHWAY SYSTEM] fund, into which shall be deposited

9 (1) the gross revenue of the authority [ALASKA MARINE HIGHWAY  
10 SYSTEM];

11 (2) money that is appropriated to the [ALASKA MARINE HIGHWAY SYSTEM]  
12 fund by the legislature in an amount that is consistent from year to year and is the amount  
13 necessary, after consideration of gross revenue, to provide stable services to the public consistent  
14 with the provisions of AS 19.65.050(b)(4); unless otherwise provided by the legislature,  
15 appropriations to the fund under this paragraph [, WHICH APPROPRIATIONS] are not  
16 one-year appropriations and [THE BALANCES OF WHICH] do not lapse under AS 37.25.010;  
17 and

18 (3) any other money that is appropriated to the [ALASKA MARINE HIGHWAY  
19 SYSTEM] fund by the legislature; unless otherwise provided by the legislature,  
20 appropriations to the fund under this paragraph [, WHICH APPROPRIATIONS] are not  
21 one-year appropriations and [THE BALANCES OF WHICH] do not lapse under AS 37.25.010.

22 (b) Nothing in AS 19.65.050 - 19.65.100 [THIS CHAPTER] exempts money deposited  
23 into the [ALASKA MARINE HIGHWAY SYSTEM] fund from the requirements of AS 37.07  
24 (Executive Budget Act) or dedicates that money for a specific purpose.

25 \* Sec. 6. AS 19.65.070 is amended to read:

26 Sec. 19.65.070. REVENUE ACCOUNTING. (a) The authority [ALASKA MARINE  
27 HIGHWAY SYSTEM] shall account for and remit to the Department of Revenue in accordance  
28 with AS 37.10.050 all gross revenue generated from the operation of the authority [ALASKA  
29 MARINE HIGHWAY SYSTEM] during each fiscal year [ANNUAL OPERATING CYCLE].  
30 The money shall then be deposited in the Alaska marine highway authority [MARINE  
31 HIGHWAY SYSTEM] fund.

1 (b) The authority [ALASKA MARINE HIGHWAY SYSTEM] shall submit a written  
2 report to the legislature, not [NO] later than the 10th day of each regular legislative session,  
3 regarding the previous fiscal year [ANNUAL OPERATING CYCLE]. The report must identify

4 (1) gross revenue generated during the previous fiscal year [ANNUAL  
5 OPERATING CYCLE];

6 (2) gross revenue generated during the current fiscal year [ANNUAL  
7 OPERATING CYCLE] and an estimate of gross revenue for the remainder of the current fiscal  
8 year [ANNUAL OPERATING CYCLE];

9 (3) projections of the gross revenue to be generated during the next fiscal year  
10 [ANNUAL OPERATING CYCLE]; and

11 (4) the difference between previous gross revenue estimates prepared under this  
12 section and the revenues actually generated.

13 \* Sec. 7. AS 19.65.080 is amended to read:

14 Sec. 19.65.080. ANNUAL APPROPRIATION. (a) Commencing with appropriations  
15 for the fiscal year that begins July 1, 1991, on an annual basis and under AS 37.07 (Executive  
16 Budget Act), the legislature may appropriate amounts from the [ALASKA MARINE HIGHWAY  
17 SYSTEM] fund for management and operation of [TO] the authority [ALASKA MARINE  
18 HIGHWAY SYSTEM].

19 (b) The authority [DEPARTMENT OF TRANSPORTATION AND PUBLIC  
20 FACILITIES] may request the legislature to appropriate money from the [ALASKA MARINE  
21 HIGHWAY SYSTEM] fund to the authority [MARINE HIGHWAY SYSTEM] for capital  
22 improvements, if

23 (1) the appropriation under (a) of this section has been made;

24 (2) the amount in the fund, without regard to the appropriation under (a) of this  
25 section, exceeds the total of gross revenue deposited in the fund and the general fund  
26 appropriations under AS 19.65.060(a)(2) by 10 percent; and

27 (3) the amount requested for appropriation under this subsection does not exceed  
28 50 percent of the balance remaining after the appropriation for annual management and  
29 operations is made under (a) of this section.

30 (c) The unexpended and unobligated balance of money appropriated from the [ALASKA  
31 MARINE HIGHWAY SYSTEM] fund lapses into the [ALASKA MARINE HIGHWAY

1 SYSTEM] fund at the end of the fiscal year for which it was appropriated.

2 \* Sec. 8. AS 19.65.100 is amended to read:

3 Sec. 19.65.100. DEFINITIONS. In AS 19.65.050 - 19.65.100,

4 (1) "authority" means the Alaska Marine Highway Authority ["ANNUAL  
5 OPERATING CYCLE" MEANS THE ANNUAL STATE FISCAL YEAR BEGINNING ON  
6 JULY 1 AND ENDING AT MIDNIGHT ON THE FOLLOWING JUNE 30];

7 (2) "fiscal year" has the meaning given in AS 37.07.120;

8 (3) "fund" means the Alaska marine highway authority fund;

9 (4) "gross revenue" means all money, except money refunded to ticket holders  
10 and others for unused services, that is generated from the operation of the authority [ALASKA  
11 MARINE HIGHWAY SYSTEM], including that derived from vessel operations and uses of  
12 authority [ALASKA MARINE HIGHWAY SYSTEM] facilities.

13 \* Sec. 9. AS 23.40.040 is amended to read:

14 Sec. 23.40.040. COLLECTIVE BARGAINING AGREEMENT. The Alaska Marine  
15 Highway Authority [COMMISSIONER OF TRANSPORTATION AND PUBLIC FACILITIES]  
16 or an authorized representative, in accordance with AS 23.40.020 - 23.40.030, may negotiate and  
17 enter into collective bargaining agreements concerning wages, hours, working conditions, and  
18 other employment benefits with the employees of the authority [DIVISION OF MARINE  
19 TRANSPORTATION] engaged in operating the state ferry system as masters or members of the  
20 crews of vessels or their bargaining agent. [A COLLECTIVE BARGAINING AGREEMENT  
21 IS NOT FINAL WITHOUT THE CONCURRENCE OF THE COMMISSIONER OF  
22 TRANSPORTATION AND PUBLIC FACILITIES.] The authority [COMMISSIONER OF  
23 TRANSPORTATION AND PUBLIC FACILITIES] may make provision in the collective  
24 bargaining agreement for the settlement of labor disputes by arbitration.

25 \* Sec. 10. AS 35.10.015(c) is amended to read:

26 (c) In this section, "public facilities" includes vessels owned by the state and operated  
27 by the Alaska Marine Highway Authority [DIVISION OF MARINE TRANSPORTATION OF  
28 THE DEPARTMENT AS A PART OF THE ALASKA MARINE HIGHWAY SYSTEM]. All  
29 ferries owned or operated by the state shall be equipped with elevators or other passenger lifting  
30 equipment, ramps, or other facilities and devices to ensure that these vessels are accessible to and  
31 usable by physically handicapped, aged, or infirm passengers. In this subsection, "accessible to

1 and usable by" means that a physically handicapped, aged, or infirm passenger can board,  
2 disembark, and move between decks and about the public areas aboard a state ferry with personal  
3 comfort and safety, and with safety to, other passengers and members of the crew.

4 \* Sec. 11. AS 35.10.015(d) is amended to read:

5 (d) A [AFTER JUNE 25, 1976, A] ferry may not be constructed, lengthened, completely  
6 renovated, or purchased for use or entered into service by the Alaska Marine Highway  
7 Authority [DIVISION OF MARINE TRANSPORTATION OF THE DEPARTMENT AS A  
8 PART OF THE ALASKA MARINE HIGHWAY SYSTEM] that does not include adequate  
9 facilities and devices to ensure that the vessel is accessible to and usable by physically  
10 handicapped, aged, or infirm passengers. Some staterooms and all restrooms, indoor passageways,  
11 outdoor weather decks, and other public areas aboard the vessel shall be so designed and  
12 constructed as to permit access and use by physically handicapped, aged, or infirm passengers,  
13 including but not limited to those persons occupying a wheelchair.

14 \* Sec. 12. AS 35.27 is amended by adding a new section to read:

15 Sec. 35.27.025. APPLICATION TO ALASKA MARINE HIGHWAY AUTHORITY.

16 This chapter applies to the Alaska Marine Highway Authority. Compliance with this chapter is  
17 the sole responsibility of the authority with respect to the public buildings and facilities of the  
18 authority.

19 \* Sec. 13. AS 35.27.030(1) is amended to read:

20 (1) "building" or "facility" means a permanent improvement constructed by the  
21 department or authority; the term

22 (A) includes, but is not limited to,

23 (i) schools, office buildings, and court buildings;

24 (ii) other buildings which the commissioner determines are  
25 designed for substantial public use;

26 (iii) boats and vessels of the marine highway system;

27 (iv) transportation facilities which accommodate traveling  
28 passengers;

29 (B) excludes other transportation facilities;

30 \* Sec. 14. AS 35.27.030 is amended by adding a new paragraph to read:

31 (4) "authority" means the Alaska Marine Highway Authority.

1 \* **Sec. 15.** AS 36.30.015 is amended by adding a new subsection to read:

2 (g) The board of directors of the Alaska Marine Highway Authority shall adopt policies  
3 to manage the procurement of supplies, services, professional services, and construction. The  
4 policies must be based on principles of competitive procurement consistent with this chapter to  
5 satisfy the special requirements of the authority as determined by the board of directors of the  
6 authority.

7 \* **Sec. 16.** AS 36.30.990(1) is amended to read:

8 (1) "agency"

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

12 (B) does not include

13 (i) the University of Alaska;

14 (ii) the Alaska State Housing Authority;

15 (iii) the Alaska Railroad Corporation;

16 (iv) the Alaska Housing Finance Corporation;

17 (v) a regional Native housing authority created under  
18 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

19 (vi) the Alaska Marine Highway Authority;

20 \* **Sec. 17.** AS 37.05.550 is amended to read:

21 Sec. 37.05.550. ALASKA MARINE HIGHWAY AUTHORITY [SYSTEM] VESSEL  
22 REPLACEMENT FUND. (a) There is in the general fund the Alaska Marine Highway  
23 Authority [MARINE HIGHWAY SYSTEM] vessel replacement fund. The fund consists of  
24 money appropriated to it by the legislature. Money appropriated to the fund does not lapse. The  
25 Department of Revenue shall manage the fund. Interest received on money in the fund shall be  
26 accounted for separately and may be appropriated into the fund annually. The legislature may  
27 appropriate money from the fund for refurbishment of existing state ferry vessels, acquisition of  
28 additional state ferry vessels, or replacement of retired or outmoded state ferry vessels.

29 (b) The legislature may appropriate to the fund money received by the state as Alaska  
30 Marine Highway Authority [MARINE HIGHWAY SYSTEM] program receipts or from a  
31 settlement or final judicial determination of the Dinkum Sands case (United States v. Alaska) and

1 the North Slope royalty case (State v. Amerada Hess, et al.) and not deposited into the Alaska  
2 permanent fund under AS 37.13.010(a)(1) or (2) or into the public school trust fund under  
3 AS 37.14.150.

4 \* Sec. 18. AS 39.20.310(8) is amended to read:

5 (8) persons employed by the Alaska Marine Highway Authority [DIVISION  
6 OF MARINE TRANSPORTATION] as masters and members of the crews operating the state  
7 ferry system who are covered by collective bargaining agreements as provided in AS 23.40.040,  
8 except as expressly provided by law;

9 \* Sec. 19. AS 39.25.110(16) is amended to read:

10 (16) persons employed by the Alaska Marine Highway Authority [DIVISION  
11 OF MARINE TRANSPORTATION] as masters and members of the crews of vessels who  
12 operate the state ferry system and who are covered by a collective bargaining agreement provided  
13 in AS 23.40.040;

14 \* Sec. 20. AS 39.25.110 is amended by adding a new paragraph to read:

15 (30) the following employees of the Alaska Marine Highway Authority:

- 16 (A) chief executive officer;  
17 (B) deputy or assistant director;  
18 (C) port captain;  
19 (D) port engineer;  
20 (E) marine facilities engineering manager;  
21 (F) reservation and marketing manager;  
22 (G) customer services supervisor;  
23 (H) administrative services supervisor.

24 \* Sec. 21. AS 39.30.150(b) is amended to read:

25 (b) Employees of the Alaska Marine Highway Authority [DIVISION OF MARINE  
26 TRANSPORTATION] included in the public employees' retirement system through the process  
27 of collective bargaining under AS 39.35.680(21)(D) may, under the terms of a collective  
28 bargaining agreement, utilize contributions made under (a) of this section on their behalf to offset  
29 the costs of inclusion in the public employees' retirement system; however,

30 (1) the state is placed under no obligation to continue making contributions under  
31 this section if the state resumes participation in the federal social security system;

1 (2) the bargaining agreement must provide a mechanism for satisfying any  
2 residual liabilities that might exist if the state resumes participation in the federal social security  
3 system; and

4 (3) funds contributed under (a) of this section on behalf of employees who are  
5 not covered by maritime union contracts may not be obligated or expended to pay any costs  
6 associated with the inclusion of authority [MARINE TRANSPORTATION] employees in the  
7 public employees' retirement system under this subsection.

8 \* Sec. 22. AS 39.35.680(21) is amended to read:

9 (21) "member" or "employee"

10 (A) means a person eligible to participate in the system and who is  
11 covered by the system;

12 (B) includes

13 (i) active member;

14 (ii) inactive member;

15 (iii) vested member;

16 (iv) deferred vested member;

17 (v) non-vested member;

18 (vi) disabled member;

19 (vii) retired member;

20 (viii) an elected public officer under AS 39.35.381;

21 (C) does not include

22 (i) former members;

23 (ii) persons compensated on a contractual or fee basis;

24 (iii) casual or emergency workers or nonpermanent employees as  
25 defined in AS 39.25.200;

26 (iv) persons covered by the Alaska Teachers' Retirement System  
27 except as provided under AS 39.35.131 and 39.35.381, or persons covered by the  
28 optional university retirement program;

29 (v) employees of the Alaska Marine Highway Authority  
30 [DIVISION OF MARINE TRANSPORTATION] engaged in operating the state  
31 ferry system who are covered by a union or group retirement system to which the

1 state makes contributions;

2 (vi) justices of the supreme court or judges of the court of appeals  
3 or of the superior or district courts of Alaska; (vii) the administrative director of  
4 courts appointed under art. IV, sec. 16 of the state constitution unless the director  
5 becomes a member under AS 39.35.158; and

6 (viii) members of the elected public officers' retirement system  
7 (former AS 39.37);

8 (D) may include employees of the Alaska Marine Highway Authority  
9 [DIVISION OF MARINE TRANSPORTATION] excluded under (C)(v) of this paragraph  
10 provided that

11 (i) the State of Alaska, acting through the board of directors of  
12 the authority, formally agrees to their inclusion through the process of collective  
13 bargaining; and

14 (ii) no collective bargaining agreement has the effect of obligating  
15 contributions made by the state under AS 39.30.150 in the event the state resumes  
16 participation in the federal social security system;

17 \* Sec. 23. AS 39.50.200(b) is amended by adding a new paragraph to read:

18 (52) Alaska Marine Highway Authority (AS 19.55.010).

19 \* Sec. 24. AS 44.42.020(a)(1) is amended to read:

20 (1) plan, design, construct, and maintain all state modes of transportation and  
21 transportation facilities and all docks, floats, breakwaters, buildings, and similar facilities, except  
22 that the department is not responsible for planning, design, construction, or maintenance  
23 of transportation modes or facilities under the jurisdiction of the Alaska Marine Highway  
24 Authority;

25 \* Sec. 25. AS 44.42.020(a)(7) is amended to read:

26 (7) manage, operate, and maintain state transportation facilities and all docks,  
27 floats, breakwaters, and buildings, including all state highways, vessels, railroads, pipelines,  
28 airports, and aviation facilities, except that the department is not responsible for management,  
29 operation, or maintenance of transportation facilities, vessels, or equipment under the  
30 jurisdiction of the Alaska Marine Highway Authority;

31 \* Sec. 26. TRANSFER OF EMPLOYEES, APPROPRIATIONS, AND ASSETS TO THE ALASKA

1 MARINE HIGHWAY AUTHORITY. (a) Employees of the Department of Transportation and Public  
2 Facilities assigned to the management, operation, and maintenance of the Alaska marine highway system  
3 on the effective date of this Act are transferred to the Alaska Marine Highway Authority as state  
4 employees of the authority. The commissioner of transportation and public facilities shall determine  
5 which employees are transferred to the authority. An employee who is transferred to the authority under  
6 this subsection shall continue to participate without interruption in the supplemental employee benefits  
7 program under AS 39.30.150 - 39.30.180 and in the public employees' retirement system under  
8 AS 39.35, if the employee was a participant in these programs on the day before the employee was  
9 transferred to the authority.

10 (b) Nothing in this Act terminates or modifies recognition of an exclusive bargaining  
11 representative or a collective bargaining agreement that is in effect on the effective date of this Act.

12 (c) Subject to appropriation by the legislature, the unexpended and unobligated balances of  
13 operating and capital appropriations for the Department of Transportation and Public Facilities, Alaska  
14 marine highway system, shall be transferred to the Alaska Marine Highway Authority.

15 (d) Subject to appropriation by the legislature, the personal property assets and real property  
16 assets, including ferries, equipment, buildings, and associated facilities, of the Department of  
17 Transportation and Public Facilities, Alaska marine highway system, shall be transferred to the Alaska  
18 Marine Highway Authority.

19 \* Sec. 27. INITIAL APPOINTMENT OF MEMBERS OF THE ALASKA MARINE HIGHWAY  
20 AUTHORITY. Notwithstanding AS 19.55.020(b), enacted by sec. 2 of this Act, the terms of the initially  
21 appointed members of the Alaska Marine Highway Authority shall be staggered as set out in  
22 AS 39.05.055(4).

23 \* Sec. 28. AS 19.60 and AS 19.65.020 are repealed.

**SENATE BILL NO. 118**

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATORS JONES, Zharoff, Halford, Pearce

Introduced: 2/13/91

Referred: Transportation and Finance

**A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to ferries and ferry terminals and establishing the Alaska Marine  
2 Highway Authority."

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

4 \* Section 1. PURPOSE. The purpose of this Act is to establish an authority for the operation,  
5 management, planning, and construction of facilities for the marine highway system with a legal  
6 existence independent of and separate from the state government. The authority shall be the exclusive  
7 state agency directly associated with the operation, management, planning, and construction of facilities  
8 for the marine highway system.

9 \* Sec. 2. AS 19 is amended by adding a new chapter to read:

10 CHAPTER 55. ALASKA MARINE HIGHWAY AUTHORITY.

11 ARTICLE 1. CREATION AND ORGANIZATION.

12 Sec. 19.55.010. ALASKA MARINE HIGHWAY AUTHORITY. The Alaska Marine  
13 Highway Authority is established. The authority is a public corporation of the state. The  
14 corporation is an instrumentality of the state in the Department of Transportation and Public

1 Facilities but has a legal existence independent of and separate from the state and has continuing  
2 succession until its existence is terminated by law.

3 Sec. 19.55.020. DIRECTORS. (a) The board of directors of the authority consists of  
4 seven directors. One director is the commissioner of transportation and public facilities and six  
5 directors are appointed by the governor. The six appointed members must be state residents  
6 except as provided in (1) of this subsection. One appointed member must be a representative of  
7 the tourist industry who meets one of the requirements under (1) - (4) of this subsection, and one  
8 must be a representative of the commercial carriers who meets one of the requirements under  
9 (1) - (4) of this subsection. Appointed members must include

10 (1) a representative of the maritime industry; a person who is not a state resident  
11 may be appointed under this paragraph;

12 (2) a member of a maritime union;

13 (3) two residents of Southeast Alaska;

14 (4) a resident of the Gulf of Alaska area west of Icy Cape; and

15 (5) a person who represents the interests of the public.

16 (b) The appointed directors serve four-year terms and may be removed by the governor  
17 only for cause. Each director shall hold office for the term of the director's appointment and  
18 until a successor is appointed and qualified. A director is qualified for reappointment. A  
19 vacancy in a directorship occurring other than by expiration of term shall be filled in the same  
20 manner as the original appointment but only for the unexpired term.

21 (c) The directors shall comply with AS 39.50 (Conflict of Interest). Each director before  
22 entering upon the director's duties shall subscribe to an oath to perform the duties of office  
23 faithfully, impartially, and justly to the best of the director's ability. A record of the oath shall  
24 be filed with the Office of the Governor.

25 (d) An appointed director is entitled to compensation at a rate of \$300 for each day the  
26 director is engaged in actual performance of duties under this chapter. The board of directors  
27 of the authority may provide by regulation for compensation for partial days for an appointed  
28 director. In addition, an appointed director is entitled to travel and per diem expenses authorized  
29 for state boards and commissions under AS 39.20.180.

30 Sec. 19.55.030. OFFICERS AND QUORUM. The directors shall elect one of their  
31 number as chair of the board of directors. The directors shall elect a secretary and a treasurer

1 who need not be directors, and the same person may be elected to serve both as secretary and  
2 treasurer. The powers of the authority are vested in the directors, and four directors of the  
3 authority constitute a quorum. Except as provided in AS 19.55.050(7), action may be taken and  
4 motions and resolutions adopted by the board of directors at a meeting by the affirmative vote  
5 of at least four directors. A vacancy in the board of directors of the authority does not impair  
6 the right of a quorum to exercise all the powers and perform all the duties of the board.

7 Sec. 19.55.040. STAFF. The board of directors shall employ a chief executive officer  
8 who serves at the pleasure of the board. The chief executive officer may, with the approval of  
9 the board, select and employ additional staff as necessary, including additional administrative  
10 officers. All officers and employees of the authority are in the exempt service under  
11 AS 39.25.110. In addition to its staff of employees, the board of directors may contract for and  
12 engage the services of consultants and professional, technical, and financial advisors the authority  
13 considers necessary for the purpose of developing information, conducting hearings, studies,  
14 investigations, or other proceedings, or otherwise exercising its powers.

## 15 ARTICLE 2. POWERS AND DUTIES.

16 Sec. 19.55.050. POWERS OF AUTHORITY. In addition to other powers granted in this  
17 chapter, the authority may

- 18 (1) sue and be sued;
- 19 (2) adopt and alter an official seal;
- 20 (3) adopt and enforce bylaws and regulations for the conduct of its business and  
21 for the use of its services and facilities;
- 22 (4) maintain offices at a place in the state and at places out of the state that are  
23 served by the marine highway system;
- 24 (5) establish terms and conditions of employment by the authority and conduct  
25 or designate a representative to conduct labor negotiations with employees;
- 26 (6) subject to appropriation by the legislature, acquire, hold, use, and dispose of  
27 its income, revenues, funds, and money;
- 28 (7) acquire, hold, use, lease, rent, construct, and dispose of personal property for  
29 its purposes, except that the authority may dispose of a ferry only on approval of at least five of  
30 its directors;
- 31 (8) acquire, hold, use, lease, or rent real property and dispose of real property

1 under AS 19.55.100;

2 (9) operate, maintain, improve, and extend a system of ferries connecting with the  
3 public roads and highways of the state and including the boats, vessels, wharves, docks,  
4 approaches, landings, and appurtenances the authority determines to be necessary or desirable for  
5 safe and efficient operation of the ferry system so as to best serve the public;

6 (10) do all acts and things necessary, convenient, or desirable to carry out the  
7 powers expressly granted or necessarily implied in this chapter;

8 (11) establish annual rates and tariffs, after public hearings;

9 (12) modify scheduled routes, after public hearings.

10 Sec. 19.55.055. DUTIES OF AUTHORITY. The authority shall

11 (1) assist the residents, businesses, and communities of the state in obtaining  
12 optimal marine passenger and freight service;

13 (2) schedule vessel sailings to optimize the frequency of service to all ports;

14 (3) encourage and integrate with other public and private carriers to the greatest  
15 extent possible to provide ferry service within the state and between Alaskan ports and ports  
16 outside the state in order to provide optimum service within the state;

17 (4) provide reservation access and marketing information throughout the state;

18 (5) encourage vessel construction, maintenance, and service in the state to the  
19 greatest extent possible;

20 (6) employ residents of the state to the greatest extent legally possible;

21 (7) recognize Alaska-based unions and employee associations to the greatest  
22 extent legally possible.

23 Sec. 19.55.060. USE OF NAME AUTHORIZED. The authority is authorized to operate  
24 its ferry system under the name "Alaska Marine Highway System".

25 Sec. 19.55.070. COMPREHENSIVE LONG-RANGE PLAN. The authority, with the  
26 cooperation of the Department of Transportation and Public Facilities, shall prepare a  
27 comprehensive long-range plan for the development and improvement of the marine highway  
28 system and shall revise and update the plan at least every five years.

29 ARTICLE 3. ACQUISITION OF PROPERTY.

30 Sec. 19.55.080. ACQUISITION OF LAND AND EASEMENTS. The authority, as part  
31 of the cost of constructing, maintaining, or improving the marine highway system, may acquire

1 by purchase, gift, or exchange land in fee simple or easements that it considers necessary and  
2 reasonable for either temporary or permanent public use. By the same means, the authority may  
3 obtain material, including clay, gravel, sand, or rock, or the land necessary to obtain the material,  
4 including access to it. The authority may acquire the land or materials notwithstanding the fact  
5 that title to it is vested in the state or a department, agency, commission, or institution of the  
6 state.

7 Sec. 19.55.090. AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE OF  
8 EXCHANGE. When a majority of the directors of the authority declares that it is in the best  
9 public interest of the state, the authority may acquire by purchase, gift, or exchange privately or  
10 publicly owned land or an interest in land for the purpose of exchanging the land for privately  
11 or publicly owned land that the authority is authorized by law to acquire.

12 Sec. 19.55.100. DISPOSAL OF LAND OR RIGHTS IN LAND. (a) The authority may  
13 vacate land or rights in land acquired for use in the marine highway system by executing and  
14 filing a deed in the appropriate recording district. Upon vacating, title reverts to the persons,  
15 heirs, successors, or assigns in whom it was vested at the time of the taking.

16 (b) The authority may transfer land not considered necessary for use in the marine  
17 highway system to the Department of Natural Resources for disposal. The proceeds of disposal  
18 by the Department of Natural Resources shall be credited to the funds from which the purchase  
19 was originally made.

#### 20 ARTICLE 4. FERRY TERMINAL FACILITIES.

21 Sec. 19.55.110. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL  
22 FACILITIES. The authority may construct, purchase, or lease ferry terminal facilities at locations  
23 it selects for the loading and unloading of passengers and vehicles under their own power, on and  
24 off ferries. The authority shall repair and maintain those facilities that it owns. Construction and  
25 purchasing under this section are governed by AS 36.30 (State Procurement Code).

26 Sec. 19.55.120. CONNECTION OF FACILITIES TO HIGHWAYS. The authority may  
27 connect ferry terminal facilities with local highway systems.

28 Sec. 19.55.130. REGULATIONS. The authority may adopt regulations governing the  
29 use of ferry terminal facilities by the public.

30 Sec. 19.55.140. EXISTING FACILITIES NOT AFFECTED. A ferry terminal facility  
31 in existence and serving the public on January 1, 1959, is not affected by AS 19.55.110 -

1 19.55.130.

2 ARTICLE 5. GENERAL PROVISIONS.

3 Sec. 19.55.150. ANNUAL REPORT. By January 15 of each year, the board of directors  
4 of the authority shall submit to the governor and the legislature a comprehensive report  
5 describing the operations, income, and expenditures for the preceding fiscal year.

6 Sec. 19.55.160. ANNUAL AUDIT. The authority shall have its financial records audited  
7 annually by a certified public accountant. The legislative auditor may prescribe the form and  
8 content of the financial records of the authority and shall have access to those records at any  
9 time.

10 Sec. 19.55.170. BUDGET AND APPROPRIATIONS. The authority shall submit its  
11 annual budget to the legislature through the governor as provided for state agencies by the  
12 Executive Budget Act (AS 37.07). The authority shall expend money appropriated by the  
13 legislature as authorized by the legislature.

14 Sec. 19.55.180. NAMING OF VESSEL OR FACILITY. (a) A vessel or facility of the  
15 marine highway system constructed or acquired by the authority must be named by law.

16 (b) A maritime vessel must bear the name of an Alaska glacier.

17 (c) A vessel used principally on the inland waterways of the state must bear the name  
18 of an historical vessel that used the rivers of the state.

19 Sec. 19.55.199. DEFINITIONS. In this chapter, unless the context requires otherwise,

20 (1) "authority" means the Alaska Marine Highway Authority;

21 (2) "ferry" means a vessel used in the common carriage of passengers and  
22 vehicles in intrastate or interstate commerce.

23 Sec. 19.55.200. SHORT TITLE. This chapter may be cited as the Alaska Marine  
24 Highway Authority Act.

25 \* Sec. 3. AS 19.65.050 is amended to read:

26 Sec. 19.65.050. LEGISLATIVE FINDINGS, PURPOSE, AND INTENT. (a) The  
27 legislature finds that

28 (1) the Alaska Marine Highway Authority [MARINE HIGHWAY SYSTEM] is  
29 an essential part of the state transportation system, and that it warrants continued and predictable  
30 state support;

31 (2) many communities' economies are dependent on a steady and stable marine

1 highway system service level;

2 (3) the state's tourism industry is greatly enhanced by a dependable marine  
3 highway transportation network; and

4 (4) efficient and prudent management of the system will benefit the state's  
5 economy and foster economic development.

6 (b) It is the purpose of AS 19.65.050 - 19.65.100 to

7 (1) enable the authority [ALASKA MARINE HIGHWAY SYSTEM] to manage  
8 and operate in a manner that will enhance performance and accountability by allowing the  
9 authority [SYSTEM] to account for and spend its generated revenue;

10 (2) provide the management tools necessary to efficiently operate the authority  
11 [ALASKA MARINE HIGHWAY SYSTEM];

12 (3) within constitutional constraints, provide for a predictable funding base for  
13 authority [SYSTEM] operations; and

14 (4) provide for predictability and stability in the service level furnished to  
15 communities served by the authority [SYSTEM].

16 (c) It is the intent of AS 19.65.050 - 19.65.100 to

17 (1) encourage prudent administration through cost management and accurate  
18 budgeting by the board of directors [MANAGERS] of the authority [ALASKA MARINE  
19 HIGHWAY SYSTEM];

20 (2) increase revenue from the operation of the authority [SYSTEM] consistent  
21 with the public interest, increase service consistent with sound fiscal policy, and assist the  
22 prudent management and operation of the authority [SYSTEM]; and

23 (3) achieve stability in the level of service communities can anticipate through  
24 accurate planning and scheduling.

25 \* Sec. 4. AS 19.65.060 is amended to read:

26 Sec. 19.65.060. ALASKA MARINE HIGHWAY AUTHORITY [SYSTEM] FUND. (a)

27 There is created, as a special account in the general fund, the Alaska marine highway authority  
28 [MARINE HIGHWAY SYSTEM] fund, into which shall be deposited

29 (1) the gross revenue of the authority [ALASKA MARINE HIGHWAY  
30 SYSTEM];

31 (2) money that is appropriated to the [ALASKA MARINE HIGHWAY SYSTEM]

1 fund by the legislature in an amount that is consistent from year to year and is the amount  
2 necessary, after consideration of gross revenue, to provide stable services to the public consistent  
3 with the provisions of AS 19.65.050(b)(4); unless otherwise provided by the legislature.  
4 appropriations to the fund under this paragraph [, WHICH APPROPRIATIONS] are not  
5 one-year appropriations and [THE BALANCES OF WHICH] do not lapse under AS 37.25.010;  
6 and

7 (3) any other money that is appropriated to the [ALASKA MARINE HIGHWAY  
8 SYSTEM] fund by the legislature; unless otherwise provided by the legislature.  
9 appropriations to the fund under this paragraph [, WHICH APPROPRIATIONS] are not  
10 one-year appropriations and [THE BALANCES OF WHICH] do not lapse under AS 37.25.010.

11 (b) Nothing in AS 19.65.050 - 19.65.100 [THIS CHAPTER] exempts money deposited  
12 into the [ALASKA MARINE HIGHWAY SYSTEM] fund from the requirements of AS 37.07  
13 (Executive Budget Act) or dedicates that money for a specific purpose.

14 \* Sec. 5. AS 19.65.070 is amended to read:

15 Sec. 19.65.070. REVENUE ACCOUNTING. (a) The authority [ALASKA MARINE  
16 HIGHWAY SYSTEM] shall account for and remit to the Department of Revenue in accordance  
17 with AS 37.10.050 all gross revenue generated from the operation of the authority [ALASKA  
18 MARINE HIGHWAY SYSTEM] during each fiscal year [ANNUAL OPERATING CYCLE].  
19 The money shall then be deposited in the Alaska marine highway authority [MARINE  
20 HIGHWAY SYSTEM] fund.

21 (b) The authority [ALASKA MARINE HIGHWAY SYSTEM] shall submit a written  
22 report to the legislature, not [NO] later than the 10th day of each regular legislative session,  
23 regarding the previous fiscal year [ANNUAL OPERATING CYCLE]. The report must identify

24 (1) gross revenue generated during the previous fiscal year [ANNUAL  
25 OPERATING CYCLE];

26 (2) gross revenue generated during the current fiscal year [ANNUAL  
27 OPERATING CYCLE] and an estimate of gross revenue for the remainder of the current fiscal  
28 year [ANNUAL OPERATING CYCLE];

29 (3) projections of the gross revenue to be generated during the next fiscal year  
30 [ANNUAL OPERATING CYCLE]; and

31 (4) the difference between previous gross revenue estimates prepared under this

1 section and the revenues actually generated.

2 \* Sec. 6. AS 19.65.080 is amended to read:

3 Sec. 19.65.080. ANNUAL APPROPRIATION. (a) Commencing with appropriations  
4 for the fiscal year that begins July 1, 1991, on an annual basis and under AS 37.07 (Executive  
5 Budget Act), the legislature may appropriate amounts from the [ALASKA MARINE HIGHWAY  
6 SYSTEM] fund for management and operation of [TO] the authority [ALASKA MARINE  
7 HIGHWAY SYSTEM].

8 (b) The authority [DEPARTMENT OF TRANSPORTATION AND PUBLIC  
9 FACILITIES] may request the legislature to appropriate money from the [ALASKA MARINE  
10 HIGHWAY SYSTEM] fund to the authority [MARINE HIGHWAY SYSTEM] for capital  
11 improvements, if

12 (1) the appropriation under (a) of this section has been made;

13 (2) the amount in the fund, without regard to the appropriation under (a) of this  
14 section, exceeds the total of gross revenue deposited in the fund and the general fund  
15 appropriations under AS 19.65.060(a)(2) by 10 percent; and

16 (3) the amount requested for appropriation under this subsection does not exceed  
17 50 percent of the balance remaining after the appropriation for annual management and  
18 operations is made under (a) of this section.

19 (c) The unexpended and unobligated balance of money appropriated from the [ALASKA  
20 MARINE HIGHWAY SYSTEM] fund lapses into the [ALASKA MARINE HIGHWAY  
21 SYSTEM] fund at the end of the fiscal year for which it was appropriated.

22 \* Sec. 7. AS 19.65.100 is amended to read:

23 Sec. 19.65.100. DEFINITIONS. In AS 19.65.050 - 19.65.100,

24 (1) "authority" means the Alaska Marine Highway Authority ["ANNUAL  
25 OPERATING CYCLE" MEANS THE ANNUAL STATE FISCAL YEAR BEGINNING ON  
26 JULY 1 AND ENDING AT MIDNIGHT ON THE FOLLOWING JUNE 30];

27 (2) "fiscal year" has the meaning given in AS 37.07.120;

28 (3) "fund" means the Alaska marine highway authority fund;

29 (4) "gross revenue" means all money, except money refunded to ticket holders  
30 and others for unused services, that is generated from the operation of the Alaska Marine  
31 Highway Authority [MARINE HIGHWAY SYSTEM], including that derived from vessel

1 operations and uses of authority [ALASKA MARINE HIGHWAY SYSTEM] facilities.

2 \* Sec. 8. AS 23.40.040 is amended to read:

3 Sec. 23.40.040. COLLECTIVE BARGAINING AGREEMENT. The Alaska Marine  
4 Highway Authority [COMMISSIONER OF TRANSPORTATION AND PUBLIC FACILITIES]  
5 or an authorized representative, in accordance with AS 23.40.020 - 23.40.030, may negotiate and  
6 enter into collective bargaining agreements concerning wages, hours, working conditions, and  
7 other employment benefits with the employees of the authority [DIVISION OF MARINE  
8 TRANSPORTATION] engaged in operating the state ferry system as masters or members of the  
9 crews of vessels or their bargaining agent. [A COLLECTIVE BARGAINING AGREEMENT  
10 IS NOT FINAL WITHOUT THE CONCURRENCE OF THE COMMISSIONER OF  
11 TRANSPORTATION AND PUBLIC FACILITIES.] The authority [COMMISSIONER OF  
12 TRANSPORTATION AND PUBLIC FACILITIES] may make provision in the collective  
13 bargaining agreement for the settlement of labor disputes by arbitration.

14 \* Sec. 9. AS 35.27 is amended by adding a new section to read:

15 Sec. 35.27.025. APPLICATION TO ALASKA MARINE HIGHWAY AUTHORITY.

16 This chapter applies to the Alaska Marine Highway Authority. Compliance with this chapter is  
17 the sole responsibility of the authority with respect to the public buildings and facilities of the  
18 authority.

19 \* Sec. 10. AS 35.27.030(1) is amended to read:

20 (1) "building" or "facility" means a permanent improvement constructed by the  
21 department or authority; the term

22 (A) includes, but is not limited to,

23 (i) schools, office buildings, and court buildings;

24 (ii) other buildings which the commissioner determines are  
25 designed for substantial public use;

26 (iii) boats and vessels of the marine highway system;

27 (iv) transportation facilities which accommodate traveling  
28 passengers;

29 (B) excludes other transportation facilities;

30 \* Sec. 11. AS 35.27.030 is amended by adding a new paragraph to read:

31 (4) "authority" means the Alaska Marine Highway Authority.

1 \* Sec. 12. AS 37.05.550 is amended to read:

2 Sec. 37.05.550. ALASKA MARINE HIGHWAY AUTHORITY [SYSTEM] VESSEL  
3 REPLACEMENT FUND. (a) There is in the general fund the Alaska Marine Highway  
4 Authority [MARINE HIGHWAY SYSTEM] vessel replacement fund. The fund consists of  
5 money appropriated to it by the legislature. Money appropriated to the fund does not lapse. The  
6 Department of Revenue shall manage the fund. Interest received on money in the fund shall be  
7 accounted for separately and may be appropriated into the fund annually. The legislature may  
8 appropriate money from the fund for refurbishment of existing state ferry vessels, acquisition of  
9 additional state ferry vessels, or replacement of retired or outmoded state ferry vessels.

10 (b) The legislature may appropriate to the fund money received by the state as Alaska  
11 Marine Highway Authority [MARINE HIGHWAY SYSTEM] program receipts or from a  
12 settlement or final judicial determination of the Dinkum Sands case (United States v. Alaska) and  
13 the North Slope royalty case (State v. Amerada Hess, et al.) and not deposited into the Alaska  
14 permanent fund under AS 37.13.010(a)(1) or (2) or into the public school trust fund under  
15 AS 37.14.150.

16 \* Sec. 13. AS 39.25.110(11) is amended to read:

17 (11) the officers and employees of the following boards, commissions, and  
18 authorities:

19 (A) Alaska Gas Pipeline Financing Authority;

20 (B) Alaska Permanent Fund Corporation;

21 (C) [REPEALED

22 (D)] Alaska Industrial Development and Export Authority;

23 (D) [(E)] Alaska Commercial Fisheries Entry Commission;

24 (E) [(F)] Alaska Commission on Postsecondary Education;

25 (F) Alaska Marine Highway Authority;

26 \* Sec. 14. AS 39.50.200(b) is amended by adding a new paragraph to read:

27 (52) Alaska Marine Highway Authority (AS 19.55.010).

28 \* Sec. 15. AS 44.42.020(a)(1) is amended to read:

29 (1) plan, design, construct, and maintain all state modes of transportation and  
30 transportation facilities and all docks, floats, breakwaters, buildings, and similar facilities, except  
31 that the department is not responsible for planning, design, construction, or maintenance

1 of transportation modes or facilities under the jurisdiction of the Alaska Marine Highway  
2 Authority:

3 \* Sec. 16. AS 44.42.020(a)(7) is amended to read:

4 (7) manage, operate, and maintain state transportation facilities and all docks,  
5 floats, breakwaters, and buildings, including all state highways, vessels, railroads, pipelines,  
6 airports, and aviation facilities, except that the department is not responsible for management,  
7 operation, or maintenance of transportation facilities, vessels, or equipment under the  
8 jurisdiction of the Alaska Marine Highway Authority;

9 \* Sec. 17. INITIAL APPOINTMENT OF MEMBERS OF THE ALASKA MARINE HIGHWAY  
10 AUTHORITY. Notwithstanding AS 19.55.020(b), enacted by sec. 2 of this Act, the terms of the initially  
11 appointed members of the Alaska Marine Highway Authority shall be staggered as set out in  
12 AS 39.05.055(4).

13 \* Sec. 18. AS 19.60, AS 19.65.020, and AS 39.25.110(16) are repealed.

HISTORY IN THE SENATE

HISTORY IN THE HOUSE

1991

19

Read first time and referred to:

2/13 Supp. & Finance

1/5 RPT(  ) CS 2 DP 1 NR  DNP  AM  
New Title  Same Title  Previous FN  
FN  OFN  To Finance

RPT(  ) CS  DP  NR  DNP  AM  
New Title  Same Title  Previous FN  
FN  OFN  To \_\_\_\_\_

RPT(  ) CS  DP  NR  DNP  AM  
New Title  Same Title  Previous FN  
FN  OFN  To \_\_\_\_\_

Rules Calendar(  ) CS  AM  Other  
New Title  Same Title  Previous FN  
FN  OFN

Read second time

CS Adopted (  ) New Title  
Amended \_\_\_\_\_ Advanced \_\_\_\_\_

Read third time

Letter of Intent adopted \_\_\_\_\_  
Return to second for specific amendment \_\_\_\_\_

PASSED	EFD Same <input type="checkbox"/> or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration  
Reconsideration not taken up

PASSED	EFD Same <input type="checkbox"/> or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed  
Signed by President, to House

Secretary of the Senate

Read first time and referred to:

RPT CS(  ) New Title  
DP DNP NR AM  
FN OFN Previous FN

RPT CS(  ) New Title  
DP DNP NR AM  
FN OFN Previous FN

RPT CS(  ) New Title  
DP DNP NR AM  
FN OFN Previous FN

Read second time  
CS(  ) Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED	EFD Same <input type="checkbox"/> or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Intent adopted

Reconsideration  
Reconsideration not taken up

PASSED ON RECON.	EFD Same <input type="checkbox"/> or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Intent adopted

Reported correctly engrossed, signed by the Speaker  
and returned to the Senate

Chief Clerk of the House

**SENATE-HOUSE HISTORY Continued**

<b>19</b>	<p>Received from the House Version: _____</p> <p>Concur in House amendment Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>Failed to concur in House amendment, ask House recede Y ___ N ___ E ___ A ___</p> <p>House failed to / receded from amendment Y ___ N ___ E ___ A ___</p> <p>CC appointed by Senate _____ Chair _____</p> <p>CC appointed by House _____ Chair _____</p> <p>(S) Granted Limited Powers of Free Conference</p> <p>(H) Granted Limited Powers of Free Conference</p>
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<b>19</b>	<p>(S) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>(H) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>To enrolling Received from enrolling Sent to Governor</p> <p>_____ By Governor</p> <p>Chapter Number _____</p> <p>Filed with Lieutenant Governor</p>
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**FISCAL NOTE**

Revision Date: 04/05/91  
Title: Alaska Marine Highway Authority

Department Affected: DOT&PF  
BRU: Alaska Marine Highway System

Sponsor: Jones  
Requestor: Zharoff

Component:  
Component Serial Number:

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

OPERATING	FY93	FY94	FY95	FY96	FY97	FY98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING:</b>	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

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

**POSITIONS**

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

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

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

Assuming the Authority is granted the powers contemplated by the legislation, including the changes recommended in the AMHS position paper, operating efficiencies should offset any increased costs. This also assumes the current services provided by other state agencies will continue at no increased cost. The ultimate financial benefit of this legislation is to provide the AMHS management with the structure necessary to develop long-term operating plans that maintain and expand service without increased demands on the General Fund.

Prepared by: John Halterman

Phone: 465-3950

Division: Alaska Marine Highway System

Date: January 9, 1992

Approved by Commissioner: *Frank G. Turpin*  
Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: January 9, 1992

Distribution By Preparer: Leg. Finance, Leg. Sponsor, Requestor, OMB/DBR, Gov. Leg. Office, Impacted Agency(ies).

**FISCAL NOTE**

**STATE OF ALASKA**  
**1992 LEGISLATIVE SESSION**

**BILL NO. CSSB118**

Revision Date: 4/5/91  
 Title: Alaska Marine Highway Authority  
 Sponsor: Sen. Lloyd Jones  
 Requestor:

Department Affected: UNIVERSITY OF ALASKA  
 BRU: ALL  
 Component: ALL  
 Component Serial No: ALL

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

	FY93	FY94	FY95	FY96	FY97	FY98
OPERATING						
PERSONAL SERVICES						
TRAVEL	250.0	250.0	250.0	250.0	250.0	250.0
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	250.0	250.0	250.0	250.0	250.0	250.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FD SOURCE						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	250.0	250.0	250.0	250.0	250.0	250.0
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL	250.0	250.0	250.0	250.0	250.0	250.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: -0-

**ANALYSIS (Attach additional pages as necessary)**

See attached page 2 of 2.

Prepared by: Marsha Hubbard, Director  
 Division: Statewide Budget Office

Phone: 474-7593  
 Date: 2/21/92

Approved by: Brian Rogers, Vice President for Finance  
 Agency: University of Alaska

Date: 2/21/92

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

*New 1992 Note*

**SB 1119**

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/6/92

FURTHER:

DATE TURNED INTO OFFICE: 3-19-92

The Finance Committee considered

SENATE BILL NO. 119

"An Act relating to the exemption from taxes and assessments of regional electrical authorities."

and recommends:

replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)

or  adopt previous CS SB 119 (CRA)

attaches amendment(s)

same title  
 new title  
 technical title change (HB only)

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

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

do pass

do not pass

no recommendation

individual recommendations

**NEW FISCAL NOTES:** Dept/Date

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

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

appropriation--no fiscal note

**PREVIOUS FISCAL NOTES:** Dept/Date

zero fiscal notes DCRA 3-2-92

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

**DO PASS:**

Jim Duncan

Al Adams

Dick Stroh

Rich King

Pat Humber

1. Pat Humber

Co-Chair: Signature/Recommendation

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Kathleen DeRosa

Co-Chair: Signature/Recommendation

FISCAL NOTE

No. 1

Bill Version: SB 119

(S) Publish Date: 2-6-92

BILL N

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: "...Act relating to exemption from taxes and assessments...regional electrical authorities."  
Sponsor: Senator Duncan  
Requestor: (S) CRA

Department Affected: Community and Regional Affairs  
BRU: \_\_\_\_\_  
Component: \_\_\_\_\_

COMPONENT SERIAL NO. 

0	0	0	0
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary.)

Changes in CS SB 119 (CRA) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.

3/5/92 date [Signature] Come Aide (initial)

Prepared By: Remond Henriksen  
Division: Administrative Services Division

Phone: 465-4708  
Date: 3/2/92

Approved by Commissioner: [Signature]  
Agency: Department of Community and Regional Affairs

Date: 3-2-92/

## CS FOR SENATE BILL NO. 119 (CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/6/92  
Referred: Finance

Sponsor(s): SENATOR DUNCAN

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to regional electrical authorities' exemption from taxes and assessments."

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

3 \* Section 1. AS 18.57.030(a) is amended to read:

4 (a) A regional electrical authority is exempt from payment of taxes or assessments, other  
5 than assessments that may be levied under AS 29.46.010, on property owned by the authority  
6 that is used for generation and transportation of electricity [FOR A PERIOD OF 20 YEARS  
7 FROM JUNE 5, 1975].

8 \* Sec. 2. AS 18.57.030(b) is amended to read:

9 (b) All obligations issued under this chapter are issued by a body corporate and public  
10 that [WHICH] is a political subdivision of the state and for an essential public and governmental  
11 purpose, and the obligations, and the interest and income on and from the obligations, and all  
12 fees, charges, funds, revenues, income, and other money pledged or available to pay or secure  
13 the payment of the obligations or interest are exempt from taxation [FOR A PERIOD OF 20  
14 YEARS FROM JUNE 5, 1975,] except for transfer, inheritance, and estate taxes.



# Alaska State Legislature

SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

COMMITTEES:  
VICE CHAIR –  
FINANCE  
VICE CHAIR –  
STATE AFFAIRS  
RULES  
BUDGET & AUDIT  
ETHICS REFORM

## MEMORANDUM

TO: Senator Pat Pourchot, Co-Chairman  
Senate Finance Committee

FROM: Senator Jim Duncan

DATE: March 6, 1992

SUBJECT: Hearing for Senate Bill 119.

RECEIVED 3 1992

I request that you schedule Senate Bill 119, "relating to the exemption from taxes and assessments of regional electrical authorities," for a hearing before the Senate Finance Committee at your earliest convenience.

Senate Bill #119 will allow for the continuation of the tax exemptions available to regional electrical authorities under AS 18.57.030. This tax exemption is due to expire in 1995. The change is necessary to maintain the economic viability of the regional electrical authority created under this statute. This limitation should be eliminated!

I thank you in advance for your favorable consideration of this request.

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

150 THIRD STREET  
JUNEAU, ALASKA 99801-1291  
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508-4302  
PHONE: (907) 563-1073

February 27, 1992

POSITION PAPER

RE: SB 119

SPONSOR: Senator Duncan

Program Effects of Bill:

SB 119 proposes to make permanent a 20 year property tax exemption adopted in 1975. This exemption applies to the property of regional electrical authorities located within property taxing jurisdictions across the state. As nearly as we can determine, there is only one regional electrical authority in the state whose property is located within a property taxing jurisdiction. For this reason, this proposal would have a very minimal effect on municipal governments.

Comments:

The Department of Community and Regional Affairs takes no position on the proposed bill.

*Ed. Blatchford*

Edgar Blatchford, Commissioner

## SENATE BILL #119

In 1975 the legislature found that there was an acute shortage of adequate, safe, reliable electrical facilities in rural areas of the state. Inadequate revenue projections for proposed electric facilities in rural areas prohibited the private sector from offering electric service. Local governments were also considered inappropriate because the boundaries required for boroughs and boundaries necessary for cities to operate as cities would, in many cases, not be adequate to provide appropriate and reliable electrical needs.

The legislature realized that adequate housing, public facilities, economic development and the health, safety, welfare and prosperity of rural residents as well as the growth of rural communities rely heavily on adequate, safe, reliable electrical facilities.

The 1975 law provides for the creation of regional electrical authorities as public corporations that are considered political subdivisions of the state. Section 18.57.030., Tax Exemption, provides that, "A regional electrical authority is exempt from payment of taxes or assessments on property owned by the authority that is used for generation and transportation of electricity for a period of 20 years from June 5, 1975."

Senate Bill #119 will allow for the continuation of the tax exemptions available to regional electrical authorities under AS 18.57.030. This tax exemption is due to expire in 1995. The change is necessary to maintain the economic viability of the regional electrical authority created under this statute. This limitation should be eliminated!

Tlingit-Haida Regional Electrical Authority serves the following communities:

1. Hoonah
2. Angoon
3. Kake
4. Klawock
5. Kasaan

Headquarters facilities are located in Auke Bay.

Sales taxes on power sales in each community are collected and paid to each community on a quarterly basis.

## Tax Exemption For Regional Electrical Authorities

The regional electrical authority structure was authorized by the Legislature in 1975 as a potential solution for rural electrical energy problems. The structure was designed to allow rural communities to jointly address the complex task of financing, constructing, operating and maintaining electrical systems in rural Alaska. Entities formed under the legislation would enjoy improved economies of scale, reduced duplication of effort, lower fixed costs and the ability to hire and retain professional expertise. A variety of financing vehicles were enabled, including bonding, state and federal loans, and grants.

Electrical authorities were meant to be specialized organizations whose sole purpose was to provide adequate, safe and reliable electrical service in the rural areas. An important distinction was status as a political subdivision of the state, because that provided the opportunity to use tax-exempt bonding as a financing vehicle and because it meant freedom from taxation by other political subdivisions. A 20-year sunset provision on tax exemption was included in the 1975 legislation as a check on any problems that might arise as experience was gained with the electrical authority structure.

In 1977 Tlingit Haida Regional Electrical Authority (THREA) was formed as the first, and thus far only, active regional electrical authority in Alaska. Over the past 15 years, THREA has proven to be a success. Rates have steadily declined and Power Cost Equalization (PCE) assistance has been reduced by a combination of increased efficiency and decreased fixed costs. THREA serves as a model for joint action by rural communities in providing their residents with essential electric service.

There are three other types of electric utilities in Alaska: Private for-profit, electric cooperatives and municipal. The private systems pay the same taxes as any private business. Cooperatives are exempt from taxes except for a gross-receipts tax of \$0.0005/kwh which is paid to the state. Municipal systems pay no taxes unless they are assessed by the individual municipalities. Anchorage, for instance, has a "municipal utility service assessment" based on net book value of the utility systems there. Most municipal systems pay no taxes except for collection of sales taxes. THREA collects and pays sales taxes to the individual communities it serves.

The success of THREA, a not-for-profit entity, is due in part to the tax exemption which is due to expire in 1995. If THREA is to continue its success, and if new electrical authorities are to be successful, it is important to preserve the tax exemption as provided in SB 119. Moreover, a tax on electrical authorities would become part of operating costs that are now being offset by PCE.

**SBILDS**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 24, 1992

FURTHER REFERRALS:

Date of Committee Action: 5/9/92

The FINANCE Committee considered:

CSSB 125(HES)

CS FOR SENATE BILL NO. 125 (HES)

REGISTRATION OF OUT OF STATE PHARMACIES

"An Act relating to pharmacies located outside of the state."

RECOMMENDATIONS: [ ] the same title  
 be replaced with \_\_\_\_\_ [ ] 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) DCED 3/27/92

[ ] zero fiscal note \_\_\_\_\_

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

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Mike Navarre</i> NAVARRE	✓				
<i>Mark Boyer</i> BOYER	X				
<i>Kopmen</i> KOPMEN	✓				
<i>Tay Brown</i> BROWN	✓				
<i>Phillips</i> PHILLIPS	✓				
<i>Lansu</i> LANSU	X				
<i>Burns</i> BURNS	X				

*Mike Navarre* NAVARRE  
 \_\_\_\_\_  
 CO-CHAIRMAN'S SIGNATURE

1992 LEGISLATIVE SESSION

Revision Date: 03/24/92 Department Affected: Commerce & Economic Development  
 Title: An Act relating to pharmacies located outside BRU: Occupational Licensing  
of the state. Component: Administration  
 Sponsor: Senator Menard  
 Requestor: Senate HES COMPONENT SERIAL NO. 

0	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	3.0	3.0	3.0	3.0	3.0	3.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	3.0	3.0	3.0	3.0	3.0	3.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	3.0	3.0	3.0	3.0	3.0	3.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER - GF/PR	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	3.0	3.0	3.0	3.0	3.0	3.0

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

The bill establishes a registration requirement for out-of-state pharmacies who regularly deliver drugs to consumers in Alaska. There have been many inquiries made to the Board of Pharmacy about licensing requirements for out-of-state pharmacies; however, there is no way to estimate the numbers that may apply. (Continued on attached page)

Prepared By: Jennifer Strickler Phone: 465-2144  
 Division: Occupational Licensing Date: 03/24/92  
 Approved by Commissioner: Gleam A. Olds  
 Agency: Commerce & Economic Development Date: 3.24.92

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

## Continuation of Fiscal Note Analysis - CSHB 125(HES)

The contractual services cost of \$3.0 will provide funding for public notices of the new requirement, printing of applications, postage, communication expenses, and other contractual needs.

Information received by the division indicate that some States which currently regulate out-of-state pharmacies experience that most applicants come from the nearest surrounding states. Although we have no way of knowing the numbers of applicants that may seek registration under this bill, the division anticipates on establishing a registration fee that will cover program costs.

## CS FOR SENATE BILL NO. 125 (HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 3/27/91

Referred: Labor and Commerce

Sponsor(s): SENATOR MENARD

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to pharmacies located outside of the state."

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

3 \* Section 1. AS 08.80 is amended by adding a new section to read:

4 Sec. 08.80.158. REGISTRATION OF PHARMACIES LOCATED OUTSIDE OF STATE.

5 (a) A pharmacy located outside of the state that regularly ships, mails, or delivers prescription  
6 drugs to consumers in the state shall register with the board.7 (b) A pharmacy registering with the board under (a) of this section shall furnish to the  
8 board annually9 (1) the location, names, and titles of all principal corporate officers and of all  
10 pharmacists who are dispensing prescription drugs to residents of the state;11 (2) a copy of a current valid license, permit, or registration to conduct operations  
12 in the jurisdiction in which it is located, and a copy of the most recent report resulting from an  
13 inspection of the pharmacy by the regulatory or licensing agency of the jurisdiction in which the  
14 pharmacy is located;

1 (3) a sworn statement indicating that the pharmacy complies with all lawful  
2 directions and requests for information from the regulatory or licensing authority of the  
3 jurisdiction in which the pharmacy is licensed; and

4 (4) proof satisfactory to the board that the pharmacy maintains its records of  
5 prescription drugs dispensed to persons in the state so that the records are readily retrievable from  
6 the records of other prescription drugs dispensed by the pharmacy.

7 (c) A pharmacy subject to this section shall, during its regular hours of operation, provide  
8 a toll-free telephone service to facilitate communication between persons in the state and a  
9 pharmacist at the pharmacy who has access to records concerning the dispensing of prescription  
10 drugs to persons in the state. The toll-free number and the hours that the service is available  
11 shall be disclosed on a label affixed to each container of drugs dispensed to persons in the state.  
12 The telephone service shall be available at least 40 hours a week and at least six days a week.

13 (d) The board may, after a hearing, deny, revoke, or suspend the registration of a  
14 pharmacy located outside of the state and subject to this section if the pharmacy fails to comply  
15 with the requirements of this section, AS 17.20.080 - 17.20.135, or AS 17.30.020 - 17.30.080,  
16 or if the license, permit, or registration of the pharmacy is denied, revoked, or suspended by the  
17 licensing or regulatory agency of the jurisdiction in which the pharmacy is located.

18 (e) A pharmacy located outside of the state that is subject to this section but is not regis-  
19 tered with the board under this section may not ship, mail, or deliver prescription drugs into the  
20 state and may not advertise its services in the state.

21 (f) A pharmacy subject to this section shall appoint a registered agent in the state who  
22 is empowered to accept, on behalf of the pharmacy, process, notice, and demand required or  
23 permitted by law to be served upon the pharmacy. If the pharmacy fails to appoint an agent  
24 under this subsection, if the registered agent cannot with reasonable diligence be found at the  
25 registered office, or if the registration of the pharmacy is suspended or revoked, the commissioner  
26 of commerce and economic development is an agent upon whom process, notice, or demand may  
27 be served. Service is made upon the commissioner in the same manner as provided for  
28 corporations under AS 10.06.175(b), except that for the purposes of AS 10.06.175(b)(2)(A), the  
29 address shall be the last registered address of the pharmacy as shown by the records of the board.

30 (g) The board shall by regulation define "regularly" for this section.

31 \* Sec. 2. AS 08.80.160 is amended by adding a new paragraph to read:

1 (14) registration of a pharmacy located outside of the state.

2 \* Sec. 3. AS 08.80.480 is amended by adding new paragraphs to read:

3 (19) "pharmacy located outside of the state" means a pharmacy that prepares or  
4 mixes prescription drugs outside of the state, regardless of the location at which those drugs may  
5 be shipped, mailed, or delivered to the consumer;

6 (20) "prescription drug" means a drug that requires a physician's prescription  
7 before it may be dispensed.

**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

March 2, 1992

**SUBJECT:** State's potential for liability under CSSB 125(HES)

**TO:** Senator Drue Pearce  
Attn: Bill

**FROM:** Theresa L. Bannister *TB*  
Legislative Counsel

You have asked for a brief memo addressing whether the state is exposing itself to liability by enacting a bill requiring the registration of out-of-state pharmacies. It is my understanding from your questions that you mean liability for personal injury, not liability for contractual obligations.

Initially, please be aware that this memo addresses only the state's potential liability under the bill. Determination of actual liability depends on the specific facts of each case. The state's potential for liability for personal injury is generally governed by AS 09.50.250. In that statute, the state indicates to what extent and in what cases it waives its sovereign immunity from liability.

Generally, a claim could not be maintained against the state for injuries suffered by a person if the claim was based on the state's failure to exercise or perform a discretionary function or duty under the registration procedures enacted by the bill. Discretionary acts are those acts that rise to the level of planning or policy formulation. They would include such acts as management decisions on how to implement the new registration requirements.

On the other hand, under AS 09.50.250 the state would have a potential for liability if state employees did not use due care when carrying out the registration provisions. This type of liability only arises when there is negligence in the performance of activities that are merely operational in nature, thereby implementing policy decisions, and are not discretionary acts discussed in the preceding paragraph. Just because a person is injured by a pharmacy registered under bill (e.g. pharmacy sends the wrong prescription) does not mean the state is potentially liable for the injury. The state

Senator Drue Pearce  
March 2, 1992  
Page 2

must be negligent in these operational activities before the potential for liability arises.<sup>1/</sup>

If I may be of further assistance, please advise.

TLB:pl  
92-148.plm

---

<sup>1/</sup>And, of course, other requirements for liability must be present, such as a connection between the state negligence and the injury.



# Alaska State Legislature

Senator Curt Menard



While in  
Session:  
P.O. Box V  
Juneau, Alaska  
99811  
(907)465-2679

Interim:  
165 E. Parks  
Highway  
Wasilla, Alaska  
99687  
(907)373-2878

Senate  
District  
E

## SPONSOR STATEMENT

SB 125 "An Act relating to pharmacies located outside of the state"

There is a growing number of mail order pharmacies doing business in the state who are not accountable to their Alaskan customers. SB 125 addresses this consumer protection problem and provides reassurance to Alaskans who rely on those services.

SB 125 requires any pharmacy located outside of the state that ships, mails, or delivers prescription drugs into Alaska on a routine basis to register with the Alaska State Board of Pharmacy.

In order to register the pharmacy must provide specific documents that indicate compliance with licensing requirements in their home jurisdiction. The bill sets reasonable standards of disclosure to the Alaska Board of Pharmacy.

The most important requirement of this bill is the provision for out of state pharmacies to provide a toll free telephone service at least 40 hours a week and at least six days a week. When questions or problems resulting from prescription medication arise, it is imperative that the customer or medical responder be able to contact the dispensing pharmacist.

This legislation provides important measures to protect the health, safety and welfare of Alaskan consumers. Your support is greatly appreciated.

When an individual has questions about medication they receive from a mail order drug house the first place they go to is their local neighborhood pharmacist who can not provide adequate answers because they didn't fill the prescription. This bill has been introduced to eliminate that problem. It will not hinder the ability Alaskans now have to freely choose to do business through the mails with a reputable mail order pharmacist.

The bill requires out-of-state pharmacies to register with the state of Alaska. In order to do so they would have to provide:

- . Proof of a current valid license in the jurisdiction in which it is located and a sworn statement indicating compliance with the regulating authority of that jurisdiction. The majority of other states regulate pharmaceutical practices considerably more closely than Alaska and all of them regulate at least as closely as Alaska.

- . Proof that records of prescription drugs dispensed to Alaska residents are readily retrievable.

The most important provision, though, is the requirement for a toll-free telephone service. This will provide at least a minimum amount of customer service.

Most of the customers using out-of-state pharmacies are on maintenance medication. The form that the medication comes in may change with each purchase, the customer must be able to contact the dispensing pharmacist to verify that this is the same, and correct, medication.

Or maybe a prescription comes in the mail with "take as directed" on the label. Alaskan consumers need to be able to check the specifics of that instruction with the dispensing pharmacist.

If a problem arises, the doctor that attends to the patient must have immediate access to that vital information.

The bill has the support of the Dept. of Commerce and Economic Development, individual pharmacists and the Alaska Association of Pharmacists. It has a zero fiscal note and although the amount is not estimated--would generate revenue through an established registration fee.

This legislation was originally introduced late in the Sixteenth Legislature. The bill reference at that time was HB 508, the information in your packets that refers to HB 508 applies now to SB 125, the bill before you.

SB 125: An Act relating to pharmacies located outside of the state.

SB 125 establishes requirements for pharmacies located outside of Alaska to register with the Alaska Board of Pharmacy, if the pharmacy ships, mails, or delivers prescription drugs into the state.

The out-of-state pharmacy will be required to meet certain criteria established in the bill, including 1) registration of the names and locations of pharmacists who dispense prescription drugs to Alaska residents, 2) proof of maintenance of a current license and active pharmacy inspection in the jurisdiction in which the pharmacy is located, 3) compliance with all laws of the licensing authority within the jurisdiction where the pharmacy is located, and 4) proof that the pharmacy may readily retrieve the records of drugs prescribed to Alaska residents.

Currently, Alaska is not able to monitor or identify the out-of-state pharmacies who distribute prescription drugs to residents within the state. SB 125 will allow the Alaska Board of Pharmacy to require registration of outside pharmacies, thus providing some level of oversight -- albeit minimal -- of their activities in Alaska. The current lack of any review of outside pharmacies that mail, ship or deliver prescription drugs in Alaska raises consumer protection concerns.

Pharmacies located in Alaska are regulated by law to protect the health, safety and welfare of Alaskan consumers. Pharmacies located outside the state who service Alaska residents with prescription drugs should be subject to some degree of regulatory oversight. For this reason, the department supports SB 125.



Glenn A. Olds, Commissioner  
Department of Commerce and  
Economic Development

Date: 3/20/01

GAO/RPB/JS/wfd2162W  
31891b

JUNIOR VOICE  
APRIL 1990

## HEALTH & MEDICINE

# Seniors: More drug use, more adverse reactions

by Jeffrey R. Richardson

Older adults use 25 percent of prescription drugs, more than people in younger age brackets. This makes them, as a group, proportionately more susceptible to adverse drug reactions, according to Cameale Johnson, clinical pharmacist at Humana Hospital-Alaska.

"Older adults are more frequently hospitalized due to adverse drug reactions," Johnson said. And medication misuse accounts for two-thirds of adverse drug reactions in the senior population, she said.

Drug side-effects that may be mild to nonexistent in younger people "may be significant in older adults," Johnson noted.

The phrase "adverse drug reaction" refers to any effect occurring from the use of a drug that is undesirable, including the failure to absorb the drug properly so it can address the targeted problem. A side-effect is a form of adverse reaction which can usually be anticipated because of the constituents of drugs and their known impact on the human organism.

Johnson said there are a number of reasons why people handle drugs differently as they age:

- To be effective, all drugs must be absorbed. Often changes in the gastro-intestinal system prevent

drugs from being readily absorbed.

- Drug effectiveness is dependent on good circulation. Throughout the aging process there are changes in the circulatory system which affect the ability of drugs to go to get where they are needed.

- Body composition, that is, the amount of fat or lean muscle tissue in a person, is a factor in the way the body handles drugs, since many drugs are taken up and stored in fat tissue.

"Probably the most significant one is the way we metabolize and excrete the drug," Johnson said. "The activity of the liver declines with age. Also, the kidneys don't always work quite as well. If they don't eliminate them, they're going to be subject to the toxic effect."

Johnson acknowledged it's easy to get prescription drugs confused, especially if a person is being treated for more than one condition. This raises the problem of adverse drug reactions resulting from drug interactions.

A number of steps can be taken to prevent harmful drug interactions. The most important is to utilize the services of one pharmacist who is familiar with your medical history and all of the drugs being utilized. In this way,

**'Medication misuse accounts for two-thirds of adverse drug reactions in the senior population.'**

- Cameale Johnson

interactions can be spotted that might be missed because doctors, or other pharmacists, don't know all the drugs a person is taking.

Johnson cautioned against storing prescription drugs in the bathroom, where they can rapidly deteriorate.

"It's the worst place you can store medications. It's a damp, humid environment," Johnson said. She suggested a hall closet, out of the reach of children.

Johnson also urges people to pay attention to the age of medications.

"I think it's important when you're no longer taking a medication to discard it."

Generally, drugs should not be kept longer than one year from the date the prescription was filled.

Johnson also warns people who tend to lose track of their dosages:

"In general, you should not double up on medications if you think you've skipped a dose."

Johnson concluded.

*This information is presented by Senior Health Exchange, co-sponsored by Humana Seniors Association and Older Persons Action Group, Inc.*

PLEASE MICROFILM TOP PAGE ONLY

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

**CORRESPONDENCE IN SUPPORT OF SB 125 FROM:**

- 1. ALASKA BOARD OF PHARMACY/DC&E, 4/06/92**
- 2. THE PHARMACY SERVICE OF THE AMERICAN  
ASSOCIATION OF RETIRED PERSONS, 3/25/91**
- 3. ALASKA PHARMACEUTICAL ASSOCIATION, 2/25/91**
- 4. DOA, DIVISION OF RETIREMENT & BENEFITS, 3/19/90**

**SBIL26**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/92

FURTHER:

DATE TURNED INTO OFFICE: 5/7/92

The Finance Committee considered SENATE BILL NO. 126

"An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy; and providing for an effective date."

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)  
or  adopt previous \_\_\_\_\_ CS SB 126 (RES)  
 attaches amendment(s)

- same title  
 new title  
 technical title change (HB only)

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

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

- do pass  
 do not pass  
 no recommendation  
 individual recommendations

**NEW FISCAL NOTES:** Dept/Date  
 zero fiscal notes DEC 4-14-92  
DEFG 4-16-92

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

appropriation--no fiscal note

**PREVIOUS FISCAL NOTES:** Dept/Date  
 zero fiscal notes DOED 4-14-92

fiscal notes DMR 4.6 4-13-92

DO PASS:

Lee Adams  
Robert A. ...  
Robert ...  
1. Robert ...  
Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
2. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO.

Revision Date: 13-Apr-92 Department Affected: Natural Resources  
 Title: State Mineral Policy Reporting BRU: Land Management  
 Components: Land Management  
 Sponsor: Senator Frank  
 Requestor: Senate Finance COMPONENT SERIAL NO. 431

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	4.6	2.3	2.3	2.3	2.3	2.3
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	4.6	2.3	2.3	2.3	2.3	2.3

CAPITAL						
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REVENUE						
Funding Source:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	4.6	2.3	2.3	2.3	2.3	2.3
FEDERAL FUNDS						
OTHER						
Funding Source: 1007						
TOTAL	2.3	2.3	2.3	2.3	2.3	2.3

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS:	(Attach a separate page if necessary)	date <u>4/14/92</u>	Comite Aoe (initial) <u>TCO</u>
See Attached		Changes in <u>CSB 126 (RES)</u> reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.	

Prepared by: Ron Swanson Phone: 762-2680  
 Division: Land Management Date: 13-Apr-92

Approved by Commissioner: Harold C. Heitz Date: 13-Apr-92  
 Agency: Department of Natural Resources

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

No. 2

**FISCAL NOTE**

Bill Version: SB 126

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

(S) Publish Date: 4-14-92

Revision Date: 4/13/92

Department Affected: Commerce & Econ. Dev.

Title: State Agency Review and Report on  
Activities/Actions Which Affect Mining

BRU: Economic Development

Sponsor: Senator Frank

Component: \_\_\_\_\_

Requestor: Senator Frank

COMPONENT SERIAL NO. 

8	0	1
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**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND RESOURCE:	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

**POSITIONS:**

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

Estimate of current year impact: None

**ANALYSIS (Attach a separate page if necessary.)**  
 This bill amends the Minerals Policy Act (AS 44.99.110) and requires state agencies to review statutory authority, administrative regulations, and procedures applicable to the minerals industry. It is essentially an amended version of HB 97 incorporating this division's recommended changes. SB 126 is consistent with recommendations by the Alaska Minerals Commission.

Prepared By: Albert H. Clough, Development Specialist Phone: 465-2017

Division: Economic Development Date: 4/13/92

Approved by Commissioner: Glenn A. Olds *Glenn A. Olds* 4-14-92

Agency: Department of Commerce & Economic Development Date: 4/13/92

Distribution (by preparer): Leg. Fin., Legle Changes in CS SB 126 (PES) a. Ofc., and Impacted Agency(ies).  
 have no fiscal impact. This fiscal note is appropriate. Page 1 of 1

SS/dg11874D/041392a

(Rev. 12/81)

4/14/92 Tom O'Hara TCO

Fiscal Note SB 26, continued.

	FY 92	FY 93
100 Personal Services		
Land & Water NRM I (Range 18A)	4.6	2.3
FY 92 -- for identification and assessment of existing statutes, regs. and procedures affecting mining (1 mo./yr.)		
FY 93 and beyond -- for updating the identification and assessment of statutes, regs. and procedures (.5 mo./yr.).		
 Total	 \$ 4.6	 \$ 2.3

# FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. SB 126

Revision Date: 14-Apr-92  
 Title: Review and Reporting  
Requirements re: State Mineral Policy  
 Sponsor: Sen. Frank  
 Requestor: Sen. Frank

Department Affected: Environmental Conservation  
 BRU: Environmental Quality  
 Component: EQ Projects

COMPONENT SERIAL NO. 1 | 0 | 1 | 6

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0			
TRAVEL	0.0	0.0	0.0			
CONTRACTUAL	0.0	0.0	0.0			
SUPPLIES	0.0	0.0	0.0			
EQUIPMENT	0.0	0.0	0.0			
LAND&STRUCTURES	0.0	0.0	0.0			
GRANTS, CLAIMS	0.0	0.0	0.0			
MISCELLANEOUS	0.0	0.0	0.0			
TOTAL OPERATING	0.0	0.0	0.0			

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0			
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	0.0	0.0	0.0			

POSITIONS:

FULL-TIME	0.0	0.0	0.0			
PART-TIME						
TEMPORARY						

Estimate of current year impac none

ANALYSIS: (Attach a separate page if necessary.)

The Department would perform this review with existing resources.

Prepared by: Janice Adair *Janice Adair*  
 Division: Commissioner's Office

Phone: 465-5010  
 Date: 4/14/92

Approved by Commissioner: Janice Adair *Janice Adair*  
 Agency: Environmental Conservation Date: 4/14/92

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

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSSB 126

Revision Date: 04/14/92

Department Affected: Fish and Game

Title: Mineral policy of the state

BRU: Habitat

Component: Habitat

Sponsor: Senator Frank

Requestor: Senate Resources  
Expenditures/Revenues: (Thousands of Dollars)

COMPONENT SERIAL NO. 

4	8	6
---	---	---

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Geron Bruce G.B.

Phone: 465-4100

Division: Commissioner's Office

Date: 4/16/92

Approved by Commissioner: *[Signature]*

Date: 4/16/92

Agency: Department of Fish and Game

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

CS FOR SENATE BILL NO. 126 (RESOURCES)  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 4/14/92  
 Referred: Finance

Sponsor(s): SENATORS FRANK, Sturgulewski, Pearce, Uchling, Jones

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the review and reporting requirements of agencies of the state relating  
 2 to the state mineral policy; and providing for an effective date."

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

4 \* Section 1. AS 44.99.110 is amended by adding new subsections to read:

5 (b) Each agency listed in (g) of this section shall review its statutory authority, its  
 6 administrative regulations, and its procedures applicable to mineral exploration and development  
 7 to determine whether there are deficiencies or inconsistencies that must be addressed in order to  
 8 comply with the policy established in (a) of this section.

9 (c) Each agency listed in (g) of this section shall forward to the commissioner of natural  
 10 resources on October 1 of each year its previously unreported

11 (1) comments and recommendations on the resolution of the deficiencies and  
 12 inconsistencies in its statutory authority, its administrative regulations, and its procedures  
 13 applicable to mineral exploration and development;

14 (2) progress that it has made on the resolution of the deficiencies and

1 inconsistencies that were identified in earlier reports.

2 (d) Notwithstanding (c) of this section, every four years each agency listed in (g) of this  
3 section shall compile and forward to the commissioner of natural resources its unreported and  
4 previously reported comments and recommendations under (c)(1) of this section and progress  
5 under (c)(2) of this section.

6 (e) The commissioner shall assemble the comments, recommendations, and reports  
7 received under (c) or (d) of this section and forward them, unedited, to the governor and the  
8 legislature within the first 10 days of each regular session of the legislature.

9 (f) Each agency listed in (g) of this section shall work with mining interests, coastal  
10 resource service areas, the public, and other resource users to propose solutions to inconsistencies  
11 and deficiencies identified.

12 (g) The requirements of (b) - (f) of this section apply to

13 (1) the Department of Commerce and Economic Development;

14 (2) the Department of Environmental Conservation;

15 (3) the Department of Fish and Game;

16 (4) the Department of Natural Resources;

17 (5) the Department of Revenue;

18 (6) the office of management and budget;

19 (7) the Alaska Railroad Corporation;

20 (8) the University of Alaska; and

21 (9) any other agency of the state designated by the Alaska Minerals Commission.

22 \* Sec. 2. INITIAL REPORT. In making the initial report required under AS 44.99.110, as amended  
23 by sec. 1, of this Act, the agencies listed in AS 44.99.110(g), as added by sec. 1 of this Act, shall report  
24 as required under AS 44.99.110(d), as added by sec. 1 of this Act.

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

STEVE FRANK

119 N. Cushman, Rm. 213  
Fairbanks, Alaska 99701  
(907) 452-3421

# Alaska State Legislature



While in Juneau  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3709  
Capitol Rm. 417

## Senate

TO: Senator Pat Pourchot, Co-Chairman  
Senate Finance Committee

FROM: Senator Steve Frank

RE: CSSB 126 (Res) - "An act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy."

DATE: April 29, 1992

I would like to request that you schedule Senate Bill 126 in the Senate Finance Committee at your earliest convenience.

This legislation would require certain entities of the state to report annually to the commissioner of the Department of Natural Resources on inconsistencies with regard to their procedures and regulations applicable to mineral exploration and development that have occurred during the previous year. The commissioner would then compile and forward those reports to the legislature and the governor. In addition every four years a cumulative report including all previously reported information would be required. The first four year report would be submitted at the beginning of the 1993 legislative session.

Legislation enacted in 1988 required all state agencies, boards and commissions to submit these reports, and that requirement was fulfilled in 1989.

The Alaska Mineral Commission has recommended that this procedure be repeated on an annual basis. This legislation would accomplish that goal, and it requires only affected agencies (those listed in the bill) to report. It also adds to the list the University of Alaska and the Alaska Railroad Corporation - entities that were not required to report in 1989.

Senate Bill 126 would improve the legislature's ability to track statutory and regulatory changes affecting the mineral industry

March 13, 1991

SB 126  
FISCAL NOTE ANALYSIS  
DEPARTMENT OF REVENUE

AS 44.99.110 contains a declaration of the mineral policy of the state with regard to state mineral resources including metals, industrial minerals, and coal. That policy establishes that mineral exploration and development be given fair and equitable consideration with other resource uses, be encouraged through reasonable and consistent nonduplicative regulations, be considered in developing a statewide transportation infrastructure system, be encouraged through appropriate public information, education, scientific research, technical studies, and University of Alaska program involvement, and that economic development of the state mineral industry be encouraged with Pacific Rim nations.

SB 126 would require the Department of Revenue, among others, to (1) review its statutory authority, regulations, and procedures applicable to mineral exploration and development to determine whether they comply with the state mineral policy, (2) to report any inconsistencies, and progress made on resolving previously identified inconsistencies, to the commissioner of natural resources on October 1 of each year, and (3) to work with mining interests, coastal resource areas, the public, and other resource users to propose solutions to any identified inconsistencies. The report would then be forwarded to the governor and the legislature within the first 10 days of each regular session of the legislature.

These review and reporting requirements would be repealed July 1, 1995 and would have no fiscal impact on the Department of Revenue.

FISCAL NOTE ? P.P.

Dept. of Revenue

# DEPARTMENT OF FISH AND GAME POSITION PAPER

Bill No: Senate Bill 126

Sponsor: Senators Frank, Sturgulewski, Pearce, Uehling, and Jones

Division: Habitat

Bill Title: An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy; and providing for an effective date.

Department Position: The department is neutral on this bill but does propose two amendments.

This measure would require each state resource agency, the Division of Governmental Coordination, University of Alaska, Alaska Railroad Corporation, Department of Commerce and Economic Development and any other agency designated by the Alaska Minerals Commission to annually review its statutory authority, administrative regulations and procedures applicable to mineral exploration and development to determine whether there are deficiencies or inconsistencies that must be addressed to comply with the Mineral Policy Act. It would further require that the Commissioner of Natural Resources assemble the comments, recommendations, and reports and forward them to the Governor and Legislature. The reporting requirements would sunset in 1995.

The bill serves as a followup to the Mineral Policy Act which required a similar, one-time, exercise. As worded, the proposed annual review does, however, invite year-to-year duplication in reporting that will require staff time to prepare and which does not appear to provide a commensurate benefit to the Legislature.

To avoid year-to-year duplication in an agency's reporting to the Legislature under this bill, it is suggested that the bill be amended to require the submission of previously unreported comments, recommendations, and progress. The following amendments are, therefore, proposed:

Line 9:

"I (c) Each agency listed in (e) of this section shall forward its previously unreported comments and . . ."

Line 13

"listed in (e) of this section shall also describe previously unreported [ON THE] progress that it has made on the resolution of . . ."

Commissioner's Sign

FISCAL NOTE & P.P.  
Dept. of Fish & Game

Date

3/3/91

SB 126  
March 12, 1991

This legislation requires specific state agencies to review and report on their activities which impact mineral exploration and development. It is similar to HB 97; the difference being SB 126 specifies which state agencies are required to review and report, whereas HB 97 requires all state agencies to comply. In a position paper and analysis of HB 97 this department recommended it be amended to include only those state agencies which impact mining.

SB 126 would be amended to the Minerals Policy Act (AS 44.99.110). The changes implemented would make very positive improvements to the act. The small agency effort required to comply with the review and reporting requirement would make available significant data to the agency, administration, and legislature. These data could be used to help eliminate duplication of and conflicting state regulations and actions.

This type of legislation is recommended by the Alaska Minerals Commission. Furthermore, it is supported by this department.

Glenn A. Olds

*Glenn A. Olds* Spec. Asst. II

Commissioner,  
Department of Commerce and Economic Development

Fiscal Note: ? PP

Dept. of Commerce (ARR)

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVENUE  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400  
FACSIMILE: (907) 586-2754

March 11, 1991

The Honorable Lloyd Jones, Chair  
Senate Resources Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Jones:

**Subject:** Senate Bill 126, which relates to the review and reporting requirements of the state agencies relating to state mineral policy.

**Position:** The Department supports this bill. The enactment of AS 44.99.110, the Mineral Policy Act, required in (2) that mineral development be encouraged through reasonable and consistent nonduplicative regulations and administrative stipulations. SB 126 is a vehicle for the resolution of deficiencies and inconsistencies of procedures in a number of state agencies.

**Background:** The original Mineral Policy legislation specified "if inconsistencies or deficiencies are identified" during the subsequent ten month review period by state agencies, "a state department, board, commission or agency should work with mining interests, coastal resource service areas, the public and other resource users to propose solutions to the inconsistencies or deficiencies."

SB 126 requires that a named group of state agencies forward to the Commissioner of DNR by October 1 of each year comments and recommendations re the resolution of deficiencies and inconsistencies in its statutory authority, its administrative regulations and its procedures applicable to mineral exploration and development. Each of the named agencies shall also report on the progress made toward resolution of these inconsistencies that were identified in earlier reports.

The Commissioner shall assemble these reports and forward them, unedited, to the legislature within the first 10 days of the session.

**Recommendation:** The list of 8 specific agencies affected by this legislation should be expanded to include the Mental Health Lands Trust.

Sincerely,

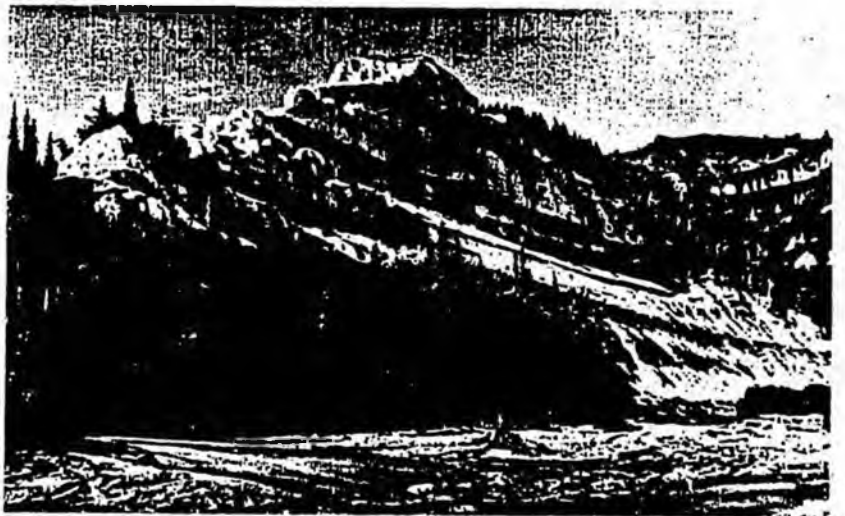
*Harold C. Heinze*  
Harold C. Heinze  
Commissioner

cc: Committee Members  
Senator Frank  
Bruce Kendall, Legislative Liaison, Office of the Governor

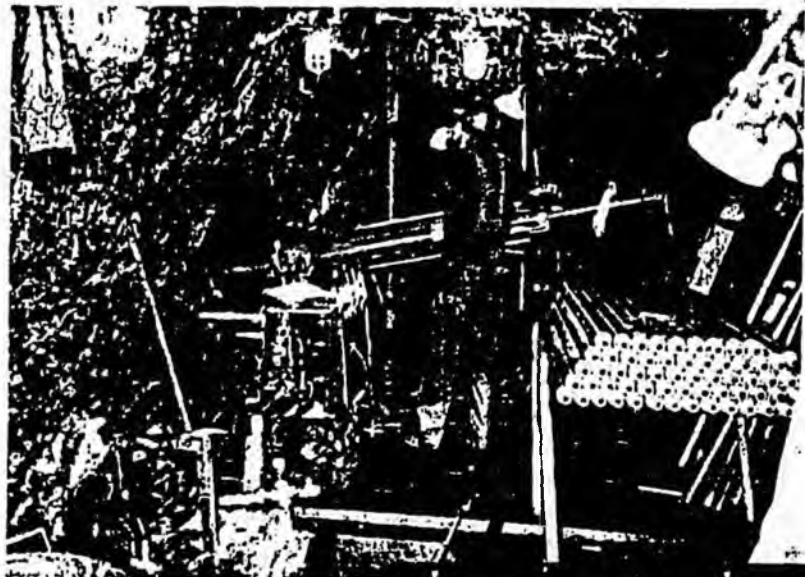
FISCAL NOTE : PP  
DNR



# Report of the **ALASKA MINERALS COMMISSION**



**JANUARY 1991**



*Minerals Commission Recommendation*

## EXECUTIVE SUMMARY

Hard-rock mining made a very significant contribution to the minerals sector of the Alaskan economy in 1990 after a nearly 50 year period of relative dormancy. This trend will continue as the level of hard rock exploration has nearly doubled and many very promising deposits are near development decisions.

In contrast, production during 1990 from many small gold placer mines was only half that of 1989 due to new environmental constraints. Environmental regulations also played a role in the U.S. Borax Quartz Hill project near Ketchikan, which will be on indefinite hold due in part to adverse decisions on environmental permits.

The recommendations of the Alaska Minerals Commission address some of the more important and timely concerns of the mining industry. The order in which they are presented is prioritized to reflect the urgency with which they need to be addressed, but does not necessarily imply that later recommendations have diminished importance to the long term growth and health of the industry.

The 35 recommendations of the Alaska Minerals Commission are listed below:

### **I. TAXATION:**

**Recommendation #1:** The Governor and Legislature should move to exempt in-place minerals from municipal taxation.

### **II. MENTAL HEALTH LANDS:**

**Recommendation #2:** The Governor and the Legislature should make the prompt settlement of the Mental Health Lands lawsuit a top priority during the upcoming legislative session.

### **III. LAND ACCESS AND AVAILABILITY:**

**Recommendation #3:** The Governor should direct the appropriate agencies to assert the state's rights on all known RS2477 trails as quickly as possible.

**Recommendation #4:** The Governor and Legislature should urge the U.S. Congress and federal administration to implement the provisions of the Alaska National Interest Lands Conservation Act (ANILCA) protecting prior existing rights and exemptions allowed in the act.

**Recommendation #5:** In conformity with sections 101d and 1326b of ANILCA, no more federal land in Alaska should be withdrawn from mineral entry by either wilderness designation or by de facto withdrawals such as the Areas of Critical Environmental Concern.

**Recommendation #6:** The State of Alaska should select some 2.5 million acres in the southern National Petroleum Reserve-Alaska (NPR-A).

### **IV. WATER QUALITY ISSUES:**

**Recommendation #7:** The Governor should direct the Department of Environmental Conservation (DEC) to implement a policy that allows discharge water mixing zones to extend downstream to the point of the next substantiated use.

**Recommendation #8:** DEC should also be directed by the Governor to revise the water quality standards for turbidity to attainable levels.