

192 SSA HB 26 - HB 30

192

SUMMARY OF HOUSE BILL NO. 26

Retirement system affected: TRS and PERS

Allows a person receiving benefits under TRS or PERS to elect to receive auditory, visual, and dental insurance. Requires the individual to pay one-half the cost of the insurance and the retirement system from which he is receiving benefits to pay the other one-half.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. House Bill 26
 Title Insurance Coverage for Persons Receiving Benefits Under the Public Employees' R/S
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01
 (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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		9.8	10.4	11.0	11.7	12.4
200 TRAVEL						
300 CONTRACTUAL		0.3				
400 COMMODITIES		0.2	0.2	0.2	0.2	0.2
500 EQUIPMENT		0.2				
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		1,597.8	1,757.6	1,933.3	2,126.7	2,339.3
TOTAL		1,608.3	1,768.2	1,944.5	2,138.6	2,351.9

FUNDING (Thousands of Dollars)

GENERAL FUND	1,308.5	1,439.6	1,583.4	1,741.7	1,916.0
FEDERAL FUNDS	73.5	80.8	88.9	97.8	107.6
VETERAN'S FUND	3.2	3.5	3.9	4.3	4.7
FISH & GAME FUND	9.6	10.5	11.6	12.8	14.0
HIGHWAY FUND	20.8	22.8	25.1	27.6	30.4
AIRPORT FUND	46.3	51.0	55.1	61.7	67.8
CAPITAL FUND	135.8	149.4	164.3	180.8	198.8
PERS	10.5	10.6	11.2	11.9	12.6
TRIS					

POSITIONS

FULL TIME	1/2	1/2	1/2	1/2	1/2
PART TIME					
TEMPORARY					

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

1. Audio, dental, vision coverage will be extended to present and future retirees.
2. Estimate FY 80 covered state payroll to be \$241,000,000.
3. Estimate future state payrolls will increase at 10% annually.
4. Increase in state employer contribution rate would be .6630% of covered payroll.
5. Administrative costs per attachment (Page 2).

IV. DATE 2/02/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Spocking)

33-001 (Rev. 12/78)

ATTACHMENT HB 26

The following administrative funds would be required to implement the provisions of this bill.

1. Personal Service - one permanent full-time position Accounting Clerk III (range 10) - salary and merit increases at 6% per year.

FY 80 monthly salary	\$1,254 X 12 = \$15,048
Plus benefits at 30.23%	= <u>\$ 4,549</u>

\$19,597

2. Miscellaneous Expenses - initial cost office equipment, annual commodity, replacement costs, and printing/ mailing costs.

FY 80	= \$ 1,300
Succeeding FY's	= \$ 300

Administrative costs will be shared equally between the Public Employees' Retirement System and the Teachers' Retirement System.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 26
 Title Insurance Coverage for Persons Receiving Benefits Under the Teachers' Retirement System
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02
 (Note: If more than one budget component is affected, separate line-items amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		9.8	10.4	11.0	11.7	12.4
200 TRAVEL						
300 CONTRACTUAL		0.2				
400 COMMODITIES		0.1	0.1	0.1	0.1	0.1
500 EQUIPMENT		0.3				
600 LAND & STRUCTURES						
700 TRS STATE MATCH		967.0	1,063.7	1,170.1	1,287.1	1,415.8
100 BENEFITS		221.8	244.0	268.4	295.2	324.7
TOTAL		1,199.2	1,318.2	1,449.6	1,594.1	1,753.0

FUNDING (Thousands of Dollars)

GENERAL FUND		1,188.8	1,307.7	1,438.5	1,582.3	1,740.5
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS		10.4	10.5	11.1	11.8	12.5

POSITIONS

FULL TIME		1/2	1/2	1/2	1/2	1/2
PART TIME						
TEMPORARY						

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

1. Audio, dental, vision coverage will be extended to present and future retirees.
2. Estimate FY 80 covered TRS payroll to be \$231,000,000.
3. Estimate future state payrolls will increase at 10% annually.
4. Increase in combined TRS State Match and district contribution rate will be .8372%.
5. Administrative costs per attachment (Page 2).

IV. DATE 2/02/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

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

ATTACHMENT

Page 4 of 4
 Bill/Resolution No. HB 26

ASSUMPTIONS:

1. Estimated FY80 Payroll (Total System)	=	\$213,000,000
2. State Contribution Rate to Fund Bill	=	.4186%
3. State TRS Matching Rate to Fund Bill	=	.4186%
4. School District Rate to Fund Bill	=	.4186%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 6,000,000	X	.4186%	\$ 25.1	To Their Budget
2. University of Alaska	\$ 47,000,000	X	.4186%	\$ 196.7	To Their Budget
				\$ 221.8	
3. State TRS Matching	\$231,000,000	X	.4186%	\$ 967.0	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ 9.8	To Personal Services
Travel				\$ -0-	To Travel
Contractual				\$ 0.2	To Contractual
Commodities				\$ 0.1	To Commodities
Equipment				\$ 0.3	To Equipment
				<u>\$1,199.2</u>	
5. All School Districts	\$178,000,000	X	.4186%	\$ 745.1	
				<u>\$1,944.3</u>	

CS HB 26

HB26 reported back from House State Affairs with a majority of the Committee recommending it be replaced with CS HB 26 & it DO PASS.

Reported back 2/19 from Finance with a majority of the Committee recommending adoption of State Affairs substituted and that it DO PASS. No rec: SMITH & ROGERS.

Substitute was adopted & CS HB 26 passed the House 37-0, on 3/6/71.

CS HB 26 passed the House with a "0" yeas/nays.

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

February 16, 1979

Legislative Board of Retirement Benefits analysis and recommendations on:

CS for House Bill No. 26:

The board endorses the attached fiscal note as its fiscal analysis of CS HB 26.

The board unanimously recommends that CS HB 26 do pass; one member was absent.

SUMMARY OF CS FOR HOUSE BILL NO. 26

Retirement systems affected: TRS and PERS

Allows a person receiving benefits under TRS or PERS to elect to receive auditory, visual, and dental insurance. Requires the individual to pay the cost of the insurance.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS House Bill 26
 Title Insurance Coverage for Persons Receiving Benefits Under the PERS and TRS
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits
 BRU, Program, or Sub-program(s) Affected 02-96-8-01-01-01 and 02-96-8-01-01-02
 (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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		19.6	20.8	22.0	23.4	24.8
200 TRAVEL						
300 CONTRACTUAL		0.5				
400 COMMODITIES		0.3	0.3	0.3	0.3	0.3
500 EQUIPMENT		0.5				
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS						
TOTAL		20.9	21.1	22.3	23.7	25.1

FUND'NG (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		10.5	10.6	11.2	11.9	12.6
TRS		10.4	10.5	11.1	11.8	12.5

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

- Audio, dental, vision coverage will be extended to present and future retirees.
- The following administrative funds would be required to implement the provisions of this bill:
 - Personal Service - one permanent full-time position - Accounting Clerk III (range 10) - salary and merit increases at 6% per year.
 FY 80 monthly salary \$1,254 X 12 = \$15,048
 Plus benefits at 30.23% = 4,549
\$19,597
 - Miscellaneous Expenses - initial cost office equipment, annual commodities, replacement costs, and printing/mailling costs.
 FY 80 = \$1,300
 Succeeding FY's = 300

Paul B. Arnoldt

IV. DATE 2/15/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 Office of the Governor (Keith Specking)
 33-001 (Rev. 12/78)

HB

28

COMMITTEE REPORT
SENATE

3/23/79

FURTHER: None

Date: 4/11/79

Mr. President:

The Committee on STATE AFFAIRS has had CSHB 28
providing for presidential party primary elections

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 _____ same title
 new title
- and recommends following
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Tom Bell, DePauw
Bob Shockey

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Chuck ...
Bob ...

Bob Shockey
CHAIRMAN

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

Joint Hearing

Senate & House special committees on election reform
Teleconference
2/24/79

Senate Committee
Sen. Kelly, Chairman
Sen. Fahrenkamp
Sen. Mulcahy (Absent)

House Committee
Rep. Parker, Chairman
Rep. Mike Miller
Rep. Terry Martin

MIKE MILLER: Voter now has no say in primary choice. This bill will allow Alaskans to have a strong voice in the selection.

ARLENE KLINE: Testifier-Against HB 28. Not in best interests of state. Will be ineffective due to our small population. Candidates wont waste time coming up here. If we want input we should do it through precincts, adequate for Alaska.

MM: Candidates go to other states with small populations and many delegates, so they would come here.

AK: They would probably only go to Anchorage

TIM KELLY: Feels candidates or their top lieutenants would come up here, bandwagon effect. Timing is excellent as we will be first western state to hold a primary. Important that Alaska's position become known in lower 48. Media ~~exposure~~ exposure and commitments would be worth the money spent. Look at it as part of D-2 fight.

AK: Disagree. Poor to tie this issue to D-2.

TERESA OBERMEYER: Big problem is educating the Alaska public as to what Pref. Pres. Primaries are. We should have used the \$2 million to bring people to Alaska rather than send lobbyists to DC. The lower 48 is uninformed about Alaska. Timing of primary is important. Controversy would create interest in Alaska primary.

TK: Feels that if candidate came to Alaska he would not only go to Anch. but also Fairbanks and SE and would probably make effort to get out to a village or two..

TOM OBERMEYER: Look at economics of it. Must inform lower 48 because they will be making the decisions.

CHANCY CROFT: Supports HB 28. Old state convention system is obstacle to direct US elections. Get rid of it. If we hadnt approp. 2 million we could afford primaries for the next century. Wants to limit PPP to registered voters. Thinks 15% of votes too low. Would prefer candidate receiving 40% or more to get all votes. If no one does, split it up. For the sunset clause, Independents cant vote now anyway. No one does. This would give registered voters at least a chance to choose..

BETTE FAHRENKAMP. Thinks 15% too low. If no one gets majority, go uncommitted.

Committee Sub

Work Order #5888
Bradley

#1

Original sponsors: Miller, Duncan
and Rogers

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 28

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for preferential presidential party
7 primary elections; and providing for an effective
8 date."

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

10 * Section 1. AS 15.25.010 is amended to read:

11 Sec. 15.25.010. PROVISION FOR PRIMARY ELECTION. Candidates for
12 the elective state executive and state and national legislative offices
13 shall be nominated in a primary election by direct vote of the people in
14 the manner prescribed by AS 15.25.010 - 15.25.200 [THIS CHAPTER].

15 * Sec. 2. AS 15.25 is amended by adding new sections to read:

16 ARTICLE 3. ~~PREFERENTIAL~~ PRESIDENTIAL PARTY
17 PRIMARY ELECTIONS.

18 Sec. 15.25.220. ~~PREFERENTIAL~~ PRESIDENTIAL PARTY PRIMARY ELECTION.

19 (a) The lieutenant governor shall call a preferential presidential
20 party primary election on the ~~second~~ ^{first} Tuesday in April of a presidential
21 election year.

22 (b) The ballot shall be prepared and distributed by the lieutenant
23 governor in the manner prescribed by AS 15.25.060 ~~except that space for~~
24 ~~the writing in or pasting in of names shall be provided for on the~~
25 ballot.

26 Sec. 15.25.230. PLACING RECOGNIZED NAMES ON THE BALLOT. (a) The
27 lieutenant governor shall place the names of ~~a~~ ^{the} candidate on the ballot
28 when he determines in his discretion that the candidate is generally
29 recognized throughout the United States as a candidate for nomination

1 for President of the United States.

2 (b) The lieutenant governor shall announce on the last Tuesday in
3 January of a presidential election year a list of candidates who will
4 appear on the ballot. The lieutenant governor shall also notify the
5 candidate that the candidate's name will appear on the ballot in this
6 state.

7 (c) The lieutenant governor shall notify the candidate that he may
8 withdraw the name from the ballot by filing with the lieutenant governor
9 no later than the last Tuesday in February of that year a statement that
10 he is not now ^{not a candidate for} a candidate for the office of President of the United
11 States and requesting the removal of his name. The name of a candidate
12 withdrawing under this section may not appear on the ballot.

13 Sec. 15.25.240. PETITION FOR PRESIDENTIAL CANDIDATE. (a) Sup-
14 porters of a candidate for nomination for President of the United States
15 may file a petition to have the name of the candidate of their choice on
16 the ballot. Petitions under this section shall be filed no later than
17 the ~~next to~~ last Tuesday in February of a presidential election year,
18 shall contain the signatures of qualified voters residing in no less
19 than two-thirds of the election districts of the state equal in number
20 to five per cent of the number of votes cast for the candidate for
21 governor in the preceding gubernatorial election, and shall state (1)
22 the full name of the candidate; (2) the name of the political group
23 supporting the candidate; (3) ^{that} that the subscribers are qualified voters
24 of this state; and (4) that the subscribers request that the candidate's
25 name be placed on the ballot. The signature sheets shall also contain
26 the printed name and residence address of each qualified voter whose
27 signature appears on the petition.

28 (b) The lieutenant governor shall notify a candidate of the filing
29 of the petition under this section and advise that he may withdraw his

1 name from the ballot by filing with the lieutenant governor no later
 2 than the ^{FIRST TUES IN MARCH} ~~last Tuesday in February~~ of that year a statement that he is
 3 not now ^{NO MORE INTENDING TO BE} a candidate for the office of President of the United States and
 4 requesting the removal of his name. The name of a candidate withdrawing
 5 under this section may not appear on the ballot.

6 Sec. 15.25.250. SELECTION OF DELEGATES. (a) In the years when a
 7 President of the United States is to be nominated and elected, political
 8 parties in the state shall select delegates to their national conven-
 9 tions according to the party's plan of organization. ~~The procedures for~~
 10 the selection of delegates shall be held after the preferential presi-
 11 dential party primary election.

12 (b) Each candidate receiving more than 15 per cent of the ballot
 13 votes cast in that party's primary shall be entitled to receive a pro-
 14 portionate number of delegate votes equal to the proportionate number of
 15 ballot votes the candidate received after excluding the number of ballot
 16 votes cast for candidates of his party who each received less than 15
 17 per cent of the ballot votes in that party's primary. The proportions
 18 of delegate votes shall be expressed as fractional delegate votes or the
 19 nearest whole number of delegate votes as the rules of the particular
 20 national party or convention may provide.

21 Sec. 15.25.260. DELEGATES PLEDGED. A delegate selected under
 22 AS 15.25.250 must ^{CAST HIS VOTES} ~~use his best efforts~~ to secure the nomination for the
 23 candidate to whom he is pledged until that candidate is nominated by the
 24 convention, receives less than 30 per cent of the delegate votes for
 25 nomination by the convention, releases the delegates from the pledge, or
 26 until two convention nominating ballots have been taken.

27 Sec. 15.25.270. PROCEDURES FOR CONDUCT OF ELECTION. The provi-
 28 sions of AS 15 regarding the conduct of a general election govern the
 29 conduct of a ~~preferential~~ preferential presidential party primary election. ^{including}

1 provisions for write-ins, except to the extent that the provisions of
2 AS 15.25.220 - 15.25.270 are inconsistent with those provisions.

3 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

5
6
7
8 (-) UNDER PUBLIC WORKS

9 EXCLUDE WRITE-INS BY ^{PRIMARY} ~~THE~~ LOCAL LAWS.

10
11
12 POLITICAL PARTY DEPENDENT INSTITUTIONS
13 (Created in 1976) "2nd"

Ch. ^{Make it}
Every day
diff to get delegates

M.M. - covered 10% ~~last~~ ^{loop}
ch - depends on how many delegates

10% is ~~not~~ ^{not} ~~done~~
cc - ~~not~~ ^{not} ~~done~~
2

MIN ~~not~~ ^{not} ~~done~~
P.C. ~~not~~ ^{not} ~~done~~

K 1720 - ~~not~~ ^{not} ~~done~~ ^{per day}
with ~~not~~ ^{not} ~~done~~ ^{per day}
• have 3 years left
diff to ~~not~~ ^{not} ~~done~~ ^{per day}
(~~not~~ ^{not} ~~done~~ ^{per day})

ZINC - ~~not~~ ^{not} ~~done~~ ^{per day}

Wh - ~~not~~ ^{not} ~~done~~ ^{per day}

Jerry - ~~not~~ ^{not} ~~done~~ ^{per day}
to ~~not~~ ^{not} ~~done~~ ^{per day} \leftarrow ~~not~~ ^{not} ~~done~~ ^{per day}
to ~~not~~ ^{not} ~~done~~ ^{per day}

Del ~~not~~ ^{not} ~~done~~ ^{per day}

M ~~not~~ ^{not} ~~done~~ ^{per day}

~~not~~ ^{not} ~~done~~ ^{per day}
~~not~~ ^{not} ~~done~~ ^{per day}
~~not~~ ^{not} ~~done~~ ^{per day}

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 28

Title "An Act providing for preferential presidential party primary election; and

Requested by providing for an effective date."

Date 2/23/79

Miller

II. FISCAL DETAIL.

Agency Affected Office of the Governor-Division of Elections

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		17.0				
200 TRAVEL		7.0				
300 CONTRACTUAL		250.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

274.0

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		274.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		0				
PART TIME		0				
TEMPORARY		1				

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

Personal Services: Some additional help will be required in each of 4 regional election supervisors' offices and the Director's office. By budgeting for one temporary, help can be hired for approximately 2 months in each office. In addition, overtime for election supervisors and their staff is necessary.

(12.2 for a Clerk III and \$4.8 for overtime)

Travel: These funds are for the election supervisors to travel to train election board members.

Contractual: This area includes payments to election boards, counters, absentee canvass boards, state canvass boards, printing (ballots, tally books, registers, absentee affidavit envelopes, etc.), postage, advertising, communications, etc.

IV. DATE 2/23/79

PREPARED BY Ann Polley, Director

AGENCY Division of Elections

PHONE 596-6181

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

TELETYPE UNIT

LA 11 2887 17.10 03/28/79 JA01 0004 07.53 03/29/79

file

TO SENATE STATE AFFAIRS COMMITTEE
FROM KEN CALLEN, P. O. BOX 8517, ANCHORAGE 99508 333-7765

RE HB 28, PRESIDENTIAL PRIMARY - I'M NOT SURE THE BENEFITS OF THIS
PROPOSED PRIMARY ARE WORTH THE COSTS. WITH ALASKA'S SMALL POPULATION
I DON'T REALLY SEE THE IMPORTANCE OF HAVING A PREFERENTIAL PRIMARY.
IT WOULD BE BETTER TO SPEND THE MONEY IN OTHER MORE WORTHWHILE AREAS
OR REDUCE SPENDING BY A LIKE AMOUNT.

.....

STATE OF ALASKA
THE LEGISLATURE

POUCH - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 9, 1979

SUBJECT: Amendments to presidential primary bill
[HB 28]

TO: Senator Tim Kelly

FROM: Richard A. Bradley, Legislative Counsel

In my preparation of the bill I used the device of sections added to express the goals you seek. It is easier to do it that way than to intrude new language into the body of a section; that method also allows for easier elimination of the language, should that later be your wish.

In my computation of the dates back from the date of the election, I used the 1980 calendar. Under this approach, the election itself will be held April 15. The lieutenant governor's announcement under §230(b) will occur on the last Tuesday in January, January 28; by my calculation, this date is eleven weeks before the April 15 date. The withdrawal by the candidate under §230(c) occurs no later than the last Tuesday in February, February 26. By my calculation, this date is seven weeks before the April election. Sec. 230(d) establishes this requirement.

The procedure for nomination by petition requires the filing of the petition by the last Tuesday in February, February 26, a date seven weeks before the election. [§240(a)] The withdrawal occurs a week later, the first Tuesday in March, March 4, six weeks before the election. [§240(b)] Sec. 240(c) establishes these requirements.

Regarding the other requirements, the bill will prevent the lieutenant governor from scheduling any other state election on the same date. And §290 establishes clearly the inapplicability of AS 15.13. Sec. 4 of the bill requires the advisory vote and §3 eliminates the tax credit for contributions to a presidential campaign.

I also wish to advise that the bill may violate Article II, §13 of the constitution in that, in our view, the addition of the tax credit issue adds a new subject to the bill.

RAB:nem

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 28

Title "An Act providing for preferential presidential party primary election; and

Requested by providing for an effective date."

Date 2/23/79

Miller

II. FISCAL DETAIL

Agency Affected Office of the Governor-Division of Elections

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		17.0				
200 TRAVEL		7.0				
300 CONTRACTUAL		250.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		274.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		274.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		1				

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

Personal Services: Some additional help will be required in each of 4 regional election supervisors' offices and the Director's office. By budgeting for one temporary, help can be hired for approximately 2 months in each office. In addition, overtime for election supervisors and their staff is necessary.

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Contractual: This area includes payments to election boards, counters, absentee canvass boards, state canvass boards, printing (ballots, tally book., registers, absentee affidavit envelopes, etc.), postage, advertising, communications, etc.

IV. DATE 2/23/79

PREPARED BY Ann Polley, Director

AGENCY Division of Elections

PHONE 596-6181

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

SUMMARY:

This Bill provides for a presidential primary election on April 15, 1980. The primary will be open to all registered voters regardless of party registration.

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(ALABAMA & GEORGIA-DATES CAN'T BE PROJECTED)

TUESDAYS

FEBRUARY 26

NEW HAMPSHIRE

MARCH 4

MASSACHUSETTS
VERMOUNT
CONNECTICUT

MARCH 11

FLORIDA

MARCH 18

ILLINOIS

MARCH 25

NORTH CAROLINA

APRIL 1

NEW YORK
WISCONSIN

APRIL 8

APRIL 15



Alaska

1st Western State

APRIL 22

PENNSYLVANIA

APRIL 29

.....

MAY 3(Sat.)

TEXAS

MAY 6

INDIANA
TENNESSEE
WASHINGTON D.D.

MAY 13

NEBRASKA
WEST VIRGINIA

MAY 20

MARYLAND
MICHIGAN

MAY 27

ARKANSAS
OREGON
IDAHO
NEVADA
KENTUCKY

.....

JUNE 3

MONTANA SOUTH DAKOTA OHIO
CALIFORNIA NEW JERSEY
RHODE ISLAND NEW MEXICO

2-26-79

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---AT THIS TIME THOSE DATES ARE NOT AVAILABLE, ALL STATE LEGISLATURES ARE CURRENTLY IN SESSION AND WILL NOT HAVE ANY CHANGES FINALIZED UNTIL APRIL 15.

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New Hampshire
Maine
New York
Puerto Rico

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West Coast for the year. This date gives us a positive position and would almost force presidential hopefuls to participate.

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Anch Times 3/29/79

The Anchorage Times

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Editor and Publisher

WILLIAM J. TOBIN
Associate Editor
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CLINTON T. ANDREWS JR.
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Page 6

Thursday, February 22, 1979

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Section 4 of SSHB 30 may be amended by changing the word "paragraph" on line 6 of page 2 to "paragraphs" and by inserting an additional paragraph at line 14 which reads:

(21) indemnify a director, officer or agent or former director, officer or agent, or a person who may have served at its request as a director or officer of another domestic or foreign cooperative of which it is a member, against expenses necessarily incurred in defense of a proceeding in which he is a party because he served as a director, officer or agent, but this paragraph does not apply to proceedings in which the director, officer or agent is adjudged liable for negligence or misconduct in the performance of duty, and indemnification under this paragraph is not exclusive of other rights to which the director, officer or agent may be entitled.

Sec. 44.54.20. BOARD OF DIRECTORS.

The bank shall be managed by a board of directors consisting of five members. Initial appointments to the board shall be made by the Governor. Thereafter, four of the board members shall be elected by the shareholders and one shall be appointed by the Governor until the re-purchase of all the non-voting, preferred shares initially issued by the bank and purchased by agencies of the State. The board members shall annually elect a chairman from among themselves. The purpose of the board is to manage the assets of the bank. At the first annual membership meeting the Governor may appoint two additional board members thereby increasing the board to seven members, five of which shall be elected by the membership of the bank.

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The members of the board shall serve for three years, and they may serve successive terms. Terms shall be staggered. Initial terms shall be two members serving for one year, two members serving for two years, and one member serving for three years, to be determined by lot. The initial terms shall expire at the first, second and third annual membership meeting of the bank, respectively.

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HB

30

44.54.230.240.250
FOR IPADDRESS AND
EXISTING IPADDRESS
PLEASE REFER TO

$$16.10.333 = 44.54.240$$

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MEMORANDUM

TO: Mr. Richard H. Eakins
Director, Division of
Economic Development
DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT
Pouch EE
Juneau, Alaska 99811

FROM: Peter Argetsinger *Pa*
WOHLFORTH & FLINT

DATE: April 6, 1979

RE: Commercial Fishing & Agriculture
Bank/Comments On SSHB 30

On April 4, you requested our assistance in preparing a position paper as to SSHB 30 for submission to the Legislature next week. The comments on the subject bill which follow are submitted for your consideration. They are structured in such a way that you need only add introductory and concluding paragraphs and insert a discussion of policy matters as appropriate, particularly in the areas of composition of the Board of Directors (where I sensed a strong feeling at the April 4 meeting in favor of independence) and in the area of the business judgments to be made when considering loans for entry permits which are to be secured by those permits. (Although, perhaps nothing additional need be said on the latter subject.)

✓ Section 1. Addition of the word "Alaska" to the name of the Bank is desirable and, in fact, reflected in the draft Articles of Incorporation and By-Laws of the Bank now under consideration by the Board of Directors.

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IN ORDER TO ISSUE TAX EXEMPT BONDS
(on behalf of) the STATE the Bank
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authority"

in their opinion, under Section 103 of the Internal Revenue Code and the regulations thereunder the Bank may not issue tax exempt revenue bonds. In general, this is because in order to issue tax exempt bonds "on behalf of" the State, the Bank must be considered by the Internal Revenue Service to be a "constituted authority". To satisfy this requirement it is necessary that all members of the Bank Board of Directors be public officials of the State, be elected by the voters of the State or be appointed directly by the State. And, the requirement continues for the life of any bonds issued by the Bank.

We have also been advised by counsel that the proposed revision to AS 44.54.020 which would expand the Board of Directors to seven members, three of whom would be appointed by the Governor until such time as the Bank has repurchased all non-voting preferred shares held by the State does not satisfy the IRS criteria either. In order to issue tax exempt revenue bonds it would be necessary that the Board of Directors be composed in its entirety of gubernatorial appointees for the life of any outstanding bonds.

The present formulation of the Board, of course, is quite satisfactory to accomplish the primary purpose envisioned by the Legislature when it established the Bank, i.e., to leverage the bank's capital with the federal farm credit system banks in order to make loans to those engaged in commercial fishing and agriculture. In that regard, the federal banks require as a condition of eligibility for loans that associations such as the Commercial Fishing and Agriculture Bank be organized in such a way that not less than 80% of the voting control of the bank is held by fishermen or farmers. See, e.g., 12 USCA 2129 which sets out these requirements as they apply to the federal banks for cooperatives. At first blush, this would seem to preclude a Board of Directors where 3/7ths of the members are gubernatorial appointees rather than representatives of the membership. However, we have informally discussed the matter with representatives of the federal farm credit system in Spokane who have advised us that they do not believe that reconstituting the Bank's Board of Directors as envisioned by SSHB 30 would preclude them from working with the Commercial Fishing and Agriculture Bank. Rather, they interpret the Federal requirement to mean that the control of at least 80% of the votes which would elect the other four members of a reconstituted Board of Directors must be in fishermen and farmers.

TO SATISFY
Requirements: members
of Bd of Directors must be public
officials

All Bd members
must be composed in its
entirety by gubernatorial
appointees for life of outstanding
Bds.

IRS Reg.
that associations have
at least
80% voting rights
held by
men + farmers

It would appear that a change in the composition of the Board of Directors as proposed in SSIB 30 would accomplish one, or both, of two objectives. One, it would establish a mechanism through which Board members who otherwise would not be eligible for election by the members (e.g., bankers, economists, business consultants) could remain on or be appointed to the Board of Directors even though they are not actively engaged in commercial fishing or agriculture.) Two, it would vest some modicum of control in the State through the power of the Governor to continue to appoint a minority of the Board during the early life of the Bank. While the first of these reasons is certainly desirable, perhaps some additional discussion of the need for State representation on the Board of Directors through gubernatorial appointees is necessary. At the outset, it should be noted that the Legislature will always retain its ability to influence the Bank through the appropriation process, particularly during the capital formation phase of the Bank, and through its ability to modify to a great extent the Bank's enabling legislation should that ever become necessary. However, a basic tenet of the federal farm credit system is that organizations such as the Bank should operate on a cooperative basis for the mutual benefit of the members.

↓ (insert additional policy considerations re independence of the bank as desired)

One final comment on Section 2 of SSIB 30. The draft bill, as well as the present statute, states that Board member election shall be by the "shareholders". Generally speaking the privilege of the vote in a cooperative corporation belongs to the member or holder of membership stock. Most members will also hold shares of capital stock, but it is entirely possible for one to be a capital stockholder (thus, a shareholder) at the time of a membership meeting, yet for several reasons not currently eligible to vote as a member. Therefore, it is our recommendation that the word "shareholders" on line 22 of page 1 of SSIB 30 be replaced by the term "members" or the term "membership". "Member" is a defined term in AS 10.15.595(9) and would be the preferred term.

✓ Section 3. The proposed amendments to AS 44.54.090 found in Section 3 of SSIB 30 are satisfactory and appear to solve the drafting problem in the present statute.

However, during the organization of the Board of Directors of the Bank two other concerns have surfaced which may be solved by adding language to AS 44.54.090. The first of these is the method to be used when determining

Such organization should operate on COOP basis.

Actual proposed change

which members of the Board of Directors shall serve for the one, two and three year term. One way to resolve this problem is to provide that the terms be determined by lot, as the Legislature has provided in other instances. (See AS 18.26.030 where such a system is applied to the Board of Directors to the Alaska Medical Facility Authority.)

terms of Legislature

date of Bd members expiration of term

The second problem is insuring that the initial terms of the Board of Director members expire on the date of the cooperative annual meeting rather than on the anniversary date of the appointment by the Governor. As the Bank's draft By-Laws provide that the annual meeting be held in November of each year, we strongly urge that AS 44.54 provide that the initial one year Board of Governor terms extend until November 1980, and that the two and three year terms expire at the time of the following two annual meetings. Since the initial appointments to the Board of Directors were made on February 19, 1979, to provide that the one year terms expire in November 1979, would not be a prudent business decision as it would mean that the expertise and experience of the one year directors would be lost to the Bank even before it is in full operation.

These recommendations may be implemented by striking the period following the word "years" on line 5 of page 2 of SSHB 30, and inserting a comma and the following language;

, to be determined by lot. The initial terms shall expire at the annual meeting of the bank held in November 1980, 1981 and 1982 respectively.

Section 4. We are aware that the language of Sections 4 and 5 of SSHB 30 tracks in most respects the language of AS 16.10.300 et seq, the Commercial Fishing Loan Act, and agree that it is desirable that the Bank as well have the power to make loans to individual commercial fishermen to purchase entry permits. The Board of Directors of the Bank will, of course, at the appropriate time be faced with the necessity of determining its policies, from a business standpoint, when considering loans to be secured by entry permits. We are aware that there are presently on appeal to the Alaska Supreme Court two Superior Court decisions in cases which challenge the limited entry permit system and/or the method by which permits have been issued. The Supreme Court decision in those cases, or future cases, may result in the issuance of a sufficient number of additional entry permits so that the value of an entry permit held by the Bank as security is substantially lessened.

Value of Permit greatly lessened - outcome of Supreme Court case #

Future action by the Legislature could work to the same end and must also be taken into consideration by the Bank when making loans of this type.

As to the specific language of Section 4 of SSHB 30, we note that eligibility for a loan to purchase an entry permit is conditioned upon a five year durational residency requirement which, if challenged at some future time, could be held unconstitutional. We also note that the requirement for active participation in the fishery at some time during the past five years is vague enough so that it may cause problems in determining loan eligibility. E.g., would thirty days some time during the five year period be sufficient? would seven days?

*5 yr
resident
req + active
part in fishing*

Section 5. AS 44.54.230 would require that the executive director of the Bank be listed as the legal owner of a pledged permit and Section 5 at several places requires that the executive director of the Bank take certain actions in regard to a permit. While under AS 16.43 entry permits are held only by natural persons and while the Commercial Fishing Loan Act assigns the same duties to the Commissioner of Commerce and Economic Development, it is desirable in this situation that the legal ownership of an entry permit or directions for taking certain actions rest with the Bank itself, rather than with a specific individual so as to give the Bank maximum flexibility in managing its business. For that reason we recommend that the language "executive director of the" be eliminated where it appears in Section 5 of SSHB 30. But if it is determined that AS 16.43 requires that an individual be named, it nonetheless is desirable that the language "as trustee for the bank" be inserted directly following the designation of the executive director so that it is clear the capacity in which the director acts.

*Bank itself be lien
holder rather than
the executive director.*

AS 44.54.250(b) would allow a debtor to nominate a person to assume his note under certain conditions and require that the person so nominated qualify under the requirements of AS 44.54.230(a) i.e., that the person nominated qualify as a transferee for an entry permit under AS 16.43. There appears, however, to be no requirement that the nominee to assume the note meet the requirements set up by proposed AS 44.54.210(20), specifically that he meet the five year durational residency requirement as did the original debtor. If this is considered desirable, the language "and AS 44.54.210(20)" should be inserted immediately following the end of the partial sentence on line 1, page 5 of SSHB 30.

*that person who
might assume note
be of same qualifications
of original.*

Recommendations Additions

AS 16.43 provides that entry permits may not be pledged as security or transferred except under certain conditions, one of which is as provided in the Commercial Fishing Loan Act. Similarly, it would appear that additional amendments are necessary to at least sections AS 16.43.150(g) and AS 16.43.170, which language should refer specifically to the program proposed in SSHB 30.

As a matter of convenience and style in drafting it may be desirable to consider addition of a new section .260, Definitions, to AS 44.54. Such a section initially would define the word "bank" as the Alaska Commercial Fishing and Agriculture Bank which definition was not included in Chapter 159, SLA 1978, even though extensive use is made therein of the term "bank". In addition it would appear desirable to define the word "commission" as the Alaska Commercial Fisheries Entry Commission in order to avoid the problem now found throughout Section 5 of SSHB 30 where reference is sometimes made to the Alaska Commercial Fisheries Entry Commission, but more often is made simply to the "commission".

Finally we strongly recommend that the amendments to AS 44.54 include a specific provision insuring that the Bank has the necessary power to indemnify directors, officers and employees when negligence and misconduct is not involved. Such a provision is routinely included in the by-laws of private sector organization and is specifically included among the general powers given to a cooperative corporation organized in Alaska by AS 10.15.010(13). Counsel has advised us that in its opinion the Bank does have the power to indemnify its directors, officers and employees by virtue of the fact that AS 44.54.010 subjects the Bank to the provisions of AS 10.15, except as otherwise provided in AS 44.54. Nonetheless, the fact that the specific powers of the Bank enumerated in AS 44.54.210 do not include a provision on indemnification means that it is not impossible that a court might hold that the Legislature intended the Bank not be allowed to indemnify directors, officers and employees under appropriate conditions. For that reason we recommend the addition of the same language now found in AS 10.15.010(13) as an additional paragraph numbered (21) to AS 44.54.210. Section 4 of SSHB 30 may be amended by changing the word "paragraph" on line 6 of page 2 to "paragraphs" and by inserting an additional paragraph at line 14 which reads:

(21) indemnify a director, officer or agent or former director, officer or agent, or a person who may have served at its request

*Bank
&
Commission*

as a director or officer of another domestic or foreign cooperative of which it is a member, against expenses necessarily incurred in defense of a proceeding in which he is a party because he served as a director, officer or agent, but this paragraph does not apply to proceedings in which the director, officer or agent is adjudged liable for negligence or misconduct in the performance of duty, and indemnification under this paragraph is not exclusive of other rights to which the director, officer or agent may be entitled.

cc: Mr. Frank M. Homan, Chairman, ✓
Commercial Fishing and Agriculture Bank

Mr. Frank Orth, Financial Consultant
to Commercial Fishing and Agriculture Bank

Mr. Larry Butterfield, Spokane Bank For
Cooperatives

Mr. R. M. Gorder, Federal Intermediate
Credit Bank of Spokane

ments to eligible cooperative associations and to extend to them other technical and financial assistance, including but not limited to discounting notes and other obligations, guarantees, collateral custody, or participation with other banks for cooperatives and commercial banks or other financial institutions in loans to eligible cooperatives, under such terms and conditions as may be determined to be feasible by the board of directors of each bank for cooperatives under regulations of the Farm Credit Administration. Such regulations may include provisions for avoiding duplication between the Central Bank and district banks for cooperatives. Each bank may own and lease, or lease with option to purchase, to stockholders eligible to borrow from the bank equipment needed in the operations of the stockholder.

Pub.L. 92-181, Title III, § 3.7, Dec. 10, 1971, 85 Stat. 605.

§ 2120. Eligibility

Any association of farmers, producers, or harvesters of aquatic products, or any federation of such associations, which is operated on a cooperative basis, and has the powers for processing, preparing for market, handling, or marketing farm or aquatic products; or for purchasing, testing, grading, processing, distributing, or furnishing farm or aquatic supplies or furnishing farm business services or services to eligible cooperatives and conforms to either of the two following requirements:

(a) no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; or

(b) does not pay dividends on stock or membership capital in excess of such per centum per annum as may be approved under regulations of the Farm Credit Administration; and in any case

(c) does not deal in farm products or aquatic products, or products processed therefrom, farm or aquatic supplies, or farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members, excluding from the total of member and nonmember business transactions with the United States or any agency or instrumentality thereof or services or supplies furnished as a public utility; and

(d) a percentage of the voting control of the association not less than 50 per centum (70 per centum in the case of rural electric, telephone, and public utility cooperatives), or such higher percentage as established by the district board is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations as defined herein;

shall be eligible to borrow from a bank for cooperatives.

Pub.L. 92-181, Title III, § 3.8, Dec. 10, 1971, 85 Stat. 605, amended Pub. L. 94-184, § 1(a), Dec. 31, 1975, 89 Stat. 1060.

181 in original. A comma after "producers" was probably not intended.
1975 Amendment, Pub.L. 94-184, § 1(a), Dec. 31, 1975, 89 Stat. 1060, amended Pub. L. 94-184 added provision relating to 50 per centum of voting control in the case of rural electric, telephone, and public utility cooperatives.
Legislative History, For legislative history and purpose of Pub.L. 94-184, see 1975 U.S. Code Cong. and Adm. News, p. 2148.

§ 2130. Ownership of stock by borrowers

(a) Each borrower at the time a loan is made by a bank for cooperatives shall own at least one share of voting stock and shall be required by the bank with the approval of the Farm Credit Administration to invest in additional voting stock or nonvoting investment stock at that time, or from time to time, as the lending bank may determine, but the requirement for investment in stock at the time the loan is closed shall not exceed an amount equal to 10 per centum of the face amount of the loan. Such additional ownership requirements may be based on

ing any quarter thereof, or upon such other basis as the bank, with the approval of the Farm Credit Administration, determines will provide adequate capital for the operation of the bank and equitable ownership thereof among borrowers. In the case of a direct loan by the Central Bank, the borrower shall be required to own or invest in the necessary stock in a district bank or banks as may be approved by the Farm Credit Administration and such district bank shall be required to own a corresponding amount of stock in the Central Bank, but voting stock shall be in the one district bank designated by the Farm Credit Administration.

(b) Notwithstanding the provisions of subsection (a) of this section, the purchase of stock need not be required with respect to that part of any loan made by a bank for cooperatives which it sells to or makes in participation with financial institutions other than any of the banks for cooperatives. In such cases the distribution of earnings of the bank for cooperatives shall be on the basis of the interest in the loan retained by such bank.

Pub.L. 92-181, Title III, § 3.9, Dec. 10, 1971, 85 Stat. 605.

§ 2131. Loans—Interest rates and charges

(a) Loans made by a bank for cooperatives shall bear interest at a rate or rates determined by the board of directors of the bank from time to time, with the approval of the Farm Credit Administration. In setting rates and charges, it shall be the objective to provide the types of credit needed by eligible borrowers at the lowest reasonable cost on a sound business basis, taking into account the net cost of money to the bank, necessary reserves and expenses of the bank, and services provided. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan, in accordance with the rate or rates currently being charged by the bank.

Security

(b) Loans shall be made upon such terms, conditions, and security, if any, as may be determined by the bank in accordance with regulations of the Farm Credit Administration.

Lien

(c) Each bank for cooperatives shall have a first lien on all stock or other equities in the bank as collateral for the payment of any indebtedness of the owner thereof to the bank. In the case of a direct loan to an eligible cooperative by the Central Bank, the Central Bank shall have a first lien on the stock and equities of the borrower in the district bank and the district bank shall have a lien thereon junior only to the lien of the Central Bank.

Cancellation; application on indebtedness

(d) In any case where the debt of a borrower is in default, or in any case of liquidation or dissolution of a present or former borrower from a bank for cooperatives, the bank may, but shall not be required to, retire and cancel all or a part of the stock, allocated surplus or contingency reserves, or any other equity in the bank owned by or allocated to such borrower, at the fair book value thereof not exceeding par, and, to the extent required in such cases, corresponding shares and allocations and other equity interests held by a district bank in another district bank on account of such indebtedness, shall be retired or equitably adjusted.

Pub.L. 92-181, Title III, § 3.10, Dec. 10, 1971, 85 Stat. 606.

§ 2132. Earnings and reserves; application of savings—Application of savings when bank has outstanding stock held by Governor

(a) Each bank for cooperatives, at the end of each fiscal year when said bank shall have stock outstanding held by the Governor of the Farm

BILL #	ABBREVIATED TITLE	SPONSOR	DATE	REFERRAL
HB 3	RELATING TO THE RESTORATION OF THE RIGHT	HILLER		
HB 18	INCREASE IN TERRITORIAL EMPLOYEES RETIREM	HILLER	3/01/79	FINANCE
HB 75	RE/PRIVACY & PUBLIC INFO/CHANGE CIVIL RUL	PARR	3/09/79	JUDICIAL
HB 155	COMPETITIVE BIDDING/FISCAL PROCEDURES ACT	MEEKINS	3/29/79	FINANCE
HB 248	MERGER OF ELECTRIC & TELEPHONE UTILITIES;	STATE AFF	3/08/79	JUDICIAL
HB 376	EXEMPTION FROM ST INCOME TAXES OF FEDERAL	BROWN	3/20/79	FINANCE
HCR 12	CONTRACT NEGOTIATIONS/STATE/MATANUSKA BOR	CARNEY	4/19/79	----
HJR 36	RE/CANADIAN PORTION OF THE SKAGWAY-CARCRO	DUNCAN	4/ 9/79	----
SB 19	AUTH ST LAND TO BE MADE AVAILABLE FOR HOM	KERTTULA	1/15/79	RESOURCE
SB 27	RELATING TO ELECTION BALLOTS	RAY	1/ 6/79	----
SB 30	RELATING TO SURPLUS PROPERTY -E.D.	RULES	2/08/79	----
SB 39	RELATING TO LONGEVITY BONUS	BRADLEY	1/16/79	FINANCE
SB 46	RELATING TO THE ALASKA LONGEVITY BONUS	BRADLEY	1/16/79	FINANCE
SB 74	RE/AK NATL GUARD/AK NAVAL MILITIA; E.D.	HOHMAN	1/25/79	JUDICIAL
SB 95	CREDIT AK INCOME TAX FOR VOTING IN PRIMAR	BRADLEY	1/31/79	FINANCE
SB 105	REGISTRATION FEES FOR PERSONALIZED PLATES	STENSON	2/05/79	FINANCE
SB 107	RE/STATE AGENCY PARTICIPATIONS	RODNEY	2/06/79	----
SB 120	RE/ESTAB JT BUDGET SUBCOMTE UNDER LEGIS B&	SACKETT	2/08/79	----
SB 126	REQUIREMENTS/RUNOFFS IN MUNICIPAL ELECTED	C&RA	2/09/79	----
SB 127	RE/PURPOSE OF STATE VOTER REGISTER	C&RA	2/09/79	----
SENATE STATE AFF COMMITTEE SUMMARY		14:37	4/24/79	PAGE 1 OF

BILL #	ABBREVIATED TITLE	SPONSOR	DATE	REFERRAL
SB 149	RELATING TO ELECTIONS	KELLY	2/13/79	----
SB 150	ALLOWING AN INCOME TAX CHECKOFF	FAHRENBERG	2/13/79	FINANCE
SB 156	RELATING TO ELECTION CAMPAIGNS	BRADLEY	2/13/79	----
SB 160	PREFERENTIAL PRESIDENTIAL PARTY PRIMARY I	KELLY	2/13/79	----
SB 174	RELATING TO CREDITED SERVICE/PERS	RODNEY	2/13/79	FINANCE
SB 226	RE/HANNAH SLT OF AK PERMANENT FUND; E.D.	RULES	2/13/79	FINANCE
SB 254	SPEC APPROP/DOTZAI/APLT RECONSTRUCTION/BU	FERGUSON	3/21/79	FINANCE
SB 255	GEN. OBLIGATION BONDS/NOME BARGE PORT FAC	FERGUSON	3/21/79	FINANCE
SB 256	CREATE/DEPT.EMPLOYEE RELATIONS; AMEND ST	RULES	3/22/79	FINANCE
SB 268	RE/EXPENDITURE OF STATE MONEY; E.D.	KERTTULA	4/17/79	FINANCE
SCR 1	TRANSFERAL OF STATE EMPLOYMENT/URBAN TO	SUMNER	1/18/79	----
SCR 27	PREDICTABLE/ATTRACTIVE INVESTMENT CLIMATE	BRADLEY	4/03/79	----
SCR 29	URGING ADMIN TO KEEP SALARIES & BENEFITS	L&M	4/12/79	----
SJR 1	AM US CONSTITUTION RE/VOTING RIGHTS FOR D	STIMSON	1/15/79	JUDICIAL
SJR 7	AM AK CONSTITUTION/SESSION OF LEGISLATURE	BRADLEY	1/22/79	FINANCE
SJR 9	AM AK CONSTITUTION/SESSIONS OF LEGISLATOR	DARKWORTH	1/24/79	FINANCE
SJR 10	AM AK CONSTITUTION RE/TERMS OF LEGISLATOR	BRADLEY	1/24/79	JUDICIAL
SJR 11	AM US CONSTITUTION/BUDGET OF USA	BRADLEY	1/25/79	----
SJR 15	VOTING RIGHTS & REPRESENTATION FOR DISTRI	KELLY	2/01/79	C&RA
SJR 17	AM AK CONSTITUTION/RE GOVERNOR & LEGISLA	BRADLEY	2/13/79	----
SENATE STATE AFF COMMITTEE SUMMARY		14:41	4/24/79	PAGE 3 OF

BILL #	ABBREVIATED TITLE	SPONSOR	DATE	REFERRAL
SJR 23	REQUESTING/US DOT/REVISE TIME ZONES IN AK	COLLETTA	2/13/79	----
SJR 26	PROPOSING AN AK CONSTITUTION/RE TO FINANC	RULES	2/13/79	FINANCE
SJR 29	REQUEST CONGRESS INITIATE ARCTIC EXCHANGE	KERTTULA	3/21/79	LEI
SJR 35	AMEND AK CONSTITUTION/TAX LEVELS/AK & POL	BRADLEY	4/20/79	----
SB 1	RELATING TO THE RECONSTRUCTION	----	----	----

SUPPORTING INFORMATION

Bob Simon, Limited Entry Commissioner, stated that they personally drafted the language related to fishing loans last year and this language has been incorporated into HB 30. They feel that with the prices of permits as high as they are today, they want to give residents all the breaks they can. They strongly endorse HB 30.

I requested a position paper from Commerce and Economic Development, wherein ~~which the Commercial Fishing and Agriculture Bank is located,~~ and they will get it to us ^{FROM COMM. FISH. BANK.} as soon as possible.

HB 30 was introduced February 20 and referred to Resources and Judiciary. Resources reported it back March 10 with a DO PASS recommendation, all members concurring. To Judiciary.

Judiciary reported it back to the House on March 13 with individual recommendations. Parr and Anderson signed DO PASS. Phillips Martin and O'Connell signed NO REC. It passed the House on March 14, with a vote of 35-4. Nays: Barnes, Bettisworth, Martin, Randolph. Judiciary told me that HB 30 passed their committee quickly and without opposition. They are missing the minutes from that meeting but said it was straightforward and they had nothing in their files.

FISCAL NOTE: None

RELATED LEGISLATION: None

INTERESTED PARTIES: Gardiner
Commerce-Dick Eakins, Dir. Econ. Ent.
Commercial Fisheries Entry Commission.

Wife lets
Chief Clerk of Court



B. 1. Adds word "Alaska" to Com. Dir. Ag. Bank
noting in the Alaska CF & AB.

2. Changes number of members on board of
directors from 5 to 7. Amends to ~~read~~ ^{add} that
4 of the board members shall be ~~selected~~
elected by the shareholders. & 3 shall
be appointed by the gov, until the
repurchase of all the nonvoting, preferred
shares initially issued by the Bank
and purchased by agencies of the state.

cleaned
up
copy

Amends concerning terms of office. Members
shall serve for terms of 3 years & they may
serve successive terms.

Terms shall be staggered
Amends to read that initial terms shall
be 3 members serving for one year, 2
members serving for 2 years & 2 members
serving for 3 years.

Adds new π to ρ provide for making
loans to commercial fishermen &
specifies requirement of qualification

Adds new section entitled 2DANIS FOR PURCHASE
~~OF~~ OF ALASKA LIMITED ENTRY PERMITS.
States requirement of qualification &
use of permit to be purchased as security
for a loan; ~~and~~ Provides for note
certification & remedy of permit certificate
to list debtor as the legal owner.

Adds new section - Default & Foreclosure of
Loans for Limited Entry Permits. ~~Provides~~ ^{Concept of Default}
^{& REQUIREMENTS} ~~for~~ ^{of provided} ~~with~~ ^{WITH} notice of default ^{PERMITS}
and required ^{TERMINAL OF EQUITY} ~~inclusions~~ ^{INT. RES.}. Provides for cancellation
of entry permit cards upon debtor's failure to
restate or satisfy note w/in specified time.

Adds new section entitled - DEFICIENCIES AND
TRANSFER OF ENTRY PERMITS AFTER FORECLOSURE.
Provides AK C.F.E.C a right of 1st refusal if
permit is subject to a buy back program.
~~cannot~~ ~~state~~ ~~is~~ ~~price~~ ~~require~~
If com does not exercise right, ^{must} ~~debtor~~ ^{has} ~~right~~
30 days from date of note to name or
person qualified to assume the note if
debtor does not name a qualified person.

SUMMARY

This bill adds the word "Alaska" to the title making it the Alaska Commercial Fishing and Agriculture Bank. Changes the number of members on the board of directors from five to seven. Amends to add that four of the board members shall be elected by the shareholders and three shall be appointed by the governor, until the repurchase of all the non-voting, preferred shares initially issued by the bank and purchased by agencies of the state. Amends concerning terms of office. Provides for staggered terms. Adds new paragraph to provide for making loans to commercial fishermen and specifies requirements for qualification. Adds new section entitled: LOANS FOR PURCHASE OF ALASKA LIMITED ENTRY PERMITS. States requirements for qualification and use of permit to be purchased as security for a loan. Provides for note certification and amending of permit certificate to list debtor as the legal owner. Adds new section: DEFAULT AND FORECLOSURE OF LOANS FOR LIMITED ENTRY PERMITS, concerning defaulting and requirements of providing debtor with notice of default and inclusions required with that notice. Provides for termination of debtor's equitable interest and cancellation of entry permit cards upon debtor's failure to reinstate or satisfy note within a specified time period. Adds new section entitled: DEFICIENCIES AND TRANSFER OF ENTRY PERMITS AFTER FORECLOSURE. Provides Commercial Fishing Entry Commission the right of first refusal if permit is subject to a buy-back program and states price requirements. If the Entry Commission does not exercise this right or the permit is not subject to a buy-back program, the debtor has 30 days from date of notice (postmark date) to nominate a person qualified to assume note. If debtor does not do this the permit must be made available to a qualified person chosen by lottery by the Entry Commission.

SS

HB 30¹ - (pg. 47)

(pg. 516) Resumes reported at out w/ majority recommending DO PASS

- | | |
|------------|---------|
| OSTERBACK | ELIASON |
| HALFORD | CHEWY |
| COTTEN | FULLER |
| CHATTERTON | ZHAROFF |

(545) Judiciary passed at out with individual recommendations

- DO PASS: PARR, ANDERSON
- DO NOT PASS: MARTIN
- NO REC: PHILLIPS, O'CONNELL

Judge
CARLSON - Sup Ct. Limited entry
permits are not legal.

Rept of Fish + Game

CALL ADF

Limited Entry Comm.

SENATE JOURNAL

ALASKA STATE LEGISLATURE

ELEVENTH LEGISLATURE - FIRST SESSION

JUNEAU, ALASKA

Monday

April 23, 1979

Ninety-ninth Day

Pursuant to adjournment, the Senate was called to order by President Tillion at 10:08 a.m.

The roll call showed thirteen members present. Senators Bennett, Dankworth, Hackney, Hohman, Rodey, Sackett and Sumner were absent.

The prayer was offered by the Chaplein, Lay Rabbi Danny Plotnick of the Juneau Jewish Community.

Senator Colletta moved and asked unanimous consent that the journals for the ninety-sixth, ninety-seventh and ninety-eighth legislative days be approved as certified. Without objection, it was so ordered.

MESSAGES FROM THE GOVERNOR

Message of April 20 was read, stating the Governor has read the following resolution and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE RESOLUTION NO. 7 amended
(relating to ownership of earth stations)

Senate Resolve No. 3

SR
7
EN

MESSAGES FROM THE HOUSE

CS Message of April 20 was read, stating the House has con-
 2d curred in the Senate amendment to COMMITTEE SUBSTITUTE
 SS FOR 2d SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 31 (creating
 HB the Delta Junction Bison Range Area), thus adopting:

31
 32
 33
 34
 35

COMMITTEE SUBSTITUTE FOR 2d SPONSOR SUBSTITUTE
 FOR HOUSE BILL NO. 31 amended Senate

SCS Message of April 20 was read, stating the House has con-
 CS curred in the Senate amendment to COMMITTEE SUBSTITUTE FOR
 HB HOUSE BILL NO. 32 (special appropriations to the power
 32 project revolving fund of the Alaska Power Authority),
 thus adopting:

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE
 SUBSTITUTE FOR HOUSE BILL NO. 32

HB Message of April 20 was read, stating the House has con-
 195 curred in the Senate amendment to HOUSE BILL NO. 195
 36 amended (providing for an advisory committee on judicial
 S sentencing practices), thus adopting:

HOUSE BILL NO. 195 amended Senate (providing
 for an advisory committee on minority judicial
 sentencing practices)

SCS Message of April 20 was read, stating the House has con-
 HB curred in the Senate amendment to HOUSE BILL NO. 196
 196 (special appropriation to the Judicial Council), thus
 (R1a)adopting:

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL
 NO. 196 (Rules)

HCS Message of April 20 was read, stating the House has failed
 CS to recede from its amendment to COMMITTEE SUBSTITUTE FOR
 SB SENATE BILL NO. 53 (Finance) namely, HOUSE COMMITTEE SUB-
 53 STITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53
 (budget).

The Speaker has appointed the following members to a Free Conference Committee to meet with a like committee from the Senate to consider the above bills:

HCS
CS
SB
53

Representative Meekins, Chairman
Representative Duncan
Representative Haugen

The President appointed the following members to a Free Conference Committee to meet with the like committee from the House:

Senator Sackett, Chairman
Senator Hohman
Senator Sumner

The Secretary was requested to notify the House.

Message of April 20 was read, stating the House has passed the following and transmitting for consideration:

FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

COMMITTEE SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 30
by the Rules Committee,

CS
HJR
30

Relating to the sale of revenue bonds of the Alaska Power Authority for the Terror Lake hydroelectric generating project at Kodiak, Alaska, and for the Solomon Gulch hydroelectric generating project near Valdez, Alaska.

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

INTRODUCTION AND REFERENCE OF SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION NO. 35 by Senators Ferguson, Fahrenkamp, Sackett, Stimson, Sturgulewski, Bennett and Kerttula,

SCR
35

Directing the Legislative Council to conduct a feasibility study relating to educational television,

was read the first time and referred to the Health, Education and Social Services Committee.

INTRODUCTION AND REFERENCE OF SENATE BILLS

SB SENATE BILL NO. 273 by Senator Bradley, entitled:
273

"An Act relating to the transporter law;
and providing for an effective date "

was read the first time and referred to the Commerce
Committee and the Resources Committee.

SB SENATE BILL NO. 274 by the Commerce Committee by request,
274 entitled:

"An Act relating to the Motor Safety
Responsibility Act; and providing for
an effective date."

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

SB SENATE BILL NO. 275 by the Commerce Committee by request,
275 entitled:

"An Act relating to the payment of judg-
ments or claims by insurance companies."

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

SB SENATE BILL NO. 276 by the Health, Education and Social
276 Services Committee by request, entitled:

"An Act providing for the award of visita-
tion rights to grandparents."

was read the first time and referred to the Health,
Education and Social Services Committee and the Judiciary
Committee.

Senator Colletta moved and asked unanimous consent that
the Senate recess to a call of the Chair. Without objec-
tion, the Senate recessed at 10:16 a.m.

AFTER RECESS

The Senate reconvened at 10:32 a.m.

CONSIDERATION OF THE CALENDAR

SECOND READING OF HOUSE BILLS

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 19 amended (relating to agricultural and industrial fairs) was read the second time. CS HB 19 am

Senator Ray moved and asked unanimous consent for the adoption of the Finance Committee amendment offered on pages 803-804. Without objection, amendment No. 1 was adopted. CS HB 19 am

Senator Colletta moved and asked unanimous consent that the Rules be suspended and COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 19 amended Senate be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered. S

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 19 amended Senate was read the third time.

The question being: "Shall COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 19 amended Senate (relating to agricultural and industrial fairs) pass the Senate?" The roll was taken with the following result:

Yeas:	18	Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Kelly, Kerttula, Meland, Mulcahy, Ray, Rodey, Stimson, Sturgulewski, Summer, Tillion, Ziegler
Nays:	0	
Absent:	2	Hohman, Sackett

and so, COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 19 amended Senate passed the Senate.

Senator Colletta moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

CSHB COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 19 amended Senate
19 was referred to the Secretary for engrossment.

am
3

CS Senator Colletta moved and asked unanimous consent that
HB the next item of business on today's calendar, namely
66 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 66 (providing an
exemption for senior citizens from payment for land leased
for the state) be held on the Secretary's desk. Senator
Ray objected Senator Colletta move and asked unanimous
consent to withdraw his motion. Without objection, it
was so ordered.

Senator Colletta moved and asked unanimous consent that
COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 66 be placed at
the bottom of today's calendar. Without objection, it
was so ordered.

HB HOUSE BILL NO. 90 (supplemental appropriation to the Depart-
90 ment of Community and Regional Affairs, Division of Local
Government Assistance) was read the second time.

Senator Colletta moved and asked unanimous consent that
the Rules be suspended and HOUSE BILL NO. 90 be advanced
to third reading and placed on final passage. Without
objection, it was so ordered.

HOUSE BILL NO. 90 was read the third time.

The question being: "Shall HOUSE BILL NO. 90 (supplemental
appropriation to the Department of Community and Regional
Affairs, Division of Local Government Assistance) pass the
Senate?" The roll was taken with the following result:

Yeas:	17	Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Honman, Kelly, Meland, Mulcahy, Ray, Rodey, Stinson, Sturgulewski, Tillion, Ziegler
Nays:	0	Hackney, Honman, Kelly, Mulcahy, Ray, Rodey, Sti
Absent:	3	Kerttula, Seckett, Sumner

and so, HOUSE BILL NO. 90 passed the Senate.

Senator Colletta moved and asked unanimous consent that the roll call on the passage of HOUSE BILL NO. 90 be considered the roll call on the effective date clause. Without objection, it was so ordered.

MS
90

HOUSE BILL NO. 90 was signed by the President and Secretary and returned to the House.

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 (making transfers between appropriations made for the fiscal year ending June 30, 1979 to the Department of Natural Resources) was read the second time.

CS
HB
307

Senator Ray moved and asked unanimous consent for the adoption of the Finance Committee Senate Committee Substitute offered on page 848. Without objection, SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 was adopted.

SCS
CSHB
307

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 (making transfers between appropriations made for the fiscal year ending June 30, 1979 to the Department of Natural Resources and extending an appropriation made to the Department of Natural Resources in ch. 146, SLA 1978) was read the second time.

Senator Colletta moved and asked unanimous consent that the Rules be suspended and SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 was read the third time.

The question being: "Shall SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 (making transfers between appropriations made for the fiscal year ending June 30, 1979 to the Department of Natural Resources and extending an appropriation made to the Department of Natural Resources in ch. 146, SLA 1978) pass the Senate?" The roll was taken with the following result:

CS SHB 307	Yeas: 19	Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Hohman, Kelly, Kerttula, Meland, Mulcahy, Ray, Rodey, Stimson, Sturgulewski, Sumner, Tillion, Ziegler
	Nays: 0	
	Absent: 1	Sackett

and so, SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 passed the Senate.

Senator Colletta moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 was referred to the Secretary for engrossment.

HB 308 HOUSE BILL NO. 308 (supplemental appropriation to the Department of Health and Social Services, Division of Public Health) was read the second time.

SCS
HB
308 Senator Ray moved and asked unanimous consent for the adoption of the Finance Senate Committee Substitute offered on page 822. Without objection, SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 308 was adopted.

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 308 (making appropriations to the Department of Health and Social Services, and an amending condition on an appropriation made to the Department of Education in ch. 6, SLA 1979) was read the second time.

Senator Colletta moved and asked unanimous consent that the Rules be suspended and SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 308 be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 308 was read the third time.

The question being: "Shall SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 308 (making appropriations to the Department of Health and Social Services, and an amending condition on an appropriation made to the Department of Education in ch. 6, SLA 1979) pass the Senate?" The roll was taken with the following result

SCS
HB
308

Yeas:	15	Bennett, Bradley, Colletta, Fahrenkamp, Ferguson, Hackney, Kelly, Kerstula, Meland, Mulcahy, Ray, Rodey, Stimson, Tillion, Ziegler
Ways:	2	Dankworth, Sturgulewski
Absent:	3	Hohman, Sackett, Sumner

and so, SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 308 passed the Senate.

Senator Colletta moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 308 was referred to the Secretary for engrossment.

SECOND READING OF SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION NO. 16 (requesting the Governor to direct the Department of Transportation and Public Facilities to conduct a feasibility study for the construction of a runway at Barrow) was read the second time

SCR
16

Senator Sackett moved and asked unanimous consent for the adoption of the Finance Committee amendment offered on page 863. Without objection, amendment No. 1 was adopted.

SCR
16
am

Senator Ray moved and asked unanimous consent that the Finance Committee letter of intent be adopted as the Senate letter of intent. Senator Kelly objected, then withdrew his objection. There being no further objection, the letter of intent was adopted.

SCR The Senate letter of intent on SENATE CONCURRENT RESOLUTION
16 NO. 16 amended follows:

am

The feasibility study called for in SCR 16 will be conducted by the Department of Transportation and Public Facilities within the limit of funds budgeted to them for FY 79. Now that the fourth quarter supplemental for the Department of Transportation has passed there should be sufficient funds within the current year budget to cover this project.

Senator Colletta moved that the Senate adopt SENATE CONCURRENT RESOLUTION NO. 16 amended.

The question being: "Shall SENATE CONCURRENT RESOLUTION NO. 16 amended (requesting the Governor to direct the Department of Transportation and Public Facilities to conduct a feasibility study for the construction of a runway at Barrow) pass the Senate?" The roll was taken with the following result:

Yeas:	19	Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Kelly, Kerstula, Meland, Mulcahy, Ray, Rodey, Sackett, Stinson, Sturgulewski, Sumner Tillion, Ziegler
Nays:	0	
Absent:	1	Hohman

and so, SENATE CONCURRENT RESOLUTION NO. 16 amended with a Senate letter of intent passed the Senate and was referred to the Secretary for engrossment.

SPECIAL ORDER OF BUSINESS

MJR Senator Colletta moved and asked unanimous consent that the
32 Rules be suspended and HOUSE JOINT RESOLUTION NO. 32 amended
am (requesting the establishment of an Arctic Circumpolar Cultural and Technical Interchange Center) be taken up as a Special Order of Business at this time. Without objection, it was so ordered.

SECOND READING OF HOUSE RESOLUTIONS

HOUSE JOINT RESOLUTION NO. 32 amended (requesting the establishment of an Arctic Circumpolar Cultural and Technical Interchange Center) was read the second time.

HJR
32
am

Senator Mulcahy moved and asked unanimous consent for the adoption of the State Affairs Committee amendment offered on page 709. Without objection, amendment No. 1 was adopted.

HJR
32
am
S

Senator Kelly offered the following amendment No. 2:

Page 2, line 25: add the following: "FURTHER RESOLVED that Congress is urged to enter into a joint agreement with all other Arctic coastal nations to mutually share the expenses for establishing and operating the Arctic Circumpolar Cultural Technical Interchange Center."

Senator Kelly moved and asked unanimous consent to withdraw amendment No. 2. Without objection, amendment No. 2 was withdrawn.

Senator Kelly offered the following amendment No. 3:

Page 2, line 25: add the following: "FURTHER RESOLVED that Congress is urged to enter into a joint agreement with all other participating Arctic coastal nations to mutually share the expenses for establishing and operating the Arctic Circumpolar Cultural Technical Interchange Center."

Senator Kelly moved and asked unanimous consent for the adoption of amendment No. 3. Without objection, amendment No. 3 was adopted.

Senator Collecta moved and asked unanimous consent that Rules be suspended and HOUSE JOINT RESOLUTION NO. 32 amended Senate be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

HJR HOUSE JOINT RESOLUTION NO. 32 amended Senate was read the
32 third time.
am
S

The question being: "Shall HOUSE JOINT RESOLUTION NO. 32 amended Senate (requesting the establishment of an Arctic Circumpolar Cultural and Technical Interchange Center) pass the Senate?" The roll was taken with the following result:

Yeas:	15	Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Kelly, Kerttula, Meland, Mulcahy, Ray, Rodey, Stimson, Sturgulewski, Ziegler
Nays:	2	Bennett, Tillion
Absent:	3	Hohman, Sackett, Sumner

and so, HOUSE JOINT RESOLUTION NO. 32 amended Senate passed the Senate and was referred to the Secretary for engrossment.

CS Senator Colletta moved and asked unanimous consent that
HB COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 66 (providing an
66 exemption for senior citizens from payment for land leased from the state) which had been placed at the bottom of today's calendar (page 884) be held on the Secretary's desk. Without objection, it was so ordered.

SPECIAL ORDER OF BUSINESS

Senator Colletta moved and asked unanimous consent that the publication and notice requirement on the Citation Congratulating Greenland Home Rule Inauguration be waived. Without objection, it was so ordered.

Senator Colletta moved and asked unanimous consent that the Rules be suspended and the Citation Congratulating Greenland Home Rule Inauguration be taken up as a Special Order of Business at this time. Without objection, it was so ordered.

CITATIONS

Senator Colletta moved and asked unanimous consent that the Citation Congratulating Greenland Home Rule Inauguration by Representatives Buchholdt, Guy, Schaeffer, Rogers and Anderson, be approved. The Senate approved the Citation unanimously and it was returned to the House.

ENGROSSMENT

The following were engrossed, signed by the President and Secretary and transmitted to the House for consideration:

SENATE CONCURRENT RESOLUTION NO. 16 amended

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 19
amended Senate

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE
SUBSTITUTE FOR HOUSE BILL NO. 307

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 308

HOUSE JOINT RESOLUTION NO. 32
amended Senate

ANNOUNCEMENTS

FCC on the Budget	Gov. Conf. Rm 3rd Floor, Capitol	1:30 p.m., 4/23
State Affairs HB 75, HB 18 HCR 12	Beltz Room 209, Capitol	3:30 p.m., 4/23

ADJOURNMENT

Senator Colletta moved and asked unanimous consent that the Senate adjourn until 10:00 a.m., April 24. Without objection, the Senate adjourned at 11:09 a.m.

Peggy Mulligan
Senate Secretary

April 1979

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

SECTIONAL ANALYSIS - SSHB 30

"An Act relating to the Commercial Fishing and Agriculture Bank."

* Section 1. AS 44.54.010 (a).

Section 1 is simply a technical amendment, adding the word Alaska to the Commercial Fishing and Agriculture Bank to be consistent with the rest of the statute.

* Section 2. AS 44.54.020.

This section expands the board of directors from five members to seven members. It also requires that three of the members continue to be appointed by the governor until the bank has repurchased all of the non-voting preferred shares that were purchased by the state with start-up capital.

This change is necessary because the statute now provides that the board of directors be elected from amongst the borrowing members of the bank in the future. This could cause problems in the future as during the start-up phases the state will be the major shareholder. To provide continuity, it would be desirable to maintain some input by the state until the bank has bought out the state's share.

* Section 3. AS 44.54.090.

These changes are necessitated by the expansion of the board from five to seven members.

* Section 4. AS 44.54.210.

Section 4 adds an additional power to the bank to allow them to make loans for the purchase of limited entry permits.

See

- (a) *44.54.210 (a) - add "to make loans for the purchase of limited entry permits"*
- (b) *44.54.210 (b) - add "to make loans for the purchase of limited entry permits"*



* Section 5. AS 44.54.230.

This section of the bill outlines how the loan making ability and default and foreclosure provisions will operate when the bank makes loans for limited entry permits. This language parallels the existing law that allows the state division of loans to make limited entry permit loans. This law was introduced last year by the governor and passed overwhelmingly by the last legislature. The purpose of this section is to expand the banks power to provide for limited entry permit loans to Alaskans. Since the bank provides for loans only to resident Alaskans this additional capital source will be an advantage to Alaskans who want to get into the fishery in the future. At least one-third of Alaska's salmon fishermen are still non-residents. Great benefits from taxes and other items can accrue to Alaska if these permits which are now held by non-residents become held by resident Alaskans in the future. This expansion of loan authority to the Commercial Fishing and Agriculture Bank will provide another source of capital to Alaskans who want to move into the salmon fisheries in the state.

MEMORANDUM

TO: Mr. Richard H. Eakins
Director, Division of
Economic Development
DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT
Pouch EE
Juneau, Alaska 99811

FROM: Peter Argetsinger *Pa*
WOHLFORTH & FLINT

DATE: April 6, 1979

RE: Commercial Fishing & Agriculture
Bank/Comments On SSHB 30

On April 4, you requested our assistance in preparing a position paper as to SSHB 30 for submission to the Legislature next week. The comments on the subject bill which follow are submitted for your consideration. They are structured in such a way that you need only add introductory and concluding paragraphs and insert a discussion of policy matters as appropriate, particularly in the areas of composition of the Board of Directors (where I sensed a strong feeling at the April 4 meeting in favor of independence) and in the area of the business judgments to be made when considering loans for entry permits which are to be secured by those permits. (Although, perhaps nothing additional need be said on the latter subject.)

Section 1. Addition of the word "Alaska" to the name of the Bank is desirable and, in fact, reflected in the draft Articles of Incorporation and By-Laws of the Bank now under consideration by the Board of Directors.

Section 2. The Board of Directors of the Bank under the present law is composed of five members, initially appointed by the Governor, who serve staggered terms. Following expiration of the initial term, directors are then elected by the member/shareholders of the Bank which under AS 44.54 is organized as a cooperative corporation. AS 10.15.140, to which the Bank is subject, requires that the elected directors be members of the cooperative. Counsel to the Bank have examined the present method of constituting the Board of Directors of the Bank and have advised that,

in their opinion, under Section 103 of the Internal Revenue Code and the regulations thereunder the Bank may not issue tax exempt revenue bonds. In general, this is because in order to issue tax exempt bonds "on behalf of" the State, the Bank must be considered by the Internal Revenue Service to be a "constituted authority". To satisfy this requirement it is necessary that all members of the Bank Board of Directors be public officials of the State, be elected by the voters of the State or be appointed directly by the State. And, the requirement continues for the life of any bonds issued by the Bank.

We have also been advised by counsel that the proposed revision to AS 44.54.020 which would expand the Board of Directors to seven members, three of whom would be appointed by the Governor until such time as the Bank has repurchased all non-voting preferred shares held by the State does not satisfy the IRS criteria either. In order to issue tax exempt revenue bonds it would be necessary that the Board of Directors be composed in its entirety of gubernatorial appointees for the life of any outstanding bonds.

The present formulation of the Board, of course, is quite satisfactory to accomplish the primary purpose envisioned by the Legislature when it established the Bank, i.e., to leverage the bank's capital with the federal farm credit system banks in order to make loans to those engaged in commercial fishing and agriculture. In that regard, the federal banks require as a condition of eligibility for loans that associations such as the Commercial Fishing and Agriculture Bank be organized in such a way that not less than 80% of the voting control of the bank is held by fishermen or farmers. See, e.g., 12 USCA 2129 which sets out these requirements as they apply to the federal banks for cooperatives. At first blush, this would seem to preclude a Board of Directors where 3/7ths of the members are gubernatorial appointees rather than representatives of the membership. However, we have informally discussed the matter with representatives of the federal farm credit system in Spokane who have advised us that they do not believe that reconstituting the Bank's Board of Directors as envisioned by SSB 30 would preclude them from working with the Commercial Fishing and Agriculture Bank. Rather, they interpret the Federal requirement to mean that the control of at least 80% of the votes which would elect the other four members of a reconstituted Board of Directors must be in fishermen and farmers.