

Memos



Official Business

Alaska State Legislature

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

January 27, 1988

TO: Senate Members
Joint Economic Recovery Committee

FROM: Senator Arliss Sturgulewski, Co-Chairman
Senator Lloyd Jones, Co-Chairman
Joint Economic Recovery Committee

RE: Joint Economic Recovery Committee

The Senate members will meet on Friday, January 29 at 1:30 pm in the Butrovich room for an organizational meeting.

The Joint Economic Recovery Committee (both Senate and House) will meet at 3:30 pm on Friday, January 29 and at 3:30 pm on Monday, February 1 in the Senate Finance Committee Room.

The schedule will be as follows:

Friday	Alaska Economic Overview -Commissioner Tony Smith -Dave Rose, Alaska Permanent Fund -Lee Gorsuch, ISER
Monday	Alaska Economic Overview -Commissioner Tony Smith - R.E.I.T.'s -Others to be announced

Senate Members: Senators Coghill, Eliason, Faiks, Halford, Josephson, and Zharoff



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Joint Economic Recovery Committee

January 29, 1988

Senate Members

Senator Sturgulewski, Co-Chairman
Senator Jones, Co-Chairman

Senator Coghill
Senator Eliason
Senator Faiks
Senator Halford
Senator Josephson
Senator Zharoff

House Members

Representative Gruenberg, Chairman

Representative Adams
Representative Brown
Representative Boucher
Representative Ulmer
Representative Koponen
Representative Navarre
Representative Miller
Representative Rieger



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JOINT COMMITTEE ON ECONOMIC RECOVERY
January 29, 1988
Senate Finance Committee Room

- 3:30 -- Opening Remarks
 Senator Arliss Sturgulewski (Senate Co-chair) ✓
 Senator Lloyd Jones (Senate Co-Chair) ✓
 Representative Max F. Gruenberg, Jr. (House Chair) ✓
- 3:45 -- COMMISSIONER TONY SMITH (Commerce and Economic ✓
 Development)
- 4:10 -- LEE GORSUCH (Institute of Social and Economic
 Research)
- 4:35 -- DAVE ROSE (Alaska Permanent Fund Corporation)
- 5:00 -- Meeting adjourned



Official Business

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P.O. BOX V
State Capitol
Juneau, Alaska 9981

Senate Joint Committee on Economic Recovery

Memorandum

To: Committee Members
From: Senator Jones and Senator Sturgulewski, Co-Chairpersons
Date: February 2, 1988
Subject: Areas of responsibility

At the January 29, 1988 meeting of the Senate Joint Committee on Economic Recovery, the following areas of responsibility were accepted:

- | | |
|---|--|
| Senator Coghill | - review military PX facility policies relating to the availability of PX service to civilians and its affect on local private businesses. |
| Senator Faiks | - develop draft legislation on guaranteed loan program fashioned after SBA Small Business Loan Program.
- develop draft legislation on the bridge bank concept. |
| Senator Halford | - review AIDA policies on caps and delinquency rates for banks. |
| Senator Jones and
Senator Sturgulewski | - develop list of existing legislation that offers short term solutions.
- develop list of proposed legislation that can be finalized and offered this session. |

The Senate committee will meet again early next week. As soon as we can determine an acceptable time and place, it will be announced. If you have invited any speakers on topics of responsibility please advise Senator Sturgulewski's office.



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Senate Joint Committee on Economic Recovery

Memorandum

To: All Senate Members

From: Senator Jones and Senator Sturgulewski, Co-Chairpersons

Date: February 2, 1988

Subject: Legislation

The Joint Committee on Economic Recovery held its first meeting on January 29, 1988. This committee was created by SCSHCR32(fin). Membership on the committee was appointed by Senator Faiks and Representative Grussendorf respectively. A membership roster is attached for your information. The charge of the committee is to confront with workable solutions the "severe economic crisis that has led to bankruptcies, foreclosures, business failures, and the loss of homes, property, and millions of dollars to Alaskans".

In order to facilitate the workings of the committee, a list of general topic areas has been developed. The topic areas are:

Business, Banking and Finance
Resource Development
Housing

We are compiling a list of legislation dealing with economic recovery. We invite you to submit to the committee a list of up to five pieces of legislation currently under consideration that you would like to see adopted this session that deal with these areas. If you have ideas or areas of interest that have been developed into proposed legislation that could be adopted this session, we encourage you to submit them at this time also. Because of the time constraints of session, your response is needed by Monday, February 8, 1988 and should be sent to Senator Sturgulewski's office.



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State Capitol
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Joint Economic Recovery Committee

January 29, 1988

Senate Members

Senator Sturgulewski, Co-Chairman
Senator Jones, Co-Chairman

Senator Coghill
Senator Eliason
Senator Faiks
Senator Halford
Senator Josephson
Senator Zharoff

House Members

Representative Gruenberg, Chairman

Representative Adams
Representative Brown
Representative Boucher
Representative Ulmer
Representative Koponen
Representative Navarre
Representative Miller
Representative Rieger



Official Business

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MEMORANDUM

February 5, 1988

TO: All Senators *[Signature]*

FROM: Senators Jones and Sturgulewski, Co-Chairmen *[Signature]*
Senate Joint Committee on Economic Recovery

RE: Meeting Date

You are invited to attend our next meeting which will be held on Tuesday, February 9, 1988, in the Senate Finance Room. The meeting will begin at 12 noon and end by 1:30 p.m.

On the agenda will be representatives of FDIC from San Francisco and Anchorage. They will brief the committee on developments regarding liquidation of failed bank assets.

Thank you.

Alaska State Legislature



**SENATOR
ARLISS STURGULEWSKI**

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

MEMORANDUM

February 11, 1988

TO: Senator Jan Faiks
President of the Senate

Senator Lloyd Jones, Co-Chairman
Joint Committee on Economic Recovery

FROM: Arliss Sturgulewski, Co-Chairman (initials)
Joint Committee on Economic Recovery

RE: Introduction of legislation by the Joint Committee on Economic Recovery

According to Tam Cook of the Legislative Legal Services, the Joint Committee on Economic Recovery may introduce legislation if a majority of the Senate members on the committee and a majority of the House members vote to approve the introduction of specific legislation. Neither the Senate members nor the House members may introduce legislation without the consent of a majority of the other house members.

The basis for this requirement is contained in SCS HCR 32(Fin) which is attached.

Attachment

Senate Joint Economic Recovery Committee

Wednesday, February 17, 1988

AGENDA

1. Chair-persons remarks: Senator Jones
 Senator Sturgulewski
2. Executive Session
3. Work Session

MEMORANDUM

TO: Senator Sturgulewski
FROM: Senator Jones *[Signature]*
RE: Tonight's meeting

I have a few items I would like to see put on tonight's meeting agenda:

- OK* 1) We should go over legislation the committee wants to introduce.
- OK* 2) We need to develop questions to ask FDIC. They will be here next week, but want their questions ahead of time.
- OK* 3) We should discuss and analyze the "Bridge Bank".
- OK* 4) We should discuss the 2% reduction on home loans--and how much it will cost. If we do it, it should be for all loans on primary residences, not just AHFC financed loans.
- OK* 5) We should go over correspondence we have received from the professionals regarding economic recovery issues. I have attached a letter Jan received from an Anchorage Realtor addressing these issues.
- OK* 6) Lastly, I would like to discuss placing a 3 year Sunset on all of this legislation so we do not create another government boondoggle.

Thanks.

FEB 22 1988

H. Norman Rokeberg
6534 Lakeway Drive
Anchorage, AK 99502

February 18, 1988

Senator Jan Faiks
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Subject: Economic Recovery
Commercial Real Estate

Dear Ms. Faiks:

Attached is an outline of a plan to help stop the downward trend in Alaska's commercial real estate market. In a nutshell, it calls for "imploding" the failed inventory of properties held by the Alaska Industrial Development and Export Authority (AIDEA) on its existing equity.

A brief overview shows Anchorage's real estate problems are a result of over supply and diminished demand. The best statistical example can be seen in the office space market.

Presently, Anchorage has an inventory of 7.8 million square feet, of which 1.7 million is vacant, or 21.7 percent. (These are my preliminary year end numbers.)

During the past 15 years over 6 million square feet of office space was built with annual absorption of approximately 350,000 square feet per year. During the past two years we have experienced a net negative absorption of more than 400,000 square feet.

The drop in demand has depressed rent levels by more than 33%, for example, Class "A" rates have decreased from ranges of \$2.35 to \$1.50 per square foot per month. Income properties are valued on their ability to produce revenues. Warehouse and strip retail rents have dropped by as much as 40 to 50 percent.

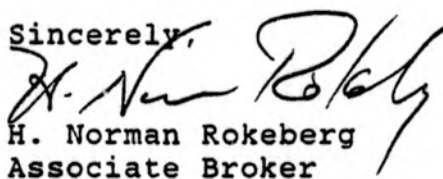
Jan Faiks
February 18, 1988
Page 2

AIDEA, in concert with poor commercial banking practices, was a primary cause of the over supply problem. When traditional mortgage lenders were constrained by prime rates of eighteen percent and more, the State of Alaska clearly meddled with market forces by stimulating construction with IDB subsidized loans. Buildings mushroomed and caused the 1985 real estate recession prior to the oil collapse.

I remain a firm believer in a free market, however, once the State disrupts that market with "economic engineering", it has a social as well as an economic responsibility to help correct its mistake.

Please call me at 563-5500 if you have any questions.

Sincerely,



H. Norman Rokeberg
Associate Broker
Jack White Company

HNR/sc

enclosure

cc: Tony Smith
Dave Rose
Ron Lehr

ALASKA ECONOMIC RECOVERY PROGRAM

Demolition of Commercial Property Alternative

Intent: Use equity of AIDEA to pay for demolition of properties foreclosed upon by AIDEA.

Purpose: Implementation of this public policy will: 1) diminish the supply of commercial property; 2) be a clear statement to the private sector that the state is acting to correct a recognized economic problem; and 3) minimize the demand on the public treasury.

Rationale: The State of Alaska's AIDEA was a proximate cause in creating an over supply of commercial properties. During the boom period of 1982 to 1985, AIDEA subsidized construction of more than 300,000 square feet of office space in the Anchorage market.

Assumptions: Given bond obligations in the 300 million range and an equity of approximately 300 million, AIDEA has the existing resources to assist in curing a problem it helped to create.

Suggested Mechanics: 1) As a first step AIDEA would endeavor to "work out" the problem loan; 2) failing a satisfactory work out, AIDEA would accept a deed-in-lieu or foreclose on property; 3) if a statutory foreclosure is instituted, AIDEA would attach the existing income stream (by assignment of rent provisions) to avoid "creaming" by the borrower; 4) after a suitable period (say six (6) months) if the property could not be resold for cash (i.e., non-AIDEA financing) then the building would be scheduled for demolition; 5) any existing tenants would be relocated and the leases terminated. In the event of relocation, the tenant would be granted a maximum ninety (90) day rent abatement to facilitate relocation; 6) upon completion of the above steps, AIDEA would contract for the total demolition of the building and

foundation: 7) AIDEA would bear the interim holding costs and demolition; 8) participating private lenders would be required to write off their portion of the loan, and 9) the land would be held by AIDEA as part of its asset base until market conditions allow for sale.

Legislative Action: The legislature would adopt the above procedures, together with a public directive prohibiting AIDEA from lending on commercial properties in urban areas anytime in the future.

Conclusions: A similar policy directive could be applied to residential housing loans held by AHFC.

This alternative is not a bail out, as it applies only to failed properties. However, it may aid the liquidity problem by encouraging deed-in-lieu return of property, and, therefore, save some borrowers from bankruptcy.

While this program is not a total solution, it has the following advantages: 1) it requires no state funding; 2) it is relatively simple to implement; 3) it uses an existing organization to execute; and 4) it can be started very quickly.

Submitted by: H. Norman Rokeberg
2/88

TO: Members of the Senate Joint Committee on Economic Recovery

FROM: Senator Lloyd Jones, Co-chair
Senator Arliss Sturgulewski, Co-chair
Senate Joint Committee on Economic Recovery

RE: Notice of Committee Meeting

DATE: February 23, 1988

The Senate Joint Committee on Economic Recovery has scheduled a meeting for Wednesday, February 24, in the Butrovich Room. On the agenda are presentations on SB 471, AIDEA Guaranteed Loan Program, by Bert Wagnon of AIDEA and Jan Sieberts of NBA. Also on the agenda is discussion of legislation that has direct economic impact and has been discussed at previous committee hearings.



Official Business

Alaska State Legislature

P.O. BOX V
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SENATE JOINT COMMITTEE ON ECONOMIC RECOVERY Agenda items for Meeting of February 24, 1988

1. Presentation by Jan Sieberts of NBA on SB471, AIDEA Guaranteed Loan Program and other economic topics.
2. Presentation by Bert Wagon of AIDEA on SB471, AIDEA Guaranteed Loan Program and other economic issues.

Items in binder:

3. Senate Bills already introduced - discussion of bills for committee support.
4. House Bills (information only) - listing of major bills under discussion in the House Joint Committee on Economic Recovery.
5. Proposed Bills - Discuss proposed legislation for sponsorship.
6. FDIC - Discussion of \$250,000 appraisal proposal, Bridge-bank concept, Hallwood Group, Sealaska and other proposals.
7. Reports and Correspondence - review items for applicability and consideration.
8. Consider inserting sunset language in economic recovery legislation.

JOINT COMMITTEE ON ECONOMIC RECOVERY
INFORMATION INDEX

Senate Bills:

- SB 333 - An Act relating to wage, salary, and benefit claims having priority in certain bank liquidations and to certain bank reports required by the Department of Commerce and Economic Development; - Sen. Halford (House Labor & Commerce Committee)
- SB 392 - An Act relating to delinquent loans of Alaska Industrial Development and Export Authority; - Sen. Halford (Senate Finance)
- SB 408 - An Act relating to Alaska stabilization assistance program; - Sen. Kelly and Sturgulewski (S. Fin.)
...Memorandum - Sen. Kelly to All Senators 2/9/88
 - Sen. Kelly to Tam Cook 2/9/88
...Letter - Anthony J. Gumbiner to David Rose 2/18/88
...Text - A Conceptual Plan for an Alaska Stabilization Assistance Program - David Rose.
...Memorandum - Dave to Jan 1/29/88
...Article - Anch Daily News - "Value of Mat-Su Property plunges 15 to 20 percent" - 2/8/88
...Text - Proposal for the Establishment of the Hallwood Alaskan Real Estate Stabilization Trust.
- SB 409 - An Act making a special appropriation to the Alaska stabilization assistance fund; - Sen. Kelly and Sturgulewski (S. Fin)
- SB 471 - An Act establishing a program in the Alaska Industrial Development and Export Authority to guarantee loans and to refinance debt; - Sen Halford (S. Fin)
...Memorandum - Jack Chenoweth to Sen Faiks 2/11/88
...Text - FINANCIAL ASSISTANCE, Guaranteed Loans General Information
...Letter - Robert P. Gray to Sen. Faiks, Halford and Sturgulewski 12/21/87
...Letter - J.K. Sieberts to Sen Faiks 12/12/87
- SB 474 - An Act increasing property exemptions. - Sen. Halford (S. Fin)
- SB 476 - An Act creating the supplemental assistance fund for Railbelt Communities;.... - Sen. Halford (S. Fin)
- SB 477 - An Act making a special appropriation to the Department of Community and regional Affairs for supplemental

municipal assistance to Railbelt communities; -
Sen. Halford (S. Fin)

SCR 32 - Urging the state's financial institutions to adopt more flexible lending and collection policies. - Sen. Fischer (H. L&C)

House: Housing and Banking Subcommittee Pending Legislation

HB 402 - An Act relating to the Alaska Industrial Development and Export Authority; Rules Committee/Governor

HB 429 - An Act relating to an optional exemption from municipal taxation - L & C Committee

HB 430 - An Act relating to the neighborhood business development program; - L & C Committee

HB 431 - An Act making an appropriation to the neighborhood business development fund; - L & C Committee

HB 432 - An Act authorizing the Alaska Housing Finance Corporation to accept trades in certain cases; - Rep. Donley

HB 433 - An Act establishing a moratorium on judicial and nonjudicial foreclosures; - L & C Committee

HB 434 - An Act relating to municipal development and redevelopment - Rep. Menard

HB 457 - An Act relating to the Alaska stabilization assistance program; - Rep. Pettyjohn

HB 458 - An Act making a special appropriation to the Alaska stabilization assistance fund; - Rep. Pettyjohn

Proposed Bills:

An Act providing interim payment reductions of the monthly mortgage payments payable by certain mortgagors on mortgage loans purchased by the Alaska Housing Finance Corporation; - Sen. Halford

An Act providing a temporary reduction of the rate of interest payable by mortgagors on mortgage loans purchased by the Alaska Housing Finance Corporation; - Sen. Faiks

An Act establishing a moratorium on judicial and nonjudicial foreclosures; - Sen. Halford

Urging state agencies that make loans to withhold approval of loans for new construction in areas in which availability of

business and commercial facilities and residences substantially exceeds demand. - Sen. Faiks

Relating to opportunities offered by the present crisis in residential housing. - Sen. Faiks

Relating to the Alaska Industrial Development and Export Authority. - Sen. Faiks

FDIC Information:

Letter - Senators Jones and Sturgulewski and Representative Gruenberg to Lamar Kelly, FDIC 2/5/88

Article - Anchorage Daily News 2/20/88 - Real Estate Bailout? No way witnesses say.

Summary of Anchorage Economic Development Corporation proposal for purchase and management of FDIC assets - Robert B. Flint

A Development Venture Company: An Appropriate Financial Institution for Alaska - Peter McDowell.

Article - Anchorage Times 1/28/88 - Sealaska Eyes FDIC Properties.

Alaska Investment Bank & Trust: A Real Estate Holding Company for the People of Alaska - John M. Bashaw 2/15/88.

Reports and Letters:

Municipality of Anchorage Economic Recovery Program - Mayor Tom Fink.

Economic Recovery Task Force - Anchorage Chamber of Commerce.

Article - Anchorage Daily News - It's time to take economic action - Scott Hawkins.

Article - Seattle Times 2/7/88 - Agency set up to sell assets seeks bailout.

Can State Spending Speed Alaska's Economic Recovery? - ISER

Letter - David L.T. Knudson to Senators Sturgulewski, Faiks, Halford, and Kelly 2/11/88.

Letter - Joseph E. Heintz, Peat Marwick Main & Co. to Governor Cowper 1/8/88.

The Recession, the Real Estate Crash and Alaska's Economic Prospects - Gregg Erickson, OMB

Options to Improve the Alaskan Economy - David A. Rose, PFDC

Memorandum - Commissioner Hugh Malone to Representative Gruenberg
2/19/99.

Memorandum - Alfred G. Zangri, Economist, Dept. of Revenue to
Milt Barker, Dpty Commissioner Dept. of Revenue 2/12/88.

Fact Sheet: The Southwest Plan - FSLIC 2/5/88

Commonwealth North Report

Fortune Properties Market News Vol 4, Issue 1, 1988 - Connie
Yoshimura.

Letter - Norman Rokeberg - Economic Recovery: Commercial Real
Estate.



Official Business

Alaska State Legislature

Senate

Senate Joint Economic Recovery Committee

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senate members,
Joint Economic Recovery Committee

FROM: Senator Jones, Co-Chair 

RE: Next Meeting

On behalf on Co-Chair Sturgulewski and myself, I wanted to let you know we have scheduled another meeting for Tuesday, March 1, 1988. The meeting will be held at 5:00 PM in the Beltz room.

Larry Chenault and Lamarr Kelly of FDIC will be present to answer questions.

Thank you.

Senate Joint Economic Recovery Committee

AGENDA

March 1, 1988

1. FDIC Representatives:

**Larry Chenault
Lamarr Kelly**

2. Bernie Karl, K&K Recycling

3. Set time of next meeting



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Juneau, Alaska 99811

SENATE JOINT COMMITTEE ON ECONOMIC RECOVERY

TO: Members of the Senate Joint Committee on Economic Recovery

FROM: Senator Lloyd Jones, Co-chair *LJ*
Senator Arliss Sturgulewski, Co-chair *AS*
Senate Joint Committee on Economic Recovery

RE: Notice of Committee Meeting

DATE: March 1, 1988

The Senate Joint Committee on Economic Recovery has scheduled a meeting at 5:00 P.M. on Thursday, March 3, in the Butrovich Room. The agenda will include discussion and finalization of existing and proposed legislation that has been submitted to the Committee for consideration. We would encourage those who have submitted legislation to review it with the Committee at that time.

Members are asked to bring the notebooks that were provided at the February 24 meeting.

MEMORANDUM

TO: Senate Joint Economic Recovery Committee members
FROM: Senator Jones
RE: FDIC liquidation policy proposal

Attached is AIDA's response to Mr. Lowe's proposal from our last meeting.

PROPOSAL TO ECONOMIC RECOVERY COMMITTEE

MARCH 3, 1988

FDIC sells troubled loans to AIDA for 25¢ on the dollar - no recourse to FDIC. Fund assets until resold up to maximum of 12 months.

AIDA to sell to banks at 30¢ on dollar. AIDA to pay carrying costs, taxes repairs etc but not collection costs.

AIDA to buy back uncollectable loans up to 5 years. Could resell them at any price to anyone - no recourse.

Banks be allowed to buy loans up to a given per cent of capital if a branch in area of loan - on first go around. After that any bank could purchase.

If bank repackages and sells a loan that was purchased from AIDA, AIDA would receive a percentage of any profit generated from the sale.

AIDA or Teachers Retirement could keep or sell as they wished on any terms loans in which they had participated.

AIDA could pool consumer loans under \$25,000 & sell them in packages or could issue bonds that would be retired as loans pay off.

Banks could carry loans off balance sheet. They would not be subject to criticism from regulatory authorities.

This plan could be implemented using a TASK FORCE of bank representatives, FDIC and AIDA officials. The services of a consulting firm and legal counsel (such as SEAFIRST can provide) could bring the program into existence.



ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY

1577 "C" STREET • SUITE 304 • ANCHORAGE, ALASKA 99501-5177 • (907) 274-1651

March 7, 1988

Mr. Jim Lottsfeldt
Office of Senator Lloyd Jones
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

SUBJECT: Proposed Liquidation of FDIC Assets

Dear Mr. Lottsfeldt:

Thank you for forwarding the outline of the FDIC liquidation plan to me. My understanding is that you would like the Authority's comments on such a proposal before the scheduled 5:00 pm meeting on Monday, March 7, 1988.

My understanding of the proposal would have the Authority purchase the assets currently held by the FDIC in the amount of approximately \$200.0 million for .25¢ on the dollar or for about \$50.0 million. The Authority would then sell to Alaskan banks these same assets for .30¢ on the dollar or about \$60.0 million. It also appears the banks will have recourse to the Authority to put any loan back to the Authority and be paid for it for a period of five years. It also appears the Authority will pay the carrying costs, i.e. taxes, insurance, repairs, etc. even while the banks "own" the loan.

I am unsure what such a program would accomplish. The banks should endorse such a program in that it appears they receive a five year risk free option to sell the property for greater than .30¢ on the dollar and if it does not work out, the Authority will repurchase the loan from them.

Mr. Jim Lottsfeldt

March 7, 1988

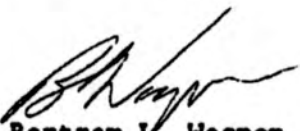
Page Two

The proposal seems a trifle bizarre in that there has been much discussion on "FDIC Dumping" yet here we are dumping first to the Authority for .25¢ on the dollar, then the banks have the option of dumping to someone else. While hopefully not sounding too negative, this appears to be an exercise in activity that most likely accomplishes nothing. The end result is the banks would sell the property most likely to the same people, firms and groups, etc. that the FDIC will.

The "carrot", I guess, for having the Authority assume the risk on the loans (the banks have recourse to put them back to the Authority) is the differential between what they are purchased for, (\$50.0 million) and sold to the banks for, (\$60.0 million).

What is overlooked is that this portfolio has already been picked over once by National Bank of Alaska and some of these loans may be worth 80% to 90% of their par amount while I am sure many are worthless. I question how the sale of such marginal properties will be the negative force discussed when much of the testimony has illustrated the flight to quality in commercial space.

Respectfully,



Bertram L. Wagnon
Executive Director

BLW/ss

H- FYI
Rod

SENATE JOINT ECONOMIC RECOVERY COMMITTEE

House JCER Sub-committee Status Report
as of 3/4/88

Housing and Banking Sub-committee:

Rep. Brown & Rep. Reiger - Co-Chairs

Final report expected last ten days of March.

Bills considered for endorsement:

HB432 - Authorizing AHFC to accept trades.

HB433 - Moratorium on judicial and nonjudicial foreclosures.

Proposed - Affecting the HOAP program.

Affecting the mobile home market.

Resource Development, Transportation, Employment and Industry
Sub-committee:

Rep. Miller & Rep. Navarre - Co-chairs

Final report date undecided.

Bills considered for endorsement:

Thirty-six pieces of legislation have been reviewed.

Small Business Sub-committee:

Rep. Boucher - Chair

Final report expected to be complete 3/10.

Bills considered for endorsement:

HB45 - Relating to Alaska business bidders preference.

HB97 - Relating to cable television.

HB219 - Appropriation: Alaska Center/International Business.

HB310 - Relating to public works and public construction.

HB352 - Worker's Compensation.

HB430 - Neighborhood Business Development Center.

HB431 - Appropriation: Neighborhood Business Development Fund.

SB166 - Regulations that affect businesses and small
municipalities.

Interior Region Sub-committee:

Rep. Koponen - Chair

Final report expected to be completed 3/7.

Bills considered for endorsement:

HB253 - Relating to Alaska Research Policy Act & Science &
Engineering Advisory Commission.

HB430 - Act relating to Neighborhood Business Development
Fund.

HB431 - Appropriation to the Neighborhood Business Development
Fund.

Southeast Region Sub-committee:

Rep. Ulmer - Chair

Final report expected before 3/11.



OFFICIAL BUSINESS

Alaska State Legislature

Senate

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JUNEAU, ALASKA 99811

SENATE JOINT COMMITTEE ON ECONOMIC RECOVERY

TO: Members of the Senate Joint Committee on Economic Recovery

FROM: Senator Lloyd Jones, Co-chair *LJ*
Senator Arliss Sturgulewski, Co-chair *AS*
Senate Joint Committee on Economic Recovery

RE: Notice of Committee Meeting

DATE: March 7, 1988

The Senate Joint Committee on Economic Recovery has scheduled a meeting at 5:00 P.M. on Wednesday, March 9, in the Butrovich Room. The agenda will include discussion and finalization of existing and proposed legislation that has been submitted to the Committee for consideration. We would encourage those who have submitted legislation to review it with the Committee at that time.

Members are asked to bring the notebooks that were provided at the February 24 meeting.

ALASKA STATE LEGISLATURE

Home Address
3813 Denali Street
Ketchikan, AK 99901
907-225-9082



While in Juneau
P.O. Box V
Juneau, AK 99811
907-465-3743

Senator Lloyd Jones

MEMORANDUM

TO: Senate Members,
Joint Economic Recovery Committee

FROM: Senator Jones, Co-Chair *LJ*

RE: Monday meeting

Senator Sturgulewski and I want to let you know that the House and Senate Joint Economic Recovery Committees will meet together to hear Economist, Dr. Ryan Amacher. Afterwards, the Senate committee will meet with Tony Gumbiner, chairman of the Hallwood Group,

The meeting will be held at 5:00 PM in the Senate Finance room on Monday, March 7, 1988.

Dr. Amacher, from Clemson University, has visited Juneau in the past as part of his work with the University of Alaska. Dr. Amacher is Senate Finance's guest for his visit but he has also been briefed about what the Joint Economic Recovery Committee is looking at in order to address the present market decline. I have attached Dr. Amacher's resume for informational background.

Also, we have invited the Hallwood Group to meet with our committee to discuss their proposal for a private sector "bridge bank." The Chairman of the Hallwood group, Tony Gumbiner, will be present to represent his organization.

ALSO Jim CAIRNS
CHAIRMAN OF ALLIANCE GROUP

CURRICULUM VITAE

Ryan C. Amacher

December 1987

<u>Home Address:</u>	Tarnwood Farm Route 5 Seneca, S.C. 29678	<u>Home Phone:</u>	(803) 882-4075
<u>Office Address:</u>	College of Commerce and Industry Clemson University Clemson, S.C. 29634-1301	<u>Office Phone:</u>	(803) 656-3177
<u>Date of Birth:</u>	November 9, 1945; Medford, Wisconsin.		
<u>Marital Status:</u>	Married; Susan Smith Amacher (1967).		
<u>Citizenship:</u>	U.S.A.		
<u>Education:</u>	A.B. Ripon College Ph.D. University of Virginia	May, 1967 June, 1971	Economics Economics

Permanent Appointments:

Dean, College of Commerce and Industry, Clemson University, July 1981-Present.

Professor of Economics, Clemson University, July 1981-Present.

Chairman, Department of Economics, Arizona State University, July 1977-June 1981.

Professor of Economics and Associate Professor of Economics, Arizona State University, July 1975-June 1981.

Senior International Economist, U.S. Treasury, 1974-1975.

Assistant Professor of Economics, University of Oklahoma, 1972-1974,
Associate Professor, 1974.

Economist, General Electric TEMPO, Center for Advanced Studies, 1971-1972.

Instructor, University of Virginia, 1970-1971.

Graduate Instructor, Principles of Economics, University of Virginia, 1968-1970.

Research Assistant, University of Virginia, Summer, 1968.

Special Appointments:

Lecturer, University of Alaska, program on Economic Development Strategy and Tax Policy for State of Alaska, Anchorage and Juneau, February 1987, sponsored by the Alaska Council on Economic Education.

Lecturer, Universidad Pontificia Bolivariana, Medellin, Colombia, S.A. (organized a joint program between Clemson University and UPB), 1986.

Lecturer, summer session, University of Aix-Marseille, Aix-en-Provence, France, 1985.

Lecturer, Ecole Supérieure de Commerce de Pau, France (formalized a joint program between ESC and Clemson which leads to a Master's in Industrial Management from Clemson and a diploma from ESC), 1985.

Lecturer, special program on Joint U.S.-Caribbean Textile Trade issues, Barbados, 1984.

Lecturer, China Textile University, Shanghai, PRC (established joint CTU/Clemson University educational exchange program), 1984.

Special Commentator, Carolina Journal, Educational Television, Columbia, S.C. (taped 35 3-minute issue-oriented spots), 1984-Present.

Lecturer, Third American-Romanian Business Exchange, Stefan Gheorghiu Academy, Bucharest, Romania, 1978.

Consulting and Professional Activities:

Governor's Appointee, South Carolina Council on Competitiveness, 1987-Present. Chair, Subcommittee on Taxation.

Member, Board of Directors, CFI, Arizona, 1987-Present.

Member, Transition Team for Economic Development, Governor-Elect Carroll Campbell, November 1986-January 1987.

Member, Board of Trustees, Citizens and Southern Bank of South Carolina, 1986-Present.

Charter Member, Economic Advisory Committee, and Board of Directors, Business Week, South Carolina Chamber of Commerce, 1986-Present.

Member, Continuing Accreditation Committee, American Assembly of Collegiate Schools of Business, 1986-Present.

Member, Initial Accreditation Committee, American Assembly of Collegiate Schools of Business, 1984-1986.

Member, Visitation Committee, American Assembly of Collegiate Schools of Business, 1983-1985.

Member, Board of Directors, South Carolina Council on Economic Education, 1983-Present.

Consultant, South Carolina State Chamber of Commerce, June 1983-Present.

Consultant, South Carolina Textile Manufacturers Association, May 1982-Present.

Governor's Appointee, Textile Industry Study Committee, November 1981-Present.

Member, Energy Committee of South Carolina Chamber of Commerce, April 1982-1985.

Member, Board of Directors, S.C. Small Business Development Center, 1981-Present; Chairman, 1983-1986.

Member, The Productivity Task Force (South Carolina), April 1982-August 1983.

Member, Governor Richard Riley's Education Transition Team, 1982-1983.

Consultant, Federal Trade Commission, December 1981-August 1983.

Consultant, Mountain West Research, 1979-1981.

Consultant on Tax Reform, Governor Bruce Babbitt, Arizona, May 1979-June 1981.

Member, Legislative Committee on Property Tax Reform, Arizona Senate, 1979.

Consultant, U.S. Treasury, 1972-1977.

Administrative Experience:

Clemson University, July 1981-Present.

Dean of college composed of 127 faculty and 40 staff in the School of Business (Departments of Economics, Finance, Management, and Marketing), the School of Accountancy, the School of Textiles, the Office of Professional Development, the Small Business Development Center, and the Center for Policy Studies, with a combined annual budget of \$11.3 million. Major responsibility in raising over \$5.3 million in support and endowment funds since 1981. Raised \$770 thousand private cash contribution in fiscal year 1986-87. Made frequent speeches to business and industrial groups and presentations to the South Carolina Budget and Control Board.

Arizona State University, 1977-1981.

Chairman of a 32-person department, responsible for budget, recruiting, scheduling and curriculum development. Frequent interaction with committees of the state legislature.

U.S. Treasury, 1974-1975.

Assistant to the Deputy Assistant Secretary for Research. Responsible for administration for 20 economists and 10 supporting staff. Duties included budget and personnel matters (including recruiting).

Major University Committees:

Clemson University

Advisory Board, Center for the Study of the Black Experience in Higher Education, 1987-Present.

Advisory Board, Emerging Technology, Development, and Marketing Center, 1987-Present.

Army Advisory Committee, 1987-Present.

Board of Directors, Clemson University Foundation, sole University member, 1987-Present.

Facilities Planning Committee, 1987-Present.

Commission on Salaries and Fringe Benefits, 1985-Present.

President's Council, 1982-1985.

Commission on Student Affairs, 1981-Present.

Deans Council, 1981-Present.

Commission on Faculty Affairs, 1981-1983.

Arizona State University

Pacific Basin Institute Planning Committee, 1980-1981.

Goldwater Chair Search Committee, 1977-1979.

Long-Range Planning Committee, 1976-1977.

University of Oklahoma

Member of Dean's Ad Hoc Advisory Committee, 1973-1974.

Chairman of Recruiting Committee, 1972-1973.

Honors and Awards:

Distinguished Alumnus, Ripon College, 1987.

Honorary Inductee, Phi Psi, 1984.

Award for Outstanding Contributions, South Carolina Textile Manufacturers Association, 1983.

Honorary Inductee, Delta Sigma Pi, 1983.

Honorary Inductee, Beta Gamma Sigma, 1979.

Brookings Policy Fellowship, 1974 (declined).

Governor's Fellow, University of Virginia, 1969-1971.

Omicron Delta Epsilon, 1968.

Professional Affiliations:

Member: American Economic Association, Western Economic Association, Society for the Study of Public Choice, Southern Economic Association, Southern Textile Association, Southern Deans Association, American Assembly of Collegiate Schools of Business, National Council for Textile Education, The Textile Institute.

Reviewer: Journal of Political Economy, American Economic Review, Economic Inquiry, Public Finance Quarterly, Prentice-Hall, Wadsworth, National Science Foundation, Houghton Mifflin,

Southern Economic Journal, Journal of Money, Credit and Banking.

Academic Fields of Interest: Microeconomic Theory; Public Finance; International Economics.

Books:

Principles of Economics (Cincinnati: South-Western Publishing Co., 1981), [1st edition, 1981; 2nd edition, 1983; 3rd edition, 1986, with H. Ulbrich].

Principles of Macro-Economics (Cincinnati: South-Western Publishing Co., 1980), [1st edition, 1980; 2nd edition, 1983; 3rd edition, 1986, with H. Ulbrich].

Principios De Macroeconomia (Cincinnati: South-Western Publishing Co., 1983). Spanish translation of **Principles of Macro-Economics**, translated by E.A. Cabarrouy.

Principles of Micro-Economics (Cincinnati: South-Western Publishing Co., 1980), [1st edition, 1980; 2nd edition, 1983; 3rd edition, 1986, with H. Ulbrich].

Principios De Microeconomia (Cincinnati: South-Western Publishing Co., 1984). Spanish translation of **Principles of Micro-Economics**, translated by E.A. Cabarrouy.

Public Sector Managerial Economics (Cincinnati: South-Western Publishing Co., in progress).

Challenges to a Liberal International Economic Order, edited by R.C. Amacher, G. Habler, and T.D. Willett (Washington: American Enterprise Institute, 1980).

The Economic Approach to Public Policy: Selected Readings, edited, and with independent contributions by R.C. Amacher, R.D. Tollison, and T.D. Willett (Ithaca: Cornell University Press, 1976).

The Law of the Sea: U.S. Interests and Alternatives, edited by R.C. Amacher and R.J. Sweeney (Washington: American Enterprise Institute, 1976).

Yugoslavia's Foreign Trade (New York: Praeger Publishers, 1972).

The Economics of the Military Draft (Morristown, N.J.: General Learning Press, 1973), with J.C. Miller, M.V. Pauly, R.D. Tollison, and T.D. Willett. Reprinted as a chapter in **The Military Draft: Selected Readings on Conscription**, edited by M. Anderson (Palo Alto: Hoover Institution Press, 1982).

Articles, Chapters in Books, and Notes:

- "Principles of Economics: From Now Until Then," Journal of Economic Education, forthcoming.
- "Comment on Thurow, Marris, Shelton-Colby, and Gardner--'Beyond Protectionism, New Problems, New Approaches,'" World Policy Journal, Winter 1985-86.
- "Economic Value of an In-House Editor," Public Choice, Vol. 48, No. 2, 1986, with J. McDowell.
- "The Behavior of Regulatory Activity Over the Business Cycle: An Empirical Test," Economic Inquiry, January, 1985, with R. Higgins, W. Shughart, and R. Tollison. Reprinted in Mackay, Miller, and Yandle, Public Choice and Regulation: A View From Inside the Federal Trade Commission (Stanford: Hoover Institution Press, 1987). Summarized in "Readings of Particular Interest," Regulation (Washington, D.C.: American Enterprise Institute).
- "International Markets versus the New International Economic Order: Challenges to the Independence of Nation States," New Horizons in East-West Relations, edited by M. Jackson and J. Woodson (New York: Columbia University Press, 1984).
- "Inflation in The Planned Economies: Reply," Southern Economic Journal, October, 1984, with P. Culbertson.
- "Economics and Public Policy," chapter in Social Science and Public Policy: The Roles of Academic Disciplines in Policy Analysis, edited by G.J. McCall and G.H. Weber (Port Washington, N.Y.: Associated Faculty Press, 1984).
- "Unemployment Rates and Political Outcomes: An Incentive for Manufacturing a Political Business Cycle," Public Choice, 38: 1982, with W.J. Boyes.
- "On the Integration of Labor Markets: A Definition and Test of the Radical Segmentation Hypothesis," Journal of Labor Research, Spring, 1981, with R.J. Sweeney.
- "The New International Economic Order and the Distribution of Gains from Trade: Lessons From The 'Real World.'" The Journal of Social and Political Studies, Spring/Summer, 1980.
- "The Problems of Youth Employment: Comment," Proceedings of Governor's Conference on Full Employment, edited by P.L. Burgess, Arizona State University, 1979.
- "Understanding the Conflict Between Theory and Practice," Problems of the International Economy, edited by A.L. Chickering (San

Francisco: Institute for Contemporary Studies, 1979), with W.J. Boyes.

"The Political Business Cycle: A Review of Theoretical and Empirical Evidence," ACES Bulletin, Fall/Winter, 1979, with W.J. Boyes, T. Deaton, and R. Tollison.

"Politicians and Polity: Responsiveness in American Government," Southern Economic Journal, October, 1979, with W.J. Boyes.

"Macroeconomic Policies and Political Incentives in Democratic Governments: A Test of the Political Business Cycle," ACES Bulletin, Vol. XXI, No. 1, Spring, 1979, with W.J. Boyes.

"Analyzing International Externalities: The Case of the Law of the Sea Negotiations," Public Goods and Public Policy, edited by Loehr and Sandler (Beverly Hills: Sage Publications, 1978), with R.D. Tollison.

"Cycles in Senatorial Voting Behavior: Implications for the Optimal Frequency of Elections," Public Choice, #3, 1978, with W.J. Boyes.

"Eastern Europe's Stake in the Law of Sea Negotiations," East-West Business: Theory and Evidence, edited by Josef Brada (Bloomington: Indiana University Press, 1978).

"Inflation in the Planned Economies: Some Estimates for Eastern Europe," Southern Economic Journal, October, 1978, with W.P. Culbertson, Jr.

"A Note on the Webb-Pomerene Law and the Webb-Cartels," The Antitrust Bulletin, Summer, 1978, with R.D. Tollison and R.J. Sweeney.

"Structural Disequilibrium and Growth Retardation in the Soviet Union," Weltwirtschaftliches Archiv, Heft 2, 1977, with D. Conger.

"The Externality Argument for In-Kind Transfers: A Defense," Kyklos, Fasc. 2, 1977, with T. Sandler.

"A Menu of Distributional Considerations," The Economic Approach to Public Policy: Selected Readings (Ithaca: Cornell University Press, 1976), with R.D. Tollison and T.D. Willett.

"International Commodity Cartels and the Threat of New Entry: Implications of Ocean Mineral Resources," Kyklos, Fasc. 2, 1976, with R.J. Sweeney.

"Risk Avoidance and Political Advertising: Neglected Issues in the Literature on Budget Size in a Democracy," The Economic Approach to Public Policy: Selected Readings (Ithaca: Cornell University Press, 1976), with R.D. Tollison and T.D. Willett.

- "The Economic Approach to Social Policy Questions: Some Methodological Perspectives," The Economic Approach to Public Policy: Selected Readings (Ithaca: Cornell University Press, 1976), with R.D. Tollison and T.D. Willett.
- "Property Rights Within Government and Devices to Increase Government Efficiency," Public Finance Quarterly, April, 1976, with R.D. Tollison.
- "State Trading and the Question of Discrimination: The Yugoslav Case," Economic Inquiry, September, 1975.
- "Budget Size in a Democracy: A Review of the Arguments," Public Finance Quarterly, April, 1975, with R.D. Tollison and T.D. Willett.
- "The Economic Theory of Clubs: A Geometric Exposition," Public Finance, Nos. 3-4, 1974, with L. Allen and R.D. Tollison.
- "Fiscal Preference and Balanced Budget Fiscal Policy," Public Choice, Fall, 1974, with R.D. Tollison.
- "Purchasing Power Parity Theory and Economic Reform in Yugoslavia," Journal of Political Economy, July/August, 1974, with J.S. Hodgson.
- "Yugoslav Trade in the Years of the Reform," East European Quarterly, Vol. III, No. 2, 1973.
- "Import Controls on Foreign Oil: Comment," American Economic Review, December, 1973, with R.D. Tollison and T.D. Willett.
- "The Economics of Fatal Mistakes: Fiscal Mechanisms for Preserving Endangered Predators," Public Policy, with R.D. Tollison and T.D. Willett, Summer, 1972. Reprinted in The Economic Approach to Public Policy: Selected Readings (Ithaca: Cornell University Press, 1976).

Book Reviews, Research Reports, and Other Publications:

- "Making It In Worldwide Markets: How Can a U.S. Business Move Forward in Today's International Environment?" Keynote speech, Association of the Nonwoven Fabrics Industry, printed in INDA 86 14th Annual Technical Symposium, October, 1986.
- "Review of The United States and Multilateral Resource Management," Journal of Comparative Economics, 10, 1986.

- Operation Baseline: An Audit of South Carolina's Economy**, South Carolina State Chamber of Commerce, November, 1985, coordinator and contributor.
- "Good Times and Bad Times in the Textile Industry," **Summer Technical Conference Papers** (Gastonia: Textured Yarn Association of America, July, 1985).
- "The Relationship of Technology to the U.S. Position in the World's Textile Market," **Proceedings of the American Association for Textile Technology, Inc.**, March, 1985.
- "Excise Taxes Overlooked in Tax Reform Proposals," **The American Legion**, September, 1985.
- "Testimony Before U.S. Congress," **Federal Enforcement of Textile and Apparel Import Quotas**, Committee on Government Operations, U.S. House of Representatives, November 18, 1984.
- "The United States Textile Industry," **Textile Science, Technology, and Economics** (Shanghai: East China Institute of Textile Science and Technology, 1984) with E. Vaughn and C. Rogers.
- "Trade: The New International Order and The United States Market," **Textile Science, Technology, and Economics** (Shanghai: East China Institute of Textile Science and Technology, 1984).
- "Testimony Before U.S. Congress on Small Business Development," testimony before the U.S. House of Representatives, Committee on Small Business, Parren J. Mitchell, Chairman, December 9, 1983.
- "Review of **Toward a Science of Politics**," **Southern Economic Journal**, July, 1982.
- "Teaching Supply Side Economics," in **Strategies for Teaching Economics**, by J.R. Clark, Joint Council on Economic Education, 1981.
- "Review of **Industrial Man and Industrialism in Retrospect**," **Southern Economic Journal**, January, 1981.
- "Comments on The Teaching of Introductory Economics," in **Economics: Strategies for Teaching Principles of Economics in Two-Year Colleges**, edited by J.R. Clark, Joint Council on Economic Education, 1980.
- "Recruiting Economics Majors," **Collegiate News and Views**, 1980, with R.J. Sweeney.
- "Review of **Defending the National Interest**," **Southern Economic Journal**, January, 1980.

- "The Economics of Taxation," Chapter 2 in Toward Tax Reform, under auspices of Arizona Academy, published by Center for Public Affairs, Arizona State University, September, 1979.
- "Review of Cost of Preventive Services," Annals of Regional Science, March, 1979.
- "Winning Federal Grants in Maricopa County," Arizona Business, January, 1977, with S. Hoffman.
- "The Public Sector," Chapter V in Arizona's Economy: Yesterday, Today and Tomorrow, under auspices of Arizona Academy, Occasional Paper No. 12, Bureau of Business and Economic Research, College of Business Administration, Arizona State University, 1976, pp. 85-98, with W.J. Boyes.
- "New York City and The Urban Financial Crises; Implications for Phoenix," Arizona Business, June/July, 1976, with W. Boyes.
- "Has the Government of Business Become the Business of Government?" American Issues Forum, edited by R. Rice, Arizona State University, June, 1976.
- "Review of Redistribution Through Public Choice," Annals of Regional Science, March, 1976.
- "Review of Money and Finance in Contemporary Yugoslavia," East European Quarterly, Vol. IX, No. 2, 1975.
- International Aviation Policy Review: Rates, Fares, and Costs, Report of Working Group 2, Council of Economic Advisors, June 2, 1975, with others.
- International Aviation Policy Review: Air Transport Environment, Report of Working Group 8, Department of State, May 28, 1975, with others.
- "Review of Inflation and Economic Development in Brazil: 1946-1964," Annals of Regional Science, March, 1975.
- "Review of Economic Policy in Socialist Yugoslavia," East European Quarterly, Vol. VII, No. 2, 1974.
- "Review of The All Volunteer Army: An Analysis of Demand, Supply and The Case Against a Volunteer Army," American Political Science Review, with R.D. Tollison, June, 1974.
- "Review of Analysis of Public Systems," Annals of Regional Science, December, 1973.

Innovations for Achieving an All-Volunteer Force, report prepared for the Office of the Secretary of Defense (Washington, D.C.: General Electric TEMPO, January, 1972), with others.

References provided on request.



OFFICIAL BUSINESS

Alaska State Legislature

Senate

POUCH V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

SENATE JOINT COMMITTEE ON ECONOMIC RECOVERY

TO: Members of the Senate Joint Committee on Economic Recovery

FROM: Senator Lloyd Jones, Co-chair
Senator Arliss Sturgulewski, Co-chair
Senate Joint Committee on Economic Recovery

RE: Notice of Committee Meeting

DATE: March 11, 1988

The Senate Joint Committee on Economic Recovery has scheduled a meeting at 5:00 P.M. on Monday, March 14, in the Butrovich Room. The agenda will include discussion and finalization of existing and proposed legislation that has been submitted to the Committee for consideration. We would encourage those who have submitted legislation to review it with the Committee at that time.

Members are asked to bring the notebooks that were provided at the February 24 meeting.

**SENATE JOINT ECONOMIC RECOVERY COMMITTEE
MEETING CANCELLATION NOTICE**

The meeting of the Senate Joint Economic Recovery Committee scheduled for 5 P.M. March 14 in the Butrovich Room has been cancelled. A rescheduled time and place will be announced.



OFFICIAL BUSINESS

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SENATE JOINT COMMITTEE ON ECONOMIC RECOVERY

TO: Representative Max Gruenberg, Chairman
House Joint Committee on Economic Recovery

FROM: Senator Arliss Sturgulewski, Co-Chairman
Senator Lloyd Jones, Co-Chairman

DATE: March 15, 1988

RE: Committee Endorsement of Legislation

The Senate Joint Committee on Economic Recovery has reviewed the following legislation and recommends passage by the Fifteenth Alaska Legislature.

SCR32 - by Senator Paul Fischer - "Urging the state's financial institutions to adopt more flexible lending and collection policies."

*House
&
Banking*

Status: House Labor & Commerce Committee.

This legislation urges banks, the Alaska Building Authority, the Alaska Industrial Development and Export Authority and other financial institutions to adopt a flexible position when servicing loans by amending procedures to allow for collection moratoriums and flexible payment schedules to allow for realistic and practical loan workouts.

SB333 - by Senator Rick Halford - "An Act relating to wage, salary and benefit claims having priority in certain bank liquidations and to certain bank reports required by the Department of Commerce and Economic Development; and providing for an effective date."

H & B

Status: House Labor & Commerce Committee

This bill provides for quarterly reporting by a bank of the financial condition of that bank. It also assigns a high priority to wage, salary and benefit claims in cases of certain bank liquidations.

Robbarness SB392 - by Senator Rick Halford - "An Act relating to delinquent loans of the Alaska Industrial Development Authority; and providing for an effective date."

Status: House Labor & Commerce Committee

This bill allows the Authority the flexibility of adopting regulations defining under what circumstances AIDEA will discontinue purchasing loans from a financial institution because of the institution's loan default rate. Statute currently causes AIDEA to discontinue purchasing loans from an institution with a default rate of 2% or more.



OFFICIAL BUSINESS

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Senate

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SENATE JOINT COMMITTEE ON ECONOMIC RECOVERY

TO: Members of the Senate Joint Committee on Economic Recovery

FROM: Senator Lloyd Jones, Co-chair *LD*
Senator Arliss Sturgulewski, Co-chair *AS*
Senate Joint Committee on Economic Recovery

RE: Notice of Committee Meeting

DATE: March 15, 1988

The Senate Joint Committee on Economic Recovery has scheduled a meeting at 5:00 P.M. on Wednesday, March 16, in the Butrovich Room. The agenda will include discussion and finalization of existing and proposed legislation that has been submitted to the Committee for consideration. We would encourage those who have submitted legislation to review it with the Committee at that time.

Members are asked to bring the notebooks that were provided at the February 24 meeting.



OFFICIAL BUSINESS

Alaska State Legislature

Senate

POUCH V
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JUNEAU, ALASKA 99811

SENATE JOINT COMMITTEE ON ECONOMIC RECOVERY

TO: Senator Jan Faiks
Senate President

FROM: Senator Arliss Sturgulewski, Co-Chairman
Senator Lloyd Jones, Co-Chairman
Senate Joint Committee on Economic Recovery

RE: SB 471

DATE: March 17, 1988

During the meeting of the Senate Joint Committee on Economic Recovery on March 16, 1988, the Committee unanimously endorsed the concepts contained in SB 471 - "An Act establishing a program in the Alaska Industrial Development and Export Authority to guarantee loans and to refinance debt..." and recommends that it proceed through the standing committee hearing process.

cc: Max Gruenberg, Chairman
House Joint Committee on Economic Recovery

ALASKA STATE LEGISLATURE

Home Address
3813 Denali Street
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907-225-9082



While in Juneau
P.O. Box V
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Senator Lloyd Jones

MEMORANDUM

TO: Senate Members,
Joint Economic Recovery Committee

FROM: Senator Lloyd Jones, Co-Chair *LJ*

DATE: March 21, 1988

RE: Tuesday meeting

Senator Sturgulewski and I want to let you know that we have scheduled a Joint Economic Recovery Committee meeting for this Tuesday, March 22, 1988. This will possibly be our final meeting and its very important you attend. The meeting will begin at 5:00 pm in the Senate Finance room.

We will be going through our collection of Senate bills and resolutions to decide which pieces of legislation we are going to support. Attached is a list of the legislation under review and its status.

Lastly, I think it is important that sunset provisions be added to any legislation we adopt. However, the standing committees are probably the best forum to accomplish this task.

Please bring your notebooks.

**Legislation list for
Senate Joint Economic Recovery Committee**

SCR 32 Urging the state's financial institutions to adopt more flexible lending and collection policies. (Fischer) status: (H) L&C

This resolution has been adopted by the committee.

SB 333 An Act relating to wage, salary and benefit claims having priority in certain bank liquidations and to certain bank reports required by the Department of Commerce and Economic Development. (Halford) status: (H) L&C

This bill has been adopted by the committee.

SB 392 An Act relating to the Alaska Industrial Development and Export Authority; and providing for an effective date. (Halford) status: (H) L&C

This is a new version of SB 392; the copy in your notebook is no longer accurate. This bill has been adopted by the committee.

/ SB 408 An Act relating to Alaska stabilization assistance program. (Kelly) status: (S) Fin

SB 409 An Act making a special appropriation to the Alaska stabilization assistance fund. (Kelly) status: (S) Fin

2 SB 471 An Act establishing a program in the Alaska Industrial Development and Export Authority to guarantee loans and refinance debt. (Halford) status: (S) Fin

SB 474 An Act increasing property exemptions. (Halford) status: (S) Fin

SB 476 An Act creating the supplemental assistance fund for Railbelt Communities. (Halford) status: (S) Fin

**Legislation list for
Senate Joint Economic Recovery Committee**

- SB 477 An Act making a special appropriation to the Department of Community and Regional Affairs for supplemental municipal assistance to Railbelt communities. (Halford) (S) Fin

Also, there is other proposed legislation we should consider.

- SB An Act providing interim payment reductions of the monthly mortgage payments payable by certain mortgagors on mortgage loans purchased by the Alaska Housing Finance Corporation. (Halford)
- SB An Act providing a temporary reduction of the rate of interest payable by mortgagors on mortgage loans purchased by the Alaska Housing Finance Corporation. (Faiks)
- SB An Act establishing a moratorium on judicial and nonjudicial foreclosures. (Halford)
- SCR Urging state agencies that make loans to withhold approval of loans for new construction in areas in which availability of business and commercial facilities and residences substantially exceed demand. (Faiks)
- SCR Relating to opportunities offered by the present crisis in residential housing. (Faiks)
- SCR Relating to the Alaska Industrial Development and Export Authority. (Faiks)
- SB An Act authorizing the Alaska Industrial Development and Export Authority to become an equity participant in certain loans; and providing for an effective date. (Faiks)
- SB An Act amending the authority of lending institutions to make equity participation agreements in conjunction with certain loans. (Halford)

**Legislation list for
Senate Joint Economic Recovery Committee**

3 SJR

Urging a change under the Internal Revenue Code in the tax treatment of the transfer of a residence subject to a mortgage that is a recourse loan when the indebtedness on the residence is discharged through foreclosure, repossession, or surrender of the property. (Halford)

Lastly, Senator Kerttula has requested that the committee consider the following:

SB 484
status:

An Act restructuring the debt of certain dairy farmers. (Kerttula)
(S) Res

4. HJR FURGIBILITY

5. Willow Park

6. HB 432

7. HB - LAD

8. HB - LIABILITY

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

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Senate

MEMORANDUM

March 21, 1988

TO: All Members
Senate Joint Committee on Economic Recovery

FROM: Senator Arliss Sturgulewski 

RE: Existing and proposed legislation

I have reviewed the existing and proposed legislation before the Senate Committee on Economic Recovery and would suggest that we concentrate on those specific pieces outlined in this memo.

I have used the following guidelines in the selection of this legislation.

1. The December 1, 1987 Briefing Paper by the Institute of Social and Economic Research (ISER) suggests several important considerations.

A. That state spending is part of the current economic problem because of high state budgets in the early 1980's. They stated, "Unless it [state spending] can be sustained [it] will have a destabilizing impact on the economy." We know now that we cannot sustain those high budgets with our present income.

B. That "the recession is progressively dissipating and is likely to end over the course of the coming year." If this view is correct, the state must be cautious in its response to the economic recovery to avoid disrupting the natural market forces and simply prolonging the adjustment period.

C. That "an increase in state spending will not hasten an enduring economic recovery unless the increased spending can be sustained or the state's basic industries increase their economic output to match a future decline in state spending." The state has a limited ability to sustain increased spending, however, all basic industry (oil, fish, timber, and mining) in the state show healthy signs of increased growth in the near future and will aide the economic recovery. This, of course, is the typical economic stimulus in most economies not government spending.

2. State financial programs such as AHFC, AIDEA and the various state loan programs have significant impact on the financial health of the economy because of the large dollar contribution that they represent. They should exercise maximum flexibility in their response to distressed borrowers without the state simply providing more funding which it has only a limited ability to do.

3. Because of the limited funding available from the state, it should encourage private sector financial institutions to respond to the economic recovery. This can be accomplished in two ways, one would be to assist private financial institutions in the refinancing of troubled loans; and two, to encourage new loans in businesses that will aide the economic recovery through job creation and economic growth in the state.

4. The distribution of cash into the economy has an immediate effect on the economy. The jobs bill that was recently passed will soon be having a positive impact throughout the state. Another source of cash is the permanent fund dividend distribution.

I would recommend that we endorse the following specific legislation and concepts for appropriate standing committee review:

A. The concept of a "Bridge Bank" is contained in SB 408. This legislation offers a potential for relieving the pressure of property management for private financial institutions and some state agencies. However, it should be structured to encourage private sector management, limited state contributions and provisions for eventual repayment of the contributions, to the state.

B. SB 471, which the committee endorsed previously, has several elements that I feel are beneficial to the economic recovery process. It will need further refinement in the Senate Finance Committee and I would recommend that they review setting a cap or maximum limit to the total amount of loan funds that can be guaranteed by AIDEA. This will prevent uncontrollable liability at some future date. I would also recommend that AIDEA develop guidelines for allowing private financial institutions to offer refinanced debt packages as well as guidelines for new business loans that will stimulate economic growth. Finally, in order to evaluate its progress, I would suggest a sunset date on the AIDEA loan guarantee program.

C. SJR , Urging a change under the IRS Code. This resolution petitions the IRS to review its policy of taxing forgiven negative equity in cases of foreclosure.

D. HJR , Relating to residential real estate. This resolution specifically petitions state loan programs and lending agencies to use the maximum flexibility at their disposal in order to keep their portfolios as active as possible.

E. HJR , Willow Park Demolition. Calls for the demolition of the substandard Willow Parking Housing Project with funding for the demolition spelled out in an agreement between the state and municipality. It further

calls upon the federal government to fund and carry out the relocation of the involved dislocated families. This project, in addition to being substandard, poses serious health concerns because of asbestos insulation.

F. HB 432, Authorizing the AHFC to accept trades in certain cases. This legislation would allow individuals to trade into mortgages of greater/lesser obligation with AHFC. This would allow borrowers with greater resources to purchase homes with larger mortgages making those loan packages active and those borrowing on the margin to trade into more affordable housing, once again reactivating those loans. The Labor and Commerce amended version includes a provision for reducing negative equity that should be reviewed in the committee hearing process.

G. HB , "Authorizing the Department of Community and Regional Affairs to modify the terms of its mortgage loans; and providing for an effective date." Allows the Housing Assistance Section to modify home loans in certain cases.

H. HB , Notice requirements on a Deed of Trust." Requires lender to inform the borrower in the note securing the loan of all methods of recourse in the event of default.

I. Investigate early dividend and/or increased dividend. Request the Alaska Permanent Fund managers to present the opportunity to provide an early dividend or a substantially higher dividend than currently projected for the year 1988.



Official Business

Alaska State Legislature

Senate

A
P.O. BOX V
State Capitol
Juneau, Alaska 99811

March 22, 1988

Dr. Lester C. Thurow
Dean
School of Economics
Massachusetts Institute of Technology
E52-473
Cambridge, Massachusetts 02139

Dear Dean Thurow:

Thanks again for your willingness to examine the enclosed materials and confer with me again, with a view to providing advice to the Legislature of Alaska.

By this letter, I want to reiterate the concerns that led me to consult you on these matters.

The economy of the "railbelt" -- the region of Alaska which lies between Seward and Fairbanks, and includes Anchorage (where I come from) -- is in shambles today. Some observers think that things are "bottoming out", and others foresee more disasters ahead.

Some observers say the Legislature should do nothing, and argue that it was in part policies of state government which precipitated the present crisis. I think that they mean that at the peak of the oil boom, the legislature authorized subsidies for home construction and home ownership, and created loan programs which provided financing for office buildings.

It is also argued that if more banks fail, there is no reason for legislative concern; when the market warrants additional institutions, they will come to Alaska (and Alaska does allow interstate bank operations).

It is contended, too, that the present economic plight has "winners" as well as "losers". For example, the "winners" are said to be tenants of apartments whose rental rates have declined, or small business people who have smaller overheads today because of the prevailing economic downturn. The "losers" are portrayed as investors, or "speculators", people who took risks and should understand that capitalism can be harsh, or even cruel, but that it is not government's business to "bail out" those who may not have been "prudent".

Of course, there is a contrary view that more bank failures will promote a very undesirable oligopoly in financial services, notwithstanding the survival of credit unions. There is also concern that unless the state works to stabilize

property values, there will be a "downward spiral" that will further erode the tax base for local governments, cause more people (including small businesses) to be "under water", produce more layoffs (in both public and private sectors), have adverse psychological effects, and reduce the liquidity and lending capacity of the banking system.

The tenant, some Alaskans will contend, who is enjoying lower rents is probably also making less money at the workplace, if he or she is even employed, and is likely to encounter reduced fringe benefits, such as health coverage. The small business renting office facilities at lower cost probably has reduced revenues, too, and a much tougher time getting working capital from lenders -- especially if the value of any collateral which the business offers is reduced in the present economy.

After you have reviewed the materials attached, I would appreciate another call at (907) 465-4525. We could then discuss how, when, and under what conditions you might be willing to participate with senators and representatives by teleconference. I should add that I have talked to the President of the Senate, Senator Jan Faiks, the Majority Leader of the House of Representatives, Representative Max Gruenberg, and the co-chair of the Senate Committee on Economic Recovery, Senator Arliss Sturgelewski, and they are all interested in receiving any comments or recommendations you might have.

Should you have any questions, or if there are other materials I can supply, please don't hesitate to let me know.

Thank you for your interest and responsiveness to my request. As a lay person, I have been an admirer of your writings and commentary in The New York Review of Books and other periodicals and forums, and I value very much any advice you can give us. I find that all of us here, regardless of party affiliation, are interested in doing what makes good public policy sense. The economic situation, perhaps, is in a way bringing out the best in Alaska's elected officials because the situation is too serious for "business as usual".

With best wishes, I am

Sincerely,



Joe P. Josephson

cc: Hon. Jan Faiks
✓ Hon. Arliss Sturgelewski
Hon. Lloyd Jones
Hon. Max Gruenberg

3/22/88

Senate Joint Economic Recovery Committee
AGENDA

✓ SCR 32 Urging the state's financial institutions to adopt more flexible lending and collection policies. (Fischer) status: (H) L&C

*This resolution has been adopted by the committee.
SCR 32 is in your notebook.*

✓ SB 333 An Act relating to wage, salary and benefit claims having priority in certain bank liquidations and to certain bank reports required by the Department of Commerce and Economic Development. (Halford) status: (H) L&C

*This bill has been adopted by the committee.
SB 333 is in your notebook.*

✓ SB 392 An Act relating to the Alaska Industrial Development and Export Authority; and providing for an effective date. (Halford) status: (H) L&C

This is a new version of SB 392; the copy in your notebook is no longer accurate. This bill has been adopted by the committee.

SB 408 An Act relating to Alaska stabilization assistance program. (Kelly) status: (S) Fin

SB 408 is in your notebook.

SB 409 An Act making a special appropriation to the Alaska stabilization assistance fund. (Kelly) status: (S) Fin

SB 409 is in your notebook.

SB 471 An Act establishing a program in the Alaska Industrial Development and Export Authority to guarantee loans and refinance debt. (Halford) status: (S) Fin

There is a Sponsor Substitute for SB 471

✓ SB 474 An Act increasing property exemptions. (Halford) status: (S) Fin

*passed
SB 474 is in your notebook.*

SB 476 An Act creating the supplemental assistance fund for Railbelt Communities.
(Halford) status: (S) Fin

SB 476 is in your notebook.

SB 477 An Act making a special appropriation to the Department of Community and
Regional Affairs for supplemental municipal assistance to Railbelt communities.
(Halford) (S) Fin

SB 477 is in your notebook.

Also, there is other proposed legislation we should consider.

SB An Act providing interim payment reductions of the monthly mortgage payments payable by certain mortgagors on mortgage loans purchased by the Alaska Housing Finance Corporation. (Halford)

This bill is in your notebook.

SB An Act providing a temporary reduction of the rate of interest payable by mortgagors on mortgage loans purchased by the Alaska Housing Finance Corporation. (Faiks)

This bill is in your notebook.

SB An Act establishing a moratorium on judicial and nonjudicial foreclosures.
(Halford)

This bill is in your notebook.

SCR Urging state agencies that make loans to withhold approval of loans for new construction in areas in which availability of business and commercial facilities and residences substantially exceed demand. (Faiks)

This resolution is in your notebook.

SCR Relating to opportunities offered by the present crisis in residential housing.
(Faiks)

This resolution is in your notebook.

SCR Relating to the Alaska Industrial Development and Export Authority.
(Faiks)

This resolution is in your notebook.

SB An Act authorizing the Alaska Industrial Development and Export Authority to become an equity participant in certain loans; and providing for an effective date.
(Faiks)

This bill will be distributed.

SB An Act amending the authority of lending institutions to make equity participation agreements in conjunction with certain loans. (Halford)

This bill will be distributed.

SJR Urging a change under the Internal Revenue Code in the tax treatment of the transfer of a residence subject to a mortgage that is a recourse loan when the indebtedness on the residence is discharged through foreclosure, repossession, or surrender of the property. (Halford)

This resolution will be distributed.

SB work draft for An Act creating the Economic Stabilization Act of 1988 et al...

This resolution will be distributed.

Lastly, Senator Kerttula has requested that the committee consider the following:

SB 434 An Act restructuring the debt of certain dairy farmers. (Kerttula) status: (S) Res

This bill will be distributed.



OFFICIAL BUSINESS

Alaska State Legislature

Senate

POUCH V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

SENATE JOINT COMMITTEE ON ECONOMIC RECOVERY

TO: Members of the Senate Joint Committee on Economic Recovery

FROM: Senator Lloyd Jones, Co-chair
Senator Arliss Sturgulewski, Co-chair
Senate Joint Committee on Economic Recovery

RE: Notice of Committee Meeting

DATE: March 23, 1988

The Senate Joint Committee on Economic Recovery has scheduled a meeting at 5:00 P.M. on Thursday, March 24, in the Butrovich Room. The agenda will include discussion and finalization of existing and proposed legislation that has been submitted to the Committee for consideration.

Members are asked to bring their notebooks.

FLOOR ANNOUNCEMENT

There will be a meeting of the Senate Joint Committee on Economic Recovery at 5 P.M. Thursday, March 24, in the Butrovich Room.

On the agenda is discussion and finalization of Committee support for proposed and existing legislation. This will be a committee work session.

FLOOR ANNOUNCEMENT

The Senate Joint Economic Recovery meeting scheduled for tonight has been cancelled.

It has been rescheduled for 5 P.M. Monday, March 28 in the Butrovich Room.

On the agenda is discussion and finalization of Committee support for proposed and existing legislation. This will be a committee work session.



OFFICIAL BUSINESS

Alaska State Legislature

Senate

POUCH V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

MEMORANDUM

TO: Members
Senate Joint Committee on Economic Recovery

FROM: Senator Arliss Sturgulewski, Co-Chair *AS*
Senator Lloyd Jones, Co-Chair *LJ*
Senate Joint Committee on Economic Recovery

RE: Legislation Endorsement Status

DATE: March 28, 1988

The Senate Joint Committee on Economic Recovery has endorsed the following legislation and recommends that it proceed through the normal standing committee hearing process.

SCR32 - Senator Fischer - "Urging the state's financial institutions to adopt more flexible lending and collection policies."

Status: House Labor & Commerce Committee

SB333 - Senator Halford - "An Act relating to wage, salary and benefit claims having priority in certain bank liquidations and to certain bank reports required by the Department of Commerce and Economic Development; and providing for an effective date."

Status: House Labor & Commerce Committee

SB392 - Senator Halford - "An Act relating to delinquent loans of the Alaska Industrial development Authority; and providing for an effective date."

Status: House Labor & Commerce Committee

CSSB408 - Senators Kelly and Sturgulewski - "An Act relating to the Alaska Stabilization Assistance Program; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The concept of a "Bridge Bank" is contained in CSSB408. This legislation offers a potential for relieving the pressure of property management for private financial institutions and some state agencies. However it should be structured to encourage private sector management, limited state contributions and provisions for eventual repayment of these contributions back to the state. This conceptual document should be referred to standing committees for further study and processing.

SSSB471 - Senator Halford - "An Act establishing a program in the Alaska Industrial Development and Export Authority to guarantee business loans and to refinance debt; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The committee endorsed this legislation at the March 16, 1988 and adopted the following intent at its meeting on March 22, 1988. "The bill needs further refinement in the Senate Finance Committee and the SJ CER recommends that the Finance Committee review setting a cap or maximum limit on the total amount of loan funds that can be guaranteed by AIDEA. This will prevent uncontrollable liability at some future date. The committee also recommends that AIDEA develop guidelines for allowing private financial institutions to offer refinanced debt packages as well as guidelines for new business loans that will stimulate economic growth. Finally, in order to evaluate its progress, the committee suggests a sunset date on the AIDEA loan guarantee program."

SSSB474 - Senator Halford - "An Act increasing property exemptions; and providing for an effective date."

Status: Senate Finance

SB476(CRA) - Senator Halford - "An Act creating the Supplemental Municipal Assistance Fund for Railbelt communities; and providing for an effective date."

Status: Senate Finance

SB477 - CRA Committee - "An Act making a special appropriation to the Department of Community and Regional Affairs for supplemental municipal assistance to Railbelt communities; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The committee adopted an amendment that reduces the appropriation amount to \$25,000,000 with the difference, \$6,752,215, being reserved for construction of the power line between Cantwell and McKinley Park.



Official Business

Alaska State Legislature

P.O. BOX V
State Capitol
Juneau, Alaska 99811

SENATE JOINT COMMITTEE ON ECONOMIC RECOVERY Agenda items for Meeting of March 28, 1988

✓ 1. HJR 72 - "Relating to the residential real estate market."

2. CSHB 432(L&C) - "An Act authorizing the Alaska Housing Finance Corporation to accept trades in certain cases; and providing for an effective date."

3. HB 549 - "An Act relating to notice requirements on the use of a deed of trust; and providing for an effective date."

4. HB 550 - "An Act authorizing the Department of Community and Regional Affairs to modify the terms of its mortgage loans; and providing for an effective date."

Handwritten notes:
HJR 72
CSHB 432
HB 549
HB 550
S. JOSEPHSON
Bill



Official Business

Alaska State Legislature

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

Senate Joint Committee on Economic Recovery

TO: Senator Rick Halford, Co-Chairman
Senator John Binkley, Co-Chairman
Senate Finance Committee

FROM: Senator Arliss Sturgulewski, Co-Chair *AS*
Senator Lloyd Jones, Co-Chair *LJ*
Senate Joint Committee on Economic Recovery

RE: Legislation Endorsement Statement

DATE: March 29, 1988

The Senate Joint Committee on Economic Recovery has endorsed the following legislation and recommends that it proceed through the normal standing committee hearing process.

CSSB408 - Senators Kelly and Sturgulewski - "An Act relating to the Alaska Stabilization Assistance Program; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The concept of a "Bridge Bank" is contained in CSSB408. This legislation offers a potential for relieving the pressure of property management for private financial institutions and some state agencies. However it should be structured to encourage private sector management, limited state contributions and provisions for eventual repayment of these contributions back to the state. This conceptual document should be referred to standing committees for further study and processing.

SSSB471 - Senator Halford - "An Act establishing a program in the Alaska Industrial Development and Export Authority to guarantee business loans and to refinance debt; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The committee endorsed this legislation at the March 16, 1988 and adopted the following intent at its meeting on March 22, 1988. "The bill needs further refinement in the Senate Finance Committee and the SJ CER recommends that the Finance Committee review setting a cap or maximum limit on the total amount of loan funds that can be guaranteed by AIDEA. This will prevent uncontrollable liability at some future date. The committee also recommends that AIDEA develop guidelines for allowing private financial institutions to offer refinanced debt packages as well as guidelines for new business loans that will stimulate economic growth. Finally, in order to evaluate its progress, the committee suggests a sunset date on the AIDEA loan guarantee program."

SSSB474 - Senator Halford - "An Act increasing property exemptions; and providing for an effective date."

Status: Senate Finance

SB476(CRA)-Senator Halford - "An Act creating the Supplemental Municipal Assistance Fund for Railbelt communities; and providing for an effective date."

Status: Senate Finance

SB477 - CRA Committee - "An Act making a special appropriation to the Department of Community and Regional Affairs for supplemental municipal assistance to Railbelt communities; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The committee adopted an amendment that reduces the appropriation amount to \$25,000,000.



Official Business

Alaska State Legislature

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

Senate Joint Committee on Economic Recovery

TO: Representative Max Gruenberg, Chairman
House Joint Committee on Economic Recovery

FROM: Senator Arliss Sturgulewski, Co-Chair (M)
Senator Lloyd Jones, Co-Chair (LJ)
Senate Joint Committee on Economic Recovery

RE: Legislation Endorsement Statement

DATE: March 30, 1988

The Senate Joint Committee on Economic Recovery has endorsed the following legislation and recommends that it proceed through the normal standing committee hearing process.

SCR32 - Senator Fischer - "Urging the state's financial institutions to adopt more flexible lending and collection policies."

Status: House Labor & Commerce Committee

SB333 - Senator Halford - "An Act relating to wage, salary and benefit claims having priority in certain bank liquidations and to certain bank reports required by the Department of Commerce and Economic Development; and providing for an effective date."

Status: House Labor & Commerce Committee

SB392 - Senator Halford - "An Act relating to delinquent loans of the Alaska Industrial development Authority; and providing for an effective date."

Status: House Labor & Commerce Committee

CSSB408 - Senators Kelly and Sturgulewski - "An Act relating to the Alaska Stabilization Assistance Program; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The concept of a "Bridge Bank" is contained in CSSB408. This legislation offers a potential for relieving the pressure of property management for private financial institutions and some state agencies. However it should be structured to encourage private sector management, limited state contributions and provisions for eventual repayment of these contributions back to the state. This conceptual document should be referred to standing committees for further study and processing.

SSSB471 - Senator Halford - "An Act establishing a program in the Alaska Industrial Development and Export Authority to guarantee business loans and to refinance debt; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The committee endorsed this legislation at the March 16, 1988 and adopted the following intent at its meeting on March 22, 1988. "The bill needs further refinement in the Senate Finance Committee and the SJ CER recommends that the Finance Committee review setting a cap or maximum limit on the total amount of loan funds that can be guaranteed by AIDEA. This will prevent uncontrollable liability at some future date. The committee also recommends that AIDEA develop guidelines for allowing private financial institutions to offer refinanced debt packages as well as guidelines for new business loans that will stimulate economic growth. Finally, in order to evaluate its progress, the committee suggests a sunset date on the AIDEA loan guarantee program."

SSSB474 - Senator Halford - "An Act increasing property exemptions; and providing for an effective date."

Status: Senate Finance

SB476(CRA)-Senator Halford - "An Act creating the Supplemental Municipal Assistance Fund for Railbelt communities; and providing for an effective date."

Status: Senate Finance

SB477 - CRA Committee - "An Act making a special appropriation to the Department of Community and Regional Affairs for supplemental municipal assistance to Railbelt communities; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The committee adopted an amendment that reduces the appropriation amount to \$25,000,000.

Proposed - Senator Josephson - "An Act relating to judicial and nonjudicial foreclosures."

Status: draft

Endorsement qualifications:

The committee adopted the concepts contained in the 5-2103A/Bradley/3-28-88 draft of the subject legislation and forwarded it to the Senate Rules Committee for introduction. The committee additionally recommended that the bill be referred to the Senate Judiciary Committee and that the committee incorporate the concept contained in HB549 "An Act relating to notice requirements on the use of a deed of trust."

The committee also endorsed the following House bills and recommends that they proceed through the normal Senate standing committee process when they are transmitted to the Senate.

HJR 72 - Rules Committee at the request of the HJCER -
"Relating to the residential real estate market."

Status: House Labor & Commerce

HB 550 - Rules Committee at the request of the HJCER - "An Act authorizing the Department of Community and Regional Affairs to modify the terms of its mortgage loans; and providing for an effective date."

Status: House Community & Regional Affairs

cc: Representative Ben Grussendorf
Speaker of the House

Representative Dave Donley, Chairman
House Labor & Commerce Committee

Representative Heinrich Springer
House Community & Regional Affairs Committee

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

Write to Jurgen
P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

TO: Senator Rick Halford, Co-Chairman
Senate Finance Committee

FROM: Senator Arliss Sturgulewski

DATE: May 6, 1988

RE: CSHB 555 (Fin), CSHB 549 (Jud), SCSHB 550 (C&RA),
CSHCR 54 (Fin), HJR 72 am, HCR 52 am,
CSHB 538 (Finance)

* * * * *

The above referenced bills are currently in the Senate Finance Committee. After reviewing them in either the Senate Joint Economic Recovery Committee or the Senate Community and Regional Affairs Committee, I believe that they merit passage. The following is a brief overview for your information:

CSHB 555 (Fin)- Allowing AHFC to stabilize the market re:
residential housing

-House action 4/30/88 (33-5)

(To be heard again in Senate Finance at 3:30 p.m. May 6, 1988)

- 1) Allows specific powers to implement general "best interest of corporation" powers.
- 2) Allows funding for demolition of Willow Park; (important to Municipality of Anchorage; captures \$10 million in federal funds.)

CSHB 549 (Jud) - Notice Requirements in the use of a Mortgage or
Deed of Trust

-House action 4/28/88 (36-0-2-2)

-Precludes direct suit on the Note unless specifically disclosed and stated on the Note.

SCSHB 550 (C&RA) - Authorizing Dept. of Community and Regional
Affairs to modify the terms of its mortgage loans

-House action 4/27/88 (39-0)

-Gives HAD loan program same restructuring power as AHFC,
Permanent Fund, Pension Funds.

CSHCR 54 (Finance) - Management of mobile homes owned by AHFC
-House action 5/3/88 (38-1)

- Requests AHFC to use prudent business judgment and address foreclosed-upon mobile home problem.

HJR 72 am - Residential Real Estate Resolution

- House action 4/25/88 (39-1)
(Waived in Senate Finance 5/6/88)

- Gives legislative support to state agencies as they negotiate with federal agencies and mortgage insurers for creative solutions to housing problems.

HCR 52 am - Economic Indices

- House action 4/27/88 (31-0 on reconsideration)

- Requests that ISER prepare quarterly economic indices for the state with an annual report on condition of state's economy.

CSHB 538 (Finance) - Alaska Municipal Bond Bank Authority,
municipal debt for development and redevelopment projects.

- House action 4/30/88 (37-2)

- Provides flexibility for municipalities in obtaining financing at non-taxable rates.

MITTEES

ES. (a) Each house has the jurisdiction indi-

revenue, capital improve-
e executive budget, and the
Department of Revenue)

al Services (the programs and
Health and Social Services,
nd the University of Alaska)

nd activities of the Alaska
t of Law, and the legal and
erred to it for that purpose)

ograms and activities of the
labor-management relations,
t compensation, and workers'
nd activities of the Depart-
velopment)

airs (the programs and acti-
ommunity and Regional Affairs
olitical subdivisions)

nd activities of the Depart-
Resources, and Environmental

the Uniform Rules, calendar,
the house and matters per-
the legislature as a whole)

nd activities of the Office of
s of Administration, Military
d programs and activities of
ation and Public Facilities

nd activities of the Depart-
ublic Facilities relating to
islative matters relating to

en are authorized to form such
e to be necessary.

AT COMMITTEES

NT COMMITTEES. (a) A special
ne house. A special committee
e adoption of a simple resolu-
of each house appoints the
e and designates a member to
less otherwise ordered by the
like committees of each house
s to meet jointly to receive

testimony a. deal with other matters which may be expedited
by joint committee action.

(b) A joint committee is a committee of both houses.
A joint committee may be established only by the adoption of
a concurrent resolution. The presiding officer of each
house appoints one-half of the members of a joint committee.
The persons who co-chair a joint committee shall be chosen
in the manner provided by the presiding officers.

21 (c) A resolution establishing a special or joint com-
mittee shall specify the date or conditions of termination
of the committee. A standing committee may meet between
sessions. A special or joint committee may meet during the
session or between sessions, or both, as authorized by the
resolution which establishes the committee. A standing,
special, or joint committee which acts between legislative
sessions may consider any legislative matter which is con-
sistent with the jurisdiction of the committee. A standing,
special, or joint committee which acts between legislative
sessions constitutes a subcommittee of the Legislative
Council for administrative purposes. A special or joint
committee may expend money only in accordance with an ap-
propriation made for the work of the committee.

(d) A committee may not be established unless autho-
rized by law or by the Uniform Rules.

OPEN AND EXECUTIVE SESSIONS

RULE 22. OPEN AND EXECUTIVE SESSIONS. (a) All meet-
ings of a legislative body are open to all legislators,
whether or not they are members of the particular legisla-
tive body that is meeting, and to the general public except
as provided in (b) of this rule.

(b) A legislative body may call an executive session
at which members of the general public may be excluded for
the following reasons:

(1) discussion of matters, the immediate know-
ledge of which would adversely affect the finances of a
government unit;

(2) discussion of subjects that tend to prejudice
the reputation and character of a person;

(3) discussion of a matter that may, by law, be
required to be confidential.

(c) When a legislative body desires to call an execu-
tive session in accordance with (b) of this rule, the body
shall first convene as a public meeting and the question of
holding an executive session shall be determined by a
majority vote of the members present.

(d) The provisions of this rule may not be interpreted
as permitting the exclusion of a legislator from an execu-
tive session, whether or not the legislator is a member of
the body that is meeting. A legislator not a member of the
body holding an executive session shall, however, be subject
to the same rules of confidentiality and decorum as pertain
to regular members of the body.

1/25/88

1 IN THE HOUSE

BY THE RULES COMMITTEE

2

HOUSE CONCURRENT RESOLUTION NO. 31

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

Suspending Uniform Rule 21(b) of the

6

Alaska State Legislature concerning a

7

house concurrent resolution entitled,

8

"Relating to establishing a Joint Com-

9

mittee on Economic Recovery."

10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11

That under Rule 54 of the Uniform Rules of the Alaska State Legisla-

12

ture the provisions of Rule 21(b) of the Uniform Rules, regarding the

13

requirement that a joint committee as a committee of both houses takes

14

action by majority vote of the full committee and the requirement that the

15

presiding officer of each house appoints one-half of the members of the

16

committee, are suspended in consideration of a house concurrent resolution

17

entitled, "Relating to establishing a Joint Committee on Economic Re-

18

covery."

HCR 31

HOUSE CONCURRENT RESOLUTION NO. 31 by the Rules Committee,

Suspending Uniform Rule 21(b) of the Alaska State Legislature concerning a house concurrent resolution entitled, "Relating to establishing a Joint Committee on Economic Recovery."

was read the first time and referred to the Finance Committee.

January 22, 1988

SENATE JOURNAL

p. 1997

HCR 31

The Finance Committee considered HOUSE CONCURRENT RESOLUTION NO. 31 (Suspending Uniform Rule 21(b) of the Alaska State Legislature concerning a house concurrent resolution entitled, "Relating to establishing a Joint Committee on Economic Recovery") and a majority of the committee recommended do pass. The report was signed by Senator Halford, Co-chairman and concurred in by Senators Zharoff, Uehling and Binkley.

HOUSE CONCURRENT RESOLUTION NO. 31 was referred to the Rules Committee.

Offered: 1/22/88
Referred: Rules

5-1586B

Original sponsor: Rules Committee

12/0
1/25/88

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 SENATE CS FOR HOUSE CONCURRENT RESOLUTION NO. 32 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 Relating to establishing a Joint Commit-
6 tee on Economic Recovery.
7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 WHEREAS many areas of the state are experiencing a severe economic
9 crisis that has led to bankruptcies, foreclosures, business failures, and
10 the loss of homes, property, and millions of dollars to Alaskans; and
11 WHEREAS citizens and municipalities from throughout the state have
12 requested immediate legislative assistance to meet this crisis; and
13 WHEREAS the legislature is determined to provide leadership in solving
14 this problem;
15 BE IT RESOLVED by the Alaska State Legislature that a Joint Committee
16 on Economic Recovery is established, consisting of members of the Senate
17 appointed by the President of the Senate and members of the House of Rep-
18 resentatives appointed by the Speaker of the House, to develop legislative
19 solutions to the current economic crisis; and be it
20 FURTHER RESOLVED that the House members and the Senate members are
21 authorized to meet separately and may meet jointly from time to time; and
22 be it
23 FURTHER RESOLVED that the joint committee is authorized to take action
24 only upon majority approval of the Senate members and majority approval of
25 the House members; and be it
26 FURTHER RESOLVED that the committee is authorized to meet during the
27 Second Regular Session of the Fifteenth Legislature and is terminated on
28 the final day of that session.

1 IN THE HOUSE

BY THE RULES COMMITTEE

2

HOUSE CONCURRENT RESOLUTION NO. 32

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

Relating to establishing a Joint Commit-

6

tee on Economic Recovery.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8

WHEREAS many areas of the state are experiencing a severe economic
9 crisis that has led to bankruptcies, foreclosures, business failures, and
10 the loss of homes, property, and millions of dollars to Alaskans; and

11

WHEREAS citizens and municipalities from throughout the state have
12 requested immediate legislative assistance to meet this crisis; and

13

WHEREAS the legislature is determined to provide leadership in solving
14 this problem;

15

BE IT RESOLVED by the Alaska State Legislature that a Joint Committee
16 on Economic Recovery is established, consisting of up to seven members of
17 the Senate appointed by the President of the Senate and up to nine members
18 of the House of Representatives appointed by the Speaker of the House, to
19 develop legislative solutions to the current economic crisis; and be it

20

FURTHER RESOLVED that the committee is authorized to take action only
21 upon majority approval of the Senate members and majority approval of the
22 House members; and be it

23

FURTHER RESOLVED that the committee is authorized to meet during the
24 Second Regular Session of the Fifteenth Legislature and is terminated on
25 the final day of that session.

HCR 32

HOUSE CONCURRENT RESOLUTION NO. 32 by the Rules Committee,

Relating to establishing a Joint Committee on
Economic Recovery.

was read the first time and referred to the Finance
Committee.

January 22, 1988

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HCR 32

The Finance Committee considered HOUSE CONCURRENT RESOLUTION
NO. 32 (Relating to establishing a Joint Committee on
Economic Recovery) and recommended it be replaced with

SENATE CS FOR HOUSE CONCURRENT RESOLUTION NO. 32(FIN)

and do pass. The report was signed by Senator Halford,
Co-chairman and concurred in by Senators Zharoff, Uehling
and Binkley.

Zero fiscal note published today from Senate Finance
Committee.

HOUSE CONCURRENT RESOLUTION NO. 32 was referred to the Rules
Committee.

*Suggested
draft
Senate Finance
Letter of Intent*

January 21, 1988

The Senate Committee Substitute for HCR 32(Fin) allows for a system to be developed within the Senate organization that is responsive to the needs of Alaskans during this period of economic recovery. Many Senate members and committees have already begun their work on solutions to the current economic problems facing the state. It would be disruptive to those initiatives to restructure the Senate organization into a myriad of new sub-committees when organizational structures currently exist that can be utilized.

It is the intent of the SCS HCR 32(Fin) to allow the Senate to organize as appropriate internally but to have a committee of the Senate appointed that can meet jointly with the House under the guidelines of SCS HCR 32(Fin) to identify and prioritize existing legislation that can be supported for passage by the entire legislature to facilitate and encourage economic recovery within the state. Further, the Senate committee may bring to the Joint Committee proposed legislation that can be accomplished in the time remaining in the Fifteenth Legislature or may propose longer term solutions to be developed during the interim in preparation for the Sixteenth Legislature.