

ALASKA LEGISLATURE

1737

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

**SB**

**7**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 11, 1997

FURTHER REFERRALS:

Date of Committee Action: 5/5/97

The FINANCE Committee considered:

CSSB 7(RLS) am

CS FOR SENATE BILL NO. 7(RLS) am

HUNTING SPORT FISH TRAPPING FEES/LICENSES

"An Act reducing certain resident sport fishing, hunting, and trapping license fees, increasing certain nonresident sport fishing license and tag fees, and relating to nonresident sport fishing and hunting licenses and tags; and providing for an effective date."

recommends it be replaced with the following committee substitute HCS CSSB 7 (Fin)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

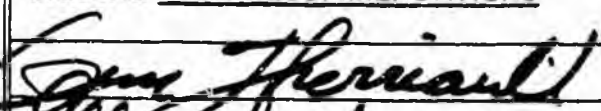

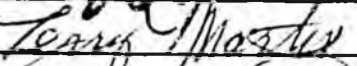


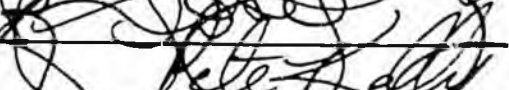
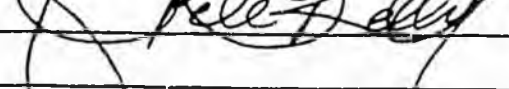
APPROVES PREVIOUS: (Dept/Date)

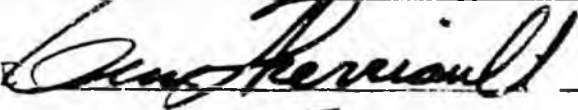
fiscal note(s) F-G 5/6/97

fiscal note(s) F-G 2/25/97

zero fiscal note(s)

zero fiscal note(s) DPS, 2/11/97

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Throssault			X	
	Mulder	✓			
	Martin	✓			
	Kohring	X			
	Davren			X	
	Foster			X	
	Kelly			✓	

CHAIR'S SIGNATURE 

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. HCS CSSB 7(FIN)

Revision Date: 5/6/97 Dept. Affected: Fish and Game  
 Title: Hunting Sport Fish Trapping Fees/Licenses BRU: Sport Fish  
 Component: Sport Fish  
 Sponsor: Senator Donley  
 Requester: House Finance COMPONENT SERIAL NO. 464

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 100	FY 101	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
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<b>CHANGE IN REVENUES ( 1024 )</b>	1,133.2	4,623.7	4,716.1	4,810.5	4,906.7	5,004.8
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**FUND SOURCE**

(Thousands of Dollars)

FUND SOURCE	FY 98	FY 99	FY 100	FY 101	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1024 Fish and Game Fund						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

POSITIONS	FY 98	FY 99	FY 100	FY 101	FY 02	FY 03
FULL-TIME						
PART-TIME						
TEMPORARY						

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

Adoption of SB 7 as written, would result in a larger annual contribution to the Fish and Game Fund due to the changes in structure and price of non-resident sport fishing licenses and king salmon tags proposed in this legislation. The department's confidence in the models used to prepare this fiscal note is not high. Our ability to project market reaction to substantial changes in license structures and fees is limited.

See attached page for assumptions.

Prepared by: Kevin Delaney *[Signature]* Phone: 465-4180  
 Division: Sport Fish Date: 5/6/97  
 Approved by Commissioner: Frank Rue *[Signature]* Date: 5/6/97  
 Agency: Fish and Game

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Assumptions used for license revenue calculations: (Bill becomes effective 1/1/98)

- Revenue calculations are based on Fiscal Year 1996 license sales statistics.
- Approximately 25% of sport fish license sales occur in the first half of a given calendar year (based on 3 year average 1993-1995). With this in mind, FY98 revenues are only 25% of calculated total for fiscal year.
- Annual license sales growth is estimated at 2% for revenue projections.
- The table below reflects Fiscal Year 1998 revenue projections with and without the enactment of this bill.
- Residents will purchase combination licenses out of convenience rather than for cost savings, therefore, same number of combination licenses will be purchased in the future.
- Of those nonresidents who currently purchase an annual license, 75% will continue to do so, while 25% will now purchase a 14-day license.
- Of those nonresidents who currently purchase a 14-day license, 75% will continue to do so, while 25% will now purchase a 7-day license.
- Of those nonresidents who currently purchase a 3-day license, 50% will continue to do so, while the remaining 50% will purchase a 7-day license.
- Those nonresidents who purchased a 1-day license will continue to do so.
- Of those nonresident hunters who currently purchase an annual sport fish license, 50% will continue to do so, while 25% will purchase a 14-day and 25% will purchase a 7-day license.
- Of those nonresident hunters who currently purchase a 14-day license, 50% will continue to do so while the remaining 50% will purchase a single 7-day license.
- Of those nonresidents who currently purchase an annual king salmon tag, 50% will continue to do so, while 40% will purchase a 14-day tag and 10% will purchase a 7-day tag.
- Of those nonresidents who currently purchase a 3-day king salmon tag, 50% will continue to do so, while the remaining 50% will purchase a 7-day tag.
- Those nonresidents who purchased a 1 day king salmon tag will continue to do so.

Description	*Without SB7		*With SB7		
	# SOLD FY98	Revenue FY98	# SOLD FY98	Revenue FY98	Revenue Net (+/-)
* Sport Fish Revenue Portion only.					
Resident Sport Fishing	130,246	\$1,953.7	130,247	\$1,953.7	(\$0.0)
Resident Sport Fish & Hunt* (37.5%)	37,456	\$561.8	37,456	\$547.8	(\$14.0)
Resident, SF, Hunt & Trap* (27.3%)	5,185	\$77.9	5,186	\$75.0	(\$2.8)
Resident King Salmon Stamp	88,934	\$889.3	88,934	\$889.3	\$0.0
Nonresident Sport Fish	24,334	\$1,216.7	18,832	\$1,883.2	\$666.5
Nonresident 14-day Sport Fish	87,184	\$2,615.5	72,715	\$3,635.8	\$1,020.2
Nonresident 7-day Sport Fish	NA	\$0.0	54,635	\$1,639.1	\$1,639.1
Nonresident 3-day Sport Fish	63,193	\$947.9	31,596	\$631.9	(\$316.0)
Nonresident 1-day Sport Fish	68,003	\$680.0	68,003	\$680.0	\$0.0
Nonresident Military Sport Fish	5,600	\$84.0	5,600	\$84.0	\$0.0
Nonresident Hunt & Sport Fish* (37%)	1,165	\$58.2	NA	\$0.0	(\$58.2)
Nonresident Hunt & 14-day SF* (26.1%)	1,905	\$57.2	NA	\$0.0	(\$57.2)
Nonresident Military SF & Small Game (37.5%)	301	\$4.5	301	\$4.5	(\$0.0)
Military King Salmon Stamp	2,322	\$46.4	2,322	\$46.4	\$0.0
Nonresident King Salmon Stamp	35,683	\$1,248.9	17,842	\$1,784.2	\$535.3
Nonresident 14-day King Salmon Stamp	NA	\$0.0	14,273	\$713.7	\$713.7
Nonresident 7-day King Salmon Stamp	NA	\$0.0	18,544	\$556.3	\$556.3
Nonresident 3-day King Salmon Stamp	29,952	\$449.3	14,976	\$299.5	(\$149.8)
Nonresident 1-day King Salmon Stamp	35,028	\$350.3	35,028	\$350.3	\$0.0
Duplicate KS Stamp	1,168	\$5.8	1,168	\$5.8	\$0.0
<b>TOTALS</b>		<b>\$11,247.5</b>		<b>\$15,780.6</b>	<b>\$4,533.0</b>

**STATE OF ALASKA  
1997 LEGISLATIVE SESSION**

**BILL NO. CSSB 7(RLS)**

Revision Date: 2/27/97 Dept. Affected: Fish and Game  
 Title: Hunting, Sport Fish, Trapping Fees/Licenses BRU: Wildlife Conservation  
 Component: Wildlife Conservation  
 Sponsor: Senator Donley  
 Requester: Senate Rules COMPONENT SERIAL NO. 473

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<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>

<b>CAPITAL EXPENDITURES</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>
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<b>CHANGE IN REVENUES (1024)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other -- F&G Fund (1024)	(31.5)	(31.5)	(31.5)	(31.5)	(31.5)	(31.5)
<b>TOTAL</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>

Estimate of any current year (FY97) cost: \$ 0.0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Assumptions: (1) total sales of resident licenses will remain constant; (2) inflation will not increase in the future; (3) approximately 5% of these revenue losses would be borne by license vendors.

Estimated losses are "real" losses based on the decreased cost of licenses. The possibility exists that some losses could be offset by savings in vendor payments. The "savings" are estimated in the following scenario: all persons who purchase individual trapping licenses would purchase combination hunt/trap licenses; all persons who purchase hunting licenses would purchase hunt/fish licenses; all persons who purchase hunt/trap licenses would purchase hunt/trap/fish licenses. Under this scenario, savings in vendor payments of \$30.5 would be offset by fee reductions of \$31.5 in current combination licenses sold plus fee reductions (over individual licenses sold) of \$19.6 for increased sales of combination licenses for a net annual loss to the Fish and Game Fund of \$20.6.

Prepared by: Phil Koehl, Wildlife Biologist *PK*  
 Division: Wildlife Conservation  
 Approved by Commissioner: Deon Buea  
 Agency: Alaska Department of Fish and Game

Phone: 465-4190  
 Date: 2/27/97  
 Date: 2/27/97

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**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO: CSSB 7(RLS)am**

Revision Date: 3/21/97 Dept. Affected: Public Safety  
 Title: An Act relating to the amendment of hunting and sport fishing license and tag fees BRU: Fish and Wildlife Protection  
 Component: Detachments  
 Sponsor: Senator Donley  
 Requestor: H.FSH COMPONENT SERIAL NO. 0490

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
<b>OPERATING</b>						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHANGE IN REVENUES ( )</b>	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Code						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 97) impact: \$ -0-

**POSITIONS:**

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

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

This Bill is consistent with the Division's program objectives, and will not adversely impact the budget.

Prepared By: Captain Joel L. Hard Phone: 269-5409  
 Division: Fish and Wildlife Protection Date: March 21, 1997  
 Approved by Commissioner: Ronald L. Otte Date: 3/21/97  
 Agency: Ronald L. Otte, Department of Public Safety

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ANALYSIS CONTINUED:

Adopted

#1

DRAFT AMENDMENT FOR  
HOUSE CS FOR CS FOR SENATE BILL NO.7 (RES)

Section 6. AS 16.05.340(a)(8) is amended to read:

(8) Nonresident annual sport fishing license ~~\$75~~ ~~[\$25]~~ 100.

Section 8. AS 16.05.340(a)(24) is amended to read

~~(D) ~~for a day~~ [OR ANNUAL] tag ~~\$35~~~~

(E) Annual tag ~~\$~~ 100.

for 2029



# SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

## SPONSOR STATEMENT - HCS SB 7(RES)

### Reducing Fees for Resident Combination Licenses and Increasing Fees for Non-Resident Sport Fishing Licenses and Tags

Senate Bill 7 was introduced in response to escalating misuse of Alaska's sport fish resources by non-residents who commercially harvest, process and sell sport caught fish. Some non-residents use proceeds from the sale of sport caught fish to pay for annual vacations in Alaska. **SB 7 raises non-resident sport fishing license and tag fees and creates a tool for enforcement officers to more easily trace those non-residents who abuse our sport fish resources.**

SB 7 increases the 3 day non-resident sport fishing license fee from \$15 to \$20, creates a seven day non-resident license for \$30 and increases the non-resident 14 day license fee from \$30 to \$50.

SB 7 increases the annual non-resident sport fishing license fee from \$50 to \$150. The House Resources Committee removed language that would have restricted purchase of the annual non-resident licenses to non-residents who work as sport fish guides, limited entry permit holders or licensed crew members. The House Resources Committee, with my support, added intent language requesting the Board of Fisheries to address the issue of non-resident abuse of our sport fish resources, and to adopt a quota system to limit non-resident catch of sport fish.

SB 7 increases the 3 day non-resident anadromous king salmon tag fee from \$15 to \$20, creates a seven day non-resident king salmon tag for \$30 and increases the non-resident 14 day tag fee from \$35 to \$50.

In addition, SB 7 reduces the cost of the three types of resident combination licenses. **Currently, the cost for combination licenses for residents are exactly the same, whether each license is purchased individually, or as a combination.** SB 7 reduces the hunting and trapping, and the hunting and sport fishing licenses by \$1, and reduces the hunting, trapping and sport fishing license by \$2, creating an incentive for residents to purchase combination licenses. Purchasing combination licenses will save the State approximately \$1-2 in fees per combination license sold, thereby mitigating any loss of revenue, and will result in less paperwork for the Department to process.

If you have further questions, please contact Karen Brand of my staff at (907) 465-3892.

DD/kb 5/3/97

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MEMBER: Senate Finance Committee • Legislative Budget & Audit Committee  
• Senate Community & Regional Affairs Committee

# Fish sting

9/12/96  
ADN

## *Good folks, bad deeds*

Just how many folks are ripping off Alaska's sportfish and selling them Outside? Nobody knows despite the recent busts on the Kenai Peninsula, yet the evidence suggests visiting fishermen are canning salmon up and down the Kenai.

The fishermen involved hardly fit the profile of criminals. "They're your average tourist coming to Alaska," says Fish and Wildlife Protection Sgt. Jim Cockrell. But they are out to pay for their vacation with canning ventures.

The fact that the perpetrators look more like Uncle Bud than Baby Face Nelson doesn't diminish the insult to Alaska's salmon fishery. Canning sportfish and selling them is against the law. It's criminal behavior. And no amount of whining "I only wanted to pay for my Alaska summer" changes that. How would the people of Arizona, where canned Kenai sportfish are sold, respond if they knew Alaskans were stealing their resources to pay for winter vacations?

Solutions are not readily at hand. Sportfishing and commercial fishing alike depend in large measure on the integrity of the fishermen. The state can't put a Fish and Wildlife Protection officer in every campground. Sting operations are costly and time-consuming. Changing the possession limits affects the honest and dishonest alike and is bound to provoke controversy.

But clearly it's time for the Legislature and the Fish Board to pay attention to the everyday folks stealing fish. Lawmakers and board members can gather information, ask questions, and explore the best way to protect the fishery. Then they can determine who should take the appropriate action.

Alaska welcomes visitors who want to explore its streams and land some salmon for dinner. But it doesn't welcome folks who come here with thievery on their minds.

# Salmon sellers targeted

Undercover agent roams campgrounds

By TOM KIZZIA  
Daily News reporter

He looked like just another "snowbird" from the Lower 48. He'd fish for a few days, learning from other campers how to smoke and can his salmon. Then he'd move the pickup truck and trailer to another campground on the Kenai Peninsula.

Everywhere he camped this summer, from Ninilchik to the Russian River, the man with Montana plates found tourists smoking and canning fish to sell when they got back home, according to investigators with the Alaska State Troopers' Fish and Wildlife Protection division.

The man from Montana was an undercover agent.

"Every campground he was in, there were people commercializing the salmon, even showing other people how to do it," said Fish and Wildlife Protection Sgt. Jim Cockrell.

Fish and Wildlife Protection officials said they sent the agent out in a trailer this year not to bust violators, but to check out widespread reports they'd been hearing of illegal salmon sales in the Lower 48 and in Europe, especially Germany.

"We wanted to see if it was a real problem," said Cockrell. "I think we verified everything we were being told."

In late August, troopers busted three "mom-and-pop" operations in Kenai River campgrounds, seizing about 400 pounds of frozen or canned salmon. But troopers say the problem of selling sport-caught fish appears much larger — and in most cases, there's little the state

## FISH: Undercover investigation finds tourists are smoking and selling salmon

can do about it.

The three busted operations all sold fish to the undercover agent in Alaska, according to the state. Three people have pled no contest and paid \$1,500 fines, while two others say they're not guilty and want a trial.

But the long arm of Alaska law does not reach to Arizona or Florida, where the tourists reportedly planned to sell most of their salmon. Had the tourists waited until they left Alaska, they couldn't have been charged by the state with selling sport-caught fish.

Troopers say they need to determine how widespread the practice is before proposing legal solutions. Among the possibilities: appeal to the U.S. Fish and Wildlife Service for help in chasing violators across state lines, or pass a law limiting how many fish a non-resident angler can keep.

"We could lower the possession or processed-possession limits," said Mitch Doerr, an investigator with Fish and Wildlife Protection's commercial crimes bureau. "But that becomes a political deal. Are you going to start losing tourism?"

"I don't know if the problem is great enough to warrant limits on out-of-state fish," said Ben Ellis, executive director of the Kenai River Sportfishing Association. "I'd prefer to see them deal with it with sting operations like this one. How many fish are we talking about? A few hundred or 10,000?"

Anglers have caught an average of 170,000 red salmon each year for the past decade along the Kenai River.

This year, with a big run and the daily bag limit raised from three fish to six, corners and smokers were busy.

Much of the activity is legitimate, troopers say. Beyond the daily take, there's no limit to how many fish a non-resident angler can take home to eat or give away.

The commercial canning operations broken up in August had processed fairly small volumes of fish.

"For the most part, the person isn't trying to get rich off it, but they're trying to pay for their vacation to Alaska," Cockrell said.

Melvin and Barbara Gibb were canning fish in jars in their motor home parked all summer at River Quest campground outside Soldotna. Troopers said they targeted the Gibbs because a retired trooper stumbled on them in Arizona last winter selling canned Alaska salmon at a flea market.

Doerr said the Gibbs had 200 to 300 pounds of frozen salmon when troopers seized their equipment Aug. 23, along with 12 cases of canned fish. He said they expected to receive \$4 a pint for the salmon.

"They were real nice retired people," said Sean Cude, manager of the River Quest campground, who said he was surprised by the bust.

Anchorage  
Daily  
News  
9/11/90

"They probably had about enough fish to make money for gas in their big chug-a-lug motor home," said Cude.

"But it's against the law and they're stealing fish from you and me and our kids. If everybody does it, we're going to be like Oregon and Washington, with all our rivers fished out."

Barbara Gibb, reached on her mobile phone in Soldotna earlier this week, refused to answer questions about selling fish in the Lower 48. She admitted she and her husband sold several silver salmon to the man from Montana, however.

"The man begged us," she said. "He said he was heading back to Montana but he hadn't caught any silvers yet. He came knocking on our door."

Also fined was Richard Willet, a Florida man who troopers said had sold smoked fish from Alaska in the past and planned to expand his market. Willet told the undercover agent he expected to leave with 800 pounds of vacuum-sealed salmon, which he could sell for \$10 a pound. But he only had 100 pounds of salmon when the bust occurred, said Doerr.

Willet sold a 35-pound king salmon and two smoked fillets to the undercover agent at River Quest, Doerr said.

Robert and Edith Miller, who camped at Riverbend Campground, were charged with selling halibut from their son's sportfishing charter. They have pleaded not guilty. Charges against their son, Robert J. Miller, are pending, troopers said.

ADN 9/11/96

## Illegal fishing

### *They broke the law; law broke them*

Alaska welcomes visitors with open arms, but there are some guests Alaskans would prefer never to see again. Recently, officers of the Fish and Wildlife Protection Division fingered a bunch of them — folks, some in league with their Alaska hosts, who had been canning and freezing sportfish they caught on the Kenai Peninsula and selling it Outside to finance their summer vacations.

This kind of illegal salmon fishing apparently can be found in just about every campground on the Kenai Peninsula. It's so prevalent, in fact, that Sgt. Bruce Lester of fish and wildlife protection says, "We have a second, unregulated commercial fishery going on down here."

Make no mistake: The violators knew exactly what they were doing. Several of them showed an undercover officer how to put together a salmon-canning operation — and reminded him to keep mum about canning sports fish because it is illegal.

People who abuse Alaska's fish in this fashion don't fit our everyday image of criminals. They're typically middle-class folks who would stand out in a police lineup. But they are bandits nonetheless. They stole fish that didn't belong to them — and their thievery was as real and as destructive as true nasty guys' behavior. That's why the sale of sport-caught fish is a misdemeanor that can lead violators to a year in jail and a fine of up to \$5,000.

A successful fisherman needs a mixture of talent, patience, timing and the right equipment. And once successful, a fisherman needs a conscience. The law simply cannot be on every bank of every stream enforcing honorable behavior.

These folks did not have a conscience, and now they're going to pay for it. Perhaps their example will awaken the conscience of other abusers; if it doesn't, Alaska's fish and wildlife protection officers will have to show them just how harsh the law can be.

8/28/96 ADN

# Vacationers' fish seized

## Undercover officers say salmon financed trips

The Associated Press

KENAI — Law enforcement officers have confiscated six freezers of fish and 30 cases of canned salmon as part of an undercover investigation of illegal fish-selling operations.

Officers of the Fish and Wildlife Protection Division have long suspected that some retirees and other Alaska visitors have been canning and freezing sport-caught fish on the Kenai Peninsula to help pay for their vacations. Now Fish and Wildlife Protection troopers are cracking down.

"One of our goals was to show that we have a second, unregulated commercial fishery going on down here," said Sgt. Bruce Lester of the Fish and Wildlife Protection Division's commercial crimes division.

An investigation this summer led to the seizure of the freezers and cases of canned salmon, according to Sgt. James Cockrell of the Fish and Wildlife Protection Division in Soldotna.

Lester said most, if not all, of the fish seized were caught by sportfishing methods, though limits may have been exceeded. It doesn't take a ge-

nus to catch a limit, change clothes and catch another limit, Lester said.

"One individual stated that just the fish his wife caught paid for the trip," Lester said.

Cockrell said three separate groups were targeted in the recent seizures. Charges have not yet been filed, so he would not reveal their identities.

The three groups of suspects, from Washington, Oregon and Alaska, are all retired and travel extensively, Lester said. The couple claiming Alaska residency have a son who lives on the Kenai Peninsula.

That son, Lester said, also will be charged with running an unlicensed charter operation and growing marijuana.

Sale of sport-caught fish is a misdemeanor. Violators can be sentenced to a year in jail and fined up to \$5,000.

"I think this is pretty prevalent, based on the information we're getting from the Lower 48," Cockrell said. "Once the reds hit the (Kenai) river, they fish them solid. They all plan on showing up here around the 10th of July."

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## STING: Sales of sportfish targeted

Continued from Page B-1

This year the operations were so blatant, fish were being sold in the campgrounds right on the Kenai Peninsula, Cockrell said.

"Some of those operations have really sophisticated gear and they work long,

hard hours. Those canners and smokers are going all night," Lester said.

"One operator even had a commercial outlet to sell his fish down south," he said.

An undercover officer was stationed in a peninsula campground this summer after a retired officer bought

some canned Alaska salmon at a flea market in Arizona, Lester said.

Veteran violators return year after year, Cockrell said.

"They teach the new people — give them tips on how to pay for their trips to Alaska," he said.

# Advisory board backs off fish limit for nonresidents

By JON LITTLE

Daily News Peninsula Bureau

**SOLDOTNA** — A Kenai-Soldotna panel that helps shape state fisheries policy has decided to take a wait-and-see approach on the issue of capping the number of fish caught by Alaska tourists.

The state Board of Fisheries wants some kind of limit to battle a perceived rise in a kind of cottage industry: Some anglers have been nabbed red-handed along Kenai Peninsula rivers canning their catch to sell for profit.

One idea is to create a statewide nonresident punch card with a summer's limit of 18 salmon, with no more than four being kings. Currently there is no statewide limit on the number of red salmon anglers can catch in a season.

"I just want people to think before they harvest," said Brent Johnson, a Peninsula setnetter who sits on the Kenai-Soldotna Fish and Game Advisory Committee. Johnson made the 18-salmon proposal. "I don't think it would be that big of an impact on anybody," he said.

Rather than dive in with that or any other idea, the committee on Wednesday voted to table the issue. A majority of board members didn't want to be locked into just one approach, said Dave Horne of Kasilof, a commercial drift gillnetter.

Anyone in the state can file a proposal before the Fish Board's April 10 deadline, and the local committee can review those ideas when it meets again later this spring or next fall, Horne said.

The Board of Fisheries isn't expected to take up the issue until next winter.

The Kenai-Soldotna panel is one of dozens statewide

*'I just want people to think before they harvest. I don't think it would be that big of an impact on anybody.'*

— setnetter Brent Johnson

that gather proposals on how state fisheries should be run. Those ideas generally are funneled to the Fish Board, which sets policy. But in this case, the board has turned the process around, specifically asking the statewide councils to come up with a cap for nonresident fishermen.

Most anglers, Alaskans and Outsiders, rarely catch more than 15 red salmon a summer in the Kenai and Russian rivers, according to Fish and Game statistics. About one in 10 caught more than that in 1995.

Horne said those figures made a good argument for the punch card, because it would target just the people who overfish. "We're not even going to affect 90 percent of the people who are here now fishing," he said.

Few on the panel felt that a punch card would stop illegal fishing, but some said it could provide a tool for law enforcement.

But why limit just Alaska tourists, asked Jeff King, a Kenai River guide. "Greed and abuse isn't exclusive to our nonresidents."

Committee members said it was tough making a decision when there was very little information on actual abuses. Regulating based on perceptions would be a risky business, some said.

"I hate speculative law," said Rhon Lyons of Sterling.

King warned that a punch

card with 18 fish could be misinterpreted by a tourist as a right, rather than a bag limit. People tend to see their limits as goals, he said.

Others at the meeting saw the nonresident fishing limit as an end run to secure more salmon for Alaskans. "These fish belong to everybody in the United States. You've got to get this into your heads," said Dale Bondurant of Funny River. He said it was unfair to impose restrictions on people just because they don't live in the state.

Maybe, but it is legal, according to the state attorney general's office. State and federal courts have ruled that rights guaranteed by the U.S. Constitution don't extend to bag limits, said Steven Daugherty, assistant attorney general.

Already, a bag limit of four king salmon has been imposed on tourists fishing in Southeast waters.

Fish and Game biologists view the cap as an allocation decision, even if it has its basis in illegal overfishing, said Dave Nelson, state sportfish biologist. "You're deciding who is going to catch the harvestable surplus, the resident or the nonresident, and that's allocative," he said.

Nelson also raised the issue of cost. The price of creating and distributing punch cards would come out of Fish and Game budgets that otherwise fund scientific studies, he said.



Senator David Donley  
Alaska State Capitol  
Juneau, AK 99801  
via fax

Re: Senate Bill No. 7    Modifying Sport Fishing License Fees

Dear Senator Donley,

Thank you for forwarding us a copy of the subject bill. The bill, when signed into law, would accomplish many positive things for the resident sport angler.

- It would reduce aggregate fees should he or she purchase multiple licenses (fishing/hunting/trapping).
- It would bring the level of non-resident fees more closely in line with other states and provinces. It would show the visitors that we Alaskans value our fisheries as much as they do theirs. Based on comments I have heard from our visitors, there is no doubt in my mind that the visitors will gladly pay this small increase to participate in Alaska's incredible fisheries.
- The elimination of the non-resident annual fishing license will provide ADF&G with data that could enumerate who is staying for an extended period and might be a lead sheet for investigations into the illegal sale of sport caught fish. Most residents abhor the illegal sale of sport caught fish by non-residents and want this illegal activity eliminated.

The Alaska Sportfishing Association supports this bill and urges its passage.

Phil Cutler, President

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CSSB 7(RLS)

Revision Date: 2/27/97 Dept. Affected: Fish and Game  
 Title: Hunting, Sport Fish, Trapping Fees/Licenses BRU: Wildlife Conservation  
 Component: Wildlife Conservation  
 Sponsor: Senator Donley  
 Requester: Senate Rules COMPONENT SERIAL NO. 473

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<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>

<b>CAPITAL EXPENDITURES</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>
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<b>CHANGE IN REVENUES (1024)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>
----------------------------------	---------------	---------------	---------------	---------------	---------------	---------------

**FUND SOURCE**

(Thousands of Dollars)

1012 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other -- F&G Fund (1024)	(31.5)	(31.5)	(31.5)	(31.5)	(31.5)	(31.5)
<b>TOTAL</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>

Estimate of any current year (FY97) cost: \$ 0.0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Assumptions: (1) total sales of resident licenses will remain constant; (2) inflation will not increase in the future; (3) approximately 5% of these revenue losses would be borne by license vendors.

Estimated losses are "real" losses based on the decreased cost of licenses. The possibility exists that some losses could be offset by savings in vendor payments. The "savings" are estimated in the following scenario: all persons who purchase individual trapping licenses would purchase combination hunt/trap licenses; all persons who purchase hunting licenses would purchase hunt/fish licenses; all persons who purchase hunt/trap licenses would purchase hunt/trap/fish licenses. Under this scenario, savings in vendor payments of \$30.5 would be offset by fee reductions of \$31.5 in current combination licenses sold plus fee reductions (over individual licenses sold) of \$19.6 for increased sales of combination licenses for a net annual loss to the Fish and Game Fund of \$20.6.

Prepared by: Phil Koehl, Wildlife Biologist *PK*  
 Division: Wildlife Conservation  
 Approved by Commissioner: Debra Buehler  
 Agency: Alaska Department of Fish and Game

Phone: 465-4190  
 Date: 2/27/97  
 Date: 2/27/97

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# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO: CSSB 7(RLS)am**

Revision Date: 3/21/97 Dept. Affected: Public Safety  
 Title: An Act relating to the amendment of hunting and sport fishing license and tag fees BRU: Fish and Wildlife Protection  
 Component: Detachments  
 Sponsor: Senator Donley  
 Requestor: H.FSH COMPONENT SERIAL NO. 0490

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHANGE IN REVENUES ( )</b>	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Code						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 97) impact: \$ -0-

**POSITIONS:**

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

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

This Bill is consistent with the Division's program objectives, and will not adversely impact the budget.

Prepared By: Captain Joel L. Hard Phone: 269-5409  
 Division: Fish and Wildlife Protection Date: March 21, 1997  
 Approved by Commissioner: *Ronald L. Otte* Date: 3/21/97  
 Agency: Ronald L. Otte, Department of Public Safety

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ANALYSIS CONTINUED:

**SB**

**7**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/6/97

FURTHER:

DATE TURNED  
IN TO OFFICE: 2-25-97

Finance Committee considered SENATE BILL NO. 7

"An Act reducing certain resident sport fishing, hunting, and trapping license fees, increasing certain nonresident sport fishing license and tag fees, and relating to nonresident sport fishing, hunting, and trapping licenses; and providing for an effective date."

and recommends:

- be replaced with CS SB 7 (FIN)
- adopt previous CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical change
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>	X		
		<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
Co-Chair: _____		Co-Chair: _____			
Co-Chair: _____		Co-Chair: _____			

**NEW FISCAL NOTE(S):**

Department      Date      Zero      Fiscal

ADFG (WILDLIFE)	2/19/97		✓
ADFG (SPORTFISH)	2/19/97		✓

**PREVIOUS FISCAL NOTE(S):\***

Department      Date      Zero      Fiscal

4. DPS (Comm)	2/6/97	✓	
3. DPS (FWP)	1/29/97	✓	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CSSB 7(FIN)

Revision Date: 2/19/97 Dept. Affected: Fish and Game  
 Title: Hunting, Sport Fish, Trapping Fees/Licenses BRU: Wildlife Conservation  
 Component: Wildlife Conservation  
 Sponsor: Senator Donley  
 Requester: Senate Finance COMPONENT SERIAL NO. 473

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<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>
<b>CAPITAL EXPENDITURES</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>
<b>CHANGE IN REVENUES (1024)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>

**FUND SOURCE**

(Thousands of Dollars)

FUND SOURCE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other -- F&G Fund (1024)	(31.5)	(31.5)	(31.5)	(31.5)	(31.5)	(31.5)
<b>TOTAL</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>	<b>(31.5)</b>

Estimate of any current year (FY97) cost: \$ 0.0

**POSITIONS**

POSITIONS	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
FULL-TIME						
PART-TIME						
TEMPORARY						

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

Assumptions: (1) total sales of resident licenses will remain constant; (2) inflation will not increase in the future; (3) approximately 5% of these revenue losses would be borne by license vendors.

Estimated losses are "real" losses based on the decreased cost of licenses. The possibility exists that some losses could be offset by savings in vendor payments. The "offset" is estimated in the following scenario: all persons who purchase individual trapping licenses would purchase combination hunt/trap licenses; all persons who purchase hunting licenses would purchase hunt/fish licenses; all persons who purchase hunt/trap licenses would purchase hunt/trap/fish licenses. Although the division would save \$30.5 in vendor payments under this scenario, the division would lose 31.5 in decreased revenues from combination licenses currently sold plus an additional \$19.6 in decreased revenues for increased combination licenses that would be sold. Annual loss to the department would be \$20.6.

Prepared by: Phil Koehl, Wildlife Biologist  
 Division: Wildlife Conservation  
 Approved by Commissioner: Caron Bruce  
 Agency: Alaska Department of Fish and Game

Phone: 465-4190  
 Date: 2/19/97  
 Date: 2/19/97

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# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CSSB 7(FIN)

Revision Date: 2/19/97 Dept. Affected: Fish and Game  
 Title: Hunting Sport Fish Trapping Fees/Licenses BRU: Sport Fish  
 Component: Sport Fish  
 Sponsor: Senator Donley  
 Requester: Senate Finance COMPONENT SERIAL NO. 464

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 100	FY 101	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<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>

<b>CAPITAL EXPENDITURES</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>
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<b>CHANGE IN REVENUES ( 1024 )</b>	<b>790.5</b>	<b>3,225.1</b>	<b>3,289.6</b>	<b>3,355.4</b>	<b>3,422.5</b>	<b>3,491.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1024 Fish and Game Fund	790.5	3,225.1	3,289.6	3,355.4	3,422.5	3,491.0
<b>TOTAL</b>	<b>790.5</b>	<b>3,225.1</b>	<b>3,289.6</b>	<b>3,355.4</b>	<b>3,422.5</b>	<b>3,491.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Adoption of SE 7 as written, would result in a larger annual contribution to the Fish and Game Fund due to the changes in structure and price of non-resident sport fishing licenses and king salmon tags proposed in this legislation. The department's confidence in the models used to prepare this fiscal note is not high. Our ability to project market reaction to substantial changes in license structures and fees is limited.

See attached page for assumptions.

Prepared by: Kevin Delaney *[Signature]* Phone: 465-4180  
 Division: Sport Fish Date: 2/19/97  
 Approved by Commissioner: Frank Rue *[Signature]* Date: 2/19/97  
 Agency: Fish and Game

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Assumptions used for license revenue calculations: (Bill becomes effective 1/1/98)

- Revenue calculations are based on Fiscal Year 1996 license sales statistics.
- Approximately 25% of sport fish license sales occur in the first half of a given calendar year (based on 3 year average 1993-1995). With this in mind, FY98 revenues are only 25% of calculated total for fiscal year.
- Annual license sales growth is estimated at 2% for revenue projections.
- The table below reflects Fiscal Year 1998 revenue projections with and without the enactment of this bill.
- Residents will purchase combination licenses out of convenience rather than for cost savings, therefore, same number of combination licenses will be purchased in the future.
- Nonresidents who currently purchase an annual license (other than ~850 who would qualify for the annual nonresident license as outlined in SB 7) will be forced to purchase a series of 14-day licenses. 50% will purchase two while the remaining 50% will purchase one 14-day license.
- Of those nonresidents who currently purchase a 14-day license, 75% will continue to do so, while 25% will now purchase a 7-day license.
- Of those nonresidents who currently purchase a 3-day license, 60% will purchase a 7-day license, 20% will purchase two 1-day licenses and 20% will purchase a single 1-day license.
- Those nonresidents who purchased a 1-day license will continue to do so.
- Of those nonresident hunters who currently purchase an annual sport fish license, 50% will now purchase two 14-day licenses and 50% will purchase one 14-day license.
- Of those nonresident hunters who currently purchase a 14-day license, 50% will now purchase a 14-day license and the remaining 50% will purchase a single 7-day license.
- Nonresidents who currently purchase an annual king salmon tag will be forced to purchase a series of 14-day tags. 50% will purchase two-14 day tags, while the remaining 50% will now purchase a single 14-day tag.
- Of those nonresidents who currently purchase a 3-day king salmon tag, 50% will purchase a 14-day tag, 25% will purchase two 1-day tags and the remaining 25% will purchase a single 1-day tag.
- Those nonresidents who purchased a 1 day king salmon tag will continue to do so.

Description	*Without SB7		*With SB7		
	# SOLD FY98	Revenue FY98	# SOLD FY98	Revenue FY98	Revenue Net (+/-)
* Sport Fish Revenue Portion only.					
Resident Sport Fishing	130,246	\$1,953.7	130,247	\$1,953.7	(\$0.0)
Resident Sport Fish & Hunt* (37.5%)	37,456	\$561.8	37,456	\$547.8	(\$14.0)
Resident. SF, Hunt & Trap* (27.3%)	5,186	\$77.9	5,186	\$75.0	(\$2.8)
Resident King Salmon Stamp	88,934	\$889.3	88,934	\$889.3	\$0.0
Nonresident Sport Fish	24,334	\$1,216.7	850	\$127.5	(\$1,089.2)
Nonresident 14-day Sport Fish	87,184	\$2,615.5	103,314	\$5,165.7	\$2,550.2
Nonresident 7-day Sport Fish	NA	\$0.0	60,664	\$1,819.9	\$1,819.9
Nonresident 3-day Sport Fish	63,193	\$947.9	NA	\$0.0	(\$947.9)
Nonresident 1-day Sport Fish	68,003	\$680.0	105,973	\$1,059.7	\$379.7
Nonresident Military Sport Fish	5,600	\$84.0	5,600	\$84.0	\$0.0
Nonresident Hunt & Sport Fish* (37%)	1,165	\$58.2	NA	\$0.0	(\$58.2)
Nonresident Hunt & 14-day SF* (26.1%)	1,905	\$57.2	NA	\$0.0	(\$57.2)
Nonresident Military SF & Small Game (37.5%)	301	\$4.5	301	\$4.5	(\$0.0)
Military King Salmon Stamp	2,322	\$46.4	2,322	\$46.4	\$0.0
Nonresident King Salmon Stamp	35,683	\$1,248.9	NA	\$0.0	(\$1,248.9)
Nonresident 14-day King Salmon Stamp	NA	\$0.0	68,500	\$2,055.0	\$2,055.0
Nonresident 3-day King Salmon Stamp	29,952	\$449.3	NA	\$0.0	(\$449.3)
Nonresident 1-day King Salmon Stamp	35,028	\$350.3	57,492	\$574.9	\$224.6
Duplicate KS Stamp	1,168	\$5.8	1,168	\$5.8	\$0.0
<b>TOTALS</b>		<b>\$11,247.5</b>		<b>\$14,409.4</b>	<b>\$3,161.9</b>

# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO**

No. 4

Bill Version: CSSB 7 (RES)

(S) Publish Date: 2-11-97

Revision Date: 6 Feb. 97  
 Title: An Act relating to the amendment of hunting and sport fishing license and tag fees  
 Sponsor: Senator Donley  
 Requestor: Senate Resources Cmte.

Dept. Affected: Public Safety  
 BRU: Fish & Wildlife Protection  
 Component: Detachments  
 COMPONENT SERIAL NO. 0490

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL EXPENDITURES</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHANGE IN REVENUES ( )</b> Revenue Code	-0-	-0-	-0-	-0-	-0-	-0-

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

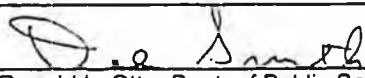
Estimate of current year (FY 97) impact: \$ \_\_\_\_\_

**POSITIONS:**

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

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

This bill is consistent with the department's objectives.

Prepared By: Sandy Perry-Provost, Special Assistant to the Commissioner Phone: 465-4322  
 Division: Commissioners Office Date: 6 Feb. 97  
 Approved by Commissioner:  Date: 2/6/97  
 Agency: Ronald L. Otte, Dept. of Public Safety

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# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO:

CORRECTED: No. 3

Bill Version: SB 7

(S) Publish Date: 2-11-97

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

Dept. Affected: Public Safety

Title: An Act relating to the amendment of hunting  
and sport fishing license and tag fees

BRU: Fish and Wildlife Protection

Component: Detachments

Sponsor: Senator Donley

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

COMPONENT SERIAL NO. 0490

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ( ) Revenue Code	-0-	-0-	-0-	-0-	-0-	-0-

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 97) impact: \$ -0-

**POSITIONS:**

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

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

This Bill will impact this department's sport fishing enforcement programs by increasing the time necessary for troopers to determine the length of time nonresidents have been in the state, what their residency intentions are, and if they have the appropriate sport fishing license. However, this Bill is consistent with department objectives if changes are made.

Prepared By: Lt. Joel L. Hard

Phone: 269-5409

Division: Fish and Wildlife Protection

Date: January 29, 1997

Approved by Commissioner: [Signature]

Date: 1/29/97

Agency: Ronald L. Otte, Department of Public Safety

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**SB**

**9**

HFIN

FILE

# HOUSE COMMITTEE REPORT

(12)

Date Referred to Committee: April 28, 1997

FURTHER REFERRALS:

Date of Committee Action: 5/7/97

The FINANCE Committee considered:

SB 9

SENATE BILL NO. 9

CAP PROJ MATCHING GRANT FOR INDIAN RESERV

"An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date."

recommends it be replaced with the following committee substitute \_\_\_\_\_  the same title  
 a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal note(s) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) DOA, 3/10/97  
CRA, 3/10/97

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Carm Theriault</i> Theriault	X			
<i>Edo Mulder</i> Mulder			X	
<i>Cherry Martin</i> Martin			X	
<i>Jim Kohring</i> Kohring	X			
<i>Paul W. Davies</i> Davies	X			
<i>Abe Grussendorf</i> Grussendorf	X			
<i>W. Moses</i> Moses	X			
<i>Davis</i> Davis	X			
<i>Foster</i> Foster	X			

10  
 CHAIR'S SIGNATURE *Carm Theriault*

# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

No. 1  
 Bill Version: 389  
 (S) Publish Date: 3/10/97

Revision Date: \_\_\_\_\_  
 Title: An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date.  
 Sponsor: Mackie  
 Requestor: (S) CRA

Department Affected: Administration  
 BRU: Administrative Services  
 Component: Administrative Services  
 COMPONENT SERIAL NO. 46

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

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<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>

<b>CAPITAL EXPENDITURES</b>	0	0	0	0	0	0
-----------------------------	---	---	---	---	---	---

<b>CHANGE IN REVENUES ( )</b>	0	0	0	0	0	0
-------------------------------	---	---	---	---	---	---

**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
<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>

Estimate of any current year (FY 97) cost: \$ 0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

The administrative impact on DOA would be very small. Adding one grantee to the municipal side of this program would not result in a need for additional funds for the administration of this program.

Prepared by: Sharon Barton Phone: 465-2277  
 Division: Administrative Services Date: 2/24/97  
 Approved by Commissioner: Mark Boyer Date: 2/26/97  
 Agency: Department of Administration

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# FISCAL NOTE

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
 Title: An act relating to municipal capital project BRU: none  
matching grants for a municipality organized under federal Component: none  
 Sponsor: Senator Mackie  
 Requestor: Senate C&RA COMPONENT SERIAL NO. \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<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>
<b>CAPITAL</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>

REVENUE FUND SOURCE: \_\_\_\_\_

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<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						
TEMPORARY						

Estimate of current (FY '97) impact \$ \_\_\_\_\_

**ANALYSIS: (Attach a separate page if necessary)**  
 This legislation clearly establishes the community of Metlakatla as a municipality for the purposes of the Municipal Capital Project Match Program, AS 37.06.010-090. This legislation would have no direct fiscal impact on the department. Funds currently maintained by DCRA for Metlakatla under the unincorporated capital match program would be transferred to the Municipal Capital Match Program Metlakatla account administered by the Department of Administration.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708  
 Division: Division of Administrative Services Date: 2/21/97  
 Approved by Commissioner: *Mike Irwin* Date: 2/21/97  
 Agency: Mike Irwin, Dept. of Community & Regional Affairs

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KODIAK ISLAND  
SOUTHEAST ISLANDS



STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
(907) 465-4925  
(800) 821-4925 (TOLL FREE)  
(907) 465-3517 (FAX)  
Senator\_Jerry\_Mackie@legis.state.ak.us

# SENATOR JERRY MACKIE


ALASKA STATE LEGISLATURE

## MEMORANDUM

DATE: April 28, 1997

TO: Representative Gene Therriault, Co-Chair  
House Finance Committee

Representative Mark Hanley, Co Chair  
House Finance Committee

FROM: Senator Jerry Mackie, Chair   
Senate Community and Regional Affairs Committee

Re: SB 9 - "An Act relating to municipal capital project  
matching grants for a municipality organized under  
federal law as an Indian reserve; and providing for an  
effective date."  
By Senator Mackie

I would appreciate your consideration in scheduling SB 9 for a hearing in the House Finance Committee. This legislation passed out of the House Community and Regional Affairs today (04-28-97) and recently passed the Senate with a vote of 19Y-0N-1A.

During the development of the Capitol Matching Grant Program, the original intent was to include the Metlakatla Indian Community; they were included in the Department of Administration regulations and they were treated as such within the capital budget process. However, legal analysis found that the statute definition was not written specific enough to include Metlakatla in this program. Because statutes supersede regulations, the appropriation was eliminated.

I have attached my sponsor statement and other pertinent information.

Thank you for your consideration of this request. Please call me if you have further questions.

Attachment

# SB 9

"An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date."  
By Senator Mackie

## TABLE OF CONTENTS

- I. Sponsor Statement, SB 9
- II. Sectional Analysis, SB 9
- III. Original Version, SB 9
- IV. Zero Fiscal Note - Dept. of Administration
- V. Zero Fiscal Note - Dept. of C&RA
- VI. Letter from Jack. L. Booth, Mayor, Metlakatla
- VII. Legal Opinion from LeRoy Wilder, P.C. Law Office
- VIII. Legal Opinion - Bruce Botelho, A.G.
- IX. Minutes from House C&RA re: HB 361(identical to this year's SB 9), dated January 18, 1996 (FYI)

SENATE DISTRICT C  
KODIAK ISLAND  
SOUTHERN ISLANDS



STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
(907) 465-4925  
800 821-4925 TOLL FREE  
(907) 465-3517 FAX  
Senator\_Jerry\_Mackie@legis.state.ak.us

# SENATOR JERRY MACKIE

ALASKA STATE LEGISLATURE

## SPONSOR STATEMENT / SB 9

**SB 9 - "An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date."**

This legislation made it through the committee process of the House and Senate last session, made the Senate Calendar, but was not brought up for consideration during the final hours of the session.

I introduced this legislation at the request of the Metlakatla Indian Community when their Municipal Assistance Matching Grant Program appropriation was eliminated from the Fiscal Year 96 year budget. Metlakatla qualified for this program under the Department of Administration **regulations** definition for "municipality". However, legal analysis found that the **statute** definition was not written specific enough to include the Metlakatla Indian Community in this program. Since the statute definition supersedes the regulatory definition the appropriation was eliminated.

SB 9 AMENDS AS 37.06 (Capital Project Matching Grants Programs) by adding a new section that includes a municipality organized under federal law as an Indian reserve. This bill has been drafted to specifically include the Metlakatla Indian Community within the Municipal Assistance Matching Grant Program. Metlakatla is the only entity in the state that now, or in the future, could qualify under the language included in SB 9, Page 1, Lines 6 - 8.

The community of Metlakatla is definitely more reflective of a municipal government and fits more appropriately into the Municipal Capital Matching Grant Program. The community has a mayor, city council, school board, constitution, law and order codes, police department, court system, etc..

SB 9 specifically removes Metlakatla from the Unincorporated Capital Matching Grant Program and specifically includes Metlakatla in the statute provisions for the the Municipal Capital Matching Grant Program.



# SENATOR JERRY MACKIE

ALASKA STATE LEGISLATURE

**SB 9 - "An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date."**

## **\*SECTIONAL ANALYSIS**

### **\*Section 1.**

amends AS 37.06(Capital Project Matching Grants Program) by adding a new section that includes a municipality organized under federal law as an Indian reserve.

lines 9 - 10, eliminates Metlakatla from the Unincorporated Capital Project Matching Grants Program under AS 37.06.020.

requires the community to form a community development corporation with authority to determine how the grant money will be used, and that the governing board of the corporation shall be elected at an annual election open to all registered and qualified voting residents of the municipality.

the Department of Administration may distribute money for the municipality only after the corporation has delivered a waiver of sovereign immunity from legal action by the state to recover all or a portion of the money distributed under AS 37.06.010.

### **\*Section 2.**

provides transition language to provide that the balance of funds in the Unincorporated Capital Matching Grant Program be transferred to the Department of Administration.

### **\*Section 3.**

provides that SB 9 becomes effective July 1, 1997.

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. SB 9

Revision Date: \_\_\_\_\_  
 Title: An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date.  
 Sponsor: Mackie  
 Requestor: (S) CRA

Department Affected: Administration  
 BRU: Administrative Services  
 Component: Administrative Services  
 COMPONENT SERIAL NO. 46

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

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<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 EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ( )	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
<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>

Estimate of any current year (FY 97) cost: \$ 0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

The administrative impact on DOA would be very small. Adding one grantee to the municipal side of this program would not result in a need for additional funds for the administration of this program.

Prepared by: Sharon Barton  
 Division: Administrative Services

Phone: 465-2277  
 Date: 2/24/97

Approved by Commissioner: Mark Bover  
 Agency: Department of Administration

Date: 2/26/97

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# FISCAL NOTE

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
 Title: An act relating to municipal capital project BRU: none  
matching grants for a municipality organized under federal Component: none  
 Sponsor: Senator Mackie  
 Requestor: Senate C&RA COMPONENT SERIAL NO. \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FUND SOURCE:

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

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current (FY97) impact \$ \_\_\_\_\_

**ANALYSIS:** (Attach a separate page if necessary)  
 This legislation clearly establishes the community of Metlakatla as a municipality for the purposes of the Municipal Capital Project Match Program, AS 37.06.010-090. This legislation would have no direct fiscal impact on the department. Funds currently maintained by DCRA for Metlakatla under the unincorporated capital match program would be transferred to the Municipal Capital Match Program Metlakatla account administered by the Department of Administration.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708  
 Division: Division of Administrative Services Date: 2/21/97  
 Approved by Commissioner: *Mike Irwin* Date: 2/21/97  
 Agency: Mike Irwin, Dept. of Community & Regional Affairs

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# COUNCIL ANNETTE ISLANDS RESERVE

METLAKATLA INDIAN COMMUNITY

JACK L. BOOTH, SR., MAYOR  
JUDITH A. LAUTH, SECRETARY  
BARBARA J. FAWCETT, TREASURER  
January 15, 1996

ESTABLISHED 1887

POST OFFICE BOX 8  
METLAKATLA, ALASKA 99926  
PHONE (907) 886-4441  
FAX (907) 886-3336  
FAX (907) 886-7997

Representative Jerry Mackie  
House of Representatives  
State Capitol  
Juneau, Alaska 99801-1182

Re: HB361- 'An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date.'

Dear Representative Mackie:

We appreciate the work you have put into this issue during the interim and your sponsoring HB 361 this legislative session.

We received Capital Project Matching Grants funding in FY94 in the amount of \$60,619.00 which went to the fire hall project. In FY95 we received \$58,909.00 which is being allocated to the police department project.

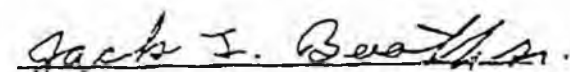
For FY96, we were allocated \$59,421, however, it was then determined that although the matching grant regulations explicitly allow Metlakatla to receive funding, the statute that defines municipalities does not include Metlakatla. We did not receive this appropriation due to this legal technicality.

We never questioned receiving for the Municipal Capital Matching Grant Program and the Unincorporated Capital Matching Grant Program since we weren't familiar with allocations to other communities and this had never been brought to our attention by the administration or the legislature previously.

We appreciate your active support for passage of this legislation which removes us from the Unincorporated Capital Matching Grant Program completely and specifically includes Metlakatla in the statute provisions for the Municipal Capital Matching Grant Program.

Sincerely,

METLAKATLA INDIAN COMMUNITY

  
Jack L. Booth, Sr., Mayor

cc: Metlakatla Indian Community Council Members  
Rep. Ivan Ivan CO-chair, House C & RA  
Rep. Alan Austerman, CO-Chair House C & RA Committee  
C & RA Committee Members: Rep. Pete Kott, Al Vezey, Rep.  
Bettye Davis, Rep. Kim Elton, Rep. Irene Nicholai, Rep. Mackie

LEROY WILDER, P.C.  
LAW OFFICE  
0225 S W MONTGOMERY STREET, #10  
PORTLAND OREGON 97204  
TELEPHONE (503) 242-0705  
FACSIMILE (503) 242-0718

MEMORANDUM

TO: Sol Atkinson  
FROM: LeRoy Wilder *LW*  
RE: HB No. 361  
DATE: January 20, 1996

I talked yesterday with Tam Cook regarding the above named bill. As you know, HB 361 will make Metlakatla eligible for capital project matching grants as an incorporated municipality. Ms. Cook and I agreed that the language now in the bill does what we need it to do and that it would not be wise to modify it. If it is necessary to change the language to please the legislature, we will do so later, but for now, we agreed we should try to hold what we've got.

The problem is this. Some legislators are fearful that this provision, which is exclusively for Metlakatla's benefit, will somehow open up eligibility for capital project matching grants to other Native groups. They are concerned that the reference to 43 U.S.C. 1618(a) may not be restrictive enough. You will recall that section 1618(a) is the language in the Alaska Native Claims Settlement Act that terminates all reservations in Alaska with the single, specific exception of the Annette Islands Reserve. I reviewed the language and concluded that the reference is very restrictive and will not result in the eligibility of other Native groups. Moreover, section 1618(a) has been relied upon in the past to distinguish Metlakatla from all other Native groups and it has been unchallenged. Thus, I see no reason why we should not continue to rely on this reference as the limitation of the bill.

You probably know that the bill cannot simply say Metlakatla because there are laws against "special" legislation. By referring to the statutory provision, we avoid saying Metlakatla specifically but make a reference that includes only Metlakatla. Sounds rather silly, I know, but that's how its done. I will keep you posted if I hear anything more on this issue.

Post-It® Fax Note	7671	Date	# of pages ▶
To	Tam Cook	From	Jeanie
Co./Dept.		Co.	Smith
Phone #		Phone #	4925
Fax #		Fax #	

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

PLEASE REPLY TO:

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ANCHORAGE, ALASKA 99501-1294  
PHONE: (907) 269-5100  
FAX: (907) 275-3697

KEY BANK BUILDING  
100 CUSHMAN ST., SUITE 400  
FAIRBANKS, ALASKA 99701-4679  
PHONE: (907) 451-2811  
FAX: (907) 451-2846

P.O. BOX 110300-DIMOND COURT HOUSE  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 465-6735

March 4, 1996

The Honorable Cynthia Toohey  
Alaska State Legislature  
House of Representatives  
State Capitol - Room 104  
Juneau, Alaska 99811

Re: House Bill 361 / SB9

Dear Representative Toohey:

Your request to Attorney General Botelho for a written opinion regarding "Indian lands" and House Bill 361 has been forwarded to me for a response. In particular, you have asked whether HB 361, dealing with municipal capital project matching grants for "a municipality organized under federal law as an Indian reserve," will have any impact on the concerns the Legislature expressed regarding the "Indian lands" issues. In short, the answer is no.

Under HB 361, only a municipality<sup>1</sup> organized under federal law as an Indian reserve that existed before enactment of 43 U.S.C. 1618(a), which is part of the Alaska Native Claims Settlement Act (ANCSA), and continues in existence under that subsection, is a municipality for purposes of the capital project matching grant program. Metlakatla is the only entity in the state that now, or in the future, could qualify under this language of HB 361. The "Indian land" issues raised by the Legislature in recent weeks concern areas of the state which were never Indian reserves, or no longer are Indian reserves, organized under federal law before 43 U.S.C. 1618(a) (copy enclosed), because ANCSA abolished all reserves other than Metlakatla.

According to officials at the Department of Community and Regional Affairs, the current capital project matching grant program statutes, AS 37.06.010 (municipalities) and AS 37.06.020 (unincorporated communities), do not adequately account for Metlakatla's federal Indian reserve status and it is unclear under which program Metlakatla falls. HB 361 would adopt

---

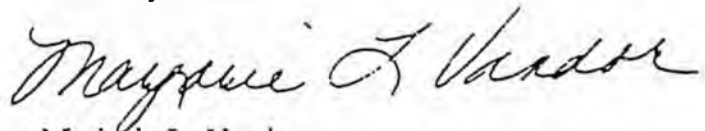
<sup>1</sup> We are unaware that federal law provides for organization of municipalities as reserves or reserves as municipalities. Therefore, it is possible that no entity qualifies under this bill. To avoid confusion, "municipality" here should probably be changed to "community" or a similar term.

a new section, AS 37.06.040, effectively designating Metlakatla as a municipality for the limited purpose of qualifying under the municipal capital project matching grant program.

We hope this adequately addresses your concerns. Please do not hesitate to call us if you have further questions.

Sincerely,

Bruce M. Botelho  
Attorney General



By: Marjorie L. Vandor  
Assistant Attorney General

MLV:jn

cc: Representative Jerry Mackie ✓

Kim Metcalf - Helmar  
Legislative Liaison - DCRA

Barbara Ritchie  
Deputy Attorney General

Chrystal Smith  
Legal Administrator

Becky Snow - Assistant Attorney General  
Fairbanks

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Juneau, Alaska 99801-2105*

Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

House Community & Regional Affairs Committee  
January 18, 1996  
1:05 p.m.

**SB**

**9**

**SFIN**

**FILE**

**SENATE FINANCE COMMITTEE**

REPORTED OUT OF  
APR 18 1997

DATE: 4/4/97

FURTHER:

DATE TURNED  
IN TO OFFICE:

4-18-97

Finance Committee considered

SENATE BILL NO. 9

"An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title
- House Bill:**
- same title
- technical change
- new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Reed E. C. [Signature]</i>	<input checked="" type="checkbox"/>	<i>Paul Farrell</i>	<input checked="" type="checkbox"/>		
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>	<input checked="" type="checkbox"/>		
		<i>[Signature]</i>	<input checked="" type="checkbox"/>		
Co-Chair:		Co-Chair:			
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>		

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date      Zero      Fiscal

Department	Date	Zero	Fiscal
#1 Admin	2/26	<input checked="" type="checkbox"/>	
#2 DCRA	2/21	<input checked="" type="checkbox"/>	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

No. 2  
Bill Verson: SB9  
(S) Publish Date: 3/10/97

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
Title: An act relating to municipal capital project BRU: none  
matching grants for a municipality organized under federal Component: none  
Sponsor: Senator Mackie  
Requestor: Senate C&RA **COMPONENT SERIAL NO.** \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<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>
<b>CAPITAL</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>

REVENUE FUND SOURCE: \_\_\_\_\_

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<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						
TEMPORARY						

Estimate of current (FY97) impact \$ \_\_\_\_\_

**ANALYSIS: (Attach a separate page if necessary)**  
This legislation clearly establishes the community of Metlakatla as a municipality for the purposes of the Municipal Capital Project Match Program, AS 37.06.010-090. This legislation would have no direct fiscal impact on the department. Funds currently maintained by DCRA for Metlakatla under the unincorporated capital match program would be transferred to the Municipal Capital Match Program Metlakatla account administered by the Department of Administration.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708  
Division: Division of Administrative Services Date: 2/21/97  
Approved by Commissioner: *Mike Irwin* Date: 2/21/97  
Agency: Mike Irwin, Dept. of Community & Regional Affairs

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# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

No. 1  
Bill Verson: SB9  
(S) Publish Date: 3/10/97

Revision Date: \_\_\_\_\_  
Title: An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date.  
Sponsor: Mackie  
Requestor: (S) CRA

Department Affected: Administration  
BRU: Administrative Services  
Component: Administrative Services  
COMPONENT SERIAL NO. 46

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

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<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>

<b>CAPITAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>CHANGE IN REVENUES ( )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
<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>

Estimate of any current year (FY 97) cost: \$ 0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

The administrative impact on DOA would be very small. Adding one grantee to the municipal side of this program would not result in a need for additional funds for the administration of this program.

Prepared by: Sharon Barton  
Division: Administrative Services

Phone: 465-2277  
Date: 2/24/97

Approved by Commissioner: Mark Bover  
Agency: Department of Administration

Date: 2/26/97

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**S B**

**1 1**

**HFIN**

**FILE**

Adopted  
5/8/98

0-LS0151AD  
Ford  
5/8/98

*Rep. Linn*

**HOUSE CS FOR CS FOR SENATE BILL NO. 11(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTIETH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATORS HALFORD, Phillips, Green**

**REPRESENTATIVES Kohring, Kemplen**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing a reimbursement program for municipal bonds, notes, or  
2 other indebtedness incurred for school construction; relating to administrative costs  
3 of reimbursing municipal school construction debt; relating to municipal school  
4 construction project eligibility requirements for receiving state reimbursement; and  
5 providing for an effective date."

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

7 \* **Section 1.** AS 14.11.100(a) is amended to read:

8 (a) During each fiscal year, the state shall allocate to a municipality that is a  
9 school district [,] the following sums:

10 (1) payments made by the municipality during the fiscal year two years  
11 earlier for the retirement of principal and interest on outstanding bonds, notes, or other  
12 indebtedness incurred before July 1, 1977, to pay costs of school construction;

13 (2) 90 percent of

1 (A) payments made by the municipality during the fiscal year  
2 two years earlier for the retirement of principal and interest on outstanding  
3 bonds, notes, or other indebtedness incurred after June 30, 1977, and before  
4 July 1, 1978, to pay costs of school construction;

5 (B) cash payments made after June 30, 1976, and before July 1,  
6 1978, by the municipality during the fiscal year two years earlier to pay costs  
7 of school construction;

8 (3) 90 percent of

9 (A) payments made by the municipality during the fiscal year  
10 two years earlier for the retirement of principal and interest on outstanding  
11 bonds, notes, or other indebtedness incurred after June 30, 1978, and before  
12 January 1, 1982, to pay costs of school construction projects approved under  
13 AS 14.07.020(a)(11);

14 (B) cash payments made after June 30, 1978, and before July 1,  
15 1982, by the municipality during the fiscal year two years earlier to pay costs  
16 of school construction projects approved under AS 14.07.020(a)(11);

17 (4) subject to (h) and (i) of this section, up to 90 percent of

18 (A) payments made by the municipality during the current fiscal  
19 year for the retirement of principal and interest on outstanding bonds, notes, or  
20 other indebtedness incurred after December 31, 1981, and authorized by the  
21 qualified voters of the municipality before July 1, 1983, to pay costs of school  
22 construction, additions to schools, and major rehabilitation projects that exceed  
23 \$25,000 and are approved under AS 14.07.020(a)(11); [AND]

24 (B) cash payments made after June 30, 1982, and before July 1,  
25 1983, by the municipality during the fiscal year two years earlier to pay costs  
26 of school construction, additions to schools, and major rehabilitation projects  
27 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

28 (C) payments made by the municipality during the current fiscal  
29 year for the retirement of principal and interest on outstanding bonds, notes, or  
30 other indebtedness to pay costs of school construction, additions to schools, and  
31 major rehabilitation projects that exceed \$25,000 and are submitted to the

1 department for approval under AS 14.07.020(a)(11) before July 1, 1983, and  
2 approved by the qualified voters of the municipality before October 15, 1983,  
3 not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of  
4 average daily membership of the municipality is more than 7 percent but less  
5 than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily  
6 membership of the municipality is 12 percent or more; payments made by a  
7 municipality under this subparagraph [PARAGRAPH] on total project costs  
8 that exceed the amounts set out in (i) and (ii) of this subparagraph  
9 [PARAGRAPH] are subject to (5)(A) of this subsection;

10 (5) subject to (h) - (i) [(h), (i), AND (j)] of this section, 80 percent of  
11 (A) payments made by the municipality during the fiscal year  
12 for the retirement of principal and interest on

13 [(i)] outstanding bonds, notes, or other indebtedness  
14 authorized by the qualified voters of the municipality

15 (i) after June 30, 1983, but before March 31, 1990, to  
16 pay costs of school construction, additions to schools, and major  
17 rehabilitation projects that exceed \$25,000 and are approved under  
18 AS 14.07.020(a)(11); or

19 (ii) [OUTSTANDING BONDS, NOTES, OR OTHER  
20 INDEBTEDNESS AUTHORIZED BY THE QUALIFIED VOTERS OF  
21 THE MUNICIPALITY] before July 1, 1989, and reauthorized before  
22 November 1, 1989, to pay costs of school construction, additions to  
23 schools, and major rehabilitation projects that exceed \$25,000 and ~~are~~  
24 approved under AS 14.07.020(a)(11); and

25 (B) cash payments made after June 30, 1983, by the  
26 municipality during the fiscal year two years earlier to pay costs of school  
27 construction, additions to schools, and major rehabilitation projects that exceed  
28 \$25,000 and are approved by the department before July 1, 1990, under  
29 AS 14.07.020(a)(11);

30 (6) subject to (h) - (j) [(h), (i), (j),] and (m) of this section, 70 percent  
31 of payments made by the municipality during the fiscal year for the retirement of

1 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
2 the qualified voters of the municipality on or after April 30, 1993, **but before July 1,**  
3 **1996,** to pay costs of school construction, additions to schools, and major rehabilitation  
4 projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

5 (7) subject to **(h) - (j)** [(h), (i), (j),] and (m) of this section, 70 percent  
6 of payments made by the municipality during the fiscal year for the retirement of  
7 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
8 the qualified voters of the municipality after March 31, 1990, but before April 30,  
9 1993, to pay costs of school construction, additions to schools, and major rehabilitation  
10 projects;

11 **(8) subject to (h), (i), (j)(2) - (4), and (o) of this section and after**  
12 **projects funded by the bonds, notes, or other indebtedness have been approved**  
13 **by the commissioner, 70 percent of payments made by the municipality during the**  
14 **fiscal year for the retirement of principal and interest on outstanding bonds,**  
15 **notes, or other indebtedness authorized by the qualified voters of the municipality**  
16 **on or after July 1, 1995, but before July 1, 1998, to pay costs of school**  
17 **construction, additions to schools, and major rehabilitation projects that exceed**  
18 **\$200,000 and are approved under AS 14.07.020(a)(11):**

19 **(9) subject to (h), (i), (j), and (o) of this section and after projects**  
20 **funded by the bonds, notes, or other indebtedness have been approved by the**  
21 **commissioner, 70 percent of payments made by the municipality during the fiscal**  
22 **year for the retirement of principal and interest on outstanding bonds, notes, or**  
23 **other indebtedness authorized by the qualified voters of the municipality on or**  
24 **after July 1, 1998, to pay costs of school construction, additions to schools, and**  
25 **major rehabilitation projects that exceed \$200,000 and are approved under**  
26 **AS 14.07.020(a)(11).**

27 \* Sec. 2. AS 14.11.100(b) is amended to read:

28 (b) The commissioner shall administer the program of reimbursement  
29 authorized under this section and shall provide by regulation for the filing of  
30 applications for reimbursement, the form of proof of costs for which application for  
31 reimbursement is made, and other regulations necessary to administer the program.

1        **An amount due a municipality for reimbursement under this section may not be**  
2        **reduced by the cost to the department to administer the reimbursement program.**

3        The commissioner shall exclude from the total school construction cost of the local  
4        district all state and federal funds included in these costs except funds provided under  
5        this section and AS 43.50.140. [IN APPROVING APPLICATIONS FOR  
6        REIMBURSEMENT, THE COMMISSIONER SHALL OFFSET AGAINST THE  
7        AMOUNT OF REIMBURSEMENT AUTHORIZED THE AMOUNT OF ANY  
8        FUNDS DISTRIBUTED TO THE BOROUGH OR CITY IN THE SECOND  
9        PRECEDING FISCAL YEAR FROM THE SCHOOL FUND PROVIDED FOR IN  
10       AS 43.50.140.]

11       \* Sec. 3. AS 14.11.100(h) is amended to read:

12                (h) An allocation under (a)(4), (5), (6), (7), (8), or (9) [(5)] of this section for  
13        school construction begun after July 1, 1982, shall be reduced by the amount of money  
14        used for the construction of residential space, hockey rinks, planetariums, saunas, and  
15        other facilities for single purpose sporting or recreational uses that are not suitable for  
16        other activities and by the money used for construction that exceeds the amount needed  
17        for construction of a facility of efficient design as determined by the department. An  
18        allocation under (a)(4), (5), (6), (7), (8), or (9) [(5)] of this section may not be reduced  
19        by the amount of money used for construction of a small swimming pool, tank, or  
20        water storage facility used for water sports. However, an allocation shall be reduced  
21        by the difference between the amount of money used to construct a swimming pool  
22        that exceeds the standards adopted by the department and the amount of money that  
23        would have been used to construct a small swimming pool, tank, or water storage  
24        facility, as determined by the commissioner.

25       \* Sec. 4. AS 14.11.100(i) is amended to read:

26                (i) For the purposes of (a)(4) - (9) [AND (5)] of this section,  
27                        (1) an indebtedness for bonds is incurred after the bonds are sold;  
28                        (2) reimbursement for a cash payment may only be made after the  
29        payment is made to a vendor; and  
30                        (3) payments may not be made for costs that are incurred under a  
31        contract after the contract has been released.

1 \* Sec. 5. AS 14.11.100(j) is amended to read:

2 (j) Except as provided in (l) of this section, the state may not allocate money  
3 to a municipality for a school construction project under (a)(5), (6), [OR] (7), or (9)  
4 of this section unless the municipality complies with the requirements of (1) - (4) of  
5 this subsection, the project is approved by the commissioner before the local vote on  
6 the bond issue for the project or for bonds authorized after March 31, 1990, but on or  
7 before April 30, 1993, the bonds are approved by the commissioner before  
8 reimbursement by the state, and the local vote occurs before July 1, 1987, or after  
9 June 30, 1988. In approving a project under this subsection, and to the extent  
10 required under (a)(8) of this section, the commissioner shall require

11 (1) the municipality to include on the ballot for the bond issue, for  
12 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated  
13 total cost of each project including estimated total interest, estimated annual operation  
14 and maintenance costs, the estimated amounts that will be paid by the state and by the  
15 municipality, and the approximate amount that would be due in annual taxes on  
16 \$100,000 in assessed value to retire the debt;

17 (2) that the bonds may not be refunded unless the annual debt service  
18 on the refunding issue is not greater than the annual debt service on the original issue;

19 (3) that the bonds must be repaid in approximately equal annual  
20 principal payments or approximately [APPROXIMATE] equal debt service payments  
21 over a period of at least 10 years;

22 (4) the municipality to demonstrate need for the project by establishing  
23 that the school district has

24 (A) projected long-term student enrollment that indicates the  
25 district has inadequate facilities to meet present or projected enrollment; [OR]

26 (B) facilities that require repair or replacement in order to meet  
27 health and safety laws or regulations or building codes;

28 (C) demonstrated that the project will result in a reduction  
29 in annual operating costs that economically justifies the cost of the project;

30 or

31 (D) facilities that require modification or rehabilitation for

1                    the purpose of improving the instructional program.

2       \* Sec. 6. AS 14.11.100 is amended by adding a new subsection to read:

3                    (o) The total amount of school construction projects approved for  
4 reimbursement by the department under (a)(8) or (9) of this section

5                    (1) may not exceed \$357,143,000; and

6                    (2) after June 30, 1995, and until July 1, 2003, shall be allocated as  
7 follows:

8                    (A) \$154,286,000 shall be allocated to projects in a municipality  
9 with a public school enrollment of 25,000 or more students in fiscal year 1998  
10 as determined under AS 14.17.160;

11                    (B) \$57,143,000 shall be allocated to projects in a municipality  
12 with a public school enrollment of at least 15,000 but less than 25,000 students  
13 in fiscal year 1998 as determined under AS 14.17.160;

14                    (C) \$145,714,000 shall be allocated to projects in a municipality  
15 with a public school enrollment of less than 15,000 students in fiscal year 1998  
16 as determined under AS 14.17.160; allocations under this subparagraph

17                    (i) shall first be made to projects described under (a)(8)  
18 of this section and then made to projects described under (a)(9) of this  
19 section; and

20                    (ii) may not exceed \$16,000,000 to projects in a  
21 municipality with a public school enrollment of less than 4,000 students  
22 in fiscal year 1998 as determined under AS 14.17.160.

23       \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 11, 1998

FURTHER REFERRALS:

Date of Committee Action: 5/8/98

The FINANCE Committee considered:

CSSB 11(FIN)(title am)

CS FOR SENATE BILL NO. 11(FIN)(title am)

SCHOOL DEBT REIMBURSEMENT

"An Act establishing a reimbursement program for municipal bonds, notes, or other indebtedness incurred for school construction; relating to administrative costs of reimbursing municipal school construction debt; relating to municipal school construction project eligibility requirements for receiving state reimbursement; and providing for an effective date."

recommends it be replaced with the following committee substitute HCS CSSB 11 (FIN)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

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

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

fiscal note(s) DOE

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

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

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

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<u>Gene Thernault</u> Thernault	X			
<u>Glen Mulder</u> Mulder	X			
<u>Terry Martin</u> Martin			X	
<u>Ed Davies</u> Davies	X			
<u>Ben Grossendorf</u> Grossendorf	X			
<u>Moses</u> Moses	X			
<u>Davis</u> DAVIS	X			
<u>Kelly</u> Kelly	✓			
<u>Lie Kohring</u> Kohring	X			

CHAIR'S SIGNATURE

Gene Thernault

**FISCAL NOTE**

**STATE OF ALASKA**  
**1998 LEGISLATIVE SESSION**

**BILL NO.** HCS CSSB 11(FIN)

Revision Date: \_\_\_\_\_ Dept. Affected: EDUCATION  
 Title: An act establishing a reimbursement program for BRU: School Debt Reimbursement  
municipal bonds, notes, or other indebtedness incurred for Component: School Debt Reimbursement  
school construction;  
 Sponsor: Senators Halford, Phillips, Green  
 Requester: House Finance **COMPONENT SERIAL NO.** 153

**Expenditures/Revenues:**

(Thousands of Dollars)

<b>OPERATING EXPENDITURES</b>	<b>FY99</b>	<b>FY00</b>	<b>FY01</b>	<b>FY02</b>	<b>FY03</b>	<b>FY04</b>
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	2,454.6	23,464.5	29,990.9	25,888.7	25,198.7	25,192.9
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>2,454.6</b>	<b>23,464.5</b>	<b>29,990.9</b>	<b>25,888.7</b>	<b>25,198.7</b>	<b>25,192.9</b>

<b>CAPITAL EXPENDITURES</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>
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<b>CHANGES IN REVENUES</b>						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	2,454.6	23,464.5	29,990.9	25,888.7	25,198.7	25,192.9
1005 GF/Program Receipts						
Other:						
<b>TOTAL</b>	<b>2,454.6</b>	<b>23,464.5</b>	<b>29,990.9</b>	<b>25,888.7</b>	<b>25,198.7</b>	<b>25,192.9</b>

Estimate of current year (FY98) cost: \$0.0

**POSITIONS:**

FULL-TIME						
PAR-TIME						
TEMPORARY						

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

The FY99 cost reflects the impact of Sec. 2, page 5, lines 5 - 10, repealing the offset of the amount of cigarette tax distribution received in FY97 against the amount of debt reimbursement, effective July 1, 1998.

The FY00 - FY04 projected costs represents the estimate of state liability under the reimbursement program authorized in HCS CSSB 11(FIN) based on the assumptions contained in the attached analysis

Prepared by: Michael Morgan, Facilities Manager

Phone: 465-1858

Division: Education Support Services

Date: 5/9/98

Approved by Commissioner: Shirley J. Holloway, Ph.D.

Date: 5/9/98

Agency: Department of Education

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### Analysis of HCS for CSSB 11(FIN)

This analysis reviews the effect of extending the 70% debt reimbursement rate to 7/1/98 on approvable projects. The analysis uses district projects that have voter approval.

The earliest these bonds could be reimbursed would be in FY00, as the deadline for submitting notification of anticipated debt reimbursement needs has already past: the FY99 deadline was 10/15/97.

This analysis assumes that the first payment will be a principal and interest payment due in FY00.

Districts with less than 4,000 ADM have been capped at \$16 million in this analysis

This analysis also assumes that the remaining authorization will receive voter approval and will be sold with a principle and interest payment due in FY2001.

Fiscal Year	Principal	SB11	70%
		Interest	Liability
FY2000	12,581,634	20,939,124	23,464,531
FY2001	17,363,415	25,480,657	29,990,850
FY2002	16,359,705	20,624,149	25,888,698
FY2003	16,454,026	19,544,101	25,198,689
FY2004	17,200,118	18,789,752	25,192,909
FY2005	17,397,944	17,815,523	24,649,427
FY2006	18,496,901	17,252,841	25,024,819
FY2007	23,791,990	20,608,651	31,080,449
FY2008	19,358,621	15,688,627	24,533,074
FY2009	17,164,891	12,893,418	21,040,816
FY2010	17,231,256	11,769,916	20,300,820
FY2011	17,328,421	10,644,265	19,580,880
FY2012	17,479,655	9,511,471	18,893,788
FY2013	17,639,095	8,369,017	18,205,679
FY2014	17,809,300	7,216,225	17,517,867
FY2015	17,987,711	6,053,331	16,828,729
FY2016	18,176,886	4,879,648	16,139,574
FY2017	18,374,268	3,694,614	15,448,218
FY2018	16,445,978	2,557,392	13,302,359
FY2019	14,711,650	1,518,830	11,361,336
FY2020	7,789,533	506,320	5,807,097
<b>totals</b>	<b>357,143,000</b>	<b>256,357,870</b>	<b>429,450,609</b>

This analysis is using equal principal payments with a 6.75% interest rate on voter approved bond issues.



Analysis of HCS for CSSB 11(FIN)  
Debt Service Schedule

FISCAL YEAR	PAYMENT DATE	PRINCIPLE PAYMENT	CP RATE	INTEREST PAYMENT	DEBT SVC TOTALS	YEARLY DEBT SERVICE
00	7/1/99			6,422,428.71	6,422,428.71	
00	1/1/00	6,922,116.60	6.750%	6,422,428.71	13,344,545.31	19,766,974.01
01	7/1/00			11,446,742.31	11,446,742.31	
01	1/1/01	14,711,850.00	6.750%	11,446,742.31	28,188,392.31	37,605,134.83
02	7/1/01			9,200,224.13	9,200,224.13	
02	1/1/02	14,711,850.00	6.750%	9,200,224.13	23,911,874.13	33,112,098.25
03	7/1/02			8,703,705.94	8,703,705.94	
03	1/1/03	14,711,850.00	6.750%	8,703,705.94	23,415,355.94	32,119,061.88
04	7/1/03			8,207,187.75	8,207,187.75	
04	1/1/04	14,711,850.00	6.750%	8,207,187.75	22,918,837.75	31,126,025.50
05	7/1/04			7,710,669.56	7,710,669.56	
05	1/1/05	14,711,850.00	6.750%	7,710,669.56	22,422,319.56	30,132,989.13
06	7/1/05			7,214,151.38	7,214,151.38	
06	1/1/06	14,711,850.00	6.750%	7,214,151.38	21,925,801.38	29,139,952.75
07	7/1/06			6,717,633.19	6,717,633.19	
07	1/1/07	14,711,850.00	6.750%	6,717,633.19	21,429,283.19	28,146,916.38
08	7/1/07			6,221,115.00	6,221,115.00	
08	1/1/08	14,711,850.00	6.750%	6,221,115.00	20,932,765.00	27,153,880.00
09	7/1/08			5,724,596.81	5,724,596.81	
09	1/1/09	14,711,850.00	6.750%	5,724,596.81	20,436,246.81	26,160,843.63
10	7/1/09			5,228,078.63	5,228,078.63	
10	1/1/10	14,711,850.00	6.750%	5,228,078.63	19,939,728.63	25,167,807.25
11	7/1/10			4,731,560.44	4,731,560.44	
11	1/1/11	14,711,850.00	6.750%	4,731,560.44	19,443,210.44	24,174,770.88
12	7/1/11			4,235,042.25	4,235,042.25	
12	1/1/12	14,711,850.00	6.750%	4,235,042.25	18,946,692.25	23,181,734.50
13	7/1/12			3,738,524.06	3,738,524.06	
13	1/1/13	14,711,850.00	6.750%	3,738,524.06	18,450,174.06	22,188,698.13
14	7/1/13			3,242,005.88	3,242,005.88	
14	1/1/14	14,711,850.00	6.750%	3,242,005.88	17,953,655.88	21,195,661.75
15	7/1/14			2,745,487.69	2,745,487.69	
15	1/1/15	14,711,850.00	6.750%	2,745,487.69	17,457,137.69	20,202,625.38
16	7/1/15			2,248,969.50	2,248,969.50	
16	1/1/16	14,711,850.00	6.750%	2,248,969.50	16,960,619.50	19,208,589.00
17	7/1/16			1,752,451.31	1,752,451.31	
17	1/1/17	14,711,850.00	6.750%	1,752,451.31	16,464,101.31	18,216,552.63
18	7/1/17			1,255,933.13	1,255,933.13	
18	1/1/18	14,711,850.00	6.750%	1,255,933.13	15,967,583.13	17,223,518.25
19	7/1/18			759,414.94	759,414.94	
19	1/1/19	14,711,850.00	6.750%	759,414.94	15,471,064.94	16,230,479.88
20	7/1/19			253,159.84	253,159.84	
20	1/1/20	7,789,533.40	6.500%	253,159.84	8,042,693.24	8,295,853.07
<b>TOTALS</b>		<b>294,233,000.00</b>		<b>215,518,164.92</b>	<b>509,751,164.92</b>	

**HOUSE CS FOR CS FOR SENATE BILL NO. 11(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTIETH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATORS HALFORD, Phillips, Green**

**REPRESENTATIVES Kohring, Kempen**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing a reimbursement program for municipal bonds, notes, or  
2 other indebtedness incurred for school construction; relating to administrative costs  
3 of reimbursing municipal school construction debt; relating to municipal school  
4 construction project eligibility requirements for receiving state reimbursement; and  
5 providing for an effective date."

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

7 \* Section 1. AS 14.11.100(a) is amended to read:

8 (a) During each fiscal year, the state shall allocate to a municipality that is a  
9 school district [,] the following sums:

10 (1) payments made by the municipality during the fiscal year two years  
11 earlier for the retirement of principal and interest on outstanding bonds, notes, or other  
12 indebtedness incurred before July 1, 1977, to pay costs of school construction;

13 (2) 90 percent of

1 (A) payments made by the municipality during the fiscal year  
2 two years earlier for the retirement of principal and interest on outstanding  
3 bonds, notes, or other indebtedness incurred after June 30, 1977, and before  
4 July 1, 1978, to pay costs of school construction;

5 (B) cash payments made after June 30, 1976, and before July 1,  
6 1978, by the municipality during the fiscal year two years earlier to pay costs  
7 of school construction;

8 (3) 90 percent of

9 (A) payments made by the municipality during the fiscal year  
10 two years earlier for the retirement of principal and interest on outstanding  
11 bonds, notes, or other indebtedness incurred after June 30, 1978, and before  
12 January 1, 1982, to pay costs of school construction projects approved under  
13 AS 14.07.020(a)(11);

14 (B) cash payments made after June 30, 1978, and before July 1,  
15 1982, by the municipality during the fiscal year two years earlier to pay costs  
16 of school construction projects approved under AS 14.07.020(a)(11);

17 (4) subject to (h) and (i) of this section, up to 90 percent of

18 (A) payments made by the municipality during the current fiscal  
19 year for the retirement of principal and interest on outstanding bonds, notes, or  
20 other indebtedness incurred after December 31, 1981, and authorized by the  
21 qualified voters of the municipality before July 1, 1983, to pay costs of school  
22 construction, additions to schools, and major rehabilitation projects that exceed  
23 \$25,000 and are approved under AS 14.07.020(a)(11); [AND]

24 (B) cash payments made after June 30, 1982, and before July 1,  
25 1983, by the municipality during the fiscal year two years earlier to pay costs  
26 of school construction, additions to schools, and major rehabilitation projects  
27 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

28 (C) payments made by the municipality during the current fiscal  
29 year for the retirement of principal and interest on outstanding bonds, notes, or  
30 other indebtedness to pay costs of school construction, additions to schools, and  
31 major rehabilitation projects that exceed \$25,000 and are submitted to the

1 department for approval under AS 14.07.020(a)(11) before July 1, 1983, and  
2 approved by the qualified voters of the municipality before October 15, 1983,  
3 not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of  
4 average daily membership of the municipality is more than 7 percent but less  
5 than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily  
6 membership of the municipality is 12 percent or more; payments made by a  
7 municipality under this subparagraph [PARAGRAPH] on total project costs  
8 that exceed the amounts set out in (i) and (ii) of this subparagraph  
9 [PARAGRAPH] are subject to (5)(A) of this subsection;

10 (5) subject to (h) - (i) [(h), (i), AND (j)] of this section, 80 percent of  
11 (A) payments made by the municipality during the fiscal year  
12 for the retirement of principal and interest on

13 [(i)] outstanding bonds, notes, or other indebtedness  
14 authorized by the qualified voters of the municipality

15 (i) after June 30, 1983, but before March 31, 1990, to  
16 pay costs of school construction, additions to schools, and major  
17 rehabilitation projects that exceed \$25,000 and are approved under  
18 AS 14.07.020(a)(11); or

19 (ii) [OUTSTANDING BONDS, NOTES, OR OTHER  
20 INDEBTEDNESS AUTHORIZED BY THE QUALIFIED VOTERS OF  
21 THE MUNICIPALITY] before July 1, 1989, and reauthorized before  
22 November 1, 1989, to pay costs of school construction, additions to  
23 schools, and major rehabilitation projects that exceed \$25,000 and are  
24 approved under AS 14.07.020(a)(11); and

25 (B) cash payments made after June 30, 1983, by the  
26 municipality during the fiscal year two years earlier to pay costs of school  
27 construction, additions to schools, and major rehabilitation projects that exceed  
28 \$25,000 and are approved by the department before July 1, 1990, under  
29 AS 14.07.020(a)(11);

30 (6) subject to (h) - (i) [(h), (i), (j),] and (m) of this section, 70 percent  
31 of payments made by the municipality during the fiscal year for the retirement of

1 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
2 the qualified voters of the municipality on or after April 30, 1993, **but before July 1,**  
3 **1996,** to pay costs of school construction, additions to schools, and major rehabilitation  
4 projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

5 (7) subject to (h) - (i) [(h), (i), (j),] and (m) of this section, 70 percent  
6 of payments made by the municipality during the fiscal year for the retirement of  
7 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
8 the qualified voters of the municipality after March 31, 1990, but before April 30,  
9 1993, to pay costs of school construction, additions to schools, and major rehabilitation  
10 projects;

11 (8) subject to (h), (i), (j)(2) - (4), and (o) of this section and after  
12 projects funded by the bonds, notes, or other indebtedness have been approved  
13 by the commissioner, 70 percent of payments made by the municipality during the  
14 fiscal year for the retirement of principal and interest on outstanding bonds,  
15 notes, or other indebtedness authorized by the qualified voters of the municipality  
16 on or after July 1, 1995, but before July 1, 1998, to pay costs of school  
17 construction, additions to schools, and major rehabilitation projects that exceed  
18 \$200,000 and are approved under AS 14.07.020(a)(11):.

19 (9) subject to (h), (i), (j), and (o) of this section and after projects  
20 funded by the bonds, notes, or other indebtedness have been approved by the  
21 commissioner, 70 percent of payments made by the municipality during the fiscal  
22 year for the retirement of principal and interest on outstanding bonds, notes, or  
23 other indebtedness authorized by the qualified voters of the municipality on or  
24 after July 1, 1998, to pay costs of school construction, additions to schools, and  
25 major rehabilitation projects that exceed \$200,000 and are approved under  
26 AS 14.07.020(a)(11).

27 \* Sec. 2. AS 14.11.100(b) is amended to read:

28 (b) The commissioner shall administer the program of reimbursement  
29 authorized under this section and shall provide by regulation for the filing of  
30 applications for reimbursement, the form of proof of costs for which application for  
31 reimbursement is made, and other regulations necessary to administer the program.

1        An amount due a municipality for reimbursement under this section may not be  
2        reduced by the cost to the department to administer the reimbursement program.

3        The commissioner shall exclude from the total school construction cost of the local  
4        district all state and federal funds included in these costs except funds provided under  
5        this section and AS 43.50.140. [IN APPROVING APPLICATIONS FOR  
6        REIMBURSEMENT, THE COMMISSIONER SHALL OFFSET AGAINST THE  
7        AMOUNT OF REIMBURSEMENT AUTHORIZED THE AMOUNT OF ANY  
8        FUNDS DISTRIBUTED TO THE BOROUGH OR CITY IN THE SECOND  
9        PRECEDING FISCAL YEAR FROM THE SCHOOL FUND PROVIDED FOR IN  
10       AS 43.50.140.]

11       \* Sec. 3. AS 14.11.100(h) is amended to read:

12                (h) An allocation under (a)(4), (5), (6), (7), (8), or (9) [(5)] of this section for  
13        school construction begun after July 1, 1982, shall be reduced by the amount of money  
14        used for the construction of residential space, hockey rinks, planetariums, saunas, and  
15        other facilities for single purpose sporting or recreational uses that are not suitable for  
16        other activities and by the money used for construction that exceeds the amount needed  
17        for construction of a facility of efficient design as determined by the department. An  
18        allocation under (a)(4), (5), (6), (7), (8), or (9) [(5)] of this section may not be reduced  
19        by the amount of money used for construction of a small swimming pool, tank, or  
20        water storage facility used for water sports. However, an allocation shall be reduced  
21        by the difference between the amount of money used to construct a swimming pool  
22        that exceeds the standards adopted by the department and the amount of money that  
23        would have been used to construct a small swimming pool, tank, or water storage  
24        facility, as determined by the commissioner.

25       \* Sec. 4. AS 14.11.100(i) is amended to read:

26                (i) For the purposes of (a)(4) - (9) [AND (5)] of this section,  
27                        (1) an indebtedness for bonds is incurred after the bonds are sold;  
28                        (2) reimbursement for a cash payment may only be made after the  
29        payment is made to a vendor; and  
30                        (3) payments may not be made for costs that are incurred under a  
31        contract after the contract has been released.

1 \* Sec. 5. AS 14.11.10(j) is amended to read:

2 (j) Except as provided in (l) of this section, the state may not allocate money  
3 to a municipality for a school construction project under (a)(5), (6), [OR] (7), or (9)  
4 of this section unless the municipality complies with the requirements of (1) - (4) of  
5 this subsection, the project is approved by the commissioner before the local vote on  
6 the bond issue for the project or for bonds authorized after March 31, 1990, but on or  
7 before April 30, 1993, the bonds are approved by the commissioner before  
8 reimbursement by the state, and the local vote occurs before July 1, 1987, or after  
9 June 30, 1988. In approving a project under this subsection, and to the extent  
10 required under (a)(8) of this section, the commissioner shall require

11 (1) the municipality to include on the ballot for the bond issue, for  
12 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated  
13 total cost of each project including estimated total interest, estimated annual operation  
14 and maintenance costs, the estimated amounts that will be paid by the state and by the  
15 municipality, and the approximate amount that would be due in annual taxes on  
16 \$100,000 in assessed value to retire the debt;

17 (2) that the bonds may not be refunded unless the annual debt service  
18 on the refunding issue is not greater than the annual debt service on the original issue;

19 (3) that the bonds must be repaid in approximately equal annual  
20 principal payments or approximately [APPROXIMATE] equal debt service payments  
21 over a period of at least 10 years;

22 (4) the municipality to demonstrate need for the project by establishing  
23 that the school district has

24 (A) projected long-term student enrollment that indicates the  
25 district has inadequate facilities to meet present or projected enrollment; [OR]

26 (B) facilities that require repair or replacement in order to meet  
27 health and safety laws or regulations or building codes;

28 (C) demonstrated that the project will result in a reduction  
29 in annual operating costs that economically justifies the cost of the project;

30 or

31 (D) facilities that require modification or rehabilitation for

1                    the purpose of improving the instructional program.

2       \* Sec. 6. AS 14.11.100 is amended by adding a new subsection to read:

3                    (o) The total amount of school construction projects approved for  
4 reimbursement by the department under (a)(8) or (9) of this section

5                                (1) may not exceed \$357,143,000; and

6                                (2) after June 30, 1995, and until July 1, 2003, shall be allocated as  
7 follows:

8                                        (A) \$154,286,000 shall be allocated to projects in a municipality  
9 with a public school enrollment of 25,000 or more students in fiscal year 1998  
10 as determined under AS 14.17.160;

11                                        (B) \$57,143,000 shall be allocated to projects in a municipality  
12 with a public school enrollment of at least 15,000 but less than 25,000 students  
13 in fiscal year 1998 as determined under AS 14.17.160;

14                                        (C) \$145,714,000 shall be allocated to projects in a municipality  
15 with a public school enrollment of less than 15,000 students in fiscal year 1998  
16 as determined under AS 14.17.160; allocations under this subparagraph shall  
17 first be made to projects described under (a)(8) of this section and then made  
18 to projects described under (a)(9) of this section.

19       \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

# FISCAL NOTE

## STATE OF ALASKA

### 1997 LEGISLATIVE SESSION

Revision Date: February 24, 1998

Title: An act relating to state aid for school construction debt; and providing for an effective date.

Sponsor: Sen. Hallford

Requester: House HESS

Department Affected: Education

BRU: K-12 Support

Component: School Debt Reimbursement

COMPONENT SERIAL NO. 153

#### Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	*	*	*	*	*
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

#### FUND SOURCE

(Thousands of Dollars)

002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1030 School Fund	0.0	*	*	*	*	*
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

\* There will be future costs for projects that are eligible for 50% reimbursement.

#### POSITIONS:

The department cannot project the number or value of future requests.

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY99) impact: -0-

#### ANALYSIS: (Attach a separate page if necessary.)

Section 1 - amends AS 14.11.100 by adding section 8 which allows up to 50% reimbursement for school construction debt incurred after July 1, 1997. Projects must first be approved by the department as eligible and must be approved by the qualified voters. A request for an allocation of funds under AS 14.11.100 must be submitted to the department by the school district no later than October 15 for the following fiscal year. The proposed legislation does not limit the amount or number of projects the department can approve. The department can not project the fiscal impact until projects are submitted for approval under the new program. The first year this amendment could have fiscal impact is FY00.

Prepared by: Israel Morgan, Facilities Manager

Phone: 465-1858

Division: Education Support Services

Date: 2/24/98

Approved by Commissioner: Shirley Holloway, Ph. D., Commissioner

Agency: Department of Education

Date:

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### COMMITTEE COPY

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# SENATE FINANCE COMMITTEE REPORT

DATE: 3/24/97

REPORTED OUT OF  
MAY 2 1997

FURTHER:

DATE TURNED  
 IN TO OFFICE: 5-2-97

Finance Committee considered

SENATE BILL NO. 11

"An Act relating to state aid for school construction debt; and providing for an effective date."

FORTHCOMING  
CS

and recommends:

- be replaced with \_\_\_\_\_ CS SB 11 (FIN)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical change
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Rolland C. Allen</i>	✓	<i>Paul Powell</i>			✓
<i>John Logan</i>	✓	<i>Lie Glas</i>	X		
		<i>Daniel Donley</i>			✓
Co-Chair:		Co-Chair: <i>Deane</i>	✓		
Co-Chair:		Co-Chair: <i>...</i>	✓		

**NEW FISCAL NOTE(S):**

Department                      Date    Zero    Fiscal

<i>110E</i> ←				✓
<i>Forthcoming FN</i>				

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date    Zero    Fiscal


APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

REPORTED OUT OF  
SFC ~~MAY 3 1997~~  
MAY 2 1997

# FISCAL NOTE

BILL NO. CS SB 11(FIN)

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

Revision Date: May 2, 1997  
Title: An act relating to state aid for school construction debt and providing for an effective date.  
Sponsor: Sen. Halford  
Requester: Senate Finance

Department Affected: Education  
BRU: K-12 Support  
Component: Debt Reimbursement

COMPONENT SERIAL NO. 153

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	*	*	*	*	*
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1030 School Fund	0.0	*	*	*	*	*
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

\* There will be future costs for projects that are eligible for 50% reimbursement.

**POSITIONS:**

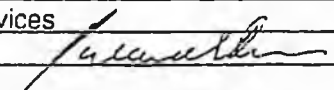
The department cannot project the number or value of future requests.

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY97) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Section 1 - amends AS 14.11.100 by adding section 8 which allows up to 50% reimbursement for school construction debt incurred after July 1, 1997. Projects must first be approved by the department as eligible and must be approved by the qualified voters. A request for an allocation of funds under AS 14.11.100 must be submitted to the department by the school district no later than October 15 for the following fiscal year. The proposed legislation does not limit the amount or number of projects the department can approve. The department can not project the fiscal impact until projects are submitted for approval under the new program. The first year this amendment could have fiscal impact is FY99.

Prepared by: Michael Morgan, Facilities Manager  
Division: Education Support Services  
Approved by Commissioner:   
Agency: Education

Phone: 465-1858  
Date: \_\_\_\_\_  
Shirley Holloway, Ph. D., Commissioner  
Date: \_\_\_\_\_

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Am#1 by Phillips  
Moved by Phillips  
Dumbly object WD  
Lame object  
Vote 5/11 passed

Amendment

TO: CSSB 11

by Phillips

Page 4, line 13

delete "75"

insert "50"

SENATE FINANCE  
COMMITTEE

Amendment Number: 1

Bill Number: SB 11

Sponsor: \_\_\_\_\_ Date: 4/7/97

Logged In By: J. Seltman

SENATE FINANCE  
COMMITTEE

Amendment Number: 2  
Bill Number: CSSB 11(HES)  
Sponsor: \_\_\_\_\_ Date: 4-8-97  
Logged In By: PS

*Moved by Ferguson  
Adopted w/o*

AMENDMENT

OFFERED IN THE SENATE BY SENATOR HALFORD  
TO: CSSB 11(HES)

Page 4, line 7:

Delete "(i) and (j) of this section"  
Insert "(h), (i) and (j)(2) - (4) of this section, and after payments to be funded by bonds, notes, or other indebtedness have been approved by the commissioner prior to the sale or issuance of debt for the project"

Page 4, line 13:

Delete "(i) and (j)"  
Insert "(h), (i), and (i)(1) - (4)"

Page 5, line 1:

Delete "(a)(4) - (7)"  
Insert "(a)(4) - (9)"

Page 5, line 7:

Delete "(a)(4) - (7)"  
Insert "(a)(4) - (9)"

Page 5, lines 23 - 24:

Delete "(a)(5) - (9) [(a) (5), (6), OR (7)]"  
Insert "(a)(5), (6), or (7)"

Page 5, line 29 following "subsection,":

Insert "and to the extent required in (a)(8) and (9) of this section,"

Not offered 4/24

SENATE FINANCE  
COMMITTEE

0-LS0151B.1

Amendment Number: 3

Ford

Bill Number: \_\_\_\_\_

4/4/97

Sponsor: \_\_\_\_\_ Date: 4-24-97

Logged In By: PS

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR ADAMS

TO: CSSB 11(HES)

1 Page 1, line 1, following "debt;":

2 Insert "relating to the Education Facilities Financing Authority;"

3 Page 1, following line 3:

4 Insert a new bill section to read:

5 **\*\* Section 1.** FINDINGS. The legislature finds that

6 (1) there is an urgent need for improvement to existing primary and secondary  
7 school and university facilities and for new primary and secondary school and university  
8 facilities throughout the state;

9 (2) the establishment of the Education Facilities Financing Authority as  
10 provided in sec. 7 of this Act will provide an effective means of financing school and  
11 university facilities."

12 Page 1, line 4:

13 Delete "Section 1."

14 Insert "Sec. 2."

15 Renumber the following bill sections accordingly.

16 Page 6, following line 21:

17 Insert new bill sections to read:

18 **\*\* Sec. 7.** AS 36.30.850(b) is amended by adding a new paragraph to read:

19 (38) contracts of the Education Facilities Financing Authority  
20 (AS 44.27.100).

21 **\* Sec. 8.** AS 39.25.110 is amended by adding a new paragraph to read:

1 (33) the employees of the Education Facilities Financing Authority.

2 \* **Sec. 9.** AS 39.50.200(b) is amended by adding a new paragraph to read:

3 (56) Education Facilities Financing Authority (AS 44.27.100).

4 \* **Sec. 10.** AS 44.27 is amended by adding new sections to read:

5 **Article 3. Education Facilities Financing Authority.**

6 **Sec. 44.27.100. Education Facilities Financing Authority.** The Education  
7 Facilities Financing Authority is created as a public corporation of the state in the  
8 Department of Education. The authority is an instrumentality of the state but has a  
9 legal existence independent of and separate from the state and has continuing  
10 succession until its existence is terminated by law. The authority is subject to  
11 AS 37.07 (Executive Budget Act).

12 **Sec. 44.27.110. Board of directors.** The authority is governed by a board  
13 of three directors, consisting of the commissioner of revenue, the commissioner of  
14 education, and the commissioner of transportation and public facilities. The directors  
15 are subject to AS 39.50 (conflict of interest). Before entering upon the duties of  
16 office, a director shall take and subscribe to an oath to perform the duties faithfully,  
17 impartially, and justly to the best of the director's ability. A record of the oath shall  
18 be filed in the Office of the Governor.

19 **Sec. 44.27.120. Officers, quorum, and meeting:** (a) The board of directors  
20 shall elect one of their number as chair. The board shall elect a secretary and a  
21 treasurer who need not be directors, and the same person may be elected to serve both  
22 as secretary and treasurer. The powers of the authority are vested in the board of  
23 directors, and two directors of the authority constitute a quorum. Action may be  
24 taken and motions and resolutions adopted by the authority at any meeting by the  
25 affirmative vote of at least two directors. A vacancy in the directorship of the  
26 authority does not impair the right of a quorum to exercise all of the powers and  
27 perform all of the duties of the authority.

28 (b) The directors and officers of the authority may meet and transact business  
29 by an electronic medium if (1) public notice of the time and locations where the  
30 meeting will be held by an electronic medium has been given in the same manner as  
31 if the meeting were held in a single location; (2) participants and members of the  
32 public in attendance can hear and have the same right to participate in the meeting as

1 if the meeting were conducted in person; and (3) copies of pertinent reference  
2 materials, statutes, regulations, and audio-visual materials are reasonably available to  
3 participants and to the public. A meeting by an electronic medium as provided in this  
4 subsection has the same legal effect as a meeting in person.

5 (c) The authority may appoint persons as employees it considers advisable  
6 and may employ professional advisors, counsel, technical experts, agents, and others  
7 as appropriate. The employees of the authority are in the exempt service under  
8 AS 39.25.110.

9 **Sec. 44.27.130. Powers of the authority.** The authority may

- 10 (1) sue and be sued;
- 11 (2) adopt and alter an official seal;
- 12 (3) make and enforce bylaws and regulations for the conduct of its  
13 business and for the use of its services and facilities;
- 14 (4) maintain an office at any place in the state;
- 15 (5) acquire, hold, use, and dispose of its income, revenue, funds, and  
16 money;
- 17 (6) acquire, rent, lease, hold, use, and dispose of other personal  
18 property for its purposes;
- 19 (7) subject to AS 44.27.160, issue revenue bonds or notes and provide  
20 for and secure payment of the revenue bonds or notes, provide for the rights of their  
21 holders, and purchase, hold, and dispose of any of its revenue bonds or notes;
- 22 (8) fix and revise from time to time and charge and collect fees and  
23 charges for the use of its services or facilities;
- 24 (9) accept gifts or grants from the United States, or from any  
25 governmental unit or person, carry out the terms or provisions or make agreements  
26 with respect to the gifts or grants, and do all things necessary, useful, desirable, or  
27 convenient in connection with procuring, accepting, or disposing of the gifts or grants;
- 28 (10) do anything authorized by AS 44.27.100 - 44.27.250, through its  
29 officers, agents, or employees, or by contracts with a person;
- 30 (11) make, enter into, and enforce all contracts necessary, convenient,  
31 or desirable for the purposes of the authority or pertaining to a purchase or sale of  
32 bonds or other investments, or the performance of its duties and execution of any of

1 its powers under AS 44.27.100 - 44.27.250;

2 (12) purchase or hold bonds at prices and in a manner the authority  
3 considers advisable;

4 (13) adopt and amend regulations by motion, by resolution, or in  
5 another manner permitted under the bylaws of the authority;

6 (14) procure insurance against any losses in connection with its  
7 property, operations, or assets in amounts and from insurers it considers desirable;

8 (15) to the extent permitted under its contracts with the holders of  
9 bonds or notes of the authority, consent to modification of the rate of interest, time  
10 and payment of installment of principal or interest, security, or any other term of a  
11 bond or note, contract, or agreement of any kind to which the authority is a party; and

12 (16) do all acts and things necessary, convenient, or desirable to carry  
13 out the powers expressly granted or necessarily implied in AS 44.27.100 - 44.27.250.

14 **Sec. 44.27.140. Issuance of bonds and pledges of assets.** (a) Subject to  
15 AS 44.27.160, the authority may issue its bonds or notes in principal amounts  
16 sufficient to provide funds for the construction of schools or school facilities that are  
17 projects approved under AS 14.11.015(a) and authorized by the legislature.

18 (b) Subject to AS 44.27.170, the authority may enter into agreements  
19 providing for financial covenants or pledging amounts to secure bonds of  
20 municipalities or the University of Alaska and pay amounts for the following:

21 (1) the reimbursement up to 70 percent of net payments as determined  
22 by the authority made by a municipality that is a school district for the retirement of  
23 principal and interest on bonds issued to pay the cost of constructing school facilities  
24 that are projects approved under AS 14.11.015(a);

25 (2) the reimbursement up to 100 percent of the net payments as  
26 determined by University of Alaska for the retirement of principal and interest on  
27 bonds issued to pay the cost of constructing university facilities.

28 (c) Bonds or notes may be issued or agreements made for a facility under (a)  
29 and (b) of this section only when

30 (1) the legislature has authorized the facility and its construction cost;

31 (2) for agreements made under (b) of this section, the legislature has  
32 authorized the percentage of reimbursement that the authority shall agree to reimburse

1 with respect to the facility; and

2 (3) the commissioner of education has certified that

3 (A) the facility is designed in accordance with the energy  
4 performance standards adopted under AS 44.42.020(a); or

5 (B) the designer and constructor of the facility have certified  
6 that the facility will be designed and constructed in accordance with the  
7 energy performance standards and regulations adopted under AS 44.42.020(a).

8 (d) The authority may issue its bonds or notes in principal amounts that it  
9 considers necessary to provide funds for

10 (1) payment, funding, or refunding of the principal of, or interest or  
11 redemption premiums on, bonds or notes issued by it, whether the bonds or notes or  
12 interest to be funded or refunded have or have not become due;

13 (2) the establishment or increase of reserves to secure or to pay bonds  
14 or notes or interest on bonds or notes and all other costs or expenses of the authority  
15 incident to and necessary or convenient to carry on its corporation purposes and  
16 powers.

17 (e) The authority and a municipality or the authority and the University of  
18 Alaska may enter into agreements as provided by law providing for financial  
19 covenants or pledging amounts for the benefit of bondholders of a municipality or the  
20 University of Alaska to secure the reimbursement of the net payments to be made by  
21 the municipality or the University of Alaska.

22 (f) Except as otherwise provided in AS 44.27.100 - 44.27.250 or by the  
23 authority, every issue of bonds or notes shall be payable out of the revenue or funds  
24 of the authority, subject only to agreements with the holders of particular bonds or  
25 notes pledging particular revenue or funds.

26 (g) Bonds shall be authorized by resolution of the authority and shall be dated  
27 and mature as the resolution may provide, except that a bond may not mature more  
28 than 15 years from the date of its issue. Bonds shall bear interest at rates, be in the  
29 denominations, be in the form, either coupon or registered, carry the registration  
30 privileges, be executed in the manner, be payable in the medium of payment, at the  
31 place or places, and be subject to the terms of redemption that the resolution or a  
32 subsequent resolution may provide. Bonds or notes may be sold at a public or private

1 sale.

2 (h) The authority may disburse funds necessary to comply with the  
3 construction and reimbursement provisions of (a) and (b) of this section. The  
4 authority shall administer the reimbursement payments authorized under (b) of this  
5 section and shall provide by regulation for the filing of applications for  
6 reimbursement, the form of proof of costs for which application for reimbursement  
7 is made, and other regulations necessary to administer this section. An agreement not  
8 to modify an appropriation for construction or reimbursement after bonds or notes  
9 have been issued for the purpose is valid. The authority shall exclude from the total  
10 school construction cost of the local district all state and federal funds included in  
11 these costs except funds provided under this section and AS 43.50.140. In approving  
12 applications for reimbursement under (b)(1) of this section, the authority shall offset  
13 against the amount of reimbursement authorized the amount of any funds distributed  
14 to the municipality in the second preceding fiscal year from the school fund provided  
15 for in AS 43.50.140.

16 **Sec. 44.27.150. Trust indentures and trust agreements.** (a) In the  
17 discretion of the authority, an issue of bonds may be secured by a trust indenture or  
18 trust agreement between the authority and a corporate trustee, including a trust  
19 company, bank, or national banking association, with corporate trust powers, located  
20 inside or outside the state, or by a secured loan agreement or other instrument or  
21 under a resolution giving powers to a corporate trustee by means of which the  
22 authority may

23 (1) make and enter into any and all the covenants and agreements with  
24 the trustee or the holders of the bonds that the authority may determine to be  
25 necessary or desirable, including, without limitation, covenants, provisions, limitations,  
26 and agreements as to

27 (A) the application, investment, deposit, use, and disposition  
28 of the proceeds of bonds of the authority or of money or other property of the  
29 authority in which it has an interest;

30 (B) the terms and conditions upon which additional bonds of  
31 the authority may be issued; and

32 (C) the vesting in a trustee of rights, powers, duties, funds, or