1189 SSA SB 474 - SB 477

1189

(b) Before the commencement of commercial production from (or allocated to) a lease or property, the direct operating costs for that lease or property are:

(1) the costs for geological and geophysical work conducted on the lease or property after the taxpayer has acquired a working interest in the lease or property;

(2) rentals and shut-in royalties paid in order to retain the lease or property;

(3) drilling costs for wells bottomed on the lease or property; and

(4) the costs for operations conducted on or near the lease or property in support of drilling and/or development operations for the lease or property, but excluding the actual development costs themselves; however, if the lease or property is subject to an operating agreement in which at lease one working-interest owner is a third party to the operator, the direct operating costs for that lease or property and the costs (excluding development costs but including drilling costs) that are incurred by the operator in operating that lease or property and which are reimbursable to the operator by the working-interest owners, under the terms of that operating agreement.

(c) After the commencement of commercial production from (or allocated to) a lease or property, the direct operating costs for that lease or property are:

(1) the costs of operating the facilities and equipment on or for the lease or property which directly result in or are necessary for the continued or enhanced production from (or allocated to) the lease or property;

(2) the costs of drilling and/or operating wells bottomed on the lease or property; and

(3) the costs of operations conducted on or near the lease or property in support of drilling and/or development operations for the lease or property but excluding the actual development costs themselves; however, if the lease or property is subject to an operating agreement in which at lease one working-interest owner is a third party to the operator, then the

direct operating costs for that lease or property are the costs (excluding development costs but including drilling costs) that are incurred by the operator in operating that lease or property and which are reimbursable to the operator by the working-interest owners, under the terms of that operating agreement.

(d) No cost for the taxpayer's general overhead or administrative expense and no cost that is to be amortized or depreciated under SS 250-260 of this chapter may be included in this section.

Authority: AS 43.05.080
AS 43.19.010 (Art. IV, § 18)
AS 43.21.020
AS 43.21.090

15 AAC 12.250 DEDUCTION FOR ACQUISITION COSTS. (a) A taxpayer's acquisition costs for a lease or property in the state that has never had commercial production from (or allocated to) it from any zone are deferred for purposes of this chapter until either there is commercial production from (or allocated to) it or until the lease or property is abandoned without ever having had commercial production from (or allocated to) it.

Expense bonus on non-prod

(b) If a lease or property is abandoned, then the taxpayer's unamortized acquisition costs for that lease or property are a deduction in determining the taxpayer's taxable production income for the year in which the lease or property is abandoned. If only part of the lease or property is thus abandoned, the unamortized acquisition costs for that lease or property must be apportioned to that abandoned portion on the basis of acreage.

(c) A taxpayer's acquisition costs for a lease or property having commercial production from (or allocated to) it during a year must be amortized, and the amount of amortization that year for those acquisition costs is a deduction in determining the taxpayer's taxable production income for the year. Except for cases when (d) of this section applies, the amount of amortization in a year for a lease or property equals the taxpayer's unamortized acquisition costs as of the beginning of that year, multiplied by the ratio of the Btu-equivalents of the production from (or allocated to) that lease or property during the year, to the total number of the Btu-equivalents represented by the remaining proved reserves (both developed and undeveloped) of that lease or property as of the beginning of the year.

(d) During a year it may happen that a taxpayer transfers part or all of its production interest in a commercially producing lease or property to one or more third parties or receives part or all of a production interest in a lease or property as the result of a transfer from one or more third parties. In such a case, the taxpayer receiving the production interest and the taxpayer transferring the production interest shall each calculate its respective amortization of acquisition costs for that portion of the year preceeding the transfer separately from its amortization of acquisition costs for that portion of the year following the transfer; and the sum of each taxpayer's respective amortization of acquisition costs for those two portions of the year will be a deduction in determining that taxpayer's taxable production income for that year. In calculating amortization for the portion of the year preceeding the date of the transfer, the taxpayer shall use the procedure prescribed in (c) of this section, except that the ratio of the Btu-equivalents of production may include only the taxpayer's production from (or allocated to) the lease or property for the portion of the year preceeding the date of the production-interest transfer. For that portion of the year following the transfer, the amount of amortization equals the taxpayer's unamortized acquisition costs as of the time immediately following the production-interest transfer, multiplied by the ratio of Btu-equivalents of the taxpayer's production from (or allocated to) the lease or property for the portion of the year on and after the date of the transfer to the total number of Btu-equivalents represented by the taxpayer's remaining proved reserves (both developed and undeveloped) of the lease or property as of the time immediately following the production-interest transfer.

(e) The amount of the taxpayer's unamortized acquisition costs for a lease or property as of a particular date equals the taxpayer's acquisition costs for its original production interest in the lease or property, plus the unamortized acquisition costs for each production interest in the lease or property transferred to the taxpayer on or before that date, and minus the sum of

(1) the unamortized acquisition costs for each production interest in the lease or property transferred from the taxpayer on or before that date;

(2) the cumulative amount (as of that date) of the taxpayer's acquisition costs for the lease or property that has been allowed under this section for amortization or abandonment; and

(3) the taxpayer's standardized prior-tax amortization for the lease or property under § 630 of this chapter.

(f) A taxpayer amortizing its acquisition costs for a lease or property for financial accounting purposes on a basis other than a variant of unit-of-production amortization may apply to the department for authorization to use that other basis for purposes of calculating the deduction under this section. Upon a satisfactory showing that the taxpayer does use another basis for amortizing its acquisition costs for financial accounting purposes, the department may grant the requested authorization to the taxpayer. Until that authorization is granted in writing, the taxpayer shall follow the method prescribed in this section to amortize its acquisition costs for leases or properties in the state.

(g) The amount of a taxpayer's acquisition costs for a lease or property equals the taxpayer's net payments for

(1) cash bonus or comparable advance payment to acquire the lease or property;

(2) tax paid under AS 43.56 to the state (net of all credits and refunds for municipal ad valorem taxes on the same property) for property used on or for the lease or property after its acquisition and before the completion of the discovery well for the field that includes the lease or property and ad valorem and other taxes paid to one or more municipalities under AS 29.53 that were incurred for property or operations on or for the lease or property after its acquisition and before the completion of that discovery well;

(3) that portion of the full consideration given by the taxpayer in acquiring a production interest in the lease or property which is properly attributable to the acquisition of the lease or property (as opposed to the wells, facilities and equipment on or in support of the lease or property which directly result in or are necessary for continued or enhanced production from (or allocated to) the lease or property);

(4) interest on capital borrowed from one or more third parties for any of the expenditures described in (1) - (3) of this subsection that was capitalized for purposes of the taxpayer's financial accounting; however, interest so capitalized may be recognized for purposes of this chapter at a rate not to exceed the composite cost of the taxpayer's borrowed capital from third parties as reflected in the taxpayer's financial accounting for the year in which the interest is capitalized.

Authority: AS 43.05.080
AS 43.19.010 (Art. IV, § 18)
AS 43.21.020
AS 43.21.090

15 AAC 12.260 DEDUCTION FOR DEVELOPMENT COSTS. (a) A taxpayer's development costs for a lease or property in the state that has never had commercial production from (or allocated to) it from any zone are deferred for purposes of this chapter until either there is production from (or allocated to) it or until the lease or property is abandoned without ever having had commercial production from (or allocated to) it.

(b) If a lease or property is abandoned without ever having had commercial production from (or allocated to) it, then the taxpayer's undepreciated development costs for that lease or property are a deduction in determining that taxpayer's taxable production income for the year in which the lease or property is abandoned.

(c) Except for development costs to which (d) or (e) of this section applies, a taxpayer's development costs for a lease or property having commercial production (or allocated to) it during a year must be depreciated, and the amount of depreciation that year for those development costs is a deduction in determining the taxpayer's taxable production income for the year. The amount of depreciation in a year for a lease or property equals

(1) the average between the taxpayer's undepreciated development costs for the lease or property as of the beginning of the year and those costs as of the end of the year; multiplied by

(2) the ratio of the Btu-equivalents of the production from (or allocated to) that lease or property during the year, to the total number of the Btu equivalents represented by the remaining proved developed reserves for that lease or property as of the beginning of that year.

(d) A taxpayer's undepreciated development costs for facilities or equipment for the lease or property which are removed during the year are excluded from the development costs that are to be depreciated that year under (c) of this section for that lease or property. Instead, the undepreciated development costs for those wells, facilities or equipment as of the beginning of the year, offset by their salvage value (if any), are a deduction in determining the taxpayer's taxable production income for the year in which they are removed.

(e) During a year it may happen that a taxpayer transfers part or all of its production interest in a commercially producing lease or property to one or more third parties or receives part or all of a producing interest in a lease or property as the result of a transfer from one or more third parties. In such a case, the taxpayer receiving the production interest and the taxpayer transferring the production interest shall each calculate its respective depreciation of development costs for that portion of the year preceeding the transfer separately from its depreciation of development costs for that portion of the year following the transfer; and the sum of each taxpayer's respective depreciation of development costs for those two portions of the year will be a deduction in determining that taxpayer's taxable production income for that year. In calculating depreciation for the portion of the year preceeding the date of the transfer, the taxpayer shall use the procedure prescribed in (c) of this section, except that the ratio of the Btu-equivalents of production may include only the taxpayer's production from (or allocated to) the lease or property for the portion of the year preceeding the date of the production-interest transfer. For that portion of the year following the transfer, the amount of depreciation equals the average of the taxpayer's undepreciated development costs as of the time immediately following the production-interest transfer and as of the end of the year, multiplied by the ratio of Btu-equivalents of the taxpayer's production from (or allocated to) the lease or property for the portion of the year on and after the date of the transfer to the total number of Btu-equivalents represented by the taxpayer's remaining proved developed reserves of the lease or property as of the time immediately following the production-interest transfer.

(f) The amount of a taxpayer's undepreciated development costs for a lease or property as of a particular date equals the taxpayer's development costs as of that date for the wells, facilities and equipment or that lease or property that are then in place, minus the sum of

(1) the cumulative amount (as of that date) allowed under this chapter for depreciation of the taxpayer's development costs for the lease or property; and

(2) the taxpayer's standardized prior-tax depreciation for the lease or property under § 630 of this chapter.

(g) A taxpayer depreciating its development costs for a lease or property for financial accounting purposes on a basis other than a variant of unit-of-production depreciation may apply to the department for authorization to use that other basis for purposes of calculating the deduction under this section. Upon a satisfactory showing that the taxpayer does use another basis for depreciating its development costs for financial accounting purposes, the department may grant the requested authorization to the taxpayer. Until that authorization is granted in writing, the taxpayer shall follow the method prescribed in this section to depreciate its development costs for leases or properties in the state for purposes of this chapter.

(h) The amount of a taxpayer's development costs for a lease or property equals the taxpayer's net payments for

(1) developments costs for facilities and equipment on or in support of the lease or property that directly result in or are necessary for continued or enhanced production from (or allocated to) the lease or property;

(2) tax paid under AS 43.56 to the state (net of all credits and refunds for municipal ad valorem taxes on the same property) for property and ad valorem and other taxes paid to one or more municipalities under AS 29.53 that were incurred directly as the result of, and in the course of, the installation or operation of the property described in (1) of this subsection;

(3) that portion of the full consideration given by the taxpayer in acquiring a production interest in the lease or property, which is properly attributable to the wells, facilities and equipment on or in support of the lease or property which directly result in or are necessary for continued or enhanced production from (or allocated to) the lease or property (as opposed to the consideration given for the lease or property itself);

(4) interest on capital borrowed from one or more third parties for any of the expenditures described in (1) - (3) of this subsection that was capitalized for purposes of the taxpayer's financial accounting; however, interest so capitalized may be recognized for purposes of this chapter at a rate not to exceed the composite cost of the taxpayer's borrowed capital from third parties as reflected in the taxpayer's financial accounting for the year in which the interest is capitalized.

Authority: AS 43.05.080
AS 43.19.010 (Art. IV, § 18)
AS 43.21.020
AS 43.21.090

15 AAC 12.320 EXTRAORDINARY OPERATING REVENUES AND LOSSES (OIL PIPELINES).
(c) The costs of permanently terminating operations and/or removing part or all of the facilities and equipment of a pipeline result in extraordinary operating losses for that pipeline. The amount of these extraordinary operating losses in a year, equals

(1) the amount of the unreimbursed termination and removal costs, for that pipeline as may be allowed by FERC or other peremptory authority in a year prior to actual termination and removal according to specified factors and amounts in calculating net carrier operating income; or

(2) the unreimbursed termination and removal costs for the pipeline that are actually incurred that year, offset by the salvage value (if any) of the removed facilities and equipment and offset to the extent of any amounts allowed to be taken prior to actual termination and removal under this section and taken by the taxpayer.

If unreimbursed termination and removal costs for a pipeline are taken as a deduction and those costs are not actually expended or deduction of those amounts is disallowed by FERC or other peremptory authorities, then the amount so claimed must be recaptured as extraordinary operating revenue.

Authority: AS 43.05.080
AS 43.19.010 (Art. IV, § 18)
AS 43.21.020
AS 43.21.090

15 AAC 12.510 APPORTIONABLE INCOME. (a) A taxpayer's apportionable income for a year equals

(1) the net income worldwide of the consolidated business of which the taxpayer is a part, as determined and certified by an independent certified public accountant (or, as appropriate, the foreign counterpart of a certified public accountant, such as a chartered accountant) for purposes of reporting that year's earnings and profits to the stockholders; minus either

(2) the sum (if greater than zero) of

(A) the taxpayer's taxable production income that year under § 100 of this chapter;

(B) the taxpayer's taxable oil pipeline income that year under § 300 of this chapter; and

(C) the taxpayer's taxable gas pipeline income that year under § 400 of this chapter; or

(3) zero, if the sum in paragraph (2) of this section is less than or equal to zero.

(b) "Net income" as used in this section must be calculated without regard to any taxes on or measured by net income, and the amount of those taxes may not be reduced by any credits or carry-forward deductions incurred or available prior to January 1, 1978.

Authority: AS 43.05.080
AS 43.19.010 (Art. IV, § 18)
AS 43.21.040
AS 43.21.090

15 AAC 12.710 (f) A payment of less than $50,000 may be made by check in the manner prescribed in (1) of this paragraph or may be made by wire transfer in the manner prescribed in (2) of this paragraph. A payment of $50,000 or more must be made by wire transfer in the manner prescribed in (2) of this paragraph.

(1) A payment by check must be made by mailing the check, together with a copy of only the summary page (or pages) of the tax report, to the following address or other address as the commissioner may designate: Cashier, Department of Revenue, State of Alaska, Pouch SA, Juneau, Alaska 99811. A payment made by check or a return not requiring a payment will be considered timely if it is postmarked on or before the date or day of the month in which it is due.

(2) A payment by direct wire transfer must be made through the commercial banking system in accordance with the following procedures:

(A) As early as practicable and in no event later than 9:00 a.m. of the morning of the day when the wire transfer is to be made, the taxpayer shall notify the Alaska State Treasury by Telex (at Telex number 09045333) of the amount of the taxpayer's payment;

(B) the taxpayer shall obtain sufficient collected funds to cover the payment and shall instruct the commercial bank holding those funds to initiate the transfer of federal funds (in the amount of the payment) through the Federal Reserve wire transfer system to the credit of the State of Alaska Investment Account at the following address:

Bank of America, NT & SA
San Francisco, California
Securities Department #3255
Acct: State of Alaska Investment Account;

(C) the taxpayer shall make the payment in one lump sum from one bank;

(D) a payment made by wire transfer will be considered timely if the taxpayer's commercial bank has initiated the transfer of federal funds through the Federal Reserve wire transfer system on or before the last banking day of the month in which the payment is due, or on or before the last banking day prior to the date due, if the date due is not a banking day.

(3) "Payment" as used in this section, means the total amount due or estimated to be due by the taxpayer and arising under any provision of AS 43.21, including taxes, interest and penalty.

Authority: AS 43.05.080
AS 43.05.280
AS 43.21.070
AS 43.21.090

STATE
of ALASKA

# MEMORANDUM

TO: Thomas K. Williams, Commissioner
Department of Revenue

DATE: February 29, 1980

FILE NO

TELEPHONE NO

FROM: Robert M. Johnson, Director
Petroleum Revenue Division

SUBJECT: Narrative for Fiscal Note to SB 474 (AS 43.21)

Proposed SB 474 incorporates a number of very substantial amendments to AS 43.21 as well as technical ones considered by the Department of Revenue. The bill would decrease AS 43.21 tax receipts by approximately $307.36 million in the first year (calendar year 1980) from an anticipated collection of $525 million during the same period.

Section 3 avoids a constitutional issue by amending AS 43.21.010 which presently provides that the tax applies to income derived from oil or gas from property "in or directly associated with the State." (Emphasis added.) The amendment would delete the emphasized words and clarify the fact that the tax is not designed to impose liability on a corporation whose only business is on the Outer Continental Shelf and not in Alaska. The proposal does not preclude some taxation of OCS operations, because income from OCS operations would be taxed as apportionable "other" income to the extent allowed in AS 43.21.040. The proposed amendment would, through clarification of the scope of the tax, strengthen the State's position in the income tax lawsuit (ARCO v State) without backing away from the contention that OCS operations may comprise a portion of apportionable income.

Sections 3 and 4 reduce the tax rate under AS 43.21 from 9.4 percent to 7.4 percent--that is, a decrease of 21 percent. The receipts would thus decline by about $110-130,000,000 in calendar year 1980 and more thereafter, if AS 43.21 were to remain identical to the existing law in all other respects. If, however, all the other amendments of this bill were adopted, a revenue decrease of $57.86 million would be attributable to the 21 percent change alone.

Section 5 would provide for distribution of at least 10 percent of the receipts under AS 43.21 to municipalities. Assuming a tax rate of 7.4 percent as proposed (but not assuming passage of other SB 474 measures increasing deductions), the amount subject to distribution in calendar year 1980 would be about $40 million and more thereafter. Assuming that this amount results in a reduction in local property taxes (as "intended" in proposed AS 43.21.016(d)), municipalities would levy less tax on petroleum property taxable by the State under AS 43.56. As less tax is collected on petroleum property by municipalities, the State receipts under AS 43.56 would increase by about $3.8 million, assuming a distribution of about $40 million to municipalities.

Section 6 would effectively eliminate the use of actual prices or prevailing value in ascertaining the sales price of oil or gas and the use of actual transportation costs in deriving the gross value at point of production. The gross value at point of production would be reduced, especially as at least the price of oil is exempted from Federal ceiling prices. The decreased value could arise if (a) a booked value, even under generally accepted accounting principles, is lower than an actual sales price between third parties or the prevailing value of oil or gas, and (b) the fair market value of transportation is higher than the actual value of transportation. While a general trend, based on experience so far, would be toward a lower booked price and a higher FMV for transportation, the specifics must analyzed on a case-by-case basis. Nevertheless, a reduction in value could be substantial and a loss of taxes in the range of $17 million for 1980 could be experienced.

Section 7 increases the deductions presently allowed under AS 43.21.020(c) in deriving production income.

First, section 7 amends (c)(2) to allow taxes paid or incurred as "windfall profits taxes" to the federal government as an additional deduction. The tax effect of this would be approximately $47 million in the first year and considerably more over time as the decontrolled price of oil escalates with general inflation and worldwide conditions. In making this estimate, I am assuming a Federal tax of 70 percent on the difference between a $13 base and a receipted price of $14.50 (less severance taxes).

Second, the bill amends (c)(3) and (c)(6) to provide that property taxes incurred, but not actually paid, may be deducted. This accrual-basis accounting would probably not decrease present receipts, but could do so if credits became available to shelter actual payments.

Third, the bill amends (c)(4) to allow drilling costs (including intangible drilling costs) to be expensed rather than capitalized and depreciated. This deferral of tax obligations would result in a first year decrease of tax receipts in the amount of about $72 million, assuming that only drilling costs incurred after the date of this bill can be expensed. If, however, the bill were read to allow the expensing of the undepreciated portion of previously capitalized drilling costs (an argument not favored by this Department), the deferred tax obligations for the first year could result in a much greater tax deferral. A taxpayer's level of drilling activity would of course dictate the amount of the deduction in a given year.

Fourth, the bill amends (c)(5) to permit those methods of depreciation referred to in rules based on the Internal Revenue Code to be used rather than the unit of production method or other methods devised by the Department of Revenue. The amount of additional taxes deferred by using an expanded variety of depreciation methods could decrease revenue receipts for the first year by $25 million if a taxpayer may switch to an accelerated depreciation method for existing capitalized costs being currently depreciated on the unit of production method, and if pre-1980 drilling costs are not expensed.

Fifth, the bill amends (c)(7) by clarifying which interest expense must be capitalized and which interest expense may be currently expensed and deducted in determining production income. The present provision allows all interest to be directly expensed unless it is required to be capitalized. However, recent accounting standards require that practically all interest expenses be capitalized as part of the cost of major capital improvements, and so forth. Thus, very little interest is left to directly expense under the existing statute. This amendment would also allow the Department, as necessary, to adjust or set aside interest expense from intracompany transactions, if those transactions are spurious. There would be a relatively small increase in taxes deferred, but that situation could change as major development increases.

Sixth, the amendments to the bill amend (c)(9) would drop the ceiling on general overhead on administrative expenses. The absence of the ceiling would allow additional deductions with a tax effect of $3.5 million to be taken currently.

Seventh, the bill would add a new deduction--an amortized portion of the anticipated costs of removing production facilities. A similar allowance is presently allowed by law as a deduction in deriving pipeline income. The amount of tax so deferred in the first year would be $2 million.

Section 8 of the bill would allow accelerated depreciation (under methods referred to in rules based on the IRC) in the calculation of pipeline income. Currently, the law permits only that type of depreciation to be taken which is allowed by FERC--and FERC allows only straight-line depreciation to be used. Taxes in the amount of approximately $36 million per year could thus be deferred in the first year. The accelerated depreciation would, of course, primarily benefit new capital improvements (i.e., the Natural Gas Pipeline, when constructed).

Section 9 of the bill proposes several amendments to the calculation of apportionable "other" income taxed under AS 43.21.040. These amendments would reduce tax receipts by about $5 million a year.

First, the bill would delete OCS operations from taxation as apportionable "other" income.

Second, the change in 40(b) would modify the "pie" of worldwide income from which Alaska takes a "slice" under apportionment. The new "pie" would exclude net worldwide production and pipeline income, since similar income directly attributable to Alaskan activity is identified in sections 20 and 30 of the Act.

Third, a new subsection would be added. That amendment would modify the formula used to determine the size of Alaska's "slice" of the worldwide "pie" by eliminating all marine transportation (tankers) from the property factor used in ascertaining apportionable "other" income.

Section 10 of the bill would modify the definition of "consolidated business." The change would avoid lumping, for example, ARCO together with Exxon simply because they might run a 50-50 joint venture in Alaska.

Finally, sections 10 and 11 provide for retroactive application to the beginning of tax year 1980 and set the effective date at July 1, 1980.

STATE OF ALASKA

MEMORANDUM

TO: Thomas K. Williams
Commissioner
Department of Revenue

DATE: February 5, 1980

FILE NO:

TELEPHONE NO:

FROM: Joseph K. Donohue JKD
Deputy Commissioner
Department of Revenue

SUBJECT: Impact of the Repeal of Individual Income Tax: Audit, Enforcement, and Administrative Services Divisions

The repeal of the individual income tax will have a very significant effect on the Audit, Administrative Services, and Enforcement Divisions. The immediate effect of a repeal will depend on the approach taken by the Legislature. There are three potential options which could be exercised. First, since there is a normal three year statute of limitations for audit purposes, the audit and enforcement functions could be funded in full for the three years following the date of the repeal of the tax. This would allow continuing audit of those returns filed prior to the repeal. Second, there could be a phaseout over three years of those functions related directly to individual income tax which would permit a declining audit and enforcement function which would be completely phased out by the end of the third year. Third, there could be an immediate cutoff of all funds effective beginning the first fiscal year after the repeal, in which there would be no continuing audit effort or enforcement effort regarding individual income tax returns.

In the following analysis where the impact is reviewed on a divisional basis, the positions being shown as eliminated are those positions which are currently working on individual income tax returns and are those which would be eliminated at the point of the final phaseout of the tax. Some of the positions could be eliminated immediately regardless which of the previous options were exercised, while others would continue on for up to three years.

## AUDIT DIVISION

The major effect of a repeal would involve our various return processing units. The following table shows our currently authorized positions by unit, the number that would remain after a repeal, the number potentially eliminated by a repeal, and the total costs related to the eliminated positions.

| Unit | Current Authorized Positions | Positions Remaining after Repeal | Positions that could be Eliminated | Total Cost, Eliminated Positions |
|---|---|---|---|---|
| Juneau Field Audit | 5 | 4 | 1 | $ 28,900 |
| Juneau Taxpayer Assistance | 6 | 1 | 5 | 105,400 |
| Audit Files | 10 PFT<br>1 Seas. | 6 PFT<br>1 Seas. | 4 | 80,500 |
| Audit Control | 3 | 3 | -0- | -0- |
| Error Correction | 3 PFT<br>4 Temp. | 0 | 3 PFT<br>4 Temp. | 134,350 |
| Business Returns Proc. | 6 | 6 | -0- | -0- |
| Withholding/Excise | 8 | 5 | 3 | 67,450 |
| Taxpayer Compliance | 1 | -0- | 1 | 28,950 |
| Conference | 1 | 1 | -0- | -0- |
| Intelligence | 3 | -0- | 3 | 123,800 |
| Anch. Field Audit | 7 PFT | 6 | 1 | 28,900 |
| Anch. Taxpayer Assistance | 2 PFT<br>2 Seas. | 1 PFT | 1 PFT<br>2 Seas. | 33,700 |
| Fairbnks. Field Audit | 2 PFT | 2 | -0- | -- |
| Seattle Field Audit | 7 PFT | 7 | -0- | -- |
| Mgm't. & Support Staff | 11 PFT | 9 | 2 | 56,100 |
| Totals | 74 PFT<br>3 Seas.<br>1 Temp. | 51 PFT<br>1 Seas. | 23 PFT<br>2 Seas.<br>4 Temp. | $ 688,050 |

The above schedule provides for the potential reduction of staff based solely on the percentage of time that the staff currently spends working on individual income tax returns. It must be remembered that there are several tax types in which we have a very limited audit effort. The Auditors and Criminal Tax Investigators could easily be assigned to work on these other tax types. We also have been trying to obtain additional staffing to establish an effective office audit program of the various business and excise tax returns that are filed with us. We could very effectively employ four Tax Examiners and a Clerk in that function.

The table shows that the Compliance function would be eliminated based on current workload. It must be remembered that this is a new function and individual income tax is the least difficult area in which to start a function, thus providing some good experience while minimizing the complexities inherent in other tax types. This staff could easily be assigned on a full time basis the function of determining which companies have nexus with Alaska but are not filing returns with us. An additional two Tax Examiners could be assigned to compliance to work in other tax types such as fish processors, mining, or motor fuel.

We presently have no compliance effort in these areas and have reason to believe that there is a significant number of nonfilers in these areas.

Should the staff be reassigned as suggested above, these would require that we retain the Manager's position and the Clerk Typist support to manage the modified office operations program.

Finally, it would be necessary to retain several staff members to handle the remaining workload that would still exist in the area of individual income tax. As previously mentioned, the amount of staff would depend partially on the effective date of a repealer; however, we would continue to have individuals filing amended returns for prior years, requesting copies of their old returns, and seeking to obtain returned refund warrants. This workload would probably diminish the third year after repeal of the tax.

In summary, with the exception of three File Clerks, the seasonal positions and the temporary positions, it is obvious that we could very profitably use the displaced staff members to substantially enhance other aspects of our existing program that have little or no audit effort at this time.

ENFORCEMENT DIVISION

The impact of a repeal of the individual income tax would be very significant in relation to the Enforcement Division. During the past year 93% of their workload was related to the individual income tax. The present budget of $1,217,000 would be reduced to $111,950 and the positions would be reduced from 36 to 3. The following positions are the ones which would remain:

| | Salary & Related Costs |
|---|---|
| 1 - Revenue Enforcement Officer II | $ 55,800 |
| 1 - Tax Collection Specialist II | 29,600 |
| 1 - Clerk Typist III | 26,500 |
| Total | $ 111,950 |

If this were to take place, there would be little logic to attempt to maintain Enforcement as an independent function. Rather, it could be merged with Audit Division and maintained as a separate unit within that division.

There is one major consideration which must not be overlooked when the repeal effect is contemplated. The repeal would not cause their workload to cease immediately. Rather, it would gradually decline over a several year period, leaving a residual workload that could be handled by the above listed staff. Therefore, the staff reduction should be planned over at least a three year period.

In analyzing what other ways these staff members could effectively be utilized, the obvious reassignment would be to the Child Support Enforcement Agency. This function, which is 75% funded by the Federal Government, collects child support due custodial parents who are not receiving AFDC and collects from the obligor (non-custodial parent) the amount due the State and Federal Governments if the mother is receiving AFDC. This agency has a total workload of in excess of 17,000 cases, the majority of which they cannot work on because of lack of staff. As the tax enforcement function is phased out, these employees could be transferred to the Child Support Enforcement Agency and generate substantial income in the form of repayments of AFDC which absent parents owe the State and Federal Governments.

## ADMINISTRATIVE SERVICES DIVISION

A repeal of individual income tax would reduce the total number of Administrative Services employees from 68 to 34. The PFT (permanent full-time) employees would be reduced from 53 to 33. The 5 PPT and 9 temporary positions would be eliminated.

### ADMINISTRATIVE SERVICES LIST OF POSITION REDUCTIONS

| Unit | Current Authorized Positions | Positions Remaining after Repeal | Positions That Could Be Eliminated | Total Cost Eliminated Positions |
|---|---|---|---|---|
| Management | 6 | 5 | 1 | $ 27,165 |
| Supply | 1 | 1 | 0 | 0 |
| Personnel | 4 | 3 | 1 | 19,155 |
| Fiscal | 5 | 3 | 2 | 47,355 |
| Cashier | 5 | 2 | 3 | 85,260 |
| Publication | 1 | 0 | 1 | 34,190 |
| Document Processing | 9 | 3 | * 6 | 103,070 |
| CETA-PSE | 3 | 2 | 1 | 15,900 |
| Data Processing | 5 | 2 | 3 | 102,315 |
| Business License | 3 | 2 | 1 | 18,030 |
| Mail | 3 | 3 | 0 | 0 |
| Data Entry | 8 | 2 | 6 | 85,818 |
| Fish & Game | 9 | 9 | 0 | 0 |
| Temporary (5 mos.) | | | 2 | 13,850 |
| Temporary (4 mos.) | | | 7 | 36,575 |
| Total | | | | $ 588,683 |

* 5 positions are seasonal.

ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES

REPRESENTATIVE JOE McKINNON
POUCH V, JUNEAU, ALASKA 99811

February 4, 1980

Thomas K. Williams, Commissioner
Department of Revenue
Pouch S
Juneau, Alaska 99811

Dear Tom:

Re: Proposed changes to 15 AAC 12; regulations on the Oil and Gas Corporate Income Tax

We are very concerned, as you know, over the proposed changes to the regulations on the Oil and Gas Corporate Income Tax (15 AAC 12). We urge you to postpone any action on these regulation changes until we have had more time to review them. Our specific concerns are the proposed changes to sections 240, 250 and 260, which provide for the direct deduction of drilling costs as operating costs. We are also concerned about allowing methods other than unit-of-production depreciation, which is the method specifically mentioned in the statutes.

During deliberations over the Oil and Gas Corporate Income Tax legislation, the Department of Revenue relied on work by Jerome M. Zeifman and Kenneth G. Ainsworth. In their January 1977 report entitled The Taxation of the Petroleum Industry Under Alaska's Corporate Income Tax, Ziefman and Ainsworth cite two major problems. The first was what they called an "eroded tax base". This was due to Federal tax subsidies historically provided to the petroleum industry. The second problem was that Alaska was using an apportionment formula, which did not fairly reflect the true amount of business being done in the state.

Both these problems stemmed from the fact that Alaska had delegated to Congress the responsibility for determining the corporate income tax base. By adopting certain provisions of the Internal Revenue Code, the State was inadvertantly adopting Federal deductions designed as tax subsidies. The most notable of these, as Ziefman and Ainsworth pointed out, was the "expensing of intangible drilling costs." Furthermore, by adopting an apportionment formula based on the Uniform Division of Income for Tax Purposes Act, the State was not taxing the petroleum industry on a manner which truly reflected their profits made in the State. The effect, as stated by Richard Kilgore of the Walter J. Levy Consultants Corporation before a joint House-Senate Resources Committee hearing on March 21, 1977, was "an effective rate of taxation instead of something like 9.4% a rate of taxation, roughly a quarter of that, two to two and a half percent."

That the intent of SCS CSHB 322 was to solve both of these problems is clear. In a letter dated July 5, 1978 to the House Speaker and Senate President, Governor Hammond wrote:

> Oil and gas corporations have been paying an effective tax rate substantially below the nominal tax rate of 9.4 per cent and substantially below what other local corporations would pay on the same income earned on the same assets in the state. The passage of this bill culminates three years of joint effort by the executive and legislative branches to rectify substantial defects in the former taxation scheme which, by incorporating various federally available tax loopholes and by using an inappropriate apportionment formula, allowed oil and gas corporations to avoid their fair share of the state tax burden. (1978 House Journal Final Supplement, p. 13).

To now reincorporate the "federally available tax loophole" of expensing of intangible drilling costs by regulation appears to be directly in conflict with the intent of AS 43.21. (ch 110 SLA 1978).

Plus, the fact that this proposed change to the regulations is of questionable legality is evident in the request for a legal opinion from Joseph K. Donohue, Deputy Commissioner of Revenue to Wilson Condon, Deputy Attorney General, dated November 2, 1979. The Department of Revenue claims the question of law centers around an interpretation of AS 43.21.020(c)(4), which defines operating expenses allowed as direct deductions. Under AS 43.21.020(c)(4), there is no specific reference to drilling costs. The Department has apparently mistakenly concluded that if drilling cost are not indirect costs, they may be deducted.

We would like to bring to the Department's attention AS 43.21.020(c)(8) which provides the only reference in the statutes which directly relates to "drilling costs." This subsection explicitly states that "dry hole" costs are allowed as direct deductions. We emphasize here that this apples only to "dry hole" costs and not drilling costs per se.

Returning to the legislative history on taxes in general, it is clear that SCS CSHB 322 was not the first attempt to rid the state tax base of "federally available tax loopholes." On February 25, 1975, Governor Hammond wrote to the House Speaker regarding HB 208:

> I am submitting this bill for the purpose of closing certain corporate tax loopholes. The bill would eliminate the foreign tax credit, the depletion allowance, and the exemptions for domestic international sales corporations (DISC), and would place a limit on the amount of investment credit for Alaska income tax purposes. (1975 House Journal 295).

After the passage of CSHB 208 (Fin.)am S (ch 153 SLA 1975), the only other significant "tax loophole" left was expensing of intangibles.

We understand that a large measure of your concern arises from the current lawsuit over AS 43.21. We believe that many of the complaints in the lawsuit can be rendered moot by changes to the statutes which will have little impact on revenue. We remind you of the letter the Attorney General wrote to Governor Hammond on June 22, 1978, in which Avrum Gross concluded, that:

> We herefore simply reiterate our advice to the Department of Revenue and state that, in our view there are no constitutional or legal issues which would be fatal to the implementation of the new income tax.

I think you can understand our concerns. We are available at any time to discuss them with you further, and also to work with you on statutory changes to which address sub stantive legal points concerning the lawsuit over AS 43.21. Please send us a copy of the latest annual consolidated report of state revenues and taxation policies required under AS 43.21.110.

Sincerely,

Joe

Joe McKinnon

cc: Joseph K. Donohue, Deputy Commissioner of Revenue
Rob Johnson, Director, Div. of Petroleum Revenue
Representative Terry Gardiner
Representative Russ Meekins

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

DIVISION OF PETROLEUM REVENUE

201 E. 9th AVENUE
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-1363
(907) 277-5627

January 18, 1980

Re: Income Tax Regulations
(AS 43.21)

To Recipients of Proposed Regulations:

Proposals which would amend existing oil and gas corporate income tax regulations have been distributed to you. The most recent set of proposals followed a published notice which related that set of proposals to an earlier one distributed late in October 1979. It has come to our attention that the most recent set of proposals inadvertently dropped a couple of paragraphs contained in the earlier draft. The unintended deletions, which are obvious in the context of the proposals, are contained in proposed sections 132(b)(3) and (4), 240, and 900(31) and (32). The deleted language is attached.

We apologize for any inconvenience this has caused you.

Sincerely,

Robert M. Johnson
Director

Attachment

RMJ/rdm

Proposed Regulation 132(b)(3) and (4) should read:

(3) when transportation of oil is by a tanker or other vessel that is owned or effectively owned by the taxpayer of that oil, the taxpayer's actual cost for that transportation, which is the sum of:

(A) voyage and port costs incurred with respect to that transportation;

(B) the positioning cost, amortized over 36 months, for that vessel but only for placing that vessel into position before its employment in the Alaska trade and not for placing it into position after its employment in the Alaska trade for employment in another trade;

(C) depreciation of the vessel; if the vessel is actually owned by the taxpayer, depreciation must be calculated in accordance with the applicable FASB Financial Accounting Standards for such owned assets; if the vessel is effectively owned by the taxpayer, depreciation must be calculated in accordance with FASB-13 from the standpoint of a lessee under a capital lease; and

(D) an amount, which when added to the amount of depreciation allowed under (C) of this paragraph, will provide a reasonable return on the acquisition cost of the vessel over its expected life; for purposes of this paragraph,

(i) "acquisition costs" means the cost of the vessel which may be capitalized by its actual owner under generally accepted accounting principles, but not including costs of improvements made after the date the vessel is placed in service by or on behalf of the taxpayer, and

(ii) "expected life" means the period of time used to calculate depreciation under (C) of this paragraph;

(4) in the case of transportation of gas as LNG,

(A) where not all of the LNG transportation facilities are subject to tariff regulations (by FERC or other agencies of the United States, state or territory or a possession of the United States or a foreign nation) and when the taxpayer does not have or effectively have any ownership interest in the LNG transportation facility, the amount charged to the taxpayer for that LNG transportation;

(B) when the taxpayer has or effectively has an ownership interest in the LNG transportation facility, the taxpayer's actual cost for that transportation equalling the sum of:

(i) the direct operating costs of the LNG transportation facility (in the case of an LNG tanker, its respective voyage and port costs) incurred with respect to the taxpayer's gas;

(ii) the positioning cost, amortized over 36 months, for that vessel but only for placing that vessel into position before its employment in the Alaska trade and not for placing it into position after its employment in the Alaska trade for employment in another trade;

(iii) depreciation of the LNG transportation facility; if the facility is actually owned by the taxpayer, depreciation must be calculated in accordance with the applicable FASB Financial Accounting Standards for the owner of such assets; if the LNG transportation facility is effectively owned by the taxpayer, depreciation must be calculated in accordance with FASB-13 from the standpoint of a lessee under a capital lease; and

(iv) an amount which, when added to the amount of depreciation allowed under (iii) of this subparagraph, will provide a reasonable return on the acquisition cost of the LNG transportation facility over its expected life; for purposes of this subparagraph, "acquisition cost" means the cost of the LNG transportation facility which may be capitalized by its actual owner under generally accepted accounting principles, and "expected life" means the period of time used to calculate depreciation under (iii) of this subparagraph;

Proposed Regulation 240 should read:

15 AAC 12.240. DEDUCTION FOR DIRECT OPERATING COSTS. (a) The direct operating costs during a year that are incurred by or for a taxpayer for a lease or property in the state are a deduction in determining the taxpayer's taxable production income for that year.

(b) Before the commencement of commercial production from (or allocated to) a lease or property, the direct operating costs for that lease or property are:

(1) the costs for geological and geophysical work conducted on the lease or property after the taxpayer has acquired a working interest in the lease or property;

(2) rentals and shut-in royalties paid in order to retain the lease or property;

(3) drilling costs for wells bottomed on the lease or property; and

(4) the costs for operations conducted on or near the lease or property in support of drilling and/or development operations for the lease or property, but excluding the actual development costs themselves; however, if the lease or property is subject to an operating agreement in which at least one working-interest owner is a third party to the operator, the direct operating costs for that lease or property and the costs (excluding development costs but including drilling costs) that are incurred by the operator in operating that lease or property and which are reimbursable to the operator by the working-interest owners, under the terms of that operating agreement.

(c) After the commencement of commercial production from (or allocated to) a lease or property, the direct operating costs for that lease or property are:

(1) the costs of operating the facilities and equipment on or for the lease or property which directly result in or are necessary for the continued or enhanced production from (or allocated to) the lease or property;

(2) the costs of drilling and/or operating wells bottomed on the lease or property; and

(3) the costs of operations conducted on or near the lease or property in support of drilling and/or development operations for the lease or property but excluding the actual development costs themselves; however, if the lease or property is subject to an operating agreement in which at least one working-interest owner is a third party to the operator, then the direct operating costs for that lease or property are the costs (excluding development costs but excluding drilling costs) that are incurred by the operator in operating that lease or property and which are reimbursable to the operator by the working-interest owners, under the terms of that operating agreement.

(d) No cost for the taxpayer's general overhead or administrative expense and no cost that is to be amortized or depreciated under secs. 250-260 of this chapter may be included in this section.

Authority: AS 43.05.080
AS 43.19.010 (Art. IV, sec. 18)
AS 43.21.020
AS 43.21.090

Proposed Regulation 900(31) and (32) should read:

(31) "sales delivery point" means

(1) for a taxpayer's oil and gas sold in a bona fide, arm's-length sale to a third party, the point of delivery under the terms of the contract or agreement for that sale, except in the cause of a sale to which Sec. 132(d) of this chapter applies;

(2) for a taxpayer's oil not sold in a bona fide, arm's-length sale to a third party, the gate of the refinery to which that oil is ultimately transported; and

(3) for a taxpayer's gas not sold in a bona fide, arm's-length sale to a third party, the point of delivery under the terms of the sales contract being used as the reference for the sales price of the taxpayer's gas under Secs. 122 and 124 of this chapter.

(32) "sales price" is defined in Sec. 122 of this chapter.

# COMMITTEE REPORT

# SENATE

2/18/80

FURTHER: Finance

Date: March 17, 1980

Mr. President:

The Committee on State Affairs has had SB 477 relating to shooting and firearm safety

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass                                    [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for SB 477          [✓] same title  [ ] new title

and recommends Do Pass

[ ] AND attaches a "Letter of Intent"    [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the ______________ Committee

MEMBERS SIGNING DO PASS

[illegible]

Tim Kelly

[illegible]

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible]

CHAIRMAN

S 60 (Rev. 12/78)

3-6 1980 HOUR 4:30

TO Bob

## WHILE YOU WERE AWAY

M Sen. Rodey TELEPHONE 3717

- [ ] CALLED TO SEE YOU
- [ ] TELEPHONED
- [ ] WILL CALL AGAIN
- [x] PLEASE PHONE
- [ ] RETURNED YOUR CALL
- [ ] URGENT

REMARKS would like to talk w/ you on the scheduling of the Rifle Range Bills (-SB) 477 - 479

SIGNED SR

OPS 4002

Guy to testify at meeting
Got name & # from Moby or Mero

TED DIXON
261 COLLEGE ROAD
FAIRBANKS 99701

PHONE:
456-8742

Randy Smith

ALASKA PROFESSIONAL HUNTERS ASSOCIATION

ALASKA PROFESSIONAL HUNTERS ASSOC.
P. O. BOX 4-1932
ANCHORAGE, ALASKA 99509

789-9789

Alaska State Legislature

SENATOR MIKE COLLETTA

SENATE MAJORITY LEADER

Senate

MEMORANDUM

MARCH 6, 1980

TO: SENATOR BOB MULCAHY, CHAIRMAN
SENATE STATE AFFAIRS COMMITTEE

FROM: SENATOR MIKE COLLETTA

RE: SB 477 & SB 479 "Fire Arms Safety"

Mr. Ted Dixon of the Tanana Valley Sportsmen's Association would like to be notified when the above cited bills are scheduled for committee hearing as he would like to testify.

Mr. Dixon can be reached at the following address: 261 College Road, Fairbanks 99701. Phone 456-8742 (between 10 a.m. and 6 p.m.).

Your attention to this matter is appreciated.

cc: Ted Dixon

Called 3/10/80 & notified of meeting to be held 3/12/80

# Alaska State Legislature

## Senate

### Committee on State Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811


March 11, 1980

SB 477 - An Act relating to shooting and firearm safety; and providing for an effective date.

BY: Senators Rodey and Bradley

This bill adds a new chapter to Title 16 (Fish and Game) entitled: CHAPTER 55 - SHOOTING AND FIREARM SAFETY. Duties of the department include coordinating activities relating to shooting and firearms, development of a hunting safety program, and establishing a program for the planning, construction and operation of public shooting ranges.

The bill outlines the powers of the department in respect to shooting and firearms. This includes technical assistance to municipalities, communities and organizations, and provides for the department to make grants available to them for the development and operation of public shooting ranges as well as operation of firearm safety programs.

The bill establishes an Advisory Committee on Hunting and Firearm Safety to advise the department in fulfilling its responsibilities under this chapter.

The grants to municipalities and organizations will be handled by the Division of Administration, within the department, following the recommendations made by the State Range Planning Committee and future recommendations to be made by the Advisory Committee on Hunting and Firearm Safety. The Advisory Committee will, in effect, replace the State Range Planning Committee.

All other aspects of the bill could be handled through the existing hunting safety program.

# MEMORANDUM State of Alaska

TO: Ron Somerville, Director
Division of Game, Juneau

Regional Supervisors, Div. of Game

Members, State Range Planning Committee

DATE: November 20, 1979

FILE NO:

TELEPHONE NO:

SUBJECT: Range Planning Meeting

FROM: Jack Alexander
Hunter Safety Coordinator

Attached are the minutes and recommendations made during the November 14th meeting of the State Range Planning Committee.

The second meeting of the State Range Planning Committee was held November 14, at the Anchorage Fish and Game office. Those in attendance included Ted Dixson, Joe Nava, Bob Dickens, Paul Weller, George Lyons, Ray Brown, Sam McDowell, Ted Nelson, Virgil Umphenour and Jack Alexander.

The first order of business was to review and approve the minutes of the October 4 and 5 meeting. Additional old business was to make additions and minor changes to the list of ranges known to the members. Members making additional reports included Virgil Umphenour, Ted Dixson, Ray Brown. Jack Alexander and Paul Weller.

The remainder of the meeting was spent establishing recommendations for range acquision, development and improvements. George Lyons suggested that recommendations be listed and considered by House districts. These recommendations are presented in Appendix B of the minutes.

The Committee established the date of December 20 for the next meeting, the purpose of which will be to determine cost and priorities for the recommended projects.

| House District Name | Number | City | Recommended Facilities | Est. Cost |
|---|---|---|---|---|
| Ketchikan | 1 | Ketchikan<br>*Craig<br>*Hydaburg<br>*Klawock<br>*Metlakatla | 1.Expand number of firing points at present site. 2.Develope small-bore indoor range available to high schools. *3.Provide assistance to communities establishing designated shooting areas. | |
| Wrangell-Petersburg | 2 | Petersburg | 1.Assist in development of indoor smallbore range close to high school. 2.Upgrade existing city range. | |
| | | Wrangell | 1.Assist in development of indoor smallbore range. 2.Assist in upgrade existing outdoor facilities. | |
| | | Kake | *Provide community assistance in establishing designated outdoor shooting areas. | |
| Sitka | 3 | Sitka | 1.Develop existing outdoor facilities. 2.Assist in funding an allweather smallbore and pistol range. | |
| | | *Angoon | * Provide community with assistance in establishing designated outdoor shooting area. | |
| Juneau | 4 | Juneau | 1.Expand and improve existing outdoor range. 2.Inprovements to Subport Building indoor range. | |
| Haines-Skagway | 5 | Haines | 1.Minor improvements to existing out-door range. 2.Develop indoor facilities. | |
| | | Skagway | 1.Minor improvements to existing range. 2.Develop indoor smallbore and pistol range. | |
| | | *Yakutat | *Provide community with assistance in establishing designated outdoor shooting area. | |
| Valdez-Cordova | 6 | Valdez | No recommendations. | |
| | | Cordova | 1.Land acquisition and improvements. 2.6pt. 50' indoor smallbore range. | |

| House District Name | Number | City | Recommended Facilities | Est. Cost |
|---|---|---|---|---|
| Palmer-Talkeetna-Wasilla | 7 | Palmer-Wasilla | 1. Acquire land in central area. | |
| | | Palmer | 1. Indoor smallbore range. | |
| | | Wasilla | 1. Indoor smallbore range. | |
| | | *Talkeetna | * Provide community with assistance in establishing designated outdoor shooting area. | |
| Anchorage | 8 | Anchorage | 1. Improvements and expansion of two existing outdoor ranges. 2. Centralized indoor smallbore and pistol range. 3. Completion of two existing indoor high school smallbore ranges. | |
| Seward | 9 | Seward | 1. Provide community with assistance in establishing outdoor shooting area. | |
| Kenai-Soldotna | 10 | Soldotna | 1. Expansion and improvements to existing outdoor range. 2. Smallbore indoor range at high school. | |
| | | Homer | 1. Expand and improvements to existing outdoor ranges. | |
| Kodiak | 11 | Kodiak | 1. Acquire site and improvements to existing range. 2. Designated shooting areas adjacent to city. 3. Smallbore and pistol indoor range. | |
| | | Port Lions | 1. Designated shooting area. | |
| Aleutian Island | 12 | *All villages | *Designated shooting areas. | |
| Dillingham | 13 | Dillingham | 1. Designated shooting area. 2. Indoor smallbore range. | |
| | | Naknek | 1. Designated shooting area. | |

| House District Name | Number | City | Recommended Facilities | Est. Cost |
|---|---|---|---|---|
| Bethel | 14 | Bethel | 1.Site acquision and development. 2.Smallbore indoor range. | |
| McGrath-Galena-Tanana | 15 | *McGrath<br>*Galena<br>*Tanana | *Designated shooting areas | |
| Fairbanks | 16 | Fairbanks | 1.Central facilities with high-power, smallbore and pistol outdoor and smallbore and pistol indoor. 2.Four designated shooting areas adjacent to city. 3.Three indoor smallbore for high schools. | |
| | | *Nenana<br>*Healy | *Designated shooting areas. | |
| Barrow-Kotzebue | 17 | Kotzebue | 1.Acquire outdoor highpower range site and improvements. 2.Indoor smallbore range adjacent to high school. | |
| | | Barrow | 1.Outdoor range. 2.Indoor smallbore range adjacent to school. | |
| Nome | 18 | Nome | 1.Centralized smallbore range adjacent to community college. 2.Acquire land and improvements for 600 yard outdoor range. | |
| Hooper Bay | 19 | All major villages | Designated outdoor shooting areas | |

STATE
of ALASKA

# MEMORANDUM

TO: State Range Planning Committee

DATE: January 16, 1980

FILE NO:

TELEPHONE NO:

FROM: Jack Alexander
Hunter Safety Coordinator
Division of Game
Anchorage

SUBJECT: Recommendations for shooting facilities.

Attached are the recommendations for shooting facilities as determined at the December 20, 1979 meeting of the Range Planning Committee. Please look them over carefully and compare with your notes. The figures have changed some, but not much. Let me know if you don't agree or have any changes or suggestions to make.

I discussed Izaak Walton League Range development with Maurice Oswald of D.O.W.L. Engineering, who is doing the design work on their development plans. It was Mr. Oswald's opinion that realignment of the Izaak Walton League Range would eliminate any safety hazards currently associated with the Birchwood airstrip.

I'll get the wording for a proposed bond put together in the next week or so and forward it to each of you for your input.

The third meeting of the State Range Planning Committee was held December 20, 1979 in Anchorage. The purpose of the meeting was to determine cost of designating, acquiring, and developing indoor and outdoor shooting facilities.

In most communities of the state the Range committee agreed to allot up to $2500 and technical assistance to all the smaller villages and communities desiring to designate new or formalize existing shooting areas. Also, this money could be used to develop portable indoor shooting items that could be used for student training.

The committee determined that a transportable 80' X 30' predesigned building would be adequate to meet the needs of most communities for indoor shooting facilities. These would have 5 shooting points for smallbore shooting only and are estimated to cost $300,000 each.

The need for shooting facilities both indoor and outdoor was examined and cost determined for each community of the State with a population over 1,000 people. The cost figures for each community and the total cost are presented in Appendix B.

The committee's actions so far has identified 14 existing outdoor ranges and 12 indoor ranges located in 25 major communities and 11[illegible] smaller communities and villages. Some of these facilities are unusable or unavailable to the general public. The committee's recommendation to offer technical and financial assistance applies to about 135 communities and includes nearly 200 individual development projects.

Enclosure

cc: J. Vania
R. Somerville
P. Noday

| House District Name | Number | City | Recommended Facilities | Estimated Cost |
|---|---|---|---|---|
| Ketchikan | 1 | Ketchikan | 1. Expand number of firing points and other improvements to existing site. | 1. 25 |
| | | all other communities | 2. Develop smallbore indoor range available to High School. | 2. 300 |
| | | | 3. Assistance to 11 additional areas in obtaining designated and/or establish outdoor shooting areas, also financial assistance to schools establishing indoor student training facilities. | 3. 27.5 |
| | | | | Subtotal 352.5 |
| Wrangell-Petersburg | 2 | Petersburg | 1. Assist in development of indoor smallbore range available to High School. | 1. 300 |
| | | Wrangell | 1. Assist in development of indoor smallbore range available to High School. | 1. 300 |
| | | | 2. Assist in upgrading existing outdoor facilities. | 2. 5.0 |
| | | All other communities | 1. Assist 2 additional communities obtain, designate and/or establish outdoor shooting areas and establish indoor student training. | 1. 5.0 |
| | | | | Subtotal 610.0 |
| Sitka | 3 | Sitka | 1. Develop existing outdoor facilities. | 1. 25.0 |
| | | | 2. Assist develop indoor smallbore range available to High School. | 2. 300 |
| | | All other | 1. Assist one additional community to obtain, designate and/or establish outdoor shooting area and student training facilities. | 1. 2.5 |
| | | | | Subtotal 327.5 |
| Juneau | 4 | Juneau | 1. Expand and improve existing outdoor range. | 1. 75 |
| | | | 2. Improvement to subport bldg. indoor range. | 2. 75 |
| | | | | Subtotal 150 |
| Haines-Skagway | 5 | Haines | 1. Expand and improve existing outdoor range. | 1. 25.0 |
| | | | 2. Develop indoor range. | 2. 5.0 |
| | | Skagway | 1. Minor improvements to existing outdoor range. | 1. 5.0 |
| | | | 2. Develop indoor smallbore and pistol range available to High School. | 2. 5.0 |
| | | | 3. Assist 5 additional communities to obtain designate and/or establish outdoor shooting areas and student training facilities. | 3. 12.5 |
| | | | | Subtotal 52.5 |

| House District Name | Number | City | Recommended Facilities | | Estimated Cost |
|---|---|---|---|---|---|
| Valdez-Cordova | 6 | Valdez | No recommendations | | |
| | | Cordova | 1. Land acquisition and improvements 2. Indoor smallbore famillities adjacent to High School. | | 1. 20<br>2. 50 |
| | | Glennallen | 1. Improvements to outdoor range and development of range available to High School. 2. Assist 3 additional communities to obtain, designate and/or establish outdoor shooting areas and student training facilities. | | 1. 10.0<br>2. 7.5 |
| | | | | Subtotal | 87.5 |
| Palmer-Talkeetna-Wasilla | 7 | Palmer-Wasilla | 1. Acquire land in centralized area. | | 1. 100 |
| | | Palmer | 1. Indoor smallbore range. | | 1. 300 |
| | | Wasilla | 1. Indoor smallbore range. 2. Assist one additional community to obtain designate and/or establish outdoor shooting area and student training facilities. | | 1. 300<br>2. 2.5 |
| | | | | Subtotal | 702.5 |
| Anchorage | 8 | Anchorage | 1. Improvement & expansion of 2 existing outdoor ranges. 2. Centralized indoor smallbore and pistol range. 3. Completion of three existing indoor High School smallbore ranges. | | 1. 475<br>2. 1,725<br>3. 375 |
| | | | | Subtotal | 2,575.0 |
| Seward | 9 | Seward | 1. Assist in establishing a designated shooting area. 2. Establish smallbore indoor range. | | 1. 10<br>2. 10 |
| | | | | Subtotal | 20.0 |
| Kenai-Soldotna | 10 | Soldotna | 1. Expansion & improvements to existing outdoor range. 2. Smallbore indoor ranges in 2 High Schools. | | 1. 10<br>2. 425 |
| | | Homer | 1. Expansion & improvements to existing outdoor ranges. 2. Improvements to existing indoor range. 3. Assist 5 additional communities obtain designate and/or establish outdoor shooting areas and student training facilities. | | 1. 10<br>2. 5<br>1. 12.5 |
| | | | | Subtotal | 462.5 |

| House District Name | Number | City | Recommended Facilities | Est. Cost |
|---|---|---|---|---|
| Kodiak | 11 | Kodiak | 1. Acquire site and improvements to existing outdoor range. 2. Designate shooting areas adjacent to city. 3. Indoor smallbore and pistol range. 4. Assist 5 additional communities obtain, designate or establish outdoor shooting areas and student training facilities. | 1. 125<br>2. no cost<br>3. 300<br>4. 12.5<br>Subtotal 437.5 |
| Aleutian Islands | 12 | All communities | 1. Assist 10 communities obtain, designate and/or establish outdoor shooting areas and student training facilities. | 1. 30.0<br>Subtotal 30.0 |
| Dillingham | 13 | Dillingham | 1. Assist communities to obtain designate and/or establish an outdoor shooting facility.<br>2. Develop indoor student training facility. | 1. 10<br>2. 10 |
| | | Naknek | 1. Assist community to obtain, designate and/or establish an outdoor shooting facility and indoor student training facility.<br>1. Assist seven additional communities to obtain, designate and/or establish an outdoor shooting area & indoor student training facility. | 1. 10<br>1. 17.5<br>Subtotal 47.5 |
| Bethel (15) | 14 | Bethel | 1. Assist Bethel establish and designate an outdoor shooting facility. 2. Establish indoor smallbore range. 3. Assist 15 additional communities to obtain, designate and/or establish outdoor shooting areas & student training facilities. | 1. 10.0<br>2. 100.0<br>3. 37.5<br>Subtotal 147.5 |
| McGrath-Galena-Tanana | 15 | Galena | 1. Assist Galena establish an outdoor shooting facility. 2. Assist development of indoor student training facility.<br>1. Assist 18 additional communities to obtain, designate and/or establish outdoor shooting & student training facilities. | 1. 5.0<br>2. 10.0<br>1. 45.0<br>Subtotal 60.0 |

| House District Name | Number | City | Recommended Facilities | | Estimated Cost |
| --- | --- | --- | --- | --- | --- |
| Fairbanks | 16 | Fairbanks | 1. Central facilities with highpower, smallbore & shotgun, outdoor, smallbore & pistol indoor. 2. Four designated shooting areas adjacent to city. 3. Three indoor smallbore ranges adjacent to High Schools. | | 1. 1,500<br>2. no cost<br>3. 1,000 |
| | | | 1. Assist 5 additional communities to obtain designate and/or establish outdoor shooting area and student training facilities. | | 1. 12.5 |
| | | | | Subtotal | 2,512.5 |
| Barrow-Kotzebue | 17 | Kotzebue | 1. Acquire outdoor highpower range site & improvements. 2. Indoor smallbore range adjacent to High School. | | 1. 10.0<br>2. 300.0 |
| | | Barrow | 1. Develop outdoor range. 2. Construct smallbore indoor range adjacent to school. | | 1. 10.0<br>2. 300.0 |
| | | All other communities | 1. Assist 9 additional communities to obtain, designate and/or establish outdoor shooting areas and student training facilities. | | 1. 22.5 |
| | | | | Subtotal | 642.5 |
| Nome | 18 | Nome | 1. Designate and make improvements to an outdoor range. 2. Smallbore indoor range available to High school. | | 1. 22.0<br>2. 300.0 |
| | | | 1. Assist 12 additional communities to obtain designate and/or establish outdoor shooting areas & student indoor training facilities. | | 1. 30.0 |
| | | | | Subtotal | 352.0 |
| Hooper Bay | 19 | All Villages | 1. Provide assistance to 8 communities in obtaining, designating and/or establishing outdoor shooting areas and indoor student training facilities. | | 1. 20.0 |
| | | | | Subtotal | 20.0 |
| | | | | Grand Total | 9,589.0 |

APPENDIX A

Region

I. Northwestern

A. Outdoor

1. Bethel - No designated shooting areas
2. Dillingham - No designated shooting areas
3. Barrow - No designated shooting areas
4. Nome - No designated shooting areas
5. Kotzebue - No designated shooting areas

B. Indoor

1. Bethel- No indoor shooting facilities
2. Dillingham - No indoor shooting facilities
3. Barrow - No indoor shooting facilities
4. Nome - No indoor shooting facilities
5. Kotzebue - No indoor shooting facilities

II. Interior

A. Outdoor

1. Fairbanks
   a. Northstar Borough 300 yards - summer use only
   b. Fort Wainwright - organized competition
   c. Fairbanks Trap Club - open to public on fee basis
   d. Eielson AFB 100 to 600 yards - high power and small bore organized competition
   e. State Airport 50 yards - police range

2. Delta

3. Nenana - Undesignated gravel pits

4. Fort Yukon - No designated shooting areas

5. Galena - No designated shooting areas

6. Aniak - No designated shooting areas

7. McGrath - No designated shooting areas

8. Tok - Undesignated gravel pits

9. Healy - No designated shooting areas

B. Indoor

1. Fairbanks

a. University of Alaska 50' 12 pt. small bore - open to student - organized competition

b. Tanana Valley Sportsman 50' 10 pt. small bore - members and guest - organized competition

c. Fairbanks City Police 50' 2 pt. - not open to public

d. Ryan Jr. High 50' small bore - student use

2. McGrath - No indoor facilities

3. Delta - Portable small bore traps at High School

4. Nenana - No indoor facilities

5. Tok - No indoor facilities

6. Fort Yukon - No indoor facilities

III. Southcentral

A. Outdoor

1. Anchorage

a. Izaak Walton Range - open to public - high power, small bore, pistol, traps and skeet

b. Rabbit Creek - high power, small bore, pistol and trap

c. Elmendorf 100 - military and organized public

d. Fort Richardson - 500 yard high power - organized competition

e. Anchorage Sportsman - trap - private - open to public

2. Soldotna and Kenai

   a. Snowshoe Gun Club - 500 yards - pistol and trap - open to public some weekends and competition

3. Homer

   a. Homer Rod and Gun Club 100 yards - high power, pistol and trap - open to public

4. Kodiak

   a. Soline Creek Rifle Range 600 yards - high power, 50 yard pistol - open to public, subject to eventual closure

   b. Base Trap Club - open to military

   c. Kodiak UFW - 3 trap and 100 yard - 2 position high power - closed to public. Not considered a safe range

5. Cordova

   a. Izaak Walton League - 100 yards - high power, small bore - open to public. Due to close December 31, 1979

6. Valdez

   a. 200 yard 10 pt. High power - City owned and maintained

7. Glennallen

   a. No authorized outdoor shooting facilities

8. Palmer - Talkeetna - Wasilla

   a. No authorized outdoor shooting facilities

B. Indoor

1. Anchorage

   a. Elmendorf AFB 10 pt. 25 yards, organized club use

   b. Bartlett High School 16 pt. 50 ft. - scheduled organized use

   c. National Guard Armory 6 pt. 50 ft. - open to organized groups

   d. Chugiak High School 50 ft. 10pt. - open to organized groups

   e. West High School 10 pt. 50 ft. - open to organized groups

2. Soldotna and Kenai

   a. National Guard Armory 10 pt. 50 ft. - open to organized and scheduled competition

3. Homer

   a. Homer Rifle and Pistol Club 4 pt. 75 ft. - open to public

4. Kodiak

   a. 10 pt. 50' Coast Guard indoor range subject to eventual closure

5. Cordova

   a. No indoor shooting facilities

6. Valdez

   a. Valdez High School - 50' 7 pt. small bore - student and organized groups

7. Glennallen

   a. No indoor shooting facilities

8. Palmer-Talkeetna-Wasilla

   a. No indoor shooting facilities

IV. <u>Southeast</u>

A. Outdoor

1. Juneau

   a. Montana Creek 300 yards - high power, small bore and pistol

   b. Juneau Trap Club

2. Yakutat

   a. No outdoor shooting facilities

3. Sitka

   a. City Range 100 yards - high power open to public

4. Petersburg

   a. City Range 200 yards - high power and small bore No improvements

5. Wrangell

   a. 200 yard - high power City range open to public, covered firing pts.

6. Ketchikan

   a. Ketchikan Trap Club - 3 traps - open to members and guests - 2 pt 100 yard high power range

7. Skagway

a. 100 yards - open to public

8. Haines

a. 150 yd. - high power range

9. Hoonah - No designated outdoor shooting area

B. Indoor

1. Juneau

a. Juneau Douglas High School - 10 pt. 50' small bore and pistol, not open to public

b. Subport building not open to public

2. Yakutat - No indoor facilities

3. Sitka

a. BIA Range 4 pt. small bore

4. Petersburg - No indoor facilities

5. Wrangell - No indoor facilities

6. Ketchikan - No indoor facilities

7. Skagway - No indoor facilities

8. Haines - Sr. High School student range

9. Hoonah - No indoor facilities

V. <u>Westward</u>

A. Outdoor

1. Cold Bay

2. Sand Point

3. Dutch Harbor

4. King Salmon - Naknak

B. Indoor

1. Cold Bay - No indoor facilities

2. Sand Point - No indoor facilities

3. Dutch Harbor - No indoor facilities

4. King Salmon - Naknak - No indoor facilities

ORIG. SPONSORS: RODEY & BRADLEY

Introduced: 2/18/80
Referred: State Affairs and Finance

IN THE SENATE BY STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 477

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to shooting and firearm safety; and providing for an effective date."

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

* Section 1. AS 16 is amended by adding a new chapter to read:

CHAPTER 55. SHOOTING AND FIREARM SAFETY.

Sec. 16.55.010. DUTIES OF DEPARTMENT. The Department of Fish and Game shall

(1) ASSIST IN DEVELOPING AND COORDINATING activities involving public and private organizations relating to shooting and firearms;

(2) develop a hunting safety program for the people of the state;

(3) ~~ESTABLISH~~ a program TO ASSIST IN the planning, construction and operation of public shooting ranges.

Sec. 16.55.020. POWERS OF DEPARTMENT. In the discharge of its duties under AS 16.55.010, the Department of Fish and Game may

(1) provide, through a DEPARTMENTAL coordinator, technical assistance to municipalities, communities, and organizations;

(2) make grants to municipalities and organizations as provided in AS 16.55.030

(A) to develop and operate public shooting ranges and facilities; and

(B) to operate programs involving education and training in the safe use of firearms.

Sec. 16.55.030. GRANTS. Subject to legislative appropriation for the purpose, th Department of Fish and Game may make grants to municipalities and private organizations in accordance with AS 16.55.020(2). The department may impose reasonable restrictions on use of funds granted under this section.

Sec. 16.55.040. ADVISORY COMMITTEE. (a) There is established in the Department of Fish and Game an Advisory Committee on Hunting and Firearm Safety. The committee consists of five members appointed by the commissioner of fish and game and serving at his pleasure. Members of the advisory committee serve without compensation but are entitled to per diem and travel expenses provided by law for members of boards and commissions.

(b) The Advisory Committee on Hunting and Firearm Safety shall select one of its members as chairman.

(c) The Advisory Committee on Hunting and Firearm Safety shall meet at the call of the chairman or at the request of A MAJORITY OF THE MEMBERS.

(d) The Advisory Committee on Hunting and Firearm Safety shall advise the Department of Fish and Game in fulfilling its responsibilities under this chapter.

* Sec. 2. This Act takes effect July 1, 1980.

 WORK DRAFT COPY WORK DRAFT COPY

PROPOSED AMENDMENT

Page 2, following line 20, insert a new *Sec. 2 to read:

*Sec. 2. AS 38.05.330 is amended by adding a new subsection to read:

(c) The director, without the prior approval of the commissioner, may issue a permit for state land to a municipality or a nonprofit organization to develop and operate public shooting ranges and facilities for training in the safe use of firearms. In granting a permit for lands under this subsection, the director shall provide lands to municipalities and organizations when requested by the Advisory Committee on Hunting and Firearm Safety. The land for which a permit is requested shall be granted if its use as a shooting range or facility for training in the safe use of firearms is consistent with the present or proposed use of adjacent parcels and tracts and protects the safety of the public. The commissioner may not charge a fee for a permit issued under this subsection. If the land for which a permit is given under this subsection ceases to be ~~used~~ operated as a public shooting range or facility for training in the safe use of firearms, the permit is revoked.

Renumber effective date section.

## Recommendations of the State Range Planning Committee

In FY 1980 the Game Division received a legislative appropriation of $15,000 to establish a State Range Planning Committee consisting of representatives from most major communities within the State. This committee, with directions from Game Division's Hunter Safety Coordinator, was to assess the needs for shooting facilities in cities and towns throughout Alaska and to make recommendations regarding aquisition and development of apropriate shooting facilities. The committee's findings and recommendations are as follows:

The third meeting of the State Range Planning Committee was held December 20, 1979 in Anchorage. The purpose of the meeting was to determine cost of designating, acquiring, and developing indoor and outdoor shooting facilities.

In most communities of the state the Range committee agreed to allot up to $2500 and technical assistance to all the smaller villages and communities desiring to designate new or formalize existing shooting areas. Also, this money could be used to develop portable indoor shooting items that could be used for student training.

The committee determined that a transportable 80' x 30' predesigned building would be adequate to meet the needs of most communities for indoor shooting facilities. These would have 5 shooting points for smallbore shooting only and are estimated to cost $300,000 each.

The need for shooting facilities both indoor and outdoor was examined and cost determined for each community of the State with a population over 1,000 people. The cost figures for each community and the total cost are presented in Appendix B.

The committee's actions so far has identified 14 existing outdoor ranges and 12 indoor ranges located in 25 major communities and 116 small communities and villages. Some of these facilities are unusable or unavailable to the general public. The committee's recommendation to offer technical and financial assistance applies to about 155 communities and includes nearly 200 individual development projects.

28 Febraury 19

Sally J. Smith
State Representative
Alaska State House of Representatives
Juneau, Alaska 99801

Dear Representative Smith, -SB 477-479

Please support House Bills 809 and 810, "An Act relating to shooting and firearms safety..." and its companion funding bill.

This bill is partially the result of a study made by a Committee appointed and funded by the Legislature. The best expertise available Statewide identified the need that prompted these bills.

Alaska is a State where firearms are an important part of everyday life. We should be taking the lead in providing the best training available anywhere, to the youngsters of our State, so that they can and will enjoy shooting safely and reduce the public risk.

I have taught firearms safety in Fairbanks for 18 years. We need the help of these bills to provide an adequate program Statewide.

Please assist us by supporting these bills.

Thank you.

Joe Nava

9.6 Million dollars

Joe Nava
SR Box 30202
Fairbanks, AK 99701

PROPOSED AMENDMENT

Page 2, following line 20, insert a new *Sec. 2 to read:

ALASKA LAND ACT - PERMITS

*Sec. 2. AS 38.05.330 is amended by adding a new subsection to read:

"(c) The director, without the prior approval of the commissioner," may issue a permit for state land to a municipality or a nonprofit organization to develop and operate publi shooting ranges and facilities for training in the safe use of firearms. In granting a permit for lands under this subsection, the director shall provide lands to municipalities and organizations when requested by the Advisory Committee on Hunting and Firearm Safety. The land for which a permit is requested shall be granted if its use as a shooting range or facility for training in the safe use of firearms is consistent with the present or proposed use of adjacent parcels and tracts and protects the safety of the public. The commissioner may not charge a fee for a permit issued under this subsection. If the land for which a permit is given nder this subsection ceases to be ~~used~~ operated as a public shooting range or facility for training in the safe use of firearms, the permit is revoked.

Renumber effective date section.

Provides that director of division of lands may issue a permit to a municipality or nonprofit organization for the development and operation of public shooting ranges on state land. Permits shall be granted when requested by the Advisory Committee on Hunting and Firearm Safety. This use of state land must be consistent with present or proposed use of adjacent parcels, and the safety or the public must be protected.

## Recommendations of the State Range Planning Committee

In FY 1980 the Game Division received a legislative appropriation of $15,000 to establish a State Range Planning Committee consisting of representatives from most major communities within the State. This committee, with directions from Game Division's Hunter Safety Coordinator, was to assess the needs for shooting facilities in cities and towns throughout Alaska and to make recommendations regarding aquisition and development of apropriate shooting facilities. The committee's findings and recommendations are as follows:

The third meeting of the State Range Planning Committee was held December 20, 1979 in Anchorage. The purpose of the meeting was to determine cost of designating, acquiring, and developing indoor and outdoor shooting facilities.

In most communities of the state the Range committee agreed to allot up to $2500 and technical assistance to all the smaller villages and communities desiring to designate new or formalize existing shooting areas. Also, this money could be used to develop portable indoor shooting items that could be used for student training.

The committee determined that a transportable 80' x 30' predesigned building would be adequate to meet the needs of most communities for indoor shooting facilities. These would have 5 shooting points for smallbore shooting only and are estimated to cost $300,000 each.

The need for shooting facilities both indoor and outdoor was examined and cost determined for each community of the State with a population over 1,000 people. The cost figures for each community and the total cost are presented in Appendix B.

The committee's actions so far has identified 14 existing outdoor ranges and 12 indoor ranges located in 25 major communities and 116 small communities and villages. Some of these facilities are unusable or unavailable to the general public. The committee's recommendation to offer technical and financial assistance applies to about 155 communities and includes nearly 200 individual development projects.

# MEMORANDUM State of Alaska

TO: Ron Somerville, Director
Division of Game, Juneau

Regional Supervisors, Div. of Game

Members, State Range Planning Committee

DATE: November 20, 1979

FILE NO:

TELEPHONE NO:

SUBJECT: Range Planning Meeting

FROM: Jack Alexander
Hunter Safety Coordinator

Attached are the minutes and recommendations made during the November 14th meeting of the State Range Planning Committee.

The second meeting of the State Range Planning Committee was held November 14, at the Anchorage Fish and Game office. Those in attendance included Ted Dixson, Joe Nava, Bob Dickens, Paul Weller, George Lyons, Ray Brown, Sam McDowell, Ted Nelson, Virgil Umphenour and Jack Alexander.

The first order of business was to review and approve the minutes of the October 4 and 5 meeting. Additional old business was to make additions and minor changes to the list of ranges known to the members. Members making additional reports included Virgil Umphenour, Ted Dixson, Ray Brown, Jack Alexander and Paul Weller.

The remainder of the meeting was spent establishing recommendations for range acquision, development and improvements. George Lyons suggested that recommendations be listed and considered by House districts. These recommendations are presented in Appendix B of the minutes.

The Committee established the date of December 20 for the next meeting, the purpose of which will be to determine cost and priorities for the recommended projects.

| House District Name | Number | City | Recommended Facilities | Est. Cost |
|---|---|---|---|---|
| Ketchikan | 1 | Ketchikan<br>*Craig<br>*Hydaburg<br>*Klawock<br>*Metlakatla | 1.Expand number of firing points at present site. 2.Develope small-bore indoor range available to high schools. *3.Provide assistance to communities establishing designated shooting areas. | |
| Wrangell-Petersburg | 2 | Petersburg | 1.Assist in development of indoor smallbore range close to high school. 2.Upgrade existing city range. | |
| | | Wrangell | 1.Assist in development of indoor smallbore range. 2.Assist in upgrade existing outdoor facilities. | |
| | | Kake | *Provide community assistance in establishing designated outdoor shooting areas. | |
| Sitka | 3 | Sitka | 1.Develop existing outdoor facilities. 2.Assist in funding an allweather smallbore and pistol range. | |
| | | *Angoon | * Provide community with assistance in establishing designated outdoor shooting area. | |
| Juneau | 4 | Juneau | 1.Expand and improve existing outdoor range. 2.Inprovements to Subport Building indoor range. | |
| Haines-Skagway | 5 | Haines | 1.Minor improvements to existing outdoor range. 2.Develop indoor facilities. | |
| | | Skagway | 1.Minor improvements to existing range. 2.Develop indoor smallbore and pistol range. | |
| | | *Yakutat | *Provide community with assistance in establishing designated outdoor shooting area. | |
| Valdez-Cordova | 6 | Valdez | No recommendations. | |
| | | Cordova | 1.Land acquisition and improvements. 2.6pt. 50' indoor smallbore range. | |

| House District Name | Number | City | Recommended Facilities | Est. Cost |
|---|---|---|---|---|
| Palmer-Talkeetna-Wasilla | 7 | Palmer-Wasilla | 1.Acquire land in central area. | |
| | | Palmer | 1.Indoor smallbore range. | |
| | | Wasilla | 1.Indoor smallbore range. | |
| | | *Talkeetna | * Provide community with assistance in establishing designated outdoor shooting area. | |
| Anchorage | | Anchorage | 1.Improvements and expansion of two existing outdoor ranges. 2.Centralized indoor smallbore and pistol range. 3.Completion of two existing indoor high school smallbore ranges. | |
| Seward | 9 | Seward | 1.Provide community with assistance in establishing outdoor shooting area. | |
| Kenai-Soldotna | 10 | Soldotna | 1.Expansion and improvements to existing outdoor range. 2.Smallbore indoor range at high school. | |
| | | Homer | 1.Expand and improvements to existing outdoor ranges. | |
| Kodiak | 11 | Kodiak | 1.Acquire site and improvements to existing range. 2.Designated shooting areas adjacent to city. 3.Smallbore and pistol indoor range. | |
| | | Port Lions | 1.Designated shooting area. | |
| Aleutian Island | 12 | *All villages | *Designated shooting areas. | |
| Dillingham | 13 | Dillingham | 1.Designated shooting area. 2.Indoor smallbore range. | |
| | | Naknek | 1.Designated shooting area. | |

| House District Name | Number | City | Recommended Facilities | Est. Cost |
|---|---|---|---|---|
| Bethel | 14 | Bethel | 1.Site acquision and development. 2.Smallbore indoor range. | |
| McGrath-Galena-Tanana | 15 | *McGrath<br>*Galena<br>*Tanana | *Designated shooting areas | |
| Fairbanks | 16 | Fairbanks | 1.Central facilities with high-power, smallbore and pistol outdoor and smallbore and pistol indoor. 2.Four designated shooting areas adjacent to city. 3.Three indoor smallbore for high schools. | |
| | | *Nenana<br>*Healy | *Designated shooting areas. | |
| Barrow-Kotzebue | 17 | Kotzebue | 1.Acquire outdoor highpower range site and improvements. 2.Indoor smallbore range adjacent to high school. | |
| | | Barrow | 1.Outdoor range. 2.Indoor smallbore range adjacent to school. | |
| Nome | 18 | Nome | 1.Centralized smallbore range adjacent to community college. 2.Acquire land and improvements for 600 yard outdoor range. | |
| Hooper Bay | 19 | All major villages | Designated outdoor shooting areas | |

## Recommendations of the State Range Planning Committee

In FY 1980 the Game Division received a legislative appropriation of $15,000 to establish a State Range Planning Committee consisting of representatives from most major communities within the State. This committee, with directions from Game Division's Hunter Safety Coordinator, was to assess the needs for shooting facilities in cities and towns throughout Alaska and to make recommendations regarding aquisition and development of apropriate shooting facilities. The committee's findings and recommendations are as follows:

The third meeting of the State Range Planning Committee was held December 20, 1979 in Anchorage. The purpose of the meeting was to determine cost of designating, acquiring, and developing indoor and outdoor shooting facilities.

In most communities of the state the Range committee agreed to allot up to $2500 and technical assistance to all the smaller villages and communities desiring to designate new or formalize existing shooting areas. Also, this money could be used to develop portable indoor shooting items that could be used for student training.

The committee determined that a transportable 80' x 30' predesigned building would be adequate to meet the needs of most communities for indoor shooting facilities. These would have 5 shooting points for smallbore shooting only and are estimated to cost $300,000 each.

The need for shooting facilities both indoor and outdoor was examined and cost determined for each community of the State with a population over 1,000 people. The cost figures for each community and the total cost are presented in Appendix B.

The committee's actions so far has identified 14 existing outdoor ranges and 12 indoor ranges located in 25 major communities and 116 small communities and villages. Some of these facilities are unusable or unavailable to the general public. The committee's recommendation to offer technical and financial assistance applies to about 155 communities and includes nearly 200 individual development projects.

Sen. Mulcahy

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE
REVISED

I. REQUEST
Bill/Resolution No. S. B. 477
Title An Act relating to shooting and firearm safety
Requested by Senate Resources Committee Date 3/11/80

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources Management
BRU, Program, or Subprogram(s) Affected Game Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 |
|---|---|---|---|---|---|---|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| | | | | | | |
| TOTAL | -0- | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |

FUNDING (Thousands of Dollars)

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 |
|---|---|---|---|---|---|---|
| GENERAL FUND | -0- | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |
| | | | | | | |

POSITIONS

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 |
|---|---|---|---|---|---|---|
| FULL TIME | -0- | -0- | -0- | -0- | -0- | -0- |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There would be a continuing cost of operation of the Advisory Committee on Hunting and Firearm Safety to carry out provision of Section 16.55.040. All other aspects of the bill could be handled through the existing hunting safety program.

IV. DATE 3/11/80 PREPARED BY Russell H. Clark RC
AGENCY Department of Fish and Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Office of the Governor Keith Specking

33-001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

## FISCAL NOTE

I. REQUEST
Bill/Resolution No. S.B. 477
Title An Act relating to shooting and firearm safety
Requested by Senate Resources Committee Date 2/20/80

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources Management
BRU, Program, or Subprogram(s) Affected Game Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 |
|---|---|---|---|---|---|---|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | -0- | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |

FUNDING (Thousands of Dollars)

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 |
|---|---|---|---|---|---|---|
| GENERAL FUND | -0- | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |

POSITIONS

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 |
|---|---|---|---|---|---|---|
| FULL TIME | -0- | -0- | -0- | -0- | -0- | -0- |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There would be a continuing cost of operation of the STATE Range Planning Committee to carry out provisions of Section 1 (3). All other aspects of the bill could be handled through the existing hunter safety program.

IV. DATE 2/28/80 PREPARED BY Russell H. Clark
AGENCY Department of Fish and Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

# Recommendations of the State Range Planning Committee

In FY 1980 the Game Division received a legislative appropriation of $15,000 to establish a State Range Planning Committee consisting of representatives from most major communities within the State. This committee, with directions from Game Division's Hunter Safety Coordinator, was to assess the needs for shooting facilities in cities and towns throughout Alaska and to make recommendations regarding aquisition and development of apropriate shooting facilities. The committee's findings and recommendations are as follows:

The third meeting of the State Range Planning Committee was held December 20, 1979 in Anchorage. The purpose of the meeting was to determine cost of designating, acquiring, and developing indoor and outdoor shooting facilities.

In most communities of the state the Range committee agreed to allot up to $2500 and technical assistance to all the smaller villages and communities desiring to designate new or formalize existing shooting areas. Also, this money could be used to develop portable indoor shooting items that could be used for student training.

The committee determined that a transportable 80' x 30' predesigned building would be adequate to meet the needs of most communities for indoor shooting facilities. These would have 5 shooting points for smallbore shooting only and are estimated to cost $300,000 each.

The need for shooting facilities both indoor and outdoor was examined and cost determined for each community of the State with a population over 1,000 people. The cost figures for each community and the total cost are presented in Appendix B.

The committee's actions so far has identified 14 existing outdoor ranges and 12 indoor ranges located in 25 major communities and 116 small communities and villages. Some of these facilities are unusable or unavailable to the general public. The committee's recommendation to offer technical and financial assistance applies to about 155 communities and includes nearly 200 individual development projects.