

2206

SCRA

SB 333

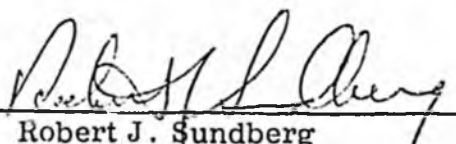
-

SB 690

2206

DEPARTMENT OF PUBLIC SAFETY  
POSITION PAPER  
SB 333 / HB 442  
Page two

We oppose the section that provides \$5,000 for each operating fire and rescue station. What is to prevent each members' personal garage from being declared an operating station. In addition, this would place the State in the position of providing operating funds, as does the subsection on supplementary grants.

  
Robert J. Sundberg  
Commissioner

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST  
Bill/Resolution No.: SB 333  
Title: Aid to Volunteer Fire  
Departments \_\_\_\_\_  
Sponsor: Moss  
Requestor: Senate C&RA  
Date of Request: 1-24-84

FISCAL DETAIL  
Agency Affected: Public Safety  
Program Category Affected: Life & Property  
Protection \_\_\_\_\_  
BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
Fire Prevention \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		400.3	424.3	449.8	476.8	505.4
200 TRAVEL		110.0	116.6	123.6	131.0	138.9
300 CONTRACTUAL		29.0	30.7	32.6	34.5	36.6
400 SUPPLIES		15.0	15.9	16.9	17.9	18.9
500 EQUIPMENT		17.0	18.0	19.1	20.2	21.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		*				
800 MISCELLANEOUS						
TOTAL OPERATING		571.3	605.5	642.0	679.4	721.3
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		571.3	605.5	642.0	679.4	721.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		9	9	9	9	9
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

\* Grant monies determined and approved by the State Fire Marshal would be granted by Department of Community & Regional Affairs.

ANALYSIS: Attach a separate page for analysis

Prepared By: G.E. Brunton Phone: 465-4331  
Division: Fire Prevention Date: 1/23/84  
Approved by Commissioner: [Signature] Date: 1-25-84  
Agency: Public Safety

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

1.	POSITION TITLE <b>Grants Administrator</b>			RANGE/STEP <b>17 - C</b>	BARG. UNIT <b>G</b>	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION <b>P E</b>	STAFF MONTHS <b>12</b>	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION <b>Anchorage</b>	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION						
4.	TYPE OF EXPENDITURE			AMOUNT					
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	<b>35760</b>							
6.	Benefits	<b>6436</b>							
7.	Supplemental Benefits	<b>2550</b>							
8.	Fixed Benefits	<b>2724</b>							
9.	TOTAL PERSONAL SERVICES	<b>01</b>	<b>59180</b>						
10.	Travel	<b>02</b>	<b>5000</b>						
11.	Contractual	<b>03</b>	<b>5000</b>						
12.	Commodities	<b>04</b>	<b>4000</b>						
13.	Equipment	<b>05</b>	<b>7500</b>						
14.	Other								
15.	TOTAL COST		<b>80680</b>						
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts	<b>1002</b>						
17.		G.F. Match	<b>1003</b>						
18.		General Funds	<b>1004</b>	<b>80680</b>					
19.		I-A Receipts	<b>1005</b>						
20.		Program Receipts	<b>1028</b>						
21.		Other							
FOR BSM USE ONLY 4A KEY NUMBER _____									

This position will handle the administrative responsibilities of the supplementary grant program for local fire departments.

It will develop evaluation criteria and evaluation methods for measuring fire/rescue services, promulgate regulations for the program.

**13** REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

**FY 85**

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

1.	POSITION TITLE <b>Realty Officer</b>				RANGE/STEP 18 - C	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPRDV.	DISAPP.
2.	TYPE OF POSITION PE	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEC.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary		38124							
6.	Benefits		6834							
7.	Supplemental Benefits		2337							
8.	Fixed Benefits		2728							
9.	TOTAL PERSONAL SERVICES		01		59023					
10.	Travel		02		10000					
11.	Contractual		03		3000					
12.	Commodities		04		1000					
13.	Equipment		05		1000					
14.	Other									
15.	TOTAL COST				65023					
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts 1002								
18.		G.F. Match 1003								
19.		General Funds 1004		65023						
20.		I-A Receipts 1005								
21.		Program Receipts 1028								
		Other								
FOR BSM USE ONLY										
4A KEY NUMBER										

This position will support the fire department supplementary grant program and will develop property values of properties protected by local fire departments.

**13** REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

**FY 85**

Page      of       
Revised Date

1.	POSITION TITLE <b>Field Coordinator</b>				RANGE/STEP <b>16 - C</b>	BARG. UNIT <b>G</b>	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION <b>PE</b>	STAFF MONTHS <b>12</b>	RF NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION <b>Anchorage</b>	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL	ADDITION			JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	<b>33084</b>								
6.	Benefits	<b>5930</b>								
7.	Supplemental Benefits	<b>2028</b>								
8.	Fixed Benefits	<b>2728</b>								
9.	TOTAL PERSONAL SERVICES	<b>01</b>	<b>43770</b>							
10.	Travel	<b>02</b>	<b>20000</b>							
11.	Contractual	<b>03</b>	<b>3000</b>							
12.	Commodities	<b>04</b>	<b>1000</b>							
13.	Equipment	<b>05</b>	<b>1000</b>							
14.	Other									
15.	TOTAL COST		<b>68770</b>							
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts	1002							
17.		G.F. Match	1003							
18.		General Funds	1004	<b>68770</b>						
19.		I-A Receipts	1005							
20.		Program Receipts	1008							
21.		Other								

This position will be responsible for monitoring the various activities of local fire departments which apply for supplementary grants.

Frequent travel to bush locations is anticipated.

FOR BSM USE ONLY  
4A KEY NUMBER \_\_\_\_\_

**13** REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

**FY 85**

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

1.	POSITION TITLE <b>Field Coordinator</b>				RANGE/STEP <b>16 - C</b>	BARG. UNIT <b>G</b>	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION <b>PE</b>	STAFF MONTHS <b>12</b>	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION <b>Anchorage</b>	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	<b>33084</b>								
6.	Benefits	<b>5930</b>								
7.	Supplemental Benefits	<b>2028</b>								
8.	Fixed Benefits	<b>2728</b>								
9.	TOTAL PERSONAL SERVICES	<b>01</b>	<b>43770</b>							
10.	Travel	<b>02</b>	<b>20000</b>							
11.	Contractual	<b>03</b>	<b>3000</b>							
12.	Commodities	<b>04</b>	<b>1000</b>							
13.	Equipment	<b>05</b>	<b>1000</b>							
14.	Other									
15.	TOTAL COST		<b>68770</b>							
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts	1002							
17.		G.F. Match	1003							
18.		General Funds	1004	<b>68770</b>						
19.		I-A Receipts	1005							
20.		Program Receipts	1028							
21.		Other								
FOR BSM USE ONLY										
4A KEY NUMBER _____										

This position will be responsible for monitoring the various activities of local fire departments which apply for supplementary grants.

Frequent travel to bush locations is anticipated.

**13** REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY  
PROGRAM Life & Property Protection  
BRU Fire Prevention  
COMPONENT Fire Prevention

**FY 85**

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

1.	POSITION TITLE <b>Field Coordinator</b>				RANGE/STEP <b>16 - C</b>	BARC. UNIT <b>G</b>	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION <b>PE</b>	STAFF MONTHS <b>12</b>	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION <b>Fairbanks</b>	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE									
	1		2		3					
	PERSONAL SERVICES									
5.	Salary	<b>2965 x 12</b>	<b>35580</b>							
6.	Benefits		<b>6377</b>							
7.	Supplemental Benefits		<b>2181</b>							
8.	Fixed Benefits		<b>2728</b>							
9.	TOTAL PERSONAL SERVICES		<b>01</b>	<b>46866</b>						
10.	Travel		<b>02</b>	<b>20000</b>						
11.	Contractual		<b>03</b>	<b>3000</b>						
12.	Commodities		<b>04</b>	<b>1000</b>						
13.	Equipment		<b>05</b>	<b>1000</b>						
14.	Other									
15.	TOTAL COST			<b>71866</b>						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1033								
18.		General Funds 1004		<b>71866</b>						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR BSM USE ONLY										
4A KEY NUMBER _____										

This position will be responsible for monitoring the various activities of local fire departments which apply for supplementary grants.

Frequent travel to bush locations is anticipated.

**13** REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

**FY 85**

Page	of
Revised Date	

1.	POSITION TITLE <b>Field Coordinator</b>			RANGE/STEP <b>16 - C</b>	BARG. UNIT <b>G</b>	FORM 12 PAGE/LINE	COY.	APPROV.	DISAPP.	
2.	TYPE OF POSITION <b>PE</b>	STAFF MONTHS <b>12</b>	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION <b>Fairbanks</b>	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION							
4.	TYPE OF EXPENDITURE		AMOUNT			<p>This position will be responsible for monitoring the various activities of local fire departments which apply for supplementary grants.</p> <p>Frequent travel to bush locations is anticipated.</p>				
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	<b>2965 x 12</b>	<b>35580</b>							
6.	Benefits		<b>6377</b>							
7.	Supplemental Benefits		<b>2181</b>							
8.	Fixed Benefits		<b>2728</b>							
9.	TOTAL PERSONAL SERVICES		<b>01</b>	<b>46866</b>						
10.	Travel		<b>02</b>	<b>20000</b>						
11.	Contractual		<b>03</b>	<b>3000</b>						
12.	Commodities		<b>04</b>	<b>1000</b>						
13.	Equipment		<b>05</b>	<b>1000</b>						
14.	Other									
15.	TOTAL COST			<b>71866</b>						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		<b>71866</b>						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR BSM USE ONLY 4A KEY NUMBER _____										

**13** REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY  
PROGRAM Life & Property Protection  
BRU Fire Prevention  
COMPONENT Fire Prevention

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

**FY 85**

1.	POSITION TITLE <b>Field Coordinator</b>			RANGE/STEP 16 - C	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION <b>P E</b>	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL	ADDITION			JUSTIFICATION				
4.	TYPE OF EXPENDITURE		AMOUNT		<p>This position will be responsible for monitoring various activities of local fire departments which apply for supplementary grants.</p> <p>Frequent travel is anticipated to bush communities.</p>				
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	33084							
6.	Benefits	5930							
7.	Supplemental Benefits	2028							
8.	Fixed Benefits	2728							
9.	TOTAL PERSONAL SERVICES	01	43770						
10.	Travel	02	15000						
11.	Contractual	03	3000						
12.	Commodities	04	1000						
13.	Equipment	05	1000						
14.	Other								
15.	TOTAL COST		63770						
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004		63770					
19.		I-A Receipts 1005							
20.		Program Receipts 1028							
21.		Other							
FOR BSM USE ONLY									
4A KEY NUMBER _____									

**13** REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY  
PROGRAM Life & Property Protection  
BRU Fire Prevention  
COMPONENT Fire Prevention

**FY 85**

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

1.	POSITION TITLE <b>Clerk Typist III</b>			RANGE/STEP <b>8 - C</b>	BARG. UNIT	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION <b>P E</b>	STAFF MONTHS <b>12</b>	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION <b>Anchorage</b>	ELECTION DISTRICT	LEC.	
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION						
4.	TYPE OF EXPENDITURE		AMOUNT						
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	19884							
6.	Benefits	3777							
7.	Supplemental Benefits	1193							
8.	Fixed Benefits	2728							
9.	TOTAL PERSONAL SERVICES	01	27582						
10.	Travel	02	-						
11.	Contractual	03	3000						
12.	Commodities	04	4000						
13.	Equipment	05	2500						
14.	Other								
15.	TOTAL COST		37082						
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts	1002						
17.		G.F. Match	1003						
18.		General Funds	1004	37082					
19.		I-A Receipts	1005						
20.		Program Receipts	1028						
21.		Other							
FOR BSM USE ONLY									
4A KEY NUMBER _____									

This position will provide the clerical support for the fire department supplementary grant program.

**13** REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

**FY 85**

1.	POSITION TITLE <b>Accountant I</b>			RANGE/STEP 14 - C	BARG. UNIT G	FORM 12 PACE/LINE	COV.	APPRDV.	DISAPP.
2.	TYPE OF POSITION P E	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEC.	
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION						
4.	TYPE OF EXPENDITURE			AMOUNT					
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	28776							
6.	Benefits	5156							
7.	Supplemental Benefits	1764							
8.	Fixed Benefits	2728							
9.	TOTAL PERSONAL SERVICES	01	38424						
10.	Travel	02	-						
11.	Contractual	03	3000						
12.	Commodities	04	1000						
13.	Equipment	05	1000						
14.	Other								
15.	TOTAL COST		43424						
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004		43424					
19.		I-A Receipts 1005							
20.		Program Receipts 1028							
21.		Other							
FOR BSM USE ONLY									
4A KEY NUMBER _____									

This position will provide accounting services to support the supplementary grant program for local fire departments.

**13** REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY  
 PROGRAM Life & Property Protection  
 BRU Fire Prevention  
 COMPONENT Fire Prevention

Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date \_\_\_\_\_

**FY 85**

S

B

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76

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

1/25/84

Date: 2-7-84

Mr. President:

The Committee on CERA has had SB 376

relating to power cost assistance; and.

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

- do pass  do not pass
- do pass with attached amendments(s)  same title
- replace with CS for \_\_\_\_\_  new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*Mr. LaBott*  
 \_\_\_\_\_  
*Mr. Gilman*  
 \_\_\_\_\_  
*Mr. [unclear]*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

CHAIRMAN

SENATE AMENDMENT

By SENATOR FRECHSON

To: \_\_\_\_\_ SENATE BILL No. SB 375

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

PAGE: 1 LINE: 12

After "by" INSERT "at least".



Official Business

# Alaska State Legislature

*Senate*

*Committee on Finance*

Pouch V  
State Capitol  
Juneau, Alaska 99811

January 31, 1984

M E M O R A N D U M

TO: Senator Frank Ferguson  
Chair, Community & Regional Affairs

FROM: Senator John Sackett *JLS*

Re: SB-376, Power Cost Assistance  
(Rural Energy Assistance Program)

I would appreciate the above referenced bill (SB-376) being scheduled for hearing before your committee as soon as possible. I am prepared to appear before the committee and offer testimony at your convenience.

Thank you.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 7, 1984

SUBJECT: Power cost assistance  
(SB 376)

TO: Senator Frank Ferguson  
Chairman, Senate Community and  
Regional Affairs

FROM: *LHA* Linn H. Asper  
Legislative Counsel

It has been suggested by Senator Sackett that the above-referenced bill could be improved by a change on line 12 so that the bill would read:

If the authority receives a petition requesting power cost assistance, signed by at least 25 percent. . .  
(emphasis added)

I agree that as the bill is now written there is a possibility, however slight, that it might be misinterpreted as requiring exactly 25 percent of the customers of the utility to sign the petition instead of 25 percent or more, which was the intention when the bill was drafted. Therefore, it is my opinion that Senator Sackett's suggested change would clarify the intent of the bill.

LHA:ojb  
J3/059

ENCLOSURES FOR SENATE BILL 376

1. Proposed Amendment by Senator Ferguson
2. Memo to Senator Ferguson from Linn Asper re: purpose of proposed amendment.
3. Fiscal Note from the Department of Commerce
4. Memo to Senator Sacket re: purpose of Senate Bill 376.

Attachments:

- a. Letter from City of Craig supporting Senate Bill 376.
  - b. Letter from the Alaska Power and Telephone Company of July 22, 1981 re: nonparticipation in Power Cost Assistance Program.
  - c. Letter from the Alaska Power and Telephone Company of October 7, 1981 re: nonparticipation in Power Cost Assistance Program.
  - d. Letter from the Alaska Power and Telephone Company of September 11, 1981 re: nonparticipation in Power Cost Assistance program.
  - e. Letter from Alaska Consumer Advocacy Program to Alaska Power and Telephone Company urging participation in Power Cost Assistance Program.
  - f. "Utility Owner Sticks to principles: But Aniak electricity consumers must pay a high price."  
Anchorage Daily News. July 10, 1983.
5. Letter to Senator Eliason from the APUC re: The Alaska Power and Telephone Company refusal to participate in the Power Cost Assistance Program.
  6. Copy of Alaska Public Utilities Commission U-82-51 Order No. 1. "In the Matter of the Investigation into the Management Practices of and Quality of Services Furnished by the Alaska Power and Telephone Company."  
(page 7.)

# COMMITTEE TAPE LOG 1984

tape no. \_\_\_\_\_

committee: Community & Regional Affairs date 02/07/84 to \_\_\_\_\_

bill numbers: SB 376 HB 162 \_\_\_\_\_

other information: Members present: Senator Don Gilman, Senator Frank Ferguson, Senator John Sackett  
Members Absent:

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
02/07/84 2:05	000		Call to order by Chairman Ferguson
	010	SB 376	Ferguson, explanation, introduction
	036		Senator Sackett - explained bill and testified, proposal - minor amendments
	079		Senator Gilman - ? public utilities
	103		" " specific question
	106		Senator Sackett answers Gilman
	120		Senator Holford joins
	128		George Mattson, special assistant
	155		Senator Gilman ?
	162		Mattson continues and answers
	179		Dave Hutchins, Executive Dir.
	220		Sen. Ferguson, proposed amendments
			memo
	229		Motion by Sackett
	233		So ordered
	237		Moved
	249	HB 162	Ferguson
	255		Repr. Ward, prime sponsor
			Explanation of bill
	314		Senator Gilman - ? Title 329
	325		Repr. Ward answers
	332		Gilman





STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST

Bill/Resolution No.: SB 376  
 Title: Relating to power cost  
assistance  
 Sponsor: Sackett, Ferguson  
 Requestor: Senate C & RA  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Commerce & Economic Development  
 Program Category Affected: \_\_\_\_\_  
Development  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
Alaska Power Authority

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	N/A	91.0	91.0	91.0	91.0	91.0
800 MISCELLANEOUS						
TOTAL OPERATING	N/A	91.0	91.0	91.0	91.0	91.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: George Matz, Special Assistant Phone: 465-2079  
 Division: Office of the Commissioner Date: \_\_\_\_\_  
 Approved by Commissioner: Richard A. Lyon Date: 2/7/84  
 Agency: Commerce & Economic Development

Distribution (by Agency preparing fiscal note):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

12/1/83

ANALYSIS  
SB 376

A one percent increase for grant payments is expected which is approximately equal to the percentage increase in the utilities that would participate in the program.

February 6, 1984

M E M O R A N D U M

To: SENATOR JOHN SACKETT  
SENATOR FRANK FERGUSON

From: Max Gifford  
Administrative Aide

Subj: SB-376, POWER COST ASSISTANCE PROGRAM

This bill would create a new subsection in AS 44.83.162, permitting at least 25% of the customers of a regulated power utility to petition the Alaska Power Authority to require the utility in question to submit a power cost assistance application.

Currently, there are some customers of regulated utilities who DO NOT benefit from the power production subsidy authorized by the legislature in 1981.

The figure of 25% was selected to conform with other provisions of law (AS 42.05) relating to regulation of public utilities.

Attached are letters and articles relating to the problem.

FEB 03 1984



**CITY OF CRAIG**

---

P.O. Box 23  
Craig, Alaska 99921  
(907) 826-3275

*SB-376*

January 31, 1984

Senator John Sackett  
Senator Frank Ferguson  
State Capitol  
Juneau, Alaska 99811

Dear Senators:

This is to support SB376 relating to the power cost assistance program.

The electric customers in Tok, Hydaburg, and Craig have tried for years to get our local utility, Alaska Power and Telephone Co. to participate in this program. Not until this month, after a costly effort and a resultant Alaska Public Utility Commission request for briefs on the subject, did AP&T apply for this program.

The enclosed letters from AP&T eloquently reflect the utility's position and our frustration.

It is unfortunate that a law like this is necessary and more unfortunate that it was not passed years ago.

Sincerely,

David R. Palmer  
City Administrator

DRP/hg  
cc: Liz Cuadra

# Alaska Power & Telephone Company

702 WATER STREET, PORT TOWNSEND, WASHINGTON 98368  
TELEPHONE (206)303-1733

REC'D JUL 27 1981

ALASKA SOUTHERN POWER COMPANY  
SKAGWAY POWER & LIGHT SYSTEM  
TOK POWER & LIGHT SYSTEM  
NATIONAL UTILITIES, INC.  
ALASKA CENTRAL TELEPHONE SYSTEM  
SKAGWAY TELEPHONE SYSTEM  
SOUTHERN ALASKA TELEPHONE SYSTEM  
ALASKA POWER & TELEPHONE CORPORATION

ARTHUR GARRETT  
Chairman  
NANCY GARRETT BROWN  
Vice Chairman  
MARGUERITE GARRETT  
Secretary  
MARILOU K. RAYMOND  
Asst. Secretary

RALPH J. WILSON  
President  
VERNON I. NEITZER  
Vice President & Chief Eng.  
ROBERT S. GRUAM  
Vice President & Program

July 22, 1981

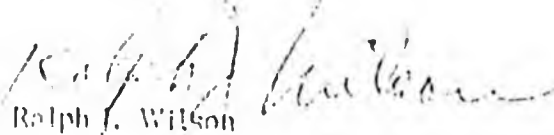
Mr. Thomas H. Abel, Administrator  
City of Craig  
P.O. Box 23  
Craig, Alaska 99921

Dear Mr. Abel:

In response to your letter of July 10, 1981, we feel that the program sets up a very dangerous situation where one person is charged one rate and another is charged a different rate. We are not sure that such discrimination is constitutional so we are not participating in the plan.

If the State is anxious to pay part of the power costs of certain people, it can make the payments directly to the people it chooses on any basis desired, thereby taking the responsibility for all questions of subsidization and discrimination upon itself, which is the proper role of a government agency.

Yours truly,

  
Ralph J. Wilson  
President

RJW:ly

# Alaska Power & Telephone Company

702 WATER STREET, PORT TOWNSEND, WASHINGTON 98368  
TELEPHONE (206)385-1733

OCT 13 REC'D

ALASKA SOUTHERN POWER COMPANY  
SKAGWAY POWER & LIGHT SYSTEM  
KODIAK POWER & LIGHT SYSTEM  
NATIONAL UTILITIES, INC.  
ALASKA CENTRAL TELEPHONE SYSTEM  
SKAGWAY TELEPHONE SYSTEM  
SOUTHERN ALASKA TELEPHONE SYSTEM  
ALASKA POWER & TELEPHONE CORPORATION

ARTHUR GARRETT Chairman	RALPH J. WILSON President
NANCY GARRETT BROWN Vice Chairman	VERNON J. NEITZER Vice President & Chief Engineer
MARGUERITE GARRETT Secretary	ROBERT S. GRIMM Vice President & Treasurer
MARILOU K. RAYMOND Senior Asst. Secretary	GAIL BROWN HOBBS Asst. Secretary & Asst. Treas.

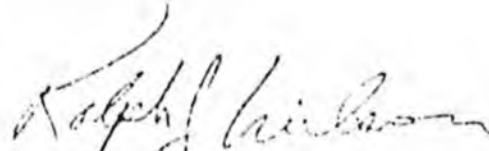
October 7, 1981

Elizabeth J. Hickerson, Research Assistant  
Alaska Consumer Advocacy Program  
P.O. Box 1093  
Anchorage, Alaska 99510

Dear Miss Hickerson:

If the State really wants to pay power costs and if you can get the payments made directly to the customer who is responsible for his charges, that would be just fine.

Yours truly,

  
Ralph J. Wilson  
President

RJW/ry

# Alaska Power & Telephone Company

702 WATER STREET, PORT TOWNSEND, WASHINGTON 98368  
TELEPHONE (206)385-1733

ASKA SOUTHERN POWER COMPANY  
AGWAY POWER & LIGHT SYSTEM  
K POWER & LIGHT SYSTEM  
ATIONAL UTILITIES, INC.  
ALASKA CENTRAL TELEPHONE SYSTEM  
SWAGWAY TELEPHONE SYSTEM  
SOUTHERN ALASKA TELEPHONE SYSTEM  
ASKA POWER & TELEPHONE CORPORATION

ARTHUR GARRETT  
Chairman  
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Vice Chairman  
MARGUERITE GARRETT  
Secretary  
MARILOU K. RAYMOND  
Senior Ass't Secretary

RALPH J. WILSON  
President  
VERNON J. NEITZER  
Vice President & Chief Engineer  
ROBERT S. GRIMM  
Vice President & Treasurer  
GAIL BROWN HOBBS  
Ass't Secretary & Ass't Treasurer

September 11, 1981

Ms. Elizabeth J. Hickerson, Research Assistant  
Alaska Consumer Advocacy Program  
P. O. Box 1093  
Anchorage, Alaska 99510

Dear Ms. Hickerson:

Thank you for your letter and the copy of Mr. Ranson's letter. We provide power at Craig for less cost than the people of Klawock can get it under the program of the Alaska Power Authority and the Alaska Consumer Advocacy Program and we see no reason to change our program.

Yours truly,

  
Ralph J. Wilson  
President

RJW:rly

A

# ALASKA CONSUMER ADVOCACY PROGRAM

P.O. Box 1093 Anchorage, Alaska 99510 272-6355

81-113

September 29, 1981

Mr. Ralph Wilson, President  
Alaska Power & Telephone Company  
702 Water Street  
Port Townsend, Washington 98368

Dear Mr. Wilson:

Thank you for your letter of September 11, 1981. I wish to point out again that participation in the Power Cost Assistance Program does not lower the total production cost of power but rather reduces the amount that the individual customer pays. Even if you presently provide power at Craig "for less than the people of Klawock can get it under the program" the total monthly amount due from your Craig customers would be reduced if Alaska Power and Telephone Company would participate in the program.

You might also note that the Alaska Consumer Advocacy Program does not administer the Power Cost Assistance Program. We are a state funded program designed to aid utility customers with their problems.

I again urge you to participate in the program for the economic benefit of all your customers in Tok, Dot Lake, Hydaburg, Skagway and Craig.

Sincerely,

ALASKA CONSUMER ADVOCACY PROGRAM

*Elizabeth J. Hickerson*

Elizabeth J. Hickerson  
Research Assistant

EJH/ljm

cc: Mayor Robert Massogee  
Mayor James J. Sprague  
Mr. Adrian LeGoran  
Mr. Robert L. Brean  
Mr. Ray Wipperman  
Mr. Gary Ransom

ALASKA PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

420 "L" STREET  
SUITE 100  
ANCHORAGE, ALASKA 99501  
(907) 276-6222

January 5, 1984

Richard I. Eliason  
Senator  
Pouch V (Mail Stop 3100)  
Juneau, Alaska 99811

Dear Dick:

Thank you for your letter of December 14, 1983, reiterating your concerns in regard to the service being provided to the people in Craig by Alaska Power & Telephone Company. I am enclosing a number of orders in various dockets which speak to the concerns that have been raised in regard to service provided by AP&T, request for rate increases by AP&T, and the decision of AP&T to decline to participate in the power cost assistance program. I am pleased that subsequent to the issuance of Order No. 7 in U-83-46, the utility has filed an application for power cost assistance. Staff expects to have a recommendation to the Commission on January 13, 1984 on the matter and action should be taken immediately.

Your Staff will observe that there are a number of matters still pending before the Commission in regard to not only the service being provided by this utility but the rates at which service is being provided. I estimate that the Commission will again spend a great deal of time this year attempting to work with the utility in rectifying documented problems and in investigating further subsequent concerns brought to the Commission's attention. It is extremely important that those individuals who are dissatisfied with the service being provided to them by AP&T document their complaints as specifically as possible and provide this information not only to the Commission at the above address but provide a copy to Alaska Power & Telephone Company. Their address is:

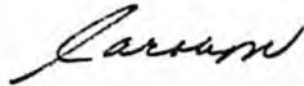
Post Office Box 222  
Port Townsend, Washington 98368.

Senator Eliason  
January 4, 1984  
Page 2

The Commission will continue to monitor the service provided by this utility; as I explained in our phone conversation, "due process" cannot be effected over night and investigations and resultant corrections do take time. The Commission is aware of the problems in this utility's service area and will continue to fulfill its responsibilities in that regard.

Please don't hesitate to contact me again if there is additional information that should be brought to our attention.

Sincerely,



Carolyn S. Guess  
Chairman

Enclosures:

cc: Mr. Ralph J. Wilson, President  
Alaska Power & Telephone Company

# Utility owner sticks to principles

## But Aniak electricity consumers must pay a high price

By ANN CONY

Daily News business reporter

**A**NIAK — Artie DeMandle is a soft-spoken but stubborn entrepreneur who has earned a combination of praise and bitter resentment from his customers.

DeMandle is the owner of Aniak Light & Power.

He gets kudos for providing reliable service — something many rural Alaskans

don't enjoy.

But, despite repeated prodding, DeMandle refuses to participate in the state Power Cost Assistance Program. The subsidy program offers direct payment to utilities in villages where the high cost of fuel sends electric bills through the roof.

State officials say DeMandle's company is one of a handful of rural Alaska utilities

See Page A-12, UTILITY

# Utility owner sticks to his beliefs while others protest

Continued from Page A-1

that are eligible for the program but don't take it.

Because DeMandle shuns the program, residents of this Kuskokwim River village pay the highest electric rate of any regulated-utility customers in the state: 34.5 cents a kilowatt hour for the first 250 kilowatt hours, and 31.1 cents thereafter.

That may well be the highest unregulated retail electric rate in the country, according to Don Markle of the Alaska Power Authority. By contrast, Anchorage residents pay between 4.6 cents and 13.6 cents a kilowatt hour.

DeMandle has learned that in a town of 420, your customers are your neighbors. They know you by sight and cross your path frequently.

To defy the City Council or the traditional Native Council is to court ill will.

DeMandle has defied both.

The councils passed a joint resolution in April, 1982, asking him to apply for the Power Cost Assistance Program, which could cut electric bills roughly in half.

DeMandle says he has no intention of applying for the program.

Some Aniak residents say DeMandle's bullheadedness has cost him a lot of friends. But if it bothers DeMandle, he doesn't show it.

Lamont Albertson, mayor of Aniak, said he has contacted the Alaska Public Utilities Commission and learned there is nothing to be done about DeMandle's intransigence. So he and other frustrated Aniak residents have given up the fight.

But the grudge lingers. Albertson said his home electric bill for May came to more than \$379.

"He's an independent business guy," Albertson said of DeMandle. "I kind of like him. But I resent the fact that he won't take advantage of this program."

Aniak Light & Power is a family run business, and "that's another thing I like about it," Albertson said. "But he could still have the same damn thing, participate in the assistance program and save a lot of people in town a lot of money."

Some people in Aniak do get an electric-bill subsidy under a federally funded program to aid low-income families.

"Seems like the most people who are hollering about (high electric bills) have good jobs," said Margaret DeMandle, Artie's wife, who handles the company bookkeeping.

Artie DeMandle decries the paperwork that would come with participation in the subsidy, though the city has offered to pay the cost of bookkeeping, paperwork or any inconveniences he might incur as a result of the program.

He worries that participating in the program, with financial support from the city, might leave



Artie DeMandle works on his generator in Aniak where electricity isn't cheap.

him to open his books to the state, the city or both. And DeMandle doesn't want any government agency sticking its nose in his business.

"If they want a subsidy," he said, "they should give it (directly) to the people and leave me out of it."

DeMandle has other arguments.

He believes the subsidy would dampen his customers' enthusiasm for energy conservation.

If electric use climbs, he may be forced to borrow money to install a new generator or make other costly plant improvements. Assuming state revenues fall off sharply, as anticipated, the legislature will kill the subsidy program. Aniak power customers would return to energy conservation with a vengeance. Then DeMandle would be stuck with

shrinking sales, an oversized power plant and a fat loan to pay off.

But some Aniak residents say they don't buy DeMandle's logic.

A half mile or so from DeMandle's home and generating plant, Bobette Bush lives with her husband and their two young children in a two-bedroom house equipped with a propane cooking stove. Like many townsfolk, she has a freezer in addition to a refrigerator, but few other appliances. The family's electric bill for the month of May was \$218. Even if the subsidy cut her bill in half, she would still have incentive to conserve energy, she said.

Albertson is of the same mind.

"People are going to spend that money on other things," he said of the savings the subsidy would pro-

vide. "Regardless of the cost of electricity, I'm only going to have the number of freezers I need, and I'm still going to unplug them in the wintertime."

But not everyone in Aniak is put out with DeMandle's refusal to take the subsidy.

City Manager John Hale said DeMandle is competent, hard working and conscientious.

According to Hale, the only power outages in the three years he has been in Aniak have been intentional, when DeMandle shut down the system for maintenance or repairs.

"Artie is an arbitrary guy. But his good points overshadow his bad points," Hale said. "If I had a choice between Artie DeMandle supplying our power or having the state assistance program, I'd take Artie any day."

Anchorage Daily News/Tian Durner

ANIAK  
Electric

STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION

4 Before Commissioners: Carolyn S. Guess, Chairman
5 Marvin R. Weatherly
6 Susan M. Knowles
7 Stuart C. Hall
8 Diana E. Snowden

7 In the Matter of Complaints )
8 Relating to the Provision by ALASKA ) U-78-24
9 POWER AND TELEPHONE COMPANY of )
10 Electric Utility Service in Skagway ) ORDER NO. 4

10 In the Matter of Complaints )
11 Relating to the Provision by ) U-78-25
12 NATIONAL UTILITIES, INC., of Tele- )
13 phone Exchange Service in Skagway ) ORDER NO. 3

13 In the Matter of the Filing of a )
14 Tariff Revision, Designated as ) U-79-50
15 TA103-2, by ALASKA POWER AND TELE- )
16 PHONE COMPANY for General Rate ) ORDER NO. 4
17 Increases at Craig, Hydaburg, )
18 Skagway, and Tok )

17 In the Matter of the Filing of a )
18 Tariff Revision, Designated as ) U-82-50
19 TA206-2, by ALASKA POWER AND TELE- ) ORDER NO. 1
20 PHONE COMPANY for a Permanent )
21 Rate Increase )

21 In the Matter of the Investigation )
22 into the Management Practices of ) U-82-51 ✓
23 and Quality of Service Furnished by ) ORDER NO. 1
24 ALASKA POWER AND TELEPHONE COMPANY )

23 In the Matter of the Investigation )
24 into the Management Practices of ) U-82-52
25 and Quality of Service Furnished by ) ORDER NO. 1
26 NATIONAL UTILITIES, INC. )

ORDER SUSPENDING OPERATION OF PERMANENT
TARIFF REVISION, INSTITUTING INVESTIGATIONS
AND CLOSING DOCKETS

BY THE COMMISSION:

On May 28, 1982, ALASKA POWER AND TELEPHONE COMPANY
(AP&T), an electric utility, filed a tariff revision (TA206-2) in
which it proposed to incorporate present fuel surcharges into the

U-78-24(4), U-78-25(3), U-79-50(4), U-82-50(1), U-82-51(1),
U-82-52(1) (10/5/82)

ALASKA PUBLIC UTILITIES COMMISSION
1100 Mackay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-5222

Handwritten initials and date: 10/5/82

2 charges for the Tok service area. AP&T stated that the proposed  
3 rates for Tok would increase that service area's existing rates by  
4 19.5 percent and that the present rates in the Craig, Hydaburg and  
5 Skagway service areas would not be affected.

6 The filing was noticed to the public on June 3, 1982,  
7 with a closing date for comments of July 2, 1982. Two letters  
8 opposing the increase have been received by the Commission.

9 The Commission Staff (Staff) has reviewed AP&T's filing  
10 and has concluded that there is insufficient basis upon which to  
11 allow a rate increase at Tok. Staff has recommended that the  
12 filing be suspended for an initial five-month period to allow a  
13 comprehensive audit of AP&T's accounts and records to investigate  
14 the reasonableness and propriety of the filing in question.

15 Staff's review indicated that AP&T's existing rates for  
16 the Tok Service Area are not inadequate. In fact, based on a  
17 preliminary review of the filing, Staff determined that AP&T has  
18 excess revenues from Tok of \$17,035. Staff's conclusion was based  
19 primarily on (1) a reduction in AP&T's reported 1981 fuel cost to  
20 reflect the most current price of fuel and (2) a reduction in rate  
21 base to reflect utilization of a 13-month average of net plant-in-  
22 service as required under 3 AAC 48.275(a). The Commission concurs  
23 with Staff's conclusion that AP&T's filing does not provide suffi-  
24 cient support for the Commission to immediately grant a permanent  
25 rate increase. Staff has indicated areas which require further  
26 investigation, and the Commission concurs with Staff that suspen-  
27 sion of the permanent operation of the tariff revision is appro-  
28 priate. On July 12, 1982, the utility was telephonically notified  
29 of the Commission's decision to suspend operation of the tariff  
30 revision.

31 In view of the significant change in rates proposed by  
32 the utility, the Commission also believes that AP&T should include

ALASKA PUBLIC UTILITIES COMMISSION  
1100 Mackay Building - 338 Denali Street  
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1 in the next billing to each Tok customer an informative summary of  
2 the proposed rates requested at Tok. Under 3 AAC 48.280(e)(2),  
3 the Commission may require that the utility dispatch "individual  
4 notice to all customers known to be affected, either by direct  
5 mail at the expense of the utility under conditions prescribed by  
6 the Commission, or by the Commission itself using plain unsealed  
7 envelopes that have been stamped, addressed and furnished by the  
8 utility." AP&T may prepare the notice to be distributed to each  
9 customer, subject to Commission approval; or, it may mail to each  
10 customer a copy of the public notice prepared and distributed by  
11 the Commission, subject to appropriate editorial changes suggested  
12 by Staff.

#### 13 Cost of Service

14 In granting approval of a permanent rate increase in  
15 AP&T's most recent rate case (Docket U-79-50), the Commission  
16 ordered AP&T to file a cost-of-service study in conjunction with  
17 its next request for rate relief (Order No. 3, Ordering Paragraph  
18 No. 4). AP&T has not complied with this requirement. The Commis-  
19 sion is concerned that certain inequities between classes of con-  
20 sumers which appeared in that Docket, particularly with respect to  
21 fuel costs, would be perpetuated were AP&T's proposed increase to  
22 be approved. The Commission does not believe it feasible to study  
23 the cost of service only for the Tok service area as there are  
24 certain expenses which are incurred for the benefit of all AP&T's  
25 customers and, therefore, which cannot readily be segregated by  
26 service area. Therefore, the Commission will require AP&T to  
27 file, within 90 days of the date of this Order, a cost-of-service  
28 study for the Craig, Hydaburg and Skagway service areas in addi-  
29 tion to the Tok service area. The five-month suspension period  
30 for TA206-2 should begin as of the date of filing of this cost-  
31 of-service study.

Quality of Service

2           The Commission has the statutory authority and responsi-  
3           bility to regulate the service provided by a utility. AS 42.05.-  
4           141(2), (3), (4). To ensure the adequate, efficient and safe ser-  
5           vice and facilities which utilities are required by AS 42.05.-  
6           291(a) to provide, the Commission may prescribe the service or  
7           facilities to be furnished, including any repairs, changes, alter-  
8           ations, extensions, substitutions or improvements reasonably nec-  
9           essary for the public safety and convenience. AS 42.05.291(d).

10           The Commission also may impose other sanctions available  
11           for any violation of AS 42.05. These include the suspension, re-  
12           vocation or modification of a utility's certificate of public con-  
13           venience and necessity, AS 42.05.271, or the imposition of civil  
14           penalties up to \$100 per day for each continuing violation. AS  
15           42.05.571-.581.

16           Both in the past and present, the Commission has re-  
17           ceived numerous informal complaints concerning AP&T, alleging poor  
18           electric service as evidenced by frequent outages, brownouts and  
19           voltage fluctuations, and inadequate customer services.

20           Due to the high incidence of complaints from the util-  
21           ity's Skagway service territory, the Commission opened Docket  
22           U-78-24 to investigate the quality of electric service being pro-  
23           vided in that area.

24           On January 4, 1979, in that Docket, Staff and the util-  
25           ity filed a Stipulation as to Revenue Requirements and Permanent  
26           Rate Increases in which, among other things, the utility agreed to  
27           monitor voltage fluctuations and to file reports of the steps the  
28           utility was taking to assess the quality of service and to correct  
29           voltage fluctuations. On January 15, 1979, the Commission issued  
30           Order No. 3 in which it accepted the stipulation and imposed addi-  
31           tional conditions, including the requirement to upgrade the "North  
32           End" distribution system.

ALASKA PUBLIC UTILITIES COMMISSION  
1100 MacKay Building - 338 Denali Street  
Anchorage, Alaska 99501  
Phone 276-5222

ALASKA PUBLIC UTILITIES COMMISSION  
1100 MacKay Building - 338 Denali Street  
Anchorage, Alaska 99501  
Phone 276-6222

1           On March 9, 1979, and April 12, 1979, AP&T filed reports  
2 with the Commission stating that no significant voltage fluctua-  
3 tions were recorded, but it had discovered areas requiring routine  
4 upgrading. It estimated that the North End could be upgraded at a  
5 cost of \$1,500 and the remaining system at a cost of \$6,000. Sub-  
6 sequent reports indicate that the planned improvements have been  
7 completed.

8           The Commission continues to receive complaints from  
9 Skagway to the effect that quality of service still is a problem.  
10 The City Manager, in a letter dated February 5, 1982, stated that  
11 the quality of electric service furnished by AP&T has not im-  
12 proved. The allegation is supported by a petition bearing 229  
13 signatures representing 21 percent of the total number of cus-  
14 tomers in Skagway.

15           On July 8, 1982, the Skagway City Manager telephoned  
16 Staff to complain of unsafe conditions in the electrical distri-  
17 bution system. Reference was made to inadequate vertical clear-  
18 ance over certain streets, driveways, and communication conduc-  
19 tors; inadequate horizontal clearances from structures; and exces-  
20 sive sag in some power line segments.

21           The Commission also has received complaints of poor  
22 electric service from AP&T's Craig and Hydaburg service areas.  
23 Pursuant to these complaints, Staff arranged an inspection trip to  
24 investigate. Staff's report, dated May 18, 1982, which is attach-  
25 ed to this Order as an Appendix, indicates serious deficiencies in  
26 both operations and maintenance at Craig and Hydaburg. It is  
27 alleged that plant at both sites is poorly planned, constructed,  
28 and maintained (frequently without regard for provisions of the  
29 National Electric Safety Code) and that the utility's personnel  
30 are poorly trained and supervised.  
31  
32

1 Stair's report contains allegations that poor construction  
2 tion and maintenance in the Tok-Dot Lake service territory compro-  
3 mises the quality of service provided, as well as the safety of  
4 the utility's employees.

5 Based on the continuing complaints from Skagway and on  
6 Staff's report of deficiencies in the remaining service areas of  
7 AP&T, the Commission believes that it would be in the public in-  
8 terest to institute, as provided for in AS 42.05.141(2) and (3)  
9 and 42.05.291(a) and (d), an investigation into the quality of  
10 service provided by AP&T to customers in all of its service areas.  
11 Unresolved issues remaining in Docket U-78-24 should be subsumed  
12 in this new comprehensive docket of investigation (U-82-51). De  
13 minimis allocable costs of \$8.20 should be absorbed by the Commis-  
14 sion; and Docket U-78-24 should be closed.

15 Besides noting deficiencies in electric service, the  
16 May 18, 1982, Staff report alleges inadequacies in the construc-  
17 tion, operation and maintenance of telephone plant by NATIONAL  
18 UTILITIES, INC. (NUI), in Craig, Hydaburg and Tok. Several  
19 letters of complaint have been received from customers in Craig  
20 and Tok. The adequacy of trunking between Craig and the neigh-  
21 boring town of Klawock has been a continuing problem and a source  
22 of frequent complaints. Further, in July, 1982, there was a  
23 two-week period in which the Hydaburg telephone system did not  
24 have access to the toll network. In response to Staff's inquiry  
25 about the reason for the delay in restoring service, the reply  
26 given by NUI management was that it lacked the tools/parts to  
27 repair the system.

28 Moreover, the Commission notes the tendency of NUI to  
29 purchase and install used switching and other outdated telephone  
30 equipment; e.g., acquisition of Cordova's step-by-step switch for  
31 installation at Tok rather than purchase and installation of  
32 state-of-the-art digital equipment.

U-78-24(4), U-78-25(3), U-79-50(4), U-82-50(1), U-82-51(1),  
U-82-52(1)

Page 6 of 11

ALASKA PUBLIC UTILITIES COMMISSION  
1100 Mackay Building - 338 Denali Street  
Anchorage, Alaska 99501  
Phone 276-6222

1 The Commission has an open proceeding (Docket U-78-25)  
2 investigating the quality of telephone service in Skagway; how-  
3 ever, in view of the alleged inadequacies in other areas served by  
4 NUI, the Commission believes that the investigation should be  
5 expanded to the entire service area of NUI. Among other things,  
6 the Commission will examine whether NUI has been meeting the  
7 telephone service standards under 3 AAC 52.200-3 AAC 52.340. It  
8 has been alleged that NUI does not accept long distance calls from  
9 its subscribers/customers to its Port Townsend, Washington, busi-  
10 ness office as required by 3 AAC 52.210(c) when billing and other  
11 service matters cannot be resolved by on-site personnel in the  
12 local service areas. Unresolved issues in Docket U-78-25 should  
13 be subsumed in the expanded investigation (U-82-52); and Docket  
14 U-78-25, which contains no allocable costs, should be closed.

#### 15 Management Practices

16 The Commission likewise has authority and responsibility  
17 to oversee the management practices of a utility. AS 42.05.141  
18 and 42.05.511. If the Commission finds such practices unreason-  
19 able, it may take appropriate action or order correction of the  
20 unreasonable practices or may impose the sanctions prescribed in  
21 AS 42.05.271 and 42.05.571-.581 described above.

22 The Commission has received numerous inquiries from AP&T  
23 electric customers concerning the State of Alaska's Power Cost  
24 Assistance (PCA) program. This program provides financial assist-  
25 ance to electric consumers in the form of cash payments to utili-  
26 ties to be offset against a portion of each consumer's electric  
27 bill. Consumers, therefore, benefit by direct reductions in their  
28 bills each month. Application for participation in this program  
29 must be made by the utility, but AP&T has chosen not to partici-  
30 pate. The Commission is concerned with AP&T's apparent indif-  
31 ference to a program beneficial to its customers. Letters to the  
32 Commission from NUI customers also allege utility management

1 indifference to the quality of telephone service furnished its  
2 subscribers.

3 Moreover, the Commission notes AP&T's failure to, among  
4 other things, comply with filing requirements mandated by  
5 U-79-50(3); specifically, failure to file a cost-of-service study  
6 in support of TA206-2 and failure to file minutes of its monthly  
7 Operating Committee meetings as more fully discussed below.

8 In addition, the Commission is gravely concerned about the plan-  
9 ning and construction deficiencies and the inadequate employee  
10 training and supervision alleged in Staff's report. Therefore,  
11 under AS 42.05.141(2) and 42.05.511(a), the Commission will on its  
12 own motion initiate an investigation into AP&T's and NUI's manage-  
13 ment practices including, but not limited to, the items discussed  
14 above.

15 Filing Requirements Under U-79-50

16 In conjunction with the approval of permanent rate in-  
17 creases, the Commission in U-79-50(3) ordered AP&T to provide the  
18 Commission copies of the minutes of the utility's Operating Com-  
19 mittee for an indefinite period of time. The Commission concluded  
20 that, "The subject of a reasonable procedure for the utility's  
21 Skagway customers to communicate with its operating personnel  
22 should be discussed by the Operating Committee." U-79-50(3),  
23 p. 7. Review of the minutes submitted to the Commission pursuant  
24 to that Order show that the matter was discussed in January, 1980,  
25 and that the utility established the following hours for the  
26 operating personnel to be available for customer questions or com-  
27 plaints: 7:30-9:30 a.m., 11:30 a.m.-12:00 noon, and 4:00-  
28 5:00 p.m.

29 In the past, AP&T failed to submit Operating Committee  
30 minutes on a regular basis and ceased to submit them altogether in  
31 February, 1981. Considering the continuing complaints from Skag-  
32 way, the Commission will require that AP&T timely submit minutes  
of its Operating Committee and bring these filings up to date.

ALASKA PUBLIC UTILITIES COMMISSION  
1100 MacKay Building - 338 Denali Street  
Anchorage, Alaska 99501  
Phone 276-5222

1 Failure to comply with this requirement may result in the levying  
2 of civil penalties as prescribed in AS 42.05.571, in the amount of  
3 \$100 a day for each infraction.

4 In view of the institution of these new quality-of-  
5 service/management practices investigations, the Commission be-  
6 lieves the minutes of the Operating Committee and any other re-  
7 maining procedural and substantive matters in Docket U-79-50  
8 should be subsumed in the new dockets of investigation; allocable  
9 costs of \$58.74 should be absorbed by the Commission; and Docket  
10 U-79-50 should be closed.

11 THE COMMISSION FINDS AND CONCLUDES:

12 1. AP&T and NUI are public utilities as defined in AS  
13 42.05.701 and are subject to the regulatory jurisdiction of this  
14 Commission.

15 2. AP&T should be required to submit a cost-of-service  
16 study for each of its service areas within 90 days of the date of  
17 this Order.

18 3. AP&T's tariff revision designated as TA206-2 should  
19 be suspended for an initial five-month period to begin on the date  
20 AP&T's cost-of-service study is filed.

21 4. In view of the significant change in rates proposed  
22 by the utility, AP&T should include in the next billing to each  
23 Tok customer an informative summary of the proposed rates re-  
24 quested at Tok.

25 5. The Commission should institute an investigation  
26 into AP&T's management practices including, but not limited to,  
27 the non-participation of AP&T in the PCA program and into the  
28 quality of service being provided by AP&T in all of its service  
29 areas.

30 6. The Commission should institute an investigation  
31 into the management practices being engaged in and the quality of  
32 service being provided by NUI in all of its service areas.

1. Remaining issues relating to the quality of service in Dockets U-78-24, U-78-25 and U-79-50 should be subsumed in the new dockets of investigation instituted by these proceedings.

8. AP&T should be required to continue providing minutes of its Operating Committee as required in U-79-50(3).

9. All other substantive or procedural matters remaining in Dockets U-78-24, U-78-25 and U-79-50 have been subsumed under the dockets of investigation opened by this Order or otherwise disposed of, and these earlier Dockets should be closed. The Commission should absorb the remaining allocable cost in these Dockets in the amount of \$66.94.

10. Staff should be made a party to these proceedings.

ORDER

THE COMMISSION FURTHER ORDERS:

1. The operation of the tariff revision, designated as TA206-2, filed by Alaska Power and Telephone Company, is suspended for an initial five-month period not to begin until a cost-of-service study for all service areas has been filed.

2. Within 90 days of the date of this Order, Alaska Power and Telephone Company shall submit a cost-of-service study for all service areas.

3. As more fully prescribed in the body of this Order, Alaska Power and Telephone Company shall include in the next billing to each Tok customer an informative summary of the proposed rates recommended at Tok.

4. An investigation is instituted into the management practices of and the safety and quality of electric utility service furnished by Alaska Power and Telephone Company.

5. An investigation is instituted into the management practices of and the safety and quality of local exchange telephone service furnished by National Utilities, Inc.

U-78-24(4), U-78-25(3), U-79-50(4), U-82-50(1), U-82-51(1),  
U-82-52(1)

Page 10 of 11

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6. As part of its investigation into the quality of service and management practices of these two utilities, the Commission Staff shall conduct public hearings in Tok, Skagway, Craig, and Hydaburg for the purpose of obtaining testimony from the public.

7. Alaska Power and Telephone Company shall reinstitute and bring up to date the filing of the minutes of its Operating Committee with the Commission.

8. All remaining outstanding matters in Dockets U-78-24, U-78-25 and U-79-50 are subsumed into the dockets of investigation opened by this Order; the allocable costs of \$66.94 are absorbed by the Commission; and Dockets U-78-24, U-78-25 and U-79-50 are closed.

10. The Commission Staff is made a party to these proceedings.

DATED AND EFFECTIVE at Anchorage, Alaska this 5th day of October, 1982.

BY DIRECTION OF THE COMMISSION  
(Commissioner Diana E. Snowden, not participating)

(S E A L)

ALASKA PUBLIC UTILITIES COMMISSION  
1100 Mackay Building - 328 Denali Street  
Anchorage, Alaska 99501  
Phone 275-5222

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# COMMITTEE REPORT

## SENATE

FURTHER: FINANC

1/27/64

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

Mr. President:

The Committee on CRRA has had SE 384

making a special appropriation for payment of a grant to the Gary McGraw for the 1800th greenhouse project; etc.

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

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN

**ALASKA STATE LEGISLATURE**

13th Legislature SECOND Session

SENATE BILL ..... NO. 369

By SACCHETT .....

"An Act making a special appropriation for payment as a grant to the City of McGrath for the McGrath greenhouse project; and providing for an effective date."

Introduced in the Senate ... 1/27, 1934

**HISTORY IN THE SENATE**

19 34

1 27

Read first time and referred to Committee on Community & Regional Affairs & Finance  
Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

# STATE OF ALASKA

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

225 CORDOVA STREET - BLDG B  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 264-2294

February 7, 1984

### POSITION PAPER

RE: SB 388  
SPONSOR: Senator Sackett

#### PROGRAM EFFECTS:

This bill would make a special appropriation to the City of McGrath for the McGrath Greenhouse project.

#### COMMENTS:

As this grant would go to the Department of Administration, Community and Regional Affairs has no position on this bill.

APPROVED:

Emil Notti  
Emil Notti, Commissioner

S B

428

**COMMITTEE REPORT**  
**SENATE**

FURTHER:

JUDICIARY

2/9/84

Date \_\_\_\_\_

Mr. President

The Committee on CSIA considered SB 428

and statistics records.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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Chairman

\_\_\_\_\_  
Chairman recommendation

**ALASKA STATE LEGISLATURE**

13th... Legislature SECOND... Session

SENATE BILL..... NO. 428.....

By H. JOSEPHSON.....

"An Act relating to vital statistics records."

Introduced in the Senate ... 2/2..., 19..84

**HISTORY IN THE SENATE**

1984

2 9

Read first time and referred to Committee on  
C&RA & Judiciary

Reported back with recommendation that

Read second time and

Read third time and

<b>PASS</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

**Reconsideration**

<b>PASS</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

<b>PASS</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

**Reconsideration**

<b>PASS</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

SENATE BILL NO. 428

"An act relating to vital statistics records"

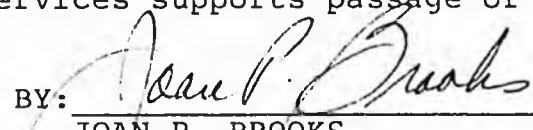
Under the Vital Statistics Act inspection of records is limited to agents of the state or federal government, acting in the performance of official duties. Amending AS 18.50.310 by adding a new section (f) would permit inspection of the records of human vital events of a particular municipality by the principal health officer or a designee.

An agreement would be required from each health officer that the information from any vital record will be used only for research and health planning, that the records remain confidential and that after use, the information is destroyed.

In consideration of the intent to protect the integrity of vital statistics records, it is recommended that a definition of principal health officer of a municipality be included under Sec. 18.50.370.

The Department of Health and Social Services supports passage of Senate Bill No. 428.

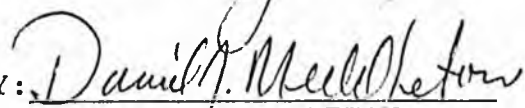
RECOMMENDED BY:

  
JOAN P. BROOKS  
STATE REGISTRAR  
BUREAU OF VITAL STATISTICS

DATE:

February 10, 1984

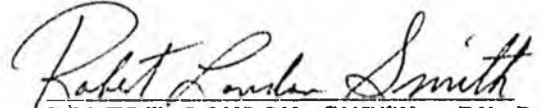
RECOMMENDED BY:

  
DANIEL J. MEDDLETON  
DIRECTOR, DIVISION OF  
PLANNING, POLICY AND  
PROGRAM EVALUATION

DATE:

February 10, 1984

APPROVED BY:

  
ROBERT LONDON SMITH, PH.D.  
COMMISSIONER

DATE:

2/16/84

POSITION PAPER / Department of Health & Social Services

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

REQUEST

Bill/Resolution No.: SR 428  
 Title: An act relating to  
vital statistics records  
 Sponsor: Josephson  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Department of  
 Agency Affected: Health & Social Services  
 Program Category Affected: Health  
 BRU, Program or Subprogram(s) Affected:  
 Division of Planning, Policy and  
 Program Evaluation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING	0	0	0	0	0	0
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Dean P. Bracke Phone: 465-3391  
 Division: planning, Policy and Program Date: 2/10/84  
Evaluation  
 Approved by Commissioner: Kabet Landon Smith Date: 2/16/84  
 Agency: Dept. of Health & Social Services

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

S

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TIME OFF FOR GOOD BEHAVIOR --

RIGHT NOW THE STATUTES GIVE ONE DAY OFF FOR EVERY THREE  
SERVED, FOR SOMEBODY CONVICTED OF VIOLATING STATE LAW. THIS  
BILL. WOULD ALSO HAVE THIS "GOOD TIME" APPLY TO PEOPLE  
CONVICTED OF VIOLATING LOCAL ORDINANCES.

# COMMITTEE REPORT

## SENATE

FURTHER:

JUDICIARY

2/10/86

Date \_\_\_\_\_

Mr. President

The Committee on CSBA considered SB 451

applying the computation of good time to incarcerated prisoners who have been convicted of an offense against a political subdivision.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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Chairman

\_\_\_\_\_  
Chairman recommendation

ALASKA STATE LEGISLATURE

13th Legislature SECOND Session

SENATE BILL..... NO. 451..

By F. FISCHER.....

"An Act applying the computation of good time to incarcerated prisoners who have been convicted of an offense against a political subdivision."

Introduced in the Senate ... 2/10., 19. 84

HISTORY IN THE SENATE

19 84 Read first time and referred to Committee on

2 10 C&RA & Judiciary  
Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

**REQUEST:**

Bill/Resolution No.: Senate Bill No. 451  
 Title: "An Act applying...good time to prisoners of...a political subdivision.."  
 Sponsor: Senator V. Fischer  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL:**

Agency Affected: ADULT CORRECTIONS AGENCY  
 Program Category Affected: \_\_\_\_\_  
 Administration of Justice  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
 Northern, Southcentral & Southeastern  
 Regional Corrections

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	[159.2]	[175.1]	[192.6]	[211.9]	[233.1]
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	[159.2]	[175.1]	[192.6]	[211.9]	[233.1]
FEDERAL FUNDS						
OTHER (Specify Source)						
TOTAL	-0-	[159.2]	[175.1]	[192.6]	[211.9]	[233.1]

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

Not applicable.

**ANALYSIS: Attach a separate page for any Analysis.**

Prepared By: Roger C. Lange by wlf  
 Division: Administrative Services

Phone: 465-3376  
 Date: February 17, 1984

Approved by Commissioner: [Signature]  
 Department: ADULT CORRECTIONS AGENCY

Date: 2/20/84

**Distribution:**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency (ies)

ANALYSIS

During FY 1983, the Adult Corrections Agency provided 29,080 days of services for prisoners convicted of local offenses. This is approximately eighty full time equivalent placements in the State Correctional System.

The offenders serving time for local offenses would have earned 4218 days of good-time had they been eligible. This averages approximately 11.5 beds which would not have been occupied for the fiscal year.

The effect on the Adult Corrections Agency would be twofold:

1. Enactment of this legislation would help in some measure to alleviate the overcrowding of the State Correctional System (approximately 11.5 beds); and
2. There would be a loss of revenues. Each local jurisdiction reimburses the State for the care of their prisoners. The receipts are not a part of the funding source for the Adult Corrections Agency, however, as the receipts are deposited directly into the State General Fund.

Inflation of 10% was used, as the Municipality of Anchorage has a 10% per year escalator clause and they purchase most of the service.

Enactment of Senate Bill No. 451 would give prisoners incarcerated on local charges equal treatment to that of prisoners incarcerated on State charges. It would also have the beneficial effect of reducing the number of inmates to be cared for in our overcrowded system.

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468

# COMMITTEE REPORT

## SENATE

FURTHER:

2/13/84

Date \_\_\_\_\_

Mr. President

The Committee on CIRA considered SB 463

but bringing certain second class cities to adopt home rule charters.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Chairman recommendation

REQUEST FROM SOME OF THE VILLAGES IN THE BETHEL AREA.  
THEY WANT TO HAVE THE POWER TO ADOPT HOME RULE CHARTERS SO  
THEY CAN EXERCISE MORE LOCAL CONTROL.

ALASKA STATE LEGISLATURE

13th... Legislature SECOND Session

SENATE BILL..... NO. 468...

By SACRETT.....

"An Act authorizing certain second class cities to adopt home rule charters."

Introduced in the Senate 2/13, 19. 84

HISTORY IN THE SENATE

19 84

2 13

Read first time and referred to Committee on Community and Regional Affairs  
Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

MSG 84-00023725 PRTY 1 03/13/84 12:11:02 ORIG: LB00 IN= 0002 OUT= 0001  
FROM: WALLY IN BETHEL TO: MAX GIFFORD  
TARGET: LJAD SUBJ: FROM LYMAN HOFFMAN, CITY MANAGER PAGE 0001

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A COPY OF THIS IS TO GO TO SEN. FERGUSON AND SEN. SACKETT. LYMAN HOFFMAN, CITY MANAGER FOR THE CITY OF BETHEL, WOULD ALSO LIKE THIS READ BEFORE THE SENATE C&RA COMMITTEE MEETING.

MARCH 13, 1984

THE CITY OF BETHEL STRONGLY SUPPORTS SB468 WHICH WOULD ALLOW THE CITIES TO RECLASSIFY THEIR FORM OF GOVERNMENT FROM A 2ND CLASS CITY TO A HOME RULE CHARTER.

BETHEL IS INTERESTED IN OPERATING ITS' SCHOOL DISTRICT WHICH IS ALLOWED UNDER BOTH FORMS OF GOVERNMENT, BUT BETHEL IS STRONGLY OPPOSED TO GIVING THE RIGHT TO LEVY A PROPERTY TAX TO COUNCIL. UNDER HOMERULE STATUS, BETHEL WOULD LEAVE THIS POWER UP TO THE VOTE OF THE PEOPLE. THIS ISSUE OF EMINENT DOMAIN MAY ALSO BE LEFT WITH THE PEOPLE UNDER A HOMERULE CHARTER, BUT 1ST CLASS CITIES GIVE THIS POWER TO THE COUNCIL.

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MORE                   NXT MSG U/R/S \_ PREV MSG U/R/S \_ RESEND \_ CANCEL \_

MSG 84-00023725 PRTY 1 03/13/84 12:11:02 ORIG: LB00 IN= 0002 OUT= 0001  
FROM: WALLY IN BETHEL TO: MAX GIFFORD  
TARGET: LJAD SUBJ: FROM LYMAN HOFFMAN, CITY MANAGER PAGE 0002

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WE SUPPORT THE OPTION OF 2ND CLASS CITIES TO GO DIRECTLY TO HOMERULE, WHICH BASICALLY GIVES MORE OPTIONS AS TO WHAT FORM OF GOVERNMENT THE PEOPLE MAY CONSIDER.

ANY SUPPORT THAT YOU AND YOUR COMMITTEE MAY GIVE TO THIS MOST IMPORTANT BILL WOULD BE GREATLY APPRECIATED.

P.S.

BETHEL IS INTERESTED IN PAYING FOR ITS' SERVICES AS OTHER COMMUNITIES. WE STRONGLY BELIEVE THAT A PROPERTY TAX WOULD BE AN UNFAIR MEANS OF PROVIDING THE DOLLARS TO SUPPORT OUR SERVICE. WE DO LEVY A 5% SALES TAX. THANK YOU FOR YOUR CONSIDERATION TO THIS TESTIMONY.

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BACK \_ NXT MSG U/R/S \_ PREV MSG U/R/S \_ RESEND \_ CANCEL \_

A M E N D M E N T

Offered in the SENATE

By Ferguson

TO: SB 468

Page 2, after line 2, insert a new bill section to read:

"\* Sec. 3. AS 29.13 is amended by adding a new section to read:

Sec. 29.13.110. LIMITATION ON EXERCISE OF EDUCATION POWER. A second class city outside of an organized borough that adopts a home rule charter is not a city school district and may not establish, maintain, and operate a system of public schools if the city has less than 3,500 permanent residents on the date the home rule charter is adopted."

Re-number succeeding section.

Page 2, after line 15, insert a new bill section to read:

"\* Sec. 5. AS 29.43.030 is amended to read:

Sec. 29.43.030. EDUCATION. Except as provided in AS 29.13.110, home [HOME] rule and first class cities outside boroughs constitute city school districts and establish, maintain, and operate a system of public schools as provided by AS 29.33.050 for boroughs."

# Alaska State Legislature

SENATOR

**John C. Sackett**

CO-CHAIRMAN  
SENATE FINANCE COMMITTEE

MEMBER

COMMUNITY & REGIONAL AFFAIRS COMMITTEE  
LABOR & COMMERCE COMMITTEE  
BUDGET & AUDIT COMMITTEE  
REGULATION REVIEW COMMITTEE



## Senate

HOME ADDRESS  
P.O. BOX 11  
RUBY, ALASKA 99768

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811  
TELEPHONE 465-3753

TO: Senator Frank Ferguson, Chairman  
Senate Committee on Community & Regional Affairs

FROM: Senator John C. Sackett

DATE: March 13, 1984

RE: SB468, Home Rule Charters

Some second class cities such as Bethel wish to assume educational duties and obligations but prefer to go to home rule status rather than first class status because the home rule charter can be written to grant the city only limited powers in matters such as planning and zoning, taxation, eminent domain and the like. A home rule charter can be written so that the voting citizens rather than the city council can make substantive decisions regarding these powers.

This legislation would allow second class cities of a certain size to go to home rule status thereby avoiding first class status which would have imposed more duties and obligations on the city council. I urge the committees support of SB468.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

March 13, 1984

SUBJECT: Allowing second class cities  
to go home rule (SB 468)

TO: Senator John Sackett

FROM: Tamara Brandt Cook  
Deputy Director *TBC*  
Division of Legal Services

You have asked what obligations a second class city would be required to assume if it adopted a home rule charter. AS 29.43.040(a) requires a home rule city outside a first or second class borough to provide for planning, platting and zoning. A second class city outside a first or second class borough may do so too, but does not have to. AS 29.43.030 requires a home rule city outside a borough to operate a system of public schools. A second class city is not a school district.

You have also asked what limitations affecting only a second class city would be avoided if the city goes home rule. AS 29.53.410 limits the amount of property taxes that a second class city may levy to one-half of one percent of the assessed value of the property being taxed. Under AS 29.73.020 before a second class city may exercise the power of eminent domain it must request the Department of Community and Regional Affairs for permission to exercise the power and may not do so without the formal approval of the department. These two limitations would be avoided if a second class city adopts a home rule charter. In addition, a second class city can exercise only those powers granted by law to general law municipalities, while a home rule city may exercise any power not prohibited by law.

TBC:ojb  
J4/073

# STATE OF ALASKA

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

### OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

REPLY TO:  POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508  
PHONE: (907) 563-1073

March 12, 1984

### POSITION PAPER

RE: SB 468  
SPONSOR: Senator Sackett

#### PROGRAM EFFECTS:

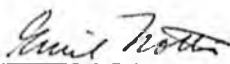
Allows second class cities with a population of at least 400 permanent residents to adopt home rule charters and upgrade directly to home rule city status.

#### COMMENTS:

The provisions allowing municipalities to adopt home rule charters and govern themselves as home rule municipalities are presently cumbersome. This may, in part, explain why some medium sized cities in the unorganized borough have not availed themselves to the option of pursuing home rule status. The Department believes this is unfortunate.

The form of municipal government provided for under State law is often criticized by rural residents as not being flexible enough to meet their varied needs. Second class city government is simply not working as well as it might because the local government is restricted by powers and requirements of Title 29. Home rule status, which allows a city to do all things not expressly prohibited by law or charter, presents the best alternative under the State system of local government. The Department supports this bill because it makes it easier to involve the home rule option for rural cities. It is clear that the flexibility afforded under a home rule city should allow municipal government to work better to serve the needs of local residents, both in rural and more urban communities, and that, of course, is one of the primary goals of this department.

APPROVED:

  
Emil Notti, Commissioner

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

**REQUEST**

Bill/Resolution No.: SB 468  
 Title: "...second class cities to adopt home rule charters."  
 Sponsor: Senator Sackett  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Community & Regional Affairs  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected: Local Government Assistance

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>					

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>						
----------------	--	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME	<b>-0-</b>					
PART-TIME						
TEMPORARY						

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

**ANALYSIS:** Attach a separate page for analysis

Prepared By: Doug Griffin Phone: 465-4707  
 Division: Municipal & Regional Assistance Date: 3/12/84

Approved by Commissioner: *[Signature]* Date: 3/12/84  
 Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

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IN THE SENATE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to motor vehicle tax exemptions and senior citizen property tax exemptions; and providing for an effective date."

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

\* Section 1. AS 29.53.020 is amended by adding new subsections to read:

(m) One motor vehicle is exempt from

(1) property tax levied under AS 29.53.010 if the vehicle is owned by a resident 65 years of age or older on January 1 of the assessment year; and

(2) the registration tax and fee as provided in AS 28.10.-411(c).

(n) The state shall reimburse a municipality for revenues lost to it because of the exemptions provided under (m)(1) of this section and under AS 28.10.411(c). Reimbursement of the registration tax to a municipality electing to levy a tax under AS 28.10.431(a) equals the amount authorized under AS 28.10.431(b) for each vehicle exempted.

(o) If appropriations are less than the amount necessary for full reimbursement to a municipality under this section, payments must be determined by prorating appropriations using a factor which, when applied, reduces all payments by an equal percentage.

(p) To the extent a municipality exempts motor vehicles from taxation under AS 29.53.025(b)(4), which would otherwise be exempt under this section, no reimbursement under (n) of this section will be made.

(q) The department shall adopt necessary regulations to implement the provisions of (g), (m), (l), and (o) of this section.

\* Sec. 2. AS 29.73.060 is amended by adding new subsections to read:

(e) If appropriations are less than the amount necessary to make full tax equivalency payments under this section, adjustments of payments must be determined by prorating appropriations using a factor which, when applied, reduces all payments by an equal percentage.

(f) The department shall adopt regulations necessary to implement the provisions of (e) of this section.

\* Sec. 3. AS 28.10.411(d) is repealed.

\* Sec. 4. This Act takes effect January 1, 1985.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date:

**REQUEST**

Bill/Resolution No.: SB 527  
 Title: An Act relating to motor vehicle tax exemptions and.....  
 Sponsor: C&RA  
 Requestor: C&RA  
 Date of Request: 3-13-84

**FISCAL DETAIL**

Agency Affected: Public Safety  
 Program Category Affected: Life and Property Protection  
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

No fiscal impact on Department of Public Safety, Division of Motor Vehicles.

**ANALYSIS: Attach a separate page for analysis**

Prepared By: Bill Brown Phone: 465-4335  
 Division: Motor vehicles Date: 3-13-84

Approved by Commissioner: [Signature] Date: 3/16/84  
 Agency: Public Safety

**Distribution (by Agency preparing fiscal note):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

225 CORDOVA STREET - BLDG B  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 264-2294

March 6, 1984

Mike Scott, Staff  
Senate Community & Regional Affairs  
Committee  
Pouch Y  
Juneau, Alaska 99811

Dear Mr. *Mike* Scott:

Enclosed is a bill relating to tax exemptions for Senior Citizens and Motor Vehicles. The language accomplishes several things:

1. The bill corrects a problem which currently exists in the Senior Citizen motor vehicle exemption program. Under present law, the State reimburses municipalities for revenues lost through the operation of the exemption program described under AS 28.10.411(c). The State reimbursement is required under AS 28.10.411(d) which states in part:

"The Department ...shall pay...an amount equal to the tax..regardless of whether the borough or city is eligible for the tax levied under that section."

Because of that language, the Department has been reimbursing municipalities for revenue "losses" even if the motor vehicles were not exempted under AS 28.10.411. As a result, we have reimbursed many municipalities even though they actually were not losing revenues under Title 28.

The attached language corrects the problem by allowing reimbursement only if the municipality experiences revenue losses through operation of an exemption which is required by statute.

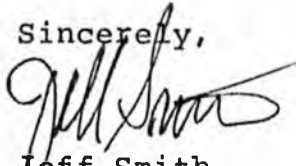
2. The bill includes language which allows the Department to prorate payments to municipalities, or to individual applicants, if appropriations are inadequate to fully fund certain exemption programs which currently exist in Title 29. We recently faced a problem which involved inadequate funding for two of those programs (Senior Citizen Homeowners and Renters). Because current law did not allow the Department to prorate payments we were forced to use an approach which caused excessive delays in reimbursing municipalities, and which

Mike Scott  
March 6, 1984  
Page 2

resulted in reimbursements which we did not believe were fair to all communities. The proration language in the bill is designed to eliminate that problem should it arise in the future.

3. The bill also includes language which allows municipalities the option of exempting motor vehicles by type if they wish to do so. That language is identical to SCS for HB 537 (Rep. Grussendorf) which has already passed out of Senate Community & Regional Affairs Committee.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jeff Smith".

Jeff Smith  
Deputy Commissioner

Enclosure

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State of Alaska

Department of Community & Regional Affairs

Date: March 3, 1982

POSITION PAPER

Requested by: Senate Community & Regional Affairs

Subject: Sponsor Substitute Senate Bill 613

Departmental Position: OPPOSED

Remarks:

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

Based on the amount received in FY 82 that would mean  $(535 - 500 = 35 \div 2 = 17.50)$  a tax reduction of \$17.50 per capita.

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

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

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

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

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

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs  
 Program Category Affected Development  
 BRU, Program, Or Subprogram(s) Affected N/A  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal Impact on this Agency

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

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PROPOSED AMENDMENTS TO SB 690

1. Page 3, Line 9 - Add to subsection (f) :

The department may adopt regulations necessary to ensure compliance with the provisions of this section including, but not limited to, such regulations as may be necessary to ensure that individuals receive only the credits authorized by this section.

2. Page 3, Line 23 - Add after the word "dwelling" :  
used as a principle place of abode

3. Add a section to the bill to read:

Section \_\_\_\_ AS 43.05.290 is amended by adding a subsection to read:  
(j) The provisions of this section apply to returns, statements or other documents required or permitted to be filed under AS 43.20.012 - AS 43.20.014.

**POSITION PAPER**

Requested by: Senate Community & Regional Affairs Committee

Subject: Senate Bill 690

Departmental Position: Opposed

**Remarks:**

Currently there is a trend toward using State revenues to reduce local property taxes. Last year the passage of Senate Bill 125 alone caused a direct reduction in local revenues statewide amounting to approximately 35%. In addition, there are numerous bills currently before the Legislature which, if passed, would either directly or indirectly (state aid to education, for example) result in additional reductions in local property taxes.

If that trend continues, the Department is concerned that the amount of taxes rebated under the proposed language would not justify the cost of the administration of such a program.

On the other hand, if state collected revenues continue to decline, the Department questions the advisability of establishing a costly program which might be abandoned because of dwindling revenues.

## ANALYSIS OF SB 690

The following is a section by section analysis of SB 690 entitled "An Act providing tax credits for property taxes or tax equivalency on rent paid; and providing for an effective date.":

The first section of the bill would add a new section to AS 43.20 to provide for a refundable tax credit for a portion of local property taxes paid on a dwelling occupied by the person claiming the credit as a principal place of abode. AS 43.20.014(a) (1)(2) (Page 1, line 11) would deal with individuals who have paid all of the taxes or rent on the dwelling occupied as a principal place of abode, i.e. persons who did not share rent or mortgage/tax payments or who did not rent out part of their abode. These individuals would qualify for a credit equal to fifty per cent (50%) of property taxes paid up to a maximum of \$300. For renters, this section applies a "tax equivalency" formula of one per cent of rent for each mill of property tax levied on the rental unit. Renters are entitled to fifty per cent of this tax equivalency amount. In other words:

For Owners:

$50\% \times \text{property tax paid} = \text{tax credit}$   
(subject to the \$300. limit)

For Renters:

$50\% \times (1\% \text{ per mill}) \times \text{rent paid} = \text{tax credit}$   
(subject to the \$300. limit)

Persons who paid all taxes or rent on their dwellings and who may have both rented or owned dwellings during a year would qualify for a part year owners credit and a part year renters credit

provided that the total received could not exceed \$300. per year. For example, assume a single man or woman who owned a \$100,000. condominium taxed at 8 mills for six months and rented an apartment in the same tax-rate area at \$500. per month for the remaining six months. This person would be eligible for the following:

As an Owner:

$$50\% \times (\$100,000 \times .008) \times 1/2 \text{ (for six months)}$$

OR

$$50\% \times \$800. = \$400 \times 1/2 = \$200.$$

PLUS

As a Renter:

$$50\% \times 8\% \times \$3,000. = \underline{120.}$$

Total Credit \$320. (subject to \$300. maximum)

Total allowable credit \$300.

Subsection (b) of this section (page 1, line 25) deals with persons who may have paid only part of the taxes or rent on the dwelling they occupied. Examples might be a homeowner who shares his or her home with a roommate in return for rent, or two or more persons sharing rent on a single apartment. Note that this situation is different from the situation in which a person owns a duplex and rents out a totally separate dwelling to another. In such a case the owner would be eligible to claim a full owner's credit on the portion of the structure used as his or her dwelling and the tenant in the other unit could claim a full renter's credit based on annual rent paid. Under subsection (b) each person sharing taxes or rent payments on a single dwelling could claim a credit up to a \$150. maximum.