

ALASKA HISTORICAL COMMISSION FILE NO. 2002-0072

1978 HRLS SB 77 - SB 145

1978

(1) deletes "in sec. 694 of this chapter on multiple state transactions" following "Except as otherwise provided";

(2) deletes "so far as concerns any personal property and fixtures in the jurisdiction of the state" following "this chapter apply;"

(3) deletes the reference to "contract rights" in paragraphs (1) and (2).

The reason for the first two deletions is the feeling on the part of the Commissioners on Uniform State Laws that this article of the UCC should be dedicated to secured transactions and that general questions of conflicts of laws should be left to Article 1 of the code.

The references to "contract rights" were deleted as unnecessary and confusing. This term has been deleted from all sections of UCC Article 9. Prior to 1972, the UCC distinguished a "contract right" from an "account" in terms of whether the right to payment had matured. If the right to payment under a contract had not yet been earned by performance by the creditor, then it was a "contract right." If the right to payment had matured, then it was an "account." Under the revised version, it is irrelevant whether the right to payment has been earned by performance. An account is defined in UCC sec. 9-106 as

any right to payment for goods sold or leased or for services rendered which is not evidenced by an instrument or chattel paper, whether or not it has been earned by performance.

2. AS 45.05.694

As 45.05.694 establishes rules for the choice of law where accounts, contract rights, general intangibles, and equipment relate to another jurisdiction. The UCC counterpart, 9-103, has been completely revised in accord with the sentiment expressed by the first two deletions in 9-102. The section now concerns itself exclusively with perfection of security interests and the effect of perfection or non-perfection. It establishes the basic rule that the controlling law, as to perfection of the security interests and the effect of perfection, is the law of the jurisdiction where the collateral is when the last event occurs on which is based the assertion that the security interest is perfected or unperfected. There are certain exceptions to the rule which are listed.

3. AS 45.05.696

AS 45.05.696 excludes certain transactions from coverage under Article 9. Its counterpart, UCC sec. 9-104, contains similar provisions; however,

there are noteworthy differences. Section 696(5) provides that the chapter does not apply to an equipment trust covering railway rolling stock. UCC sec. 9-104 deletes this provision with the following explanation:

The whole thrust of Article 9 is to eliminate differences based on the form of a transaction, and the equipment trust serves the same function as other purchase money forms of financing. In fact, a form known as the "New York equipment trust" comes closer to a conditional sale contract than it does to a Pennsylvania equipment trust, and thus the former exclusion left substantial uncertainty.

In place of this deleted paragraph, the UCC section inserts the following:

(e) to a transfer by a government or governmental subdivision or agency.

The Alaska section had previously included a paragraph which is similar in nature to the new UCC paragraph. Alaska's paragraph provides:

(12) to a security interest created by or on behalf of the state or any of its political subdivisions (including but not limited to the unorganized borough or any city or borough of any class, whether home rule or not) or any service area, public enterprise, public corporation, agency or instrumentality of the state or of any of its political subdivisions.

The UCC official comment explains its paragraph as follows:

Certain governmental borrowings include collateral in the form of assignments of water, electricity or sewer charges, rents on dormitories or industrial buildings, tools, etc. Since these assignments are usually governed by special provisions of law, these governmental transfers are excluded from this Article.

AS 45.05.696(6) provides:

to a sale of accounts, contract rights, or chattel paper as part of a sale of the business out of which they arose, or an assignment of accounts, contract rights, or chattel paper which is for the purpose of collection only, or a transfer of a contract right to an assignee who is also to do the performance under the contract.

UCC sec. 9-104(f) deletes references to "contract rights" in this paragraph and adds at the end of the phrase "or a transfer of a single account to an assignee in whole or partial satisfaction of a pre-existing indebtedness."

The latter amendment reflects the general scope of the article, which includes all commercial financing transactions. The transfer of a single account in satisfaction of a pre-existing indebtedness is a personal transaction not encompassed by the article.

Both the UCC section and the Alaska statute exclude transfers of interests in insurance policies and in deposit accounts. However, the UCC section notes that these interests are nevertheless subject to 9-603 (proceeds; secured party's rights on disposition of collateral) and 9-132 (priorities among conflicting security interests in the same collateral). Both sections also exclude rights represented by a judgment, but the UCC section notes that this does not include a judgment taken on a right to payment which was collateral.

4. AS 45.05.698

AS 45.05.698 and UCC sec. 9-105 provide definitions and indices of definitions. The UCC section includes several definitions which are not in the Alaska section. The following list includes the definitions not included in the Alaska section with parenthetical notes containing the official reason, if any, for their inclusion:

"Deposit account" means a demand, time, savings, passbook or like account maintained with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a certificate of deposit (A definition of "deposit account" has been added to facilitate references to such accounts in the section on proceeds (Section 9-306));

"Encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests (Definitions of "encumbrance and "mortgage" have been added as the basis for the use thereof in Section 9-313);

"Mortgage" means a consensual interest created by a real estate mortgage, a trust deed on real estate, or the like;

An advance is made "pursuant to commitment" if the secured party has bound himself to make it, whether or not a subsequent event of default or other event not within his control has relieved or may

relieve him from his obligation (A definition of "purusant to commitment" has been added as the basis for use of this concept in Sections 9-301, 9-307, and 9-132);

"Transmitting utility" means any person primarily engaged in the railroad, street railway or trolley bus business, the electric or electronics communications transmission business, the transmission of goods by pipeline, or the transmission or the production and transmission of electricity, steam, gas or water, or the provision of sewer service (A definition of "transmitting utility" has been added to identify a class of debtor with special filing problems on far-flung properties, for which special filing rules are stated in Part 4).

In addition to definitions which are not in the Alaska law, the UCC section includes references to definitions which are not referenced in the Alaska section. These references include

"Attach" Section 9-203

"Construction mortgage" Section 9-313(1)

"Fixture" Section 9-313(1)

"Fixture filing" Section 9-313(1)

"United States" Section 9-103

Other definitions which are included in the Alaska statute have been modified in the UCC section. AS 45.05.098(2) defines "chattel paper" as follows:

A writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific goods [, but a charter or other contract involving the use or hire of a vessel is not chattel paper]; when a transaction is evidenced both by such a security agreement or a lease and by an instrument or a series of instruments, the group of writings taken together constitutes a chattel paper.

The portion in brackets has been added in the UCC section. The UCC note on the reason for this portion follows:

To make clear that no type of ship charter is to be considered chattel paper. Many types of ship financing based on assignment of a charter involve international transactions, and there are numerous executed copies of the charter. Under Section 9-308 an assignment of chattel paper perfected by delivery of the chattel paper prevails over an assignment perfected by filing. Application of this rule would require the parties to change traditional practices in order to control all executed copies. Moreover, it is desirable to treat all types of ship charters alike, and some cannot be deemed chattel paper.

The Alaska definition [with the UCC addition in brackets] of "document"

document of title as defined in the general definitions of sec. 20 of this chapter [, and a receipt of the kind described in subsection (2) of Section 7-201].

The UCC addition includes the kind of receipt issued by a person who is not technically a warehouseman, as described in Section 7-201(2) and AS 45.05.542(b).

The UCC definition of "goods" includes two items which are not listed in the Alaska section. They are "minerals or the like (including oil and gas) before extraction" and "standing timber which is to be cut and removed under a conveyance or contract for sale." It deletes a reference in the Alaska version to "other things in action." The UCC explanation of the latter modification is:

The exclusion of "other things in action" from the definition of "goods" has been deleted as unnecessary. "General intangibles," which under Section 9-106 includes "things in action," are themselves excluded from the definition of goods.

5. AS 45.05.700

As 45.05.700 defines "account;" "contract right;" "general intangibles." The UCC section has been modified to delete references to "contract right."

6. No Corresponding Alaska Statute

The UCC article has adopted a section (9-114) which is not included in the Alaska law. The new section attempts to clarify the relationship between the filing rule for consignments under UCC sec. 2-326 (AS 45.-05.120) and Article 9. The UCC comment explains it as follows:

An uncertainty has existed under the 1962 Code whether the filing rule in Section 2-326(3) applicable to true consignments requires only filing under Part 4 of Article 9 or also requires notice to prior inventory secured parties of the debtor under Section 9-312(3). The new Section 9-114 accepts the latter view and provides in substance that, in order to protect his ownership of the consigned goods, the consignor must give the same notice to an inventory secured party of the debtor that he would have to give if his transaction with the consignee was in the form of a security transaction instead of in the form of a consignment. This new section follows closely the language of Section 9-312(3) [AS 45.-05.754(c)].

7. AS 45.05.720

AS 45.05.720 relates to the enforceability of security interests. AS 45.05.722 establishes when security interests attach. UCC sec. 9-203 has modified these sections by combining them into one. The purpose was to cure "the former anomaly that a security interest could attach and be perfected, and yet be unenforceable against anyone for lack of a written security agreement."

In addition, the requirement that a security agreement covering oil, gas or minerals to be extracted contain a description of the land concerned has been eliminated in the UCC section. The reason for this change is that the article does not recognize a security interest in such collateral until it has been extracted from the land.

Finally, the new UCC section adds a new subsection to make clear that claims to proceeds under section 9-306 (AS 45.05.742) do not require a statement in the security agreement, for it is assumed that the parties so intend unless otherwise agreed.

8. AS 45.05.722

The provisions of AS 45.05.722 which do not deal with the attachment of a security interest have been modified in the corresponding UCC section.

The provisions in AS 45.05.722(b) have been eliminated altogether in the UCC section. That subsection provides:

(b) For the purposes of this section, the debtor has no rights

(1) in crops until they are planted or otherwise become growing crops; in the young of livestock until they are conceived;

- (2) in fish until caught; in oil, gas, or minerals until they are extracted; in timber until it is cut;
- (3) in a contract right until the contract has been made;
- (4) in an account until it comes into existence.

The reason for the deletion is that the subsection was unnecessary and in some cases confusing. Its operation appeared to be arbitrary, according to the UCC, and it was believed that the questions considered were best left to the courts.

The modified UCC version also eliminated the paragraph corresponding to AS 45.05.722(d)(1). That paragraph provided that no security interest in crops attaches under an after-acquired property clause to crops which become such more than one year after the security agreement, unless the agreement involved certain real estate transactions. The official comment states:

The obvious purpose of this provision was to protect a necessitous farmer from encumbering his crops for many years in the future. The provision did not work because there was no corresponding limit on the scope of a financing statement covering crops and under the Code's notice-filing rules the priority position of a security arrangement covering successive crops would be as effectively protected by the filing of a first financing statement whether the granting clause as to successive crops was in one security agreement with an after-acquired property clause or in a succession of security agreements. On the other hand the clause did require an annual security agreement for crops even when the encumbrance on crops was agreed to as part of a long-term financing covering farm machinery and other assets. The provision thus appeared to be meaningless in operation except to cause unnecessary paperwork, but it did introduce some element of uncertainty as to its purpose.

9. AS 45.05.726

AS 45.05.726 provides that an agreement by a buyer not to assert against an assignee of the seller any claim or defense he may have against the seller will be enforced if the assignee is an assignee for value, in good faith, and without notice of a claim or defense. The corresponding UCC section, 9-206, includes such agreements made by lessees. The UCC explanation is as follows:

In view of the substantial growth in lease financing and the quite parallel application of problems dealt with by this section to both conditional sale contracts and leases, it is believed this section should be made applicable to leases as well as to more traditional purchase money security interests.

10. AS 45.05.732

AS 45.05.732 lists the class of people who take priority over unperfected security interests. It includes persons who become lien creditors without knowledge of the security interest and before it is perfected. The UCC section, 9-301, eliminates knowledge as a factor for these people. The official reason states:

The former section denied the lien creditor priority even though he had knowledge when he got involved by extending credit, if he acquired knowledge while attempting to extricate himself. It was completely inconsistent in spirit with the rules of priority between security interests, where knowledge plays a very minor role.

AS 45.05.732 also defines "lien creditor". A lien creditor is a creditor who has acquired a lien on the property involved by attachment, levy, or the like. The UCC section adds a subsection which provides:

A person who becomes a lien creditor while a security interest is perfected takes subject to the security interest only to the extent that it secures advances made before he becomes a lien creditor or within 45 days thereafter or made without knowledge of the lien or pursuant to a commitment entered into without knowledge of the lien.

This new subsection provides an absolute priority for the security interest over a judgment lien for 45 days regardless of knowledge of the secured party concerning the judgment lien. If, however, the advance is made after the 45 days, the advance will not have priority unless it was made or committed without knowledge of the lien obtained by legal proceedings. The importance of the rule is important in effectuating the intent of the Federal Tax Lien Act of 1966, although its importance may not be great as between secured parties making subsequent advances and judgment lien creditors.

11. AS 45.05.734

AS 45.05.734 delineates when filing is required to perfect a security interest and the security interests to which the filing provisions do not apply. Paragraph (a)(3) includes as a security interest to which

the filing provisions do not apply a purchase money security interest in farm equipment having a purchase price not in excess of \$2,500; but filing is required for a fixture under sec. 756 of the chapter or for a motor vehicle required to be licensed.

The UCC section, 9-302, deletes the reference to farm equipment in the belief that it was inappropriate; the effect of the rule was to make farmers' equipment unavailable to serve as collateral for loans from some lenders. The UCC section inserts a new paragraph which

ex. mpts from filing rules security interests created by assignments of beneficial interests in trusts and estates, because these assignments are not ordinarily thought of as subject to this Article, and a filing rule might operate to defeat many assignments.

In addition, the UCC section replaces the language above relating to fixtures and motor vehicles with the following:

"but filing is required for a motor vehicle required to be registered; and fixture filing is required for priority over conflicting interests in fixtures to the extent provided in Section 9-313 [AS 45.05.756]."

This makes filing for fixtures applicable only for priority against real estate interests.

The UCC section also adds a new paragraph to this subsection which exempts from filing assignments for the benefit of creditors. Such transactions were not felt to be "financing transactions."

Subsection (c) of AS 45.05.734 also exempts from the filing requirements of the chapter security interests in property subject to a statute of the United States providing for national registration or subject to a statute of Alaska providing for central filing. The UCC section replaces this subsection with two new subsections. One subsection exempts from the article transactions as to which an adequate system of filing, state or federal, has been set up outside the article, and the other subsection makes clear that when such a system exists perfection of a relevant security interest can be had only through compliance with that system (that is, filing under the article is not a permissible alternative).

Alaska's statute includes a subsection which is not in the UCC version. It exempts from the requirements of sections 768(a)(1) and (2), 772(b), (c), and (e) and 780 of the chapter security interests in personal property of any description created by a deed of trust or mortgage made by a corporation primarily engaged in the business of a common carrier

by rail, the furnishing of telephone or telegraph service, the transmission of oil, gas or petroleum products by pipeline, or the production, transmission or distribution of electricity, steam, gas, or water. The sections from which these security interests are exempted relate, respectively, to the place of filing, duration of and fee for filing, and information from a filing officer. The subsection provides a separate filing system for these security interests. The House Judiciary Committee report on the bill which added this subsection states:

Current law requires all chattel mortgages to be renewed every five years by a new filing. The purpose of the current law is to clean out the files of paid off mortgages that have not been formally released. Most chattel mortgages are for periods of less than five years.

This bill relieves the mortgagee from refiling mortgages every five years if the mortgage is signed by specified public utilities. Most public utility financing is long term and includes real property as well as personal. This bill does not defeat the purpose of the present law. (House Journal, 1967, p. 310)

12. AS 45.05.738

AS 45.05.738(a) relates to perfection of security interests in chattel paper, instruments, and negotiable documents. It provides:

A security interest in chattel paper or negotiable documents may be perfected by filing. A security interest in instruments (other than instruments which constitute part of chattel paper) can be perfected only by the secured party's taking possession, except as provided in (d) and (e) of this section.

UCC sec. 9-304 adds "money or" after "A security interest in" in the second sentence. It also adds a reference to 9-306 on proceeds at the end of the sentence as a further exception to that section. The change corrects an inadvertent omission in the 1962 text and makes clear that a security interest in money cannot be perfected by filing.

AS 45.05.738(e) provides a 21-day period during which a security interest remains perfected without filing if a secured party has a perfected security interest in an instrument, a negotiable document, or goods in possession of a bailee other than one who has issued a negotiable document for the goods, and makes the goods or documents representing the goods available to the debtor for sale or exchange. The UCC section adds a phrase which makes it clear that this period deals only with

perfection and that there must be compliance with the notice provisions of Section 9-312(3) in order to achieve priority over earlier inventory financiers. Corresponding clarifying changes have been made in Section 9-312(3).

13. AS 45.05.740

AS 45.05.740 provides for the perfection of security interests without filing. It lists the types of interests which may be so perfected. The UCC section, 9-305, adds to the Alaska list "money" to clarify the special position of money.

14. AS 45.05.742

AS 45.05.742(a) defines "proceeds". The UCC section, 9-306, adds a sentence to the definition which provides:

Insurance payable by reason of loss or damage to the collateral is proceeds, except to the extent that it is payable to a person other than a party to the security agreement.

The intent of this sentence is to overrule various cases to the effect that proceeds of insurance on collateral are not proceeds of the collateral. The "except" clause is intended to preserve the integrity of an insurance contract which specifies the person to whom the insurance is payable.

AS 45.05.742 also delineates the secured party's rights on disposition of collateral. It includes a perfected right to proceeds if the party claims them in a financing statement. The revised UCC version eliminates this "financing statement" procedure in favor of treating the filed claim to the original collateral as constituting automatically a filing as to proceeds on the theory that this was the intent of the parties, unless otherwise agreed. To this principle, the UCC version states a limitation: where the filing as to the original collateral is an inappropriate means of perfection as to proceeds of certain types, or is made at a place that is inappropriate as to such proceeds, the filed claim to the original collateral perfects the claim to proceeds for only 10 days.

AS 45.05.742 relates to perfected security interests in insolvency proceedings. The revised UCC version makes various changes to make clear that the claim to cash allowed in insolvency is exclusive of any other claim based on tracing.

15. AS 45.05.744

AS 45.05.744 establishes when a buyer of goods takes free of security interests. The section equates consumer goods with farm equipment having an original purchase price not in excess of \$2,500. This equation is deleted in the revised UCC section (9-307) in accordance with the change made in 9-302(1)(c) [see "11" of this memo relating to AS 45.05.-734].

The revised UCC section also adds a new subsection which provides:

(3) A buyer other than a buyer in ordinary course of business (subsection (1) of this section) takes free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the purchase, or more than 45 days after the purchase, whichever first occurs, unless made pursuant to a commitment entered into without knowledge of the purchase and before the expiration of the 45 day period.

This new subsection clarifies the extent to which future advances under a security interest may outrank an intervening right.

16. AS 45.05.746

AS 45.05.746 establishes the circumstances under which a purchaser of chattel paper of a nonnegotiable instrument will take priority over a security interest. The UCC section, 9-308, has rewritten this language for clarity and to include negotiable instruments as well as nonnegotiable.

17. AS 45.05.754

AS 45.05.754 relates to priorities among conflicting security interests in the same collateral. Subsection (a) of that section specifies several sections which contain rules for determining priorities between security interests and such other claims in the situations covered in those sections. For cases not covered in those sections, section 754 states general rules of priority. The UCC section, 9-312, has rewritten this subsection and substantially simplified its coverage.

Subsection (c) states the circumstances which must exist for a purchase money security interest in inventory collateral to have priority over a conflicting security interest in the same collateral. This subsection has been substantially modified in the UCC version. The UCC version includes provisions which establish how often notice must be given under that subsection. The period of five years was chosen by analogy to the duration of a financing statement. It also addresses the question of the priority status of the security interest in inventory temporarily

perfected for 21 days without filing or perfection in a situation which begins with release of a pledged document under section 9-304(5). [See "12" of this memo relating to AS 45.05.738(e).] The answer provided is the usual rule that the purchase-money claimant to preserve his priority resulting from the document must give the required notice before the debtor receives possession of the inventory. If the secured party fails to give timely notice, he loses his priority under this subsection. Finally, it provides guidelines for establishing the priority between a person claiming accounts as proceeds of inventory and a person claiming the accounts by direct filing with respect thereto. The general rule enunciated is that a prior right to inventory does not confer a prior right to any proceeds except identifiable cash proceeds received on or before the delivery of the inventory (i.e., without the intervention of an account).

The UCC section reaches a different result in the next subsection relating to purchase money security interests in collateral other than inventory. Here, where it is not ordinarily expected that the collateral will be sold and that proceeds will result, it seems appropriate to give the party having a purchase money security interest in the original collateral an equivalent priority in its proceeds. The Alaska section is unclear on this point.

Subsection (e) of section 754 contains two principal rules: a first-to-file rule where both competing security interests are perfected by filing, and a first-to-perfect rule when either of the security interests is or both of them are perfected otherwise than by filing. Subsection (f) provides:

(f) For the purpose of the priority rules of (e) of this section, a continuously perfected security interest shall be treated at all times as if perfected by filing if it was originally so perfected, and it shall be treated at all times as if perfected otherwise than by filing if it was originally perfected otherwise than by filing.

These subsections have led to considerable debate over questions of "proceeds." The revised UCC section answers the questions raised by these subsections by stating a single rule in subsection (5) which ranks conflicting perfected security interests by their priority in time, dating back to the respective times when without interruption the security interests were either perfected or were the subjects of appropriate filings, and by deleting the provisions of subsection (f) in the Alaska section and inserting in its place a provision which states that a date of filing or perfection as to collateral is also a date of filing or perfection as to proceeds for the purposes of subsection (5).

The UCC section adds a new subsection which states priority rules for an intervening pledge in reference to a subsequent advance by an earlier-filed secured party.

18. AS 45.05.756

AS 45.05.756 relates to security interests in fixtures. The rules established in that section for priority do not apply to goods incorporated into a structure; encumbrances upon fixtures or real estate may be created under the law applicable to real estate. Subsections (b) and (c) are subject to limitations stated in subsection (d). Subsection (b) provides for the priority of a security interest in goods before they become fixtures over the claims of all persons who have an interest in the real estate. Subsection (c) provides that a security interest which attaches to goods after they become fixtures is valid against all persons subsequently acquiring interests in the real estate but is invalid against a person with an interest in the real estate at the time the security interest attaches to the goods who has not consented in writing to the security interest or disclaimed an interest in the goods as fixtures. Subsection (d) lists certain occasions which will not lead to the result dictated by (b) and (c). Subsection (e) allows a secured party, on default, to remove his collateral from the property.

UCC sec. 9-313 has completely rewritten this section. It introduces and defines the term "fixture filing." When a filing is intended to give the priority advantages discussed in the section against real estate interests, the filing must be for record in the real estate records and indexed therein, so that it will be found in a real estate search. The general principle of priority announced in this section is set forth in paragraph (4)(b). It is basically that a fixture filing gives to the fixture security interest priority as against other real estate interests according to the usual priority rule of conveyancing, that is, the first to file or record prevails. The section provides that no security interest exists in or on any building materials incorporated into an improvement on land. Paragraph (4), which is the core provision of the section, provides:

(4) A perfected security interest in fixtures has priority over the conflicting interest of an encumbrancer or owner of the real estate where

(a) the security interest is a purchase money security interest, the interest of the encumbrancer or owner arises before the goods become fixtures, the security interest is

perfected by a fixture filing before the goods become fixtures or within ten days thereafter, and the debtor has an interest of record in the real estate or is in possession of the real estate; or

(b) the security interest is perfected by a fixture filing before the interest of the encumbrancer or owner is of record, the security interest has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner, and the debtor has an interest of record in the real estate or is in possession of the real estate; or

(c) the fixtures are readily removable factory or office machines or readily removable replacements of domestic appliances which are consumer goods, and before the goods become fixtures the security interest is perfected by any method permitted by this Article; or

(d) the conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this Article.

Further subsections provide that even a nonperfected security interest in fixtures has priority over the conflicting interest of an encumbrancer or owner if the latter has consented in writing to the security interest or the debtor has a right to remove the goods as against the encumbrancer or owner (if the debtor's right terminates, the priority of the security interest continues for a reasonable time); that a security interest in fixtures is generally subordinate to a construction mortgage recorded before the goods become fixtures; and that the secured party may, on default, remove his collateral from the property.

19. AS 45.05.766

The variation between this section of the Alaska statutes and the UCC version relate to elimination of the term "contract right" in UCC sec. 9-106.

20. AS 45.05.768

AS 45.05.768(a) lists the proper place to file in order to perfect a security interest in various types of collateral. This subsection is in conformance with "second alternative" for subsection (1) under the pre-1972 UCC sec. 9-401. The Alaska subsection requires filing for goods which are or are to become fixtures in the office where a mortgage on

the real estate concerned would be filed or recorded. The revised UCC subsection also requires filing in the same place for security interests in collateral which is timber or minerals.

AS 45.05.768(d) provides:

If collateral is brought into the state from another jurisdiction, the rules stated in sec. 694 of this chapter determine whether filing is necessary in this state.

The revised UCC section deletes "If collateral is brought into the state from another jurisdiction,".

The revised UCC section also adds two new subsections. The first new subsection provides a special rule for filing of a security interest in collateral, including fixtures, of a transmitting utility. The filing would be in a state office (presumably the Department of Administration in Alaska) rather than a local office in order to avoid the necessity of multiple filings for fixtures located in many areas of the state. The second new subsection establishes the residence of an organization for the purposes of the section. It is the place of business if the organization has one or its chief executive office if it has more than one place of business.

21. AS 45.05.770

AS 45.05.770 relates to amendments to and formal requisites of a financing statement. Several changes in UCC sec. 9-402 are conforming changes to new requirements in 9-401 that certain financing statements covering such collateral as timber and minerals be filed in the real estate records. The UCC section also responds to objections that the name of the debtor might not be in the real estate chain of title. Since 9-313(4) (a) and (b) permit fixture filing against persons in possession of the real estate who do not have interests of record, 9-402 requires the naming of an owner of record of the real estate in such cases, and 9-403(7) requires indexing the fixture filing against the name.

A new subsection in the UCC section makes it possible for a real estate mortgage to serve as a financing statement, and a related change in 9-403(6) makes it unnecessary to file continuation statements for such a financing statement.

Further changes in the UCC section provide that only the debtor need sign the statement rather than both the debtor and the secured party; that a secured party instead of the debtor may sign a statement to perfect a security interest in collateral as to which the filing has lapsed or collateral acquired after a change of name, identity or

corporate structure of the debtor; and that a financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or names of partners.

22. AS 45.05.772

AS 45.05.772 relates to the duration of filing, the effect of lapsed filing, the duties of the filing officer, and what constitutes a filing. UCC sec. 9-403 differs from the Alaska section in that it makes every financing statement (except those in which the debtor is a transmitting utility and those which are real estate mortgages effective as fixture filings under 9-402) effective for a full five years. It also provides for the continued effectiveness of a statement during an insolvency proceeding until the end of the proceeding and for 60 days thereafter, or until the expiration of the five year period, whichever is later. Upon lapse, under the UCC section, the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser of lien creditor before lapse.

A new subsection would give the filing officer authority to charge extra fees if the financing statement does not conform to a uniform prescribed size and content.

23. AS 45.05.774

AS 45.05.774 relates to termination statements. The UCC section, 9-404, requires the filing of termination statements in the case of consumer goods even without a demand by the consumer. This is not provided in the Alaska section. Other than in the case of consumer goods, the termination statement is required only upon written demand by the debtor.

24. AS 45.05.776

AS 45.05.776 relates to the assignment of security interests, the duties of filing officers, and fees. The Alaska section leaves the determination of fees to the administrative director of courts; the UCC section, 9-405, would establish the fees statutorily. Various changes have been made in the UCC section to conform with changes in other sections of Part 4 of the UCC article.

25. AS 45.05.778

AS 45.05.778 relates to releases of collateral, the duties of the filing officer, and fees. The comments under "24" are applicable to changes made in the UCC section, 9-406.

26. AS 45.05.780

AS 45.05.780 relates to information from the filing officer. The comments under "24" are applicable to changes made in the UCC section, 9-407.

27. No Corresponding Alaska Statute

A new UCC section, 9-408, provides as follows:

A consignor or lessor of goods may file a financing statement using the terms "consignor," "consignee," "lessor," "lessee" or the like instead of the terms specified in Section 9-402. The provisions of the Part shall apply as appropriate to such a financing statement but its filing shall not of itself be a factor in determining whether or not the consignment or lease is intended as security (Section 1-201(37)). However, if it is determined for other reasons that the consignment or lease is so intended, a security interest of the consignor or lessor which attaches to the consigned or leased goods is perfected by such filing.

This new section adapts the filing system of the article to consignments and leases. Filing of consignments is required under certain conditions (sections 2-326(3), 9-114). Filing of true leases which are not security interests is not required; but because the question whether a lease is a true lease may be a close one, filing is permitted for leases.

28. AS 45.05.782

AS 45.05.782(c) prohibits the waiver or variance of certain rules in the chapter relating to default to the extent that they give rights to the debtor and impose duties on the secured party. An exception is allowed as provided with respect to compulsory disposition of collateral in section 790(a). The revised UCC section, 9-501, makes a "purely technical" change by referring to the UCC section corresponding to AS 45.05.788 as well as to that corresponding to section 790(a). The change clears up an ambiguity as to whether a debtor could after default agree on the time within which a sale might be held or the time after which a secured party might keep the goods in lieu of a sale.

August 3, 1978

29. AS 45.05.788

AS 45.05.788 relates to the allowable means of disposing of collateral after default. It requires reasonable notice of the disposition to be given by the secured party to the debtor and "except in the case of consumer goods, to any other person who has a security interest in the collateral and who has duly filed a financing statement indexed in the name of the debtor in the state or who is known by the secured party to have a security interest in the collateral." The UCC section, 9-504, replaces the quoted language with "if he has not signed after default a statement renouncing or modifying his right to notification of sale."

The reason for the change is provided in the official reasons as follows:

Under the 1962 Code the secured party giving notice of sale had to notify (except in the case of consumer goods) not only every other person who had duly filed a financing statement indexed in the name of the debtor in the state and who still had a security interest in the collateral, but also any other person known by the secured party to have an interest in the collateral. This meant that the secured party had to search the records in every case of notice of sale, to ascertain whether there were any other secured parties with financing statements that might be deemed to cover the collateral in question. Moreover, he ran the risk that some informal communication by letter, or even orally, might be deemed to have given him knowledge of the interest of that other party. These burdens of searching the record and of checking the secured party's files were greater than the circumstances called for because as a practical matter there would seldom be a junior secured party who really had an interest needing protection in the case of a foreclosure sale. Therefore, a change is made requiring notice to persons other than the debtor only if such persons had notified the secured party in writing of their claim of an interest in the collateral before he sent his notification to the debtor or before the debtor's renunciation of his rights.

30. AS 45.05.790

AS 45.05.790 allows a secured party in possession, after default, to retain the collateral in satisfaction of the obligation and requires notification similar to that required in section 788. The UCC section, 9-505, contains a modification similar to that made in the previous section.

KEV:jdn

Alaska State Legislature



SENATOR
BOB MULCAHY
REPRESENTING
THE ALEUTIAN CHAIN,
KODIAK ISLAND
AND THE PRIBILOF ISLANDS

HOME ADDRESS
P. O. BOX 246
KODIAK, ALASKA 99615
(907) 486-3561

DURING SESSION
POUCH V
JUNEAU, ALASKA 99811

State Senate

February 16, 1981

The Honorable Jalmar Kerttula
President of the Senate

Reference: SB 77 "An Act relating to Commercial transactions;
and providing for an effective date."

Dear Mr. President:

The above bill was referred to Labor and Commerce Committee on January 14, 1981 with the Judicial Committee designated as a second referral.

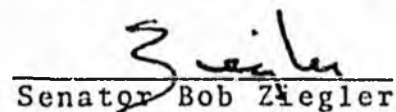
This legislation deals with proposed amendments and changes in the Uniform Commercial Code. The Labor and Commerce Committee were assured by the Code Revision Commission that the modifications in this bill were endorsed by the Uniform Commissioners. They are technical clean up language.

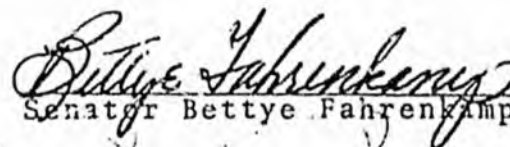
The referral to this Committee was proper, but it is the consensus of the Committee that this bill should be moved to the Judiciary Committee without recommendation, as the bill contains many legal ramifications.

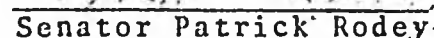
Respectfully,


Chairman Bob Mulcahy


Vice Chairman George Hohman


Senator Bob Ziegler


Senator Bettye Fahrenkamp


Senator Patrick Rodey

CODE REVISION COMMISSION



COMMISSIONERS
JOHN W. ABBOTT - CHAIRMAN
SUSAN A. BURKE - VICE CHAIRMAN
PATRICK M. RODEY
FRED E. BROWN
L.S. KURTZ, JR.
WM. GRANT CALLOW

ALASKA STATE LEGISLATURE
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4876

EXECUTIVE SECRETARY
BILLY G. BERRIER

MEMORANDUM

TO: Chairman, Alaska Legislative Council

FROM: John W. Abbott, Chairman *John W. Abbott*
Alaska Code Revision Commission

DATE: January 9, 1981

RE: Articles 8 and 9 of the Uniform
Commercial Code

Pursuant to the authority in AS 24.20.075(c), on December 5, 1978, the Alaska Code Revision Commission transmitted to the Alaska Legislative Council a draft bill that became SB 55 in the Eleventh Legislature. It was not enacted. Had it been enacted, the bill would have amended Articles 8 and 9 of Alaska's Uniform Commercial Code (UCC) to include uniform amendments adopted by the National Conference of Commissions on Uniform State Laws.

The bill is being resubmitted with the request that it be introduced for consideration by the Twelfth Legislature.

One reason for forming a code revision commission was for study of and recommendations on uniform state laws. It was recognized that future problems can be avoided if uniform legislation is carefully considered by a body that has time and expertise to devote to it and can give the legislature informed recommendations about it.

This bill deals with investment securities (Article 8) and secured transactions (Article 9), areas of commercial law where uniformity among the states is particularly important. The merits of the amendments and the goal of continued uniformity among the states warrants reintroduction of the bill.

An analysis of these uniform amendments prepared by Kenneth E. Vassar of the staff of the Legislative Affairs Agency is also enclosed. It remains equally as pertinent as it was

when it was prepared at the time the commission was studying
the amendments.

JWA:dr:chw

cc: Hon. Jay S. Hammond, Governor
Hon. Jay A. Rabinowitz, Chief Justice
Myrton R. Charney, Executive Director
Legislative Affairs Agency

Attachments

S

B

8

4

AMENDMENT

OFFERED IN THE HOUSE:

By: Finance Committee

To: CS HOUSE BILL No. 84 (Res)

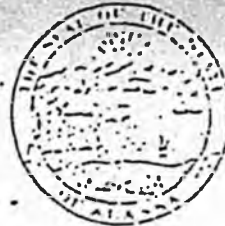
SENATE BILL No. _____

PAGE: 2

LINE: 5

after "time" add ", or unless the agency makes a written finding stating why more time is required and sets a deadline for issuance or denial of the permit"

BETTYE FÄHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
DICK HADLEY
DICK ELIASOF
DON GILMAN
BOB MULCAHY
ARLISS STURCULEWSKI



FOUCH V
STATE CAPITOL
JUNEAU, ALASKA 99801
(907) 465-3034
(907) 465-3035

Senate

Committee on Resources

MEMORANDUM

TO: SENATE RESOURCES COMMITTEE MEMBERS

FROM: JIM PALMER
SENATE RESOURCES COMMITTEE STAFF

RE: SECTIONAL ANALYSIS OF PROPOSED COMMITTEE SUBSTITUTE FOR SB 84

DATE: MARCH 27, 1981

A committee substitute has been prepared for SB 84. A copy of this proposed substitute is attached.

There are two main reasons why this substitute has been prepared. First, Billy Berrier of the Legislative Affairs Agency suggested in a memorandum to the Chairman that Sections 7, 8 and 10 which refer to approval of Alaska coastal management programs create a single subject problem in the original bill. He stated that "It can be argued that coastal management programs relate directly to the permit process since in many instances permits must be consistent with approved programs. The purpose of expediting permit issuance would be served by having a clearly constitutional means of approving these programs. While in my opinion our Court would hold that the single subject rule had not been violated under the liberal construction it has given that rule, this inclusion would subject the bill to serious constitutional attack."

Second, the establishment of the Permit Reform Commission was also deleted from the original bill. The reason for this deletion was similar to the reason for deleting sections 7, 8 and 10. The subject matter could easily be seen as constituting separate legislation. In addition, the controversy surrounding permit reform is substantial enough without adding additional items to this legislation.

SECTIONAL ANALYSIS OF PROPOSED COMMITTEE SUBSTITUTE FOR SB 84

SECTION 1 FINDINGS. This section states that the development of resources and employment of Alaskans have been retarded because of the current permit system. The system causes delay and uncertainty because of the time requirements, the complexity, the duplicity and the unjustified requirements of the current permit process. The public interest will be served by a streamlined permit system.

SECTION 2 adds new sections to AS 44.62, the Administrative Procedure Act, which are titled Article 8A. ISSUANCE OF PERMITS.

Sec. 44.62.632 sets time limits on the processing of permits.

Subsection (a) states that the responsible state agency shall issue a final decision granting, denying or reasonably conditioning the issuance of the permit within specific time periods unless the applicant and the agency mutually agree to a different period of time. These time periods start upon receipt by the agency of the permit application.

The time periods are (1) any time period specifically required by law; (2) 60 days if a public notice, hearing or comment period is specifically required by law and; (3) 30 days in all other cases.

Subsection (b) states that the final decision on the permit application shall include (1) the conclusions of the agency which support its decision including the factual basis and statutory authority for any conditions or stipulations, and (2) the agency's statement of its decision on the permit.

Subsection (c) mandates that the final decision on the permit must bear a fair and substantial relation to the object of the law.

* Subsection (d) states that a permit may not be denied because of either the lack of any other permit or be conditioned upon the acquisition of any other permit.

* Subsection (e) provides that the failure to make a final decision within the time periods specified in subsection (a) under 44.62.632 constitutes approval of the permit.

Sec. 44.62.634 requires an agency receiving a permit application for which it does not have authority to issue a permit or for which it believes a permit is unnecessary, to notify the applicant within 10 days. Such notice is the final decision of the agency. Subsection (b) states that an agency which receives an application which does not contain sufficient information for a permit decision to notify the applicant within 10 days and specify all information that is required.

Sec. 44.62.635 states that the final decision of an agency may be reviewed at the request of the applicant. The applicant is entitled to a review de novo if requested in the original request for review, otherwise the request is on the record. This request must be filed within 30 days after the applicant has received the agency's decision.

The Commissioner or board shall issue a decision within 10 days of receipt of the review request if the review is on the record. If the request is for a hearing de novo, the hearing shall be held within 30 days of the receipt of the request. The decision of the commissioner or board shall be made within 30 days of the hearing de novo.

Unless the entire agency decision is confirmed in toto, the decision must be in written form and contain the commissioner's or board's findings and conclusions in full.

Sec. 44.62.636 provides for the review of the final permit decision issued by a state agency or commissioner by the state superior court. The applicant's right to appeal to the superior court is not affected by the failure to seek reconsideration or further review under AS 44.62.635.

Subsection (b) puts the burden of proving that the decision is in accordance with AS 44.62.632 and 44.62.634 upon the agency which issued the final decision. Subsection (c) provides that an appeal under this section takes preference over other civil actions before the court and shall be decided without unnecessary delay.

SECTION 3 DEFINITIONS.

"Permit" is defined as a permit, license, certification, consistency determination, comments on pending permit applications (including environmental impact statements plan review, and other authorization or approval by a state agency before construction or operation of a project.

Permit is defined so as to exclude conveyances of interest in state land or water and the provision of financial assistance.

"Permit Application" is defined to include a document submitted to a state agency by a governmental entity which solicits comments in connection with a permit being processed by that governmental entity. An application is a document requesting the issuance of a permit which contains sufficient information to allow the state agency determine if the project is in compliance with state law.

"Project" is defined to include a new activity or expansion or addition to an existing activity for which permits are required before construction or operation.

"State Agency" includes local or regional air pollution authorities and coastal resource districts and coastal resource service boards.

- an application which does not contain sufficient information for a permit.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

June 22, 1981

SUBJECT: CSSB 84 (Rules) -- Permits

TO: Representative John G. Fuller
Chairman, House Rules Committee

FROM: Billy G. Berrier *BGB*
Director
Division of Legal Services

The draft submitted raises many questions of style and substance. Since these are related here, I have made only changes clearly needed for style except for the change in the title which is constitutionally required under the descriptive title requirement.

A more important problem is that Sec. 4 of the bill is a clear violation of the single subject rule. Substantive law governing who has preference rights to leases of state land is not related to the process by which permits are granted which is otherwise the subject of the bill.

EGB:ljb

Enclosure

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

June 22, 1981

The Honorable Jack Fuller
Chairman, House Rules Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: House CSSB 84 (Rules)

Dear Chairman Fuller:

We have been informed that Legislative Counsel has concluded that House CSSB 84 (Rules) violates the single-subject rule of Alaska Const., Art. II, sec. 13. They have reached this conclusion, apparently, because the bill contains both substance and procedure." * Specifically, the bill creates a preference right for a tidelands lease in the upland owner.

There is no rule requiring that "procedural" bills not contain "substance." The two are intermingled all the time. If Legislative Counsel were correct, a bill establishing a permit program would have to have the permit procedures in one piece of legislation, and the permit standards in another.

Rather, all that is required by our rule is that "...the Act should embrace some one general subject...merely that all matters treated of should fall under some one general idea, be so connected with or related to each other, either logically or in popular understanding, as to be parts of, or germane to, one general subject. Gellert v. State, 522 P.2d 1120, 1123 (Ak. 1974). The rule is merely designed to prevent the inclusion of "unrelated matters" so as to avoid "stealth and fraud." Suber v. Alaska State Bond Committee, 414 P.2d 546 (Ak. 1969).

The inclusion of the surface leasing provisions clearly satisfy that rule. The primary purpose of the bill is to speed up state natural resource decision making. The

* Phone conversation with Bill Berrier.

The Honorable Jack Fuller
June 22, 1981
Page Two

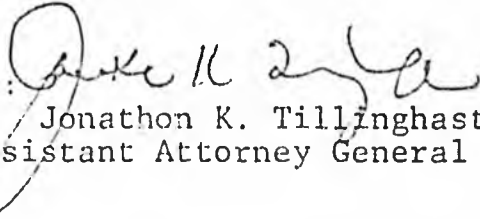
main complaint received from the public is the inordinate time necessary to obtain a tidelands lease. This has been a particular problem for upland owners, where a tidelands lease is necessary for upland development.

By giving upland owners a preference right in appropriate circumstances, the upland owner will be able to enter the land through interim permit, and will be able to receive a lease without awaiting an auction. It is obvious that this approach falls within the "general idea" of permit reform. Certainly it does by "popular understanding" and we would submit that it equally does so "logically."

The problem, in sum, is non-existent.

Sincerely,

WILSON L. CONDON
ATTORNEY GENERAL

By: 
Jonathon K. Tillinghast
Assistant Attorney General

JKT/blc

STATE OF ALASKA
THE LEGISLATURE

POUCH Y. STATE CAPITOL
JUNEAU, ALASKA 99511
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

June 22, 1981

SUBJECT: CSSB 84 (Rules) -- Permits

TO: Representative John G. Fuller
Chairman, House Rules Committee

FROM: Billy G. Berrier *BGB*
Director
Division of Legal Services

The draft submitted raises many questions of style and substance. Since these are related here, I have made only changes clearly needed for style except for the change in the title which is constitutionally required under the descriptive title requirement.

A more important problem is that Sec. 4 of the bill is a clear violation of the single subject rule. Substantive law governing who has preference rights to leases of state land is not related to the process by which permits are granted which is otherwise the subject of the bill.

BGB:ljb

Enclosure

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

June 22, 1981

The Honorable Jack Fuller
Chairman, House Rules Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: House CSSB 84 (Rules)

Dear Chairman Fuller:

We have been informed that Legislative Counsel has concluded that House CSSB 84 (Rules) violates the single-subject rule of Alaska Const., Art. II, sec. 13. They have reached this conclusion, apparently, because the bill contains "both substance and procedure." * Specifically, the bill creates a preference right for a tidelands lease in the upland owner.

There is no rule requiring that "procedural" bills not contain "substance." The two are intermingled all the time. If Legislative Counsel were correct, a bill establishing a permit program would have to have the permit procedures in one piece of legislation, and the permit standards in another.

Rather, all that is required by our rule is that "...the Act should embrace some one general subject...merely that all matters treated of should fall under some one general idea, be so connected with or related to each other, either logically or in popular understanding, as to be parts of, or germane to, one general subject. Gellert v. State, 522 P.2d 1120, 1123 (Ak. 1974). The rule is merely designed to prevent the inclusion of "unrelated matters" so as to avoid "stealth and fraud." Suber v. Alaska State Bond Committee, 414 P.2d 546 (Ak. 1969).

The inclusion of the surface leasing provisions clearly satisfy that rule. The primary purpose of the bill is to speed up state natural resource decision making. The

* Phone conversation with Bill Barrier.

The Honorable Jack Fuller
June 22, 1981
Page Two

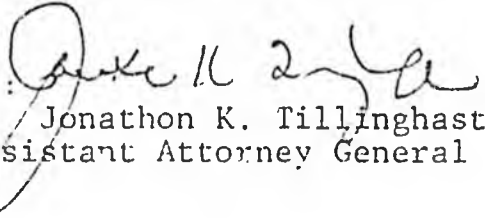
main complaint received from the public is the inordinate time necessary to obtain a tidelands lease. This has been a particular problem for upland owners, where a tidelands lease is necessary for upland development.

By giving upland owners a preference right in appropriate circumstances, the upland owner will be able to enter the land through interim permit, and will be able to receive a lease without awaiting an auction. It is obvious that this approach falls within the "general idea" of permit reform. Certainly it does by "popular understanding" and we would submit that it equally does so "logically."

The problem, in sum, is non-existent.

Sincerely,

WILSON L. CONDON
ATTORNEY GENERAL

By: 
Jonathon K. Tillinghast
Assistant Attorney General

JKT/blc

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

June 22, 1981

The Honorable Jack Fuller
Chairman, House Rules Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: House CSSB 84 (Rules)

Dear Chairman Fuller:

We have been informed that Legislative Counsel has concluded that House CSSB 84 (Rules) violates the single-subject rule of Alaska Const., Art. II, sec. 13. They have reached this conclusion, apparently, because the bill contains "both substance and procedure." * Specifically, the bill creates a preference right for a tidelands lease in the upland owner.

There is no rule requiring that "procedural" bills not contain "substance." The two are intermingled all the time. If Legislative Counsel were correct, a bill establishing a permit program would have to have the permit procedures in one piece of legislation, and the permit standards in another.

Rather, all that is required by our rule is that "...the Act should embrace some one general subject...merely that all matters treated of should fall under some one general idea, be so connected with or related to each other, either logically or in popular understanding, as to be parts of, or germane to, one general subject. Gellert v. State, 522 P.2d 1120, 1123 (Ak. 1974). The rule is merely designed to prevent the inclusion of "unrelated matters" so as to avoid "stealth and fraud." Suber v. Alaska State Bond Committee, 414 P.2d 546 (Ak. 1969).

The inclusion of the surface leasing provisions clearly satisfy that rule. The primary purpose of the bill is to speed up state natural resource decision making. The

* Phone conversation with Bill Berrier.

The Honorable Jack Fuller
June 22, 1981
Page Two

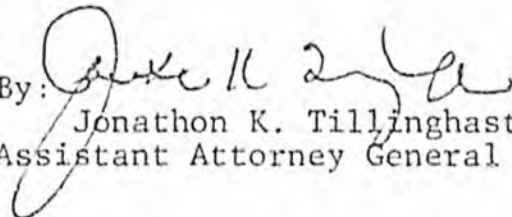
main complaint received from the public is the inordinate time necessary to obtain a tidelands lease. This has been a particular problem for upland owners, where a tidelands lease is necessary for upland development.

By giving upland owners a preference right in appropriate circumstances, the upland owner will be able to enter the land through interim permit, and will be able to receive a lease without awaiting an auction. It is obvious that this approach falls within the "general idea" of permit reform. Certainly it does by "popular understanding" and we would submit that it equally does so "logically."

The problem, in sum, is non-existent.

Sincerely,

WILSON L. CONDON
ATTORNEY GENERAL

By: 
Jonathon K. Tillinghast
Assistant Attorney General

JKT/blc

MEMORANDUM

State of Alaska

TO: Jerry Reinwand, Executive Assistant DATE: June 22, 1981
Office of the Governor

FILE NO:

TELEPHONE NO: 465-3603

FROM: WILSON L. CONDON
ATTORNEY GENERAL

SUBJECT: Consensus permit re-
form legislation

By:

Jonathan K. Tillinghast
Assistant Attorney General

CONFIDENTIAL

The administration's permit reform proposals have been criticized on several grounds. While most industrial groups in the state have supported our regulations, there have been valid criticisms that our proposal does not go far enough. As you are aware, I support those complaints. By introducing SB 84, Senator Bennett provided a vehicle for these additional changes to be made.

Unfortunately, SB 84 went awry in its committee substitute, with the result that people who want the same things became adversaries. As I understand it, we have one last opportunity to put together a comprehensive permit reform bill -- thanks again to Senator Bennett. Under the consensus SB 84, the real deficiencies in 22 AAC 10 would be cured without the problems involved in the committee substitute.

On that understanding, I have prepared what I believe to be the best and most effective permit reform bill possible. It starts with SB 84, which as originally introduced was good legislation. It adds legislative proposals which have been carefully developed over the past year, but which were not introduced because of agency inertia. Most important of all, it accepts the major industry complaints over the administration's proposal. I cannot recommend too enthusiastically its adoption. The bill does the following:

1. retains SB 84's permit classifications, as well as its provision that permits are automatically issued if a deadline is missed;

2. adjusts the deadline sequence to conform to the uniform procedural regulations. The bill thus retains one of the best aspects of the regulations;

3. requires the establishment of a lead agency. This aspect alone will cause most oil industry lobbyists to

support the bill. If the administration had done this initially, there would have been no need for SB 84;

4. revises the Environmental Procedures Coordination Act to make "one stop shopping" for permits feasible, even for small operators. This revision consumes most of the bill's text. DEC actively supports this change;

5. implements new and expedited surface leasing procedures, worked out carefully with the Alaska Loggers' Association and SeaAlaska. These procedures allow a potential lessee entry on the land 65 days after application -- rather than one to two years under current practice. This would be done without in any manner impairing the public interest; and

6. transfers coastal management responsibility to DEC. DEC has an impressive track record in dealing expeditiously with the private sector. No businessman should have to deal directly with planners.

Jerry, I hope you and Senator Bennett could come to an accord on this. The permit reform package I am enclosing would solve virtually every major problem in regulatory practice in Alaska, and would cast the ultimate product as a joint legislative/administrative effort.

JKT/pjg

Enc.

1. By establishing a 30-day deadline for state permits the bill exceeds the capabilities of the administrative agencies affected. No extensions are allowed, no matter how complex or controversial a project is. No public notice is allowed.
2. Public participation in state natural resource decision making will be drastically limited by the bill. Public hearings and local government review are not permitted and no records will be available for the courts to review.
3. The oil and gas companies are the main promoters of S.B. 84. Essentially, the rules are changed so that when a company does not get its permit, the burden is on the agency to prove it was justified in denying the permit. This is a reversal of the usual rule, which puts the burden on the party challenging the agency.
4. Unlike those who apply for permits, however, the burden of proof is not shifted. The public and local governments who challenge a permit have the usual burden of showing that the agency was wrong. This violates the equal protection clause of the State constitution and is unconstitutional.
6. The bill will actually delay the permit process by forcing agencies to deny permits rather than let approval occur by a forced deadline.
7. The bill will prohibit the establishment of a "lead agency" for coastal management purposes.
8. Existing agency appeal procedures are disregarded. The result is to ensure greater litigation and therefore actually more delay for most projects.

This legislation was opposed in Judiciary Committee testimony by:

- The Dept. of Law
- Bristol Bay Native Association
- City of Barrow
- North Slope Planning Office (Barrow)
- Eskimo Whaling Commission
- Sealaska
- AK Loggers Assoc.
- AK Gillnetters
- AK Trollers
- Rural CAP
- UFA
- League of Women Voters
- Sierra Club
- National Audubon Society
- AKPIRG
- AK Center for the Environment
- National Wildlife Assoc.

The bill was supported by:

- AK Miners Assoc.
- Resource Council (Anchorage)

(Not appearing before the committee were the authors of the bill, the ALASKA OIL AND GAS ASSOCIATION)

DEPARTMENT OF LAW ANALYSIS OF CSSB 84

I. Introduction

We have reviewed CSSB 84 (Resources). The legislation, drafted by the Alaska Oil and Gas Association, curtails local government and public involvement in natural resource permit decisions by establishing inflexible permit deadlines. The administration's Uniform Procedural Regulations (22 AAC 10), which have recently been adopted by the departments of Environmental Conservation, Natural Resources and Fish and Game, also establish permit deadlines, but do so in a manner which protects the rights of Alaskans and their local representatives.

CSSB 84 is biased legislation. Moreover, the bill is more a "protest statement" on bureaucratic sloth rather than a remedy for acknowledged problems in permit processing. As a result, this "quick fix" to the complex problems in Alaska administrative law has the following fundamental shortcomings:

1. A central provision of the bill, in our opinion, is probably unconstitutional. The provision--proposed AS 44.62.636(b)--arbitrarily varies the burden of proof in judicial review proceedings between the applicant on the one hand, and other equally interested parties on the other;

2. The bill is primarily designed to deny local governments and the public any involvement in most state permit decisions. Under the AOGA bill, public notice on permit applications will almost never be given, and public hearings become impossible;

3. The bill discards existing rules governing permit appeal procedures universally employed by all 50 states, and at the federal level. These universally accepted rules are replaced with a bizarre and cumbersome relationship between the courts and administrative agencies which threatens far more frequent litigation, and has a far greater potential for project delay, than existing law; and

4. The deadline provisions of the bill will at once:
- a. effectively coerce state agencies into denying a permit rather than let a deadline

run;

- b. afford administrative agencies the ability to insulate an unlawful permit decision from judicial review;
- c. prevent an agency from reaching a legally defensible decision in complex cases; and
- d. ironically, prohibit the establishment of a "lead agency" for coastal management purposes.

The succeeding sections of this analysis will discuss these difficulties in turn.

II. The relationship of CSSB 84 to the administration's Uniform Procedural Regulations

During the last legislative session, the administration and the oil, timber and mining industries developed a consensus permit reform bill which would mandate the expeditious processing of state permits, while at the same time avoid the severe problems present in CSSB 84. The legislation (CSSB 548) died in House Rules upon adjournment. Thereafter, Governor Hammond committed the administration to implementing the major provisions of CSSB 548 administratively. To this end, the administration commenced a year-long, full-time process to



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 23, 1981

The Honorable Rick Halford

SB 84 - Background Explanation

The purpose of this bill is to change the way the State grants land-use authorizations and permits.

The first portion of the bill relates to permits and permit-reform. Significant changes from recent versions of the bill include the provision for a lead agency in issuing permits, shortening the time for issuing permits and simplifying procedures.

The bill creates a new Section 44.62.634, which allows the agency issuing a permit to ask for further information on a proposed activity. This provision is not intended to create new authority in an agency -- the information requested must be of the sort traditionally required by an agency in the past. The passage of this bill will require the rewriting of portions of the proposed Uniform Permit Procedure Regulations. While the bill proposes an October 1 deadline for writing regulations, it is contemplated that adoption may occur earlier.

The second portion of this bill relates to surface leasing. These provisions require public notice and the identification of competitive bidders to occur far earlier than is presently the case. The bill also creates preference rights to acquire tidelands if the applicant holds a lease or other interest in the adjacent uplands.

The bill also shifts the staff of the Office of Coastal Management to the Department of Community and Regional Affairs.

Finally, the bill amends AS 46.35, the Master Application procedures in the Department of Environmental Conservation, to provide for permit coordination. Because these procedures are not universally utilized, the bill makes explicit that the use of these procedures is entirely voluntary.

cc Rep. Fuller

HOUSE CS FOR CS FOR SENATE BILL NO. 84 (2nd Rules)

For an Act entitled: "An Act relating to the granting of land use authorizations by state agencies;"

Sec. 44.62.632(b).

P. 2
lines
13-18

(b) Final regulations classifying its permits, and uniform procedural regulations providing for the processing of these permits, shall be adopted by each state resource agency by October 1, 1981. Permits applied for after this date must be issued in accordance with the time periods specified in (a) of this section, and the provisions of the implementing regulations. Regulations adopted under this section may be revised.

Sec. 44.62.633.

P. 2
lines
23-28

(b) Upon a finding by the head of a resource agency that a permit being considered involves unusual complex issues so that the agency cannot render a final, pre-adjudicatory decision within the time period specified in AS 44.62.632(a), the head of the agency may prescribe a time period within which the final, pre-adjudicatory decision will be made. The finding of the head of the agency may be appealed at the superior Court under the Appellate Rules of Procedure. (substituted for "Judicial Review")

P. 3
lines
3-5

(d) The time period specified in AS 44.62.632(a) may be extended if necessary to facilitate joint processing of a permit application through memorandum of understanding by state and federal agencies, and strict adherence to the time periods established in AS 44.62.632(a) would pose an irreconcilable conflict with a federal statute or regulation.

P. 3
lines
6-10

(e) Subject to (a) - (d) of this section and AS 44.62.634, failure of a resource agency to make a final, pre-adjudicatory decision within 30 days after the receipt of a completed application for a class I permit, or within 65 days after the receipt of a completed application for a class II permit, constitutes approval of the application. In an appeal of a permit issued by operation of this subsection, the record shall be construed in a light most

favorable to the applicant, and the permit shall be accorded a presumption of regularity.

p. 3
1.29 -
p. 4
lines
1-10

Sec. 4.62.635. LEAD AGENCY. There are established lead agencies which are solely responsible for issuing coastal management consistency determinations under AS 46.40 and for preparing and submitting state comments on federal permit applications. The lead agency may vary for classes of activities, but shall be that agency which has principal responsibility for authorizing the overall activity. For classes of activities for which no agency with principal responsibility exists the governor shall designate a lead agency by administrative order no later than October 1, 1981. In performing its functions under this section, the lead agency shall consult with other resource agencies and with coastal resource districts under AS 46.40. The lead agency shall balance competing factors in reaching its decision. Great weight shall be given to the comments of resource agencies within their primary area of expertise, and also to the comments of coastal resource districts with approved coastal management plans, unless the district's recommendation would result in the arbitrary or unreasonable restriction or exclusion of uses of state concern as that term is defined in AS 46.40.-070(c).

P. 3
lines
11-19

Sec. 44.62.634. ADDITIONAL INFORMATION. (a) If a resource agency receives a completed permit application form which does not contain sufficient information concerning the project's compliance with the agency's statutes and regulations, the agency shall notify the applicant within 15 days after (of) receipt of a completed application for a class I permit, and within 30 days after (of) receipt for a class II permit. The notification must specify all information that the agency believes at the time to be necessary to determine compliance of the project with the agency's statutes and regulations.

P. 3
lines
26-28

(c) If a timely request under this section is made, the time period specified in AS 44.62.632 is suspended from the date of request to the date of full compliance with the request.

P. 10

Sec. 46.35.035. (d) The use of the master applica-
tion procedures established in this chapter shall be at the sole
discretion of the applicant.

lines
1-3

P. 13 l. 24

Sec. 18 is deleted. *effective date clause*

P. 7

Sec. 44.19.162. COUNCIL STAFF. The council shall
utilize the staff of the office of coastal management within
the Department of Community and Regional Affairs [DIVISION OF
POLICY DEVELOPMENT AND PLANNING] in discharging its powers and
duties. The commissioner [COORDINATOR OF THE OFFICE], with the
concurrence of the council, may contract with or employ per-
sonnel or consultants he considers necessary to carry out the
powers and duties of the council.

lines
17-23

from DEC

P. 8

Sec. 46.35.030. PERMIT COORDINATION REQUEST [MASTER
APPLICATION]. (a) A person proposing a project which requires
the issuance of one or more permits may at his sole discretion
submit a permit coordination request [MASTER APPLICATION] to the
department requesting the issuance of all permits and documents
covered by this chapter [NECESSARY BEFORE THE CONSTRUCTION AND
OPERATION OF THE PROJECT IN THE STATE]. The request [MASTER
APPLICATION] shall be on a form established by the department
and shall contain sufficient information as to the location and
the nature of the project, including discharge of wastes and
use of or interference with natural resources of the state.

lines
9-18

"An act relating to the ~~processing~~ ^{granting}
of land use authorizations by state
agencies; and providing for an
effective date."

giving preference rights goes
beyond "processing"
descriptive as well as single
subject

granting includes substance + procedure

b, c, d

p.6

S

B

9

5

A M E N D M E N T

OFFERED IN THE HOUSE: .

By: FULLER

To: amend HOUSE BILL No. _____

SENATE BILL No. HCS CSSB 95 (C&RA)

PAGE: 3

LINE: 19

ADD A NEW SECTION TO READ:

*Sec. 6. This Act takes effect immediately in accordance with AS 01.10.070(c).

COMMITTEE REPORT

HOUSE

4/19
Rules

(11)

FURTHER:

4/16/82

Date: 4-19-82

Mr. Speaker: (HESS referral waived
4/16/82)

The Committee on FINANCE has had CSSB 95 (C&RA)

"An Act relating to election of school board members."

under consideration and reports it back as follows:

- do pass [] do not pass
- [] do pass with attached amendments(s)
- replace with ^HCS for CSSB 95 (C&RA) [] same title [x] new title
- and recommends it do pass
- [] 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:

Hansen

W.B. Stewart

Hubert

Carney

Chuck

Kuss

McKus

Jon

Adams

San

Montgomery

Adams
CHAIRMAN

COMMITTEE REPORT

4/16

HOUSE

FURTHER: HESS
FINANCE

(5)

4/5/82

Date: 4/16/82

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS COMMITTEE has had CSSB95 (C&RA)

"An Act relating to election of school board members."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^HCS for CSSB 95 (C&RA) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Patrick He O'Connell

Bob Byrnes

D. Cochran

Ben ...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Patrick He O'Connell

CHAIRMAN

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: FULLER

To: amend HOUSE BILL No. _____

SENATE BILL No. HCS CSSB 95(C&PA)

PAGE: 3

LINE: 19

ADD A NEW SECTION TO READ:

*Sec. 6. This Act takes effect immediately in accordance with AS 01.10.070(c).

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Brown

To: HCS CS HOUSE BILL No. _____

SENATE BILL No. SB 752 (L&C)

PAGE: 6

LINE: 8

Delete "is"

Insert "and AS 45.50.572(f) are"

PLEASE RETURN ORIGINAL TO SENATE SECRETARY'S OFFICE

Date May 4, 1982

Mr. President:
Mr. Speaker:

The ~~House~~ Conference Committee considering CS FOR SENATE BILL NO. 95 (C&RA) (relating to election of school board members) and HOUSE CS FOR CS FOR SENATE BILL NO. 95 (C&RA) (efd added H) (relating to election of regional school board members; eff. date) recommends that:

The Senate concurs with House amendments and the legislature pass House CS for CS for Senate Bill No. 95 (C&RA) (efd added H) (Relating to election of regional school board members; eff. date).

Gilman

Senator Gilman, Chairman

Ferguson

Senator Ferguson

Charles H. Parr

Senator Parr

Jack Fuller

Rep. Fuller, Chairman

Patrick J. O'Connell

Rep. O'Connell

D. Clocksin

Rep. Clocksin

COMPLAINTS CONCERNING ██████████ INSENSITIVE BOARD MEMBERS AND AN INEQUITABLE DELIVERY OF EDUCATION WITHIN THE SCHOOL DISTRICT. FROM THIS REAA, I HAVE HAD EXTENSIVE CONSTITUENT CORRESPONDENCE AND PHONE CALLS IN FAVOR OF CHANGING THE REAA SCHOOL BOARD ELECTIONS TO SECTIONAL ELECTIONS.

CHANGING THE REAA SCHOOL BOARD ELECTIONS TO SECTIONAL ELECTIONS MAY MEAN THAT CERTAIN COMMUNITIES WOULD BE ABLE TO DOMINATE THE SCHOOL BOARD. HOWEVER, THE CONCEPT OF LOCAL CONTROL WOULD SEEM TO DEMAND THAT THE RESIDENTS OF EACH REAA SCHOOL DISTRICT BE GIVEN THE OPTION OF CHOOSING HOW THEY WISH TO BE REPRESENTED ON THEIR SCHOOL BOARD.

THE C & RA COMMITTEE SUBSTITUTE FOR SENATE BILL 95 WOULD ALLOW 15% OF THE SCHOOL DISTRICT VOTERS TO PETITION THE DIVISION OF ELECTIONS TO PUT THE QUESTION OF SECTIONAL ELECTIONS ON THE BALLOT. PASSAGE OF THIS BILL WOULD CONFORM WITH THE ORIGINAL LEGISLATIVE INTENT IN THE CREATION OF THE REAAS - LOCAL CONTROL OF EDUCATION.

The House Community and Regional Affairs Committee version deletes sections six and seven of the bill. Section six said that school board members in municipal school districts shall be elected at large; but members must run for designated seats on the board. Section seven gave each municipality that is a school district six months to determine the designation for each school board seat.

SENATE BILL 95

THE LEGISLATION CREATING THE REGIONAL EDUCATION ATTENDANCE AREA (REAA) SCHOOL DISTRICTS WAS ORIGINALLY PASSED BY THE LEGISLATURE IN 1975 TO PROVIDE LOCAL CONTROL OF EDUCATION IN THE RURAL AREAS.

THE ORIGINAL LEGISLATION PROVIDED FOR THE REAA SCHOOL BOARD MEMBERS TO BE ELECTED AT-LARGE IN THE DISTRICT. IT WAS FELT THAT AT-LARGE ELECTIONS WOULD ENCOURAGE THE PROMOTION OF REGIONAL INTERESTS OVER THE INTERESTS OF CERTAIN COMMUNITIES WHICH MAY HAVE LARGER POPULATIONS THAN OTHER COMMUNITIES.

IT WAS THE INTENT OF THE ORIGINAL LEGISLATION THAT THE SCHOOL BOARD SHOULD REFLECT THE TOTAL DISTRICT AS MUCH AS POSSIBLE.

MOST REAAS PROVIDE EDUCATION IN MANY COMMUNITIES, AND THEY HAVE BEEN FACED WITH A MONUMENTAL TASK IN SATISFYING ALL THE RESIDENTS OF ALL THEIR VILLAGES. AS IN ANY CASE WITH LIMITED RESOURCES AND UNLIMITED NEEDS THERE HAVE BEEN COMPLAINTS FROM RESIDENTS IN EVERY ONE OF THE REAAS.

HOWEVER, IN ONE REAA IN MY DISTRICT THERE HAVE BEEN MANY

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 95 (C&RA)

Title "An Act relating to election of school board members"

Requested by Senator Ferguson Date 3/30/82

II. FISCAL DETAIL

Agency Affected Office of the Governor

Program Category Affected Division of Elections

BRU, Program, Or Subprogram(s) Affected Division of Elections

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

| | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | 25.0 | 12.3 | 13.8 | 15.5 | 17.4 |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | 0- | 25.0 | 12.3 | 13.8 | 15.5 | 17.4 |

FUNDING (Thousands of Dollars)

| | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 |
|------------------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | | 25.0 | 12.3 | 13.8 | 15.5 | 17.4 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Source) | | | | | | |

POSITIONS

No additional positions required.

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

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

Assume:

- No additional cost for the question concerning sectional division to be placed on the October 1982 REAA ballots.
- One-time mapping cost of 25.0 for sectional maps to be prepared during FY 83.
- Additional printing costs for separate sectional ballots beginning in FY 84 for the October 1983 REAA elections. (Currently 21 ballots; legislation would allow 62 separate ballots.) Formula for printing costs: 41 additional ballots x \$300/ballot = \$12,300.
- 12% inflation for printing of additional ballots each year.
- The absorption of other costs (advertising, staff time for ballot preparation, travel, etc.) within our detail budget requests.

IV. DATE 3/30/82

PREPARED BY Danith D. Arnoldt, Deputy Director
AGENCY Office of the Gov., Division of Elections
PHONE 586-6181

Original: Legislative Finance

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 95 (C&RA)
 Title "An Act relating to election of school board members "
 Requested by Senator Ferguson Date 3/30/82

II. FISCAL DETAIL

Agency Affected Office of the Governor
 Program Category Affected Division of Elections
 BRU, Program, Or Subprogram(s) Affected Division of Elections
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

| | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 |
|--------------------------|------------|-------------|-------------|-------------|-------------|-------------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | 25.0 | 12.3 | 13.8 | 15.5 | 17.4 |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | -0- | 25.0 | 12.3 | 13.8 | 15.5 | 17.4 |

FUNDING (Thousands of Dollars)

| | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 |
|------------------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | | 25.0 | 12.3 | 13.8 | 15.5 | 17.4 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Source) | | | | | | |

POSITIONS No additional positions required.

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

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

Assume:

- No additional cost for the question concerning sectional division to be placed on the October 1982 REAA ballots.
- One-time mapping cost of 25.0 for sectional maps to be prepared during FY 83.
- Additional printing costs for separate sectional ballots beginning in FY 84 for the October 1983 REAA elections. (Currently 21 ballots; legislation would allow 62 separate ballots.) Formula for printing costs: 41 additional ballots x \$300/ballot = \$12,300.
- 12% inflation for printing of additional ballots each year.
- The absorption of other costs (advertising, staff time for ballot preparation, travel, etc.) within our detail budget requests.

IV. DATE 3/30/82 PREPARED BY *Danith D. Arnoldt* Deputy Director
 AGENCY Office of the Gov., Division of Elections
 Original: Legislative Finance PHONE 586-6181
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

EDM

MSG 82-00017741 PRTY 1 03/30/82 17:41:29 ORIG: LN00 IN= 0012 OUT= 0201
FROM: BOB IN NOME TO: JUNEAU
TARGET: LJH2 SUBJ: P.O.M.

PAGE 0001

TO: SENATOR CHARLIE PARR
SENATOR PAT RODEY
SENATOR JOHN SACKETT
SENATOR NELS ANDERSON
REP. JACK FULLER
REP. TONY VASKA

FROM: CLARENCE AND LINDA TOWARAK
BOX 175
UNALAKLEET, AK 99604
PHONE 624-3144

AS REGISTERED VOTERS OF THE STATE OF ALASKA, MY WIFE AND I SEEK YOUR
SUPPORT OF SB 95. WE REALIZE THAT THIS IS IN CONFLICT WITH THE STAND
OF OUR AREA STATE SCHOOL BOARD MEMBER, MRS. HOLMAN, WHO VOTED AGAINST
SB 95. HOWEVER IT IS OUR BELIEF THAT THE MAJORITY OF THE VOTERS IN THE
BERING ST. AREA SUPPORT THE INTENT OF SB 95. RESPECTFULLY,

A MSG 82-00017947 PRY : 03/31/82 12:14:19 ORIG: LN00 IN= 0005 OUT= 0054
FROM: ROB/NOME TO: JUNEAU
TARGET: LJM2 SUBJ: P.O.M. PAGE 0001

TO: REP. JACK FULLER
JUNEAU, AK

FROM: MORRIS COFEY
STEBBINS NATIVE CORP.
STEBBINS, AK 99671

I AM OPPOSED TO THE WAY OUR REGIONAL SCHOOL BOARDS ARE ELECTED. BY THE WHOLE REGION BECAUSE THIS ALLOWS OUR PEOPLE T VOTE FOR SOMEONE THEY DONT EVEN KNOW PERSONALLY. SB 95, I FEEL IS THE ONLY WAY TO GET EFFECTIVE REPRESENTATION IN THE SCHOOL BOARD. THIS WOULD ALLOW US TO VOTE BY SECTIONS.

MSG 82-00017943. PRY 1 03/31/82 12:08:13 ORIG: LN00 IN= 0004 OUT= 0052
FROM: ROB/NOME TO: JUNEAU
TARGET: LJH2 SUBJ: P.O.M. PAGE 0001

TO: REP. JACK FULLER
JUNEAU, AK.

FROM: JEAN FERRIS
STEBBINS, AK 99671

WE ARE NOT GETTING PROPER REPRESENTATION IN OUR REGIONAL SCHOOL BOARD BECAUSE
THE CANDIDATES ARE ELECTED BY THE WHOLE REGION AND WE END UP WITH A INNEFEC-
TIVE REPRESENTATIVE.

SHOULD GIVE US THE PRIVILEGE TO ELECT OUR OWN SECTION REPRESENTATIVES AND
IT WOULD GIVE US BETTER REPRESENTATION FOR OUR OWN SECTION.

Jack Fuller

We forgot to put
an effective date on SB 95.

Sec. 8. this act takes
effect immediately in
accordance with AS 01.10.076

it passed unanimously
and its in your court now.
Frank

Subject ~~#~~

HCS FOR CS FOR SB 95 (Cler)

| | Yea | Nay | Absent |
|-------------|-----|-----|--------|
| APOD | ✓ | | |
| ADAMS | ✓ | | |
| ANDERSON | ✓ | | |
| BARNES | ✓ | | |
| BEIRNE | ✓ | | |
| BETTISWORTH | ✓ | | |
| BROWN | | | |
| BUCHROLDT | | | |
| BYLSMA | ✓ | | |
| CARNEY | ✓ | | |
| CATO | ✓ | | |
| CHUCKWIK | ✓ | | |
| CLOCKSIN | | | |
| COTTEN | ✓ | | |
| CUDDY | ✓ | | |
| DUNCAN | | | |
| FANNING | ✓ | | |
| FREEMAN | ✓ | | |
| FULLER | ✓ | | |
| GARDNER | ✓ | | |
| GRUBENDORF | ✓ | | |
| HALFORD | ✓ | | |
| HAUGEN | ✓ | | |
| HURLBERT | ✓ | | |
| MALONE | | | |
| MARTIN | ✓ | | |
| MEEKINS | ✓ | | |
| *METCALF | ✓ | | |
| MILLER | ✓ | | |
| MONTGOMERY | ✓ | | |
| MOSS | ✓ | | |
| O'CONNELL | ✓ | | |
| PHILLIPS | ✓ | | |
| RANDOLPH | ✓ | | |
| ROGERS | ✓ | | |
| SMITH | ✓ | | |
| SUTCLIFFE | ✓ | | |
| VASKA | ✓ | | |
| ZHAROFF | | | |
| LEWIS | ✓ | | |

S

B

/

0

3

COMMITTEE REPORT

HOUSE

2/19 Rules

5/29/81

FURTHER:

(11)

Date: 2/18/82

Mr. Speaker:

The Committee on FINANCE has had SB 103

"An Act making a special appropriation to the Legislative Council for a salmon quality control education program; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^HCS for SB 103 (FINANCE) same title new title
- and recommends DO PASS
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Matson

Augen

Don Hurlbert

Sam Cotten

Jack Fuller

Adrian Adams, Jr

Chuck Wick

David Lilly do not pass

Cuddy

Adrian Adams, Jr
CHAIRMAN

AMENDED TITLE:

AN ACT MAKING A SPECIAL APPROPRIATION TO THE LEGISLATIVE COUNCIL FOR A SALMON QUALITY CONTROL EDUCATION PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE

GENERAL DOLLARS: \$170,000 (APPROP)

PRIME SPONSOR: KERTTULA.

OTHER DOLLARS: \$0

CO-SPONSORS:

CURRENT STATUS: 2/19/82 IN (H) RULES

SB 103 SENATE ACTION

| DATE | SEQ | PAGE | LEGISLATIVE ACTION |
|----------|-----|------|---|
| 01/21/81 | 01 | 0106 | FIRST READING -- COMMITTEE REPORTS |
| 03/03/81 | 02 | 0352 | RES -- DP06 |
| 04/03/81 | 03 | 0636 | FIN -- DP05 |
| 04/03/81 | 04 | 0636 | FIN F/NOTE SEN SUPPL #28 |
| 04/10/81 | 05 | 0707 | RLS -- OTHER05 TAKEN UP IMMEDIATELY |
| 04/10/81 | 06 | 0713 | SECOND READING |
| 04/10/81 | 07 | 0714 | ADVANCED TO 3RD READING BY UNAN CONSENT |
| 04/10/81 | 08 | 0714 | THIRD READING |
| 04/10/81 | 09 | 0714 | PASSED BY DIV 18-00-02 |
| 04/10/81 | 10 | 0714 | EFFECTIVE DATE VOTE SAME AS PASSAGE |
| *** | ** | ** | *** *** ** |

SB 103 HOUSE ACTION

| DATE | SEQ | PAGE | LEGISLATIVE ACTION |
|----------|-----|------|--------------------------------------|
| 04/14/81 | 11 | 0912 | FIRST READING -- COMMITTEE REPORTS |
| 05/29/81 | 12 | 1798 | RES -- DP07 |
| 02/19/82 | 13 | 0556 | FIN -- DNP01, CS07 RULES RULES |
| *** | ** | ** | *** *** ** |

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 103
 Title Salmon Quality Control Education Program
 Requested by Legislative Finance Date 3-4-81

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Legislative Council

(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 | | 170.0 | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | -0- | 170.0 | -0- | -0- | -0- | -0- |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|-----|-------|-----|-----|-----|-----|
| GENERAL FUND | -0- | 170.0 | -0- | -0- | -0- | -0- |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |

POSITIONS NONE

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

Contractual arrangement with University of Alaska or other subject to Legislative Council approval upon recommendation of Senator Kerttula (education subcommittee, etc.).

IV. DATE 3-4-81 PREPARED BY Richard G. Berg, Director
 AGENCY Legislative Affairs Agency
 PHONE 465-3150

Original Legislative Finance
 Legislative Management
 Legislative Council

salmon quantity control

SB 100

Kerttula's bill

\$ 170,000 to Fishery Industrial
Technology Center (U. of A.) for
salmon g.c. education program

to U. of A. rather than Leg. Council because of
AG's opinion that legislature can't appropriate funds
to the legislature for something that is an
executive function. Kerttula wants the change.

S

B

145

COMMITTEE REPORT

HOUSE

1/27
Ruler

6/3/81

FURTHER:

(11)

Date: 1-26-82

Mr. Speaker:

The Committee on FINANCE has had CSSB 145(SA)

"An Act providing for free resident hunting and sport fishing licenses for disabled veterans; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendment(s)
- replace with CS for _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note (5.7)
- reports it back without recommendation 6-7-2'
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Joe Montanari

Robert H. Stewart

Dean Shepherd

Frank ...

Sam H. ...

Paul ...

Robert ...

John ...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Don ... do not pass w/o amendment

Robert ...
CHAIRMAN

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Finance

To: CS HOUSE BILL No. _____

SENATE BILL No. 145 (SA)

PAGE: 1

LINE: 20

DELETE "1982", INSERT "1983"

Rep. Fuller

SB 145

Mr. Chairman:

There are currently 515 veterans in Alaska who have a service-connected disability rated at 50% or greater. It is estimated that this figure would increase at the rate of 10% each year, and it is assumed that 50% of the eligible veterans will apply for this license.

Since this bill was introduced last session, it is now recommended that the effective date of this bill be January 1, 1983, because fishing and hunting licenses are sold on a calendar year, and licenses and applications would have to be designed, let out for bid, and licenses printed on special order. The House State Affairs Committee amended the January 1, 1982 date to be January 1, 1983.

Thirty-eight (38) states have a similar hunting and fishing license bill for their disabled veterans. Most states require a 30 % service-connected disability, some require 50%, and a few require 70%.

Four (4) states have introduced a somewhat similar bill, but have not yet passed their bills. Two (2) of these states that have recently introduced bills required 30% disability and the other two require 70%.

The Senate Veteran Affairs Committee thought 50% service-connected disability was fair for our Alaskan veterans.

The Department of Revenue Fiscal Note is for \$5,700 based on the 515 veterans in the State with a 50% service-connected disability, and the Department of Fish and Game also has accepted the Department of Revenue's estimated cost of \$5,700.

Mr. Chairman, I urge the passage of this disabled veteran benefit which most states already have.

ADDITIONAL NOTE:

This state has more veterans per capita by far than any state in the Union. The Governor disestablished the veterans loan program, which was the largest single loan program administered by the State and the single State veterans benefit. Since then, it has been determined that Alaska has less state veterans benefits than any other State, and the veterans of the State have insisted that our veterans should have benefits comparable to most other states. This bill is one of several introduced to help our to its disabled veterans and to show our appreciation for their serving in the US Armed Forces while non-veterans were gaining expertise and seniority in a civilian job.

Original sponsors: Bradley, Bennett,
Dankworth, et al

Offered: 5/15/81
Referred: Resources

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 145 (State Affairs)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act providing for free resident hunting and sport
7 fishing licenses for disabled veterans; and providing
8 for an effective date."

9

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

10

* Section 1. AS 16.05.340(a)(4) is amended to read:

11

(4) Resident hunting and sport fishing license.....22

12

However, a person may receive a resident hunting and sport fishing

13

license without charge if the person

14

(A) has been discharged from military service under hon-

15

orable conditions;

16

(B) is eligible for a loan under AS 18.56.101; and

17

(C) is certified by the United States Veterans' Adminis-

18

tration as having incurred a 50 percent or greater disability dur-

19

ing military service.

20

* Sec. 2. This Act takes effect January 1, 1982.

21

22

23

24

25

26

27

28

29

*AS 18.56.101
Disability for veterans
without charge*

BY BRADLEY, BENNETT, DANKWORTH, KELLY,
ELIASON, MULCAHY, GILMAN, STIMSON,
ZIEGLER, PARR, HOHMAN, STURGULEWSKI
AND FAHRENKAMP

1 IN THE SENATE

2 SENATE BILL NO. 145

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for free resident hunting and sport
7 fishing licenses for disabled veterans."

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

9 * Section 1. AS 16.05.340(a)(4) is amended to read:

10 (4) Resident hunting and sport fishing license.....22

11 However, a person may receive a resident hunting and sport fishing
12 license without charge if he

13 (A) has been discharged from military service under hon-
14 orable conditions;

15 (B) is eligible for a loan under AS 26.15 and;

16 (C) is certified by the United States Veterans' Adminis-
17 tration as having incurred a 50 percent or greater disability dur-
18 ing his military service.

19
20
21
22
23
24
25
26
27
28
29
*No 26.15
Alaska World War II Vets Act*

MAR 2 1981

37-1

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

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/rdh

cc: The Honorable Bettie Fahrenkamp
Chairperson
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 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 veterans.
 Requested by Senate State Affairs and Resources Committee Date 2/4/81

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) | (2.8) | (3.1) | (3.4) | (3.8) |
| GAME FUND | -0- | (3.1) | (3.4) | (3.8) | (4.1) | (4.5) |
| | | <u>5.7</u> | | | | |

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. Wagner for Linda Gene Lochridge
 AGENCY Department of Revenue
 PHONE 465-2376

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

FY 82

50% of 515 eligible veterans = 257

257 x \$10.00 = \$2,570.00 (2.6) sport fish

257 x \$12.00 = \$3,084.00 (3.1) hunting

FY 83 (10% increase)

10% of 515 = 51

51 + 515 = 566

50% x 566 = 283

283 x \$10.00 = \$2,830.00 (2.8) sport fish

283 x \$12.00 = \$3,396.00 (3.4) hunting

FY 84 (10% increase)

10% of 566 = 56

56 + 566 = 622

50% x 622 = 311

311 x \$10.00 = \$3,110.00 (3.1) sport fish

311 x \$12.00 = \$3,732.00 (3.8) hunting

FY 85 (10% increase)

10% of 622 = 62

62 + 622 = 684

50% x 684 = 342

342 x \$10.00 = \$3,420.00 (3.4) sport fish

342 x \$12.00 = \$4,104.00 (4.1) hunting

FY 86 (10% increase)

10% of 684 = 68

68 + 684 = 752

50% x 752 = 376

376 x \$10.00 = \$3,760.00 (3.8) sport fish

376 x \$12.00 = \$4,512.00 (4.5) hunting

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

P.O. BOX 3-2000
JUNEAU, ALASKA 99802
PHONE:

January 22, 1982

Representative E. J. Haugen
Pouch V
Juneau, Alaska 99811

Dear Mr. Haugen:

This is in answer to an inquiry from Terry Otness, of your office, regarding Senate Bill 145, An Act Providing Free Resident Hunting and Sport Fishing Licences to Disabled Veterans.

Mr. Otness questioned the difference in costs as reflected on the fiscal notes prepared by our Department and the Department of Revenue. Our costs for the first year amounted to \$11,600 as compared to the Department of Revenue's figure of \$5,700 which assumed that 50% of the disabled veterans would not apply for licenses. *(Because they do not, or cannot rent or fish or for other reasons) / B*

We have no problem with the Department of Revenue's estimate and will defer to their figures, as shown on the enclosed fiscal notes.

Sincerely,



Ronald O. Skoog
Commissioner

cc: Legislative Finance
Budget and Management
Senator Bradley
Keith Specking, Office of the Governor

Enclosure

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill #145

Title An Act Providing for free resident hunting and sport fishing licenses for

Requested by disabled veterans; and providing for and effect- Date 5-15-81
ive date.

Requested by: Senate Resources Committee

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Sport Fish & Game Funds

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

| | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 |
|-----------------------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| Fish Fund | -0- | (2.6) | (2.8) | (3.1) | (3.4) | (3.8) |
| Game Fund | -0- | (3.1) | (3.4) | (3.8) | (4.1) | (4.5) |

(5.7)

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)

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 a rate of 10% each year. We are assuming that 50% of the eligible veterans will apply for this license.

See attachment #1

Cecilia A. Wagoner

IV. DATE June 8, 1981

PREPARED BY Cecilia A. Wagoner for Linda Lockridge

AGENCY Department of Revenue

PHONE 465-2376

Original: Legislative Finance

Budget Management

First Legislator Named

FY 82

50% of 515 eligible veterans = 257

257 x \$10.00 = \$2,570.00 (2.6) sport fish

257 x \$12.00 = \$3,084.00 (3.1) hunting

FY 83 (10% increase)

10% of 515 = 51

51 + 515 = 566

50% x 566 = 283

283 x \$10.00 = \$2,830.00 (2.8) sport fish

283 x \$12.00 = \$3,396.00 (3.4) hunting

FY 84 (10% increase)

10% of 566 = 56

56 + 566 = 622

50% x 622 = 311

311 x \$10.00 = \$3,110.00 (3.1) sport fish

311 x \$12.00 = \$3,732.00 (3.8) hunting

FY 85 (10% increase)

10% of 622 = 62

62 + 622 = 684

50% x 684 = 342

342 x \$10.00 = \$3,420.00 (3.4) sport fish

342 x \$12.00 = \$4,104.00 (4.1) hunting

FY 86 (10% increase)

10% of 684 = 68

68 + 684 = 752

50% x 752 = 376

376 x \$10.00 = \$3,760.00 (3.8) sport fish

376 x \$12.00 = \$4,512.00 (4.5) hunting

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

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/rdh

cc: The Honorable Bettye Fahrenkamp
Chairperson
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. 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 2/14/81 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)

| | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 |
|-----------------------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| FISH FUND | -0- | (2.6) | (2.8) | (3.1) | (3.4) | (3.8) |
| GAME FUND | -0- | (3.1) | (3.4) | (3.8) | (4.1) | (4.5) |

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 465-1070

Original: Legislative Finance
 Budget and Management
 First Legislative Session

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 2/14/81 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) | (2.8) | (3.1) | (3.4) | (3.8) |
| GAME FUND | -0- | (3.1) | (3.4) | (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. Wagoner for Linda Gene Lockridge