

ALASKA LEGISLATURE COMMITTEES 1901-1902

1900

SRES

SB 111

-

SB 162

1900

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

J. SCAL NOTE

I. REQUEST

Bill/Resolution No. SSB 111  
 Title An Act Relating to Fishing & Hunting License Fees & Fishing Permits  
 Requested by Ellison Date 4/2/81

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected Revenue Collection & Management  
 BRU, Program, or Subprogram(s) Affected Administration & Support

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

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Sport Fish Management Fund	-0-	144.5	150.7	156.2	162.5	169.0

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The FY 82 increase assumes effective date of January 1, 1982. Details of the increase is contained on the attached Table 1. The figures shown are net increases.

There are no additional administrative costs.

IV. DATE April 15, 1981 PREPARED BY Philip A. Wall  
 AGENCY Revenue  
 PHONE 465-2313  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS - SSSB 111  
 Title "An Act relating to fishing and hunting license fees and fishing permits."  
 Requested by Resources Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Dept. of Fish and Game  
 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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
FISH AND GAME FUND	-0-	29,561	29,561	29,561	29,561	29,561

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 4/22/81 PREPARED BY Louis S. Bandirola  
 AGENCY Fish and Game  
 PHONE 465-4180  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

TABLE 1. BASED ON 1980 CALENDER YEAR SPORT FISH LICENSE SALES

Sport Fish License Class	Number of Licenses Sold	Corrected Effect of CS for SSSB-111 Increase (Decrease) (Est. Net.)*
(6)(A) Visitors 10-Day Amend to 5-day	35,521 x (5.00)	168,724
(6)(B) Visitors 1-Day	17,187 x (5.00)	81,638
(7) Nonresident sport fishing	14,174 x (6.00)	80,791
(9) Nonresident hunting and sport fishing	953 x (6.00)	5,432
(20) King salm.n and Steelhead permit	64,734 x (5.00)	(307,024)
Total		29,561

\* Net = license sales x fee (-) vendor commission @ 5%

S B

140

# COMMITTEE REPORT

## SENATE

FURTHER: Finance

2/3/81

Date: 2/16/81

Mr. President:

The Committee on RESOURCES has had SR 140 establishing a fishery product receiving loan fund

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 SR 140  same title  
[ ] new title  
and recommends \_\_\_\_\_  
[ ] 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:

[Signature]  
[Signature]  
[Signature]  
[Signature]

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN



# Alaska State Legislature

3

## Senate

JUNEAU, ALASKA

### RESOURCES SUBCOMMITTEE ON FISHERIES

March 4, 1981

#### Senate Resources Subcommittee on Fisheries meeting

The meeting was called to order by Chairman Mulcahy at 3:14 P.M. Senators Eliason and Gilman were present.

First on the agenda was SCR 12 "Relating to Hand Trolling".

Russel Bartoo testified on SCR 12. He said that he agreed with only a couple of parts of the resolution. He felt that the real problem facing hand trollers is the 80/20 split of resource allocation.

John Wilcox, President of the Juneau Hand Trollers, testified on SCR 12. He said he was hopeful that the resolution would at least give the Board of Fisheries knowledge that a problem exists with their proposed amendment.

Burt Finley, Secretary/Treasurer of the Juneau Hand Trollers, testified on SCR 12. He said he felt the resolution would go a long way towards convincing the Board of Fisheries that their proposed amendment should be changed.

Lewis Schnaper testified on SCR 12. He said that as a power troller he didn't oppose the resolution, but felt that whole issue boils down to the 80/20 split. He felt the split was an equitable solution.

Senator Eliason asked him to briefly run down problems that trollers are facing.

He said the main problem was the OY, optimum yield, that the trollers are given in Kings and Silvers. As this is being cut, it is becoming hard to have a good season.

SCR 12 was moved with individual recommendations.

Next on the agenda was SB 140.

Chairman Mulcahy briefly explained CSSB 140 to the committee, and to the people attending the meeting.

Roger Painter and Hank Ostrosky commented briefly on CSSB 140.

CSSB 140, and SB 141 were moved with individual recommendations.

Chairman Mulcahy adjourned the meeting at 3:50 P.M.

## MEMORANDUM

State of Alaska

12  
TO Keith Specking  
Legislative Assistant  
Governor's Office

DATE: February 11, 1981

FILE NO: J-77-126-81

TELEPHONE NO: 465-3684

FROM WILSON L. CONDON  
ATTORNEY GENERAL

SUBJECT: Committee Substitute  
for SB 140

By:

*James L. Baldwin*  
James L. Baldwin  
Assistant Attorney General

Please find attached a draft committee substitute for SB 140, the Fishery Product Revolving Loan Fund. This committee substitute would amend SB 140 by deleting proposed AS 44.25.-055(2) and (3) from SB 140. These sections should be deleted to allow the Department of Revenue to adopt these terms by regulation. Both the term of the loan and the loan-to-value ratio may vary because of changes in market conditions. Regulations pertaining to these areas will provide the department with the flexibility to respond to market conditions. Because the price of fishery products may fluctuate rapidly, it is not feasible to establish these loan guidelines by law.

JLE:bjl

cc w/enc.: Honorable Thomas K. Williams  
Commissioner  
Department of Revenue



# Alaska State Legislature

## Senate

JUNEAU, ALASKA

### RESOURCES SUBCOMMITTEE ON FISHERIES

February 11, 1981

#### Senate Resources Subcommittee on Fisheries Meeting

The meeting was called to order at 3:04 PM by Chairman Mulcahy. Present were Senator Gilman and Senator Eliason. Senator Fahrenkamp monitored while SB 140, 141 were being considered.

Before the bills were considered, Mark Hutton, John Doyle, and Don Rosenberg from the University of Alaska briefly summarized the plan for the improvement of fisheries and fishery related marine affairs programs. Mark Hutton gave the testimony. Mr. Hutton passed brochures and studies of the program to the subcommittee, and briefly explained the ten month study.

Senator Gilman asked where the program fit in with the Institute of Marine Science. Mr. Hutton said the new program was parallel with the present Institute of Marine Science in most programs.

First on the agenda were SB 140, and SB 141 "An Act establishing a fishery product revolving loan fund", and "An Act making a special appropriation to the loan fund".

Chairman Mulcahy stated that because Commissioner Williams of the Department of Revenue was out of town, the bills would be held over.

Roger Painter of United Fisherman's Association (tape reading 290) was the first to testify. He said that fishermen were highly in favor of this bill. He was very glad to see it come along. He had only one concern with the bill. He said that while it would be desirable to not loan money to Japanese controlled companies, he didn't want to stop the bill if it is impossible to differentiate between companies.

Chairman Mulcahy said he had had that concern expressed to him from several sectors.

The next person to testify was Rick Lauber of Pacific Seafood Processors Association (tape reading 435). He said he was in favor of this bill, and felt it was good. He said that it would benefit processors, fishermen, and workers. Mr. Lauber said that it will not be low-cost

age two

Senate Resources Subcommittee on Fisheries Meeting

February 11, 1981

money to subsidize the industry, but the availability of money would help greatly.

Chip Thoma, from the audience, asked what the definition of facilities was. Did it mean shore-based processors only?

Next on the agenda was SB 103 (tape reading 580).

John P. Doyle, of the University of Alaska testified in favor of SB 103. He felt that while the quality of Alaska salmon is good, this program would make it even better. He said that the initial effort was in the Prince William Sound, but that it would go statewide, and effect all phases of the fishing industry eventually.

SB 103 was moved with individual recommendations.

Chairman Mulcahy said SB 111 would be considered at a later date.

The meeting was adjourned by Chairman Mulcahy at 3:36 PM (tape reading 636).



# Alaska State Legislature

## Senate

JUNEAU, ALASKA

### RESOURCES SUBCOMMITTEE ON FISHERIES

February 13, 1981

#### Senate Resources Subcommittee on Fisheries meeting

The meeting was called to order by Chairman Mulcahy at 3:33PM. Senators Eliason and Gilman were present.

First on the agenda was SB 140, "An Act establishing a fishery product revolving loan fund", and SB 141 "An Act making a special appropriation to a fishery product revolving loan fund" (tape reading 045).

Commissioner Tom Williams, of the Department of Revenue, testified on SB 140. He briefly explained the bill. Commissioner Williams said the real purpose of the bill was to benefit Alaskan fishermen. Because of this, he recommended that the loans not be restricted to Alaskan processors. He felt that SB 141 appropriated enough money to cover all the needs, but in case it didn't, priorities would be assessed by how much Alaskan fishermen benefited.

A question was raised about the Bering Sea crab fishery. Since a lot of these are Washington based fishermen and processors, would loaning money to the processors benefit Alaskan fishermen?

Commissioner Williams said that if the money would not be enough, perhaps that would be a lower priority.

A question was raised about the availability of loans to small processors. The subcommittee said all members have had concerns expressed to them about that.

Commissioner Williams stated that no money would be loaned until it was secured by inventory.

Chairman Mulcahy asked for a definition of inventory.

Chairman Mulcahy asked for a letter explaining the department's position and intent. He also asked for a definition of facilities.

The meeting was adjourned by Chairman Mulcahy at 4:34PM. (tape reading 334, side 2).

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

#### MEMORANDUM

TO: SENATE RESOURCE COMMITTEE MEMBERS

FROM: JIM PALMER  
SENATE RESOURCES COMMITTEE STAFF

RE: CSSB 140 "AN ACT ESTABLISHING A FISHERY PRODUCT REVOLVING LOAN FUND."  
SB 141 "AN ACT MAKING A SPECIAL APPROPRIATION TO THE FISHERY PRODUCT  
REVOLVING LOAN FUND."  
SCR 12 "A RESOLUTION RELATING TO HAND TROLLING."

DATE: MARCH 5, 1981

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The Subcommittee on Fisheries, chaired by Senator Mulcahy, has passed out of subcommittee CSSB 140, SB 141 and SCR 12.

These three measures have been scheduled for full committee consideration on Friday, March 13.

Attached are some informational materials relative to these bills.

- (1) copy of subcommittee substitute for SB 140.
- (2) a February 27 letter to Senator Mulcahy from the Department of Revenue on SB 140 and 141.
- (3) a memorandum from Legislative Affairs Agency on the constitutionality of precluding fish processors who are 80% or more owned by foreign nationals from obtaining fishery product loans under SB140. This memorandum was dated March 3 and was directed to Senator Mulcahy.
- (4) a memorandum to Senator Mulcahy dated March 4 on the constitutionality of giving first priority in the award of fishery loans to Alaskans.
- (5) fiscal note prepared for SB 140 by the Dept. of Revenue.

I also understand that the subcommittee will be preparing a letter of intent to accompany CSSB 140.

# Alaska State Legislature



Senate

## Committee on Resources

DEEVE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE CHAIRMAN  
GRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI

POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99911  
(907) 465-3034  
(907) 465-3035

March 13, 1981  
1:30 p.m.

Beltz Room  
211 Capitol

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### MEMBERS PRESENT

SENATOR FAHRENKAMP  
SENATOR FISCHER  
SENATOR ELIASON  
SENATOR GILMAN  
SENATOR MULCAHY  
SENATOR STURGULEWSKI

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Hearing: SJR 25 "Relating to the Klondike Gold Rush  
National Historical Park"  
SCR 12 "Relating to hand trolling"  
SB 140 "An Act creating a fishery product  
revolving loan fund"  
SB 141 "An Act making a special appropriation  
to the fishery product revolving loan  
fund"

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### SJR 25

John McDermott, Skagway City Council, stated there had been a considerable breakdown in communication with the National Park Service. Their major problem is with the Park Service's land acquisition policy. The policy is in draft form and there has never been a public meeting on it. He stated that SJR 25 will certainly help their situation and the City Council supports it.

Skip Elliott, Skagway City Manager, stated that he had previously outlined the City's problems when he testified on

SB 36. He said that the Park Service is more receptive since the introduction of SB 36 and SJR 25.

Senator Mulcahy put forth the motion to move SJR 25 with individual recommendations.

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SCR 12

Senator Eliason stated that the Board of Fisheries made a mistake at their last meeting in limiting hand trollers to one line. SJR 12 addresses some of the options to the problems the Board created.

Senator Mulcahy put forth the motion to move SCR 12 with individual recommendations.

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SB 140 and SB 141

Senator Mulcahy stated that the Senate Resources Subcommittee on Fisheries held hearings on SB 140 February 11th, February 18th, and March 4th. He stated that SB 141, which is an appropriations bill of \$100 million, was not addressed in Subcommittee because it is basically a Finance Committee Issue. He requested that the Committee adopt the Subcommittee's CSSB140 with one amendment:

Page 1, Line 15-16, delete the words "processing of" and replace with "such processors' inventories of canned, frozen or processed"

Senator Mulcahy put forth the motion to move CSSB 140 as amended with individual recommendations.

Senator Mulcahy put forth the motion to move SB 141 with individual recommendations.

The Chairman adjourned the hearing at 2:45 p.m.

SB140-41

I. REQUEST

Bill/Resolution No. \_\_\_\_\_  
Title An Act establishing a fish pack revolving loan fund.  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue  
Program Category Affected Revenue Collection and Management  
BRU, Program, or Subprogram(s) Affected Treasury Management

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	13.1	52.2	57.4	63.2	69.5	76.4
200 TRAVEL	3.0	12.0	13.2	14.5	16.0	17.6
300 CONTRACTUAL	2.0	2.0	2.2	2.4	2.7	2.9
400 COMMODITIES	.2	.3	.3	.4	.4	.5
500 EQUIPMENT	2.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>20.3</b>	<b>66.5</b>	<b>73.1</b>	<b>80.5</b>	<b>88.6</b>	<b>97.4</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	20.3	66.5	73.1	80.5	88.6	97.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	1	1	1	1	1	1
PART TIME						
TEMPORARY						

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

Above includes salary and benefits for State Investment Officer II. Travel cost due to nature of fishing business and review requirements for loans. Contractual expenditures for advertising for regulations, etc. Equipment for State Investment Officer.

Costs shown in FY 81 are for a three month period assuming bill would pass by March 31. If not effective until new fiscal year, equipment costs should be moved to FY 82.

Above is predicated on use of Alaska financial institution seller-servicer.

*Anselm C. Staack*

IV. DATE January 26, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller  
AGENCY Dept. of Revenue/Treasury Division  
PHONE 465-2351

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

1	POSITION TITLE State Investment Officer II				RANGE/STEP 22A	BARG. UNIT. X	LOCATION Juneau	GOV.	APPROV.	DIS.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 3,494 x 12		41,928
5	BENEFITS 41,928 x .1533		6,428
6	FICA SBP		2,004
7	HEALTH INS. Mo. Fix. 12x150		1,800
8	TOTAL PERSONAL SERVICES 01		52,160
9	TRAVEL 02		12,000
10	CONTRACTUAL 03		2,000
11	COMMODITIES 04		300
12	EQUIPMENT 05		2,000
13	OTHER		
14	TOTAL COST		68,460

JUSTIFICATION:

Necessary to implement and monito. new Fish Pack Revolving Loan Fund.

Investment Officer will review and screen loan applications, Analyzes overall value and security and approves loan for purchase/participation. Confer with affected agencies and institutions to maintain smooth revolving loan program. Works with Alaska financial institutions for participations.

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1007	
16		GF MATCH. 1008	
17		GEN. FUND 1001	68,460
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21	CONTINUATION		
22	ADDITION	XX	FOR B&M USE ONLY

AA KEY NUMBER \_\_\_\_\_ COLUMN NO. \_\_\_\_\_

AGENCY Department of Revenue PROGRAM Revenue Collection and Management

BRU Treasury Management

**13** REQUEST FOR NEW POSITIONS

COMPONENT \_\_\_\_\_

**FY 82**

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

RECEIVED BY  
GENERAL CLERK  
107 200 2000

MEMORANDUM

March 4, 1981

SUBJECT:           Constitutionality of giving first priority in  
                  the award of fishery loans to Alaskans.  
                  (CSSB 140)

TO:                 Senator Bob Mulcahy

THROUGH:          Joseph A. Guthrie  
                  Legislative Counsel

FROM:             Bernie M. Tuggle, Jr.  
                  Legislative Legal Extern

You have asked whether first priority in the award of fishery loans under CSSB 140 could be given to companies which are owned 50 percent or more by Alaska residents. Your proposal would be subject to attack under the privileges and immunities clause by individuals and to equal protection attack by corporations.

The privileges and immunities clause, Article IV, section 2 says that:

The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.

Corporations, however, are not protected under this clause, since they are not citizens. Lynden Transport, Inc. v. State, 532 P.2d 700 (Alaska 1975). Therefore, only individuals could pursue a privileges and immunities challenge against your proposal.

The purpose of the clause is:

To place the citizens of each state upon the same footing with citizens of other states, so far as the advantages resulting from citizenship in those states are concerned.

March 4, 1981

Paul v. Virginia, 19 L.Ed. 357 (1869). However the clause does not preclude disparity of treatment in situations where there are perfectly valid independent reasons for it. What the clause does bar is discrimination against citizens of other states where there is no substantial reason for the discrimination beyond the mere fact that they are citizens of other states. A substantial reason for the discrimination would not exist unless there is something to indicate that non-citizens constitute a "peculiar source of evil" at which the discriminatory statute is aimed. Toomer v. Witsell, 92 L.Ed. 1460, 1472 (1948). Moreover, even where the presence or activity of non-residents causes or exacerbates the problem the state seeks to remedy, there must be a "reasonable relationship" between the danger posed by noncitizens, as a class, and the discrimination practiced upon them. Id., at 1473. Therefore, the privileges and immunities clause demands a two-step analysis.

First, do non-residents constitute a peculiar source of evil at which your proposal is aimed? I believe that a reasonable and persuasive argument could be made that they do. Alaska has a strong interest in regulating and controlling those things it claims to "own" (the funds for which the fishery loans would derive). Yet while this interest is by no means absolute, Baldwin v. Montana Fish & Game Comm'n, 56 L.Ed.2d 354 (1978), Alaska's ownership of the funds is a crucial factor. Hicklin v. Orbeck, 57 L.Ed.2d 397, 405 (1978). In Hicklin, the Court found that Alaska had "little or no" proprietary interest in much of the activity swept within the ambit of Alaska Hire. Id. On the other hand, under your proposal Alaska does have a significant proprietary interest, e.g., management of loan funds, and development of the fishing industry. Given this state interest in the funds which would be the source of fishery loans, non-Alaskans could be a "peculiar source of evil" if the loan funds were limited, non-Alaskans flocked to the state to get the loans, etc.

Second, is there a reasonable relationship between your proposal and the class at which your proposal is aimed. Again, I would say "yes". Non-Alaskans are not absolutely barred from receiving a loan; they must simply wait in line. I would conclude that your proposal is constitutionally valid as applied to non-Alaskan individuals.

Senator Bob Mulhy  
Page 3  
March 4, 1981

Corporations, meanwhile, could mount a Fourteenth Amendment equal protection attack. However your proposal seems valid since it involves no suspect classes and no fundamental rights. Instead, it is an example of the type of socio-economic legislation that warrants a low level rational basis test. Usually, such a test amounts to the judiciary deferring to the legislative judgment.

While the Alaska Supreme Court no longer applies a two-tiered approach to equal protection cases, State v. Erickson, 574 P.2d 1 (Alaska 1978), the result would be the same since there are no fundamental rights or suspect classes involved with your proposal.

In summary, your proposal seems constitutionally valid both in regards to individuals and to corporations.

BMT:JAG:ljb

Enclosures

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

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

February 27, 1981

The Honorable Bob Mulcahy  
Senate Resources Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Re: SB 140 and 141 (fish pack loans)

Dear Senator Mulcahy:

This is in response to the questions that came up during my testimony on these bills before your subcommittee.

1. Loans for inventory; not working capital. It is definitely the Governor's intent that these loans would be made to finance fish pack inventories and not to provide processors with working capital loans. As an artifact of being transformed to proper legal style, my draft references to "fish pack loans" were deleted and the present ambiguity as to intent resulted. To restore clarity, I would suggest the following amendments to the version of the bill as introduced:

p. 1, lines 15-16: "located in Alaska and which are used to finance such processors' inventories of canned, frozen or processed [PROCESSING OF] fishery products from Alaskan fisheries."

2. When loans are to be made and funded. It is our intent to use the contractual power proposed in AS 44.25.050(3) to make commitments to participate in pack financings before the fish are bought and processed. However, since the financing would be to finance only the pack or inventory (see comment 1), the execution of such commitments and the actual funding would take place only after the inventory is in existence. Funds for starting up at the beginning of the season would be from a processor's working capital and, hence, could not be advanced under this loan program.

3. Term of the loans. The Committee expressed concern that if there is no clear statutory limit to the term of the loans, processors may attempt to sell last the inventory collateralizing the loan fund's participation in order to prolong or take advantage of the lower interest rate. This

concern will be taken care of by the fact that a participation in a loan will be purchased, rather than a separate loan be made from the loan fund. The fund will be a partner in a fish pack loan, together with the banks or other financial institutions that are participating in the loan. All participants in the loan would have pro-rata, undivided interests in the collateral, and therefore, it would not be possible for a processor to pay off his higher-interest bank participations in the loan while stretching out the State's lower-interest participation.

As I testified, rigidly limiting the term of a loan to one year is unrealistic. True, in good years all the processors can work down their inventories and pay off the loan within 12 months, but good years don't come every year and it is not uncommon for a processor to need more time than that to get squared away. Our leverage over the processor is not so much that we can declare him in default and jerk the loan out from under him, as it is that we can refuse to help finance the current year's pack for him until the last year's pack loan is all cleaned up. This is much more meaningful economic power than the threat of foreclosing on an inventory that the processor would probably have been having trouble with.

I therefore recommend that line 15 on page 2 of the original bill be deleted and the following subsections renumbered accordingly.

4. Collateral. The loans will be for fish pack and will be secured by the pack and the receivables arising from the pack. Fluctuations in the market price for fish products might suddenly lower the value of the pack so that the loan it secures then represents more than 75 percent of the pack's value. What happens then? Literally under the statute, the loan would no longer be one in which we could legally participate. We would be forced to declare a default and foreclose on the loan, thereby acquiring a lot of fish products in the middle of a bad market for fish product.

The large banks that will be originating and participating in many of these loans -- the Rainiers, the Sea Firsts and the like -- know all about this business and aren't about to let themselves lose a lot of money at it. It seems to me, then, that it would be wise to share ratably in the collateral that they themselves are willing to accept, instead of hoping to protect ourselves by a fixed loan-to-value ratio that may quickly become unrealistic as the market changes. Accordingly, I suggest the following amendment to the original bill:

p. 2 lines 16-18: "(3) the state participation must be ratably secured on at least an equal basis as the participations of all other participants in the loan, which must be secured by a pledge of the fish processor's inventory being financed by the loan or the accounts receivable arising from that inventory [OF THE FISH PROCESSOR] or by other collateral acceptable to all participants in the loan [AND MAY NOT EXCEED 75 PERCENT OF THE APPRAISED VALUE OF THE COLLATERAL TAKEN AS SECURITY];"

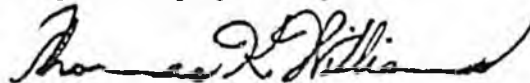
5. Definition of "facilities located in Alaska", which determines eligibility. The committee expressed concern about the meaning of this term, particularly whether floating processors in the three-mile limit would qualify. Certainly under the present wording of the bill they could be construed as being facilities located in Alaska, and we would adopt a regulation to that effect unless the Legislature shows an intent to the contrary. However, it would be a matter of administrative discretion, and the policy taken now could be reversed in the future. Thus, if you wish to ensure that floating processors will qualify for these fish pack loans, you might add the following definition to proposed AS 44.25.065 on page 3 of the bill:

"facilities located in Alaska" means facilities at which fisheries products are canned, frozen or otherwise processed for inventory and includes such facilities both onshore and offshore, provided that the floating facilities are registered with the State of Alaska or the U.S. Coast Guard and operate within the three-mile limit or within historic bays and inland waters of the State of Alaska.

Let me conclude this letter by assuring you that I do not intend to set up a poorly run loan program if this bill passes. Safeguarding the integrity of the program while meeting the public need is the goal. This will not mean that every processor gets financing under this program, but at the same time no processor with facilities in Alaska will automatically

be excluded. Decisions will be made on a case-by-case basis. The processor will first go to a financial institution or CFAB, which will originate and participate in the loan. The originator will be free to agree to commit to a participation or to decline it. If it agrees, the originator will invite us to participate, and we will in turn apply our independent judgment in deciding whether or not to make a commitment. The terms and conditions, the safeguards and protections, the duties and obligations will all be spelled out in great detail in the loan agreements, which we can and will insist on being to our satisfaction before we agree to participate. It is important that the statute preserve administrative flexibility to adapt, if appropriate, to the particular circumstances of the individual borrower. This bill, with the changes I have suggested, would provide a skeleton to support the program, and we will do our best to flesh it out into a healthy program.

Very truly yours,



Thomas K. Williams  
Commissioner of Revenue

TKW:m11

cc: Senator Eliason  
Senator Gilman

STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE AFFAIRS AGENCY

POUCH Y. STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3811

MEMORANDUM

March 3, 1981

SUBJECT:           Constitutionality of precluding fish processors  
                    who are 80 percent or more owned by foreign  
                    nationals from obtaining fishery product loans  
                    under SB 140.

TO:                 ~~Senator Bob Mulcahy~~

FROM:             Joseph A. Guthrie           *JAG*  
                    Legislative Counsel

Attached is a memorandum prepared by Bernie M. Tuggle, a legal extern serving with the Division of Legal Services. I have reviewed his memorandum and agree with the conclusions and advice given in it.

JAG:ljb

Attachment

STATE OF ALASKA  
THE LEGISLATURE

FOUCHY STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3111

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 3, 1981

SUBJECT:           Constitutionality of precluding fish processors who are 80 percent or more owned by foreign nationals from obtaining fishery product loans under SB 140.

TO:                 Senator Bob Mulcahy

FROM:              Bernie M. Tuggle <sup>BT</sup>  
                    Legislative Legal Extern

You have asked me to explore the constitutionality of precluding fish processors who are 80 percent or more owned by foreign nationals from obtaining loans from the fishery product revolving loan fund which would be created by SB 140. This issue raises Fourteenth Amendment equal protection problems because your proposal would discriminate against persons on the basis of alienage.

As a practical matter, many fish processors would be organized under the corporate form of business. This raises the initial question whether corporations are protected under the equal protection clause. The answer is an unequivocal "yes". Grosjean v. American Press Co., 80 L.Ed. 660 (1936). Therefore, corporations and other types of business organizations receive the same amount of equal protection as individuals.

Traditionally, classifications based on alienage, like those based on nationality, or race, are inherently suspect and subject to the highest judicial scrutiny. Graham v. Richardson, 29 L.Ed.2d 534 (1971). However it is unclear whether strict scrutiny applies to non-resident aliens as well as resident aliens. While the numerous cases which have struck down alienage classifications have all involved resident aliens, Truax v. Raich, 60 L.Ed. 131 (1951); Takahashi v. Fish and Game Comm'n, 92 L.Ed. 1478 (1948); Graham v. Richardson, supra; Sugarman v. Dougall, 37 L.Ed.2d

853 (1973); In re Griffiths, 37 L.Ed.2d 910 (1973); Hampton v. Mow Sun Wong, 48 L.Ed. 495 (1976); Examining Board v. Otero, 49 L.Ed.2d 63 (1977); Nyquist v. Mauclet, 53 L.Ed.2d 63 (1977); the Court has never directly addressed this issue. The lower courts, meanwhile, have split on whether strict scrutiny is the appropriate level of judicial review for laws which discriminate against non-resident aliens. Compare Moreno v. Toll, 489 F.Supp. 658 (D. Md. 1980) with United States v. Tsuda Maru, 429 F.Supp. 519 (D. Alaska 1979).

Matthews v. Diaz, 48 L.Ed.2d 478 (1976) suggests that classifications which discriminate against non-resident aliens are not as suspect as classifications discriminating against resident aliens.

Neither the overnight visitor, the unfriendly agent of a hostile foreign power, the resident diplomat, nor the illegal entrant, can advance even a colorable constitutional claim to a share in the bounty that a conscientious sovereign makes available to its own citizens and some of its guests. (Emphasis in original)

Id. at 490. This possible difference in levels of judicial scrutiny will prove important as discussed below.

Another factor as to whether your proposal would pass constitutional muster would be the characterization of the benefit sought. Here, that benefit would be a fishery product loan. As a general rule, the strict scrutiny approach is applicable to state classifications based on alienage, excepting those dealing with governmental functions, in which case the less stringent rational basis test will be applied. For example in Foley v. Connelie, 55 L.Ed.2d 287 (1978), the Court upheld a New York statute limiting appointment to the state police force to United States citizens by applying a rational basis, rather than a strict scrutiny test. The application of this less demanding standard, however, was clearly limited to alienage classifications in matters involving the state's historical power to exclude aliens from participation in its political institutions. As the Court stated:

The essence of our holdings to date is that although we extend to aliens the right to education and public wel-

fare, along with the ability to earn a livelihood and engage in licensed professions, the right to govern is reserved to citizens.

Id. at 293. Foley, then, stands for a limited exception to the general strict scrutiny standard, and this exception will apply only in cases involving state regulation of one of the basic functions of government.

In the closest case on point, Nyquist v. Mauclet, supra, the Court struck down a New York Statute which barred resident aliens from state financial assistance for higher education. While Nyquist was a 5 to 4 decision, I believe that it would be followed and your proposal as applied to resident aliens would be struck down. Even though Nyquist is factually distinguishable, its holding is on point. The New York statute indirectly barred a resident alien from seeking higher education, i.e., he could not secure a state loan to pursue his education. Similarly, your proposal would indirectly bar a resident alien from pursuing his livelihood, i.e., he could not obtain a state loan from the fishery product revolving loan fund. Moreover, loans to fishermen could hardly be characterized as a "basic governmental function" such as holding public office. Therefore, such loans would not fit within the one recognized exception to the general rule of strict scrutiny for classifications based on alienage.

Your proposal as applied to non-resident aliens would pass constitutional muster for two reasons. First, although this area of the law is unsettled, judicial review of classifications discriminating against non-resident aliens seems to be lower than strict scrutiny. Second, the Supreme Court's cases have often emphasized that resident aliens live in American communities, must obey our laws, pay taxes, serve in the armed forces, and have made significant contributions to our country. It is the burdens which resident aliens bear along with citizens that makes discriminations against resident aliens irrational. Resident aliens are in many respects just like citizens, and classifications which disadvantage them will usually be subjected to strict judicial scrutiny. However the philosophical and legal support for this doctrine is absent when a case involves a non-resident alien.

In summary then, if your proposal includes resident aliens, it probably would be struck down. If your proposal includes only non-resident aliens, then most likely it would survive an equal protection attack.

BMT:ljb

16

Alaska State Legislature

(1)

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
ORAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLIGG STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3034  
(907) 465-3035

Senate

Committee on Resources

MEMORANDUM

TO: SENATE RESOURCE COMMITTEE MEMBERS

FROM: JIM PALMER  
SENATE RESOURCE COMMITTEE STAFF

RE: ALASKA RENEWABLE RESOURCE CORPORATION REPORT

DATE: FEBRUARY 10, 1981

---

Attached for your information is the 1980 Report from the Alaska Renewable Resource Corporation pursuant to SB 140.



Official Business

# Alaska State Legislature

Senate


Office of the Secretary

Pouch V  
State Capitol  
Juneau, Alaska 99811

MEMORANDUM

February 10, 1981

TO: Senator Fahrenkamp  
Chairman  
Resources Committee

FROM:  Peggy Mulligan  
Secretary of the Senate

SUBJECT: Alaska Renewable Resources Corporation  
1980 Report

The President has referred the attached report to your committee.

Alaska  
Renewable  
Resources  
Corporation

*Rec  
Com.  
Jan*

February 9, 1981

*Box 1647, 99802*  
526 Main Street  
Juneau, Alaska  
99801  
(907) 465-4616

The Honorable Jalmar M. Kerttula  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Dear Senator Kerttula:

P.O. Box 828  
Anchorage, Alaska  
99510  
(907) 279-5602  
or (907) 272-2508

Pursuant to SB 140 "An Act relating to financial assistance for commercial purchasers of salmon. . .", the following report summarizes lending and investment activities undertaken by the Alaska Renewable Resources Corporation for the period ending December 31, 1980.

Investments and loans made under the Commercial Fish Purchasers Assistance Fund totaled \$12,564,425 on December 31, 1980. By the end of January 1981, the termination date of SB 140, the \$15 million fund had been fully committed. ARRC assisted fish purchasers, processed, transported and marketed over 20 million pounds of product and employed over 1,000 seasonal workers. Each investee is more fully described below.



ALASKA FOOD COMPANY. (\$500,000 in equity for 47% of outstanding stock; \$1,000,000 in subordinated convertible debt; \$2,000,000 in senior debt secured by plant and vessel) total investment: \$3,500,000.

The NEFCO bankruptcy enabled ARRC and a group of Alaskan entrepreneurs to acquire the Kodiak Gibson Cove facility. The company employs over 150 local people and purchases a broad variety of product from local fishermen. In joint-venture with Ball Brothers, Inc., Alaska Food transported Bristol Bay sockeye to Vancouver, B. C. for canned product. This experimental program was profitable.

The facility is the only one in Alaska known to be planning a whitefish (bottomfish) line in 1981. The firm is seeking additional capital from a variety of sources to finance the whitefish expansion. Cost of the expansion is budgeted at \$2.5 million. The firm has initiated a subsidiary company for seafood marketing.

BALL BROTHERS, INC. (\$500,000 in equity for 40% of outstanding stock; \$3,000,000 in senior debt secured by real property and equipment; \$840,873 in short-term revolving pack financing) total investment: \$4,340,873.

Ball Brothers, Inc., buys, processes fish in Dillingham, and transports finished and round fish product to Anchorage and Kenai processors for custom processing and/or direct sale. The company was in serious financial trouble and would not have been operational for the 1980 season without ARRC assistance. The company moved nearly 4 million pounds of product and employed over 125 seasonal workers. Product inventory is currently being liquidated. The company requires substantial managerial improvement but should break even this year. Continued dependence upon ARRC is probable. No pay down on term indebtedness is expected this year. The repayment schedule on term indebtedness has been rescheduled.

SALAMATOF SEAFOOD, INC. (\$2,034,109 debt secured by second deed of trust on Kenai main plant; \$316,111 in equity) total investment: \$2,350,220.

Salamatof is a major fresh/frozen product processor located on the Kenai River. The Kenai plant is new, well laid out, and constitutes 17% of Kenai Peninsula freezing capacity. The company processed several million pounds of product during the 1980 season but lost control of the plant and field costs. At the close of the season, the company had trade payables of over \$1,200,000, owed funds to over 100 fishermen, and was in default on a number of provisions in ARRC's investment agreement.

In September, ARRC dispatched an audit team to the company. Upon receiving audit figures confirming the poor financial status of the company ARRC called the Waterer Loan, taking Waterer's 15 shares (42% ownership) in the company and accepted Waterer's resignation as President and Director on November 13, 1980. In December, ARRC also acquired the stock held by an Ohio investor. ARRC now owns 100% of the company.

A petition for bankruptcy under Chapter 11 (reorganization) has been filed. ARRC plans to operate the facility during the 1981 season and to submit a reorganization plan to the court in the fall. An experienced manager has been hired and negotiations are now underway with customers for custom processing.



ICICLE SEAFOODS. (\$1,950,000 short-term pack loan secured by inventory) total investment: \$1,950,000.

When final audit figures for the year ending March, 1980, revealed a loss of over \$2,500,000 on 1979 operations, several banks which had provided short-term credit to Icicle threatened to withdraw funds to continue with its 1980 salmon season. ARRC's loan enabled Rainier, the lead bank, to restructure the group of banks involved in the credit, thus reducing the risk of bank initiated foreclosure proceedings as had occurred at NEFCO. The initial participation by ARRC was at \$3 million. The amount shown above reflects pay down on the 1980 pack line.

On January 28, 1981, ARRC committed to a \$5 million investment in Icicle. Subsequently SOHIO has agreed to join ARRC with an investment of \$1.5 million. These funds, coupled with new term debt, will enable the firm to properly finance the dramatic growth which it has enjoyed over the past five years. ARRC evaluated the company carefully over a three month period and concluded that the firm's management and product markets are basically sound. Rapid growth, cost overruns on recent capital construction projects, and failure to properly capitalize the firm's growth, led to the clear need for the venture capital injection.

Of ARRC's \$5 million commitment, \$3.5 million will come from the Commercial Fish Purchasers Assistance Fund, and \$1.5 million from ARRC's regular FY 81 capital appropriation. The company will be required to undertake specific programs designed to strengthen it. When the investment is concluded, ARRC will own a substantial equity in Icicle below its 49% limitation. There will be provisions for equity repurchase by Icicle, its employees and fishermen.

MARTIN CLARK d/b/a CLARK CONSTRUCTION. (\$373,332 debt secured by equipment) total investment: \$410,000.

A smaller buyer and transhipper of high quality salmon located in Dillingham, Clark moved approximately one million pounds of product this year. ARRC's loan enabled Clark to acquire and install ice producing machinery vitally needed to improve product quality in Bristol Bay. Clark sells ice to other processors as well as engaging in fish buying and shipping. Clark is in financial difficulty. ARRC is providing technical assistance.

AMERICAN EAGLE. (\$50,000 working capital loan secured by personal guarantees) total investment: \$200,000.



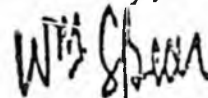
The Honorable Jalmar M. Kerttula  
Page Four

Four entrepreneur/fishermen acquired a WWII vesse, and have converted it to a floating processor. ARRC made a working capital loan of \$150,000 and followed up with an additional \$50,000 out of the special fund after the season had begun. In addition to the normal difficulties of a start-up operation the business has suffered from conflict between the owners as well as mechanical problems. Operations for salmon were conducted in the False Pass area.

This venture continues in its attempts to reorganize. ARRC is currently reviewing a plan for mechanical and organizational changes.

To some extent, all of these companies, which are Alaska owned and controlled, will all require a pack line of credit for the 1981 season. Icicle alone, for instance, may need around \$35 million. For this reason, ARRC and the companies in which it has invested are watching SB 140 (pack financing) with special interest. They hope that as Alaskan companies, their credit requirements will receive priority over their non-Alaskan competitors.

Sincerely,



William E. Spear  
Chairman



February 3, 1981

The Honorable Jalmar Kerttula  
President of the Senate  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would establish the fishery product revolving loan fund in the Department of Revenue. This bill is designed to provide short-term financing to fish processors with facilities located in Alaska. The Department of Revenue would be authorized under the bill to purchase participation interests in loans made by banks to fish processors. These loans would provide needed funds to fish processors to cover operating costs before the fishery products are sold.

I am also transmitting a bill appropriating money to the fund.

Sincerely,

*SJS*

Jay S. Hammond  
Governor



JUNEAU, ALASKA

# Alaska State Legislature

## Senate

### RESOURCES SUBCOMMITTEE ON FISHERIES

March 4, 1981

TO: Senator Bettye Fahrenkamp, Chairman  
Senate Resources Committee

FROM: Senate Resources Subcommittee on Fisheries

SUBJ: SB 140 "An Act creating a Fishery Product Revolving  
Loan Fund"

The subcommittee has taken testimony and replaced SB 140 with CSSB 140 and reports CSSB 140 back to the committee as a whole with the following recommendations.

Members		Recommendation
Senator Mulcahy	<i>Bob Mulcahy</i>	<i>No Rec</i>
Senator Eliason	<i>P. Eliason</i>	" "
Senator Gilman	<i>Don Gilman</i>	<i>NO Rec</i>

S B

141

COMMITTEE REPORT  
SENATE

FURTHER: Finance

2/3/81

Date:

3/16/81

Mr. President:

The Committee on RESOURCES has had SB 141  
making a special appropriation to the fishery product revolving loan fund

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

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- 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:

\_\_\_\_\_

\_\_\_\_\_

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CHAIRMAN



# Alaska State Legislature

3

## Senate

JUNEAU, ALASKA

### RESOURCES SUBCOMMITTEE ON FISHERIES

March 4, 1981

#### Senate Resources Subcommittee on Fisheries meeting

The meeting was called to order by Chairman Mulcahy at 3:14 P.M. Senators Eliason and Gilman were present.

First on the agenda was SCR 12 "Relating to Hand Trolling".

Russel Bartoo testified on SCR 12. He said that he agreed with only a couple of parts of the resolution. He felt that the real problem facing hand trollers is the 80/20 split of resource allocation.

John Wilcox, President of the Juneau Hand Trollers, testified on SCR 12. He said he was hopeful that the resolution would at least give the Board of Fisheries knowledge that a problem exists with their proposed amendment.

Burt Finley, Secretary/Treasurer of the Juneau Hand Trollers, testified on SCR 12. He said he felt the resolution would go a long way towards convincing the Board of Fisheries that their proposed amendment should be changed.

Lewis Schnaper testified on SCR 12. He said that as a power troller he didn't oppose the resolution, but felt that whole issue boils down to the 80/20 split. He felt the split was an equitable solution.

Senator Eliason asked him to briefly run down problems that trollers are facing.

He said the main problem was the OY, optimum yield, that the trollers are given in Kings and Silvers. As this is being cut, it is becoming hard to have a good season.

SCR 12 was moved with individual recommendations.

Next on the agenda was SB 140.

Chairman Mulcahy briefly explained CSSB 140 to the committee, and to the people attending the meeting.

Roger Painter and Hank Ostrosky commented briefly on CSSB 140.

CSSB 140, and SB 141 were moved with individual recommendations.

Chairman Mulcahy adjourned the meeting at 3:50 P.M.



# Alaska State Legislature

## Senate

### RESOURCES SUBCOMMITTEE ON FISHERIES

JUNEAU, ALASKA

February 11, 1981

#### Senate Resources Subcommittee on Fisheries Meeting

The meeting was called to order at 3:04 PM by Chairman Mulcahy. Present were Senator Gilman and Senator Eliason. Senator Fahrenkamp monitored while SB 140, 141 were being considered.

Before the bills were considered, Mark Hutton, John Doyle, and Don Rosenberg from the University of Alaska briefly summarized the plan for the improvement of fisheries and fishery related marine affairs programs. Mark Hutton gave the testimony. Mr. Hutton passed brochures and studies of the program to the subcommittee, and briefly explained the ten month study.

Senator Gilman asked where the program fit in with the Institute of Marine Science. Mr. Hutton said the new program was parallel with the present Institute of Marine Science in most programs.

First on the agenda were SB 140, and SB 141 "An Act establishing a fishery product revolving loan fund", and "An Act making a special appropriation to the loan fund".

Chairman Mulcahy stated that because Commissioner Williams of the Department of Revenue was out of town, the bills would be held over.

Roger Painter of United Fisherman's Association (tape reading 290) was the first to testify. He said that fishermen were highly in favor of this bill. He was very glad to see it come along. He had only one concern with the bill. He said that while it would be desirable to not loan money to Japanese controlled companies, he didn't want to stop the bill if it is impossible to differentiate between companies.

Chairman Mulcahy said he had had that concern expressed to him from several sectors.

The next person to testify was Rick Lauber of Pacific Seafood Processors Association (tape reading 435). He said he was in favor of this bill, and felt it was good. He said that it would benefit processors, fishermen, and workers. Mr. Lauber said that it will not be low-cost

age two  
Senate Resources Subcommittee on Fisheries Meeting  
February 11, 1981

money to subsidize the industry, but the availability of money would help greatly.

Chip Thoma, from the audience, asked what the definition of facilities was. Did it mean shore-based processors only?

Next on the agenda was SB 103 (tape reading 580).

John P. Doyle, of the University of Alaska testified in favor of SB 103. He felt that while the quality of Alaska salmon is good, this program would make it even better. He said that the initial effort was in the Prince William Sound, but that it would go statewide, and effect all phases of the fishing industry eventually.

SB 103 was moved with individual recommendations.

Chairman Mulcahy said SB 111 would be considered at a later date.

The meeting was adjourned by Chairman Mulcahy at 3:36 PM (tape reading 636).

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

March 13, 1981  
1:30 p.m.

Beltz Room  
211 Capitol

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#### MEMBERS PRESENT

SENATOR FAHRENKAMP  
SENATOR FISCHER  
SENATOR ELIASON  
SENATOR GILMAN  
SENATOR MULCAHY  
SENATOR STURGULEWSKI

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Hearing: SJR 25 "Relating to the Klondike Gold Rush  
National Historical Park"  
SCR 12 "Relating to hand trolling"  
SB 140 "An Act creating a fishery product  
revolving loan fund"  
SB 141 "An Act making a special appropriation  
to the fishery product revolving loan  
fund"

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#### SJR 25

John McDermott, Skagway City Council, stated there had been a considerable breakdown in communication with the National Park Service. Their major problem is with the Park Service's land acquisition policy. The policy is in draft form and there has never been a public meeting on it. He stated that SJR 25 will certainly help their situation and the City Council supports it.

Skip Elliott, Skagway City Manager, stated that he had previously outlined the City's problems when he testified on

SB 36. He said that the Park Service is more receptive since the introduction of SB 36 and SJR 25.

Senator Mulcahy put forth the motion to move SJR 25 with individual recommendations.

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SCR 12

Senator Eliason stated that the Board of Fisheries made a mistake at their last meeting in limiting hand trollers to one line. SJR 12 addresses some of the options to the problems the Board created.

Senator Mulcahy put forth the motion to move SCR 12 with individual recommendations.

-----

SB 140 and SB 141

Senator Mulcahy stated that the Senate Resources Subcommittee on Fisheries held hearings on SB 140 February 11th, February 18th, and March 4th. He stated that SB 141, which is an appropriations bill of \$100 million, was not addressed in Subcommittee because it is basically a Finance Committee issue. He requested that the Committee adopt the Subcommittee's CSSB140 with one amendment:

Page 1, Line 15-16, delete the words "processing of" and replace with "such processors' inventories of canned, frozen or processed"

Senator Mulcahy put forth the motion to move CSSB 140 as amended with individual recommendations.

Senator Mulcahy put forth the motion to move SB 141 with individual recommendations.

The Chairman adjourned the hearing at 2:45 p.m.



# Alaska State Legislature

## Senate

### RESOURCES SUBCOMMITTEE ON FISHERIES

JUNEAU, ALASKA

March 4, 1981

TO: Senator Bettye Fahrenkamp, Chairman  
Senate Resources Committee

FROM: Senate Resources Subcommittee on Fisheries

SUBJ: SB 141 "An Act making a special appropriation to  
the Fishery Product Revolving Loan Fund"

The subcommittee has taken testimony and reports SB 141 back to the committee as a whole with the following recommendations.

Members		Recommendation
Senator Mulcahy	<u>Bob Mulcahy</u>	<u>No Pass</u>
Senator Eliason	<u>D. Eliason</u>	<u>u u</u>
Senator Gilman	<u>Don Gilman</u>	<u>NO Pass</u>

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

#### MEMORANDUM

TO: SENATE RESOURCE COMMITTEE MEMBERS

FROM: JIM PALMER  
SENATE RESOURCES COMMITTEE STAFF

RE: CSSB 140 "AN ACT ESTABLISHING A FISHERY PRODUCT REVOLVING LOAN FUND."  
SB 141 "AN ACT MAKING A SPECIAL APPROPRIATION TO THE FISHERY PRODUCT  
REVOLVING LOAN FUND."  
SCR 12 "A RESOLUTION RELATING TO HAND TROLLING."

DATE: MARCH 5, 1981  
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The Subcommittee on Fisheries, chaired by Senator Mulcahy, has passed out of subcommittee CSSB 140, SB 141 and SCR 12.

These three measures have been scheduled for full committee consideration on Friday, March 13.

Attached are some informational materials relative to these bills.

- (1) copy of subcommittee substitute for SB 140.
- (2) a February 27 letter to Senator Mulcahy from the Department of Revenue on SB 140 and 141.
- (3) a memorandum from Legislative Affairs Agency on the constitutionality of precluding fish processors who are 80% or more owned by foreign nationals from obtaining fishery product loans under SB140. This memorandum was dated March 3 and was directed to Senator Mulcahy.
- (4) a memorandum to Senator Mulcahy dated March 4 on the constitutionality of giving first priority in the award of fishery loans to Alaskans.
- (5) fiscal note prepared for SB 140 by the Dept. of Revenue.

I also understand that the subcommittee will be preparing a letter of intent to accompany CSSB 140.

STATE OF ALASKA  
THE LEGISLATURE

ALASKA STATE DEPARTMENT  
LEGISLATIVE AGENCIES  
1000 EAST 12TH AVENUE  
ANCHORAGE, ALASKA 99511

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 4, 1981

SUBJECT:           Constitutionality of giving first priority in  
                  the award of fishery loans to Alaskans.  
                  (CSSB 140)

TO:                Senator Bob Mulcahy

THROUGH:         Joseph A. Guthrie  
                  Legislative Counsel

FROM:             Bernie M. Tuggle, Jr.  
                  Legislative Legal Extern

You have asked whether first priority in the award of fishery loans under CSSB 140 could be given to companies which are owned 50 percent or more by Alaska residents. Your proposal would be subject to attack under the privileges and immunities clause by individuals and to equal protection attack by corporations.

The privileges and immunities clause, Article IV, section 2 says that:

- The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.

Corporations, however, are not protected under this clause, since they are not citizens. Lynden Transport, Inc. v. State, 532 P.2d 700 (Alaska 1975). Therefore, only individuals could pursue a privileges and immunities challenge against your proposal.

The purpose of the clause is:

To place the citizens of each state upon the same footing with citizens of other states, so far as the advantages resulting from citizenship in those states are concerned.

Paul v. Virginia, 19 L.Ed. 357 (1869). However the clause does not preclude disparity of treatment in situations where there are perfectly valid independent reasons for it. What the clause does bar is discrimination against citizens of other states where there is no substantial reason for the discrimination beyond the mere fact that they are citizens of other states. A substantial reason for the discrimination would not exist unless there is something to indicate that non-citizens constitute a "peculiar source of evil" at which the discriminatory statute is aimed. Tosmer v. Witsell, 92 L.Ed. 1460, 1472 (1948). Moreover, even where the presence or activity of non-residents causes or exacerbates the problem the state seeks to remedy, there must be a "reasonable relationship" between the danger posed by noncitizens, as a class, and the discrimination practiced upon them. Id., at 1473. Therefore, the privileges and immunities clause demands a two-step analysis.

First, do non-residents constitute a peculiar source of evil at which your proposal is aimed? I believe that a reasonable and persuasive argument could be made that they do. Alaska has a strong interest in regulating and controlling those things it claims to "own" (the funds for which the fishery loans would derive). Yet while this interest is by no means absolute, Baldwin v. Montana Fish & Game Comm'n, 56 L.Ed.2d 354 (1978), Alaska's ownership of the funds is a crucial factor. Hicklin v. Orbeck, 57 L.Ed.2d 397, 405 (1978). In Hicklin, the Court found that Alaska had "little or no" proprietary interest in much of the activity swept within the ambit of Alaska Hire. Id. On the other hand, under your proposal Alaska does have a significant proprietary interest, e.g., management of loan funds, and development of the fishing industry. Given this state interest in the funds which would be the source of fishery loans, non-Alaskans could be a "peculiar source of evil" if the loan funds were limited, non-Alaskans flocked to the state to get the loans, etc.

Second, is there a reasonable relationship between your proposal and the class at which your proposal is aimed. Again, I would say "yes". Non-Alaskans are not absolutely barred from receiving a loan; they must simply wait in line. I would conclude that your proposal is constitutionally valid as applied to non-Alaskan individuals.

Senator Bob Mulcahy  
Page 3  
March 4, 1981

Corporations, meanwhile, could mount a Fourteenth Amendment equal protection attack. However your proposal seems valid since it involves no suspect classes and no fundamental rights. Instead, it is an example of the type of socio-economic legislation that warrants a low level rational basis test. Usually, such a test amounts to the judiciary deferring to the legislative judgment.

While the Alaska Supreme Court no longer applies a two-tiered approach to equal protection cases, State v. Erickson, 574 P.2d 1 (Alaska 1978), the result would be the same since there are no fundamental rights or suspect classes involved with your proposal.

In summary, your proposal seems constitutionally valid both in regards to individuals and to corporations.

BMT:JAG:ljb

Enclosures

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3211

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 3, 1981

SUBJECT:           Constitutionality of precluding fish processors  
                  who are 80 percent or more owned by foreign  
                  nationals from obtaining fishery product loans  
                  under SB 140.

TO:                Senator Bob Mulcahy

FROM:             Joseph A. Guthrie  
                  Legislative Counsel

*JAG*

Attached is a memorandum prepared by Bernie M. Tuggle, a  
legal extern serving with the Division of Legal Services. I  
have reviewed his memorandum and agree with the conclusions  
and advice given in it.

JAG:ljb

Attachment

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AGENCIES  
ALASKA STATE OFFICE  
607-465-3311

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 3, 1981

SUBJECT:            Constitutionality of precluding fish processors who are 80 percent or more owned by foreign nationals from obtaining fishery product loans under SB 140.

TO:                 Senator Bob Mulcahy

FROM:              Bernie M. Tuggle <sup>BT</sup>  
                      Legislative Legal Extern

You have asked me to explore the constitutionality of precluding fish processors who are 80 percent or more owned by foreign nationals from obtaining loans from the fishery product revolving loan fund which would be created by SB 140. This issue raises Fourteenth Amendment equal protection problems because your proposal would discriminate against persons on the basis of alienage.

As a practical matter, many fish processors would be organized under the corporate form of business. This raises the initial question whether corporations are protected under the equal protection clause. The answer is an unequivocal "yes", Grosjean v. American Press Co., 80 L.Ed. 660 (1936). Therefore, corporations and other types of business organizations receive the same amount of equal protection as individuals.

Traditionally, classifications based on alienage, like those based on nationality, or race, are inherently suspect and subject to the highest judicial scrutiny. Graham v. Richardson, 29 L.Ed.2d 534 (1971). However it is unclear whether strict scrutiny applies to non-resident aliens as well as resident aliens. While the numerous cases which have struck down alienage classifications have all involved resident aliens, Truax v. Raich, 60 L.Ed. 131 (1951); Takahashi v. Fish and Game Comm'n., 92 L.Ed. 1478 (1948); Graham v. Richardson, supra; Sugarman v. Dougall, 37 L.Ed.2d

853 (1973); In re Griffiths, 37 L.Ed.2d 910 (1973); Hampton v. Mow Sun Wong, 48 L.Ed. 495 (1976); Examining Board v. Otero, 49 L.Ed.2d 63 (1977); Nyquist v. Mauclet, 53 L.Ed.2d 63 (1977); the Court has never directly addressed this issue. The lower courts, meanwhile, have split on whether strict scrutiny is the appropriate level of judicial review for laws which discriminate against non-resident aliens. Compare Moreno v. Toll, 489 F.Supp. 658 (D. Md. 1980) with United States v. Tsuda Maru, 429 F.Supp. 519 (D. Alaska 1979).

Matthews v. Diaz, 48 L.Ed.2d 478 (1976) suggests that classifications which discriminate against non-resident aliens are not as suspect as classifications discriminating against resident aliens.

Neither the overnight visitor, the unfriendly agent of a hostile foreign power, the resident diplomat, nor the illegal entrant, can advance even a colorable constitutional claim to a share in the bounty that a conscientious sovereign makes available to its own citizens and some of its guests. (Emphasis in original)

Id. at 490. This possible difference in levels of judicial scrutiny will prove important as discussed below.

Another factor as to whether your proposal would pass constitutional muster would be the characterization of the benefit sought. Here, that benefit would be a fishery product loan. As a general rule, the strict scrutiny approach is applicable to state classifications based on alienage, excepting those dealing with governmental functions, in which case the less stringent rational basis test will be applied. For example in Foley v. Connelie, 55 L.Ed.2d 287 (1978), the Court upheld a New York statute limiting appointment to the state police force to United States citizens by applying a rational basis, rather than a strict scrutiny test. The application of this less demanding standard, however, was clearly limited to alienage classifications in matters involving the state's historical power to exclude aliens from participation in its political institutions. As the Court stated:

The essence of our holdings to date is that although we extend to aliens the right to education and public wel-

fare, along with the ability to earn a livelihood and engage in licensed professions, the right to govern is reserved to citizens.

Id. at 293. Foley, then, stands for a limited exception to the general strict scrutiny standard, and this exception will apply only in cases involving state regulation of one of the basic functions of government.

In the closest case on point, Nyquist v. Mauclet, supra, the Court struck down a New York Statute which barred resident aliens from state financial assistance for higher education. While Nyquist was a 5 to 4 decision, I believe that it would be followed and your proposal as applied to resident aliens would be struck down. Even though Nyquist is factually distinguishable, its holding is on point. The New York statute indirectly barred a resident alien from seeking higher education, i.e., he could not secure a state loan to pursue his education. Similarly, your proposal would indirectly bar a resident alien from pursuing his livelihood, i.e., he could not obtain a state loan from the fishery product revolving loan fund. Moreover, loans to fishermen could hardly be characterized as a "basic governmental function" such as holding public office. Therefore, such loans would not fit within the one recognized exception to the general rule of strict scrutiny for classifications based on alienage.

Your proposal as applied to non-resident aliens would pass constitutional muster for two reasons. First, although this area of the law is unsettled, judicial review of classifications discriminating against non-resident aliens seems to be lower than strict scrutiny. Second, the Supreme Court's cases have often emphasized that resident aliens live in American communities, must obey our laws, pay taxes, serve in the armed forces, and have made significant contributions to our country. It is the burdens which resident aliens bear along with citizens that makes discriminations against resident aliens irrational. Resident aliens are in many respects just like citizens, and classifications which disadvantage them will usually be subjected to strict judicial scrutiny. However the philosophical and legal support for this doctrine is absent when a case involves a non-resident alien.

Senator Bob Mulcahy

Page 4

March 3, 1981

In summary then, if your proposal includes resident aliens, it probably would be struck down. If your proposal includes only non-resident aliens, then most likely it would survive an equal protection attack.

BMT:ljb

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

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

February 27, 1981

The Honorable Bob Mulcahy  
Senate Resources Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Re: SB 140 and 141 (fish pack loans)

Dear Senator Mulcahy:

This is in response to the questions that came up during my testimony on these bills before your subcommittee.

1. Loans for inventory, not working capital. It is definitely the Governor's intent that these loans would be made to finance fish pack inventories and not to provide processors with working capital loans. As an artifact of being transformed to proper legal style, my draft references to "fish pack loans" were deleted and the present ambiguity as to intent resulted. To resotre clarity, I would suggest the following amendments to the version of the bill as introduced:

p. 1, lines 15-16: "located in Alaska and which are used to finance such processors' inventories of canned, frozen or processed [PROCESSING OF] fishery products from Alaskan fisheries."

2. When loans are to be made and funded. It is our intent to use the contractual power proposed in AS 44.25.050(3) to make commitments to participate in pack financings before the fish are bought and processed. However, since the financing would be to finance only the pack or inventory (see comment 1), the execution of such commitments and the actual funding would take place only after the inventory is in existence. Funds for starting up at the beginning of the season would be from a processor's working capital and, hence, could not be advanced under this loan program.

3. Term of the loans. The Committee expressed concern that if there is no clear statutory limit to the term of the loans, processors may attempt to sell last the inventory collateralizing the loan fund's participation in order to prolong or take advantage of the lower interest rate. This

concern will be taken care of by the fact that a participation in a loan will be purchased, rather than a separate loan be made from the loan fund. The fund will be a partner in a fish pack loan, together with the banks or other financial institutions that are participating in the loan. All participants in the loan would have pro-rata, undivided interests in the collateral, and therefore, it would not be possible for a processor to pay off his higher-interest bank participations in the loan while stretching out the State's lower-interest participation.

As I testified, rigidly limiting the term of a loan to one year is unrealistic. True, in good years all the processors can work down their inventories and pay off the loan within 12 months, but good years don't come every year and it is not uncommon for a processor to need more time than that to get squared away. Our leverage over the processor is not so much that we can declare him in default and jerk the loan out from under him, as it is that we can refuse to help finance the current year's pack for him until the last year's pack loan is all cleaned up. This is much more meaningful economic power than the threat of foreclosing on an inventory that the processor would probably have been having trouble with.

I therefore recommend that line 15 on page 2 of the original bill be deleted and the following subsections renumbered accordingly.

4. Collateral. The loans will be for fish pack and will be secured by the pack and the receivables arising from the pack. Fluctuation in the market price for fish products might suddenly lower the value of the pack so that the loan it secures then represents more than 75 percent of the pack's value. What happens then? Literally under the statute, the loan would no longer be one in which we could legally participate. We would be forced to declare a default and foreclose on the loan, thereby acquiring a lot of fish products in the middle of a bad market for fish product.

The large banks that will be originating and participating in many of these loans -- the Rainiers, the Sea Firsts and the like -- know all about this business and aren't about to let themselves lose a lot of money at it. It seems to me, then, that it would be wise to share ratably in the collateral that they themselves are willing to accept, instead of hoping to protect ourselves by a fixed loan-to-value ratio that may quickly become unrealistic as the market changes. Accordingly, I suggest the following amendment to the original bill:

p. 2 lines 16-18: "(3) the state participation must be ratably secured on at least an equal basis as the participations of all other participants in the loan, which must be secured by a pledge of the fish processor's inventory being financed by the loan or the accounts receivable arising from that inventory [OF THE FISH PROCESSOR] or by other collateral acceptable to all participants in the loan [AND MAY NOT EXCEED 75 PERCENT OF THE APPRAISED VALUE OF THE COLLATERAL TAKEN AS SECURITY];"

5. Definition of "facilities located in Alaska", which determines eligibility. The committee expressed concern about the meaning of this term, particularly whether floating processors in the three-mile limit would qualify. Certainly under the present wording of the bill they could be construed as being facilities located in Alaska, and we would adopt a regulation to that effect unless the Legislature shows an intent to the contrary. However, it would be a matter of administrative discretion, and the policy taken now could be reversed in the future. Thus, if you wish to ensure that floating processors will qualify for these fish pack loans, you might add the following definition to proposed AS 44.25.065 on page 3 of the bill:

"facilities located in Alaska" means facilities at which fisheries products are canned, frozen or otherwise processed for inventory and includes such facilities both onshore and offshore, provided that the floating facilities are registered with the State of Alaska or the U.S. Coast Guard and operate within the three-mile limit or within historic bays and inland waters of the State of Alaska.

Let me conclude this letter by assuring you that I do not intend to set up a poorly run loan program if this bill passes. Safeguarding the integrity of the program while meeting the public need is the goal. This will not mean that every processor gets financing under this program, but at the same time no processor with facilities in Alaska will automatically

The Honorable Bob Mulcahy

February 27, 1981  
Page Four

be excluded. Decisions will be made on a case-by-case basis. The processor will first go to a financial institution or CFAB, which will originate and participate in the loan. The originator will be free to agree to commit to a participation or to decline it. If it agrees, the originator will invite us to participate, and we will in turn apply our independent judgment in deciding whether or not to make a commitment. The terms and conditions, the safeguards and protections, the duties and obligations will all be spelled out in great detail in the loan agreements, which we can and will insist on being to our satisfaction before we agree to participate. It is important that the statute preserve administrative flexibility to adapt, if appropriate, to the particular circumstances of the individual borrower. This bill, with the changes I have suggested, would provide a skeleton to support the program, and we will do our best to flesh it out into a healthy program.

Very truly yours,



Thomas K. Williams  
Commissioner of Revenue

TKW:m11

cc: Senator Eliason  
Senator Gilman

1	POSITION TITLE State Investment Officer II			RANGE/STEP 22A	BARG. UNIT. X	LOCATION Juneau	BOV	APPROV	DIS
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 3,494 x 12		41,928
5	BENEFITS 41,928 x .1533		6,428
6	FICA SBP		2,004
7	HEALTH INS. Mo. Fix. 12x150		1,800
8	TOTAL PERSONAL SERVICES 01		52,160
9	TRAVEL 09		12,000
10	CONTRACTUAL 07		2,000
11	COMMODITIES 06		300
12	EQUIPMENT 05		2,000
13	OTHER		
14	TOTAL COST		68,460

JUSTIFICATION:

Necessary to implement and monitor new Fish Pack Revolving Loan Fund.

Investment Officer will review and screen loan applications. Analyzes overall value and security and approves loan for purchase/participation. Confer with affected agencies and institutions to maintain smooth revolving loan program. Works with Alaska financial institutions for participations.

	CONF	FUNDING SOURCE	
15		FED HCPTS. 1009	
16		GF MATCH. 1001	
17		GEN. FUND 1001	68,460
18		IA HCPTS. 1009	
19		PGM HCPTS 1078	
20		OTHER	

21	CONTINUATION		
22	ADDITION	XX	FOR B&M USE ONLY

AA KEY NUMBER

COLUMN NO.

AGENCY Department of Revenue PROGRAM Revenue Collection and Management

BRU Treasury Management

**13** REQUEST FOR NEW POSITION.

COMPONENT \_\_\_\_\_

Page 1 of 1

REVISED DATE 1/26/81

**FY 82**

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. \_\_\_\_\_  
 Title An Act establishing a fish pack revolving loan fund.  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected Revenue Collection and Management  
 BRU, Program, or Subprogram(s) Affected Treasury Management  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	13.1	52.2	57.4	63.2	69.5	76.4
200 TRAVEL	3.0	12.0	13.2	14.5	16.0	17.6
300 CONTRACTUAL	2.0	2.0	2.2	2.4	2.7	2.9
400 COMMODITIES	.2	.3	.3	.4	.4	.5
500 EQUIPMENT	2.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>20.3</b>	<b>66.5</b>	<b>73.1</b>	<b>80.5</b>	<b>88.6</b>	<b>97.4</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	20.3	66.5	73.1	80.5	88.6	97.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	1	1	1	1	1	1
PART TIME						
TEMPORARY						

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

Above includes salary and benefits for State Investment Officer II. Travel cost due to nature of fishing business and review requirements for loans. Contractual expenditures for advertising for regulations, etc. Equipment for State Investment Officer.

Costs shown in FY 81 are for a three month period assuming the bill would pass by March 31. If not effective until new fiscal year, equipment costs should be moved to FY 82.

Above is predicated on use of Alaska financial institutions as seller-servicer.

*Anselm C. Staack*

IV. DATE January 26, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller  
 AGENCY Dept. of Revenue/Treasury Division  
 Original: Legislative Finance PHONE 465-2351  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

S B

145



# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

Senate

## Committee on Resources

May 29, 1981  
1:30 p.m.

Beltz Room  
211 - Capitol

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### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Sturgulewski  
Senator Bradley  
Senator Mulcahy  
Senator Gilman

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### Hearing:

- SJR 48                    Relating to the implementation of the Surface Mining and Reclamation Control Act by the Secretary of the Interior
- SB 145                    An Act providing for free resident hunting and sport fishing licenses for disabled veterans; and providing for an effective date
- SB 573                    An Act relating to the sale and labeling of honey
- CSHJR 50 (Coal)        Expressing the sense of the Alaska Legislature that the state's coal resources be developed for sale and export

---

Phil Holdsworth stated that he was speaking in behalf of the state's coal lessees. The lessees approve of SJR 48. The resolution is necessary to notify the Department of the Interior that the state is working on a surface mining act and regulations.

Mr. Holdsworth stated that Section 708 of the federal Act allows for study and recommendations to take special conditions in Alaska into account. The Secretary of the Interior has not yet submitted those recommendations, and the Office of Surface Mining is undergoing changes in personnel and philosophy. It seems wise to delay adoption of an act until the next session of the Alaska Legislature.

Senator Sturgulewski put forth the motion to move SJR 48.

Senator Bradley stated that the State Affairs Committee substitute for SB 145 corrected a citation error and "degendered" the language in the original bill. The committee substitute also adds an effective date.

Senator Bradley stated that 38 states have free hunting and sport fishing licenses for disabled veterans, and that four states have legislation to this effect before their legislatures. There are 515 persons that would be eligible for free licenses under the provisions of the bill.

Senator Mulcahy put forth the motion to move CSSB 145 (State Affairs) with individual recommendations.

Senator Fahrenkamp stated that there was an amendment proposed by the sponsor to SB 573, to delete the words "sold, offered for sale" from line 9, and to insert the word "distribute" in that place.

Don Magnusson (Alaska Retail Association) stated that he had suggested the sponsor's proposed amendment. The intention was to insure that retailers would not be liable for the content of labels on honey.

Senator Gilman put forth the motion to amend SB 573, deleting the words "for sale" from the title and the words "sold, offered for sale, or" from line 9.

Senator Mulcahy put forth the motion to move SB 573 as amended as CSSB 573 (Resources) with individual recommendations.

Senator Fahrenkamp stated that there was a proposed committee substitute for CSHJR 50 (Coal). After discussion, the Committee withheld action on the resolution.

The Committee adjourned at 2:07 p.m.

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

MAR 2 1981

37-0

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

March 2, 1981

The Honorable Vic Fischer  
Chairman  
Senate State Affairs Committee  
Room 205 - Behrends Building  
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 145

Senate Bill No. 145, an Act providing for free resident hunting and sport fishing licenses for disabled veterans, was introduced in the Senate on February 4, 1981 and was referred to the Senate State Affairs and Resources Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Cecelia A. Wagoner, Fish and Game Licensing Section of the Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson  
Special Assistant

RDS/rlh

cc: The Honorable Bettye Fahrenkamp  
Chairper on  
Senate Resources Committee

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Cecilia A. Wagoner  
Fish and Game Licensing Section  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SE No 145  
 Title An Act providing for free resident hunting and sport fishing licenses for disabled  
 Requested by Senate State Affairs and Resources Committee Date 2/4/81 veterans.

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected Sport Fish and Game Fund  
 BRU, Program, or Subprogram(s) Affected Department of Fish and Game  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
FISH FUND	-0-	(2.6)	(2.4)	(3.1)	(3.4)	(3.8)
GAME FUND	-0-	(3.1)	(3.6)	(3.8)	(4.1)	(4.5)

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached fiscal note

IV. DATE February 26, 1981

PREPARED BY Cecilia A. Wagonec for Linda Gene Lockridge

AGENCY Department of Revenue

PHONE 465-2376

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

S.B. #145 Bill Analysis

According to the U.S. Veterans Administration Regional Office for Alaska, located in Anchorage, there are currently 515 veterans in the state who have a service-connected disability that is rated at 50% or greater. The Veterans Administration estimated that this figure would increase at the rate of 10% each year. We are assuming that 50% of the eligible veterans will apply for this license.

We recommend that the effective date of this bill be January 1, 1982, because fishing and hunting licenses are sold on a calendar year not a fiscal year. Licenses and applications would also have to be designed, bid let out, and the licenses printed all on special order. It would also be extremely unfair to those veterans who had already purchased their licenses for 1981 for cash if some of the eligible group got their license for free. Also, there would be no loss of revenue or expense incurred in Fiscal Year 1981 if the effective date of the bill is January 1, 1982. The license could be purchased with the regular order of 1982 licenses and applications and instructions would be mailed out to the vendor at the normal shipout time.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB No 145

Title An Act providing for free resident hunting and sport fishing licenses for disabled

Requested by Senate State Affairs and Resources Committee Date 2/4/81 veterans.

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Sport Fish and Game Fund

BRU, Program, or Subprogram(s) Affected Department of Fish and Game

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	-0-	1.	1.	1.	1.	1.
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	-0-	1.	1.	1.	1.	1.

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached fiscal note

IV. DATE February 26, 1981

PREPARED BY Cecilia A. Wagoner for Linda Gene Lockridge

AGENCY Department of Revenue

Original: Legislative Finance

PHONE 465-2376

cc: Budget and Management

Prime Sponsor (First Legislator Named)

S B

154

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(807) 465-3835

## Senate

### Committee on Resources

April 6, 1981  
2:25 p.m.

Beltz Room  
Room 211 - Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Fischer  
Senator Bradley  
Senator Sturgulewski  
Senator Mulcahy  
Senator Eliason  
Senator Gilman

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#### HEARING:

- SB 298 An Act changing the time in which the Department of Natural Resources is required to make land available for disposal from the end of the current fiscal year to October 1, 1981.
- SJR 22 Relating to proposed regulations of the Department of Interior adopted under the Alaska National Interest Lands Conservation Act.
- HB 136 An Act making a supplemental appropriation to the Department of Natural Resources for the Iditarod Trail Race.
- SB 154 An Act providing for the taking of game for the use of incapacitated persons.

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SB 298 Senator Gilman moved for the adoption of the amendment on page 1, line 15, deleting the word "after". Senator Gilman put forth the motion to move SB 298 with individual recommendations.

Senator Sturgulewski put forth the motion to move SJR 22 with individual recommendations.

SENATE RESOURCES COMMITTEE  
APRIL 6, 1981  
Page: 2

Senator Gilman moved for the adoption of the amendment changing \$50,000 to \$53,000 in HB 136. Senator Mulcahy put forth the motion to move HB 136 with individual recommendations.

Kathryn McCormick, Nutritionist, Department of Health and Social Services, stated that the Department supports SB 154 with some amendments. The bill will provide cultural and ethnic food for the elderly and disabled.

Greg Bos, Division of Game, Department of Fish and Game, stated that the Department supports the bill with amendments. He expressed concern about the possibility of abuse of the system if additional clarifying language is not added.

In response to the question, would you be willing to participate in a meeting with the sponsor of the bill, Department of Revenue and the Department of Health and Social Services to work out clarifying amendments to the bill? Mr. Bos, said yes.

The Committee adjourned at 3:52 p.m.

4/6/81  
9:20 p.m.

SUBSTITUTE LANGUAGE SUGGESTED FOR SB 154 BY HESS

\*Section 1 AS 16.05 is amended by adding a new section to read:

Sec. 16.05.407. TAKING GAME AND FISH BY PROXY FOR THE INCAPACITATED. (a) A resident holding a valid hunting or fishing license, may take fish, moose, deer, caribou or elk for the use of an incapacitated person under a fishing and hunting license issued to the incapacitated person under (b) of this section if the license of the incapacitated person is in the resident's actual possession. A resident who hunts or fishes under a license issued to an incapacitated person as well as a license issued to himself may exercise the sum of the privileges which are granted under each of the licenses and which by their nature are cumulative. (b) A resident hunting and fishing license indicating that the holder is incapacitated may be obtained from the Department of Revenue without payment of the fee prescribed in AS 16.05.340 upon presentation of one of the following documents: (1) an affidavit by a competent medical professional stating that the applicant is unable to endure the physical requirements of hunting due to a defect, injury, disease, old age, or other condition of body or mind (2) a notice or decision of award for social security disability (3) a notice of finding of eligibility for aid to the disabled under AS 47.25.790 - 47.25.960 (4) a notice of disability from a public or private retirement program (5) a vocational rehabilitation certification of eligibility and (6) a parking permit for disabled persons. An incapacitated person must obtain a license under this subsection regardless of whether the person is exempt from the requirement of obtaining a license under AS 16.05.400.

ALSO THE TITLE MUST BE CHANGED "FOR THE TAKING OF FISH AND GAME"

SENATE AMENDMENT

By \_\_\_\_\_

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE:

LINE:

FISH AND GAME WANT TO CHANGE SECTION 2

\*Sec. 2. A state department or agency may [NOT] adopt regulations implementing or interpreting sec. 1 of this Act.

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

3/16

MAR 2 1981

JAY S. HAMMOND, GOVERNOR

*Resources*  
37-8

POUCH 5  
JUNEAU, ALASKA 99811

March 2, 1981

The Honorable Bettye Fahrenkamp  
Chairperson  
Senate Resources Committee  
Room 113 - Capitol Building  
Juneau, Alaska

Dear Senator Fahrenkamp:

Re: Senate Bill No. 154

Senate Bill No. 154, an Act providing for the taking of game for the use of incapacitated persons, was introduced in the Senate of February 4, 1981 and was referred to the Senate Resources and Judiciary Committees.

For the consideration of the Senate Resources Committee, I am enclosing copies of Fiscal Notes prepared by Cecilia A. Wagoner, Fish and Game Licensing Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

RDS/rdh

cc: The Honorable Patrick M. Rodey  
Chairman  
Senate Judiciary Committee

Joseph K. Dorohue  
Deputy Commissioner  
Department of Revenue

Cecilia A. Wagoner  
Fish and Game Licensing Section  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB No 154  
 Title An Act providing for the taking of game for the use of incapacitated persons  
 Requested by Senate Resources and Judiciary Committees Date February 4, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected Game Fund  
 BRU, Program, or Subprogram(s) Affected Department of Fish and Game  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
GAME FUND	-0-	(12.)	(12.)	(12.)	(12.)	(12.)

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached fiscal note

IV. DATE February 26, 1981 PREPARED BY Cecilia A. Wagoner for Linda Gene Lockridge  
 AGENCY Department of Revenue  
 PHONE 465-2376  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

## SB 154 Bill Analysis

Due to the fact that there are no statistics available on incapacitated persons and that this statistic will be an ever fluctuating figure, it was assumed that at any given time, approximately 10% of the population of the State would be incapacitated at any given time. Of that 10%, we are assuming that 25% would be purchasing licenses.

We recommend that the effective date of this bill be January 1, 1982, since hunting licenses are sold on a calendar year basis, not a fiscal year. Licenses and applications also would have to be designed, bids sent out, and the licenses printed all on special order. If the effective date was January 1, 1982, there would be no loss of revenue or expense incurred in Fiscal Year 1981. The licenses could be purchased with the regular order of 1982 licenses and the applications and instructions would be mailed out to the vendor at the normal shipout time.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB No 154

Title An Act providing for the taking of game for the use of incapacitated persons

Requested by Senate Resources and Judiciary Committees Date February 4, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Game Fund

BRU, Program, or Subprogram(s) Affected Department of Fish and Game

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	-0-	1.	1.	1.	1.	1.
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>-0-</b>	<b>1.</b>	<b>1.</b>	<b>1.</b>	<b>1.</b>	<b>1.</b>

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

See attached fiscal note

IV. DATE February 26, 1981

PREPARED BY Cecilia A. Wagoner for Linda Gene Lockridge

AGENCY Department of Revenue

PHONE 465-2376

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

*Cecilia Wagoner*

POSITION PAPER  
ON  
SENATE BILL NO. 154

"An Act providing for the taking of game for the use of incapacitated persons; and providing for an effective date."

Fish and game are important sources of food for many persons in Alaska. It has been brought to the attention of the Department of Health and Social Services that securing a traditional source of food has become a problem for many elders in Alaska. The elderly in many cases are unable to endure the strenuous physical requirements of hunting. In communities contacted, it is reported that because of the limits imposed on the individuals by the existing statute, the elderly have very limited amounts of their traditional meat donated to them by the community. Food, therefore, appears to be a crucial need.

The Nutrition Program for the Elderly, which serves persons 60 years and older under the Division of Adult and Aging Services, has been established in 45 sites throughout Alaska. The purpose of the program is to help the elderly remain in their homes by providing one or more meals a day throughout the week in a congregate setting or through home-delivered meals. However, in this program it is the responsibility of the administrating agency to assure that the Nutrition Program serves cultural foods to meet the particular ethnic backgrounds of the people.

The Division of Adult and Aging Services, in the Department of Health and Social Services, has been pursuing methods of securing traditional native foods for the Nutrition Program for the Elderly. Procurement and inspection barriers have been investigated by the Division. Coordination efforts with the Divisions of Environmental Conservation and Public Health have resolved many inspection problems; and, with continued cooperation, the inspection of wild meat will be accomplished.

Procuring a traditional meat supply for the elderly has been a more difficult problem to resolve. One method, in certain areas that are accessible to roads, is to obtain from the Department of Public Safety wild animals that have been killed by motorists; but the elderly in other areas inaccessible to roads do not have this resource.

This bill would secure a traditional source of native food for the elderly and others who can no longer hunt. It could also provide a cultural food source to the Nutrition Program for the Elderly which provides hot meals daily to elderly citizens in need. To secure a traditional food supply for all is a strongly supported need documented statewide by elderly service providers and by the Alaskan State Nutrition Committee. The Department of Health and Social Services recognizes the valuable contributions that this bill would make in helping an elder secure a traditional source of food to enhance his physical, social, and mental well being.

The Department supports the concept of the bill. There are however several recommendations for amendments listed below:

Section 1. AS 16.05.407

Line 12 Delete: "whether or not the holder of a valid hunting license"

Substitute: "holding a valid hunting license"

Rationale: to stay consistent with AS 16.05.405 which states "a resident holding a valid hunting license may take moose, deer, caribou or elk under a hunting license of a blind resident in accordance with (b) of this section if the resident has the license of the blind person in his possession."

Section 1. AS 16.05.407

Line 6 and Line 13 Amend to include: "fish and game" rather than "game" alone.

Rationale: There are regulatory limits placed on the number of fish one person can take, therefore it would be appropriate to add the taking of fish by proxy for the incapacitated.

Section 1. AS 16.05.407

Line 13 and Line 20 Amend to include: "fishing and hunting" license rather than "hunting" license alone.

Rationale: The taking of fish and game by proxy for the incapacitated should be allowed as Alaskan fish is also a good source of food which the incapacitated have a right to acquire access to.

Section 1. AS 16.05.407(b)

Line 22 Add: "upon presentation of one of the following documents".

Line 23 Add: "1. an affidavit."

Line 23 Delete: "by the applicant or a physician."

Substitute: "by a competent medical professional."

POSITION PAPER/Department of Health & Social Services

Rationale: Undue hardship may be caused in requiring a physician in many areas where only other health professionals are available; and an affidavit by the applicant may be questionable.

Line 24

Delete: "to hunt"

Substitute: "to endure the physical requirements of hunting."

Rationale: describes eligibility criteria of those "unable to hunt" in a more extensive manner replacing the need to define "injury, disease or old age."

Line 25

Add: "2. a notice or decision of award for social security disability.

3. a notice of finding of eligibility for aid to the disabled under AS 47.25.790 - 47.25.960.

4. a notice of disability from a public or private retirement program.

5. a vocational rehabilitation certification of eligibility.

6. a parking permit for disabled persons."

Rationale: These additional sources of documentation verifying incapacitation may be substituted for the aforementioned affidavit and will not result in undue hardships.

Recommended by: Elizabeth Muktarian  
Elizabeth Muktarian  
Director  
Div. of Adult and Aging  
Services

Date: 3/1/81

Approved by: Helen D. Beirne  
Helen D. Beirne  
Commissioner  
Dept. of Health and  
Social Services

Date: 3/10/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 154  
 Title "An Act providing for the taking of game for the use of incapacitated persons; and  
 Requested by providing for an effective date." Date February 26, 1981

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected Social and Economic Assistance for the Aged  
 BRU, Program, or Subprogram(s) Affected Division of Adult and Aging Services  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
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 Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Zero Impact

IV. DATE 2/26/81 PREPARED BY Dorothy Hart  
 AGENCY Division of Adult and Aging Services  
 PHONE 465-3250  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) MSB Approval H. Schubert Date 2/26/81

S

B

162

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/10/81

Date: \_\_\_\_\_

Mr. President:

The Committee on RESOURCES has had SSSB 162  
making special appropriations to the Alaska Agricultural Action Council

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)  same title
- replace with CS for \_\_\_\_\_  new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*at the desk do pass*  
*Alan Peterson*  
*Bill Bradley*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*V. Johnson - no rec*  
*Richard Stangor - no rec*  
~~*Alan Peterson - no rec*~~  
*Bill Bradley " "*  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 CHAIRMAN

SENATE AMENDMENT #1

By SENATE RESOURCES COMMITTEE

To: \_\_\_\_\_ SENATE BILL No. SSSB 362

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 6-8

Lines 6-8 are amended to read:

For an Act entitled: "An Act making a special appropriation to the Department of Commerce and Economic Development for the Alaska Agricultural Action Council for a small grains marketing system; and providing for an effective date."

SENATE AMENDMENT #2

By SENATE RESOURCES COMMITTEE

To: \_\_\_\_\_ SENATE BILL No. SSSB 162

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 13

Delete "\$5,700,000" and insert "\$6,000,000" in its place.

SENATE AMENDMENT

By \_\_\_\_\_

To: \_\_\_\_\_ SENATE BILL No. SSSB 162

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 13

after the word "terminal" insert:

"that would be both a deep-water and ice-free port."

SENATE AMENDMENT

By SENATE RESOURCES COMMITTEE

To: \_\_\_\_\_ SENATE BILL No. SSSB 162

to: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 6-8

Lines 6-8 are amended to read:

For an Act entitled: "An Act making a special appropriation to the Department  
of Commerce and Economic Development for the Alaska  
Agricultural Action Council for a small grains marketing system;  
and providing for an effective date."