

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

470 SCOMM13: JOINT COMM. ON GAS PIPELINE IMPACT 1974-76

section.

Sec. 44.19.589. AUTHORITY TO ACCEPT SERVICE, GIFTS, GRANTS, AND LOANS. When the federal government or an agency or officer of the federal government offers to the state, or through the state to a municipality, services, equipment, supplies, materials, or funds by way of gift, grant, or loan, for the purpose of alleviating the social or economic impact resulting from pipeline construction, the state acting through the commission, or the municipality acting through its executive officer or governing body, may accept the offer subject to the terms of the offer and the rules and regulations of the agency making the offer.

Sec. 44.19.591. PIPELINE IMPACT FUND. There is the pipeline impact fund created for the purpose of carrying out the provisions of sec. 587 (b) of this chapter. The fund consists of all money made available by appropriations of the state legislature, and from other appropriated funds, all contributions from whatever source, and income and interest derived from the investment of money.

Sec. 44.19.593. SPECIAL LEGISLATIVE PIPELINE IMPACT REVIEW COMMITTEE. There is established the Special Legislative Pipeline Impact Review Committee composed of two members of the senate appointed by the president of the senate and two members of the house of representatives appointed by the speaker of the house.

Sec. 44.19.595. DUTIES OF COMMITTEE. (a) The committee shall review and approve or disapprove the decisions made by the State Administrative Pipeline Impact Commission under sec. 587(b) of this chapter.

* Sec. 2. This Act takes effect July 1, 1974.

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January 29, 1974

The legislature finds that construction of the Trans-Alaska Pipeline, from its commencement to completion over a period of approximately three years, will impose severe to mild strains on local and state governmental services and facilities. While the pipeline construction doubtless will, in the long run, mean immense growth and development to the communities and areas along the pipeline route, and to those areas coming under direct pipeline construction influence, the legislature further finds that localities most affected will be unable to cope with the probable impact on facilities and services brought about by expected overwhelming and sudden increases in numbers of citizens to be served. The legislature finds, also, that while likely impacted communities are willing and ready via local taxation to do all possible themselves to meet impact requirements, even to the full limits of local taxation tolerance, nevertheless, recognizing the state will be the prime beneficiary of pipeline construction via realization of enormous oil development revenues for the total state, the legislature finds that local impact financial burdens logically should be borne by the state as its investment in those future revenues.

It is, therefore, the intent of the legislature, in this measure, to provide a means of quickly and decisively determining specific impact problems and, likewise, for moving quickly and decisively to provide funds, facilities, personnel or other means for quick solution. Finally, the legislature intends via this legislation to meet local and state pipeline construction impact problems as quickly and efficiently as possible in manners similar to the handling of

disaster impact problems. The legislature finds, too, that revenue sharing formula on per capita or percentage per capita increase basis are less desirable, less effective, and more costly than the case by case approach intended in the legislation. Under the formula approach, provision would have to be made for all probable as well as all possible impact contingencies - some of which may never develop.

REM:hg



Pipeline Impact Committee 1/31/74

Present: Ketty, Yeak, Wilson, K. Miller,
Hartig, Siegle, Warwick. (Trudy)

1.) Discussion of "Purpose Clause" -
- comments: good.

2.) Discussion of drafts.

1- Warwick: #1 is ~~the~~ best. (per Seattle meeting).

2- Hartig: #1 is best

3- Yeak: suggestions = combine both.

- Agency with review by spirit
legis review comm. (3 from
each house): B/A is overloaded
and it hard to get quorum.

- Andy = B/A w better structure but
Yeak is probably right.

- For - decision by mail. questions.
Concern was no.

- M. Siegle - agrees w. Yeak. - should
be legis. comm. (w. compensation)

- For. - what about separations
powers question - Yeak thinks
could be problem but not
likely.

- I think - legis comm. w. assis-
tance by B/A & finance
staff. - German expertise is
needed.

4. - Informal note

- Agency v. Comm.? Agency (#1 draft)

- Yeak's (3 member review comm.)?
Comm. of review is legis not
B/A. -

- Should comm. be able to approve

a portion of request? - seemed
to be general agreement.

3.) Appropriation discussed:
~~Appropriation discussed:~~

- Ron. Supp & F one for next year.
may be needed.

- Andy - shouldn't be part of the
operating budget.

- Ron 15 mil this yr } suggestions
25 " next yr }

* agreed
on (C) Kirk & Rob = \$25 mil. until July
1975. (use "non-lapse" language.)

* agreed
on Fink = Review comm. = W. majority
of full comm? yes - 3 to act
4 years.

agreed
upon - Warwick - should meet by phone? yes

Sec. 8(a)(2)

- Small business disasters loans (15 USC 636 (b)); sec. 7 (b) (1), (2) and (4) of SBA
- Farmers Home Administration Act (7 U.S.C. 1961-1967) & for rural (42 USC 1472)
- Rural Electrification Act (7 USC 55912)
- HUD (12 USC 517019-5)

- 1.) 16 Am Jur 2d
§§ 231-233 - Legislative encroachment
on executive
- 2.) West's Pacific Digest (7 Pac 2d 513)
- Const. Law § 26 (Limitation of power)
- " " " 58 (Encroachment on
executive).
- 3.) 134 ALR 1405 - Parker v. Riley, 113
Pac 2d 373 (Calif.)
- 4.) MacManus v. Law, 499 P2d 607 (Cal.
1972) Portions of a bill providing
that any federal or cash funds
received by agency in excess of
the appropriation shall not be
expended without additional legis-
lative appropriation violated con-
stitutional doctrine of separation
of powers by attempting to limit
the executive branch in its ad-
ministration of federal funds
unconnected with any state
appropriations. Const. art. 3; art.
5, § 32.

Const. Issue (Separation of Powers)

P.J.S.

1.) Encroachment on executive

§§ 130-132 pp. 545 - 552 (Const. Law)

* § 130 generally contra

2.) *Bank v. State Office Building Commission*, 149 N.E. 2d 273, 296. (Ind.)

3.) *State ex rel. Anderson v. State Office Building Commission*, 345 P. 2d 674 (Kan.)

4.) *Sheidow v. Goodman*, 196 N.E. 2d 303
4 Conn. v. Schunckhauer, 248
N.E. 2d 237 (Mass.)

AGO 532043

5.) *Mann v. McHair*, 165 S.E. 2d 355 (S.C.)

Start Wed. - 8:30

1/22/74

Petroleum Impact Comm.

* Centennial Loan Committee

Look
up

- state board committee was the body used
- check on how much discretion it had and how it operated.

- Declaration by agent when he files an order with a in to be inspected (whole good)
- after agency has the facts then

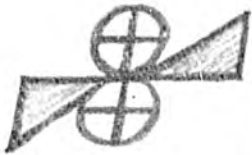
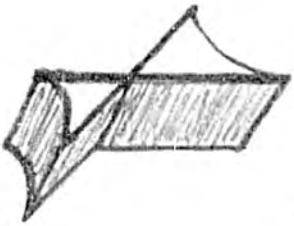
- Comm. Bd. (behaviour) } members on Comm. & agency
C & R Affs
Revenue
Commission

* in Agency { State admin. & Impact Commission
C of H (Chairman)
C of R
C of C & R affairs

- check ~~for~~ investment & commissions.
- appraiser sent to appraise (leave blank re amount)

- report by Thomas (engineer)
- Special Legis Impact Committee
- 2 members from each house
- authority to appear as dis-appears actions of the Comm-union
- nature its commission is to be by reg. mail and then has

10 days to hold meeting; no
action with 15 days then
action is approved.



· PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
· AS A UNIT IN THE ORIGINAL DOCUMENT.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

FINANCIAL DISCLOSURE -- ZIEGLER

AGO 532046 f+

Alaska State Legislature

SENATOR
ROBERT H. ZIEGLER, SR.
P. O. BOX 979
KETCHIKAN, ALASKA 99901
—
POUCH V
JUNEAU, ALASKA 99801



Senate

CHAIRMAN
JUDICIARY
—
VICE CHAIRMAN
LEGISLATIVE COUNCIL
—
MEMBER
RULES
COMMERCE
COMMITTEE ON COMMITTEES
SPECIAL SENATE PIPELINE
CONSTRUCTION IMPACT
COMMITTEE

December 14, 1973

Russell E. Mulder
Deputy Director
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99801

Dear Russ:

On page 9 of the State Government News (enclosed), it would appear that California has mandated ethics in government. The relevant paragraph has been encircled.

Would you arrange, please, to have copies of the pertinent California statutes air mailed to me.

Thanks in advance.

See you in about a month.

Regards to you and Ellen,

RZ

Robert H. Ziegler, Sr.

RHZ/pks

RECEIVED
DEC 17 1973

LEGISLATIVE AFFAIRS
AGENCY

AGO 532047

18. entitling 18 year olds to most adult privileges, including the right to buy alcoholic beverages.

Sunday beer and liquor sales were permitted by businesses which derive more than 50 percent of their gross income from goods and services other than alcoholic beverages.

A cash bonus to Vietnam veterans was authorized.

The official observance of Veterans Day was changed from the fourth Monday in October to November 11.

Egg check-off legislation was passed allowing promotional funds to be raised by permitting a check-off of up to five cents per 30-dozen case of eggs.

The Legislature increased state aid to schools, appropriating \$242 million for fiscal 1974 and \$276 million for fiscal 1975.

An auxiliary services bill was passed that provides money to local school districts to provide special programs to private and parochial school children, such as health, special education, remedial education and library services.

A bill providing for the assessment and taxation of property of municipally owned utilities held under joint ownership was passed.

A formula for distribution of revenues from taxing large electrical power-generating plants was approved.

Workmen's compensation coverage was expanded.

California Mandates Ethics In Government



Governmental ethics and tax relief were among major actions taken by the 1973 California Legislature.

TAX AND FISCAL

A \$9.38 billion budget was signed on June 30, the day before the start of the new fiscal year. The sales tax was rolled back from 6 percent to 5 percent for six months starting October 1. Income tax rebates on a sliding scale up to 35 percent were authorized against 1973 liability. Single heads of households were given the same tax advantage as married couples.

ETHICS

Public officials were required to disclose any property they own valued at more than \$1,000 and any gifts, income and loans exceeding \$250.

Open meetings legislation specified when meetings of the Legislature and its committees can be closed to the public and required the conference committee on the budget to open its doors to the public. A companion constitutional amendment will be on the 1974 ballot.

A political contributions law required statements of receipts and expenditures for or against ballot measures, and revised campaign reporting with respect to candidates and ballot measures.

CRIME

The death penalty was mandated for specified types of murder.

Allowable state compensation to victims of violent crimes was raised from \$5,000 to \$23,000.

ENVIRONMENT

The Legislature appropriated \$15 million to acquire 11 parcels of land for parks and recreation.

A \$250 million bond issue for construction of water pollution control facilities was placed on the 1974 ballot.

A bi-state Tahoe Conservancy Agency Compact was created and \$20 million appropriated to acquire land in the Tahoe basin.

Regulations were enacted to govern timber-cutting on private lands by a board dominated by nontimber interests.

EDUCATION, HEALTH

Community colleges were granted \$65 million and property tax limits established for college districts.

Names of some state universities were changed.

Child care and preschool programs for some 27,000 children were funded \$41 million.

Provision was made for improved nursing homes.

CONSUMERS, LABOR

Retail pharmacists were required to post prices of the 100 most commonly prescribed drugs.

Tax-preparation services were regulated by the Department of Consumer Affairs.

Benefits were improved for unemployment insurance, disability insurance and workmen's compensation.

Laws discriminating between men and women regarding hours and working conditions were eliminated.

(continued on page 10)

Women were given the same rights as men in obtaining credit. Discrimination against women in property rights was eliminated.

A State Occupational Safety and Health Act was adopted.

A new Department of Employment Development was authorized to create jobs and to provide for coordination of local-regional-state manpower training.



Death Penalty, Abortion Concern Louisiana

The 1973 Louisiana Legislature enacted a new death penalty law and passed a new abortion act. The session adjourned June 12.

BUDGET AND FISCAL

The Legislature adopted a \$1.9 billion general fund budget for the 1973-74 fiscal year.

A Legislative Budgetary Control Council was created to establish rules and regulations governing expenditures of funds appropriated to the Legislature, its committees, and employees.

Procedures for distributing the state revenue sharing fund were revised. Under the new law, funds will be allocated to each parish annually, the amount to be based on parish-state population ratio and homestead ratio.

LAW ENFORCEMENT

A new capital punishment law makes the death penalty mandatory for first degree murder convictions. Offenses constituting first degree murder include murder during kidnapping, rape or armed robbery; killing a peace officer or fireman engaged in performance of his duties; murder committed by a person with a previous murder conviction or who is serving a life sentence; mass murder, and murder for hire.

Methaqualone was added to the list of dangerous drugs. Changes in the State's controlled substances law included stiffer penalties for distribution and selling of such drugs.

EDUCATION

The Legislature provided for a comprehensive state program of career education. Money was appropriated for construction of regional, post-secondary vocation-technical schools and expansion and renovation of existing ones.

Construction of a new medical education building for Louisiana State University was authorized.

OTHER

Local government agencies were prohibited from imposing residency requirements on employees.

A constitutional amendment to allow gasoline tax revenues to be used for mass transit facilities was placed on the June 1974 ballot.

OTHER

A new abortion law allows hospitals and medical personnel to refuse to participate in abortions. Discrimination against any person or institution for so refusing was forbidden.

Workmen's compensation benefits were increased from a maximum of \$45 per week to \$65 per week.

Retirement benefits were improved for members of the State Teachers Retirement System, Municipal Retirement System and State Employees Retirement System.

Official observance of Veterans Day was changed from the fourth Monday in October to November 11.

The Division of Actuary Review was created within the Office of Legislative Auditor.

The Legislature abolished its interim study committees and by rule changes in the respective houses authorized standing committees to undertake any needed interim studies. Funding was provided for staffing of committees, on a two-committee shared basis, through the Louisiana Legislative Council. In the House provision was made for pre-session referral and hearing of prefiled bills.

Utah Cuts Taxes

Elimination of the 1.6 mill state property tax for schools was approved by the Utah Legislature meeting in special session in October.

Unless the levy is reimposed by the January budget session, it will be the first time since 1954 that there has been no state property tax.

The Legislature also approved a \$6 income tax credit for each dependent off 1973 taxes.

A one-time \$3 million appropriation is to go to local governments to assist in completing low income housing programs disrupted by the federal housing moratorium.

Alaska State Legislature

SENATOR
ROBERT H. ZIEGLER, SR.
P. O. BOX 979
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Senate

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COMMITTEE ON COMMITTEES

SPECIAL SENATE PIPELINE
CONSTRUCTION IMPACT
COMMITTEE

December 1, 1973

LEGISLATIVE AFFAIRS
AGENCY

RECEIVED
DEC 3 1973

Russell E. Mulder
Deputy Director
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99801

Dear Russ:

Enclosed are several pages from the November, 1973 issue of State Government News. Apparently Maryland, Hawaii and Nevada have enacted disclosure legislation.

Would you get copies of whatever has been done or is in the hopper for me and hang on to them until I see you in January.

Thanks and regards,

RB —

Robert H. Ziegler, Sr.

RHZ/pks

enc.

AGO 532050



Maryland Enacts Governmental Ethics

The 1973 Maryland General Assembly met in regular and special sessions.

A financial disclosure law, which had been termed vague and possibly unconstitutional, enacted by the regular session was replaced by a new law enacted in special session. The new law requires disclosure of top state officials, legislators, sheriffs, State's attorneys, registers of wills and circuit court clerks, and candidates for those offices. Disclosure is required of interests in property and corporations, and any gift over \$50, any position, or interest in any business which has dealings with the State. Disclosure systems are to be set up by the Court of Appeals for judges and by local governments for local officials.

Total appropriations for fiscal 1974 amounted to \$2,491,504,646. This figure compares to an appropriation of \$2,176,326,183 for fiscal 1973, an increase of 14.4 percent.

EDUCATION

A compensatory education program for disadvantaged children and a comprehensive program of special educational services for handicapped children were established. Free education was provided for certain handicapped children and day care programs were established in the schools.

A new method and formula was created for providing state financial assistance to public education. This measure will have the effect of increasing state aid to the poorer counties and Baltimore City, while decreasing the educational assistance provided to richer areas of the State.

County Boards of Education were authorized to enter into agreements with each other, with the State Department of Education, and with other educational institutions for cooperative or joint administration of programs. State aid to private colleges was provided based upon the number of advanced degrees awarded beyond the baccalaureate degree. School principals were given certain police powers to search students and school lockers if they have probable cause to believe an illegal item, such as weapons or drugs, may be found.

CONSUMER PROTECTION

A rent control law placed a 5 percent ceiling on rent increases retroactive to January 1, 1973. The law allows rent increases over 5 percent if they can be justified by increased taxes paid by the landlord or increased costs in maintaining an apartment, but it does not provide for state action to enforce

the rent ceiling. Another law provides that a tenant can redeem his leased premises prior to eviction if he pays all due rents and costs.

In other action, the General Assembly established new occupational safety and health standards; passed a Maryland Hazardous Substances Act; prohibited the labeling and sale of hamburger, chopped or ground beef as "all beef" or "all meat" unless the product meets certain requirements; set standards relating to repair of home appliances; prohibited unauthorized manufacture, distribution, and possession with the intent to distribute drugs or unauthorized attempts to obtain prescription drugs; and required certain elevators to have signs warning against usage during a fire.

The Attorney General was given subpoena power in enforcing consumer protection laws, and the Insurance Commissioner was given the authority to act immediately and before a hearing in the issuance of a cease and desist order in enforcing certain requirements of the Unfair Trade Practices Act.

Consumer electrical products must be tested "safe for use" rather than only "reasonably safe."

LAW ENFORCEMENT

In an attempt to speed up trials, prosecuting attorneys were allowed to by-pass time-consuming grand jury indictments. Social workers were given the authority, without court approval, to enter houses where child abuse is suspected and to remove an abused child on an emergency basis.

Law enforcement officials were exempted from civil liability when rendering emergency services after an accident under certain conditions.

The General Assembly transferred the probation officers of certain state courts to the State Division of Parole and Probation, included a Community Correction Center as a correctional and reformatory institution under the Division of Corrections, and increased the jurisdiction of the Court of Special Appeals.

HUMAN RESOURCES

Persons or hospitals were given the right to refuse to perform, participate in, or submit to abortions, sterilizations, or artificial insemination.

The problems of the elderly were considered and legislation passed to establish day-care centers and services, a nutritional program under the Maryland Commission for the Aged, and a program of community care services.

North Carolina State Workers Get Raises



Aid to education was increased by the 1973 North Carolina General Assembly.

EDUCATION

A 5 percent pay raise was granted to all state employees, including school personnel. In addition, more than \$30 million was appropriated for 13 extra days of teacher employment beyond the school term, \$26 million to reduce class size, and \$12.2 million to extend public kindergarten programs. The session approved capital improvement budgets of \$33 million for community colleges and \$66 million for universities. A reserve fund of \$7.5 million was created to help fund a proposed state medical school. A matching fund of \$4.6 million was established to provide private colleges and universities with \$200 for each in-state student enrolled.

Total public and higher education appropriations, excluding capital budgets, were just short of \$1 billion.

College students were no longer required to drop out of school for a year to qualify for in-state tuition rates.

TAX AND FISCAL

Appropriations from all sources for fiscal 1973-74 totaled \$2.9 billion, including \$1.7 billion in general funds.

Farm, forest and horticultural land is to be taxed according to its present use, rather than its market value, subject to payment of back taxes if use changes. Counties were required to assess property at a full 100 percent ratio. Property tax exemption laws were clarified.

A small part of the state gasoline tax, 1/8 of 1 percent of net proceeds of taxes on motor fuels, was allocated to development of artificial reefs off the coast and to aid the fishing industry.

GOVERNMENT

For 1973-74, the General Assembly, by parliamentary procedure, shifted from a biennial session to a more flexible format. The 1973 session was divided into two segments; the first adjourned in May and the second will begin in January 1974. Standing committees were authorized to meet in the interim to discuss bills delayed for disposition during the second segment of the session.

As part of a planned six-year reorganization program, the General Assembly approved imple-

menting legislation to reorganize the Departments of Human Resources, Cultural Resources, Revenue, and Military and Veterans Affairs.

The State Highway Commission was abolished as of July 1 and replaced by a Board of Transportation and a Secondary Roads Council.

CONSUMERS, LABOR

The assigned risk auto liability plan was abolished and replaced with an industry reinsurance facility system which allows motorists to choose their own company for reinsurance.

It was made a crime for used car dealers to alter odometer readings.

Courts were authorized to approve attorney fees for plaintiffs in consumer-oriented small claims cases.

The state minimum wage was raised from \$1.60 to \$1.80 per hour, effective September 2. Employers of four or more employees are governed by state maximum working hours of 10 hours per day, 56 hours per week, and time and a half pay for over 50 hours a week, except if covered by federal law. Workmen's compensation benefits were raised from a maximum of \$56 to \$80 per week. State administration of the Federal Occupational Safety and Health Act (OSHA) was authorized.

OTHER

The session approved a Governor-sponsored bill to aid rural health clinics to provide care in doctor-short areas. A bill of rights for mental patients was enacted and the law dealing with involuntary commitment to mental institutions was made more restrictive.

A new law provides for automatic driver license suspension for refusal to take a blood alcohol test on arrest for driving under the influence.

Some drug law penalties were increased.

A juvenile convicted of a misdemeanor may have his record cleared if he has no more convictions before reaching age 18.

Some \$14 million was appropriated to acquire new state parklands. A Board of Sedimentation Control was created to develop a state-local program for control of sediment and silt pollution of waterways from building projects. The State Board of Air and Water Resources was strengthened and regulations were tightened on waste discharges. Those responsible for oil spills were required to clean up and pay for the damages.



Hawaii Studies Population Patterns

The 1973 Hawaii Legislature reformed campaign financing, adopted no-fault auto insurance, and provided for a population study.

TAX AND FISCAL

For the 1973-75 biennium, the Legislature approved general fund expenditures totaling \$1.1 billion and capital improvements totaling \$352.4 million.

Retroactive pay raises of 5.5 percent were approved for most state employees, including teachers. Blue collar workers received 7 percent back pay.

Income received by prisoners of war was excluded from state income taxes.

Agricultural land dedicated to that purpose in 10 to 20 year agreements may be taxed at 50 percent of assessed value. A penalty and the extra tax must be paid if the land's use is changed.

SOCIAL LEGISLATION

A permanent commission on population and planning is to study in- and out-migration, population distribution, and the capacity of the State regarding agricultural production, waste, recycling and natural resources. It is also to coordinate family planning.

A continuing census was authorized of all persons entering and leaving the State, including vital statistics and purpose of entering or leaving the State.

A statewide planning and development system for child services was authorized. The Uniform Child Custody Jurisdiction Act was adopted.

GOVERNMENT

A campaign finance reform law, applicable to candidates for state, federal and local offices, placed spending limits on campaigns, required reports of contributions of more than \$100, and outlawed acceptance of anonymous contributions of \$250 or more. Penalties for violations are punishable as a misdemeanor for a person and by a \$1,000 fine for a corporation.

The emergency powers of the Governor were expanded to cover situations where Hawaii's supply lines are curtailed and the State's economic welfare is threatened.

A public service employment program was established under the Department of Social Services and Housing.

LAW ENFORCEMENT

The state corrections system was reorganized, including provisions for contracts with private firms for operation of profit and wage paying industries in correctional institutions, establishment of conditional release centers, and prisoner work release programs.

Various amendments were made to the state penal code. The gambling provisions of the penal code were clarified, including establishment of a new misdemeanor offense of gambling for which evidence of profit need not be shown and definition of the components of social gambling as an affirmative defense.

Creation of a district family court in each of the judicial circuits was approved.

Methaqualone was added to drugs listed in the Uniform Controlled Substances Act.

ENVIRONMENT

Provision was made for state acquisition or management of lands which have natural, environmental, recreational, scenic or historic value.

Private or public antipollution projects may be financed with revenue bonds issued by the Department of Budget and Finance with gubernatorial approval. The project party must pay the principal and interest on all such revenue bonds issued.

Subdividers and developers were required to set aside land for public access to beaches and public recreation areas.

Counties were required to prepare urban design plans, including measures for land use, pedestrian and traffic systems, community facilities, historic sites and views, among others.

State law was conformed with the federal Coastal Zone Management Act.

OTHER

A no-fault auto insurance law eliminates tort liability for personal injuries up to a maximum of \$15,000 per person. However, tort liability coverage is mandated for property damage and for personal injuries over the no-fault limit.

State chartered credit unions were allowed.

A statewide emergency medical services program was established. Unlicensed physician assistants were allowed to serve under a licensed physician.

A revised uniform principal and income act sets forth rules for administration of trusts and

Laws were passed to prohibit discrimination in certain financial relationships because of the sex or marital status of the prospective buyer and to make the payment of workers' compensation upon the death of an employee applicable to a spouse of either sex.

The Maryland Wage and Hour Law was extended to include domestic workers. The age of majority was lowered from 21 to 18 years of age, except with reference to alcoholic beverages. Any reference to race, color or national origin in any document or investigation used to establish an applicant's credit under the Retail Credit Accounts law was prohibited.

OTHER

Voter registration by mail was allowed in certain counties and Baltimore City.

A law prohibited the adoption or amendment of rules which will increase expenditures beyond budgetary allowance by an agency without the approval of the General Assembly.

The Noise Pollution Control Advisory Council was created and noise control was established as a policy of the State.

The Interstate Corrections Compact, the Interstate Mining Compact, and the Interstate Library Compact were enacted.

Colorado Equalizes School Finance



A new formula for the State's financing of public schools was adopted by the 1973 Colorado General Assembly.

A "power equalizing" formula guarantees that each school district will receive \$25 per pupil for 1974 for each mill levied, with increases to \$27 in 1975 and \$29 in 1976. The State subsidizes the amount to \$25 per pupil not raised by the levy. School districts which raise more than those amounts for each mill are given state aid of \$8, \$9, and \$10 for those years anyway. Limitations are placed on the amount to be spent by a school district in an effort to equalize per pupil expenditures among districts. Provision is made for administrative and voter approval of higher mill levies.

The state share of pupil transportation costs was increased. The preparation of any academic paper for a college student by another person for a fee was prohibited.

TAX

The cigarette tax was increased to 10 cents a pack with proceeds of the increase to be distributed to local governments to replace local cigarette taxes.

Real property tax credit refunds were provided for persons over 65. The method of taxing mobile homes was changed from specific ownership to ad valorem, like other residential property.

LAW ENFORCEMENT

The post of State Solicitor General was created in the Department of Law.

State licensing agencies were prohibited from automatically denying a trades or professional license to a person who has served time for a felony.

Standards for certification for peace officers were established. Reimbursement was provided from state monies for training expenses at the law enforcement training academy. The death penalty issue was considered, but its reinstatement was not adopted.

Annual judicial salaries were increased, including a raise to \$37,500 for the Chief Justice of the Supreme Court, and to \$28,000 for district court judges.

GOVERNMENT

The Model Act Relating to Interference with the Legislative Process was adopted.

Effective January 1975, legislators residing in the Denver area will be allowed actual expenses of up to \$10 a day and those outside the area \$20.

Clarifying and substantive changes were made in the election laws.

Bills were enacted relating to the state personnel retirement board and employee contributions.

OTHER

Sex discrimination was prohibited in housing practices, granting of consumer credit, and in employment.

The following laws relating to uniform state codes were adopted: Alcoholism and Intoxication Act, Child Custody Jurisdictional Act, Disposition of Community Property Rights at Death Act, Marriage Act and Uniform Dissolution of Marriage Act, Management of Institutional Funds Act, and Probate Code.

The Cumbres and Toltec Scenic Railroad Compact was adopted with New Mexico.

termine the sufficiency and validity of signatures on initiative and referendum petitions, removing this authority from the Secretary of State.

The names of prospective jurors must be drawn from lists of all registered voters, including voters between 18 and 21 years of age.

A new law clarified the right of employees to be absent from work for two hours on election days, with compensation, if they notify their employer of their intention to be absent. This requirement does not apply to school board or bond elections.

OTHER

The legal rights of women were guaranteed by granting them the same legal existence and legal personality they had before their marriage.

The authority of the Department of Institutions, Social and Rehabilitative Services was continued and, in addition, the department was authorized to provide birth control information and to pay the cost of sterilization of adult male welfare recipients under age 65 who request such aid.

Cities and towns were authorized to carry

workmen's compensation insurance on employees in hazardous work. Registered pharmacists were required to receive a minimum of 15 hours of continuing professional education for license renewal each year.

A ceiling of two cents per dollar was placed on sales tax that a city or town may levy, with the exception of a one cent per dollar additional levy that may be made for educational or health facilities. This legislation is scheduled to expire in 1975, unless renewed.

The district court clerks were authorized to issue licenses to conduct bingo games to any bona fide tax-exempt religious, charitable, labor, fraternal or educational organization or any nonprofit veterans' or firemen's organization. Proceeds from these games must be used to compensate for expenses incurred in conducting the games and must not go for the benefit of any individual.

The Oklahoma Horse Racing Commission was created and the operation of horse racing and parimutuel betting systems by county fair boards or agricultural expositions was authorized. The act must first be adopted on a statewide basis and then each county wishing to conduct racing may vote on a local option basis to approve such racing meets.

Nevada Legalizes Acupuncture



The practice of Chinese medicine, including acupuncture, was permitted by the 1973 Nevada Legislature.

LAW ENFORCEMENT

The death penalty was mandated for capital murder. The penalty was increased for offenses committed with dangerous weapons by prisoners in the Nevada State Prison. Limitations were placed on the term of imprisonment which may be imposed to satisfy a fine. Changes were made in juvenile court procedure and laws enacted on unnecessary use of criminal labels for delinquent children.

ENVIRONMENT

The Nevada Water Pollution Control law was enacted. Property used for air or water pollution control devices was exempted from the property tax. The Nevada Tahoe Regional Planning Agency was established.

GOVERNMENT

Laws were adopted creating a presidential primary election, prohibiting write-in voting, and clarifying the extent of anti-nepotism laws. Cam-

paign expenditures of State Senators and Assemblymen were limited. Remedies were provided for interference with the legislative process. New resident voting provisions and the six-month residency requirement for voter registration were eliminated.

EQUAL RIGHTS

Discrimination between men and women in real property transactions was prohibited. Equal rights of management and control of community between husband and wife were provided. A new law makes wages, hours, and working conditions of female employees in private employment applicable to all employees.

OTHER

False or misleading statements in advertising were prohibited. Open-market advertising and sale of prescription drugs was permitted. Consumer protection from door-to-door salesmen was provided.

A Nevada Occupational Safety and Health Act was adopted.

A system of comparative negligence was enacted in lieu of defenses of contributory negligence and assumption of risk. A Uniform Contribution Among Tortfeasors Act was adopted.

STATE GOVERNMENT NEWS

from
THE COUNCIL OF STATE GOVERNMENTS
Iron Works Pike, Lexington, Kentucky 40511

Second Class Postage Paid at Lexington, Kentucky
and additional mailing offices

Senator Robert H. Ziegler
Box 979
Ketchikan, Alaska 99901

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RHODE ISLAND CON-CON APPROVES VOTE ON LOTTERY

The 100 delegates at the Rhode Island Constitutional Convention approved seven proposals to go before Rhode Island voters November 6. The convention met from September 4 to October 5.

The issues include legalization of state lotteries, increasing legislative salaries and making them statutory rather than constitutional, increasing the terms of general state officers from two to four years, modifying the requirement for grand jury indictment in all felony cases, requiring that election campaign contributions and expenditures for general state offices be publicly disclosed, providing that the holding of a constitutional convention be put on the ballot at least once every ten years, and prohibiting the holding of any civil office by anyone not a qualified elector for that office.

INDIANA LIEUTENANT GOVERNOR, OTHERS SURVIVE PLANE CRASH

Indiana Lieutenant Governor Robert D. Orr survived a plane crash in Brazil, along with 10 other members of an Indiana trade mission to South America including State Representative William Latz.

The plane crashed in water off the Rio de Janeiro runway as it was attempting takeoff, killing five persons. One member of the trade mission was missing and the Lieutenant Governor remained to find out about him while the others returned home.

GEORGIA EARNS HIGHER INTEREST

Investing money in banks which are the highest bidders is resulting in greater returns to Georgia. Recently (on August 20) Georgia invested \$349,750,000 in banks throughout the State, based on the highest bids.

The preponderance of these funds was invested at interest rates in excess of 8 percent; the rates ranged from 5.8 to 10.25 percent. Under the process, Georgia is increasing its interest income, up to \$17.3 million in interest on an accrual basis in fiscal year 1973 from the corresponding figure of \$9.5 million for fiscal 1972.

The money is invested with the highest bidders, resulting in greater returns to the State. The Governor noted, "there are no more political debts being paid with state money."

OHIO SENATOR PENALIZED FOR CAMPAIGN REPORT FAILURE

The Ohio Supreme Court upheld a provision of state law which prohibits a candidate who fails to file a timely report of his campaign income and expenses from seeking office for five years.

The case involved Donald Lukens, a State Senator who failed to file financial reports by the legal deadline for the 1972 general election. He had formerly served in Congress and was an unsuccessful contender for the Republican nomination for Governor in 1970, but was considered a likely candidate for nomination in 1974.

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AGO 532056

STATE GOVERNMENT NEWS

Published Monthly by
The Council of State Governments

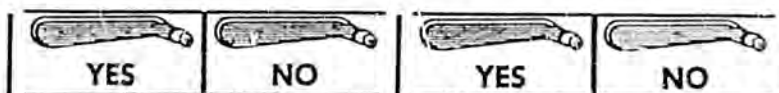


Volume 16

December 1973

Number 12 ✓

Elections '73



GOVERNORS were elected in **New Jersey** and **Virginia**, both of which also elected legislators, along with **Kentucky**. See page 4.

A **TAX LIMIT** proposed by Governor Ronald Reagan was defeated by **California** voters.

AN **INCOME TAX** was turned down by **Washington** state voters in a proposal to change school finance. The State remains one of four without an income tax.

LOTTERIES were authorized by voters in **Maine** and **Rhode Island**.

SCHOOLS were voted up to \$300 million in bonds for construction in **North Carolina**. **New Jersey** voters approved a \$25 million bond for education facilities for the handicapped.

HIGHWAY BONDS totalling \$500 million were approved in **West Virginia**. **New Yorkers** rejected spending \$3.5 billion on mass transit and roads.

VETERANS' BONDS were ratified by voters in **Ohio**, **Pennsylvania** and **West Virginia** for veterans' bonuses and in **Texas** for a veterans' land trust fund.

GOVERNMENT PROCEDURE changes failed in most instances. Annual legislative sessions lost in **Kentucky** and **Texas**. A proposal for four year terms for chief state officers was defeated in **Rhode Island**. Pay raises for **Washington** state officials were held to 5.5 percent and legislative pay changes rejected in **Texas** and **Rhode Island**.

GRAND JURY indictment would be replaced by the filing of information to initiate criminal proceedings under measures voted in **New York**, **Pennsylvania** and **Rhode Island**.

Reports on legislative sessions appear on the following pages:

West Virginia	6	California	9
Delaware	7	Louisiana	10
Iowa	8	Utah	10

AGO 532057

13 States Have Referendums

Big Tax Changes Lose, Most Bond Issues Win

AMERICAN SAMOA

NO

A revised constitution which would have allowed popular election of the Governor (who is appointed by the U.S. President), a legislative salary raise, and more authority for village officials. A similar proposal was defeated in 1972.

CALIFORNIA

NO

Tax limitation initiative proposed by Governor Ronald Reagan. It would have limited state expenditures to a declining percentage of personal income; reduced personal income taxes 7.5 percent permanently; frozen property tax rates at present maximums unless voted higher, and restricted use of surpluses to refunds or emergencies. Legislative Analyst Alan Post estimated by 1977-78 state tax revenues would have fallen by \$1.3 billion under the plan. The vote was 56 percent against.

KENTUCKY

NO

Annual legislative sessions. The proposal lost by a wider margin than it did in 1969.

Appointment rather than election of State Superintendent of Public Instruction. Permit sheriffs to succeed themselves. Abolish elective offices of Railroad Commissioner.

MAINE

YES

Authorize a state lottery.
\$3 million bond issue to acquire lands for state parks.
Remove constitutional limit on municipal indebtedness and allow legislative limit.
Clarify the pocket-veto.

NO

Initiative measure to create Power Authority to generate and sell electricity.

NEW JERSEY

YES

Allow six-member juries in all civil cases.
Authorize \$25 million bond issue for education facilities for handicapped children.

STATE GOVERNMENT NEWS—December 1973



Veterans' bonds passed in four States.

NEW MEXICO

YES

Remove discrimination based on sex in qualifications for holding public office.

Remove discrimination based on sex in veteran's property tax exemption.

Provide procedure for recall of local school board members.

Provide for five-member board of county commissioners in counties of more than 100,000 population.

Exempt from taxation personal property moving in interstate commerce through the State.

NO

Conform state constitution to 18 year old voting and 30-day voter residency requirements.

Remove the limitation on terms for county officers and provide an age limit of 70.

NEW YORK

YES

Permit local governments to exceed their constitutional debt limits for sewage-treatment plant construction.

Permit felony defendants in other than capital cases to waive grand jury indictment.

Expand power of State to make loans for job development purposes.

Authorize sale of parcels of land up to 100 acres outside major parks if proceeds are used to purchase land in forest preserve.

End role of Commissioner of Corrections as Chairman of Commission on Corrections.

Expand jurisdiction of Family Court in custody cases.

NO

\$3.5 billion transportation bond issue, with most for mass transit and rest for highways.

Extend retirement age for judges.

Permit small areas to become counties.

Increase monetary jurisdiction of district courts and term of office of district judges.

NORTH CAROLINA

YES

\$300 million public school construction bond.
Technical amendment to allow sale of \$30 million in 1972 clean water bonds, which had been legally frozen due to a change in federal law.

NO

Permit sale of liquor by the drink on a local option basis.

OHIO

YES

Authorize \$300 million bond issue to provide bonuses for Vietnam veterans up to a maximum of \$500.

Allow agricultural land to be taxed according to use.

Remove \$3,000 limit on aggregate personal exemptions from state income tax and allow all dependents to be claimed.

Allow counties to form a joint common pleas court district; allow divisions of common pleas courts; and permit municipal and county court judges to receive in-term raises.

PENNSYLVANIA

YES

Authorize an additional \$10 million bond to fund the Vietnam veterans' bonus.

Allow initiation of criminal proceedings by information rather than grand jury indictment.

RHODE ISLAND

YES

Allow a state lottery.

Require disclosure of election campaign contributions and expenditures by candidates for top state offices.

Permit all felony cases other than capital offenses to be brought to trial by criminal information filed in Superior court by the Attorney General's Office rather than grand jury indictment.

Vote on whether to call a constitutional convention at least once every decade.

Clarify restriction of holding civil offices to qualified electors.

Expand the mortgage guarantee power of the Industrial Building Authority from \$40 million to \$80 million and the Recreational Building Authority from \$5 million to \$20 million.

NO

Increase the terms of chief state officers, including the Governor, from two to four years.

Repeal the constitutional limit of \$5 a day for 60 days on legislative pay and set a statutory salary of \$2,000 a year.

TEXAS

YES

Authorize an additional \$100 million in bonds for the Veterans' Land Fund, through which veterans may purchase land.

Extend the \$3,000 homestead tax exemption to single adults.

Include the homestead of a single person in the legal protection against forced sale for debt.

Authorize the Legislature to revamp court jurisdiction in probate matters.

Require only a simple majority of local voters to authorize a tax for sea walls.

Give counties and cities a voice in creation of conservation and reclamation districts.

NO

Annual legislative sessions and a raise in legislative pay from \$4,800 to \$15,000.

Allow localities to levy property taxes to pay off general obligation bonds.

Allow Legislature to exempt nonprofit water suppliers from property taxes.

WASHINGTON

YES

Initiative measure which limits increases in salaries of elected officials to 5.5 percent. It voids a 1973 law which would have hiked legislative pay from \$3,600 to \$10,560 in 1975, the first raise in a decade, and would have greatly increased executive and judicial pay.

Allow sale of personalized motor vehicle license plates with extra fee to support nongame wildlife preservation.

NO

A state income tax, elimination of special school levies, exemption of food and medicine from the sales tax. (continued on page 4)

Education Bonds Passed In North Carolina and New Jersey



Washington (continued)

Lower drinking age to 19.

Permit additional property tax revenue from a development project sponsored by a taxing district to be used for financing the project.

Allow smaller voter turnout to pass general obligation bonds.

Allow precinct committeemen of major political parties to serve as deputy voting registrars.

WEST VIRGINIA

YES

Authorize up to \$500 million in bonds for better roads.

Authorize up to \$40 million in bonds for Vietnam veterans' bonus, with maximum of \$400 bonus per veteran.

Increase the homestead exemption for those over 65 from \$1,000 to \$5,000 of assessed valuation.

Allow sheriff to serve two consecutive terms.

VIRGINIA ELECTS REPUBLICAN GOVERNOR, DEMOCRATIC HOUSE

For the second time Mills E. Godwin, Jr., has been elected Governor of Virginia, this time on the Republican ticket, narrowly defeating Lieutenant Governor Henry E. Howell, Jr., who ran as an Independent. There was no Democratic candidate.

Governor-elect Godwin was a Democrat during his 1966-70 term and was prevented from succeeding himself by a prohibition on consecutive terms. Incumbent Governor Linwood Holton was the first Republican Virginia Governor in 84 years.

Lieutenant Governor Howell also was a former Democrat.

The Lieutenant Governor's race was captured by the Republican candidate State Senator John N. Dalton, who defeated an Independent and a Democratic candidate.

Incumbent Democratic Attorney General Andrew P. Miller overwhelmingly defeated his Republican challenger.

Democrats retained their majority in the 100-member House, but won only 55 seats compared to their previous 71; Republicans won 16 seats, dropping from their previous 25, and Independents won 29 seats for a major gain over their previous four.

NEW YORK CHIEF JUDGE ELECTED

New York voters elected Charles D. Breitel Chief Judge of the Court of Appeals.

Three of the six special elections for State Representatives were won by Republicans, adding to the party's comfortable majority. Democrats, in winning the other three seats, picked up one formerly held by a Republican.

DEMOCRATS WIN NEW JERSEY

It was a Democratic landslide in the New Jersey gubernatorial and legislative races.

Democratic gubernatorial candidate Brendan T. Byrne won a 700,000 vote plurality over Republican nominee Charles W. Sandman, Jr.

Governor-elect Byrne was a State Superior Court judge before he resigned to enter the primary. He has been a state deputy attorney general and assistant counsel to a former Governor. His reputation was attested to by FBI tapes released several years ago in which Mafia figures referred to him as a prosecutor money could not buy.

Incumbent Governor William T. Cahill was defeated in the Republican primary by U.S. Representative Sandman.

Also on the gubernatorial ballot were 10 other candidates nominated by direct petition. Their party labels ranged from Taxpayers Watchdog to Defeat Narcotics Crime to the more traditional American Party, Socialist Labor, and Communist.

Democrats won a 3-to-1 margin in the Senate and a nearly 5-to-1 margin in the Assembly. Only 12 Republicans were elected to the 80 member House. Republicans emerged with only 10 seats in 40 member Senate, losing their former 22-seat majority. There was a possibility of a recount for one Republican win.

Some legislative candidates shunned the traditional party labels for such slogans as Politicians Are Crooks; Dedicated, Honest, Unbossed; My Brothers Keeper, and Abolish County Government.

KENTUCKY LEGISLATORS ELECTED

Kentucky Democrats strengthened their majority in the Legislature by gaining eight seats in the House for a total of 81 Democrats to 19 Republicans and gaining two Senate seats for a total of 29 to 9. The entire House and one-half the Senate were elected.

STATE GOVERNMENT NEWS

© The Council of State Governments 1973

December 1973 Vol. 16, No. 12

Published monthly by

THE COUNCIL OF STATE GOVERNMENTS
Iron Works Pike, Lexington, Kentucky 40511

BREVARD CRUIFFIELD, Executive Director
Paul Albright, Director of Publications
Elaine Knapp, Editor, State Government News

\$5 per year

Second class postage paid at Lexington, Kentucky and additional mailing offices. Postmaster: Send form 3579 to Box 11910, Lexington, Kentucky 40511

STATE GOVERNMENT LEADERS MEET

State legislative and executive officials from across the Nation will meet at the Annual Meeting of the Council of State Governments December 13-15 in New Orleans.

The "State of the States" in 1973 will be portrayed by Maryland Governor Marvin Mandel, Council President. Also speaking will be Idaho Speaker William J. Lanting, Council Chairman.

Panels of state and federal leaders and educators will discuss "Federalism U.S.A." and "American Public Administration." Newsmen will be panelists on "Politics U.S.A."

Speaker at the final session will be Alexander M. Bickel, Professor of Law at Yale University and author.

DEATH PENALTY LAW VOIDED

The U.S. Supreme Court November 12 let stand a June 19 decision by the New York Court of Appeals that New York's limited death penalty was unconstitutional.

The 1965 law limited the death penalty to three specific types of murder, but did not make it mandatory. Instead, after a guilty verdict a separate jury determined whether the death penalty should be imposed. The court ruled the procedure unconstitutional because of the discretion given to the jury.

Many of the other state capital punishment laws passed since the 1972 U.S. Supreme Court death penalty ruling limit the death penalty to certain crimes but do not mandate it.



New chairman, Lieutenant Governor Reinecke of California (pictured far left). Lieutenant Governors Schreiber of Wisconsin (left) and Otley of the Virgin Islands (right) applaud Governor Evans (at podium).

Lieutenant Governors Urge Energy Policies

The 12th annual meeting of the National Conference of Lieutenant Governors, held October 3-7 in the U.S. Virgin Islands, encompassed a wide variety of current state issues including land use, power and energy, welfare, and public confidence in government.

Lieutenant Governor Martin J. Schreiber of Wisconsin, conference Chairman, presided over the business sessions at the Beach Hotel on St. Croix. Host to the meeting was Lieutenant Governor Athniel C. Otley of the Virgin Islands. The conference was welcomed to the Virgin Islands by Governor Melvin H. Evans.

At its final session, the conference adopted resolutions on such topics as: a state role in energy, the fuel oil shortage, retail gasoline prices, the right of U.S. citizens of Guam and the Virgin Islands to vote for president, export controls on agricultural commodities, and a changed structure for the Environmental Protection Agency.

The conference said each State should deter-

mine its current energy posture, then develop a state energy policy and form an organization to coordinate governmental agencies, universities, and the private sector for the best utilization and conservation of energy resources.

Elected conference Chairman for 1973-74 was Lieutenant Governor Ed Reinecke of California. Lieutenant Governor Julian M. Carroll of Kentucky was elected Vice Chairman.

Elected Regional Vice Chairmen were Lieutenant Governors Eugene Bookhammer, Delaware, Eastern Region; Earle E. Morris, Jr., South Carolina, Southern Region; Frank Marsh, Nebraska, Midwestern Region, and Harry Reid, Nevada, Western Region.

Executive Committee Members-at-Large are Lieutenant Governors James H. Brickley, Michigan; John S. Burgess, Vermont; J. Joseph Garrahy, Rhode Island; Neil F. Hartigan, Illinois; William C. Jacquin, Arizona; Blair Lee, III, Maryland, and Robert A. Mondragon, New Mexico.

WESTERN CSG CONFERENCE MEETS

Energy legislation should be considered by the States, the Western Conference of the Council of State Governments recommended at its October annual meeting in Denver.

The conference further urged States to examine laws which might slow down power plant siting or energy development.

Elected President was State Senator Fay DeBerard of Colorado, who is also Chairman of the Colorado Commission on Interstate Cooperation, which hosted the meeting along with the Colorado Legislature. State Senator Elizabeth W. Browne of Oregon was chosen Vice President.

Among the other 18 resolutions passed were ones which urged an allocation policy for diesel or distillate fuels and opposed a federal motor fuels tax increase.

A special resolution formally provided for executive-branch participation in the work of the conference.

The conference's six study committees and the clerks and secretaries held workshop sessions. Topics reviewed were the proposed criminal justice standards and goals, the New Federalism, solar energy, transportation, and interstate compacts on mining, the environment, and placement of children.

Plenary sessions reviewed federal highway and transportation legislation, the impact of school finance reform and state energy conservation efforts.

Presiding at all sessions was Senator Nat Washington of Washington State, outgoing conference President. Colorado Governor John D. Vanderhoof keyed the host State dinner. Other

Senator Nat Washington, outgoing President of Western Conference



speakers included Ellis C. MacDougall, Commissioner of the Georgia Department of Offender Rehabilitation and Speaker Pro Tem John Thomas of Indiana, Chairman of the Midwestern Conference of the Council of State Governments. Also attending was the Chairman of the Council's Governing Board, Idaho Speaker William J. Lanting.

ABORTION CONSENT RULE VOIDED

A woman may not be required to have her husband's or parents' consent to have an abortion, a federal court ruled in overturning a Florida law.

The court said the State has no authority to interfere with the woman's right to privacy in abortion decisions before the fetus is viable and therefore could not delegate such authority to spouses or parents. (*Coe and Noe, et al v. Gerstein, et al, USDC, S. D.Fla., Case No. 72-1842-Civ-JE*). Many other States have similar requirements.



West Virginia Raises Teacher Pay

The West Virginia Legislature met in regular and special session in 1973.

GOVERNMENT

A 5 percent pay raise was authorized to all full-time employees receiving less than \$10,000 a year and to teachers and support personnel. A minimum of \$335 a month was required for school support personnel.

The House of Delegates was reapportioned.

Provision was made for the filling of vacancies in the offices of Senate President and House Speaker when the Legislature is not in session.

ENVIRONMENT, HEALTH

The prohibition against issuing new permits

for the surface mining of coal in all counties where no surface mining existed during 1970 was extended to 1975.

Penalties were provided for littering along streams, including requiring cleanup of littered areas.

High-voltage transmission lines may not be constructed without Public Service Commission approval.

No sewage, drainage, water supply or solid waste disposal system may be implemented without a permit from the State Director of Health.

The disaster law was revamped and an office of emergency services established in the Governor's office.

Regulations were established regarding the donation of anatomical gifts. Rules were set for armed forces technicians to qualify for civilian health

occupations. Treatment of minors for drug addiction was permitted without parental permission.

LAW ENFORCEMENT

A new law authorizes offering rewards for detection of crime and apprehension of persons charged with crime. Prosecutors were authorized to appoint crime investigators with county court approval.

The Supreme Court of Appeals was authorized to appoint one of its justices as chief justice and the justices' pay raised to \$32,500.

Regulations and record-keeping procedures were established governing criminal fines and civil case awards in justice of the peace courts and annual audit of civil and criminal dockets required.

Delaware Stiffens Drug Abuse Law

Major legislation approved by the 1973 Delaware General Assembly included environmental bills, a measure providing life imprisonment for the sale of hard drugs, and tax increases.

ENVIRONMENT

The environmental measures sponsored by Governor Sherman W. Tribbitt protect the State's wetlands and strengthen the State's hand against pollution.

The wetlands act prevents unregulated dredging, dumping, and filling. It gives the Department of Natural Resources and Environmental Control (NREC) the power to issue or deny permits which might alter the wetlands.

The new antipollution law abolishes the former Water and Air Resources Commission, placing all authority in the secretary of the NREC. The NREC also has the power now to license and monitor all interstate and intrastate pipeline systems, to regulate solid waste operations, septic tanks and liquid waste treatment operators.

BUDGET AND TAXES

The gasoline tax was increased one cent per gallon. The Legislature approved an average 10 percent increase in the personal income tax effective January 1, 1974. The corporation income tax was raised from 6 percent to 7.2 percent. Also enacted was a full tax on capital gains, ending the 50 percent exemption in effect for many years. The 2 percent tax on real estate transfers was extended to include condominiums and long-term leases.

OTHER

The issuance of \$20 million in road bonds was approved.

College student extracurricular fees may be used to finance a student's attorney to perform legal services approved by the college head.

Licensing and regulation was required of collection agencies and of hearing aid dealers.

The maximum unemployment compensation benefit was increased from 50 to 55 percent of the average wage. The maximum disability benefit was raised from 55 to 60 percent of the average weekly wage and the minimum weekly disability benefit raised from \$35 to \$40. A coal workers' pneumoconiosis (black lung) fund was established.



The Legislature approved an operating budget of approximately \$327 million.

DRUGS, ALCOHOL

New antidrug abuse laws include the life sentence for one convicted of selling or manufacturing a drug that brings death to the user. Sale or manufacture of a hard drug, which does not result in death, will bring a fine up to \$100,000 and a jail term of 30 years.

The supervision of drug-control operations was placed in the Department of Health and Social Services, ending a rambling system which made it difficult to fix responsibility for programming.

The Legislature enacted a law ending intoxication as a defense to a criminal charge if the intoxication was voluntary.

OTHER

News reporters were given a shield law against testifying about their sources.

A new law permits the establishment of a law school in the State, unaffiliated with any university, with power to grant an academic law degree after it has met the standards of approval of the American Bar Association.

Delaware joined the rest of the States with its first Blue Sky Law, regulating the sale of securities in the State and requiring the registration of brokers, investment advisers and agents. The new law is supervised by the Attorney General.

A statewide Court of Common Pleas (small claims) was created, bringing together for the first time the Courts of Common Pleas of the three counties. These courts also hear minor crimes.



Iowa Raises Governmental Pay Levels

The 1973 Iowa Legislature boosted salaries for government employees and state legislators, increased aid to schools, and provided for a personal property tax phaseout.

TAX AND FISCAL

The Legislature approved a record \$1.66 billion budget for the biennium which began July 1.

A phaseout of personal property tax over a 10-year period was provided, and the personal property tax on livestock was repealed.

Elderly renters and homeowners were given property tax relief.

Iowans whose income is \$4,000 a year or less were exempted from paying income tax.

GOVERNMENT

Pay raises were granted state employees earning under \$10,000 a year. The pay hike was graduated so that lowest-paid workers get the highest raises.

Legislative pay was boosted from \$5,500 to \$8,000 a year beginning in 1975 and expense allowances raised from \$15 to \$20 a day while the General Assembly is in session.

Supreme Court justices' salaries were raised to \$30,000 in 1973-74 and \$33,000 in 1974-75, with the Chief Justice receiving \$31,000 and \$34,000.

The Department of Mines and Minerals was abolished and its responsibilities transferred to the Department of Soil Conservation.

HEALTH, SOCIAL SERVICES

A bill authorizing the establishment and providing for the regulation of Health Maintenance Organizations was passed, legalizing prepaid health care plans.

Money was appropriated to establish family-practice residency programs in community hospitals around the State.

Construction of an eight-story addition to the University of Iowa hospital was authorized.

Necessary statutory changes were made to permit Iowa to conform to the January 1, 1974, federal takeover of the existing old age assistance, aid to the blind, and aid to the disabled programs.

More than \$334,000 was appropriated for the Governor's Youth Opportunity Program to provide 1,300 summer jobs for youth.

A bill was approved to allow two-parent families to receive AFDC money if the father is

unemployed. Also, the State will assume the full responsibility for matching federal grants for this program on January 1, 1974. Counties presently must pay one half the non-federally funded cost of the program.

ELECTION, CAMPAIGN REFORM

A bill revising Iowa's election laws will require statewide voter registration, provide for canvassing of elections by the county board of supervisors, and makes the statutory changes necessary to reflect the lengthening to four years of the terms of the Governor and other state officials. Four-year terms were approved by the electorate in 1972 but do not commence until 1975.

A campaign reform act was passed requiring candidates for public office to file financial reports of all receipts and disbursements. The act created a Campaign Finance Disclosure Commission to review candidates' statements. The law allows a \$1 state income tax checkoff for party contributions.

LAW ENFORCEMENT

Corrective amendments to the Unified Trial Court Act were passed. The court reform act replaces justices of the peace with full-time magistrates and municipal judges with "district associate judges," requiring them to be lawyers, allows small claims suits of less than \$1,000 to be filed without lawyers, and permits some traffic fines to be mailed in.

Gambling was legalized on bingo and games of skill and chance at fairs and nonprofit organization activities, and social gambling was permitted.

Prisoners on work release or furlough were allowed to be released for family activities under supervision and to be housed outside prison.

Criminals were required to provide restitution to their victims in some cases before parole is granted.

A bill to establish a community corrections system was passed to provide for a series of rehabilitative institutions that will eventually replace county jails.

Iowa's motor vehicle inspection law was modified to allow motorists to file complaints about a faulty inspection within 15 days or 500 miles of driving after the inspection.

OTHER

The age of majority was lowered from 19 to

18, entitling 18 year olds to most adult privileges, including the right to buy alcoholic beverages.

Sunday beer and liquor sales were permitted by businesses which derive more than 50 percent of their gross income from goods and services other than alcoholic beverages.

A cash bonus to Vietnam veterans was authorized.

The official observance of Veterans Day was changed from the fourth Monday in October to November 11.

Egg check-off legislation was passed allowing promotional funds to be raised by permitting a check-off of up to five cents per 30-dozen case of eggs.

The Legislature increased state aid to schools appropriating \$242 million for fiscal 1974 and \$276 million for fiscal 1975.

An auxiliary services bill was passed that provides money to local school districts to provide special programs to private and parochial school children, such as health, special education, remedial education and library services.

A bill providing for the assessment and taxation of property of municipally owned utilities held under joint ownership was passed.

A formula for distribution of revenues from taxing large electrical power-generating plants was approved.

Workmen's compensation coverage was expanded.

California Mandates Ethics In Government



Governmental ethics and tax relief were among major actions taken by the 1973 California Legislature.

TAX AND FISCAL

A \$9.38 billion budget was signed on June 30, the day before the start of the new fiscal year. The sales tax was rolled back from 6 percent to 5 percent for six months starting October 1. Income tax rebates on a sliding scale up to 35 percent were authorized against 1973 liability. Single heads of households were given the same tax advantage as married couples.

ETHICS

Public officials were required to disclose any property they own valued at more than \$1,000 and any gifts, income and loans exceeding \$250.

Open meetings legislation specified when meetings of the Legislature and its committees can be closed to the public and required the conference committee on the budget to open its doors to the public. A companion constitutional amendment will be on the 1974 ballot.

A political contributions law required statements of receipts and expenditures for or against ballot measures, and revised campaign reporting with respect to candidates and ballot measures.

CRIME

The death penalty was mandated for specified types of murder.

Allowable state compensation to victims of violent crimes was raised from \$5,000 to \$23,000.

ENVIRONMENT

The Legislature appropriated \$15 million to acquire 11 parcels of land for parks and recreation.

A \$250 million bond issue for construction of water pollution control facilities was placed on the 1974 ballot.

A bi-state Tahoe Conservancy Agency Compact was created and \$20 million appropriated to acquire land in the Tahoe basin.

Regulations were enacted to govern timber-cutting on private lands by a board dominated by nontimber interests.

EDUCATION, HEALTH

Community colleges were granted \$65 million and property tax limits established for college districts.

Names of some state universities were changed.

Child care and preschool programs for some 27,000 children were funded \$41 million.

Provision was made for improved nursing homes.

CONSUMERS, LABOR

Retail pharmacists were required to post prices of the 100 most commonly prescribed drugs.

Tax-preparation services were regulated by the Department of Consumer Affairs.

Benefits were improved for unemployment insurance, disability insurance and workmen's compensation.

Laws discriminating between men and women regarding hours and working conditions were eliminated.

(continued on page 10)

Women were given the same rights as men in obtaining credit. Discrimination against women in property rights was eliminated.

A State Occupational Safety and Health Act was adopted.

A new Department of Employment Development was authorized to create jobs and to provide for coordination of local-regional-state manpower training.



Death Penalty, Abortion Concern Louisiana

The 1973 Louisiana Legislature enacted a new death penalty law and passed a new abortion act. The session adjourned June 12.

BUDGET AND FISCAL

The Legislature adopted a \$1.9 billion general fund budget for the 1973-74 fiscal year.

A Legislative Budgetary Control Council was created to establish rules and regulations governing expenditures of funds appropriated to the Legislature, its committees, and employees.

Procedures for distributing the state revenue sharing fund were revised. Under the new law, funds will be allocated to each parish annually, the amount to be based on parish-state population ratio and homestead ratio.

LAW ENFORCEMENT

A new capital punishment law makes the death penalty mandatory for first degree murder convictions. Offenses constituting first degree murder include murder during kidnapping, rape or armed robbery; killing a peace officer or fireman engaged in performance of his duties; murder committed by a person with a previous murder conviction or who is serving a life sentence; mass murder, and murder for hire.

Methaqualone was added to the list of dangerous drugs. Changes in the State's controlled substances law included stiffer penalties for distribution and selling of such drugs.

EDUCATION

The Legislature provided for a comprehensive state program of career education. Money was appropriated for construction of regional, post-secondary vocation-technical schools and expansion and renovation of existing ones.

Construction of a new medical education building for Louisiana State University was authorized.

OTHER

Local government agencies were prohibited from imposing residency requirements on employees.

A constitutional amendment to allow gasoline tax revenues to be used for mass transit facilities was placed on the June 1974 ballot.

OTHER

A new abortion law allows hospitals and medical personnel to refuse to participate in abortions. Discrimination against any person or institution for so refusing was forbidden.

Workmen's compensation benefits were increased from a maximum of \$45 per week to \$65 per week.

Retirement benefits were improved for members of the State Teachers Retirement System, Municipal Retirement System and State Employees Retirement System.

Official observance of Veterans Day was changed from the fourth Monday in October to November 11.

The Division of Actuary Review was created within the Office of Legislative Auditor.

The Legislature abolished its interim study committees and by rule changes in the respective houses authorized standing committees to undertake any needed interim studies. Funding was provided for staffing of committees, on a two-committee shared basis, through the Louisiana Legislative Council. In the House provision was made for pre-session referral and hearing of prefiled bills.

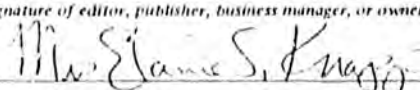
Utah Cuts Taxes

Elimination of the 1.6 mill state property tax for schools was approved by the Utah Legislature meeting in special session in October.

Unless the levy is reimposed by the January budget session, it will be the first time since 1954 that there has been no state property tax.

The Legislature also approved a \$6 income tax credit for each dependent off 1973 taxes.

A one-time \$3 million appropriation is to go to local governments to assist in completing low income housing programs disrupted by the federal housing moratorium.

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1. TITLE OF PUBLICATION State Government News		2. DATE OF FILING 9/25/73
3. FREQUENCY OF ISSUE Monthly		
4. LOCATION OF KNOWN OFFICE OF PUBLICATION (Street, city, county, state ZIP code) (Not printers) Iron Works Pike, Lexington, Fayette, Kentucky 40511		
5. LOCATION OF THE HEADQUARTERS OR GENERAL BUSINESS OFFICES OF THE PUBLISHERS (Not printers) Same as above.		
6. NAMES AND ADDRESSES OF PUBLISHER, EDITOR, AND MANAGING EDITOR		
PUBLISHER (Name and address) The Council of State Governments, Iron Works Pike, Lexington, Kentucky 40511		
EDITOR (Name and address) Elaine S. Knapp, The Council of State Governments, Iron Works Pike, Lexington, Kentucky 40511		
MANAGER EDITOR (Name and address) None		
7. OWNER (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual must be given.)		
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B. PAID CIRCULATION		
1. SALES THROUGH DEALERS AND CARRIERS, STREET VENDORS AND COUNTER SALES	-	-
2. MAIL SUBSCRIPTIONS	12,195	12,402
C. TOTAL PAID CIRCULATION	12,195	12,402
D. FREE DISTRIBUTION BY MAIL, CARRIER OR OTHER MEANS 1. SAMPLES, COMPLIMENTARY, AND OTHER FREE COPIES	1,178	1,186
2. COPIES DISTRIBUTED TO NEWS AGENTS, BUT NOT SOLD	-	-
E. TOTAL DISTRIBUTION (Sum of C and D)	13,373	13,588
F. OFFICE USE, LEFT OVER, UNACCOUNTED, SPOILED AFTER PRINTING	389	147
G. TOTAL (Sum of E & F—should equal net press run shown in A)	13,762	13,735
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STATE GOVERNMENT NEWS

from
THE COUNCIL OF STATE GOVERNMENTS
Iron Works Pike, Lexington, Kentucky 40511

Second Class Postage Paid at Lexington, Kentucky
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STATES CONSERVE ENERGY

Speed limits were cut to 50 m.p.h. on all highways by at least six States shortly after President Nixon's request in his energy address to the Nation.

New Jersey, New York, Pennsylvania, Rhode Island, Washington and Vermont ordered 50 m.p.h. speed limits. California had previously ordered a switch to 65 m.p.h.

Among the obstacles to immediate reduction of the speed limits in many States were the need for legislative authorization at a time when most have adjourned and the major task of replacing highway signs.

The lower speed limit was accomplished on the New Jersey Turnpike with the flick of a switch controlling the electrically regulated signs.

Many Governors had earlier directed state employees to drive at reduced speeds and form car pools and heat reductions in state office buildings.

Motorists have been asked to voluntarily reduce their speeds by many State Governors.

Relaxation of pollution standards to allow use of fuel with higher sulphur content this winter was initiated in New Jersey in an announcement by Governor William Cahill before the President spoke. Use of higher sulphur fuel for heating and industry was authorized in Massachusetts.

Emergency energy powers were granted to Maryland Governor Marvin Mandel by a November special session.

Power cutbacks were ordered by Pacific Northwest Governors earlier this fall due to a shortage of hydroelectric power in the area. A blackout of commercial lighting was ordered in Oregon and emergency energy powers were granted Washington Governor Daniel Evans. The conservation efforts resulted in a 7 to 8 percent electric savings, the Bonneville Power Administration announced in October.

Recently, similar commercial lights out were asked by the Governors of Florida and Washington. Earlier this fall Nevada launched a "Power Down" campaign and Las Vegas hotels turned off neon displays during daylight.

A suggestion to close schools during December was retracted by Oregon Governor Tom McCall after adverse public reaction. Instead he asked schools to teach energy conservation.

All States are participating in the federal mandatory allocation program for heating oil and diesel fuel which began November 1. States are empowered to recommend that suppliers divert up to 10 percent of their fuel to certain hardship cases. A federal representative is assigned to each State to order the allocation.

Regional briefings on the federal program have been held by the National Governors' Conference Energy Project, headed by Ed Rovner.

States or localities instituting conservation programs may receive help from the federal Office of Energy Conservation, Department of the Interior, (202) 343-8634. It will also help States conduct conservation seminars.

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1150 Seventeenth Street, N.W., Washington, D.C. 20036

AGO 532068

STATE GOVERNMENT NEWS

Published Monthly by
The Council of State Governments



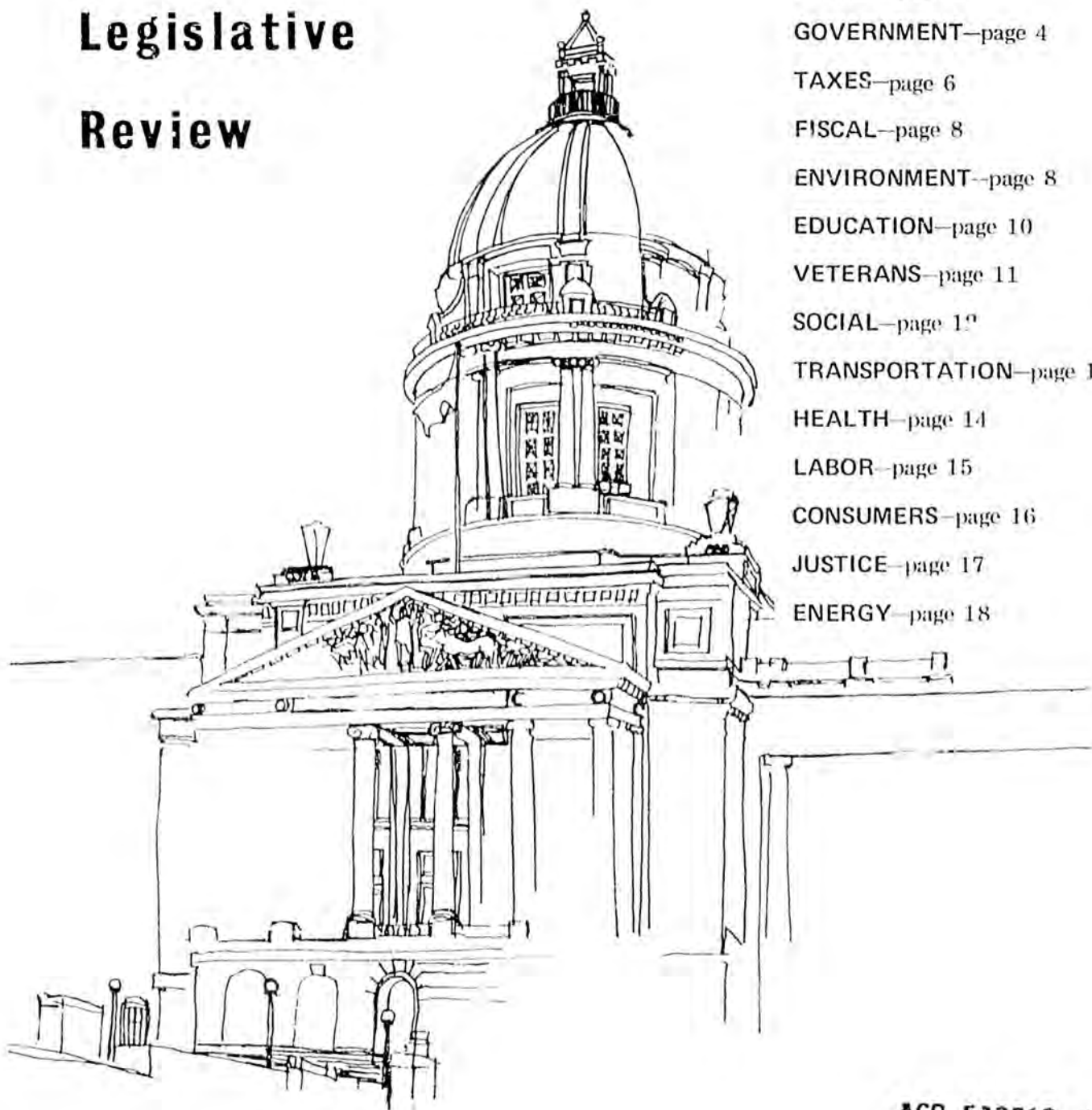
Volume 17

January 1974

No. 1

1973

Legislative Review



*Ziegler
(Lecturer)*

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1973: IT WAS A VERY GOOD YEAR

For the States, 1973 was a "black" year.

Black, that is, in the sense of vastly improved fiscal conditions that allowed State Legislatures to enact more net tax reductions than increases in many years.

It was a very good year for state legislative action in other ways, as if the lessening of fiscal pressures permitted more time, resources, and a more favorable attitude for careful examination of social issues and development of meaningful solutions to serious problems.

And there was an abundant supply of problems to solve during the year.

At least 34 States enacted new water pollution control laws; 16 States acted in the areas of solid waste management and resource recovery; nearly 20 States reenacted capital punishment laws; and consumer protection legislation touched nearly every facet of a citizen's life.

More than half the States acted to bolster the public's decreasing confidence in governments at all levels by passing financial disclosure laws, campaign and lobbying regulations, open meetings rules and many other forms of open-government regulations.

Despite court decisions that seemed to negate the necessity for equalizing educational opportunities by leveling school finances, at least eight States made major changes in their school financing formulas to accomplish that goal.

The nearly inseparable issues of energy and environment were given thorough consideration in most States. Power plant siting, oil spills, strip mining, statewide land use regulation, and taxing of natural resources were all objects of legislation.

Many Legislatures gave their Governors authority to meet the energy crisis by lowering speed limits and directing other conservation action.

The following "wrap-ups" of state legislative activity in selected issue areas are intended as sources of information for legislators, judicial officers, executive and administrative personnel who not only need to study what transpired in the past year, but also consider the activity in light of the needs of upcoming legislative sessions.

The summaries may not contain all the major legislation in the past legislative period, but they do give a broad perspective of the scope and direction of state lawmaking.

The synopsis of state legislative activity replaces the summary which has appeared for many years in the Winter edition of *State Government*, the journal of state affairs published by the Council of State Governments.

GOOD-BYE WATERGATE

State Legislatures responded to the national debate over confidence in government by enacting financial disclosure and other ethics measures.

The legislators section of the National Legislative Conference at its 1973 annual meeting called for legislative branches at all levels of government to adopt laws covering open meetings and records, conflict of interest, financial disclosure, lobbyists, and campaign financing.

Disclosure of financial interests and prohibition of financial interests which conflict with governmental duties were mandated by 1973 laws in Alabama, California, Iowa, Maryland, Ohio, Texas, and Wisconsin. Montana passed an ethics code.

The new Alabama code of ethics requires disclosure of certain economic interests and incomes and occupations of their immediate families by state officials, certain state employees, certain members of the press, and persons having business dealings with the government. It forbids certain practices by state officials or employees which conflict with safeguarding of the public trust. It prohibits cabinet members and gubernatorial appointees from owning any interest in any business which does business with the State or from receiving any income from

any other governmental agency. It empowers a State Ethics Commission to enforce the law and to prescribe ethics rules for local government officials or employees. The provision applying the law to members of the press is being challenged in court.

The California financial disclosure law requires major state and local appointed and elected officials to annually disclose business investments of more than \$1,000; real property worth more than \$1,000; and the source of loans, income or gifts worth more than \$250.

Maryland required financial reporting by top state officials, legislators, sheriffs, State's attorneys, registers of wills and circuit court clerks, and candidates for those offices. Disclosure is required of interests in property and corporations, any gift over \$50, and any position or interest in any business which has dealings with the State. Disclosure systems are to be set up by the Court of Appeals for judges and by local governments for local officials.

The new Ohio law covers legislators, elected state and top appointed officials, judges, and city and county officials.

The Wisconsin ethics code covers legislators, constitutional officials, gubernatorial appointees and other appointed officials covered by an executive salary plan. It also requires ethics rules to be adopted for all civil service employees and university teaching personnel. Disclosure is required of significant business ties or other sources of income. Conflicts of interest are defined and proscribed. A Board of Ethics was empowered to administer the code.

Arkansas extended its code of ethics to cover county, municipal and school district officials.

CAMPAIGN FINANCE

Campaign financial reporting requirements were stiffened by California, Florida, Hawaii, Iowa, Massachusetts, Nebraska, New Jersey, and Texas. Illinois, Michigan, and Pennsylvania were considering ethics legislation in late 1973.

California candidates for office must report all contributions over \$100 and the donor's name, address, occupation and employer. Cash contributions larger than \$500 and anonymous contributions larger than \$100 were banned.

Florida expanded its campaign financial reporting to include political committees which receive or spend \$500 and to outlaw anonymous cash contributions in excess of \$100.

Hawaii's campaign finance law, applicable to state, federal and local candidates, placed spending limits on campaigns, required reports of contributions of more than \$100, and outlawed anonymous contributions of \$250 or more. Violations are punishable as a misdemeanor for a person and by a \$1,000 fine for a corporation.

Iowa required candidates to file financial reports of all receipts and disbursements.

New Jersey required candidates for state, county, and local offices to report contributions of \$100 or more. Groups which support candidates were also required to report.

Texas strengthened its campaign financing reporting provisions; required political advertising to show who paid for it, and regulated out-of-state contributions.

Spending limits were placed on campaigns by new laws in Hawaii on state, federal, and local candidates; in Nevada on legislative candidates; in Wyoming and expanded in Utah to include the Attorney General and Secretary of State in addition to the Governor.

Reporting of lobbyists' activities was required by Alabama, Maine, Nevada, Oregon, and Texas.

Ethics codes for executive branch officials and employees were promulgated by the Governors of Illinois, Michigan, and Missouri.

OPEN MEETINGS

Citizen access to meetings of governmental bodies was guaranteed in all but five States by late 1973.

A comprehensive open meetings law was enacted in Oregon in 1973 which required all government meetings to be in public except for some executive sessions for specific purposes. However, minutes of these sessions must later be made available to the public.

Minnesota and Missouri required virtually all meetings of public bodies to be open by 1973 laws.

State and local elected bodies in Vermont were forbidden from excluding the public from meetings. Closed sessions are allowed only for certain discussions, and minutes must be made available to the public.

Among other 1973 actions, legislative committee meetings were opened to the public in Connecticut, North Dakota, Texas, and Vermont. California opened legislative budget conference committee sessions.

Florida required public agencies to utilize public announcement and competitive negotiation in selecting services of architects, professional engineers and registered land surveyors.

Illinois required identification of the owners of secret land trusts involved in transactions with governmental units.

News reporters' right to protect the source of their information is guaranteed to some extent by 25 States, with action taken to enact new or more extensive laws in 1973 in California, Indiana, Minnesota, Nebraska, New Mexico, and Oregon.

A new Utah law requires administration agencies to give public notice of any new or changed rules.

Mechanisms to assure citizen access to public records were strengthened in New Hampshire and Oregon. Citizen access to public records is provided in 46 States.



Cartoons by
Debra Stuart

GETTING IT TOGETHER

EXECUTIVE REORGANIZATION

Extensive governmental reorganization was implemented in Kentucky and South Dakota.

In South Dakota, more than 160 agencies, boards and commissions were consolidated into 16 departments under a proposal by Governor Richard Kneip which received legislative sanction.

Reorganization of Kentucky government by Governor Wendell Ford awaits the approval of the 1974 Legislature.

Executive agencies were established or reorganized in at least 18 other States.

In the area of finance, Delaware authorized reorganization of the Department of Revenue. Nevada reorganized the Departments of Administration and General Services. Connecticut reorganized the State Investment Department and combined the Budget Division and the Office of State Planning. Idaho changed the Bureau of the Budget to the Division of the Budget under the Governor's office. Minnesota created a new department of finance. New York established a commission to study state and local financing. North Carolina reorganized the Department of Revenue. Wyoming established a Department of Revenue and Taxation to combine the State Tax Commission, the State Board of Equalization and related agencies. In Montana, the functions of the Board of Equalization were divided between the new Department of Revenue and the new State Tax Appeal Board. Michigan reorganized its Department of Management and Budget.

Environmental functions were merged in Virginia into a Department of Conservation, Development and Natural Resources and in Wyoming into a Department of Environmental Quality. Maine established a Department of Conservation to absorb forestry and parks and recreation. Idaho merged the Department of Environmental Protection and Health and the Department of Social and Rehabilitation Services into the Department of Environmental and Community Services.

In the area of social services, Connecticut established a Council on Human Services. Kansas created a cabinet-level Department of Social and Rehabilitative Services, and North Carolina reorganized the Department of Human Resources. Michigan's Governor combined the Departments of Social Services, Public Health and Mental Health into a new Department of Human Services.

Among other executive reorganization activity:

Idaho created a Legislative-Executive Commission to study executive reorganization.

Alabama created a Department of Youth Services.

New consumer units were established in Montana, Nevada, and Tennessee.

California implemented earlier legislation es-

tablishing new Departments of Health, Transportation, and Planning and Research.

Connecticut established Departments of Personnel and Administration and of Commerce, a State Development Authority, a Foundation of the Arts, and an Indian Affairs Council.

Illinois established state boards of education and elections as mandated by the 1970 constitution.

Minnesota established a Department of Personnel.

Montana changed the name of the Department of Law Enforcement and Public Safety to the Department of Justice and created the State Board of Education, the Board of Regents and the Board of Public Education. Montana also provided for team election of the Governor and Lieutenant Governor and succession to the office of Governor.

North Carolina's planned six-year reorganization included implementing legislation for new Departments of Cultural Resources and Military and Veterans Affairs.

Utah established a council on science and technology, a federal research steering committee to assemble data to support location of federal installations, a state office of veterans affairs, and a committee of marriage and family counseling.

Virginia created a Commission on State Governmental Management to bring greater efficiency in government. The Department of Mental Hygiene and Hospitals was renamed the Department of Mental Health and Mental Retardation. The Office of Civil Defense was renamed the Office of Emergency Services.

South Dakota placed executive branch employees on a merit system basis. Gubernatorial succession procedures were established. State and local agencies were permitted to buy radio and television time for public interest announcements.

Kansas implemented a constitutional amendment providing for team election of the Governor and Lieutenant Governor.

Colorado adopted the Model Act Relating to Interference with the Legislative Process.

Arkansas established an authority to finance and construct public buildings and created an Office of Emergency Services.

STATE GOVERNMENT NEWS

© The Council of State Governments 1973

January 1974 Vol. 17, No. 1

Published monthly by

THE COUNCIL OF STATE GOVERNMENTS
Iron Works Pike, Lexington, Kentucky 40511

BREVARD CRHFIELD, Executive Director

Paul Albright, Director of Publications

Elaine Knapp, Editor, State Government News

\$5 per year

Second class postage paid at Lexington, Kentucky and additional mailing offices. Postmaster: Send form 3579 to Box 11910, Lexington, Kentucky 40511

LEGISLATIVE REORGANIZATION

Legislative reorganization or other legislative changes were implemented in at least 16 States.

New positions of Auditor General, responsible to the Legislature, were established in Illinois and Rhode Island. Joint legislative committees on post audit were established in Mississippi and Virginia and a legislative subcommittee on post audit established by Oklahoma.

Legislative research functions were revamped in Maine, Minnesota, Oregon, and Virginia.

Wyoming implemented a constitutional amendment authorizing annual legislative sessions. North Carolina by parliamentary procedure divided the 1973 session into two segments, the second to begin January 1974.

The Washington Legislature by resolution established the concept of itself as a continuing lawmaking body in 1973 and interim committees met until a fall session was held.

Alaska changed its convening date from the second to the third Monday in January.

Texas' Legislature adopted joint rules to prohibit "free conference committees." West Virginia provided for filling vacancies in offices of Senate President and House Speaker when the Legislature is not in session. The New Hampshire Legislature sustained the Governor's veto of a legislative management plan.

The Oklahoma Legislature prohibited executive creation of any agency while it is in session and required legislative approval of any executive-established agencies. It also required all state funds to be deposited in the State Treasury and required legislative approval of any capital improvement authority projects.

The Louisiana Legislature abolished its interim study committees and authorized standing committees to undertake any interim studies. The House provided for presession referral and hearing of pre-filed bills. The Legislature also established a council to control legislative staffing and committee spending.

Montana provided for legislative review of administrative rules, repealed the Governor's power to pocket-veto and provided for an amendatory veto.

Arkansas provided for legislative review of rules promulgated by state agencies and provided for presession filing of bills.

REAPPORTIONMENT

A dramatic change in the principles shaping state reapportionment occurred when the U.S. Supreme Court ruled in February on the Virginia case of *Mahan v. Howell*. The Court declared that state legislative districts need not meet the strict equality of population guidelines set forth by the Court for congressional districts. The thrust of the

decision was buttressed by June rulings by the Court in Connecticut and Texas cases.

However, by 1973 most States had completed reapportionment and followed the stricter, earlier guidelines.

Among 1973 reapportionment actions, House districts were redrawn by Alabama, California, Illinois, Kansas, Maryland, Massachusetts, Mississippi, Nevada, New Jersey, North Dakota, South Carolina, Tennessee, and West Virginia.

Senate districts were redrawn by Alabama, California, Illinois, Maryland, Massachusetts, Mississippi, Nevada, New Jersey, North Dakota, Tennessee, and Vermont.

Court actions are possible on several of these reapportionment plans. Alabama's legislatively approved reapportionment was voided by a federal court which opted to retain districts as it drew them in 1972.

Some other Legislatures, such as Mississippi, effectively ratified court-drawn reapportionment plans by adopting them as law.

North Dakota voters defeated two reapportionment proposals on the December 4 ballot, leaving the issue up to a federal court. The rejected measures were a legislative proposal with single- and multi-member districts and an initiative proposal for single-member districts and a reapportionment commission.

A proposal to reduce the size of the House by one third was placed on the 1974 ballot by the Massachusetts Legislature.

Action was predicted in 1974 in House redistricting in Georgia, Idaho, Maine, Montana, Rhode Island, and Vermont, and in Senate reapportionment in Idaho, Montana, Pennsylvania, and West Virginia.

ELECTIONS

Citizens were allowed to check off \$1 of their state income tax returns for local and state political party contributions in Iowa, Maine, Massachusetts, Rhode Island, and Utah.

Presidential primaries were authorized in Georgia and Nevada.

Statewide voter registration was required in Iowa and Missouri. Voter registration by mail was allowed in certain Maryland counties and Baltimore. Minnesota approved voter registration by postcard and registration on election day.

Voter durational residency laws continued to be revised by States in accordance with the U.S. Supreme Court's 1972 ruling. Residency requirements were reduced to 30 days or less or otherwise revamped by Maine, Minnesota, Nevada, New Jersey, Tennessee, and Wyoming, among others.

Massachusetts' state employees who are elected to local office must be granted a leave of absence if they so request. Connecticut employers of 25 or more must rehire workers elected to one term of municipal office.

A TAXING SITUATION

SALES, EXCISE TAXES

Connecticut cut its sales tax from 7 to 6.5 percent, although it still remains the highest state sales tax.

Indiana hiked its sales tax from 2 to 4 percent, exempting food, to help finance property tax relief.

Tennessee extended for another year its "temporary" sales tax of 3.5 percent.

North Dakota exempted food from its sales tax and initiated a phaseout of the oleomargarine tax.

Wisconsin repealed its oleomargarine tax.

California on October 1 rolled back for six months the increase in the sales tax from 5 to 6 percent which took effect in July. It was increased by a December 1972 session but proved unnecessary as the State amassed an \$800 million surplus.

The Illinois Legislature is considering an amendatory veto by the Governor which substituted a \$10 per person rebate on food and medicine taxes for a legislatively-passed reduction in the sales tax from 4 to 3.5 percent.

Alcoholic beverage taxes were raised in Connecticut, Indiana, South Carolina, and Washington, and reduced by Minnesota.

Motor fuel taxes were increased in Arkansas, Delaware, Michigan, and Mississippi.

Only Colorado increased its cigarette tax, with proceeds to replace local cigarette taxes.

Montana increased its coal production license tax, to a graduated scale of from 12 cents to 40 cents per ton depending on its grade.

Tennessee authorized a 10-cent-per-ton tax on coal.

Louisiana in a special December session increased its severance taxes on oil and gas; exempted food, drugs, fuel oil and coal from the sales tax; and reinstated deductibility of federal tax for state income tax purposes.

PERSONAL INCOME TAXES

Delaware was the only State to increase its personal income tax, raising it by 10 percent.

Montana made permanent a 10 percent surcharge on the personal income tax.

Washington voters in November chose to remain one of four States without a personal or corporate income tax by rejecting a legislative proposal to impose one and assume state financing of school costs.

A permanent 7.5 percent reduction in personal income tax rates and a limitation on state spending to a declining percentage of personal income were rejected by California voters in November, defeating the Governor's tax initiative.

Personal and corporate income taxes would be increased as part of a new school finance, property tax relief plan on the May 1974 ballot in

Oregon. A similar proposal was defeated in May 1973 by voters.

Income tax reductions and exemptions were more numerous. New York suspended the 2.5 percent income tax surcharge for 1973. Nebraska reduced its personal income taxes from 15 to 13 percent for 1973 and to 11 percent for 1974 of federal liability and corporate taxes from 3.75 to 3.25 percent for 1973 and to 2.75 percent for 1974 of federal taxes.

Income tax relief in the form of increased exemptions was provided in nine States.

Arkansas reduced taxes for lower income persons.

California reduced its income tax on sliding scale for 1973 and eliminated 1973 taxes for couples with incomes under \$8,000.

Iowa exempted from the income tax persons with incomes under \$4,000.

Idaho allowed an additional \$5 tax credit per personal exemption for 1973.

Michigan raised the personal income tax exemption by \$300 to \$1,500.

Mississippi exempted from income taxes taxpayers with incomes less than \$8,000, and provided relief for middle-income families, as well as increasing personal exemptions.

Ohio provided working couples a credit on 1973 returns and voters lifted the \$3,000 ceiling on income tax exemptions for dependents.

Utah provided a \$6 income tax credit for each dependent off 1973 taxes.

Wisconsin increased the personal income tax credit from \$15 to \$20.

North Dakota and Utah raised income tax rates, but adopted federal deductions and exemptions.

CORPORATE INCOME TAXES

Corporate income taxes were changed in several States.

Delaware kept existing rates by raising the corporate income tax from 6 to 7.2 percent when a 20 percent surcharge expired. It also ended the 50 percent exemption on capital gains.

Indiana raised its corporate income tax from 2 to 3 percent and placed a 2 percent tax, to rise to 3 percent by 1977, on corporate profits. A 20-year phaseout of corporate gross income taxes was initiated.

Maine raised its corporate income tax to 5 percent on taxable income under \$25,000 and to 7 percent on income in excess of \$25,000. Large industries were exempted from paying a sales tax on new manufacturing machinery. Local inventory taxes were replaced by a state inventory tax for the next three years.

Montana made permanent its "temporary" 6.75 percent corporate tax.

ELDERLY PROPERTY TAX RELIEF

Some form of property tax relief for the elderly is now provided in every State with action being taken by five States in 1973.

For the first time, property tax relief programs for the elderly were enacted in Arizona, Arkansas, Missouri, and Nevada, each of which adopted a state-financed circuit breaker, and in Wyoming which provided a homestead exemption.

Under the circuit breaker concept, property tax relief is provided when the property tax reaches a percentage of income that the State considers an overload. Income levels for eligibility are set in each State.

Circuit breakers were adopted for the first time by Indiana, Connecticut, Kansas and Michigan to replace other forms of property tax relief for the elderly. Circuit breakers are now in effect in 21 States.

Property tax relief programs for the elderly were improved or expanded in at least 20 other States in 1973: Alabama, Alaska, Colorado, Connecticut, Idaho, Indiana, Iowa, Kansas, Michigan, Minnesota, Mississippi, New Mexico, North Dakota, Ohio, Rhode Island, South Carolina, Utah, Vermont, Virginia, and West Virginia.

Property tax relief for the elderly is state financed in 31 States while local financing is state mandated or authorized in the others.

HOMEOWNER TAX RELIEF

Direct property tax relief for homeowners was provided in at least nine States.

Far-reaching property tax relief programs were enacted in Michigan, Oregon, and Vermont.

Michigan authorized a general 60 percent state income tax credit or rebate on property taxes in excess of 3.5 percent of income. A 100 percent credit was provided the elderly.

Oregon homeowners were provided property tax relief ranging from \$100 to \$490 and renters given income tax credits from \$50 to \$245, providing their incomes are under \$15,000.

Vermont established a sliding scale formula of property tax relief based on income levels. Property taxes were limited to 4 percent of incomes under \$4,000 and to 6 percent of incomes over \$16,000, up to a maximum amount of \$500, in relief.

Wisconsin added \$75 million to its general property tax relief fund for the biennium, in addition to the annual \$65 million appropriation and growth funds. The relief is in the form of credits based on the extent to which local tax rates exceed one half of the statewide average. In addition, \$33 million was appropriated to finance expansion of the homestead exemption for the elderly to include all homeowners and renters whose incomes are \$7,000 or less. A minimum refund or credit of \$10 was provided and a maximum of \$500 in relief set.



Indiana provided a 20 percent reduction in property taxes and authorized income tax deductions for renters.

Ohio appropriated \$287 million for a 10 percent property tax rollback.

Arizona homeowners were provided a 25 percent credit on 1973 property taxes to offset property tax increases caused by a massive reassessment. The measure was financed by a \$40 million appropriation, of which \$35 million was in federal revenue sharing funds. Localities were limited to 10 percent property tax increases.

Minnesota increased homeowners' property tax relief from 35 percent to 45 percent of taxes, up to a maximum of \$325, and renters' relief by a raise in the income tax credit from \$90 to \$120.

Georgia appropriated \$50 million for property tax relief by requiring counties to grant credit against property taxes in order to collect special state funds for roads.

OTHER CHANGES

Property tax relief was provided indirectly by state assumption of all county welfare costs in Kansas and Wisconsin and of 50 percent of welfare costs by Minnesota and by assumption of aid to dependent children in Iowa.

Personal property tax relief was authorized by several States.

New Mexico exempted all noncommercial property.

Personal property taxes are to be phased out in Iowa in 10 years and in Wyoming by 1977. A phaseout of personal property taxes on manufacturing materials, business inventories and livestock was initiated in Wisconsin.

Taxing of farmland according to use rather than potential market value was authorized by 1973 laws in Hawaii, Illinois, Montana, New Hampshire, and North Carolina, and by voter-

approved constitutional amendments in Ohio and Pennsylvania. Such farmland tax breaks are now authorized in 32 States.

State takeover of tax assessment administration was authorized by 1973 laws in Maryland and Montana, joining only Hawaii in that task. Montana also authorized a 3-mill levy to finance statewide reappraisal. In Florida state standards are to be developed for property tax assessment. North Carolina required counties to assess property at a full 100 percent ratio.

In a unique program, Ohio authorized private developers to receive tax exemptions up to 20 years on increased value of inner-city property they reclaim under contract with the city council. The hope is that private enterprise will move faster than federal urban renewal.

Montana authorized a 2-mill statewide levy for support of state government. In addition, county levies were raised by 3 mills. Levies were also authorized for joint city-county libraries and for licensed day-care centers.

IN THE BLACK

Most States experienced surpluses at the end of fiscal 1973. The improved fiscal condition of most States enabled Legislatures to pass such measures as tax relief, increased state services and additional capital projects.

The largest surplus was California's \$850 million. Alaska had the second largest at \$642 million, but it was attributable to the 1969 North Slope oil lease sale. Florida had a surplus of about \$300 million and North Carolina of about \$209 million. Most of the others were less spectacular, being small or moderate general fund balances.

The fiscal condition of most States took an upward turn in fiscal 1972 according to Census Bureau data. In fiscal 1972 aggregate state revenue exceeded state expenditures by \$3.1 billion, in contrast with fiscal 1971 when aggregate state expenditures exceeded state revenue by \$1.6 billion.

The annual, general fund (except where indicated otherwise) budgets for 1973-74 approved by 1973 legislative sessions were:

Alaska, \$352.9 million operating and capital; Arizona, \$507 million; Arkansas, \$841 million, biennial; California, \$9.339 billion; Colorado, \$690 million; Connecticut, \$1.2 billion; Delaware, \$327 million; Florida, \$2.1 billion; Georgia, \$1.6 billion; Hawaii, \$1.1 billion, biennial; Idaho, \$150 million; Illinois, \$7.4 billion; Indiana, \$1.37 billion total including federal; Iowa, \$1.6 billion, biennial; Kansas, \$1.2 billion; Louisiana, \$1.9 billion; Maine, \$231 million; Maryland, \$2.5 billion total; Massachusetts, \$2.3 billion; Michigan, \$2.6 billion; Minnesota, \$3.5 billion, biennial; Mississippi, \$564 million; Missouri, \$911.8 million; Montana, \$225.5 million, biennial; Nebraska, \$213.9 million; New Hampshire, \$212.8 million, biennial; New Jersey,

\$2.4 billion; New Mexico, \$340 million; New York, \$8.77 billion; North Carolina, \$1.7 billion; North Dakota, \$274 million; Ohio, \$9.96 billion, biennial; Oklahoma, \$403 million total; Pennsylvania, a \$3.5 billion budget was in legislative conference in late 1973; Rhode Island, \$375.5 million; South Dakota, \$105 million; Texas, \$9.7 billion, biennial; Utah, \$359 million; Vermont, \$142 million; Virginia, \$72 million; Washington, \$2.7 billion; Wisconsin, \$2.75 billion, biennial; and Wyoming, \$109 million, biennial.

As a cautionary note, all these figures are not comparable as different States may compute their budgets differently.

CLEAN LIVING

WATER, SOLID WASTE

Laws to fight water pollution were passed in at least 34 States in 1973 sessions. Among them, sewer systems were funded in New York, \$210 million from a 1972 bond; New Jersey, \$101 million from a 1969 bond; Minnesota, \$30 million; Missouri, \$8 million; Tennessee, \$11.6 million; and Kansas, \$15 million, in 1973 bonds. A \$250 million water quality bond will be voted on in California in June 1974.

A plan to convert most of the garbage in the State to fuel and reusable material by 1985 was initiated by Connecticut with creation of an authority with \$250 million bonding powers.

Laws concerning solid waste management and resource recovery were enacted in some 16 other States. Among them, local revenue bonds were authorized for solid waste disposal programs in Georgia and Louisiana. Minnesota provided state grants to localities for resource recovery. New York approved spending \$66 million for solid waste management from a 1972 bond issue. State regulations for solid waste were enacted in Delaware, Hawaii, Maine, New Jersey, and New York.

LAND USE PLANNING

One of the major coastal protection laws passed in 1973 was by New Jersey which required a permit for all coastal facilities and authorized blocking of developments if necessary. Coastal or wetlands protections, including regulation of dredging and draining, were passed by Alabama, Delaware, Hawaii, Mississippi, New York, and Texas in 1973.

Hawaii provided for state acquisition or management of lands which have natural, environmental, recreational, scenic or historic value. Minnesota and Tennessee also provided for state regulation of such critical areas. South Dakota created a board to preserve historic sites.

New York was authorized to control development of 3.7 million acres of private land in the Adirondack Park.

Statewide land use policies were adopted in Oregon and Colorado.

Vermont set standards for land development and prepared for a more specific land use plan to come up for legislative action in 1974.

Arizona authorized local planning agencies to manage the urban environment.

Hawaii required counties to prepare urban design plans.

Environmental controls were placed on subdivisions in Arizona, Minnesota, Montana, New Mexico, Oregon, and Tennessee.

Environmental impact statements were required for major state projects in Connecticut, Maryland, and Virginia, and for state and private projects in Minnesota. Such statements are required for sewer and water projects in North Carolina. Environmental impact statement requirements were suspended in New Mexico.

PARKS, OPEN SPACE

Funds were provided for parks and open space in California, \$14.5 million; North Carolina, \$14 million; New Jersey, \$15 million of 1971 bond; Maine, \$3 million voter-approved bond for parks; and Idaho, 1 percent of the Motor Vehicle Fund.

New Jersey established a natural lands trust and empowered it to acquire, hold and dispose of lands and apply for federal funds. Authorization was also given to invest \$1.6 million to save the New Jersey portion of the Appalachian Trail from development.

California authorized cities and counties to obtain open space land by eminent domain. California also approved the Tahoe Conservancy Agency Compact, subject to congressional approval, and authorized \$10 million for purchase of lands in the Tahoe Basin.

Arkansas established a state system of natural areas.

Minnesota approved a \$23 million bond to establish a state zoo.

Public hiking and other trail systems were authorized in Arkansas, Florida, and New Mexico.

AIR POLLUTION

Air pollution controls were instituted or made more stringent in at least 15 States, including tighter motor vehicle emission controls in Colorado and Utah. In addition, South Dakota empowered its air commission to determine the type of fuels used in the State.

Texas authorized localities to issue revenue bonds to finance air quality improvements. Hawaii authorized state revenue bonds to finance private or public antipollution projects.

California created a regional agency to fight smog in the south coast air basin.

A number of other States provided tax incentives for pollution control facilities.

OTHER

Noise pollution was regulated in Hawaii and Maryland and on motor vehicles in Idaho. Ohio provided tax breaks for noise abatement equipment.

North Carolina in 1973 became one of several States to adopt a sediment control plan.

Washington allowed contractors to recover costs for public construction programs delayed by environmental litigation.

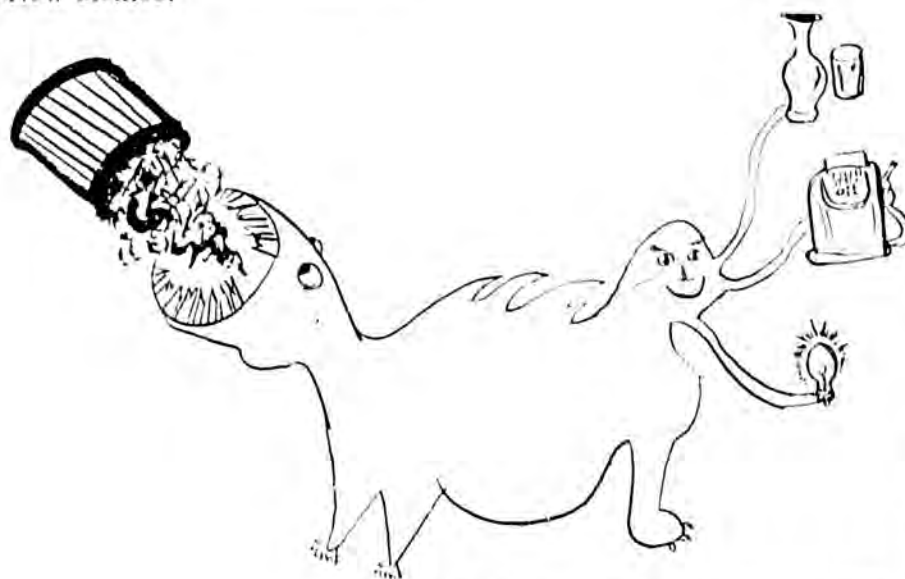
North Dakota empowered the Governor to regulate federal land acquisition in the State.

Among new antilittering laws, New Hampshire mandated fines of at least \$50 and up to \$200 as well as a possible three-day jail term or litter cleanup, and West Virginia provided penalties for littering along streams, including requiring cleanup.

Vermont enacted a capital gains tax on speculative land sales, applicable to property held less than six years other than residential land. In its first two months of operation, the tax law raised only \$50,000.

Among States enacting new or stronger pesticide control laws were Connecticut, Montana, New Mexico, and Wyoming.

California regulated its \$1 billion a year timber industry.



THE 3 R's IN '73

EQUALITY IN SCHOOL FINANCE

The threat of a nationwide revamping of school finance laws was erased when the U.S. Supreme Court on March 21 upheld Texas' system of reliance on local property taxes in the famous Rodriguez case.

However, the fact that equality in school financing would remain a state-by-state issue was assured when the U.S. Supreme Court later declined to review a New Jersey Supreme Court April decision that the State's school financing system violated a state constitutional mandate for a "thorough and efficient" system of public schools.

In Idaho, a district judge on November 21 ruled the school financing system violated the state constitutional requirement for a uniform system of public schools. The State is appealing.

The Illinois Supreme Court on September 25 upheld the school financing system and turned down a contention the State should finance 50 percent of school costs.

In 1973 legislative actions, at least eight States made major changes in their school financing formulas in efforts to equalize educational opportunities between richer and poorer districts: Colorado, Florida, Indiana, Maryland, Michigan, North Dakota, Utah, and Virginia.

Colorado guaranteed each school district \$25 per pupil for 1974 for each mill levied, with the State to subsidize the amount not raised locally. However, richer school districts will continue to receive certain state aid. Limits were placed on the amount spent by school districts.

Florida's new formula provides additional funds to tax-poor counties where property taxes produce less money per student than wealthier districts. Funds are allocated on the basis of the number of fulltime-equivalent students at a school, replacing the instruction unit as the financing vehicle.

Indiana increased flat grant support, but also created a supplemental support formula for property-poor districts.

Maryland's new formula increases state aid to poorer counties and Baltimore City and decreases state aid to richer areas.

Michigan guaranteed each school district up to \$38 per pupil for each mill of local property tax, up to a limit of 22 mills. The "equal yield" formula limits state aid to rich districts while increasing it to poor districts.

North Dakota increased state aid per pupil from \$260 to \$540, thus assuming 70 percent of all school costs. School districts are to be reimbursed on the basis of actual costs and the amount of state aid to a district is to be reduced by the sum a 20-mill levy would raise. The new formula will expire June 1975, unless renewed. Reductions in maximum school district levies were mandated.

Utah extensively revised its school finance

laws. Total state funds under the new program were raised by \$23.3 million or 12 percent. The increase in state aid will range from 4 to 38 percent for different districts.

Virginia increased state aid to education by \$24.7 million to meet its new state constitutional responsibility of providing "quality education."

Arizona repealed its form of state aid to schools effective July 1974 and was meeting in late 1973 to adopt a new formula.

State aid to public education was increased in most States. Among the major changes, Maine increased state support from 33 to 50 percent of school costs, and Oregon raised state support from 20 to 30 percent. State assumption of most of school finance in addition to tax structure changes was defeated by Oregon voters in May and Washington voters in November.

PUBLIC EDUCATION

State aid was provided for kindergartens in Alabama, Arkansas, Montana, and North Carolina, and expanded for kindergartens in California, with \$41 million appropriated for preschool programs, Oklahoma, Tennessee, and Texas. Kindergartens were mandated for all schools in Ohio by 1975 and in New Mexico by 1977.

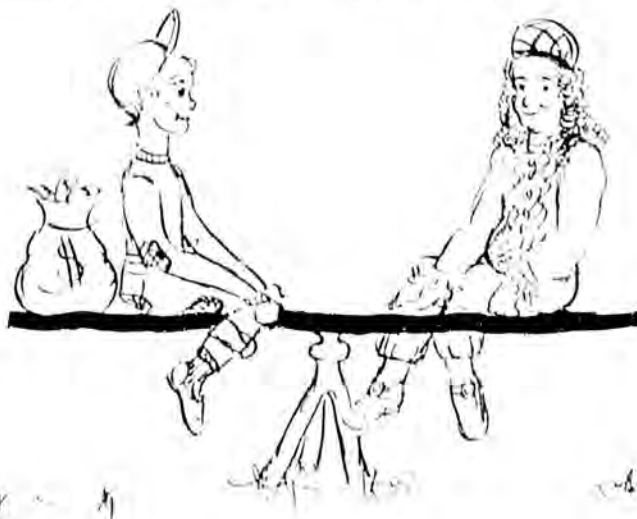
Public education programs for handicapped children were expanded in Arkansas, Colorado, Georgia, Maryland, Missouri, New Jersey, North Dakota, and Oklahoma. New Jersey voters approved a \$25 million bond for education facilities for the handicapped.

Georgia appropriated \$10 million to hire 1,200 new special education teachers, \$2 million to work with emotionally disturbed children, \$900,000 for minibuses for special education, and \$6.8 million for kindergartens for the handicapped.

Colorado required each school district to plan for special education and appropriated \$14 million for the programs.

North Dakota mandated special education for all and authorized local levies up to 3 mills to finance it.

Oklahoma created nine centers to examine children for potential learning handicaps.



PRIVATE SCHOOL AID

North Carolina voters approved \$300 million in school bonds.

New York created an agency to monitor the efficiency of public schools.

Louisiana and South Dakota provided for regional, post-secondary vocational-technical schools.

Free textbooks were provided in Arkansas for high schoolers as well as other students and in South Dakota for public and private school students.

Pennsylvania required a public vote before construction or addition to public school buildings.

Instruction programs for non-English speaking pupils in their native language were expanded in Arizona and Texas.

Rhode Island authorized a new Board of Regents to rule on school construction.

The Indiana Governor was empowered to appoint the Superintendent of Public Instruction from 1975 to 1977.

College student loan programs were launched in Minnesota and Washington.

Virginia provided grants for students at public and private-nonreligious colleges.

Among States increasing aid to junior and community colleges were California, Kansas, North Dakota, and Wyoming.

West Virginia approved use of college student extracurricular fees for student legal services.

Sale of academic papers, such as term papers and theses, was outlawed in Colorado and Connecticut, joining California, Maryland, Massachusetts, New York, Pennsylvania and Wisconsin in restricting such "ghost-written" papers.

SCHOOL TAX RELIEF

State assumption of a larger share of local school finance was expected to reduce property taxes in several States. State aid to education in Kansas was increased by about \$69.8 million and county school levies reduced from 8 to 2 mills on 30 percent valuation.

Property taxes are supposed to drop 20 percent for Maine homeowners under state assumption of 50 percent of school costs and a uniform statewide property tax system.

North Dakota assumed 70 percent of school costs and mandated a reduction in maximum allowable school district levies for an estimated statewide reduction of 15 mills.

School levies were limited to 27 mills in Idaho and to 23 mills in Wyoming.

Utah eliminated the 1.6-mill state property tax for schools for 1974.

Wyoming established a procedure to apply a portion of general fund surpluses to reducing the 6-mill property tax levy. Property taxes were reduced by three quarters of a mill for a \$1 million tax break in 1973 under the law.

A statewide school mill levy and a change in local school levies in Montana are expected to increase property taxes in some areas and reduce them in others.

State aid to private, religious schools remained a viable issue in 1973 despite more discouraging court decisions. The U.S. Supreme Court on June 25 voided a 1971 Pennsylvania law and a 1972 New York law providing state aid to parents of parochial school pupils and a 1970 New York law providing funds to private schools for record keeping.

Iowa appropriated \$6 million to provide auxiliary services to private and parochial schools, such as health, remedial education and library services.

Ohio increased its appropriation for auxiliary services to church-related and private schools to \$81.4 million. The program was delayed by a court suit.

Washington authorized grants to needy pupils in public and church-related schools but the program was voided by the State Supreme Court.

Wisconsin implemented a voter-approved constitutional amendment by authorizing school districts to release pupils for outside religious instruction.

WELCOME HOME

Cash bonuses for soldiers who served in Vietnam were principal subjects of 1973 veterans action.

Fifteen States and the Territory of Guam now have Vietnam veterans' bonuses. The amounts range from \$120 in Vermont to Guam's \$720 with variations on length of time served and location of service.

Enacting bonuses for Vietnam veterans in 1973 were Indiana, maximum \$200 for veterans and \$500 for disabled veterans; Iowa, maximum \$200 bonuses and \$500 for disabled veterans, and Minnesota, \$100-\$600 bonuses.

In November, voters in three States approved funds for bonuses. Ohio authorized \$300 million in bonds for bonuses up to \$500, Pennsylvania authorized an addition \$10 million to fund its bonus, and West Virginia voters authorized \$40 million in bonds for a bonus up to \$400.

Also in 1973, Massachusetts funded its 1968 bonus with \$15 million in bonds and South Dakota provided \$3.95 million for back claims under its 1969 bonus.

Alabama provided for a \$500 payment to members of the armed services from the State who were prisoners of war in Vietnam.

More States joined a list of over 30 States which have changed the observance of veterans day back to the traditional November 11.

Many States also acted to give job preference, educational benefits, and other benefits to veterans.

Alabama, Arkansas, Illinois, and South Dakota were among States providing higher educational opportunities to dependents of disabled veterans or dependents of veterans missing in action or prisoners of war.

THE FAMILY OF MAN

EQUAL RIGHTS

The proposed amendment to the U.S. Constitution guaranteeing equal rights for both sexes was ratified by seven more States in 1973, bringing the total to a disputed 30 since Nebraska voted to rescind its ratification. The approval of eight more States is needed by March 1979.

At least 15 States passed laws to prohibit discrimination based on sex in a variety of areas, chiefly credit transactions and employment.

SOCIAL SERVICES, WELFARE

Changes in welfare programs were made in a number of States. Among them, Illinois and Rhode Island switched to flat grant systems, and state assumption of county welfare costs was approved in Iowa, Kansas, Minnesota (50 percent), and Wisconsin. Montana authorized the Department of Revenue to investigate welfare matters. New York prepared for central computerization of welfare administration. Among States increasing welfare payments were Illinois, New York, and Washington.

Services for the elderly were established in several States, with new administrative units created in Florida, Illinois, and Missouri. Maryland established nutritional and community care services programs for the aged. New Jersey entitled senior citizens to discounts on drugs and bus fares. South Dakota issued free fishing licenses to those over 65.

The problems of the young came under special state attention. Hawaii authorized a state-wide planning system for child services. Montana authorized tax levies to fund day-care centers. New Jersey provided state aid for low-income families willing to accept the State's hard-to-place children. Florida revised its court procedures for juveniles and mandated a state system of detention services. Alabama created a Department of Youth Services which took over the operations of juvenile correctional facilities. Iowa provided funds for summer jobs for youth.

Arizona approved county family counseling programs on an experimental basis.

Utah established a division of family services.

Family planning services were authorized in Arkansas, Georgia, Hawaii, Maine, New Mexico, Oregon, and Oklahoma.

HANDICAPPED

Architectural and employment barriers against the physically handicapped were ordered lowered by several States. Wheel chair ramps are required on public buildings in Illinois and Florida and on street curbs in Minnesota. Employment discrimination not related to job performance was forbidden in Florida and Rhode Island.



HOUSING

Several States took action in 1973 to avert a housing crunch which was developing from the federal housing moratorium and the shrinking availability of mortgage money.

Housing for low- and moderate-income people was the object of legislation in Louisiana, New York, Oregon, Rhode Island, South Dakota, Tennessee, and Utah. The Legislatures of Louisiana and Utah appropriated \$3 million each to take up the slack of federal housing funds cutbacks.

New Jersey raised the maximum interest ceiling on mortgage money to 9.5 percent and New York raised the limit from 7.5 to 8 percent. New legislation in Illinois is designed to curb abuses in the mortgage loan broker industry.

Minnesota, Nevada, Rhode Island, South Dakota and Tennessee joined the growing list of States with housing finance agencies or authorities. About 20 States now have these agencies.

Bonding authority for New York's Urban Development Corporation was increased by \$500 million to provide low- and middle-income housing projects and Oregon created a \$200 million bonding program for low-cost housing.

The bonding authority for the Massachusetts Home Finance Agency was raised by \$250 million and \$120 million provided for additional public housing in the Bay State.

GETTING THERE

TRANSPORTATION

The potential energy shortage bolstered interest in public transportation systems in 1973 in addition to the legislative attention they were already commanding.

Substantive action in financing public transit was recorded in the States of Arkansas, California, Colorado, Connecticut, Massachusetts, Tennessee, and Washington.

Arkansas authorized counties and municipalities levying a motor vehicle tax to use certain of these revenues for a public transportation system.

The Colorado General Assembly permitted regional transportation districts to levy a one half of 1 percent sales tax for mass transit subject to voter approval.

California's Legislature approved a constitutional amendment allowing gas tax revenues to be diverted into development of rapid transit systems subject to statewide voter approval in June 1974.

Connecticut merged funds from all transportation sources into a single fund and earmarked a certain percentage of the money for mass transit. The Legislature also authorized the use of town aid highway funds for mass transit.

In late November, the Massachusetts House and Senate approved a statewide transportation package which included \$55 million to cover half the deficit of the Massachusetts Bay Transportation Authority (MBTA) and \$40 million for communities outside the MBTA. The package also includes nearly \$45 million in bonding authority for the MBTA and other public transit systems and the municipal airport.

Counties in Massachusetts were permitted to levy up to two mills in property tax for public transportation upon voter approval. One million dollars from state liquor profits is to be used on a per capita basis for financing transit districts in cities and counties. Certain lanes of state highways were designated as commuter lanes for the exclusive use of buses and certain other multiple-occupant motor vehicles.

Tennessee legislation provides that an amount up to 25 percent of state street aid funds to municipalities may be used to subsidize public transportation systems.

The Washington Legislature provided state matching of local money for public transit systems. Additionally, the State authorized \$75,000 for a study of new and different methods of public transportation facilities.

Arizona and North Carolina joined 21 other States which have Departments of Transportation responsible for many transportation administrative and planning duties. The North Carolina Board of Transportation and a Secondary Roads Council replace the former State Highway Commission.

At least 11 States enacted regulatory measures for other forms of housing—rented and mobile.

Landlord-tenant relationships were regulated in Arizona, Florida, Illinois, Maryland, Minnesota, Texas, and Washington. Maryland also limited unjustified rent increases to 5 percent and Maine's local communities were given the authority to impose rent controls if a serious public housing emergency occurs.

Rights of mobile home owners or renters in parks were guaranteed in Florida, Massachusetts, Minnesota, New Hampshire, New Jersey, and New Mexico. New Jersey's stringent law limits the grounds for eviction, requires park operators to disclose in writing all fees and rules, and prohibits park owners from requiring mobile home owners to purchase equipment from them.

Safety and other standards for mobile homes were enacted in a number of States, including Arkansas, Missouri, New Mexico, and South Dakota.

In other housing-related news, the New York Legislature appropriated \$150,000 to implement the opening of a housing court for New York City.

The Rhode Island Legislature adopted an act requiring financial institutions to withhold payment of mortgages under \$100,000 until subcontractors have been paid.

AGE OF MAJORITY

Adult rights and responsibilities were given to 18 year olds by 11 more States, bringing the total to 41. Lower age of majority laws were enacted in Colorado, Florida, Indiana, Iowa, Maryland, Massachusetts, Minnesota, Nevada, New Hampshire, Ohio, North Dakota, and Texas.

At least six of these States also lowered the drinking age to 18 for hard liquor and several others allowed beer consumption. A measure to lower the drinking age to 19 in Washington State was defeated by voters.

Wyoming lowered its age of majority to 19, joining two other States.

FAMILY LAW

No-fault divorce laws, which make irretrievable breakdown of the marriage a ground for divorce without blame to either spouse, were adopted by Arizona, Colorado, Connecticut, Georgia, Indiana, Missouri, Montana, and Washington.

New York repealed its 120-day conciliation period for serving of the formal complaint in a divorce case.

Connecticut revised the adoption law to make it almost impossible to overturn a final adoption decree and prohibited agencies from withholding adoptions on the basis of marital status or race or religion.

Washington required natural parents to post bond when they take legal action to regain custody of adopted children.

AN APPLE A DAY

HEALTH

Hospital rates were regulated by Connecticut and Washington.

Nevada authorized full-scale practice of the Chinese science of acupuncture. Practitioners are not required to be physicians but must be licensed by the acupuncture board. A 1973 Oregon law allows practice of acupuncture by nondoctors but requires such treatments to be authorized by a physician.

Prepaid health care plans or health maintenance organizations were allowed to operate and regulated in Iowa and New York. Minnesota made available state aid to nonprofit medical facilities offering prepaid health care plans.

New York authorized state aid to help construct municipal medical facilities and limited-profit nursing homes.

North Carolina approved a program to set up rural health clinics to provide care in doctor-short areas.

Texas established a scholarship program for students willing to practice medicine after graduation in rural areas. Tennessee created a loan-scholarship program for students willing to practice in medically short areas.

A \$12.8 million medical scholarship program was approved in California and an additional \$3 million appropriated to aid programs designed to increase the number of family doctors.

Iowa appropriated funds to establish family practice residency programs in community hospitals.

Tennessee authorized localities to fund nonprofit medical services.

New Mexico funded essential medical services for the needy not eligible for public assistance.

Physicians' assistants were given legal status and regulated in Hawaii, New Mexico, South Dakota, and West Virginia, joining some 30 other States which regulate the occupation.

Statewide emergency medical services programs were established in Florida, Hawaii, and Missouri.

Vermont funded a program to help pay dental expenses of school children from low- and moderate-income families.

Arizona consolidated seven agencies into a new Department of Health Services.

California approved a \$12 million plan to develop local alcoholism rehabilitation programs.

Tennessee joined the growing number of States requiring certification of need for construction or expansion of health care facilities.

Procedures were established to safeguard mental patients' rights in Florida and North Carolina. Indiana began a phaseout of some mental hospitals, replacing them with community health centers. Connecticut provided funds to improve mental



retardation facilities and to bring mental health institutions up to new national accreditation standards. New York provided for a unified approach to planning and financing mental health services. Ohio authorized state bonds for nonprofit mental health services.

Central registries for child abuse complaints were established in New York and Tennessee and reporting requirements stiffened in South Dakota and Nebraska.

A number of States approved new medical facilities or improvements, with most connected to state universities, among them Iowa, Kansas, and Louisiana. Initial funding was provided for medical schools in North Carolina, Ohio, Oklahoma, and South Dakota and a school of dentistry in Mississippi. State aid of \$14.6 million was provided to private medical colleges in New York.

ABORTION

The U.S. Supreme Court's January 1973 decision legalizing abortions resulted in numerous lower court decisions voiding state antiabortion laws, many of which dated back to the last century.

At least 13 States enacted new abortion laws, although several were in outright defiance of the court's legalization of abortion and others legalized abortions but placed additional restrictions on them.

Rhode Island's 1973 law which forbids any abortion not necessary to save a woman's life is now in court. A similar law was enacted in North Dakota. States enacting new laws legalizing abortions were Georgia, Idaho, Illinois, Indiana, Minnesota, Nebraska, Nevada, North Carolina, South Dakota, Tennessee, and Utah.

New laws in Nebraska, Nevada and Utah legalized abortions within certain limits, but required that steps be taken to preserve the life of any viable fetus. Utah's law, however, was voided by a federal court in September.

Conscience measures which allow hospitals or medical personnel to refuse to perform abortions were passed in at least 18 States.

Resolutions calling upon Congress to propose a constitutional amendment to allow States to restrict abortions were approved by at least 14 State Legislatures.

TIME AND A HALF

LABOR

The nationwide drive to improve and expand workmen's compensation laws resulted in over 200 amendments to such laws by legislative sessions in 49 States and Puerto Rico.

Maximum benefits for disability were increased in at least 28 States by law and in seven others by automatic adjustments. At least \$3.3 billion in workmen's compensation benefits will be paid out in 1973.

State minimum wage laws were enacted for the first time for workers not covered by federal law in Minnesota, \$1.80 an hour, and Ohio, \$1.60. State minimum wages were increased in Arkansas, Illinois, Maine, Nevada, North Carolina, Oregon, South Dakota, and Washington, and expanded in Maryland and New Mexico.

Private pension plans were regulated in Connecticut and New Jersey.

Connecticut required employers of more than 25 persons to rehire anyone who leaves his job for a single term of elective municipal office.

Hawaii established a public service employment program under the Department of Social Services and Housing.

Massachusetts approved a tax credit of \$500 to business and industry for every new job created at a salary of over \$4,200 to employ persons receiving state unemployment pay, welfare, or manpower training. The jobs must be in excess of a normal 3 percent growth rate.

Employers were restricted from using lie detectors on their employees in Idaho and Minnesota.

States continued to provide for state implementation of the federal Occupational Safety and Health Act standards, with at least 10 passing legislation in 1973.

GOVERNMENT PAY RAISES

Action was taken in 1973 to raise the pay of top state executive officials in at least 16 States: California, Georgia, Indiana, Iowa, Kansas, Maine, Minnesota, Nebraska, North Dakota, Ohio, Oregon, Rhode Island, Tennessee, Utah, Vermont, and Washington.

Legislative compensation was raised by 1973 actions in Colorado, Georgia, Indiana, Iowa, Missouri, New York, North Dakota, Ohio, Pennsylvania, Utah, Washington, Wisconsin, and Wyoming. Nebraska scheduled a May 1974 vote on a constitutional raise in legislative pay from \$4,800 to \$8,100 annually. In November, voters rejected measures to allow higher legislative pay in Rhode Island and Texas.

Judicial pay levels were raised in 1973 in Arkansas, Colorado, Iowa, Massachusetts, Minne-

sota, New York, North Dakota, Ohio, Utah, Vermont, and Washington.

Washington voters in November approved an initiative measure which provides legislators and other elected state officials and judges with pay increases of approximately 5.5 percent. It voided a 1973 law which would have raised pay levels substantially higher.

School personnel salaries were raised in Arkansas, Georgia, Hawaii, Louisiana, Mississippi, North Carolina, Oklahoma, Washington, and West Virginia.

Public employees' salaries were raised, mostly with the 5.5 percent guidelines, in Alabama, Arkansas, Georgia, Hawaii, Iowa, Louisiana, Nebraska, Nevada, New Hampshire, New York, North Carolina, Ohio, Vermont, Virginia, and West Virginia.

The federal Cost of Living Council (CLC) intervened in several scheduled pay raises for state officials. Among them, the CLC allowed Georgia legislators and chief officials about two thirds of pay raises authorized by a 1973 law. The CLC cut pay raises for 150,000 California state workers from an average 11.3 percent to a 7 percent maximum.

In other 1973 actions, the CLC allowed Pennsylvania legislators a \$2,500 boost in expense allowances and Kentucky police officers a 15 percent raise, both state-authorized in 1972.

Among States granting collective bargaining powers to public employees were Massachusetts, Minnesota, Montana, and Oregon. Virginia provided binding employee grievance procedures for state employees.

Montana created a Salary Commission and granted public employees the right to bargain collectively.

Arkansas created a commission to recommend compensation levels of legislators and executive officials and established a new compensation plan for state employees.



THE FLIM-FLAM MAN

CONSUMERS

Laws against unfair trade practices and deceptive ads, most modeled after the federal FTC law, were passed in Connecticut, Florida, Illinois, Missouri, Montana, Nevada, Texas, and Utah.

More States gave consumers cooling-off periods to cancel door-to-door sales with laws passed in 1973 by Arkansas, Idaho, Kansas, Minnesota, Missouri, Nevada, Texas, and Virginia.

Protections for consumers in installment sales were provided in Kansas by a Uniform Consumer Credit Code, in New York by a law which will aid in getting faulty workmanship corrected, in Arkansas, Florida, and Ohio by requiring a court hearing for persons in default on loans, and in Virginia by limiting the late charge to 5 percent of the installment payment. Minnesota raised the maximum bank installment loan from \$5,000 to \$25,000. Florida allowed an increase in lending limits and interest rates.

Public posting of prescription drug prices was required in California, Minnesota, New Hampshire, and New York, and was allowed in Connecticut, Nevada, and South Dakota.

Land sales practices were regulated in Florida, Illinois, Montana, Oregon, Tennessee, and Washington. These laws provide consumer protections such as requiring developers to inform buyers of all facts of the development as water supply, utilities, and road maintenance.

Altering of car odometer readings was outlawed in Minnesota, Missouri, and North Carolina.

Dating of perishable foods was required in Minnesota and Washington.

Collection agencies were regulated in Washington and West Virginia.

Hearing aid dealers were required to obtain state licenses in Minnesota, Rhode Island, Washington, and West Virginia.

Maryland's Attorney General was given subpoena power in enforcing consumer protection laws. Kansas established a small claims procedure. North Carolina courts were allowed to approve attorneys' fees for plaintiffs in consumer small claims cases.

Franchises were regulated in Arkansas, Illinois, and Minnesota to protect small investors. Arizona regulated franchise agreements between auto manufacturers and retailers.

Regulations were placed on the sale of securities in Delaware and such regulations tightened in Georgia, making it difficult to sell worthless bonds and stocks.

Among other consumer laws:

Minnesota authorized consumers to sue violators of consumer laws for damages, and courts were authorized to assess violators up to \$25,000. Other Minnesota laws require posting of gas octane ratings, regulate cable television, require toy safety, and require itemizing of funeral costs.

STATE GOVERNMENT NEWS—January 1974

New Jersey required used household items to be tagged as such when offered for sale.

Utah mandated licensing of radio and television repairmen and regulated lie detection examiners.

Alaska required licensing of psychological associates.

New York outlawed the sale of hazardous toys. New York also established a commission to investigate the cost of living, shortages and the energy crisis.

Rhode Island regulated motor vehicle damage appraisers.

Washington regulated direct solicitation charity drives to insure at least 80 percent of the money goes to the intended charity.

Maryland set labeling requirements for ground beef, set standards for repair of home appliances, and adopted a hazardous substances act.

INSURANCE

No-fault auto insurance plans were enacted by eight more States in 1973 bringing the total to 16 with some form of no-fault. No-fault is mandatory and tort liability is limited under new laws in Colorado, Hawaii, Kansas, Nevada, New York, and Utah. No-fault is optional with the consumer and suits for negligence are not restricted under new laws in Arkansas and Texas; similar optional laws were passed in Minnesota in 1970 and South Dakota and Virginia in 1972. No-fault laws allow injured motorists to collect up to certain maximums from their own insurers regardless of who's to blame for the accident.

The Florida Supreme Court on July 12 voided the part of Florida's 1971 no-fault law which prohibited motorists from suing for property damages of under \$500.

Insurance practices were further regulated in several States. Among them, Florida required insurers to return to policy holders excess profits on no-fault auto insurance; Maine and Missouri regulated insurance cancellations; New Mexico expanded its unfair insurance practices act to claims and delivery; and Virginia amended its open competition law on rates. North Carolina replaced its assigned risk auto liability plan with an industry reinsurance system to give motorists a choice.



APPEALING LEGISLATION

DEATH PENALTY REVIVED

Not since the nail-biting tenseness of the Humphrey Bogart and James Cagney movies has the ominous statement "murder in the first degree" drawn such attention than in the recent Legislatures as many States reenacted the death penalty.

But unlike Bogart or Cagney movies which could take you from courtroom drama to the "chair" in one quick scene, State Legislatures instituted mechanisms of review more applicable to the irreversible nature of the punishment.

Connecticut provided two separate proceedings in capital crimes—one for determining guilt of a defendant and the second to determine if the crime meets death penalty requirements. Oklahoma was among States providing for mandatory review of a death penalty imposition. In Arizona, the judge is to conduct a separate sentencing hearing after a guilty plea or verdict to determine whether the death sentence is to be imposed.

The Georgia General Assembly passed a law providing for the death penalty in specific cases, but only if the jury verdict includes a finding of at least one "statutory aggravating circumstance." Every death penalty handed down in the State must be reviewed for evenhandedness by the Georgia Supreme Court.

A majority of the death penalties are mandatory and specify the crimes to which they apply. Others are not mandatory. Illinois' law—a compromise between the Governor and the Legislature—says a three-judge sentencing panel shall impose the death penalty in a murder case when the crime falls into one of the categories specified in the bill unless a majority of the judges determine that "there are compelling reasons for mercy and that the defendant should not be sentenced to death."

Since the U.S. Supreme Court decision which voided most state capital punishment laws, death penalty laws were enacted in two States in 1972 and in 19 others in 1973. Pennsylvania was considering a bill in late 1973.

States which have death penalty laws on their books are Arizona, Arkansas, California, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Louisiana, Montana, Nebraska, Nevada, New Mexico, Ohio, Oklahoma, Rhode Island, Tennessee, Texas, Utah, and Wyoming.

Massachusetts' Governor vetoed a death penalty bill in late 1973.

CRIMINAL JUSTICE

At the other end of the spectrum, more States acted to aid ex-offenders return to society.

Connecticut adopted a state policy to encourage private and public employers to hire ex-offenders. Along with Arkansas and Colorado it removed restrictions or disqualifications prohibiting former

felons from receiving trade, occupational or professional licenses. Another Colorado law provides for expunging the records of misdemeanants after one year and felons after three years. In North Carolina, a similar law pertains to juveniles.

Massachusetts law seals criminal records in some circumstances. An Arizona judge may clear the records of persons wrongfully accused and Tennessee legislation requires records of persons not convicted to be expunged.

Ohio acted to remove the stigma of a high school diploma earned in prison. The law requires the diploma to be granted for credits earned in prison to be issued from the inmate's home school.

Two more States acted to aid victims of crime. Eleven States now have legislation providing compensation for victims of crime. Added to the list in 1973 were Illinois and Washington. Illinois provides a compensation range of \$500 to \$10,000 when the victim is not otherwise insured. Washington extended to victims of crime the benefits and services available under existing workmen's compensation provisions. California which had the first law providing compensation for crime victims (1965) raised the maximum amount of benefits from \$5,000 to \$23,000 in 1973.

Courts and judicial revision programs were produced in Delaware and South Dakota.

Correctional reform programs were implemented in several States. Hawaii, Mississippi, South Dakota, and Wyoming approved work release programs and Tennessee permitted prisoner furloughs under certain circumstances. Minnesota established a full-time parole board and provided for a prison ombudsman who will hear prisoner grievances.

Three more States—Illinois, Indiana, and Oklahoma—acted to control the sale and criminal use of cheap handguns known as "Saturday night specials."

Arkansas recognized the need for bilingual technical assistance in the criminal justice field and mandated court interpreters for defendants who do not speak the English language.

Iowa required criminals to make retribution to victims before parole is granted.

DRUG LAWS

Continuing a definite trend of the past several years, more States acted to liberalize punishment regarding marijuana possession and use and stiffen punishment for persons who sell marijuana or other drugs. A view of both ends of this continuum was provided by legislation in New York and Oregon.

New York cracked down on pushers providing mandatory life sentences for drug traffickers with parole possible after service of a minimum amount of prison term—however, supervision is for life. Minimum prison time of 15 to 25 years is mandatory for sale of one ounce or more of hard drugs and 6 to 8 years for sale of lesser amounts. Stiff

sentences were also required for possession of these drugs.

Oregon lowered the punishment for simple possession of an ounce or less of marijuana from a year in jail and a \$1,000 fine to a fine of \$100 only, even for repeat offenders.

GAMBLING

Voters in Maine, Ohio, and Rhode Island authorized state lotteries in the November elections bringing the total number of States with such authorization to at least 11.

Lotteries have been implemented in at least eight States. The list of States with lotteries in operation or authorized includes Connecticut, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and South Dakota.

In 1973, South Dakota legislators authorized lotteries with a maximum prize of \$5,000 and bingo games with a prize limit of \$500 to be operated by certain nonprofit organizations. Ohio set up the machinery for its lottery authorized by voters last May. It provides that 45 percent of the money wagered be returned in prizes.

The cry "BINGO!" will be heard in a few more States as a result of new laws. Iowa, Oklahoma, South Dakota, Virginia, and Washington authorized bingo operations by certain nonprofit, charitable, or religious organizations. Gambling was also legalized on games of skill and chance at fairs in Iowa.

Betting on horse racing was the subject of legislation in Connecticut, New York, Oklahoma, and Wyoming. State racing and wagering boards or commissions were created in New York and Oklahoma.

The operation of horse racing and parimutuel betting systems in Oklahoma by county fair boards or agricultural expositions was authorized. The act was adopted statewide, but local option is in effect for racing meets.

New York's State Racing and Wagering Board was given jurisdiction over the state lottery, horse racing activities and off-track betting. New York City's Off-Track Betting Corporation was allowed to retain most of its powers.

Citizens in Connecticut towns in which race tracks are planned were given authority to petition for a referendum on the issue.

Parimutuel betting in Wyoming was broadened to permit betting on professional roping events with licenses for such events limited to 45 days in any one county.

Washington's gambling legislation was enacted to implement a constitutional amendment approved by the voters last year. In addition to legalizing bingo, the Legislature authorized raffles for nonprofit or charitable organizations and punchboards, pulltabs, and non-payoff, one-coin mechanical amusement devices as trade stimulants in certain public places, newspaper and magazine lotteries,

movie giveaways, and newspaper contests on football and other games where the readers guess the outcome. Local communities in Washington were given the local option on gambling and were permitted to tax gambling activities up to 10 percent of the gross take.

Hawaii amended the state penal code as it applies to gambling. The Legislature established a new misdemeanor offense of gambling for which evidence of profit need not be shown and the Legislature defined components of social gambling as an affirmative defense.

LIGHT MY FIRE

ENVIRONMENT, RESOURCES

The location of power plants was regulated by Arkansas, Connecticut, Florida, Minnesota, Montana, and New Hampshire.

Those responsible for oil spills were made liable for damages and cleanup by new laws in New York and North Carolina. A similar 1970 Florida law was upheld by the U.S. Supreme Court April 18 and Maine's oil spill tax was upheld by the Maine Supreme Court June 4.

Strip mining was regulated and reclamation of land required in Minnesota, Montana, and North Dakota. Montana also required permission of surface rights owner for any mining. West Virginia continued to 1975 the prohibition against strip mining in counties where it did not exist in 1970. Minnesota levied taxes of 25 cents per acre on holders of severed mineral rights.

Alabama and Mississippi agreed to authorize a new Ameraport Interstate Off-Shore Harbor and Terminal Compact to develop an off-shore facility for petroleum loading and unloading.

PRICES, TAXES

New Mexico gave the State the option to buy at the market price any minerals that may be produced from state land.

Connecticut created a commission to regulate petroleum product prices and bring civil actions against unfair distributory practices. Discrimination by refiners against independent retailers was outlawed.

Major U.S. oil companies were sued for anti-trust violations in separate suits filed by Connecticut, Florida, and New York.

Florida authorized regulation of the rates of companies selling energy after consumer complaints.

Alaska revised its oil taxing and regulatory laws in a special session in late 1973 in an effort to settle lawsuits brought by oil companies against 1972 laws.

Oil and natural gas taxes were raised in Louisiana, and the State was given price and supply controls over newly contracting users.

17 GOVERNORS TALK FUEL PROBLEMS WITH PRESIDENT, ENERGY ADVISER

Seventeen Governors who met with President Richard Nixon and his energy adviser William E. Simon December 14 agreed on several areas regarding fuel conservation measures and fuel allocation plans including the need for uniform speed limits for all vehicles. The Governors agreed that:

- Agricultural production should be given a category 1 allocation rather than the proposed category 2 allocation;

- The Federal Energy Office should publish state data on the supplies of each type of fuel within each State;

- The 3 percent "state set-aside" for fuels proposed in current regulations should be firm and increased up to 10 percent;

- The state plan for fuel allocation should preempt the federal plan if minimum goals are set and state plans should cover middle distillates, gasoline, and propane; and

- Local boards should be voluntary with each Governor, not mandated.

CRISIS ACTIONS

Special powers to meet the energy crisis were granted to Governors in Delaware, Maryland, and Washington by special legislative sessions in late 1973. Some other Governors announced they would request energy conservation powers from their Legislatures.

Highway speed limits were lowered to 50 m.p.h. and 55 m.p.h. in a number of States following President Nixon's energy address to the Nation requesting such action. Among States acting were Alaska, Delaware, Idaho, Maryland, Massachusetts, Montana, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Vermont, Virginia, and Washington.

Pollution regulations were lifted temporarily to allow use of higher sulfur fuel in some States, among them Florida, Massachusetts, New Hampshire, New Jersey, and Rhode Island.

Oregon required electric and gas utilities to submit plans for load curtailment during emergencies.

A blackout on commercial outdoor lighting ordered by Oregon Governor Tom McCall late September was lifted in December due to an improved electricity supply outlook.

Longer school Christmas holidays to save fuel were authorized in Delaware, Maryland, and New Hampshire.

At least 32 Governors have established state government energy conservation programs, according to a special report on "The States and the Fuel and Energy Crisis," released by the Council of State Governments in early December. It also contains model legislation to give Governors broad authority to control the energy emergency.

NEW YORK GOVERNOR RESIGNS

Four-term New York Governor Nelson A. Rockefeller announced he would resign December 18 to head two national commissions full time.

Assuming the governorship will be Lieutenant Governor Malcolm Wilson for the term which expires at the end of 1974. Both have served since 1959.

The Governor initiated the recently established Commission on Critical Choices for America which will be funded through private and public grants. Earlier, Henry L. Diamond resigned as State Environmental Conservation Commissioner to become executive director of the commission.

The Governor also heads a water quality commission.

STATE ATTORNEYS GENERAL FOCUS ON U.S. ATTORNEY GENERAL SELECTION

The National Association of Attorneys General (NAAG) adopted a resolution at its winter meeting in New Orleans, Louisiana, December 2-5, that a NAAG committee study methods for changing the selection of the U.S. Attorney General.

Changes, the resolution said, should be considered with the view of improving and enhancing public confidence in the administration of justice. Changes in the method of selection and in the tenure of the U.S. Attorney General to increase the independence of the office might enhance the Attorney General's ability to investigate and prosecute charges of official misconduct.

Former U.S. Attorney General Elliot Richardson was a guest speaker during the conference. Mr. Richardson told the 47 state chief legal officers attending the meeting that restoration of public trust in government is one of the overriding needs of the day.

The first day of the conference was devoted to a discussion of the energy crisis. Speakers included energy experts from private industry, the federal government and the academic world.

Other resolutions adopted by the NAAG concern federal development of a national energy policy with the goal of U.S. self-sufficiency by 1985, privacy of bank records, and bribery of public officials.

IDAHO SCHOOL FINANCING VOIDED

Idaho's school financing system violates the state constitution because it does not provide equal educational opportunity to all public school pupils, a district judge ruled November 21.

Attorney General W. Anthony Park said the State would appeal to the State Supreme Court.

The judge said, "A system of public school finances in which per pupil expenditures vary directly with amount and value of taxable property within the school districts which the State has created cannot meet the constitutional mandate."

STATE GOVERNMENT NEWS

from
THE COUNCIL OF STATE GOVERNMENTS
Iron Works Pike, Lexington, Kentucky 40511

*Second Class Postage Paid at Lexington, Kentucky
and additional mailing offices*

RECEIVED
JAN 8 1974

LEGISLATIVE AFFAIRS
AGENCY

Mrs. Beverly Keithahn
Secretary of the Senate
Alaska Legislature
Juneau, Alaska 99801

20

ALASKA REVISES OIL LAWS

Alaska revised its oil taxing and regulatory laws in an effort to settle lawsuits brought by major oil companies challenging 1972 legislation. The Legislature met from October 17 to November 12 in special session.

An industry-supported 20-mill property tax on oil and gas equipment passed and limits were set on local governments' taxing powers on these properties.

An oil production tax at a base of 25 cents a barrel was enacted with an escalation clause to allow the tax to rise with an increase in the U.S. Labor Department's domestic wholesale price index on crude oil. The royalty credit was dropped.

A conservation tax of one-eighth cent a barrel was approved.

The Legislature authorized noncompetitive sale and lease of state land at appraised value for pipeline-related use.

A common purchaser requirement passed to protect the smaller producer.

Deleted from previous law were an option for state purchase of up to 20 percent of the pipeline and an escalating rental provision.

The Legislature approved supplemental appropriations of \$5.3 million to special regional needs generated by the pipeline construction.

The Alaska Pipeline Commission was retained to regulate intrastate pipeline activities.

Alaska's new Attorney General is Norman C. Gorsuch, 31, who has been deputy attorney general since 1971. Governor William A. Egan named him to succeed Attorney General John Havelock, who announced his resignation two months ago but stayed for the recent special session.

NORTH DAKOTA REMAP REJECTED

Reapportionment of North Dakota's Legislature is again before a federal court following voter rejection December 4 of two alternative plans.

Voters turned down a plan drawn by the 1973 Legislature which provided for 37 legislative districts with 50 senators and two representatives per senator. Also rejected was a constitutional amendment to establish a nonlegislative reapportionment commission to divide the State into single-member districts.

The federal court approved a reapportionment plan for the 1972 election and retained jurisdiction for adopting a different plan.

LAME DUCK POWERS AFFIRMED

A lame duck Governor does not lose his powers of appointment to the Governor-elect, a Nebraska district court ruled.

The court voided a portion of a 1972 law which would have empowered the Governor-elect to appoint three new members to an expanded Natural Resources Commission for terms beginning in 1975.

The court also voided the Legislature's designation of certain state officers to the commission as a violation of the Governor's power of appointment.

The substantive portion of the law conferring broad environmental powers on the newly created Natural Resources Commission was upheld by the court.

The State Supreme Court is expected to hear an appeal during January.

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*Permanent Investment
Fund package*

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Original sponsor: Rules Committee by request of the Governor

1 IN THE SENATE

Hold 4-23
yegler
V.
BY THE SPECIAL COMMITTEE ON
INVESTMENT AND MONETARY POLICY

2 CS FOR SENATE JOINT RESOLUTION NO. 74

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the
6 Constitution of the State of Alaska
7 establishing the Alaska Resources
8 Permanent Fund.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding a new section to read:

12 SECTION 15. ALASKA RESOURCES PERMANENT FUND. The Alaska Resources
13 Permanent Fund created by the Second Session of the Sixth Legislature,
14 including any additions by appropriations, shall be permanent and
15 not subject to appropriation. It shall be invested for maximum long-
16 term return. Investments shall be made in accordance with the standards
17 observed by men of ordinary prudence, discretion, intelligence, and
18 experience, when investing, and not speculating with, their own funds.
19 Income becomes part of the fund. Market value of the fund will be
20 determined quarterly. During the first three years of operation of the
21 fund an amount equal and limited to five per cent of its average market
22 value shall be withdrawn from the fund annually and thereafter be
23 subject to appropriation for general purposes. The average market
24 value will be calculated as the arithmetic mean of the market value
25 of the fund considering the immediately passed quarter-end, and as the
26 history of operation of the fund permits, up to but not exceeding the
27 11 quarters immediately preceding the most recent quarter-end. After
28 three years of operations of the fund an amount, subject to the minimum
29 and maximum limitations noted below, equal to one-half of the amount

1 by which the most recent market value of the fund exceeds the market
2 value of the fund at its inception as adjusted to compensate for the
3 potential eroding effects of inflation, shall be withdrawn from the
4 fund annually and thereafter be subject to appropriation for general
5 purposes. The adjustment to compensate for the potential eroding
6 effects of inflation shall be equal to the percentage by which the
7 Consumer Price Index as calculated by the Bureau of Labor Statistics
8 has changed, between the time of inception of the fund and the time of
9 the quarter-end for which this calculation pertains, as applied to the
10 value of the fund at its inception. The procedure of this paragraph
11 shall not be applied if such adjustment results in an adjusted fund
12 value less than the value of the fund at its inception. The withdrawal
13 of funds as provided for above shall be constrained by a minimum and
14 maximum amount. The minimum amount shall be equal to five per cent of
15 the average market value of the fund. The maximum amount shall be equal
16 to 10 per cent of the average market value of the fund. The average
17 market value shall be calculated as the arithmetic mean of the market
18 value of the fund considering the immediately passed quarter, and as
19 the history of the fund permits, up to but not exceeding the 11 quarters
20 immediately preceding the most recent quarter-end. No other withdrawals
21 may be made from the fund, except for payment of expenses of adminis-
22 tration.

23 * Sec. 2. The amendment proposed by this resolution shall be placed
24 before the voters of the state at the next statewide election in conformity
25 with sec. 1, art. XIII of the Constitution of the State of Alaska, and the
26 state election laws.
27
28
29

✓ 3/7/70
yes to Russ

Original sponsor: Rules Committee by request of the Governor

BY THE RULES COMMITTEE
BY REQUEST OF THE SPECIAL
COMMITTEE ON INVESTMENT
AND MONETARY POLICIES

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 404

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska resources permanent
7 fund and providing for its administration; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 37 is amended by adding a new chapter to read:

11 CHAPTER 12. ALASKA RESOURCES PERMANENT FUND.

12 Sec. 37.12.010. PURPOSE. The purpose of secs. 10 - 180 of this
13 chapter is to provide a method by which funds surplus to current and
14 foreseeable needs may be invested to appreciate as a source of future
15 state revenues.

16 Sec. 37.12.020. ALASKA RESOURCES PERMANENT FUND. There is
17 created a permanent fund known as the Alaska resources permanent fund
18 to which appropriations may be made from time to time.

19 Sec. 37.12.030. ALASKA FUND INVESTMENT COMMITTEE. There is
20 established the Alaska Fund Investment Committee composed of the
21 commissioners of commerce and revenue, the president of the senate and
22 another senator appointed by the president from the opposite political
23 party, the speaker of the house and another representative appointed
24 by the speaker from the opposite political party, three members of the
25 public, not more than two of whom are of the same political party,
26 knowledgeable and experienced in banking, accounting or investing,
27 appointed by the governor. The three public members of the committee
28 who are appointed must be confirmed by the legislature in joint session.
29 The committee shall, at its first meeting, select a chairman and vice

1 chairman.

2 Sec. 37.12.040. TERMS OF MEMBERS APPOINTED FROM THE PUBLIC AND
3 THEIR REMOVAL. (a) Appointed public members of the committee are
4 appointed for six-year terms. However, the first three appointments
5 shall be for two, four and six years respectively.

6 (b) Appointed public members of the committee, unless removed,
7 serve until their successors are appointed and have qualified.

8 (c) An appointed public member of the committee may be removed
9 from office by the governor, for cause, after notice and opportunity to
10 be heard at a public hearing. A vacancy in the membership of the
11 appointed public members of the committee occurring other than by expira-
12 tion of a term shall be filled by the governor for the unexpired term
13 only.

14 Sec. 37.12.050. INVESTMENT POLICY. The committee shall invest
15 the fund with primary emphasis on long-term total return.

16 Sec. 37.12.060. MANAGEMENT STANDARDS. The committee, in managing
17 the fund, shall exercise the judgment and care under the circumstances
18 then prevailing which men of ordinary prudence, discretion, intelligence,
19 and experience exercise in the management of their own affairs not in
20 regard to speculation but in regard to the permanent disposition of
21 their funds, considering probable income, probable appreciation, and
22 safety of their capital.

23 Sec. 37.12.070. POWERS. The powers of the state with respect to
24 the investments are all of the powers which a natural person has in
25 dealing with his own property including but not limited to the power
26 to invest, reinvest, purchase and purchase at a premium, sell and
27 sell at less than cost, exchange, convey, transfer, lease, lease back
28 and otherwise dispose, register securities, vote securities, give
29 proxies, exercise conversion privileges, subscription rights and other

1 options, consent or otherwise participate in corporate reorganization
2 or other changes affecting corporate securities, pay assessments or
3 charges, enforce and compromise claims, make, execute, acknowledge and
4 deliver documents of transfer, conveyances and other instruments
5 necessary or appropriate to carry out such powers.

6 Sec. 37.12.080. FUNCTIONS OF THE COMMITTEE. The committee shall

7 (1) act as custodian of the investments and provide for
8 their safekeeping;

9 (2) collect the interest, dividends, rents, and other
10 income of the fund and collect principal and the proceeds of the sale
11 of investments;

12 (3) manage the fund, and in so doing exercise the state's
13 powers respecting the investments;

14 (4) maintain adequate accounts and records;

15 (5) prepare and submit a monthly report to the governor
16 disclosing a detailed summary of investments purchased, sold, exchanged,
17 conveyed, transferred, leased, and otherwise acquired or disposed of,
18 and stating the investments acquired or disposed of, dates of trans-
19 actions, the prices paid and received, any gain or loss, and the names
20 of the brokers, dealers, or contractors who engaged in the transactions;

21 (6) cause an annual audit of the fund by a licensed certified
22 public accountant who is not an employee of the state and submit the
23 auditor's report to the governor.

24 Sec. 37.12.090. CONFLICT OF INTEREST AND PUBLIC DISCLOSURE. (a)
25 Any member of the committee who is an employee or officer of, or who
26 contracts with, or obtains a direct or indirect interest in any corpora-
27 tion or other entity in which an investment is made from the fund
28 shall disclose publicly the existence of such employment, office,
29 contract or interest upon the acquisition of it.

1 (b) At least quarterly, each member shall file reports with the
2 committee, to be maintained in the office of the director, as public
3 documents, of all securities transactions in which he has engaged
4 during the preceding 90 days.

5 (c) No member shall vote upon any question the outcome of which
6 would affect substantially the value of any interest.

7 Sec. 37.12.100. QUORUM. Five members of the committee constitute
8 a quorum for the conduct of business at a meeting.

9 Sec. 37.12.110. EXPENSES. The three members from the public
10 receive no pay but are entitled to the travel expenses and per diem
11 authorized for members of boards and commissions.

12 Sec. 37.12.120. EXECUTIVE DIRECTOR. (a) The committee shall
13 employ an executive director who shall assist the committee with
14 respect to the administration of the fund.

15 (b) The director is an ex officio, nonvoting member of the
16 committee.

17 Sec. 37.12.130. CONTRACTS. (a) The committee may contract with
18 one or more qualified persons in the state or elsewhere

19 (1) to perform the functions specified in sec. 80(1) - (3)
20 of this chapter; except that when contracts are made with respect to
21 the function specified in sec. 80(3) of this chapter, three or more
22 fund managers shall be engaged and separate portions of the fund shall
23 be allocated to each of them;

24 (2) to provide the commission with advice and other services.

25 (b) Contracts may provide for reasonable compensation and reim-
26 bursement of expenses.

27 Sec. 37.12.140. ANNUAL DETERMINATION OF MARKET VALUE AND REPORT.
28 In addition to the monthly reports provided for in sec. 80(5) of this
29 chapter, at the end of each fiscal year, after deducting from the fund

1 for the purpose of computation the expenses of administration of that
2 year, the committee shall determine the market value, capital gains
3 and losses and dividend income of the fund and submit a report of its
4 findings to the governor and each legislature.

5 Sec. 37.12.150. REPORTS. Reports of the committee provided for
6 by secs. 80(5) and 140 of this chapter are public 30 days after they
7 are filed.

8 Sec. 37.12.160. WITHDRAWALS. (a) Expenses of administration
9 shall be paid out of the fund.

10 (b) Sixty days after the end of each fiscal year, whether or not
11 provided by income and capital appreciation, an amount in cash, or
12 securities at market value as of the date of transfer, or both, equal
13 and limited to five per cent of the mean average of the determined
14 market value of the fund at the end of that fiscal year and the deter-
15 mined market values of the fund at the ends of the two (necessarily,
16 none and one, at the ends of the first and second fiscal years,
17 respectively) preceding years shall be withdrawn from the fund and
18 transferred to the general fund.

19 (c) There shall be no other withdrawals from the fund.

20 Sec. 37.12.170. TRANSFER TO FUND. Upon the effective date of
21 an Act appropriating to the fund, the amount appropriated shall be
22 transferred to the fund in cash, or securities at market value as of
23 that date, or both.

24 Sec. 37.12.180. DEFINITIONS. In secs. 10 - 180 of this chapter

25 (1) "committee" means Alaska Fund Investment Committee;

26 (2) "expenses of administration" means the amount incurred
27 during the fiscal year in accordance with contracts for managerial,
28 advisory, legal, appraisal, accounting, auditing, performance evalu-
29 ations, custodial, execution of transactions, brokerage, and other

1 services;

2 (3) "fiscal year" means the fiscal year of the fund, which
3 is the period July 1 to June 30;

4 (4) "fund" means the Alaska resources permanent fund and
5 includes income and capital appreciation;

6 (5) "investment manager" means a person who, for compensa-
7 tion, engages in the business of advising others, either directly or
8 through publications or writings, as to the value of securities or
9 as to the advisability of investing in, purchasing, or selling
10 securities, or who, for compensation and as a part of a regular business,
11 issues or promulgates, analyzes or reports concerning securities, or
12 invests in securities as agent for others;

13 (6) "investments" means the property of the fund and in-
14 cludes cash;

15 (7) "long-term total return" means an investment policy
16 which includes long-term capital appreciation, dividend income, plus
17 interest income, plus realized capital gains, plus unrealized capital
18 gains, minus realized capital losses, and minus unrealized capital
19 losses;

20 (8) "manage", with respect to the fund, includes but is
21 not limited to selection of classes of investments, selection of
22 investments from within those classes, and the acquisition, retention,
23 disposition, and exchange of investments;

24 (9) "permanent" when applied to the fund means that it
25 shall have perpetual existence, not be subject to invasion or diversion,
26 and be kept intact except for withdrawals as provided in sec. 160 of
27 this chapter.

28 * Sec. 2. This Act takes effect on the day after its passage and approval
29 or on the day it becomes law without approval.

✓ 3/6/70
Meyer to Russ

Original sponsor: Rules Committee by request of the Governor

BY THE RULES COMMITTEE BY REQUEST
OF THE SPECIAL COMMITTEE ON INVESTMENT AND MONETARY POLICIES

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 405

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Alaska resources permanent fund; and providing for an effective date."

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

9 * Section 1. The sum of \$900,000,000 is appropriated from the general
10 fund to the Alaska resources permanent fund.

11 * Sec. 2. This Act takes effect on the day after its passage and approval
12 or on the day it becomes law without approval.
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2-28-70
✓ *Ziegler*

Original sponsor: Rules Committee by
request of the Governor

BY THE RULES COMMITTEE BY
REQUEST OF THE SPECIAL
COMMITTEE ON INVESTMENT
AND MONETARY POLICIES

1 IN THE SENATE

2 CS FOR SENATE JOINT RESOLUTION NO. 74

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Consti-
6 tution of the State of Alaska estab-
7 lishing the Alaska Resources Permanent
8 Fund.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding a new section to read:

12 Sec. 15. ALASKA RESOURCES PERMANENT FUND. The Alaska Resources
13 Permanent Fund created by the Second Session of the Sixth Legislature,
14 including any additions by appropriations, shall be permanent and not
15 subject to appropriation. It shall be invested with primary emphasis
16 on long-term total return. Investments shall be made in accordance
17 with the standards observed by men of ordinary prudence, discretion,
18 intelligence, and experience, when investing, and not speculating
19 with, their own funds. Income becomes part of the fund. An amount
20 equal and limited to five per cent of its market value shall be with-
21 drawn from the fund annually and thereafter be subject to appropriation
22 for general purposes. No other withdrawals may be made from the fund,
23 except for payment of expenses of administration.

24 * Sec. 2. The amendment proposed by this resolution shall be placed
25 before the voters of the state at the next state-wide election in conformity
26 with sec. 1. art. XIII of the Constitution of the State of Alaska, and the
27 state election laws.
28
29

BILL AND RESOLUTION REQUEST

Hold

Request for Bill
 By Senator Rettig
 Subject:
 APPRO -- Permanent Fund - *Hellstrand*
memorial
 Drafter Russ
 Assigned by Russ
 Date in 1/28/74 Due on ASAP

Recorded ☒
 Draft 1 2 3 4 5 6 FINAL
 OK for final
 Deliver to Rettig
 Date delivered
 Instructions to typist

Special Instructions

Per attached

OBJECT OF LEGISLATIVE ACTION

Bill

- ☐ Determine appropriate AS section, chapter or title (including latest supplement) to amend. Legislator may specify.
- ☐ Check with revisor of statutes concerning section numbering.

Resolution

- ☐ Use special resolution request work form for basic facts and addressees. Record and proceed on this form.

SOURCES OF LAW AND FACT

- ☐ Journals and Legislative Reporting Service for previous session bills.
- ☐ Check with agency concerned (with requestor's permission).
- ☐ Laws of other states.
- ☐ Bar Foundation Bill Reporting Service.
- ☐ Publication "Suggested State Legislation."
- ☐ Professional and industrial groups and services (with requestor's permission).
- ☐ Alaska Delegation newsletters.
- ☐ Other

INTERPRETATION

- ☐ AS annotations.
- ☐ Shepard's Citations.
- ☐ Alaska Attorney General Opinions.
- ☐ Legal Reference Works.

LEGAL CHECK

- ☐ Constitutional aspects considered.
- ☐ Conformity with one-subject rule.
- ☐ Law not local or special unless general will not suffice.
- ☐ Subject reflected in title.
- ☐ Alaska Supreme Court rules checked for 2/3 majority vote requirement.

DRAFTING CHECK

- ☐ Organize bill.
- ☐ Provide effective date clause if effective date other than constitutional; reference to in title;
- ☐ Style, grammar, and words.
- ☐ Read three times: 1 - for meaning; 2 - for clarity and simplicity; and 3 - for loopholes or misapplication.
- ☐ Recheck AS citations and internal references.

ADVICE AND CONSULTATION

- ☐ Confer with appropriate staff members.
- ☐ Consult with legislator.
- ☐ Advise revisor of final numbering.
- ☐ Make recommended changes.
- ☐ Submit for final approval.

✓ *3/6/70*
Myers *to Rules*

Original sponsor: Rules Committee by request of the Governor

BY THE RULES COMMITTEE BY REQUEST
OF THE SPECIAL COMMITTEE ON INVESTMENT AND MONETARY POLICIES

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 405

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Alaska resources permanent fund; and providing for an effective date."

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

9 * Section 1. The sum of \$900,000,000 is appropriated from the general
10 fund to the Alaska resources permanent fund.

11 * Sec. 2. This Act takes effect on the day after its passage and approval
12 or on the day it becomes law without approval.

Hold BILL AND RESOLUTION REQUEST

Request for Bill
 By Senator Rettig
 Subject:
PERMANENT FUND -- Earl D. Hillstrand

Recorded _____
 Draft 1 2 3 4 5 6 FINAL
 OK for final _____
 Deliver to Rettig
 Date delivered _____

Drafter Russ
 Assigned by Russ
 Date in 1/28/74 Due on ASAP

Instructions to typist

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 Per attached

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- ___ Other _____

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- ___ AS annotations.
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DRAFTING CHECK

- ___ Organize bill.
- ___ Provide effective date clause if effective date other than constitutional; reference to in title;
- ___ Style, grammar, and words.
- ___ Read three times: 1 - for meaning; 2 - for clarity and simplicity; and 3 - for loopholes or misapplication.
- ___ Recheck AS citations and internal references.

ADVICE AND CONSULTATION

- ___ Confer with appropriate staff members.
- ___ Consult with legislator.
- ___ Advise revisor of final numbering.
- ___ Make recommended changes.
- ___ Submit for final approval.

✓ 3/7/70
yes to Russ

Original sponsor: Rules Committee by request of the Governor

BY THE RULES COMMITTEE
BY REQUEST OF THE SPECIAL
COMMITTEE ON INVESTMENT
AND MONETARY POLICIES

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 404

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska resources permanent
7 fund and providing for its administration; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 37 is amended by adding a new chapter to read:

11 CHAPTER 12. ALASKA RESOURCES PERMANENT FUND.

12 Sec. 37.12.010. PURPOSE. The purpose of secs. 10 - 180 of this
13 chapter is to provide a method by which funds surplus to current and
14 foreseeable needs may be invested to appreciate as a source of future
15 state revenues.

16 Sec. 37.12.020. ALASKA RESOURCES PERMANENT FUND. There is
17 created a permanent fund known as the Alaska resources permanent fund
18 to which appropriations may be made from time to time.

19 Sec. 37.12.030. ALASKA FUND INVESTMENT COMMITTEE. There is
20 established the Alaska Fund Investment Committee composed of the
21 commissioners of commerce and revenue, the president of the senate and
22 another senator appointed by the president from the opposite political
23 party, the speaker of the house and another representative appointed
24 by the speaker from the opposite political party, three members of the
25 public, not more than two of whom are of the same political party,
26 knowledgeable and experienced in banking, accounting or investing,
27 appointed by the governor. The three public members of the committee
28 who are appointed must be confirmed by the legislature in joint session.
29 The committee shall, at its first meeting, select a chairman and vice

1 chairman.

2 Sec. 37.12.040. TERMS OF MEMBERS APPOINTED FROM THE PUBLIC AND
3 THEIR REMOVAL. (a) Appointed public members of the committee are
4 appointed for six-year terms. However, the first three appointments
5 shall be for two, four and six years respectively.

6 (b) Appointed public members of the committee, unless removed,
7 serve until their successors are appointed and have qualified.

8 (c) An appointed public member of the committee may be removed
9 from office by the governor, for cause, after notice and opportunity to
10 be heard at a public hearing. A vacancy in the membership of the
11 appointed public members of the committee occurring other than by expira-
12 tion of a term shall be filled by the governor for the unexpired term
13 only.

14 Sec. 37.12.050. INVESTMENT POLICY. The committee shall invest
15 the fund with primary emphasis on long-term total return.

16 Sec. 37.12.060. MANAGEMENT STANDARDS. The committee, in managing
17 the fund, shall exercise the judgment and care under the circumstances
18 then prevailing which men of ordinary prudence, discretion, intelligence,
19 and experience exercise in the management of their own affairs not in
20 regard to speculation but in regard to the permanent disposition of
21 their funds, considering probable income, probable appreciation, and
22 safety of their capital.

23 Sec. 37.12.070. POWERS. The powers of the state with respect to
24 the investments are all of the powers which a natural person has in
25 dealing with his own property including but not limited to the power
26 to invest, reinvest, purchase and purchase at a premium, sell and
27 sell at less than cost, exchange, convey, transfer, lease, lease back
28 and otherwise dispose, register securities, vote securities, give
29 proxies, exercise conversion privileges, subscription rights and other

1 options, consent or otherwise participate in corporate reorganization
2 or other changes affecting corporate securities, pay assessments or
3 charges, enforce and compromise claims, make, execute, acknowledge and
4 deliver documents of transfer, conveyances and other instruments
5 necessary or appropriate to carry out such powers.

6 Sec. 37.12.080. FUNCTIONS OF THE COMMITTEE. The committee shall

7 (1) act as custodian of the investments and provide for
8 their safekeeping;

9 (2) collect the interest, dividends, rents, and other
10 income of the fund and collect principal and the proceeds of the sale
11 of investments;

12 (3) manage the fund, and in so doing exercise the state's
13 powers respecting the investments;

14 (4) maintain adequate accounts and records;

15 (5) prepare and submit a monthly report to the governor
16 disclosing a detailed summary of investments purchased, sold, exchanged,
17 conveyed, transferred, leased, and otherwise acquired or disposed of,
18 and stating the investments acquired or disposed of, dates of trans-
19 actions, the prices paid and received, any gain or loss, and the names
20 of the brokers, dealers, or contractors who engaged in the transactions;

21 (6) cause an annual audit of the fund by a licensed certified
22 public accountant who is not an employee of the state and submit the
23 auditor's report to the governor.

24 Sec. 37.12.090. CONFLICT OF INTEREST AND PUBLIC DISCLOSURE. (a)
25 Any member of the committee who is an employee or officer of, or who
26 contracts with, or obtains a direct or indirect interest in any corpora-
27 tion or other entity in which an investment is made from the fund
28 shall disclose publicly the existence of such employment, office,
29 contract or interest upon the acquisition of it.

1 (b) At least quarterly, each member shall file reports with the
2 committee, to be maintained in the office of the director, as public
3 documents, of all securities transactions in which he has engaged
4 during the preceding 90 days.

5 (c) No member shall vote upon any question the outcome of which
6 would affect substantially the value of any interest.

7 Sec. 37.12.100. QUORUM. Five members of the committee constitute
8 a quorum for the conduct of business at a meeting.

9 Sec. 37.12.110. EXPENSES. The three members from the public
10 receive no pay but are entitled to the travel expenses and per diem
11 authorized for members of boards and commissions.

12 Sec. 37.12.120. EXECUTIVE DIRECTOR. (a) The committee shall
13 employ an executive director who shall assist the committee with
14 respect to the administration of the fund.

15 (b) The director is an ex officio, nonvoting member of the
16 committee.

17 Sec. 37.12.130. CONTRACTS. (a) The committee may contract with
18 one or more qualified persons in the state or elsewhere

19 (1) to perform the functions specified in sec. 80(1) - (3)
20 of this chapter; except that when contracts are made with respect to
21 the function specified in sec. 80(3) of this chapter, three or more
22 fund managers shall be engaged and separate portions of the fund shall
23 be allocated to each of them;

24 (2) to provide the commission with advice and other services.

25 (b) Contracts may provide for reasonable compensation and reim-
26 bursement of expenses.

27 Sec. 37.12.140. ANNUAL DETERMINATION OF MARKET VALUE AND REPORT.
28 In addition to the monthly reports provided for in sec. 80(5) of this
29 chapter, at the end of each fiscal year, after deducting from the fund

1 for the purpose of computation the expenses of administration of that
2 year, the committee shall determine the market value, capital gains
3 and losses and dividend income of the fund and submit a report of its
4 findings to the governor and each legislature.

5 Sec. 37.12.150. REPORTS. Reports of the committee provided for
6 by secs. 80(5) and 140 of this chapter are public 30 days after they
7 are filed.

8 Sec. 37.12.160. WITHDRAWALS. (a) Expenses of administration
9 shall be paid out of the fund.

10 (b) Sixty days after the end of each fiscal year, whether or not
11 provided by income and capital appreciation, an amount in cash, or
12 securities at market value as of the date of transfer, or both, equal
13 and limited to five per cent of the mean average of the determined
14 market value of the fund at the end of that fiscal year and the deter-
15 mined market values of the fund at the ends of the two (necessarily,
16 none and one, at the ends of the first and second fiscal years,
17 respectively) preceding years shall be withdrawn from the fund and
18 transferred to the general fund.

19 (c) There shall be no other withdrawals from the fund.

20 Sec. 37.12.170. TRANSFER TO FUND. Upon the effective date of
21 an Act appropriating to the fund, the amount appropriated shall be
22 transferred to the fund in cash, or securities at market value as of
23 that date, or both.

24 Sec. 37.12.180. DEFINITIONS. In secs. 10 - 180 of this chapter

25 (1) "committee" means Alaska Fund Investment Committee;

26 (2) "expenses of administration" means the amount incurred
27 during the fiscal year in accordance with contracts for managerial,
28 advisory, legal, appraisal, accounting, auditing, performance evalu-
29 ations, custodial, execution of transactions, brokerage, and other

1 services;

2 (3) "fiscal year" means the fiscal year of the fund, which
3 is the period July 1 to June 30;

4 (4) "fund" means the Alaska resources permanent fund and
5 includes income and capital appreciation;

6 (5) "investment manager" means a person who, for compensa-
7 tion, engages in the business of advising others, either directly or
8 through publications or writings, as to the value of securities or
9 as to the advisability of investing in, purchasing, or selling
10 securities, or who, for compensation and as a part of a regular business,
11 issues or promulgates, analyzes or reports concerning securities, or
12 invests in securities as agent for others;

13 (6) "investments" means the property of the fund and in-
14 cludes cash;

15 (7) "long-term total return" means an investment policy
16 which includes long-term capital appreciation, dividend income, plus
17 interest income, plus realized capital gains, plus unrealized capital
18 gains, minus realized capital losses, and minus unrealized capital
19 losses;

20 (8) "manage", with respect to the fund, includes but is
21 not limited to selection of classes of investments, selection of
22 investments from within those classes, and the acquisition, retention,
23 disposition, and exchange of investments;

24 (9) "permanent" when applied to the fund means that it
25 shall have perpetual existence, not be subject to invasion or diversion,
26 and be kept intact except for withdrawals as provided in sec. 160 of
27 this chapter;

28 * Sec. 2. This Act takes effect on the day after its passage and approval
29 or on the day it becomes law without approval.

Hold BILL AND RESOLUTION REQUEST

Request for Resolution
 By Senator Rettig
 Subject:
 PERMANENT FUND -- Earl D. Hillstrand

Recorded ☒
 Draft 1 2 3 4 5 6 FINAL
 OK for final _____
 Deliver to Rettig
 Date delivered _____

Drafter Russ
 Assigned by Russ
 Date in 1/28/74 Due on ASAP

Instructions to typist

Special Instructions

Per attached

OBJECT OF LEGISLATIVE ACTION

Bill

- ___ Determine appropriate AS section, chapter or title (including latest supplement) to amend. Legislator may specify.
- ___ Check with revisor of statutes concerning section numbering.

Resolution

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SOURCES OF LAW AND FACT

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- ___ Alaska Delegation newsletters.
- ___ Other _____

INTERPRETATION

- ___ AS annotations.
- ___ Shepard's Citations.
- ___ Alaska Attorney General Opinions.
- ___ Legal Reference Works.

LEGAL CHECK

- ___ Constitutional aspects considered.
- ___ Conformity with one-subject rule.
- ___ Law not local or special unless general will not suffice.
- ___ Subject reflected in title.
- ___ Alaska Supreme Court rules checked for 2/3 majority vote requirement.

DRAFTING CHECK

- ___ Organize bill.
- ___ Provide effective date clause if effective date other than constitutional; reference to in title;
- ___ Style, grammar, and words.
- ___ Read three times: 1 - for meaning; 2 - for clarity and simplicity; and 3 - for loopholes or misapplication.
- ___ Recheck AS citations and internal references.

ADVICE AND CONSULTATION

- ___ Confer with appropriate staff members.
- ___ Consult with legislator.
- ___ Advise revisor of final numbering.
- ___ Make recommended changes.
- ___ Submit for final approval.

4-23
Ziegler

Original sponsor: Rules Committee by request of the Governor

1 IN THE SENATE

BY THE SPECIAL COMMITTEE ON
INVESTMENT AND MONETARY POLICY

2 CS FOR SENATE JOINT RESOLUTION NO. 74

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the
6 Constitution of the State of Alaska
7 establishing the Alaska Resources
8 Permanent Fund.

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

10 * Section 1. Article IX of the Constitution of the State of Alaska is
11 amended by adding a new section to read:

12 SECTION 15. ALASKA RESOURCES PERMANENT FUND. The Alaska Resources
13 Permanent Fund created by the Second Session of the Sixth Legislature,
14 including any additions by appropriations, shall be permanent and
15 not subject to appropriation. It shall be invested for maximum long-
16 term return. Investments shall be made in accordance with the standards
17 observed by men of ordinary prudence, discretion, intelligence, and
18 experience, when investing, and not speculating with, their own funds.
19 Income becomes part of the fund. Market value of the fund will be
20 determined quarterly. During the first three years of operation of the
21 fund an amount equal and limited to five per cent of its average market
22 value shall be withdrawn from the fund annually and thereafter be
23 subject to appropriation for general purposes. The average market
24 value will be calculated as the arithmetic mean of the market value
25 of the fund considering the immediately passed quarter-end, and as the
26 history of operation of the fund permits, up to but not exceeding the
27 11 quarters immediately preceding the most recent quarter-end. After
28 three years of operations of the fund an amount, subject to the minimum
29 and maximum limitations noted below, equal to one-half of the amount

1 by which the most recent market value of the fund exceeds the market
2 value of the fund at its inception as adjusted to compensate for the
3 potential eroding effects of inflation, shall be withdrawn from the
4 fund annually and thereafter be subject to appropriation for general
5 purposes. The adjustment to compensate for the potential eroding
6 effects of inflation shall be equal to the percentage by which the
7 Consumer Price Index as calculated by the Bureau of Labor Statistics
8 has changed, between the time of inception of the fund and the time of
9 the quarter-end for which this calculation pertains, as applied to the
10 value of the fund at its inception. The procedure of this paragraph
11 shall not be applied if such adjustment results in an adjusted fund
12 value less than the value of the fund at its inception. The withdrawal
13 of funds as provided for above shall be constrained by a minimum and
14 maximum amount. The minimum amount shall be equal to five per cent of
15 the average market value of the fund. The maximum amount shall be equal
16 to 10 per cent of the average market value of the fund. The average
17 market value shall be calculated as the arithmetic mean of the market
18 value of the fund considering the immediately passed quarter, and as
19 the history of the fund permits, up to but not exceeding the 11 quarters
20 immediately preceding the most recent quarter-end. No other withdrawals
21 may be made from the fund, except for payment of expenses of adminis-
22 tration.

23 * Sec. 2. The amendment proposed by this resolution shall be placed
24 before the voters of the state at the next statewide election in conformity
25 with sec. 1, art. XIII of the Constitution of the State of Alaska, and the
26 state election laws.
27
28
29

2-28-70
J. Ziegler

Original sponsor: Rules Committee by
request of the Governor

BY THE RULES COMMITTEE BY
REQUEST OF THE SPECIAL
COMMITTEE ON INVESTMENT
AND MONETARY POLICIES

1 IN THE SENATE

2 CS FOR SENATE JOINT RESOLUTION NO. 74

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Consti-
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17 with the standards observed by men of ordinary prudence, discretion,
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