

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672
1302 SCRA SB 517 - SB 613 / 302

Again, the Department believes this administrative appropriation should be a separately funded grant and should not be comingled with the grants for family child care.

Donald Gilman
Pouch V
Juneau, Alaska
99811

Dear Senator Gilman,

Senate Bill No. 517, which includes provisions for Day Care Assistance to parents who are looking for work, is much needed. Here on Kodiak that can be a very real problem since unemployment is high at this time. I would like to thank you for your time and consideration in this matter, and urge you to vote for SB No. 517.

Sincerely

Kathleen Roberts
Box 14 7USCGAS
Kodiak, Alaska
99619

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LETTER OF INTENT

16.50
It is the intent of the Community and Regional Affairs Committee that the money appropriated for the Day Care Assistance Program by CSSB 518 (C&RA) be used to raise the maximum rate paid to day care providers to ~~\$15~~ per day for children and \$19 per day for infants. It is also the intent of the Committee that the subsidy schedule be adjusted so that eligible families will not bear any portion of the rate increase.

The Committee recommends that the Commissioner of the Department of Community and Regional Affairs hold yearly hearings on rate setting for the Day Care Assistance Program with parents and providers to maintain a reasonable relationship between inflation and day care assistance rates.

Don Gilman, Chairman

Robert Ziegler, Vice Chairman

Frank Ferguson

Mike Colletta

Arliss Sturgulewski

Pegues

Original sponsor: Parr

Funding Information	661,000
General Fund	\$2,013,000
Other Funds	-0-
	<u>\$2,013,000</u>

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 518 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Depart-
7 ment of Community and Regional Affairs for day care
8 assistance programs and studies; and providing for an
9 effective date."

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

11 * Section 1. The sum of ^{2,013,000} \$1,365,000 is appropriated from the general fund
12 to the Department of Community and Regional Affairs for the day care assist-
13 ance program (AS 44.47.250 - 44.47.310).

14 * Sec. 2. The sum of \$48,000 is appropriated from the general fund to
15 the Department of Community and Regional Affairs for costs of administering
16 the day care assistance program (AS 44.47.250 - 44.47.310).

17 * Sec. 3. The sum of \$500,000 is appropriated from the general fund to
18 the Department of Community and Regional Affairs to be paid to municipali-
19 ties for costs of administering the day care assistance program (AS 44.47.-
20 250 - 44.47.310).

21 * Sec. 4. The sum of \$100,000 is appropriated from the general fund to
22 the Department of Community and Regional Affairs for a study of statewide
23 needs for state day care assistance.

24 * Sec. 5. The unexpended and unobligated portions of the appropriations
25 made by this Act lapse into the general fund June 30, 1982.

26 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).

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May 12, 1981

Don Gilman
Foucl V
Juneau, AK 99811

Dear Don,

The Homer Little League is very much interested in being added to Colletta's Little League Appropriation Bill. (or whatever it is.)

The local league here in Homer is in the process of developing a 38 acre park consisting of five new playing fields. Any additional funds would be greatly appreciated.

Letter
saying Homer
Little League
in SB

Sincerely,
Karen Hornaday
Secretary
Homer Little League
Box 1924
Homer, AK 99803

May 21, 1981

Karen Hornaday
Secretary
Homer Little League
Box 1929
Homer, Alaska 99603

Dear Ms. Hornaday:

This will acknowledge receipt of your recent letter stating your interest in being added to Senator Colletta's Little League appropriation bill.

On May 14, Senate Bill No. 519 was passed out of the Community and Regional Affairs Committee, of which I am Chairman, and in that bill the sum of \$20,000 was granted to the City of Homer for capital improvements to fields and facilities. The bill is currently in the Senate Finance Committee where I am sure it is receiving support.

Thank you for sending along your comments.

Sincerely,

Don Gilman
State Senator

LITTLE LEAGUE®

League Name	Fields	Participants	Grant Auth.	District	\$
Cityview	7	250	Muni. of Anch.	7	\$ 37,500.
Mt. View	2	150	Muni. of Anch.	8	22,500.
Nunaka Valley	6	400	Muni. of Anch.	7	60,000.
Knik	7	500	Muni. of Anch.	8	75,000.
Simonian	4	300	Muni. of Anch.	11	45,000.
West Anchorage	5	210	Muni. of Anch.	12	31,500.
Dimond	3	250	Muni. of Anch.	12	37,500.
Polar	2	100	Muni. of Anch.	7	15,000.
Abbott-O-Rabbit	4	350	Muni. of Anch.	11	52,500.
Girdwood	1	20	Muni. of Anch.	11	3,000.
Wasilla	2	228	Mat-Su Borough	6	34,200.
Mat-Su	2	120	Mat-Su Borough	6	18,000.
Kodiak	2	120	Kodiak Borough	14	11,000.
Ketchikan	3	400	City of Ketchikan	1	60,000.
Nome	1	60	City of Nome	22	9,000.
Barrow	1	75	City of Barrow	21	11,250.
Kotzebue	1	50	City of Kotzebue	21	7,500.
Fairbanks Lions	3	200	North Star Borough	20	30,000.
Northpole	1	50	North Star Borough	20	7,500.
West Valley	2	150	North Star Borough	20	22,500.
Nusbaumer	2	100	North Star Borough	20	15,000.
Juneau	6	525	Juneau Borough	4	78,750.
Kenai Borough	3	100	Kenai Borough	13	15,000.
Kenai	1	75	City of Kenai	13	11,250.
Soldotna	7	400	City of Soldotna	13	60,000.
Homer	1	60	City of Homer	13	9,000.
Cordova	1	100	City of Cordova	5	15,000.
Wrangell	1	125	City of Wrangell	2	18,750.
Petersburg	1	100	City of Petersburg	2	15,000.
Sitka	2	300	City of Sitka	3	45,000.
Valdez	4	100	City of Valdez	5	15,000.
Haines	1	50	City of Haines	4	7,500.
Skagway	1	50	City of Skagway	4	7,500.
TOTALS	90	6,068			\$910,200.

Have
Please call her → 3871

Sandy →

Colletta's office sent
down request for
to SB 519 $\$160,000$
amendment

~~Belmont's office~~
wants to add Bennett
Farrenkamp

KDP for North Lane 20,000
20,000
Solidation 20,000
20,000

City of Ketchikan

Norman Walker Field

Alaska State Legislature



Senate

SENATOR MIKE COLLETTA

April 28, 1981

MEMORANDUM

TO: Senator Don Gilman, chairman
Community and Regional Affairs

Dear Don:

It has been requested that you make the following addition to Senate Bill 519.

Sec. 4: The sum of \$160,000 is appropriated from the general fund for payment as a grant to the North Star Borough to be divided equally among the Fairbanks Lions, Nusbaumer, North Pole, Dandelion, Fireweed, Marline, ARCO and West Valley Little League teams for capital improvements to fields and facilities.

Remember that there already are existing Sec. 4 and 5 provisions that should be adjusted.

Thank you,

Mike Colletta

Mike Colletta

Alaska State Legislature



Senate

SENATOR MIKE COLLETTA

May 4, 1981

MEMORANDUM

To: Senator Don Gilman, chairman
Community and Regional Affairs

Dear Don:

It has been requested that you make the following additional to Senate Bill 519.

Sec. : The sum of \$20,000 is appropriated from the general fund for payment as a grant to the City of Cordova for distribution to the Cordova Little League for capital improvements to fields and facilities.

Thank you,

Mike Colletta

May 11, 1981

Mr. Raymond Measles
President
Kenai Little League, Inc.
.O. Box 1376
Kenai, Alaska 99611

Dear Ray:

This will acknowledge receipt of your recent letter supporting the appropriation of money for Little League baseball groups.

The Community and Regional Affairs Committee, of which I am Chairman, held a short hearing on Senate Bill 519, which appropriates money to Little League teams in the state for capital improvements, last Friday. We found it needed some minor work, and will bring it out of Committee on Tuesday, May 12. From there it will go to the Finance Committee.

Thank you for your comments.

Sincerely,

Don Gilman
State Senator

April 30, 1981

KENAI LITTLE LEAGUE, INC.
P. O. Box 1376
Kenai, Alaska 99611

Senator Don Gillman
Pouch V
Juneau, Alaska 99811

Dear Don,

I am happy to hear that the legislature is considering appropriating some funds to organized Little League baseball groups for improvements to their playing fields and facilities. The Kenai Little League Inc. would like to be considered as a recipient of some of these funds if they do become available. We have need for funds to cover repairs to dugouts which have been damaged by frost heave, repairs to outfield fencing and replacement of some fencing, installing additional spectator stands, repairs to the concession stand and reseeded the grass on two of our playing fields.

I will be looking forward to hearing from you on the progress of this bill.

Sincerely,



Raymond Measles, President
KENAI LITTLE LEAGUE, INC.

*write Ray -
say Bill is being
wrought out of committee
5-12-81*

SPORTS

PENINSULA CLARION

APRIL 30, 1981

PAGE 8

Little League bill

State funded baseball?

By DAN GUZAUSKAS
Clarion Sports Editor

Once the word got out that Anchorage Senator Mike Colletta (R) had introduced a bill appropriating \$300,000 to Little League organizations in the Municipality of Anchorage, the Mat-Su Borough and Kodiak, his phone started ringing off the hook.

Those calls, of course, were from other Little League organizations around the state, including the local Little Leagues, that hadn't got a piece of the

(Continued from page 8)

Gilman's concern is that the appropriation, which could add up to \$500,000 or more once all the Little League associations are accounted for, will be added on to the \$403 million municipal capital projects appropriation already passed by the Senate.

"These are things that were to come out of that appropriation," he stated.

But Colletta remarked of the inflated figure, "It's really nothing when you see how many kids are accommodated. I don't know how many could be better spent."

"An allocation of \$20,000 will multiply 10 fold," he commented, explaining that much volunteer work by involved parents would be accomplished once the money is provided for

But it came as no surprise to Colletta. "The exclusion of some of these areas has resulted in a tremendous response," he said, adding that that was what he had expected.

"It was by no intent or design exclude anyone," he claimed, "it was just a matter of getting the ball rolling."

The bill in this case, is Colletta's attempt to allocate \$20,000 of state funds to every Little League organization in the state.

Since the introduction of projects

A stipulation in the bill states that the money can only be used for improving facilities at Little League ballparks and that while materials can be purchased, the labor must be volunteer.

Backing up a step, Colletta went on to explain how and why the bill ever materialized.

He said that after presenting the awards at last year's Little League state tournaments, he met with the coaches who informed him of the need for some assistance.

"The coaches were requested to get back in touch with me," he said to outline specifically where the most assistance was needed.

"It seemed the magic number was \$20,000," which

leagues in Anchorage, two in the Mat Su Borough and one in Kodiak, Colletta has learned that Little League baseball is alive and well on the Peninsula, in Fairbanks and in Southeastern Alaska.

And asked if they will be included in an amended version of the bill, he answered, "They most certainly will."

Senator Don Gilman (R) of Kenai, who chairs the Community and Regional Affairs Committee, will be presenting an amended form of the bill that will

would maintain two or three ballfields, he added.

It was then a simple matter for the organized leagues to make an official request for the money.

However, it was apparent that many leagues dragged their feet in notifying Colletta and in order to introduce the bill before the season started, "I had to go with what I had," he said.

Kenai Little League president Ray Measles said he was not aware that such a plan was in the works. "Our league never received a questionnaire," he said.

"We do have quite a bit of work to do if we had the money," said Measles of the Kenai Little League Park. He added that repairing the dugouts, fencing and the concession stand are major projects on their list.

the state to the Finance Committee next Tuesday.

"I'm not particularly hung up on the bill," said Gilman. "It's like the recreation centers and the cultural centers — once you do it once, you have to do it 10 times."

He said that within two days of Colletta's introduction of the bill, requests had been received from Fairbanks and Southeastern Alaska.

"But I've been asked to move the bill and that's what I'm going to do," he added.

(Continued on page 9)

Don -
I agree that ball
fields ecc can +
should come out
of the \$1,000 per cap
bill. That is not at
all "like the
recreation centers"
in an area where
there is no govt
body that can
fund such a project.
I hope you were
misquoted.
J. H.

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APPENDIX B

SCOPE OF SERVICES

*Mary's Igloo
Scope of work*

I. INTRODUCTION

Mary's Igloo is located approximately 40 miles southeast of Teller near the Seward Peninsula highlands. The original Native village, Kauwerak, was located approximately 15 miles downriver from the present site. In 1900, gold prospecting brought many people to the area. In 1910, the population of Mary's Igloo peaked at 141. (The community of New Igloo, located five miles downriver, also grew during this time.) According to Laurel Bland (in the foreward in "People of Kauwerak: Legends of the Northern Eskimo"), Mary's Igloo was a large mixed community of Eskimos, white traders, miners, innkeepers, missionaries, teachers and support crews for barges or transporters of mail and supplies."

In 1918, the area experienced a major flu epidemic and many people died. So many children were orphaned that the Catholic Church started an orphanage at nearby Pilgrim Hot Springs. The Lutheran Church established another at New Igloo. The disaster, combined with a decline in mining activity and several poor reindeer herding and hunting seasons, forced many residents of both Mary's Igloo and New Igloo to move to Teller and Nome for employment. The BIA school closed in 1948, and the Alaska Native School was closed in 1952 for lack of students. There is currently only one full time Native resident at Mary's Igloo.

The thermal hot springs at Pilgram Springs are perhaps the most significant resource in the area in terms of economic development. In recent years, two groups have developed a mutual interest in the springs: the shareholders of the Mary's Igloo Native Corporation in Teller and the Alaska Division of Energy and Power Development.

The 320 acre parcel owned by the Catholic Church at Pilgrim Springs is leased for 99 years by individuals (many of whom are Mary's Igloo Native Corporation shareholders) who are interested in developing a small community--using the springs for heat, electricity, and to develop greenhouses and a fish hatchery. Within this 320 acre parcel, on a 40 acre parcel which is on a 99 year sub-lease to the State, the Division of Energy and Power Development and the U.S. Department of Energy are exploring the site's potential for heat, agriculture and power generation.

In 1979, the Division conducted numerous tests, studies and exploratory drillings. Additional test drilling is scheduled for 1982. The testing completed thus far indicates that the resource may be capable of heating as many as 200 homes, provide water for a major fish hatchery or support as many as 16 commercial-size greenhouses. However, the actual commercial potential of the hot springs will not be known until the 1982 exploratory drilling is completed (in August or December depending on when the drilling rigs can be located in the field).

The majority of the Mary's Igloo Native Corporation stockholders (approximately 100) presently reside in Teller. Jobs are scarce and most of the good hunting grounds are in the vicinity of Kauwerak, Mary's Igloo and Pilgrim Springs. For this reason, as well as historic and cultural reasons, and dissatisfaction with living in Teller, many of these residents or descendants of residents of Mary's Igloo want to reestablish their village in the Kauwerak or Pilgrim Springs area.

The shareholders have considered four sites for the new village: Kauwerak, Mary's Igloo (Old Igloo), New Igloo, and at (or near) Pilgrim Springs. However, it appears as though one site, approximately one mile from Pilgrim Springs, has been tentatively selected. The site is on Mary's Igloo Native Corporation land.

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The reestablishment of Mary's Igloo represents the development of a completely new community. While there was a traditional village in the area at one time, there is currently no established infrastructure, physical or administrative, nor is there ~~is~~ a totally agreed upon location for the new village. The Mary's Igloo shareholders are looking to the State for assistance. In 1980, they requested the following legislative action:

1. A more intensive exploration of the geothermal resource at Pilgrim Springs.
2. A feasibility study of how the geothermal resource could benefit people residing in the area.
3. The construction of an access road to Kauwerak on Native selected land.
4. The construction of an airport at or near Kauwerak.
5. The construction of a fish hatchery utilizing the geothermal resource on Native selected land.
6. The initiation of a gardening project utilizing the geothermal resource or on Native selected land.
7. The construction of a reindeer processing plant in the Pilgrim Springs area or on Native selected land.

Encouraging the reestablishment of Mary's Igloo implies a major commitment of public funds. In addition to the legislative actions already requested by the Corporation (SB554), additional public funds will likely be needed (if not immediately, in the future) for the planning and engineering of the community and the construction of homes, utilities and/or public facilities.

The proposal to use the geothermal resource to provide energy for the reestablished village is not a primary reason for the proposed relocation, but certainly represents one of several potential uses of the hot springs. The springs may actually be capable of supporting multiple uses, or possibly even providing electricity for the City of Nome. At this point, the ultimate use of the resource is unknown. Until the 1982 tests are completed, no decision as to the resource's impact (or) potential can be made.

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The State Department of Community and Regional Affairs, Division of Community Planning, through a Reimbursable Services Agreement with the Division of Energy and Power Development, proposes to, at this time, verify the interest of the Mary's Igloo Native Corporation shareholders in relocating to the Kauwerak-Pilgrim Springs area and also collect demographic and other pertinent socio-economic information that would provide a preliminary assessment as to the demographic structure of the proposed new village. The Division also proposes to prepare a long-range work program for the possible reestablishment of the village including work elements, time frames, and projected costs.

II. WORK PROGRAM

This element of the study will verify the interest of the Mary's Igloo Native Corporation shareholders in wanting to relocate, provide demographic and other socio-economic information, identify any concerns of those wanting to relocate, and provide a preliminary assessment of the demographic structure of the proposed village. A household survey of all of the Mary's Igloo Native Corporation shareholders who are interested in relocating will be conducted. A survey completed by William Gary, Tundra Rose Enterprises, in May 1981, for the Alaska Energy Center, provides information as to "why" people want to relocate. (Mr. Gary interviewed 25 shareholders who currently reside in Teller. The survey included questions about housing, subsistence uses, climate and environment, employment opportunities, transportation, energy, and services.) However, a more detailed survey of the households of all the Mary's Igloo shareholders who are interested in relocating (approximately 36 families -- 122 people) needs to be conducted.

The interest of those wanting to relocate and the reasons for wanting to establish a new community as well as a preliminary assessment of physical infrastructure requirements need to be confirmed. Additionally, it would be helpful, at this time, to identify the expectations and any concerns of those wanting to relocate, impacts of the relocation, and other general information. The survey will, therefore (at a minimum), incorporate questions about the following:

How many in the household want to relocate?

Are they willing to relocate to any one of the four sites? Which site is preferred?

What are their current living expenses?

How do they currently earn or obtain cash?

How will they "survive" at the new site? Is their income supplemented (government assistance)?

What structures or facilities (e.g. house, school, store, community hall, airstrip, roads, etc.), utilities (e.g. community water, telephone, television, electricity, etc.), and services (e.g. health aide training, postal, etc.) do they use now? Will they want at the new site before they are willing to relocate? Within one year? Within five years?

Will they relocate regardless of how the geothermal resource is developed? How do they want it to be used?

Do they have concerns about relocating? If so, what are they?

What are the ages, skills, abilities, short and long-range plans, etc. of those wanting to relocate?

Where are the historical and existing transportation routes in the area?

Where are the food gathering/subsistence activity sites?

Are there social or cultural characteristics that might affect the location of the new village?

How do those who are relocating envision the future of their new village? What will be the activities or lifestyle of Mary's Igloo (e.g. reindeer herding, agriculture)?

What should the new village look like (e.g. houses close together, what size lots, community garden, etc.)?

The survey will be conducted by the Department in cooperation with the Mary's Igloo Native Corporation. The Contractor will assist in the survey effort in primarily four ways:

A. Questionnaire Development

The Contractor will prepare two questionnaires -- a questionnaire for pretesting (refer to "D" below) and a final questionnaire. Preparation of the questionnaires will be done in cooperation with the Department and is subject to final approval by the Department.

The Contractor will prepare a questionnaire of sufficient length and detail to obtain the information needed as described above. Also, the questionnaire will be developed in a manner that will allow translation into the Native language.

B. Training for Interviewers

The Contractor will prepare a Memorandum to be read by the interviewers prior to administering the questionnaire. The memorandum will prescribe interviewing considerations and techniques relevant to the project. The Contractor will also provide personal guidance to the interviewers with regards to the information contained in the memorandum.

C. Computer Processing

The questionnaires will be coded (responses to open-ended questions will be categorized and also coded), key punched and processed. The SPSS computer software package will be used.

A summary memorandum of the results will also be prepared. The memorandum will be prepared with sufficient detail and a format that will allow easy incorporation into the final report to be prepared by the Department.

D. Pretesting

The Contractor will travel with a Department representative to Teller for the purpose of pretesting the questionnaire. The questionnaire will be administered to 2-3 families (one of which will require translation). The Contractor will evaluate the effectiveness of the questionnaire and make any necessary adjustments.

III. SCHEDULE

The following schedule will be adhered to unless otherwise agreed upon in writing by the Department.

March 5, 1982	Pretest questionnaire completed
March 12, 1982	Pretest evaluation in Teller completed and final survey prepared
(March 22, 1982)	(Department will have conducted survey)
March 26, 1982	Summary memorandum and computer print-out delivered to Department

IV. PRODUCTS

Pretest questionnaire - 5 copies
Final questionnaire - 45 copies
Computer print-out - 1 copy

Summary Memorandum - 3 copies

V. BUDGET

Questionnaire development	\$ 425.00
Interviewing memorandum	150.00
Computer processing and summary memorandum	750.00
Pretesting (including travel to Teller and preparation of final questionnaire)	<u>1,000.00</u>
TOTAL	\$2,325.00

APPENDIX C

REIMBURSEMENT

Article 1 Compensation. The Department agrees to compensate or reimburse the Contractor the sum of \$2,325.00 for the satisfactory performance of services in the completion of the work program described in this Contract.

Travel or per diem required for the completion of this Contract will be reimbursed in accordance with established rates, but not to exceed the General Government Bargaining Unit State rate. Written authority must be obtained from the Department for all out-of-State travel. The Contractor agrees to keep a record of expenses for travel and subsistence, which shall be open to inspection by the Department.

Article 2 Method of Payment. The Department will pay to the Contractor the amount or amounts set forth in Article 1, which shall constitute full and complete compensation for the Contractor's professional services hereunder. Such sum will be paid in the following manner, in every case, subject to receipt of a requisition for payment and a progress report from the Contractor specifying that he has performed the work under this Contract and that he is entitled to receive the amount requisitioned. All expenditures incurred against the Contract must have recorded documentation. Documentation of all expenditures to date shall be included with the progress report. This documentation shall include a summary tabulation of all expenditures by category of expense (Personal Services, Travel and Per Diem, Contractual, Indirect Costs, Fringe Benefits, Supplies, etc.). Billings, invoices, time sheets, receipts, copies of checks and similar items, as appropriate, that verify expenditures incurred during the project shall be submitted, along with proof of payment by the Contractor.

The Contractor, if the Department concurs, may choose to submit certified billings to the Department rather than billings as described above. A certified billing is a summary of expenditures to date by line item Budget categories and certified by a responsible official of the Contractor, the correctness of the billing and as to compliance with applicable grant terms and conditions. Documentation of expenditures as described above need not be submitted with any certified billing but must be retained by the Contractor. The Department or its representatives may inspect the Contractor's records at any time to ensure adequate documentation exists and all expenditures have been made in compliance with terms of this contract. The Department or its representatives may also audit the Contractor in accordance with Article 22 Audits and Inspections. A progress report is also required to be submitted with a certified billing.

A sum of \$232.50, approximately 10 percent of the amount of compensation set forth on the part of the Department in Article 1, shall be retained, in the manner described above, until the services have satisfactorily been completed, as determined by the Department.

It is expressly understood and agreed that in no event will the total compensation and reimbursement on the part of the Department, if any, to be paid hereunder exceed the maximum sum of \$2,325.00. The final project billing shall be submitted no later than 30 days after the completion date as specified in Article 3.

TWELFTH Legislature FIRST Session

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SENATE BILL NO. 554

5 8 C & RA, TRANSPORTATION and Finance

Read first time and referred to Committee on

Received from House

By FERGUSON

Reported back with recommendation that

Reported back with recommendation that

"An Act making special appropriations for the costs of relocating the native village of Mary's Igloo; and providing for an effective date."

Read second time and

Read second time and

Read third time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration
PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration
PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Sent to House

Reported correctly engrossed
Signed by Speaker
Returned to Senate

To enrolling
Reported correctly enrolled
Sent to Governor
by Governor

Filed with Lt. Governor

Chapter No.

Introduced in the Senate 5/8 19 81

SECRETARY OF THE SENATE

CHIEF CLERK OF THE HOUSE

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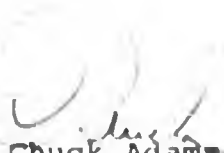
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Alaska State Legislature
Pouch V
Juneau AK 99811

Dear Senator Gilman:

I think this continued squabbling over the capitol move is the most ridiculous waste of public money and time I have seen in my years in Alaska.

We have much more important things to do with this state than this senseless bickering over who has the capitol.


Chuck Adams
2270 Lake George Drive
Anchorage Alaska 99504

6-16-81

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY JUNE 16
1:30 p.m.

PROPOSED CS FOR SB 586(SA)---An Act relating to
relocation of the state capital

THIS HEARING WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS
COMMITTEE ROOM, BEHRENS BUILDING, FIRST FLOOR, AT THE
CORNER OF SEWARD AND THIRD STREETS. IF YOU HAVE ANY QUES-
TIONS PLEASE CONTACT SENATOR FISCHER'S OFFICE (4'5-4954).

June 11, 1981

Memorandum *To Senator Gilman*

From: Representative Hayes *JWH*

Subject: Capital Relocation

Attached for your information is draft of proposed capital relocation legislation which has been worked out in conjunction with Assistant Attorney General Rod Pegues. We believe that the Governor will sign it and that it represents the best possibility for acceptable legislation to resolve this issue during the present legislative session.

June 11, 1981

M E M O R A N D U M

Subject: Capital Relocation Legislation - SB 586 (HB 603) as Amended
(Draft 06/10/81)

SB 586 (HB 603) with the amendments contained in the draft dated 06/10/81 appears to form the basis on which it may be possible to resolve the relocation issue during this session of the legislature. We have worked with Assistant Attorney General Rod Pegues to iron out differences in approach and have reached consensus on provisions of a bill which we think the Governor will sign. It is a good bill which presents a fair basis for an informed choice by the voters on the question of relocation.

1. For the first time, planning (and the cost estimates derived from it) can go forward on a rational, realistic basis without being hampered by arbitrary requirements designed primarily to increase cost estimates or to require borrowing of unnecessary amounts, as in the existing statutes. The draft bill eliminates these arbitrary requirements.

2. The new bill permits planning and cost estimates based on completion of relocation at the earliest practical date by which a functional state capital can be established. This is a substantial concession from the Governor's previous bills which spoke only in terms of updating the existing Planning Commission plan calling for a long-drawn-out 16 or 17 year relocation completion date.

3. The new draft permits planning to proceed beyond the stage contemplated in the original CSFC statutes, to fit the plan to the ground. The CSFC is to proceed with preparation of a general development plan and specific development plan for the new capital site, doing the work which, under the bill vetoed, would have been done by the Development

-2- Capital Relocation Legislation

Corporation. This will enable planning to proceed without interruption and will save at least a year in the start of the development process, with a consequent saving of millions of dollars in the cost of relocation

4. The Governor insists that any bill he will sign must show total costs on the ballot. He has conceded, however, that in determining those costs:

(a) With possible minor exceptions, only costs in the public sector are to be included

(b) The ballot proposition will show not only the total cost but also the amount of that cost which can reasonably be expected to be defrayed out of the net proceeds of land sales.

(c) The ballot proposition itself, not just the explanation of it, will also show the cost to the state of providing facilities needed in Jireau and elsewhere to accommodate the growth in state government if relocation does not take place

June 11, 1981

Subject: Explanation of Suggested Changes in SB 586 (Governor's Capital Relocation Bill) (same as HB 603)

In the draft amended bill (Draft 06/10/81) the original provisions of the Governor's bill are shown on numbered lines. Changes are shown either by inked inserts in the original typewritten text or by typed inserts on un-numbered lines.

Page 1, line 10. The title is amended to add reference to new material.

Page 1, line 22 (and new provisions on page 2). A provision has been added that the ballot proposition itself, not just the explanation, must show (1) the amount of the total cost to the state which it is estimated can be offset by net proceeds from disposal of land in the new capital site; and (2) the estimated costs through the relocation completion date of providing new or expanded facilities at Jumeau and elsewhere to accommodate estimated growth in state government, in the absence of relocation. Items (3) and (4) cover the former contents of (b), and the last line of the former (b) has been moved to the first sentence of (c). The language concerning the estimate of numbers of employees to be relocated has been clarified.

Page 3, line 16. Item (6) is limited to costs "related to relocation".

Page 3 following line 22. Subsection (d) clarifies that the cost estimates relate to those under the new, revised plan. (See also related amendments to AS 44.06.230(b) and (j) at pages 7 and 8 of the draft.)

Page 4 following line 3. A provision is inserted to clarify that costs to the state include only public sector, not private sector costs, except to the extent, if any, that facilities for the private sector may be developed by the development entity to be conveyed to private

parties. Any such development is limited by the new provisions of AS 44.06.230(b), at page 7. If any such development occurs, the cost is limited to the difference, if any, between the return to the state upon disposal of the developed property and the return which it might have received on the basis of the average rate of return for the state's investment of its surplus funds.

Page 4, subsection (e). The definition of "net proceeds" is clarified.

Page 4, subsection (f)(1) and (2). The commission is to make the study of cost of leaving the capital in Juneau in the absence of relocation (f)(1). The provisions concerning estimates of the savings, if any, from avoidance of construction at Juneau and elsewhere if the capital is relocated by the relocation completion date have been revised slightly (f)(2).

Page 6, subsection (j). This is the "laying the issue to rest" provision.

Page 6, subsection (k). Definitions of "basic development plan" and "commission" have been inserted.

Page 7. A new section 2 amends the existing CSPC statute to update the amount of compensation payable to members of the commission (AS 44.06.210(c)).

Pages 7, 8. New sections 3, 4, 5, 6 and 7 revise provisions of Sec. 44.06.230 of the CSPC statute to make them consistent with the provisions and intent of this bill as spelled out in section 1. The most important changes are in subsections (b) and (j).

Page 8. A new section 8 amends AS 44.06.260 to provide for reports to the legislature and others by April 15, 1982 and August 16, 1982, and thereafter (as in the existing statute) each six months.

Page 9, line 20. "1978" is deleted, since the "basic development plan" is the revised, updated plan, not the 1978 one.

Page 10, lines 25, 26 and page 11, line 15. The language concerning preparation and approval of a specific development plan (Sec. 44.06.280) is amended to make it consistent with the first sentence of AS 44.06.-270(a).

Page 12, lines 2, 3. The definition of "commission" is unnecessary here, since all the provisions are added to the commission's statute. A definition of "commission" has been added to AS 44.06.196 (page 6 of the draft.) A substitute section 44.06.290 keeps land in the new capital site area outside the scope of the Homesite Entry law. The present exemption expires June 30, 1982.

1 IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 586

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to relocation of the state capital:
7 repealing and reenacting the law enacted by the ini-
8 tiative popularly known as the 'FRANK Initiative' to
9 provide for the determination of the costs of capital
10 relocation

; amending the laws relating to the New Capital Site Planning Commission; and conditionally repealing laws relating to relocation of the state capital."

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

12 * Section 1. AS 44.06.196 is repealed and reenacted to read:

13 Sec. 44.06.196. CAPITAL RELOCATION EXPENDITURES. (a) Except for
14 money used for planning, design, studies, and field investigations in
15 accordance with the provisions of AS 44.06.200 -- 44.06.290, state
16 money may be spent to relocate the state capital from its present
17 location to the new capital site at Willow only after a majority of
18 those voting on the proposition at the 1982 general election have
19 approved a ballot proposition which includes the total cost to the
20 state of providing for completion of relocation of a functional state
21 capital at the new capital site at Willow as provided in this section.

~~22 (b) The ballot must contain an estimate, free each of the branches
23 of government of the number of central state employees reasonably ex-
24 pected to be relocated by it from Juneau and other existing, named lo-
25 cations to the new capital site at Willow and a breakdown of costs es-
26 timated by the commission for capital improvements, relocation of per-
27 sonnel and equipment, and indemnification under AS 44.08. The sum of
28 the following, as estimated by the New Capital Site Planning Commis-
29 sion, shall be the costs submitted to the voters on the ballot proposi-~~

tion

(b) The ballot proposition shall also show:

(1) the amount of the total cost which it is estimated can be defrayed by net proceeds from disposal of land in the new capital site;

(2) the estimated costs through the relocation completion date of providing for new or expanded facilities in Juneau and elsewhere to accommodate estimated growth in state government, in the absence of relocation, as outlined in (f)(1) of this section;

(3) an estimate, based on information obtained from each of the branches of government, of the number of central state employees reasonably expected to be relocated from Juneau and from other existing, named locations to the new capital site at Willow; and

(4) a breakdown of costs estimated by the commission for capital improvements, relocation of personnel and equipment, and indemnification under AS 44.08.

(c) The sum of the following, as estimated by the commission, shall be the costs submitted to the voters on the ballot proposition:

(1) the cost to the state as of the relocation completion date of the land development, capital improvements and furnishings necessary to provide a functional state capital;

2 ~~(1) the cost to the state as of the relocation completion~~
3 ~~date of the land development, capital improvements, and furnishings ne-~~
4 ~~cessary to provide a functional state capital;~~

5 (2) the cost to the state as of the relocation completion
6 date of relocating the central state employees and their dependents and
7 household goods to Willow;

8 (3) the cost to the state as of the relocation completion
9 date of moving offices, office equipment, and office contents suffi-
10 cient to accommodate the central state employees at Willow;

11 (4) the cost to the state as of the relocation completion
12 date of the indemnification requirements of AS 44.08;

13 (5) the cost to the state of the plans, designs, studies,
14 and field tests for relocation of the capital through the relocation
15 completion date;

16 ~~(6) the cost to the state of the elements set out in the de-~~
17 ~~tailed development plan described in AS 44.06.230, including payments~~
18 ~~deferred beyond the relocation completion date, to the extent those~~
19 ~~costs are not otherwise provided for in items (1) - (5) of this subsec-~~
20 ~~tion; and~~

(6) the cost to the state of the elements set out in the
basic development plan described in AS 44.06.230, including payments
deferred beyond the relocation completion date, to the extent those pay-
ments are related to relocation and are not otherwise provided for
in items (1) - (5) of this subsection; and

21 (7) the cost to the state of financing the costs specified
22 in this section.

23 ~~(d) The New Capital Site Planning Commission shall take the cost~~
24 ~~estimates provided in (b) of this section by updating its detailed de-~~
25 ~~velopment plan and cost estimates of March 15, 1978, to reflect the~~
26 ~~progress to date.~~

(d) The cost estimates under (c) of this section shall be the costs
to the state under the basic development plan, based on an updating, as
provided in this section and AS 44.06.230, of the commission's detailed
development plan and cost estimates of March 15, 1978.

27 In making its update, the commission shall revise
28 those assumptions in the plan, if any, which are shown by substantial
29 evidence to be erroneous and shall use the average rate of growth for
central state positions and the average annual rate of inflation for

1 construction costs and for other costs for the preceding 10 years, tak-
2 ing into account any unusual growth or decline in growth caused by spe-
3 cial circumstances.

If state money is to be used to develop facilities which are to be conveyed to and used by private persons, with the state money thereby recovered, the costs shall be included in total costs under (c) of this section only to the extent, if any, that the money recovered is less than would have been recovered had it been invested on the basis of the average return under AS 37.10.070.

4 ~~(d) The commission shall update its estimate of the net proceeds~~
5 ~~(increased value less current value) reasonably expected to be received~~
6 ~~from the disposal of land at the capital site through the relocation~~
7 ~~completion date.~~

(e) The commission shall update its estimate of the net proceeds reasonably expected to be received from the disposal of land at the capital site through the relocation completion date. For purposes of this estimate, net proceeds means increased value of lands estimated to be disposed of if relocation occurs less current value to the state of such lands in the absence of relocation, taking into account the likelihood of disposal of such lands and of their producing revenue to the state.

(f) The commission shall also make the following studies and estimates.

(1) It shall estimate the cost through the relocation completion date of providing for new or expanded facilities in Juneau and elsewhere to accommodate estimated growth in state government in the absence of relocation. In making its estimates for this purpose, it shall use the same projections for growth in state government and for total space required to accommodate that growth as it uses in determining its plan and estimates of costs for the new capital site, but the estimate of total space shall take into account the state's past and current practice of providing public facilities at Juneau and elsewhere.

(2) It shall estimate the costs of construction of new or enlarged public facilities or new or expanded leases at Juneau and elsewhere through the relocation completion date, based on the state's past and current practice of providing public facilities at Juneau and elsewhere, which may reasonably be expected not to be incurred by the state, if the capital is relocated by the relocation completion date.

The amount of savings, if any, determined under (f)(2) shall be included, along with the explanation of the items specifically mentioned in the ballot proposition itself, in the Official Election Pamphlet (AS 15.58) explanation of the proposition prepared under this section.

~~The commission shall also estimate the costs for construction of new or enlarged public facilities or new or expanded leases at Juneau through the relocation completion date, based on the state's past and current practice of providing public facilities at Juneau, which may reasonably be expected not to be incurred by the state, if the capital is relocated by the relocation completion date. These costs and the net proceeds from land disposal, together with the total costs of relocation, as estimated under (b) of this section, shall be included in the explanation in the Official Election Pamphlet (AS 15.58) of the proposition prepared under (a) of this section.~~

(g) In making its estimates, the commission shall neither overstate nor understate the costs, but rather shall make the most realistic estimates possible with the evidence available to it.

(h) The commission shall, on August 16, 1982, provide the legislature, the governor, the lieutenant governor, the director of elections, and the public with its updated plan and a report setting out the cost estimates required by this section and the number of central government employees to be relocated from existing, named locations to the new capital.

(i) After receipt of the report of the commission, the director of elections shall prepare a ballot proposition in accordance with this section and place it on the ballot at the 1982 general election.

(j) If the ballot proposition provided for in this section is approved by a majority of the votes cast on the question, an amount equal to the estimate of total costs may be expended to complete relocation of the capital. If the ballot proposition is rejected by a majority of those voting on the proposition, the Capital Relocation Initiative (AS 44.06.100 - 44.06.190), the 'FRANK Initiative' as amended (AS 44.06.195, 44.06.196), the laws establishing the New Capital Site Planning Commission (AS 44.06.200 - 44.06.290) and the Relocation Indemnification Act (AS 44.08) are repealed.

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(K) In this section

(1) "basic development plan" means the plan for development of those facilities described in the updated plan prepared by the commission pursuant to the provisions of this section and AS 44.06.230;

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(2) "central state employees" means employees primarily involved in matters which concern statewide activities of the state government rather than regional or local activities of the state government.

(3) "commission" means the New Capital Site Planning Commission (AS 44.06.200);

(4) "functional state capital" means a city which has the public buildings, public utilities, access roads, streets, and other facilities necessary to meet the operational needs of state government and to accommodate the numbers and classifications of central state employees estimated in (b), the population estimated in (b), and the general public; and

(5) "relocation completion date" means the date which the commission, based on substantial evidence, estimates is the earliest practical date by which a functional state capital can be established in Willow.

* Sec. 2. AS 44.06.210(c) is amended to read:

(c) The members are entitled to receive \$200 [\$100] per day for their service on the commission and per diem and travel expenses as authorized by law.

* Sec. 3. AS 44.06.230(a) is amended to read:

Sec. 44.06.230. PURPOSE; [DETAILED] DEVELOPMENT PLANS [PLAN]; DUTIES OF COMMISSION. (a) The purpose of the commission is to prepare [A] detailed plans [PLAN] for development of the capital site within the guidelines enumerated in this chapter and AS 44.06.196. The basic [THIS DETAILED] development plan shall be completed in time to meet the requirements of AS 44.06.196 [NO LATER THAN MARCH 15, 1978] and shall be made subject to public input during its formulation. Following completion of the plan, the commission shall make public presentations of it throughout the state.

* Sec. 4. AS 44.06.230(b) is amended to read:

(b) The basic [DETAILED] development plan shall include, but need not be limited to, the following elements: government facilities, community facilities, transportation, public utilities, communication facilities, commercial and industrial development, residential development, resources and environmental aspects. The development of commercial, industrial and residential facilities shall be provided by the private sector to the maximum extent feasible. It shall include provisions addressing each element in terms of its social and economic impact. The plan should also address governmental jurisdictions, including statements as to the appropriate planning and development authority and recommendations as to the forms and powers of the local government. The commission shall also develop a planning and implementation work program.

* Sec. 5. AS 44.06.230(e) is amended to read:

(e) The commission shall [NO LATER THAN MARCH 15, 1978,] recommend to the legislature the type of development entity which would be responsible for capital city development as well as the powers and authority which should be vested in this development entity.

* Sec. 6. AS 44.06.230(f) is amended to read:

(f) The commission shall conduct a cost analysis which includes proposed construction schedules and related cost studies including but not limited to construction costs and escalation and energy efficient construction [AND LIFE CYCLE COSTING INCLUDING OPERATIONS AND MAINTENANCE COSTS]. The commission shall also prepare financing analysis including the investigation of funding alternatives and submission of a recommended financial plan to the legislature. [NO LATER THAN FEBRUARY 1, 1978]

* Sec. 7. AS 44.06.230(j) is amended to read:

(j) In this section, "basic [DETAILED] development plan" [FOR DEVELOPMENT OF CAPITAL SITE"] means the plan for the development of those facilities [PUBLIC AND PRIVATE] described in the updated plan of the commission prepared pursuant to the provisions of this section and of AS 44.06.196. [CAPITAL SITE SELECTION COMMITTEE REPORT DATED DECEMBER 11, 1975. THE INITIAL AND OVERALL SITE SPECIFIC DEVELOPMENT PLAN SHALL BE PRESENTED TO THE LEGISLATURE NO LATER THAN MARCH 15, 1978.]

* Sec. 8. AS 44.06.260 is amended to read:

Sec. 44.06.260. REPORTS. The commission shall report on its work by April 15, 1982 and by August 16, 1982 and shall give further reports each [EVERY] six months thereafter. These [THIS] reports [REPORT] shall be distributed to the governor, presiding officers of the legislature, chief justice of the supreme court, and the general public.

* Sec. ~~29~~ AS 44.06 is amended by adding new sections to read:

16 Sec. 44.06.270. GENERAL DEVELOPMENT PLAN. (a) Simultaneously
17 with the ^{preparation} ~~update~~ of the basic development plan, the commission shall be-
18 gin preparation of a general development plan and preparation of a spe-
19 cific development plan for the new site at ~~the~~ site at ~~the~~ ~~site~~. To the ex-
20 tent that they are not adequately covered by the ~~1976~~ basic development
21 plan prepared by the commission, the general development plan shall in-
22 clude, but is not limited to,
23

24 (1) an estimate of the proposed uses of land throughout the
25 entirety of the new capital site at Willow, with a general allocation
26 of the amounts and proportions of land to be devoted to governmental,
27 residential, commercial, industrial, institutional, and public uses,
28 and indicating the anticipated population and building densities for
29 the new capital site at Willow based on the proposed uses of the land;

(2) an estimate of the cost, number, nature, and general lo-
cations of governmental and institutional facilities relating to use of
the site as the new capital of the state, public transportation and ma-
jor arterial street systems, parks and recreation facilities, water,
sewer and drainage systems, electric, telephone and other energy or
communications systems or utilities, and health, educational and com-
munity facilities;

(3) the approximate time schedule for the stages of develop-
ment of the new capital site at Willow with reference to both the vari-
ous parts of the new capital site and to the various types or categories
of land uses proposed;

(4) the means of financing the facilities described in (2)
of this subsection, the anticipated sources of money for completion of
the facilities, and the means by which borrowed money required to com-
plete the facilities is to be repaid; and

(5) any additional statements or documentation the ^{Commission}~~commission~~
considers necessary or appropriate.

(b) The commission shall include in the general development plan
an estimate of

(1) the minimum acreage of land to be allocated for the lo-
cation and construction of state offices and related state facilities;
and

(2) the minimum acreage of land to be set aside and allo-
cated for parks, lakes, recreation and open space use, which, when de-
veloped, is available for the use and enjoyment of the general public.

(c) The commission shall hold at least one hearing in each judi-
cial district of the state to receive comments from interested parties
on the general development plan proposed by the commission. Each hear-
ing shall be held in a community of the state selected by the commis-
sion. Public notice of a hearing under this subsection shall be given

1 by the commission by publication in a newspaper of general circulation
2 in the community.

3 (d) Following the completion of public hearings, the commission
4 shall approve the general development plan. The plan may be approved
5 with or without amendment. To be adopted, the general development plan
6 requires approval by at least two-thirds vote of the full membership of
7 the commission upon a finding that the plan is in accordance with and
8 furthers the purposes of this chapter. The commission shall submit the
9 general development plan to the assembly of the Matanuska-Susitna Bor-
10 ough and becomes effective only after review and comment by the assem-
11 bly. The assembly shall submit its comments on the general development
12 plan to the commission not later than 60 days after submission of the
13 plan to the assembly.

14 (e) Major amendments to the general development plan may be made
15 in accordance with the same procedure set out in this section for ap-
16 proval of the plan. Minor amendments of limited application may be
17 made without following the procedure of this section. However, when
18 adopting a minor amendment, the commission shall publish notice of the
19 proposed amendment which it considers appropriate and shall invite
20 written comments on the proposed amendment before its adoption. An
21 amendment to the general development plan takes effect on the date set
22 by the commission. However, a major amendment may not take effect un-
23 less it is reviewed by the Matanuska-Susitna Borough in accordance with
24 (d) of this section.

25 Sec. 44.06.280. SPECIFIC DEVELOPMENT PLANS. (a) ~~After adoption~~
26 ~~of the general development plan,~~ The commission shall also prepare one
27 or more specific development plans for the new capital site at Willow.
28 A specific development plan includes, but is not limited to,

29 (1) a description of the area to be developed;

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(2) a detailed and specific statement of the proposed uses in the area to be developed, including proposed locations of all buildings and structures;

(3) a general description of the land-use restrictions or covenants proposed for the area to be developed;

(4) a map of the existing and proposed transportation and utility systems in the area to be developed;

(5) a statement of the methods by which the property in the area to be developed may be disposed of;

(6) a statement of the relationship between the specific development plan and the general development plan; and

(7) any additional statements or documentation which the commission considers necessary or appropriate.

(b) A specific development plan shall be approved by the commission ^{only after adoption of the general development plan.} A specific development plan becomes effective only after review and comment by the assembly of the Matanuska-Susitna Borough. The assembly shall submit its comments within 60 days of submission of the plan to the assembly.

(c) Amendments to a specific development plan may be made according to the procedure established in this section for approval of a specific development plan.

(d) The commission shall record a specific development plan and any amendments in the appropriate recording district

(e) A specific development plan constitutes the controlling document and land use plan for the area to be developed.

(f) Approval of a specific development plan is an amendment to the relevant portion of the general development plan. A specific development plan which constitutes a substantial change from the general development plan is subject to the provisions applicable to amendments

to the general development plan under AS 44.06.270(d) and (e).

2 | ~~Sec. 44.06.290. As used in AE 44.06.195 - 44.06.290, the word~~
3 | ~~"commission" means the New Capital Site Planning Commission.~~

Sec. 44.06.290. REAL PROPERTY IN THE NEW CAPITAL SITE. No land may be classified and made available for homesite entry under AS 38.08.010 - 38.08.120 within any portion of the new capital site established under AS 44.06.

4 | * Sec. 2.10. FILLING VACANCIES IN COMMISSION MEMBERSHIP; MEETING. Within 15
5 | days after the effective date of this Act, the governor shall fill any
6 | vacancies in the membership of the commission and shall call the first
7 | meeting of the commission.

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LEGISLATION SUMMARY

SB 608: "An Act making a special appropriation to the Alaska Power Authority for the Susitna River hydroelectric project; and providing for an effective date."

Sec. 1: Appropriates \$1,000,000,000 from the general fund to the APA power development fund for planning, design and construction of the Susitna River hydroelectric project.

Sec. 2: Effective date--immediately.

PRIME SPONSOR: Kerttula

CO-SPONSOR(S): Dankworth

ed: 3/8/82

ALASKA POWER AUTHORITY

334 WEST 5th AVENUE - ANCHORAGE, ALASKA 99501

Phone: (907) 277-7641
(907) 276-0001

March 5, 1982

The Honorable Betty Fahrenkamp
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

At your 3 March 1982 Senate Resources Committee hearing on SB-608, you requested that I identify the minimum funding requirements needed to insure that the energy development program proceeds unimpeded. Last year the Legislature appropriated both funds and interest to be earned on those funds to construct a number of projects. The Attorney General has made a preliminary finding that interest was improperly appropriated and thus is not available. In addition, construction costs of some of the projects have risen while the cost of others decreased.

The Power Authority has provided tax exempt interim financing for two of the projects and is prepared to do the same for others if necessary. This technique must be construed only as a temporary solution, however, as it will ultimately be necessary to provide long term financing through state appropriations or Revenue Bonds. Please also be aware that this is my perception of funding needs that would maintain the current program, but it has not been endorsed by Governor Hammond or his staff. The Governor's Budget Review Committee has a much broader view of the state's program priorities and should be consulted when reviewing this input. Finally, I have identified for Senator Dankworth those funds previously appropriated which are excessive to specific project needs and thus are available for reappropriation. Following is the information which you requested:

1. Swan Lake - It appears that it will cost up to \$16 million to complete the acquisition and construction of this project through December 1983. However, interim financing is in place. Therefore it is possible to defer subsequent appropriations of these amounts to the future, or long term bonds could be issued sometime prior to the maturity of the interim financing. Therefore the appropriation request could be reduced to zero for the current fiscal year.
2. Lake Tye - Interim financing has also been accomplished for this project, however, \$40 million in state funding may be necessary to complete the construction financing of this project if the state is going to directly fund the full costs of this project. It is possible that the FY 83 appropriation for this project could be deferred to FY 84.

3. Bradley Lake - The Power Authority is currently preparing its recommendations to the Governor and the Legislature for this project. \$15 million has been appropriated to date for the project and it has been indicated by the Corps of Engineers that in order to enter into an agreement to proceed with construction of the project in FY 83, it would be necessary for an additional \$35 million to be appropriated in FY 83. In addition, the Legislature must authorize the Power Authority to proceed with design and construction of the project.
4. Anchorage/Fairbanks Intertie - Since interest earnings may not be available, unless the law is changed for funds appropriated for projects to be financed from the Power Development Fund, it would be necessary to appropriate \$57 million to complete construction of the project through FY 84. The Power Authority would need authorization to issue bonds to complete construction of the project if appropriations were not available in FY 83. For this project it is also necessary to amend or repeal Sec. 14, Ch. 118, SLA 1981, which is special legislation which could jeopardize efforts of the Power Authority to proceed with construction of the project.
5. Terror Lake - The estimated cost to complete construction of this project for the low dam scheme is \$174 million. The Power Authority will receive bids in mid-April for the major Civil Construction Contract associated with this project. It will only be at that time that we'll have a more definitive cost to complete construction of this project. The Power Authority can interim finance this project with the existing bond authorization of \$120 million and the \$81.5 million in appropriated funds if the civil construction bids come in reasonably close to the estimated cost of the project. The reason the existing \$120 million bond authorization would be insufficient, if the construction cost increase by from \$5 to \$15 million, is because the interim financing mechanism requires that all interest during construction be capitalized out of note proceeds. Therefore it would be advisable to obtain an approximately \$20 million appropriation in FY 83 for the Terror Lake project or receive an increased authorization to issue bonds for the project of \$20 million.
6. Rural Electrification Loan Fund - This appropriation request could be reduced to zero for FY 83 since no utility has applied to date for our FY 82 funds. However restructuring of the fund may generate instant demands for existing funds.
7. Power Cost Assistance Fund - This capital appropriation was shifted into the operating budget request of the Power Authority by the Budget Review Committee and by knowledge has been included in the Governor's request for funding.

8. Black Bear Lake - The Power Authority does not have to initiate construction with funds to be appropriated in FY 83 and the Power Authority could be prepared to proceed with construction in FY 84 if \$3 million was appropriated in the current fiscal year to proceed with design of the project. It would also be advisable to authorize the Power Authority to issue bonds in the amount not to exceed \$60 million for the project which would also include capitalized interest. The actual present pay cost of the project is roughly \$35 million.
9. Kake/Petersburg Transmission Line Intertie - The Power Authority is still studying the feasibility of this project and there will not be a determination for approximately another 4 months. If the project is feasible, approximately \$500,000 would be necessary in FY 83 to proceed with design and right-of-way activities.
10. Kotzebue District Heating Project - Funding request of \$2.5 million would be necessary in FY 83 to proceed with the detailed engineering and design of the project. Feasibility study results may not be available for at least 2 months.
11. Chester Lake Hydroelectric Project - The Power Authority recommendations are currently being prepared on the feasibility of this project. If the project is authorized for construction approximately \$14 million would be necessary in FY 83. A FERC license will not be required to initiate construction of this project. The Legislature would have to authorize the Power Authority to proceed with design and construction of the project, in addition to a bond authorization of \$20 million if the project is not state funded.
12. Rural Small Hydro Construction - The \$27 million request for this program represents \$5 million in FY 83 and only the best of the projects currently being investigated would proceed with design and construction. Construction could begin this summer on some of the small projects.
13. Rural Waste Heat Construction - The full funding request of \$2 million is necessary for FY 83 because the assessments demonstrate that waste heat recapture is very attractive for many rural communities.
14. Susitna Hydroelectric Project - The budget request of \$25.6 million is what will be necessary to proceed with the detailed design and continued processing of the FERC license during FY 83. Authorization to proceed with engineering and design of the project is necessary.

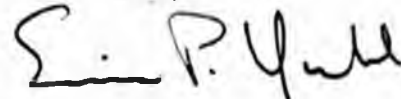
15. West Creek Hydroelectric Project - The budget request of \$2 million is what would be necessary to initiate the detailed design of this project if the determination of feasibility is made within the next 2 months. If the Power Authority is going to be appropriated funds and to proceed with design of this project once the determination of feasibility is made it would be necessary to receive an authorization to proceed with design of the project from the Legislature
16. Grant Lake - The Power Authority is currently completing the feasibility study for this project. If the Power Authority were going to proceed with design of this project at least \$2 million would have to be appropriated in FY 83. In addition, legislative authorization for construction would be required.
17. Bristol Bay Project Licensing and Final Design - The feasibility study is still proceeding, however, there will not be a final determination of feasibility of a project before the end of the legislative session. If the capital intensive alternative is determined to be feasible in the region it would cost approximately \$4 million to complete the detailed design of the project. In addition the Power Authority would have to be authorized to proceed with detailed design in accordance with our statutes.
18. Lower Kuskokwim Power Plan - \$2 million is necessary in FY 83 to complete the detailed feasibility study of the preferred alternatives which will be identified as a result of the studies currently underway. The \$1 million in funding in FY 82 was sufficient to complete Phase I of the detailed feasibility study of the Lower Kuskokwim Region.
19. Chakachamna Hydroelectric Project - \$2.2 million is necessary in FY 83 in order to complete the Chakachamna feasibility study which was funded for \$1 million in FY 82.
20. Rural Village Feasibility Study - The budget request of \$4 million for this project is necessary to address the severe problems in rural Alaska and to establish the feasibility of those alternatives which are identified in FY 81 as a result of the rural recon studies currently underway. If funding is reduced below \$4 million, then feasibility studies will only be undertaken on the alternatives that showed the greatest potential as a result of the FY 82 reconnaissance studies in rural Alaska.
21. Hoonah Intertie - If a detailed feasibility study and initiation of design of this project is going to be initiated, Appropriation necessary in FY 83 will be \$1.1 million.

The Honorable Bettye Fahrenkamp
March 5, 1982
Page 5

22. Reynolds Creek Hydroelectric Project - Funding for the initial environmental studies associated with this project could be deferred to a later year since the Black Bear Lake Hydroelectric Project will be capable of addressing the near to mid term needs of the communities on Prince of Wales Island.
23. Emergency Maintenance Fund - This fund will be capitalized out of program receipts received from revenues from the sale of power. Since consumers will be paying in their rates the revenues derived to capitalize this fund, and since it is not known specifically when the emergency maintenance fund may be drawn on, it is requested that the \$500,000 for this appropriation be appropriated with interest earnings so that the value of the revenues collected from consumers is not diminished overtime.
24. Renewal and Replacement Fund - The \$750,000 requested in FY 83 would be again program receipts derived from revenues from the sale of power. The appropriation of these program receipts should be with interest earnings so that the value of the revenues collected from consumers will not be diminished from the period of time they are collected until they are actually utilized for renewal and replacement of components of the project.

If you have any questions or would like any additional information, please call upon me.

Sincerely,



Eric P. Yould
Executive Director

Attachment: as stated

cc: Chuck Conway
Ron Lehr
Jerry Reinwand
Commissioner Mueller

ALASKA POWER AUTHORITY

334 WEST 5th AVENUE - ANCHORAGE, ALASKA 99501

Phone: (907) 277-7641
(907) 276-0001

March 5, 1982

SB 157

The Honorable M. E. Dankworth
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Dankworth:

You have requested information on funds which have been appropriated to the Power Authority in recent years which may be available for reappropriation. I understand that this is necessary due to the fact that the state's revenue projections for FY 83 have been considerably reduced. In addition preliminary indications from the Attorney General's office on the law suit of the Trustees for Alaska are that interest earnings, which were appropriated with funds appropriated in FY 82 for the Power Development Fund, may not have been properly appropriated and may not accrue to the projects for which they are appropriated. The following is a listing of those appropriations which we feel are available for reappropriation for other projects and purposes.

1. Annon Title - Original appropriation was for \$250,000 in Ch. 120 SLA 1980. This project does not appear that it will proceed in any form and the total amount of the appropriation could be used for other purposes.
2. Akutan - Ch. 54 SLA 1980 appropriated \$1.1 million for a small hydroelectric project at Akutan. \$126,000 was loaned to the City of Akutan for the purchase of a turbine for the project. The balance of this appropriation or \$974,000 could be used for other purposes. I recommend that the appropriated amount be reduced to \$126,000, since the project will not proceed to construction.
3. Bethel - \$2 million was appropriated in Ch. 54 SLA 1980. The purpose of the appropriation was for a loan to the City of Bethel to purchase the Bethel Utilities Corporation. \$2 million is insufficient to purchase the utility and the effective interest rate for loans from the power project loan fund is unacceptable to the City of Bethel. The City of Bethel does not appear to be interested in pursuing an application for the loan of these funds for this purpose. These funds could be made available for reappropriation for other purposes.
4. Green Lake - Ch. 90 SLA 1981 appropriated \$60 million for the Green Lake Project. Ch. 92 SLA 1981 repealed and reenacted

Section 1 of Ch. 90 SLA 1981 to appropriate \$50 million for Green Lake in FY 82 and \$10 million in FY 83. If the City and Borough of Sitka determines that they want to participate in the Energy Program for Alaska, the Power Authority would have to acquire the Green Lake project with the appropriated funds. It is not clear as yet what the definitive cost would be for acquisition since the resolution of construction claims, and the method of defeasance of bonds issued by the City of Sitka to finance the construction of the project have not as yet been determined. If funds were to be made available for reappropriation I would advise that the FY 83 appropriation contained in Ch. 92 SLA 1981 be reduced from \$10 million to \$2 million. Remaining funds would be sufficient to acquire the project with no impact to Sitka.

5. Solomon Gulch - \$68 million was appropriated in Ch. 90 SLA 1981 for the acquisition of this project. Ch. 92 SLA 1981 deferred \$10 million of the \$68 million appropriation to FY 83. The cost of acquisition of this project should be more definitive defined within the next 3 weeks. At that time it will be clearly established what the necessary costs will be to pay off certain loans from the Federal Financing Bank which had been made to the Copper Valley Electric Association and what it will cost to defease certain low interest loans from the Rural Electrification Administration. In addition, there are approximately \$6 million in outstanding construction contract claims which will have to be resolved. It appears that it is possible to designate up to \$15 million of the \$68 million which had been appropriated for the project for reappropriation for other projects. I would suggest that the FY 83 appropriation contained in Ch. 92 SLA 1981 be reduced to zero and the FY 82 appropriation be reduced to \$53 million.
6. Lake Elva - Ch. 90 SLA 1981, Sec. 11 appropriated \$4.5 million for the Lake Elva project. The Power Authority is not going to proceed with this project and is still investigating the Lake Tazimina project and other alternatives for this region. Some funds have been expended or obligated from the original appropriation, therefore I recommend that the appropriated amount be reduced to \$50,000. The funds should be reappropriated to the Bristol Bay project as funds will be needed there.
7. Petersburg - Ch. 90 SLA 1981, Sec. 20 appropriated \$1.5 million for a loan to the City of Petersburg for local transmission and distribution lines. It does not appear that the City of Petersburg is prepared to borrow the funds for the specified purposes at the current interest rate which is available for loans from the power project loan fund. It is possible that these funds are available for reappropriation

The Honorable M. E. Dankworth
March 5, 1982
Page 3

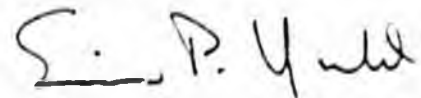
for other projects including the Lake Tye Hydroelectric Project.

8. Wrangell - Ch. 90 SLA 1981, Sec. 21 appropriated \$1.5 million to the City of Wrangell for the same purposes as described in number 7 above. For the same reasons it is possible that the funds would be available for reappropriation for other projects, including the Lake Tye project.
9. Akutan - Ch. 90 SLA 1981, Sec. 34 appropriated \$127,000 for a loan to the City of Akutan for electrification. As indicated in item 2 above, the loan had been made prior to the appropriation referenced in this section from a prior appropriation. Therefore, the funds appropriated in section 34 of this act could be reappropriated for other purposes.
10. Ouzinkie - Ch. 90 SLA 1981, Sec. 46 appropriated \$700,000 for the Ouzinkie Waste Heat Project. This appropriation could be reduced to the amount of \$250,000 since it is possible to complete the project for that cost.

You also asked me to specify and justify for you what would be the minimum appropriations which may be necessary for FY 83 for the power development program. I was also asked this question by Senator Fahrenkamp at a recent Senate Resources Committee hearing on SB-608. Attached is my response to Senator Fahrenkamp.

If you have any questions or would like additional information, please call upon me.

Sincerely,



Eric P. Yould
Executive Director

Attachment: as stated

cc: Chuck Conway
Ron Lehr
Jerry Reinwand
Commissioner Mueller

S

B

6

1/2

COMMITTEE REPORT
SENATE

FURTHER: 11-100

Date: 5/14/78

Mr. President:

The Committee on COMMUNITY & RECREATION AFFAIRS has had CS 611

INCREASE THE FLOOR OF PROPERTY TAX REVENUE THAT MAY BE SPENT FOR MUNICIPAL USE

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

January 20, 1982

The Honorable Donald E. Gilman
Chairman
Senate Community and Regional
Affairs Committee
Room 203 - Behrends Building
Juneau, Alaska

Dear Senator Gilman:

Re: Senate Bill No. 612

Senate Bill No. 612, an Act relating to increasing the amount of corporate income tax revenue that may be shared with municipalities, was introduced in the Senate on January 11, 1982 and was referred to the Senate Community and Regional Affairs and Finance Committees.

For the consideration of the Senate Community and Regional Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. P. A. Wall, Director, Administrative Services Division and Mary Ellen Frank, Research Analyst, Research Section, Department of Revenue concerning the proposed legislation.

Sincerely,



E. D. Stevenson
Special Assistant

The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate Finance Committee

Joseph M. Donohue
Deputy Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Services Division
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 612

Title Relating to increasing the amount of corporate income tax revenue that may be shared with municipalities. Date _____

REQUESTED BY _____

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, Or Subprogram(s) Affected Administration & Support, Admn. Svcs.

(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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

There is no effect upon administrative costs.

IV. DATE January 18, 1982

PREPARED BY  Philip A. Wall

AGENCY Revenue

PHONE 465-2313

Original: Legislative Finance
cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 612

Title An Act relating to municipal revenue sharing.

Requested by Senate Community & Regional Affairs Date 1/11/82

II. FISCAL DETAIL

Agency Affected _____

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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (~~Thousands~~ ^{Millions} of Dollars)

	(223)	(101)	(119)	(125)		
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

SEE ATTACHMENT.

IV. DATE 01/20/82

PREPARED BY Mary Ellen Frank

AGENCY Dept. of Revenue

PHONE 465-2173

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Revenue Sharing Impact
(Millions of Current Dollars)

FY	Corporation Taxes (Previous Statutes)		TOTAL Corp. Taxes (TCT)	10% TCT	Corporation Taxes (Current Statutes)		TOTAL Corp. Taxes (TCT)	10% TCT	30% TCT	FY
	43.20 Non Petroleum	43.21 Petroleum			43.20 amended Non Petroleum	43.20 amended Petroleum				
82	\$35	\$1047	\$1082	\$108	\$31	\$713	\$744	\$74	\$223	82
83	42	1101	1143	114	31	304	335	34	101	83
84	49	1233	1282	128	37	360	397	40	119	84
85	56	1436	1492	149	42	373	415	42	125	85

The comparisons, for illustrative purposes only, reveal what would have been shared if previous statutes had been in effect versus what will in fact be shared, assuming this proposal is implemented in conjunction with current statutes. The aforementioned general fund numbers represent total amounts of revenue to be shared under this proposal.

January 28, 1982

Mr. Jack Foster
President
Alaska Municipal League
204 N. Franklin Street
Juneau, Alaska 99801

Dear Mr. Foster:

On behalf of the Senate Community and Regional Affairs Committee, I would like to invite the Board of Directors of the Alaska Municipal League to meet with us on Thursday, February 4, 1982. Our meetings are held at 3 p.m. in the Conference Room of the Behrends Building.

On that day we will be considering Senate Bill No. 612. This bill would increase the percentage of the corporate income tax that may be shared with municipalities from 10 to 30 percent.

I do not expect consideration of this bill to take up the entire time slated. In the remainder of the meeting, we would be happy to informally discuss any concerns or issues your Board may wish to raise.

I look forward to seeing you on the 4th.

Sincerely,

Don Gilman
Chairman
Community and Regional
Affairs Committee

cc: Ginny Chitwood

Municipal Assistance
Under
SB 612 Compared to Current Law
(\$ Millions)

FY	(1) Petroleum Income Tax	(2) Other Income Tax	(3) Total Income Tax	(4) Municipal Assistance @ 10%	(5) Municipal Assistance @ 30%
81	860.1	34.8	894.9		
82	713.0	31.0	744.0	89.5	268.5
83	304.0	35.0	339.0	74.4	223.2
84	360.0	39.0	399.0	33.9	101.7
85	373.0	40.0	413.0	39.9	119.7
86	400.0	40.0	440.0	41.3	123.9
87	430.0	40.0	470.0	44.0	132.0
88	460.0	40.0	500.0	47.0	141.0
89	490.0	40.0	530.0	50.0	150.0
90	520.0	40.0	560.0	53.0	159.0

- Notes:
1. Computer report of Department of Revenue, January 1982; amounts exclude any gasoline income.
 2. FY 81-84 from "Revenue Sources", Alaska Department of Revenue, January 1982.
FY 85-90 projected to be 40.0 because growth in corporate income tax liabilities will be offset by the accelerated depreciation provisions of the Economic Recovery Tax Act of 1981.
 3. Col. 1 + Col. 2
 4. Under current law, an amount equal to or greater than 10% of the prior fiscal year's income tax revenue may be appropriated for municipal assistance.
 5. SB 612 would raise the amount to 30% or more; no effective date is specified, but presumably the first appropriation at the higher level is intended to be for FY 84. This would mean a slight decrease for FY 83. Of course, even under current law, any amount may be appropriated.

Prepared By: Legislative Finance
Milt Barker
1/25/82

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

LAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

February 4, 1982

The Honorable Donald E. Gilman
Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, AK 99811

Re: Senate Bill No. 612

Dear Mr. Chairman:

This Bill would amend AS 43.20.016(a) to increase the portion of net income tax proceeds from 10 percent to 30 percent that the Legislature may appropriate to the Municipal Assistance Fund. While the Administration believes that the methods of providing municipal assistance should be re-examined and overhauled (and will shortly be introducing legislation to that effect), the rationale in SB 612 for increasing this formula program from 10 to 30 percent is that legislation enacted last year significantly shifted State tax revenues from the oil and gas income tax to the oil and gas severance tax.

As a consequence that revenue shift between tax types, the amount of income taxes the State will collect in the future is materially reduced. For example, in FY 83, under the old oil and gas income tax laws, the revenue to the State would have been \$1086.8 million (according to the Legislative Finance Division). Add this to the \$35 million we project for the rest of the income tax, and the total income tax revenues the State would be receiving in FY 83 would have been \$1121.8 million. With the new law, we foresee some \$304 million in income tax in FY 83 from the oil industry and the same \$35 million, making a total of \$339.0 million.

You can see that the formulary 10 percent of the revenues under the old income tax laws would be \$112.18 million, whereas with the new laws it is \$33.90 million. If the 10 percent figure were changed to 30 percent, the formulary amount under the new income tax laws would be \$101.70 million. Thus, if the formulary approach is the one that the State continues to follow (and bear in mind that the Administration believes there are better alternatives to provide for municipal revenue sharing), the increase in the percentage from 10 to 30 percent under SB 612 would very nearly restore the formulary amount of income that may be shared with the municipalities to the level it would have been had oil and gas tax revenues not been shifted away from the income tax to the severance tax.

Senator Don Gilman (SB 612)
February 4, 1982
Page 2

I hope this will be useful for your Committee in its deliberations on SB 612. Please do not hesitate to contact me if you have any further questions on the foregoing matters.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas K. Williams".

Thomas K. Williams
Commissioner of Revenue

TKW:tw

cc: Senator Ed Dankworth

S

B

6

13

AMENDED

Introduced: 3/20/81
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY RODEY, DANKWORTH AND KERTTULA

2 SENATE BILL NO. 314

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to exemptions from municipal property
7 taxation and from special road assessments; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 29.53.020(h) is amended to read:

11 (h) Except as provided in (g) of this section, nothing in (e) -
12 (i) or (k) - (m) of this section affects similar exemptions from proper-
13 ty taxes granted by municipalities on September 10, 1972 or prevents
14 municipalities from granting similar exemptions by ordinance as provided
15 in AS 29.53.025(a).

16 * Sec. 2. AS 29.53.020 is amended by adding new subsections to read:

17 (k) One motor vehicle owned by a resident 65 years of age or
18 older on January 1 of the assessment year is exempt either from taxation
19 on its assessed value or from the registration tax under AS 28.10.-
20 411(c).

21 (l) The state shall reimburse a municipality for tax revenues
22 lost to it under (k) of this section.

23 (m) The Department of Community and Regional Affairs shall adopt
24 regulations to implement the provisions of (g), (k), and (l) of this
25 section.

26 * Sec. 3. AS 29.63.065(a) is amended to read:

27 (a) The real property owned and occupied by a resident 65 years
28 of age or over, or the spouse, widow, widower, or minor heir of the
29 original applicant, on which is located only his permanent abode which

1 is a single-family residence, is exempt from (1) special sewer assess-
2 ments levied by a home rule or general law municipality after
3 September 2, 1975, [AND] (2) special water assessments levied by a home
4 rule or general law municipality after September 2, 1975, and (3)
5 special road assessments levied by a home rule or general law municipal-
6 ity after July 1, 1981. Only one exemption may be granted with respect
7 to the same property, and, if two or more persons are eligible for an
8 exemption with respect to the same property, the parties shall decide
9 between or among themselves which shall receive the benefit of the
10 exemption. No real property may be exempted under this subsection
11 which the municipality determines, after notice and hearing to the
12 parties concerned, has been conveyed to the applicant primarily for the
13 purpose of obtaining the exemption. The determination of the municipal-
14 ity is appealable under AS 44.62.560 - 44.62.570.

15 * Sec. 4. AS 28.10.41(d) is repealed.

16 * Sec. 5. This Act is retroactive to January 1, 1981.

17 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

POSITION PAPERRequested by: Senate Community & Regional AffairsSubject: Sponsor Substitute Senate Bill 613Departmental Position: OPPOSED

Remarks:

The bill appears to require a property tax reduction equal to 1/2 of the difference between money received under Sec. 1 ch 60 SLA 1981 and half of the entitlement under that section.

Based on the amount received in FY 82 that would mean $(535 - 500) \div 2 = 17.50$ a tax reduction of \$17.50 per capita.

The bill is unclear as to what year the tax reduction takes effect.

If it is in effect for FY 82 it would require a rebate or a tax credit in any municipality that did not reduce taxes by \$17.50 per capita below the amount it would have otherwise levied. All municipalities contacted claim to have reduced taxes by at least that amount as a result of funds received as a result of Chapter 6 SLA 1981. If rebates were to actually be mandated, administration would be extremely difficult if not impossible. 1 out of 3 people move every 5 years so locating the proper people to rebate would be difficult at best.

If it is in effect for FY 83 taxes, it would most severely impact those communities that have reduced taxes and would have the least effect on those that failed to reduce taxes. Some communities have already reduced taxes to a point that they are currently less than \$17.50 per capita. Finally, the portion that reads "reduce the property tax it would otherwise levy" for all practicable purposes negates the required reduction. Municipalities have not yet set a tax rate. They would take the forced reduction into account before setting the rate.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SS SB 613
 Title An Act Requiring Property Tax Relief
 Requested by Senate Community & Regional Affairs Date 3/1/82
 Committee

II. FISCAL DETAIL
 Agency Affected Department of Community and Regional Affairs
 Program Category Affected Development
 BRU, Program, Or Subprogram(s) Affected N/A
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact on this Agency

IV. DATE 3/1/82 PREPARED BY Terry L. Earley
 AGENCY Community & Regional Affairs
 Original: Legislative Finance PHONE 465-4730
 ccl: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

The intent of this bill is that property tax be reduced. The bill does not set a tax limit which could unduly hamper municipalities in making local determinations concerning need for services or level of services. It is intended that property taxes be set at the level at which they would have been set had the money the bill requires to be used for tax relief not been received by the municipality. The tax relief is a reduction from that level. The fact that the money required to be used for tax relief under this bill will be received by a municipality shall not be a factor in determining the level of services or the need for services by a municipality.

ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

SENATE BILL NO. 613

By REINTULA

Dankworth

"An Act limiting the amount of property taxes a municipality that receives an entitlement under ch. 60, SLA 1981 may levy in 1982; and providing for an effective date."

Introduced in the Senate 1/11/82

HISTORY IN THE SENATE

19 82

Read first time and referred to Committee on

1 11 Community & Regional Affairs
Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

by Governor

Filed with Lt. Governor

Chapter No.

170
525

T = 1981 Jersey
E = Amount received
Q = 50% amount eligible

Arch - 174,431 population x 53.5% = 93,320,585

174,431 x 53.5% = 93,320,585
6 15 085

59,501,571
- 6,105,085
53,396,486 10.27% reduction

Arch - 128,460 population x 53.5%

128,460
2,321,560
2,720,000
623,500
1,096,500

7,504,215
6,881,325 1.31%

Keweenaw 25 282 Pop x 535 = 13,525,170
 25 282,000
12,697,070
 828,100

13,680,997
 884,370 6.49%
12,805,627

Grand 52 923 Pop x 525 = 28,880,000
 52 923,000 x 525
26,991,500
 1,888,500

10,933,877
 - 1,888,500 30.70%
 9,045,377

Coedon 12 1 Pop 100 = 1,000,265
 12 1,000,000
932,500
 67,765

12,212
 12,212
 - 23,000