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3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check or other order of payment of money may commence a conciliation court action in the county where the worthless dishonored check was issued to recover the amount of the check. This clause does not apply to a check or other order for payment of money that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check or other order for payment of money to the summons before it is issued.

Sec. 9. Minnesota Statutes 1982, section 488A.29, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of $1,250. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.

(b) Notwithstanding the provisions of clause paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.

(c) Notwithstanding the provisions of clause paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff, resident of Ramsey county, to recover the amount of a worthless dishonored check issued in the county within the meaning of section 609.535, notwithstanding that even though the defendant or defendants are not residents of Ramsey county provided that, if the notice of nonpayment or dishonor

required by described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check or other order of payment of money may commence a conciliation court action in the county where the worthless dishonored check was issued to recover the amount of the check. This clause does not apply to a check or other order for the payment of money that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check or other order for payment of money to the summons before it is issued.

Sec. 10. Minnesota Statutes 1982, section 609.535, is amended to read:

609.535 [ISSUANCE OF WORTHLESS DISHONORED CHECKS.]

Subdivision 1. [DEFINITION DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them.

(a) "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

(b) "Credit" means an arrangement or understanding with the drawee for the payment of the a check or other order for the payment of money to which this section applies.

Subd. 2. [ACTS CONSTITUTING.] Whoever issues any a check or other order for the payment of money which, at the time of issuance, he intends shall not be paid, is guilty of a misdemeanor. In addition, restitution may be ordered by the court.

Subd. 3. [PROOF OF INTENT.] Any of the following is evidence sufficient to sustain a finding that the person at the time he issued the check or other order for the payment of money, intended it should not be paid:

(1) Proof that, at the time of issuance, he did not have an account with the drawee; or

(2) Proof that, at the time of issuance, he did not have

sufficient funds or credit with the drawee and that he failed to pay the check ~~or other order~~ within five business days after mailing of notice of nonpayment or dishonor as provided in this subdivision; or

(3) Proof that, when presentment was made within a reasonable time, the issuer did not have sufficient funds or credit with the drawee and that he failed to pay the check ~~or other order~~ within five business days after mailing of notice of nonpayment or dishonor as provided in this subdivision.

Notice of nonpayment or dishonor and a copy of this section shall be sent by the payee or holder of the check to the maker or drawer by certified mail, return receipt requested, or by regular mail, supported by an affidavit of service by mailing, to the address printed on the check. Refusal by the maker or drawer of the check to accept certified mail notice or failure to claim certified or regular mail notice ~~shall~~ is not ~~constitute~~ a defense that notice was not received.

The notice may state that unless the check is paid in full within five business days after mailing of the notice of ~~non-payment~~ nonpayment or dishonor, the payee or holder of the check ~~or other order~~ for the payment of money will or may refer the matter to proper authorities for prosecution under this section.

An affidavit of service by mailing shall be retained by the payee or holder of the check.

Subd. 4. [PROOF OF LACK OF FUNDS OR CREDIT.] If the check ~~or other order for the payment of money~~ has been protested, the notice of protest thereof is admissible as proof of presentation, nonpayment, and protest, and is evidence sufficient to sustain a finding that there was a lack of funds or credit with the drawee.

Subd. 5. [EXCEPTIONS.] This section does not apply to a postdated check or to a check given for a past consideration, except a payroll check or a check issued to a fund for employee benefits.

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW

ENFORCEMENT AUTHORITIES.] A drawee shall not be liable in a civil or criminal proceeding for releasing release the information specified below to any state, county, or local law enforcement or prosecuting authority which first certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivision subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer;

(2) Correspondence between the drawer and the drawee relating to the status of the account Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check or other order for the payment of money which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may impose a reasonable fee for the cost for furnishing this information to law enforcement or prosecuting authorities, not to exceed 15 cents per page.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Subd. 7. [RELEASE OF ACCOUNT INFORMATION TO PAYEE OR HOLDER.] If there is a written request to a drawee from a payee or holder of a check or other order for the payment of money that has been dishonored other than by a stop payment order,

which requests is accompanied by a copy of the dishonored check or other order for payment of money. The A drawee is not liable in a civil or criminal proceeding for releasing shall release the information specified in clauses (1) and (2) to the payee or holder any of a check that has been dishonored who makes a written request for this information and states in writing that the check has been dishonored and that 30 days have elapsed since the mailing of the notice described in subdivision 8 and who accompanies this request with a copy of the dishonored check and a copy of the notice of dishonor.

The requesting payee or holder shall notify the drawee immediately to cancel this request if payment is made before the drawee has released this information.

This subdivision applies to the following information relating to the drawer's account:

(1) Whether at the time the check or other order for payment of money was issued or presented for payment the drawer had sufficient funds or credit with the drawee, and whether at that time the account was open, closed, or restricted for any reason and the date it was closed or restricted; and

(2) The last known home and business addresses address and telephone numbers number of the drawer. A drawee may be liable in a civil or criminal proceeding for releasing the business address or business telephone number of the drawer to the payee or holder.

The drawee shall release all of the information described in clauses (1) and (2) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may require the person requesting the information to pay the reasonable costs, not to exceed 15 cents per page, of reproducing and mailing the requested information.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Subd. 8. [NOTICE.] The provisions of subdivisions 6 and 7 are not applicable unless the notice to the maker or drawer required by subdivision 3 states that if the check or other

order for the payment of money is not paid in full within five business days after mailing of the notice, the drawee may will be authorized to release information relating to the account to the payee or holder of the check or other order for the payment of money and may also release this information to law enforcement or prosecuting authorities.

Sec. 11. [REPEALER.]

Minnesota Statutes 1982, section 48.511, is repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 4 are effective January 1, 1984. Sections 5 to 11 are effective August 1, 1983.

S. F. No. 280

Jerome M. Hughes
President of the Senate.

Harry A. Sieben, Jr.
Speaker of the House of Representatives.

Passed the Senate this 12th day of May in the year of Our Lord one thousand nine hundred and eighty-three.

Patrick E. Flahaven
Secretary of the Senate.

Passed the House of Representatives this 12th day of May in the year of Our Lord one thousand nine hundred and eighty-three.

Edward A. Burdick
Chief Clerk, House of Representatives.

Approved

6/1/83

Rudy Perpich
Governor of the State of Minnesota.

Filed 6/1/83

Joan Anderson Growe
Secretary of State.

Referred ONLY to Labor Commerce

Dick — Sponsor - Ray co-sponsor - Kerttula

Re: Checking Account Bill - SB 360

Before openning account, applicant must
- list if he/she had an account at another bank within 12 mths (banks feel this would cause them to check info + therefore raise cost to banks)

- list if an account was closed without applicant's conset + why + list whether applicant had been convicted of a criminal offense because of the use of checks (banks feel the checking into this info will raise the cost)

- if the applicant knowingly lies, the applicant is guilty of perjury (the courts use the word "perjury" under the new criminal code to mean under sworn testimony. They prefer the language "unsworn falsification"

- Banks need to verify applicants info (cost in time + $)

- Applicant is denied checking account if
  - account is closed without consent within 12 mths
  - applicant was convicted of criminal offense dealing with checks within 24 mths. (what if a person has lots $, but has history of bad check, the applicant would he denied)

- An pictorial identification card must be provided by banks (increase in costs)

- A person who writes a bad check is responsible for the amount of check PLUS civil penalty up to $100 PLUS 12% interest of check amount, PLUS attorney fees* if check is over $500 PLUS service charge (courts expect increase work load - fiscal note)

Randy C. Kelly
District 67A
Ramsey County
Committees:
Environment and Natural Resources
Judiciary
Criminal Justice Division
Taxes
Economic Development Division, Chairman

Minnesota
House of
Representatives

Harry A. Sieben, Jr., Speaker

January 31, 1984 RECEIVED

As per our conversation, I am sending you a copy of the bad check law which I authored and which became law on August 1, 1983.

I am also including the bill as first introduced and some other material.

In the summer of 1982, I formed an ad hoc taskforce compromised of bankers, merchants, police and prosecutors to identify what the problems were in this area and possible solutions.

We found a major criticism in that financial institutions rarely checked on predecessor account information for new applicants. So one of the major elements in the bill was to require some uniform information to be taken and a requirement for the financial institutions to verify this information. The banking community lobbied strongly against this provision but we prevailed.

The legislation is working well with approximately a 25% decline in the issuance of bad checks in Minnesota.

Please feel free to share this information I am sending with legislators in Alaska.

Good luck. It was a tough fight here in Minnesota but the results so far indicate that it was a worthwhile effort.

Sincerely,

Randy Kelly

Randy C. Kelly
State Representative

RK:DP

Reply to: ☐ 343 State Office Building, St. Paul, Minnesota 55155 Office: (612) 296-4277
☐ 1901 Hyacinth, St. Paul, Minnesota 55119

NATIONAL
Bank of Alaska
Juneau Office: P.O. Box 1189 • Juneau, Alaska 99802 • (907) 586-3324

January 27, 1984

Senator Bill Ray
Pouch V
Juneau, Alaska 99811

Bill,

Attached is a copy of the check guarantee service available through National Bank of Alaska for its merchants. This service is available presently and I would be glad to demonstrate its use.

Sincerely,

Peter M. Crandall
Vice President

PMC/kas

A DESCRIPTION OF THE CHECK GUARANTEE SERVICE

This packet of information is designed to briefly acquaint you with the Check Guarantee Service, and to help you apply this service in the best way.

This information is supplied by Telecredit, Inc., and the results of nationwide studies of check activity in America.

Welcome to the Check Guarantee Service.

THE CHECK GUARANTEE SERVICE:

YOUR KEY TO MORE PROFITABLE BUSINESS

Q. What is the Check Guarantee Service?

A. The Check Guarantee Service is a program developed by Telecredit, Inc. a California based corporation founded in 1961. With this program checks can be accepted from any customer on a guaranteed basis. If the check is returned by the bank, the store receives full payment.

Q. Any check?

A. It is necessary to obtain authorization through your P.O.S. terminal first. It takes only seconds. The service is available 7 days a week, 24 hours a day. If approved, any check written on any bank in the U.S.A. and U.S. possessions, is covered.

Checks that are covered include account closed, insufficient funds, refer to maker, uncollected funds, forgery, stolen, etc., excluding "stop payment." Both personal and company checks are covered.

Q. Why doesn't the plan cover "stop payment" checks?

A. Stop payment checks are few in number and represent a problem that can best be resolved between merchant and customer. (Auto dealerships please refer to addendum.)

Q. How long does it take to obtain reimbursement on a guaranteed check?

A. Simply a state issued driver's license or DMV I.D. card.

Q. Will the terminal advise the merchant of a decline?

A. No. The terminal will display a "call Telecredit" (a referral) at which time the merchant will call the Telecredit Authroization center.

Q. Does the store have to pay for a long distance call to Telecredit when they receive a "call Telecredit" response from their terminal?

A. No. Telecredit provides an "800" toll-free number.

Q. What if the check authorization is denied?

A. In a small percentage of cases, after a check is presented, the store will be advised by the operator that a check cannot be guaranteed. The customer may then make arrangements to use cash, a credit card, or other means of payment. At this point, Telecredit Service Corporation becomes visable to the customer. The merchant must then provide the customer a card explaining to the customer the situation and a means of getting in touch with Telecredit to resolve the matter.

Q. Does Telecredit have information on everyone with a driver's license or checking account?

A. No. It is a negative information file only, updated on a minute-to-minute basis.

Q. Does the store have to use their terminal to guarantee all checks presented?

A. No, not necessarily. The merchant should develop and enforce a check policy which best fits his needs, and use Check Guarantee Service in the areas of greatest benefit. Refer to the section entitled "Suggestions for Using Check Guanrantee Service."

Q. Why should a merchant that knows all its customers participate?

A. The plan is especially useful for transients or people the merchant doesn't know personally. Since the merchant only pays for checks actually guaranteed through his terminal, it does not add to the cost of his terminal program.

Q. What marketing areas are currently covered by Telecredit?

A. All the U.S.A.

Q. How many checks are written every year?

A. Over 40 billion.

Q. What percentage of retail sales is made up of check writers?

A. Retail purchases are roughly: credit 40%, checks 40%, cash 20%. Millions of consumers either do not qualify for or care to use credit cards, but do write checks. Their business can easily be accepted with the use of the Check Guarantee Service.

Q. How many bad checks are cashed every hour?

A. Over $100,00 worth.

Q. How many checks are currently being processed annually through the Telecredit system?

A. Nearly 15,000,000. Over $2.0 billion a year, from over 150,000 merchants all across the country.

SUGGESTIONS FOR USING THE CHECK GUARANTEE SERVICE

Most subscribers do not find it necessary to guarantee every check.

Checks which are not usually guaranteed:

- Checks from customers of long standing.
- Checks under a certain dollar amount.
- Checks from customers who live and bank in the area and who have a great deal of supporting identification (several credit cards, company I.D., etc.)

Checks which are usually guaranteed:

- Checks from strangers who live or bank out of the area.
- Checks from people who have little I.D. other than a driver's license.
- Low numbered checks from 101 to 299, which indicate new accounts.
- Checks from people who are over their credit card limit.
- Checks after normal banking hours.
- Checks over a certain dollar amount.
- Checks with an address different than the address on the I.D.
- Checks taken during peak business hours when the clerk may not have time to fully review all I.D. or where business may be lost if customers have to stand in line for a long time.

CHECK GUARANTEE SERVICE REQUIREMENTS

When accepting a check under the guarantee service, the following requirements must be met:

- The name of the presenter must be imprinted by the issuing bank on the face of the check.
- The maker's address must be legibly recorded if it is not imprinted. P.O. boxes are not covered under the guarantee service. Street addresses can be handwritten.
- Company and payroll (commercial) checks must have the company name imprinted on them, and be issued no more than 15 days prior to the encashment date. The payee name and address must be legibly noted.
- Permanent driver's license number and state of issue must be recorded on the check.
- Personal checks must be payable to the accepting merchant.
- The authorization code must be written on the face of the check.
- Personal checks must be dated the same day they are cleared through the system.
- Any alterations to the check must be initialed by the customer.
- Written amount and numeric amount must be the same.
- Checks must be deposited within 3 business days of the date of encashment.
- Check Purchase Requests must be submitted no later than the following day after you receive notice of loss from your bank.

For your own protection, it is imperative that any check you accept for guarantee must comply with the service requirements.

Use the "cross check" system. Draw a "T" on the face of the check, where there is room, and write in the appropriate information as shown below:

Drivers License State Code	Drivers License Number
Date of Birth	Approval Number

HOW TO SUBMIT A CLAIM

Any claim on a guaranteed check must be mailed to the check authorization center according to the applicable instructions on the purchase request form no later than the following business day after you receive notice of loss from your bank.

When filing a claim, be sure to:

- Complete a Purchase Request form following the instructions on the cover page of the form.

- Mail the following materials to the check authorization center:

  - Purchase Request
  - Original Check
  - Bank Debit Advice

- Retain for your own files:

  - Purchase Request form Part II entitled "Merchant Copy"
  - Copy of check
  - Copy of Bank Debit Advice form

STOP PAYMENT CHECKS

Stop payment checks are not covered and will not be paid except under the following circumstances.

1. Stop payment is covered for new car dealerships for service, repairs, parts or rentals.

2. A stopped check that should have been marked "Account Closed."

3. A stopped check that should have been marked "Stolen or Forged."

Action:

1. Upon receiving a stop payment check, immediately call the bank of issue, inquire the reason for the stop, then:

   A. Ask if the account shows that it had been closed prior to the date and time stamped on the request to stop payment.

   B. Ask if the account shows that the check had been reported stolen prior to the "request to stop payment."

2. If either one of the above (A or B) has occurred, then request that the bank send you a letter to that effect. Attach a copy of that letter with the Telecredit Purchase Request, the actual check and Debit Advice. Mail at once in the envelope provided.

POLICY REGARDING COLLECTIONS OF CHECKS

OVER AND ABOVE THE AMOUNT GUARANTEED

Any instrument approved under the Check Guarantee Service with a face value above the guaranteed amount is subject to a 20 percent collection fee applied to the overage. For example: A check is negotiated for $700, guaranteed for $600 maximum, and subsequently submitted for check purchase. If collection is not successful prior to the claim payment date, the reimbursement check would be for the guaranteed amount of $600. An additional reimbursement check drawn for $80 would be mailed if and when full collection is made.

NOTE: Merchant should not accept full or partial payment on returned checks from the maker after a purchase request has been filed. The merchant should advise the customer to contact Telecredit Consumer Relations Department to make resitution.

(907) 789-9724

RULES AND REGULATIONS

FEES: Lessee agrees to pay to the lessor the monthly rent, additional fees as required and any sales tax, if applicable, by the 5th of each month. Payments are to be delivered to the Park Manager at the Park Office in person or mailed to the above mailing address. Failure to pay the rent and fees by the 5th will result in the lessee paying a fine of $20.00, if not paid by the 10th, lessee is subject to eviction. There will be a $20.00 charge for NSF checks. A damage/rental security deposit of $100.00 is required and shall be refunded upon termination to the extent not applied to repair damage, cleanup or pay delinquent rent and fees. Lessees who write 2 or more NSF checks in any 12 month period will no longer have their personal checks accepted and instead must pay the rent with a money order or cashier's check. The rental rate may be increased upon 30 days advance notice in writing, delivered in person or by mail.

DEFAULT: If any monthly payment of rent is not paid on or before the date on which it is due, or if lessee shall continue in violation of any other term, condition or requirement of this lease, including but not limited to the rules and regulations of this lease and after notice of such violation shall have been given to lessee for a period of 10 days without being remedied, then lessee shall be considered in default and in such event lessor shall have the remedies provided a landlord under the Alaska Residential Landlord-Tenant Act and the Alaska Forcible Entry and Detainer Statutes. In the event the lessor shall retake the premises after default or vacation by lessee, lessor will use reasonable diligence and methods to mitigate its damages and lessee shall remain liable for any difference between the rent for the unexpired portion of the term and the income derived in mitigation of damages plus the cost of such reentry, removing chattels and otherwise enforcing the provisions of this lease.

ASSIGNS: Lessee shall not sell, rent or assign (sublease) his mobile home without the written consent of the lessor, whose consent shall not be unreasonally withheld. Lessee shall have the right to assign the Lease to a successor purchaser or sublease if lessee is current in all lease payments and in full compliance with all terms of the Rules and Regulations, but lessor may require lessee to remove his mobile home from the park on the basis of its sale if the mobile home is in violation of laws or ordinances or terms of this Lease relating to health, safety or welfare, or if the proposed buyer refuses to assume the same terms as are in the Lease and Rules and Regulations or if the proposed buyer fails to evidence sufficient financial responsibility. The lessee shall remain principally liable and responsible for rent payment and other charges even if subleased or assigned, and shall also remain principally responsible for assuring that the subleassee is in full compliance with the terms of the Lease agreement and these rules and regulations.

INITIAL INSTALLATION AND HOOK-UPS: Each lessee shall provide and install, at his own expense, approved insulated skirting (metal) for their mobile home and this shall be completed within 30 days following approved blocking and leveling. Hitches shall be removed from mobile homes in excess of 30-foot length. Hitches shall be covered if mobile home is under 30-foot.

lessee must make own arrangements for electricity, cable T.V., fuel oil, propane, telephone, etc. All utilities to be installed by lessee according to utility company and Borough code. A park oil system is provided for the convenience of the lessee at a competitive cost. Lessee is not required to use the Park oil system and the lessor reserves the right to disconnect any lessee from the oil system upon 7 days written notice if the oil charge is not paid in full by the 5th of each month. Lessor may elect to discontinue the Park oil system and require lessee to provide their own fuel tanks upon 60 days written notice.

The lessee must place his space number on the front left side of his mobile home so service people can quickly locate his residence. The lessee is responsible for acquiring, marking and installing his mailbox at the approved station.

UTILITIES: Water, sewer and garbage pickup will be provided by the lessor. Lessor shall endeavor to keep in continuous operation appropriate facilities for furnishing lessee domestic water for household use. As to flavor, clarity, odor, purity, or other water qualities, lessor intends to take great care, but makes no legal warranty or representation to the lessee as to the results. Lessee shall be responsible for hooking up water and sewer connections and shall be responsible for purchasing and installing appropriate heat takes for the sewer and water pipes beneath his mobile home. All skirting shall be insulated (to an R-11 rating) around the perimeter of the mobile home. Lessees shall be responsible for damages as the consequence of non-use or failure to check heat rods; failure to secure insulated skirting and access panels or other negligence and the lessor will charge the lessee for the cost to repair damages to lessor's property or equipment caused by lessee's negligence to properly

ELECTRIC HEATING SYSTEMS are permitted as the Park system was not designed for electric heat use. Violators will remove electric heating units or face eviction. Damage to Park electrical equipment or lines caused by lessee's use of electrical heating units will be repaired at lessee's expense.

The sewage system is designed to remove only organic matter. The following items are not to be washed or dumped down the sink drains or flushed down the toilet: Grease of any sort; disposable diapers, or the plastic liners; cloth rags or paper towels; sanitary napkins or tampons of any type of their plastic tubes, bandaids or gauze, hair, filtered cigarette butts. The absence of these items in the lines will insure your line from plugging up, repair will be charged to the lessee. Because of buried utility lines, digging is not permitted without prior written consent of lessor.

Lessee must place garbage in a large plastic bag, placed in a garbage can, tied and covered with a tight fitting lid. Glass must be wrapped in newspapers so that garbage collectors will not be cut. Containers must be placed by road on the morning of collection day and returned following pickup. Garbage cans with tight fitting lids are also a Borough requirement and failure to abide by this regulation could result in a fine by the Borough "Litter Control". Garbage cans and lids must have space number indicated. Lessee is permitted only three garbage cans per week and any excess garbage is the lessee's responsibility to haul to the dump. Garbage strewn about by dogs or birds is the lessee's responsibility to immediately clean-up.

6. OCCUPANTS AND USE: The mobile home spaces are designed for single family occupancy. The lessor reserves the right to limit the number of occupants. Guests staying over two weeks must have the consent of the lessor. Lessee must notify lessor of an anticipated extended absence from the premises in excess of seven days; where the absence is unanticipated, the notice shall be given as soon as reasonably possible after the lessee knows absence will exceed 7 days.

7. PREMISES: No door-to-door solicitation, "For-Sale" signs, posters or advertising or any commercial signs are allowed without the consent of the lessor. The premises may not be used for unlawful purposes.

8. PETS: Pets are allowed in the park on a Probationary Basis Only. Lessee is allowed no more than two dogs or two cats. All animal excrement must be removed on a daily basis. No pets are to run free. This is both a Park and Borough regulation and violators may be required to remove the pet from the Park or face Eviction. Owners of habitually barking or vicious dogs are expected to muzzle the animal(s) or take necessary measures to prevent the animal from becoming a nuisance. Owners of problem animals who fail, after written notice by lessor, to rectify the situation may find themselves and their pet(s) living elsewhere.

9. MOTOR VEHICLES: Speed limit in the park is 10 mph. No major repair of vehicles will be allowed in the Park. Inoperable vehicles may not remain in lessee's mobile home space longer than 7 days.

10. PARKING: Parking for no more than two vehicles, neither being larger than a standard 3/4 ton truck will be allowed to park in each space. Campers, boats and snow mobiles may be stored in the lessee's space only upon written consent of the Manager. Travel trailers are not permitted in the Park. Streets must be kept clear of vehicles and any cars parked on the streets will be towed away at owner's expense. Inoperable motor vehicles shall be removed from the park by their owner's on 24-hours written notice by the Park Manager or will be towed away at owner's expense.

11. EXCESS STRUCTURE: Car ports, storage sheds, fences, porches, etc., must comply with municipal building codes and plans must have the prior approval of Lessor as to plan, location and type of construction. All such structures must be removed upon lease termination.

Accessory buildings will be constructed or installed only after obtaining the consent of the Park Manager. All structures must be in harmony with the design and quality of mobile homes throughout the rest of the park. No alterations are to be made by the tenant except with permission of the management. Leantos, wanigans and carports shall not be less than 10 feet nor than than 15 feet in width, shall not extend beyond the front or the back of the mobile home. Leantos of 25 feet in length shall have 2 windows and 1 door. No structure shall be closer than 15 feet to another mobile home. All leantos shall be closed in and completed on the exterior and painted before work is done on the inside. Roofing materials must be of color and quality approved by the management. In no case will black tar or hot mop tar be acceptable. Siding must be of conventional house type siding. Plywood, Celotex, or the like will not be acceptable. All structures shall be painted on exterior within 15 days after construction. The color of the paint for fences and other structures should be complementary and harmonious with the main color of the mobile home. Variations in color may be authorized upon prior written approval of the management.

all times. No towels, wearing apparel, or laundry of any description is to be hung outside the mobile home. Television and C.B. antennas must be approved. Lessee whoe mobile homes and spaces deteriorate below the minimum standard will be notified, and if the substandard condition is not corrected within 10 days, the lessee is subject to eviction.

13. MOBILE HOME CONDITION AND FITNESS: Lessee shall at all times maintain their mobile homes in good overall condition and favorable exterior appearance. Mobile homes shall be of three classifications: Class 1 - Class 2 - Class 3.

Class 1 Mobile homes are those in the category of new up to 10 years in age from date of manufacture. They shall be presumed fit and of good overall condition.

Class 2 Mobile homes are those manufactured more than 10 years ago, but not yet 25 years old. They shall not be presumed fit nor of acceptable overall condition. The lessor's concern about Class 2 mobile homes centers on external appearance and safety. Class 2 mobile homes must strictly adhere to the following terms respecting appearance, fitness, and safety: (1) There shall be no dents, punctures or damages to the exterior siding. (2) The exterior doors shall close tightly and not contain any broken glass or torn screens. (3) There shall be no broken glass or torn screens in the windows and window frames shall be neatly and securely affixed. (4) All windows (except those in exterior doors) shall be of thermopane construction or have appropriate fittings for storm windows; there shall be no exterior visqueen or plastic film covering. (5) Aged skirting shall be replaced with tight-fitting metal insulated skirting. Existing wood skirting must be painted. (6) The mobile home shall be washed and scrubbed at appropriate intervals to avoid the appearance of stains and discoloring. Exterior painting shall be undertaken at appropriate intervals when necessary and shall include attachments and improvements to the mobile home in the same or coordinating colors. (7) No false roof shall be applied or constructed, wither flat or pitched over the mobile home. (8) Each lessee shall at intervals of 2 years or less, obtain a certificate or letter of inspection from the local fire department and/or a licensed plumbing/electrical contractor certifying the fitness of the furnance, water heater and electrical service wiring. Copies of the Certificates or letters of inspections shall be delivered to the Manager by September 1, 1982, and every two years thereafter. Lessee shall obtain a letter of approval from the local fire department certifying satisfactory inspection of all wood stove installations. (9) Lessee shall maintain the yard and landscaping in the same or better condition than pre-existing.

Class 3 Mobile Homes shall be those 25 years of age or older from date of manufacture. Class 3 mobile homes shall not be permitted into the park, and those mobile homes already in the park attaining this status shall be removed by Lessees at their expense, as soon as the owner discontinues personal occupancy and there shall be no assignment or subleasing of same, and while in the park must follow requirements pertaining to Class 2.

14. LANDSCAPING AND YARD MAINTENANCE: Landscaping and yard maintenance is required. If lessee does not landscape or maintain his yard, lessor will do so, and charge lessee for these services.

15. STREET MAINTENANCE: Lessor will maintain the streets within the park and provide snow removal from said streets; lessee is to clear his own driveway and walkways.

16. NOISE: No excessively loud parties will be permitted at any time, and tenants will always be expected to control their radios, television sets, musical instruments or noisemaking apparatus within a reasonable volume. Electronic or other devises which interfere with the reception of other tenants will not be permitted. Parents shall be expected to exercise control to prevent excessive noise by their children playing outside the home.

17. DANGEROUS ITEMS: Dangerous instruments, weapons of all types, including pellet and beebee guns, slingshots, bows and arrows and explosives of all kinds to include fireworks, are prohibited from use within the park.

18. VANDALISM: Tampering with park electric service connections or other park utility connections is strictly forbidden. Vandals will be prosecuted.

19. LIABILITY FOR DAMAGE: Lessees assume all liability for losses, injuries or damages caused by himself, members of his family, guests or pets, done to mobile homes, spaces or utilities, or other property or persons within the park, and shall hold harmless and defend the owners and operators from any loss, damages, or suits arising out of such losses, injuries or damage. The lessor will not be responsible for any accidents, injuries or losses of or damage to property caused by fire, theft, wind

20. TAXES: Lessee agrees to pay any municipal sales taxes on rents and fees and to remit same with the monthly payment. Lessor shall pay the applicable municipal real property tax, but lessee shall assume responsibility for payment of the municipal taxes attributable to the mobile home and improvements thereto regardless of whether said taxes be levied and assessed as real or personal property.

21. EASEMENT RESERVED: The lessor reserves an easement to enter upon the leased space for the purpose of installing, inspecting, maintaining or replacing pipes, drainage facilities, electrical lines, telephone lines, television cables or any other facility or utility, and for landscaping.

22. MUNICIPAL BUILDING CODES: References in these Rules and Regulations to the "building codes" shall mean the then existing editions of the Uniform Building Code and Uniform Housing Code as adopted by the City and Borough of Juneau and have application to each of the mobile homes in Glacier View Trailer Court as if situated on a private lot (except concrete foundation and blocking requirements).

23. CHANGES IN RULES AND REGULATIONS: Any of the Rules and Regulations may be amended, changed or suspended in the discretion of the lessors, but shall be effective upon given thirty (30) days advance notice in writing.

24. NOTICE: Notice shall be deemed furnished when given by mail, postage prepaid, to the manager at the address stated herein or to lessee at the address recited in the Lease Agreement or when delivered in person.

25. ABANDONED PROPERTY: Property abandoned by the lessee shall be handled by the lessor in accordance with the procedures prescribed by Alaska Statute Sec. 34.03.260.

26. DECISION ON VIOLATIONS: Lessor shall be the final judge of whether the park's Rules and Regulations are being observed. If the lessor shall fail to insist on the keeping of any particular covenant or agreement contained in this lease, such failure to enforce such covenant or agreement shall not be construed as a waiver of the same, and no waiver of any default hereunder shall be considered a waiver of any subsequent default of like nature. All the terms hereof may be enforced at any time.

27. MANAGER: Until notified to the contrary in writing, the Lessor's Manager is William A. Barnes, located at 3555 Mendenhall Loop Road, Glacier View Trailer Court Office and whose mailing address is P. O. Box 3173, Juneau, Alaska 99803, telephone (907) 789-9724.

Collateral references. — 60 Am. Jur. 2d, Perjury, § 1 et seq.

70 C.J.S., Perjury, § 1 et seq.

False statement made under fear or compulsion as perjury, 4 ALR 1319.

Offense of perjury as affected by questions relating to jurisdiction of court before which testimony was given, 82 ALR 1127.

Oaths taken in pursuance of administrative requirement as predicate for criminal offense if perjury, 108 ALR 1240.

Contempt, procuring perjury as, 29 ALR2d 1157.

Imputation of perjury or false swearing as actionable per se, 38 ALR2d 161.

Materiality of testimony assigned as perjury as question for court or jury, 62 ALR2d 1027.

Statement of belief or opinion as perjury, 66 ALR2d 791.

Perjury or false swearing as contempt, 69 ALR2d 1258.

Public relief or welfare payments, perjury in connection with application for or receipt of, 92 ALR2d 447.

Dismissal of action because of party's perjury or suppression of evidence, 11 ALR3d 1153.

Actionability of conspiracy to procure false testimony or otherwise [illegible], 31 ALR3d 1423.

Offense of perjury as affected by lack of jurisdiction by court or government body before which false testimony was given, 36 ALR3d 1038.

Perjury or wilfully false testimony of expert witness as basis for new trial on ground of newly discovered evidence, 38 ALR3d 812.

Question if perjury should not be used on pg 2, line 13

Sec. 11.56.200. Perjury. (a) A person commits the crime of perjury if the person makes a false sworn statement which the person does not believe to be true.

(b) In a prosecution under this section, it is not a defense that

(1) the statement was inadmissible under the rules of evidence; or

(2) the oath or affirmation was taken or administered in an irregular manner.

(c) Perjury is a class B felony. (§ 6 ch 166 SLA 1978)

Cross references. — For falsifications of affidavits required under AS 16.05.407 and 16.05.408 as perjury, see AS 6.05.407(a) and 16.05.408.

NOTES TO DECISIONS

Editor's notes. — Most of the cases cited in the notes below were decided under former AS 11.30.010.

Common law. — At common law in order to constitute perjury the false testimony must relate to a material point tending to prove a fact bearing on the issues before a court. The common law was modified by former AS 11.30.010. Beckley v. State, Sup. Ct. Op. No. 490 (File No. 887), 443 P.2d 51 (1968).

The common-law crime of perjury, which requires materiality, was modified in Alaska by subsection (a) of former AS 11.30.010. Nelson v. State, Sup. Ct. Op. No. 1237 (File No. 2459), 546 P.2d 592 (1976).

Scope of common-law perjury enlarged. — See Beckley v. State, Sup. Ct. Op. No. 490 (File No. 887), 443 P.2d 51 (1968); Nelson v. State, Sup. Ct. Op. No. 1237 (File No. 2459), 546 P.2d 592 (1976).

When crime complete. — The crime under former AS 11.30.010 was complete if one willfully swore falsely in regard to any matter respecting which an oath was authorized or required. Beckley v. State, Sup. Ct. Op. No. 490 (File No. 887), 443 P.2d 51 (1968); Nelson v. State, Sup. Ct. Op. No. 1237 (File No. 2459), 546 P.2d 592 (1976).

Materiality is unnecessary. — Materiality is not mentioned in the Alaska perjury statute; therefore it is unnecessary, in

Penalties

Unsworn Falsification
- 1 yr. jail / $5000 fine

Perjury
- 10 yr. jail / $50,000 fine

This are maximum

order to prove the crime of perjury, "to establish that the matter concerning which willfully false testimony under oath was given was material to an issue before the court. Beckley v. State, Sup. Ct. Op. No. 430 (File No. 887), 443 P.2d 51 (1968); Nelson v. State, Sup. Ct. Op. No. 1237 (File No. 2459), 546 P.2d 592 (1976).

Admissibility of illegally seized evidence. — Under the exception to the exclusionary rule for illegally seized evidence in criminal prosecutions in Evid. R. 412(2), illegally seized evidence may be used in perjury prosecutions, unless the police misconduct amounts to a flagrant or egregious invasion of personal rights. Wortham v. State, Sup. Ct. Op. No. 2697 (File No. 5459), 657 P.2d 856 (1983).

Given the absence of flagrant police misconduct in recording the conversation between defendant and the undercover police agent, pursuant to the provisions of Evid. R. 412(2), the transcript of the tape recording was admissible in the perjury prosecution of defendant. Wortham v. State, Sup. Ct. Op. No. [illegible] (File No. 5459), 657 P.2d 856 (1983).

Quoted in Boyles v. State, Ct. App. Op. No. 103 (File No. 5667), 647 P.2d 1113 (1982).

Cited in Hoover v. State, Ct. App. Op. No. 73 (File No. 6223), 641 P.2d 1263 (1982).

Sec. 11.56.210. Unsworn falsification. (a) A person commits the crime of unsworn falsification if, with the intent to mislead a public servant in the performance of a duty, the person submits a false written or recorded statement which the person does not believe to be true

(1) in an application for a benefit; or

(2) on a form bearing notice, authorized by law, that false statements made in it are punishable.

(b) Unsworn falsification is a class A misdemeanor. (§ 6 ch 166 SLA 1978)

Sec. 11.56.220. Proof of guilt. In a prosecution for perjury or unsworn falsification it is not necessary that proof be made by a particular number of witnesses or by documentary or other type of evidence. (§ 6 ch 166 SLA 1978)

NOTES TO DECISIONS

Editor's notes. — The case cited in the notes below was decided under former AS 11.30.010.

Required proof. — To be guilty of perjury, it was necessary under former law to prove that a person under oath willfully and falsely swore. Nelson v. State, Sup. Ct. Op. No. 1237 (File No. 2459), 546 P.2d 592 (1976).

One could not be convicted of perjury on the uncorroborated testimony of one witness under former law. Nelson v. State, Sup. Ct. Op. No. 1237 (File No. 2459), 546 P.2d 592 (1976).

Testimony of perjury had to be corroborated by other evidence, either direct or circumstantial. Nelson v. State, Sup. Ct. Op. No. 1237 (File No. 2459), 546 P.2d 592 (1976).

The purpose of such a rule was to prevent ill-founded retaliatory attacks by perjury prosecution upon a witness based on no more than the contrary oath of another. Nelson v. State, Sup. Ct. Op. No. 1237 (File No. 2459), 546 P.2d 592 (1976).

What was corroborative evidence. — In order to be corroborative, evidence had to induce a rational belief that what the witness said was true. Nelson v. State, Sup. Ct. Op. No. 1237 (File No. 2459), 546 P.2d 592 (1976).

Sufficiency of evidence. — See Nelson v. State, Sup. Ct. Op. No. 1237 (File No. 2459), 546 P.2d 592 (1976).

CHAPTER 522

An act to add Section 1719 to the Civil Code, relating to commercial paper.

[Approved by Governor July 28, 1983. Filed with Secretary of State July 28, 1983.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1226, Katz. Bad checks: punitive damages.

Existing law makes it a crime to fraudulently write a bad check, knowing that it is made upon insufficient funds.

This bill would create a cause of action for treble the amount owing but in no case less than $100 or more than $500 for failure to pay upon a dishonored check, in cash, within 30 days of demand for payment, as specified.

The people of the State of California do enact as follows:

SECTION 1. Section 1719 is added to the Civil Code, to read:

1719. Notwithstanding any penal sanctions which may apply, any person who makes, utters, draws, or delivers any check, or draft, or order upon any bank or depository, or person, or firm, or corporation, for the payment of money, which refuses to honor the same for lack of funds or credit to pay, or because the maker has no account with the drawee, and who fails to pay the same amount in cash to the payee within 30 days following a written demand therefor delivered to the maker by certified mail, shall be liable to the payee, in addition to the amount owing upon such check or draft or order damages of treble the amount so owing, but in no case less than one hundred dollars ($100), and in no case more than five hundred dollars ($500).

A cause of action under this section may be brought in small claims court, if it does not exceed the jurisdiction of that court, or in any other appropriate court.

CALIFORNIA CREDIT UNION LEAGUE
TOPS/MANDATORY
TECHNICAL OPERATION PROCEDURES
- A D V A N C E -

T.B. 83-56 AUGUST 30, 1983

TO: ALL CREDIT UNIONS

SUBJECT: BAD CHECKS OR DRAFTS (A.B. 1226)

Effective January 1, 1984, if a member writes a bad check or draft made payable to the credit union, you may make a claim for the face amount, plus triple the amount owing. Checks or drafts written prior to January, that are dishonored after the effective date, are subject to the new law.

Regardless of the check or draft amount, you may make a claim for at least $100. You may not, however, make a claim exceeding $500.

Example 1: A member writes a $15 bad check. You may make a claim for $100.

Example 2: A member writes a $100 bad check. You may make a claim for $400 - [$100 + (3 x $100)].

Example 3: A member writes a $300 bad check. You may make a claim for $500.

Claims may be filed in small claims court, or any other appropriate court. Before filing a claim, your credit union must deliver, by certified mail, a written demand for payment in cash. After the demand is delivered, the member has 30 days to pay. If the member doesn't pay, you may then make your claim.

This new law applies not only to members that write bad checks or drafts; it also applies to all other persons or organizations. This law does not allow the credit union to file a claim when a share draft, made payable to a third party and drawn on the credit union, is dishonored.

R&I RESEARCH & INFORMATION
2322 South Garey Ave, Pomona, CA 91766
800/472-1702 or 714/628-6044

LARRY COX
Director, Governmental Affairs

CALIFORNIA
CREDIT UNION
LEAGUE

1121 "L" Street, Suite 408, Sacramento, CA 95814
916/443-7935

NIA
UNION

MAR 1 2 1984

6 March 1984

Gerry Ellison
Alaska Credit Union League
2509 Eide Street
Anchorage, Alaska 99503

RE: AB 1226 (Katz); Chapter 522, Statutes of 1983.

Dear Gerry:

Enclosed, please find a copy of AB 1226 (Katz), Chapter 522, Statutes of 1983 (effective January 1, 1984) and a copy of our TOPS release (83-66) addressing the bill.

AB 1226 added Section 1719 of the Civil Code to create a statutory cause of action for the amount of a dishonored check or draft plus triple the amount of a bad check or draft but not less than $100 nor more than $500 if the dishonour d check is not paid in cash within 30 days of a demand for payment. The cause of action may be brought in a small claims court if it is within the jurisdiction of the small claims court.[1] It may also be brought in any appropriate court.[2] In our small claims court, no attorney may appear except on a matter that affects him personally.[3] The statutory cause of action exists in addition to any penal sanctions that may be applicable.

Please don't hesitate to contact us if we can be of further assistance.

Sincerely,

Larry J. Cox/jm

Larry J. Cox
Director of Government Relations

LJC:jm

Enc.

cc: Laura Porter

Footnotes:

1. See CAL. CIV. PROC. § 116.2 for the monetary jurisdiction of the small claims court ($1,500.).

2. See CAL. CIV. PROC. § 86 for the monetary jurisdiction of the municipal courts ($15,000.).

3. See CAL. CIV. PROC. § 117.4.

SB 360 TITLE & SPONSOR SUMMARY 16:31 6/04/84 PAGE 1 OF 3
AMENDED TITLE: CSSB 360(JUD)
AN ACT RELATING TO CHECKING ACCOUNTS
PRIME SPONSOR: RAY.
CO-SPONSORS: KERTTULA.
CURRENT STATUS: 5/28/84 TRANSM TO GOVERNOR

SB 360 SENATE ACTION 16:31 6/04/84 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/19/84	01	1799	FIRST READING -- COMMITTEE REPORTS
04/10/84	02	2687	JUD COMM REFERRAL ADDED BY UNAN CONSENT
04/12/84	03	2716	MOVED FROM L&C TO JUD BY UNAN CONSENT
05/03/84	04	2903	JUD -- CS03, NR02
05/16/84	05	3109	RLS -- JUD CS04, OTHER04
			TAKEN UP IMMEDIATELY
05/16/84	06	3113	SECOND READING
05/16/84	07	3113	JUD CS ADOPTED BY UNAN CONSENT
05/16/84	08	3113	ADVANCED TO 3RD READING BY UNAN CONSENT
05/16/84	09	3113	THIRD READING
05/16/84	10	3113	PASSED BY DIV 19-01-00
05/28/84	19	3331	TRANSMITTED TO GOVERNOR
****	**	**	*** *** ***

SB 360 HOUSE ACTION 16:31 6/04/84 PAGE 3 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
05/17/84	11	3690	FIRST READING -- COMMITTEE REPORTS
05/24/84	12	4000	JUD -- DP05, NR01
05/25/84	13	4048	SECOND READING
05/25/84	14	4048	ADVANCED TO 3RD READING BY UNAN CONSENT
05/25/84	15	4048	THIRD READING
05/25/84	16	4048	PASSED BY DIV 33-05-02
05/25/84	17	4049	NOTICE OF RECONSIDERATION GIVEN
05/26/84	18	4083	RECONSIDERATION NOT TAKEN UP
****	**	**	*** *** ***

SIGN-IN SHEET Proposed Legislation SB 360

Name (please print)	Address	Representing	Testify?? (YES or NO)	Phone Number
Sharon Sturkock	127 S. Franklin	Alc St Empls Fed CU	No	586-3592
Tom Lusk	Pouch O Juneau	State of Alaska	Yes	465-2521
Wm Gruening	PO Box 1364 JUNEAU 99802	Alaska Bankers Assn	Yes	586-6900
DON MAGNUSSON	174 S FRANKLIN	ALASKA RETAIL ASS'N	YES	586-6706
Cathy L. Jenkins	P.O. Box 210194, Auke Bay	National Fed. of Ind. Bus.	YES	586-4100

Waived to Judiciary 4/12/84

SENATE LABOR AND COMMERCE COMMITTEE

Checking Account Bill

HEARING DATE 4/5/84

SIGN-IN SHEET Proposed Legislation SB 360

Name (please print)	Address	Representing	Testify?? (YES or NO)	Phone Number
Sharon Sturdevik	127 S. Franklin	AK State Emp. Fed Credit Union	NO	6-2370
Tim Johnson	9110 Glacier Hwy	FEDALASKA	NO	9-2128
Willis F Kirkpatrick	Director of Banking		yes	2521
CRAIG E. DAHL	234 SEWARD	THE B.M. BEHRENDS BANK	Yes	586-6800
Margaret O Neal	311 N. Franklin	Ak Federal S+L	Yes	586-1015

SENATE LABOR AND COMMERCE COMMITTEE HEARING DATE 2/7/84

Checking Accounts

For an Act entitled: "An Act relating to bad checks and providing for an effective date."

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

*Section 1. AS 11.46. is amended by adding a new section to read:

Sec. 11.46.290. BAD CHECK CIVIL PENALTIES. (a) In any action against a person who makes any check for the payment of money which has been dishonored, the plaintiff may recover from the defendent damages in an amount equal to $100.00 or triple the amount for which the check is drawn, whichever is greater. However, damages recovered under this section shall not exceed by more than $1,000.00 the amount of the check and may be awarded only if the plaintiff made written demand of the defendent for payment of the amount of the check not less than 15 days before commencing the action and if the defendent failed to tender to the plaintiff, prior to commencement of the action, an amount of money not less than the original amount of the check plus costs incurred by the plaintiff not to exceed $25.00.

(b) A cause of action under this section may be brought in small claims court, if it does not exceed the jurisdiction of that court, or in any other appropriate court.

(c) Subsequent to the commencement of the action but prior to the hearing, the defendent may tender to the plaintiff as satisfaction of the claim, an amount of money equal to the sum of the amount of the check plus the plaintiff's incurred court and service costs.

(d) In this section

(1) "check" means the same as defined in AS 11.46.280(c)(2);

(2) "dishonored", in addition to meaning the same as defined in AS 11.46.280(b), means a check which is not paid due to a stop payment being issued without cause;

(3) "written demand" means providing a notice in writing to the maker at the address shown on the dishonored check by first class mail or hand delivery advising the drawer that the check has been dishonored and explaining the civil penalties stipulated by this section.

*Sec. 2. This act takes effect immediately in accordance with AS 01.10.070(c).

NFIB
National Federation
of Independent Business

1984 Alaska STATE BALLOT

Dear NFIB Member:

This Ballot is solicited by NFIB Research and Education Foundation to gather information pertaining to small business issues in your state.

Your answers are valuable and will enhance the survey.

Please return the entire Ballot. Thank you.

Very truly yours,
John E. Sloan, Jr., President
NFIB Research and Education Foundation

GENERAL BUSINESS

Interest Rates

1. Should interest rate ceilings be repealed on: (vote on each)

a. Bank loans of $25,000 or less

32% (1) Favor 60% (2) Oppose 8% (3) Undecided (11)

b. Savings and loan association loans of $25,000 or less

34% (1) Favor 58% (2) Oppose 8% (3) Undecided (12)

c. Retail installment contracts

36% (1) Favor 54% (2) Oppose 10% (3) Undecided (13)

d. Retail open-ended charge accounts

34% (1) Favor 56% (2) Oppose 10% (3) Undecided (14)

e. Credit card revolving accounts

33% (1) Favor 58% (2) Oppose 9% (3) Undecided (15)

f. State chartered credit unions

35% (1) Favor 55% (2) Oppose 10% (3) Undecided (16)

g. Small loan finance company loans of $10,000 or less

33% (1) Favor 58% (2) Oppose 9% (3) Undecided (17)

BACKGROUND: HB 246, presently in the Senate Labor and Commerce Committee proposes to remove all limitations on all types of credit in Alaska. The measure would permit each financial institution and all businesses extending credit to charge whatever interest rate they wish, subject only to competition of the marketplace and negotiation with each individual customer.

Current law limits banks and savings and loan associations to a maximum interest rate of 5% over the federal discount rate in effect at the time of the loan on any loan of $25,000 or less. There are no interest rate limitations on loans in excess of $25,000. During the past few months, the federal discount rate has been 8.5%, thereby setting the maximum allowable interest rate at 13.5%.

A retail business selling merchandise on a retail installment contract is presently limited to a maximum interest rate of 10% per year on the first $1,000 of credit extended, and 8% on credit in excess of $1,000. However, for retail businesses as well as credit card companies extending open-ended revolving charge accounts, the maximum interest rate is 18% per year on the first $1,000 of credit extended and the federal discount rate plus 5% on credit in excess of $1,000. A state chartered credit union is presently limited to 15% or 5% over the federal discount rate, whichever is higher on loans of any amount. Small loan finance companies can now levy a maximum interest rate of 36% per year on the first $850 of credit extended and 24% on credit up to $10,000.

Proponents of the removal of all interest rate limitations argue that many financial institutions and businesses lost money on their credit transactions during the period of very high interest rates and, further, the limits are no longer necessary. If the limitations were removed, the marketplace, i.e., competition for the financing, would set the rates at reasonable levels in line with the risks inherent in the particular credit transaction.

Opponents argue that Alaska does not have a well developed marketplace and there are many communities where no competition exists either for banking or retail credit. The removal of all limits would permit the charging of unreasonably high rates. Further, it has also been pointed out that in the case of consumer loans and small business loans under $25,000, the marketplace seems to react very slowly when interest rates are falling in general. For example during the first few months in 1983 in California, where there are no interest rate limitations, interest rates being charged on small loans by banks were running at 20% to 25%, while rates in Alaska were about 14%.

Interest Rates

2. Should interest rates on balances of $1,000 or less that are limited to a maximum, such as the 18% for business credit or credit card companies, be modified so the maximum rate could be increased with the federal discount rate, once the federal discount rate reached a pre-set level?

39% (1) Favor 52% (2) Oppose 9% (3) Undecided (18)

BACKGROUND: Proponents of this concept feel that businesses extending financing and credit should not be so limited in the rates they charge that they lose money; therefore, the limitations should be allowed to rise when interest rates are generally high. It has been proposed that the maximum rate on accounts with balances of $1,000 or less be set at 18%, or 6% over the federal discount rate, whichever is higher.

Opponents argue that the federal discount rate does not necessarily indicate the cost of funds to financial institutions or businesses. A variety of other factors affect the cost of funds to a particular entity. They argue, therefore, that it is more appropriate to remove all limitations and let market conditions establish the rates.

Bad Check Penalties

3. Do you favor or oppose increased civil and/or criminal penalties as an effective deterrent to the writing of bad checks?

95% Favor (1) 4% Oppose (2) 1% Undecided (3) 19

BACKGROUND: It is well established that bad checks are a problem that every business must deal with to some degree. However, the question has been raised whether the laws of Alaska are presently adequate to deal with the problem. It has been suggested that either or both the civil or criminal penalties should be made stronger to attempt to reduce the impact of this problem.

Bad Check Civil Penalties

4. Should legislation be adopted to require that bad-check writers repay not only the face value of the check and any court costs incurred by the receiver but also civil damages of $100 (minimum) or triple the amount of the check?

86% Favor (1) 10% Oppose (2) 4% Undecided (3) 20

BACKGROUND: Law enforcement officials frequently do not pursue those who write bad checks for small amounts. Thus, the only deterrent to writing a bad check is the receiver's (merchant) collection efforts. Checks written for small amounts, which together may represent a deep cut in a business's profit, frequently cost more to collect than they are worth.

If the merchant was allowed to collect from the bad-check writer a minimum of $100 or triple the amount of the check as damages, in addition to the base value of the check and any court costs incurred, there would be a real incentive for the merchant to collect and a deterrent to bad-check writing.

Check Information

5. Should financial institutions be required to number checks on new accounts beginning at #101 and display on the face of the check the month and year the account was opened?

41% Favor (1) 49% Oppose (2) 10% Undecided (3) 21

5A. Should banks be allowed to disclose to merchants the bank account information of those who issue checks which are returned because of insufficient funds? Such information might include account status, current address, phone number, and history of returned checks.

66% Favor (1) 33% Oppose (2) 1% Undecided (3) 22

BACKGROUND: In the United States, approximately 400,000 worthless checks are written every day. Eighty percent of those checking accounts are six months old or less. Numerical listing and date of account opening would alert merchants to new accounts and to take care in deciding whether to accept those checks. Additionally, several states have given financial institutions permission to disclose account information to either law enforcement officials or merchants who receive a worthless check.

Opponents of the numbering system believe it would create problems for individuals and businesses who for continuity purposes want to continue to number checks from where the old account left off.

LABOR

Mandatory Overtime Wages

6. Should existing law be repealed which requires a business with four or more employees to pay overtime to an employee who works more than 8 hours in one day, but does not work over 40 hours per week?

73% Favor (1) 24% Oppose (2) 3% Undecided (3) 23

BACKGROUND: Most small businesses require that a particular job be accomplished within a certain period. This may require an employee to work more than 8 hours on a particular day. However, the employee is given time off on other days of the week so as not to work more than 40 hours that particular week. Proponents of a change say that law is particularly unfair to smaller businesses whose workload is heavy at certain times and slack on other days of the week. This flexibility of worker time should not impose an additional financial burden on smaller businesses.

Opponents to changing the law argue that employees working more than 8 hours in any one day should be given extra compensation in the form of overtime pay, whether they worked voluntarily or were required to do so by their employer. They feel daily overtime pay should be independent of the requirement to pay overtime to an employee who works more than 40 hours a week.

GOVERNMENT

Permanent Fund Income

7. Should the unused portion of the income from the Permanent Fund not allocated to the Dividend Program be authorized for the following?

a. The Longevity Bonus Program for the elderly

41% Favor (1) 51% Oppose (2) 8% Undecided (3) 24

Municipal Assistance Program

24% Favor (1) 66% Oppose (2) 10% Undecided (3) 25

BACKGROUND: During the 1983 Legislative Session bills were introduced which would require that part of the income of the Permanent Fund be held to finance the Longevity Bonus program and/or finance the municipal revenue sharing program. In the past, funding for such programs has been from the state's General Fund.

Proponents of using the income from the Permanent Fund to provide funds for these programs contend that this would not violate the intent of the Permanent Fund financing activities to benefit the maximum number of residents of the state. They argue that programs like the municipal assistance program are helping all communities of the state directly and thus benefit the residents of the various communities indirectly by reducing local taxation and providing needed services.

Opponents argue that the Legislature is merely looking for new sources to fund the expensive programs they have created the past few years which they do not want reduced in levels of funding, now that General Fund revenues are declining. Obviously, the most enticing source for funds is the Permanent Fund. They strongly argue that the income of the Permanent Fund should be kept for the original purposes established when the program was created and not used to fund other programs of the Legislature. They state that the Legislature should be required to fund all programs of the state from General Fund revenues or from revenues other than the Permanent Fund.

Government Competition

8. Does the State of Alaska main ain operations which are in direct competition with your business?

29% YES (1) 56% NO (2) 15% DON'T KNOW (3) 26

BACKGROUND: Past Alaska State Ballots have asked whether the state should desist from activities which directly compete with private enterprise. The membership has always strongly supported this concept. However, the question has been raised about how much competition there actually is. This question is intended to determine the present level of competition by state agencies.

Answer "Yes" only if you are specifically aware of significant areas of state competition in your type of business. Answer "No" if you are reasonably certain that the state does not compete with your business. If you "don't know", please so indicate. If you are aware of specific areas of competition, please list them in the Comments section of this Ballot.

Interest Payment On Overdue Bills

9. Do you favor or oppose legislation to require local governments to pay interest on their unpaid bills after 30 days?

92% Favor (1) 5% Oppose (2) 3% Undecided (3) 27

BACKGROUND: During 1983, legislation was nearly enacted which would mandate state agencies to pay interest on bills not paid within 30 days of receipt of invoice. It has been suggested that the prior legislation should have been applicable to local governments as well as state agencies. The problem of local governments not paying bills on time should be addressed in future legislation.

Opponents of prompt pay say that local governments frequently need to have extended periods to pay their bills and should not be penalized with interest that amounts to taxpayer dollars.

Equal Access to Justice

10. Should the state enact legislation authorizing courts to require state agencies to reimburse reasonable attorney fees and court costs to small businesses who prevail over an agency in civil actions relating to alleged violations of governmental regulations?

96% Favor (1) 2% Oppose (2) 2% Undecided (3) 28

BACKGROUND: Aggressive agency regulatory enforcement frequently result in what is considered unwarranted fines and citations. The intent of the proposed act is to remedy the imbalance of power and legal resources between government and small businesses by giving small business the means to challenge if their position is justified.

Proponents of this legislation believe that making agencies responsible for attorney fees and court costs will discourage unnecessary actions against small businesses and reduce bureaucratic interference with business. Costs and fees would be reimbursed from the agency's operating budget if the courts finds an agency acted unreasonably in pressing a claim or punitive action against a small business.

Opponents say such legislation will unduly tie the hands of regulators. (Please use the Comment section to cite instances where you paid a fine in order to avoid the cost of litigation.)

COMMENTS: _____

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San Mateo, CA 94403

Alaska State Legislature

SENATOR
ROBERT H. ZIEGLER, SR.
307 BAWDEN STREET
KETCHIKAN, ALASKA 99901

While in Juneau
POUCH V
JUNEAU, ALASKA 99811

Senate

VICE CHAIRMAN
SENATE RESOURCES COMMITTEE

MEMBER
SENATE JUDICIARY COMMITTEE

WESTERN STATES LEGISLATIVE
FORESTRY TASK FORCE

WESTERN CONFERENCE COUNCIL
OF STATE GOVERNMENTS

February 21, 1984

Ms. Terilyn Lynn,
Manager
Authentic Alaska Craft
P. O. Box 8616
Ketchikan, Alaska 99901

Dear Ms. Lynn:

The bill about which you wrote me the other day, SB 360, has been referred to one committee only - that being the Senate Labor and Commerce Committee, which is chaired by Senator Eliason.

Senator Ray, with whom I serve on his Judiciary Committee, will no doubt keep an eye on the bill to see if it cannot be expedited on its way through the legislative process. I'll help him in any way I can, and I don't know why I couldn't support the legislation when it comes before the Senate for a vote.

Thanks for writing.

Regards,

Robert H. Ziegler, Sr.

RHZ:lk

cc: Senator Ray

cc: Sen. Eliason

Proposed bill might put a stop to bad check writing

By DEBBIE REINWAND ROSE
The Juneau Empire

A bill which would require banks to compile information on a potential customer's financial history before issuing that customer a checking account faces re-working by the Senate Labor and Commerce Committee.

Empire 2/9/84

Newspaper

The measure, which was heard by the committee Tuesday, is targeted at decreasing the number of bad checks written in Alaska, said sponsor Sen. Bill Ray, D-Juneau.

"We've been trying for the last five or six years to find a way to combat the NSF (non-sufficient funds) check problem so we can get a handle on it," said Ray. "Minnesota passed a similar law last year and it has cut down their bad check rate by 25 percent."

Under the bill's provisions, in addition to asking for basic vital statistics, banks would have to ask customers for information about their past checking accounts, whether any accounts were closed due to applicants' writing bad checks, and whether applicants had been convicted of writing bad checks in the past two years.

Banks would also be required to issue picture identification cards.

Testimony from local bank officials was primarily against the legislation, although suggestions for changes to the bill were offered.

"We are neither in favor or against the bill, but want to point out the problems with it as written," said B.M. Behrends Bank Executive Vice President Craig Dahl.

"There's nothing wrong with the bill, but the mechanisms don't exist at this time to make this come about. In Minnesota they have check systems set up which means everytime they close a customer's account for an overdraw situation, it is reported," said Dahl. "We have no central system to turn to get this kind of information. Someone could tell us they had never had bad check problems, but we still have to try to confirm their history."

In addition, the delay to "99 percent of the customers who are honest" would be unnecessary, said Dahl.

However, Labor and Commerce Chairman Senator Dick Eliason, R-Sitka, said banks "are very careful about a person's financial history when it comes to loaning money because they then have something at risk."

During committee work on the measure, which is co-sponsored by Senate President Jay Kerttula, D-Palmer, Eliason hopes to "find some kind of balance we can agree on."

Assembly Bill No. 1226

CHAPTER 522

An act to add Section 1719 to the Civil Code, relating to commercial paper.

[Approved by Governor July 28, 1983. Filed with Secretary of State July 28, 1983.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1226, Katz. Bad checks: punitive damages.

Existing law makes it a crime to fraudulently write a bad check, knowing that it is made upon insufficient funds.

This bill would create a cause of action for treble the amount owing but in no case less than $100 or more than $500 for failure to pay upon a dishonored check, in cash, within 30 days of demand for payment, as specified.

The people of the State of California do enact as follows:

SECTION 1. Section 1719 is added to the Civil Code, to read:

1719. Notwithstanding any penal sanctions which may apply, any person who makes, utters, draws, or delivers any check, or draft, or order upon any bank or depository, or person, or firm, or corporation, for the payment of money, which refuses to honor the same for lack of funds or credit to pay, or because the maker has no account with the drawee, and who fails to pay the same amount in cash to the payee within 30 days following a written demand therefor delivered to the maker by certified mail, shall be liable to the payee, in addition to the amount owing upon such check or draft or order damages of treble the amount so owing, but in no case less than one hundred dollars ($100), and in no case more than five hundred dollars ($500).

A cause of action under this section may be brought in small claims court, if it does not exceed the jurisdiction of that court, or in any other appropriate court.

O

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California Law

CALIFORNIA CREDIT UNION LEAGUE
TOPS/MANDATORY
TECHNICAL OPERATION PROCEDURES
- ADVANCE -

T.B. 83-66 August 30, 1983

TO: All Credit Unions

SUBJECT: BAD CHECKS OR DRAFTS (A.B. 1226)

Effective January 1, 1984, if a member writes a bad check or draft made payable to the credit union, you may make a claim for the face amount, plus triple the amount owing. Checks or drafts written prior to January, that are dishonored after the effective date, are subject to the new law.

Regardless of the check or draft amount, you may make a claim for at least $100. You may not, however, make a claim exceeding $500.

Example 1: A member writes a $15 bad check. You may make a claim for $100.

Example 2: A member writes a $100 bad check. You may make a claim for $400 - [$100 + (3 x $100)].

Example 3: A member writes a $300 bad check. You may make a claim for $500.

Claims may be filed in small claims court, or any other appropriate court. Before filing a claim, your credit union must deliver, by certified mail, a written demand for payment in cash. After the demand is delivered, the member has 30 days to pay. If the member doesn't pay, you may then make your claim.

This new law applies not only to members that write bad checks or drafts; it also applies to all other persons or organizations. This law does not allow the credit union to file a claim when a share draft, made payable to a third party and drawn on the credit union, is dishonored.

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800/472-1702 or 714/628-6044

FEB 27 1984

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, SMALL LOANS & CORPORATIONS

POUCH D
JUNEAU, ALASKA 99811
PHONE: 465-2521

February 23, 1984

Honorable John C. Sackett
Senate Labor and Commerce
Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

Re: Senate Bill 360

You have asked me to inquire if Minnesota banks, organized under federal or national charter, are required to comply with Minnesota law concerning procedures for opening checking accounts. You have also asked me to check with the Comptroller of Currency's office concerning any activities they may have concerning nonsufficient funds checks on a national level.

First, it appears that there is no question in Minnesota that all financial institutions fall under their checking account laws. Minnesota bases this on their definition "financial intermediaries means any person doing business in this state who offers transaction accounts to the public." (45.512.(1)(a)).

In checking with the Comptroller of Currency's office in Washington, D.C., we were advised that there are no federal rules, regulations or statutes that regulate how national banks deal with bad checks nor are they aware of anything being proposed.

There are, however, recent statements by the Comptroller of Currency in which he may preempt state laws when it involves fees charged by nationally chartered banks. There is a question if the national banks would comply with any fee limitations on checks if one were to be established by state law.

I hope this is of some assistance to you.

Sincerely,

Willis F. Kirkpatrick
Director

WFK/saL/2-2
22384a

414LH

American Banker
February 6, 1984

Questions Mount in Congress On Comptroller's Fee Ruling

By JAY ROSENSTEIN

WASHINGTON — Comptroller of the Currency C.T. Conover has issued a defense of criticism that he may have acted improperly or illegally in ruling that states cannot limit fees that national banks set on deposit accounts.

But banking law experts and other observers here said enough question marks still surround the situation that it could be a long time before the matter is settled.

Mr. Conover disclosed in a letter to Congress last week that while he believes published reports questioning the motives for his decision are "unwarranted and untrue," he has asked the Treasury Department's Inspector General to review the matter. The Comptroller's office is a division of the Treasury Department.

"I expect that the findings will confirm that our procedures were appropriate and that there was no illegal or unethical conduct," Mr. Conover wrote in the February 1 letter to Mr. Minish. The letter came in response to a request for an elaboration on the rulemaking.

But an aide to Rep. Joseph G. Minish, D-N.J., said a congressional hearing is under consideration to look further into the motives and justification for Mr. Conover's ruling and the possible impact on the consumer. Mr. Minish is chairman of the general oversight and renegotiation subcommittee of the House Banking Committee.

The broader issue of bank service fees and whether they are too excessive is to be the subject of hearings this year. Rep. Fernand J. St Germain, D-R.I., who has called for the hearings, sent a letter to his House colleagues Friday asking for any case histories in their files or any received in the next few weeks.

Attention and Criticism

The Comptroller's ruling has generated much attention and criticism for reasons that include:

- The fact that it was issued as an interpretive ruling, rather than a formal rule with time for the public to comment.
- Concerns that the end result might preclude state governments from setting limits on fees for bounced checks, check processing, and other deposit services — a sensitive states' rights issue.
- The timing of the ruling and whether a potential conflict of interest existed. Lawyers for Crocker National Bank, the defendant in a California lawsuit regarding fees, notified the court of the Comptroller's interpretive ruling the day before it appeared in the Federal Register. It also was issued shortly before the date of oral agruments in the case.

This timing has raised questions as to how, why, and when Mr. Conover, a former California bank consultant, decided to issue the ruling. In his letter to Mr. Minish, Mr. Conover said the ruling was issued as an interpretation of law and not as a formal regulation that would have the force or effect of law. As a result, he said, no period for public comment was required.

Responding to criticism that the ruling would preempt state law without sufficient justification, Mr. Conover said state laws on the fee issue would be preempted not by his ruling, but by "the federal statutory scheme" for the regulation of national banks and by congressional efforts to deregulte deposit accounts.

"In other words, we believe that by beginning to dismantle its pervasive structure of deposit [regulation], Congress did not intend to invite states to re-regulate those accounts," he said.

Mr. Conover added that he plans to issue a clarification of the ruling "to put an end to the misperceptions and misunderstandings regarding its publications." In it, he said, he would include a notice that banks should not take the ruling as encouragement to raise prices without regard to prudent or fair banking practices.

As for the timing, Mr. Conover said the position that state service charge limits should be preempted actually was taken in December 1982 in briefs filed with California state courts involving several national banks. The same position was taken in later court briefs before a decision was reached to issue "a public statement of broad application, i.e., the interpretive ruling."

Responding to allegations that the timing of the ruling indicated an effort to influence the California court case against Crocker, a brief filed by the Comptroller's office in that case on Jan 27 stated that the ruling had been in the making for four months and that it was issued as nationwide policy, "not merely a matter of convenience to a particular litigant."

But according to banking lawyers who are following the case and declined to be identified, questions remian about the validity of the Comptroller's ruling and the way it was handled. They said the matter might have to be resolved in the courts, perhaps through the Crocker case.

Several attorneys said the agency might be on weak ground by citing a scheme of laws, rather than particular law, to preempt state authority over fees.

Some said Mr. Conover probably will be pressed by Congress to explain why public comment was not provided before issuing the ruling, and how that relates to the Crocker case.

Federalization Intended?

One attorney said he believed Mr. Conover's ruling was intended "to federalize the issue" in the Crocker case so there would be an opportunity to take the issue to the U.S. Supreme Court if the bank lost at the state level. The lawyer said Mr. Conover opposes state interference with bank pricing policies and that he probably is concerned that this case could have broad implications for national banks elsewhere.

"The economic thinking of the U.S. Supreme Court is 180 degrees from the California Supreme Court, and they could throw out the whole theory," the banking attorney said.

The attorneys said the issue could add to congressional consideration of consumer protection legislation in the field of fees and delayed funds availability.

Several of the banking law experts defended Mr. Conover, saying his goal is to help banks compete in the marketplace more than to protect any one bank. As one said, "The only problem is the timing is most unfortunate." ■

Dick

Re: Checking Account Bill - SB360

Before openning account, applicant must
- list if he/she had an account at another bank within 12 mths (banks feel this would cause them to check info + therefore raise cost to banks)

- list if an account was closed without applicants conset + why + list whether applicant had been convicted of a criminal offense because of the use of checks (banks feel the checking into this info will raise the cost)

- if the applicant knowingly lies, the applicant is guilty of perjury (the courts use the word "perjury" under the new criminal code to mean under sworn testimony. They prefer the language "unsworn falsification"

- Banks need to verify applicants info (cost in time + $)

- Applicant is denied checking account if
  - account is closed without consent within 12mths
  - applicant was convicted of criminal offense dealing with checks within 24 mths. (what if a person has lots $, but has history of bad check, the applicant would be denied)

- An pictorial identification card must be provided by banks (increase in costs)

- A person who writes a bad check is responsible for the amount of check PLUS civil penalty up to $100 PLUS 12% interest of check amount, PLUS attorney fees* if check is over $500 PLUS service charge (courts expect increase work load - fiscal note)

STATE OF ALASKA

Bill Sheffield, Governor

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

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

February 3, 1984

The Honorable Richard Eliason
Chair, Senate Labor and
Commerce Committee
Alaska State Senate
Pouch V
Juneau, AK 99811

Re: Senate Bill 393,
evictions from mobile
home parks

Dear Senator Eliason:

Your office has requested the Attorney General's office, Consumer Protection Section to comment on Senate Bill 393 which would forbid a mobile home park operator to evict a mobile home due to the age of the home. Under the bill, age of the home can only become a valid ground for eviction when the mobile home is no longer in "fit and habitable condition."

The Consumer Protection Section of the Attorney General's office is aware of evictions based on age, at least in the Anchorage area. However, normally the mobile home park operator does not actually evict a mobile home tenant currently in the park, but at the time that the tenant chooses to sell his or her mobile home, the mobile home park operator refuses to continue rental of the space to the new buyer, due to the age of the mobile home.

If Committee members decide to pass out the bill, you could further the bill's effectiveness by adding a provision that eviction of the mobile home could not occur at the time of a purchase by a subsequent owner, as long as the home still met the fit and habitable requirement.

To evict a mobile home due to its age is an especially grievous hardship on the consumer-owner of the mobile home, since most mobile home parks will also have a rule against taking in any new tenants who own older homes. Also, most of the cities in Alaska do not allow mobile homes to be placed on city lots except

on the most remote edges of the city. You may wish to take note that Alaska Housing Financing Corporation is continuously lobbied by the mobile home dealers and park owners to continue its extension of 15 year term loans on mobile homes, so that the industry will not collapse. However, the industry does not always seem as willing to accommodate the mobile homes for the 15 year period in a park.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: Connie J. Sipe
Connie J. Sipe
Assistant Attorney General
Consumer Protection Section

CJS:vrb

cc: Arthur E. Peterson
Assistant Attorney General

SB 393 TITLE & SPONSOR SUMMARY 14:28 5/22/84 PAGE 1 OF 2

AMENDED TITLE:
AN ACT RELATING TO EVICTION FROM A MOBILE HOME PARK, AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: RAY.
CO-SPONSORS:
CURRENT STATUS: 1/31/84 IN (S) LABOR & COM

SB 393 SENATE ACTION 14:28 5/22/84 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/31/84	01	1895	FIRST READING -- COMMITTEE REPORTS LABOR & COMMERCE RULES

SIGN-IN SHEET Proposed Legislation SB 393

Name (please print)	Address	Representing	Testify?? (YES or NO)	Phone Number
Ann Carey	633 Gold St. Juneau	Glencaren / Tom Carey	Yes	586-3565
Ellen Darby	Box 1332, JNU	self	yes	789-4362

SENATE LABOR AND COMMERCE COMMITTEE HEARING DATE 2/7/84

Eviction from a Mobile Park

Hearing on SB 393

"An act relating to eviction from a mobile home park; and providing an effective date."

Presented to: Labor and Commerce Committee February 7, 1984

Ch: Richard I. Eliason
Bob Mulcahy
Fritz Pettyjohn
Patrick Rodey
John C. Sackett

Petitioner: Thomas E. Carey
Glencaren Mobile Home Court
by Ann M. Carey

Testimony:

My name is Ann Carey. I have come in the behalf of Thomas E. Carey and in the interest of Glencaren Mobile Home Court located in Anchorage at 2221 Muldoon Road. Glencaren, one of the newest and we like to think one of the nicest courts in Anchorage is home to approximately 500 families. Tom Carey has been in the mobile home industry for over thirty years.

I am here to briefly offer suggestions to upgrade Senate Bill 393, "An act relating to eviction from a mobile home park," so that we all can live with this legislation.

The continual process of upgrading a park is in the best interest of the current tenants, future tenants, and the park owners. Mobile home parks and park owners are constantly having to struggle with the common complaint that mobile home courts are dingy, dirty, cramped, and the homes are unkempt, old and collasping. Nobody would choose to live there, no one would choose to have a park in their neighborhood. This negative disposition coupled by the rising property values are making even the possibility of having and maintaining a pleasant attractive park a priviledge for only the newly developed court.

Without standards and regulations a court owner, the park itself, and current tenants are subject to a sub-minimum neighborhood. A court owner must maintain some lever to upgrade his/her court to retain the real value of neighboring homes and to insure the attractiveness and appeal of the park itself.

Granted, Mr. Carey feels as though some regulation is necessary to protect a current tenant from being robbed of a rental space by the itchy prospects of a new sale. We are willing to discuss the possibility of an amendment to the proposed legislation which would protect a tenant and still grant a reasonable

lever to a court owner. We are proposing that a home have the priviledge of residing in any given park for a guaranteed period of fifteen years after the manufacturer's date of the mobile home. And that a court owner shall provide a written notice to the tenant two years prior to the expected date that the mobile home be moved out of the court. This insures a current tenant the security of a rental space for fifteen years with ample notice of expected relocation. Additionally, this amendment would give a court owner a reasonable lever to upgrade the park and maintain both the value of the property and of neighboring mobile homes.

We want to dispel the misconceptions of mobile home parks and mobile home park management. We want th right to upgrade our park to make it a pleasant attractive alternative as low income housing. Yet both our tenants and government must work with us to maintain some basic standards.

Finally, I, on the behalf of Tom Carey, would like to request another hearing on this legislation to adequately represent the Trailer Coach Association of Anchorage, concerned tenants, and other mobile home park owners.

I would like you to carefully consider the points I have brought before you today. First, that a court owner should have the priviledge of upgrading his/her court to secure the value of neighboring homes and provide a pleasant alternative as low income housing. Second, that an amendment be considered guaranteeing a home rental space until fifteen years after the home's manufacturing date. Furthermore, that a mobile home court owner give written notice two years prior to the homes expected relocation date. Third, that another hearing be scheduled to air these and other concerns.

Thank-you for your time. I trust you will give these recomendations serious consideration.

Ann M. Carey for
Thomas E. Carey and
Glencaren Mobile Home Court

Ellen Searby Feb. 7, 1984 Re: SB 393

I am Ellen Searby. I have livied in a mobilehome that I own in a park in Juneau for more than 3 years. The park I live in has the following provision in its regulations, similar to the rules in other parks:

> Class 3 Mobile Homes shall be those 25 years of age or older from date of manufacture. Class 3 mobile homes shall not be permitted into the park, and those mobile homes already in the park attaining this status shall be removed by Lessees at their expense, as soon as the owner discontinues personal occupancy and there shall be no assignment or subleasing of same, and while in the park must follow requirements pertaining to Class 2.

A provision like this lessens the value of an older mobilehome by many thousands of dollars, no matter how good its condition and appearance. My home is 19 years old but could easily pass for 5. When I sell it in the next few years, the buyer will be faced with that 25 year limit beyond which he or a later owner may not sell it and leave it in the park. There is no place else for it to go in Juneau. As a move is costly and potentially damaging, this provision lessens the value of my property and others now.

SB 393 would protect us from arbitrary limits on the age of our homes which devalue our property through no fault of the homeowners now matter how well we maintain them. There is a statewide shortage of mobilehome spaces, so it is a sellers' market with the tenant vulnerable to considerable property loss if forced to move. Additional protection is needed for park tenants, but SB 393 would remove one of the costliest burdens of the mobilehome owner. It should be passed. Thank you.

Hearing on SB 393

"An act relating to eviction from a mobile home park; and providing an effective date."

Presented to: Labor and Commerce Committee

Ch: Richard I. Eliason
Bob Mulcahy
Fritz Pettyjohn
Patrick Rodey
John C. Sackett

Petitioner: Thomas E. Carey
Glencaren Mobile Home Court
by Ann M. Carey

We contend that:

1. The continual process of upgrading a mobile home park is in the best interest of current tenants, future tenants, and park owners.

2. There be an amendment considered to the proposed legislation which would guarantee a rental space to a mobile home for up to fifteen years after the manufacturer's date of the mobile home. Furthermore, that a court operator be required to send written notice to a tenant two years prior to a homes expected relocation date.

3. There be another hearing scheduled on this legislation to adequqtely represent all concerned parties.

Thank-you for Your Time.

February 8, 1984

Senator Bill Ray
Alaska State Senate
District C
Pouch V
Juneau, Alaska 99811

RE: Senate Bill 393

Dear Senator Ray;

I am writing this letter to show my disapproval with another layer of laws pertaining to mobile home parks.

You might not realize it, but mobile home parks are one of the most regulated businesses in the state. It is for that reason amongst others that older parks are being closed out and other uses are being made of the property. I am afraid, that it will close more parks and defeat the very intent of helping the lower income people.

Bill, as you know, I own three mobile home parks in the Juneau area. I think the park owners have the right to know who wants this kind of restriction put on the park owners.

Thank you for your time.

Sincerely,

James M. Wilcox

James M. Wilcox, Sr.
Owner - Mobile Haven
Mobile II
Sprucewood

cc: Senator Ellason

Lemon Creek Manor mobile home park

5875 Glacier Hwy. Sp. 5
Juneau, Alaska 99801

(907) 586-2379
(907) 586-3184

February 6, 1984

Honorable Bill Ray
Alaska Senate
District C
Pouch V
Juneau, AK 99811

RE: Senate Bill 393

Dear Senator Ray:

I read in the Juneau Empire that you have submitted Bill No. 393, which, if passed, would prevent a mobile home park owner from requiring old trailers to be removed from their parks.

From our experience most of the problems we have had are with tenants living in old, travel-type camper trailers, or just old homes. These homes were not built to be lived in in our sometimes cruel severe winters. Most are not well insulated, have warm climate type windows, or are inadequately wired.

The result is that the tenants have to run their water to prevent pipes from freezing, which results in water supplies running dry, and overloading the sewer disposal plants.

The wiring is also inadequate to stand the electrical loads when these tenants are forced to use portable electric heaters to stay warm.

I know you are a very concerned person and you are trying to help these people who have these old units. However, by their very nature, the units are small and poorly built for Alaskan conditions. Usually these homes have a wanagan or two attached, with wood stoves. Your bill could possibly cause injury or death to the very people you are trying to help.

Also, a park could end up full of old trailers and the end result would be that the park owners would have no other choice but to phase out the park, as is happening in one park here in Juneau.

Thank you for considering my views on this bill.

Sincerely,

Charles J. Schneider

cc: Senator Eliason

Linda S. Larsen
1720 Valley Court #11
Juneau, AK 99801

February 6, 1984

The Honorable Richard I. Eliason
Alaska State Senator
Pouch V
Juneau, AK 99811

Dear Senator Eliason:

I am writing this letter to you to ask for your personal support on a very serious problem that is hovering over the heads of approximately 180 families. It is the closing of two trailer courts - Valley Court and Mobile Two. Since I am a resident of Valley Court, I have information relating to it only. Regarding Mobile Two, I have heard that it is closing in about a year and 60 of the 180 families I mentioned live there.

Valley Court is scheduled to close (see enclosed notice) in June, 1985. The owner, Phil Godfry, is certainly within his legal rights to do whatever he choses with his private property. He has not given his tenants any indication he will be lending any assistance with the move. I have written him asking what, if anything, he will be willing to do including purchasing any trailers to house employees. I am waiting for a response. He has only been kind enough to give us ample notice. Time is not the factor, really, for as the situation now stands, in 18 months, we will still be faced with the incredible dilemma of where to go once we reach the street.

Please allow me a few moments to explain my personal situation. I am a single parent with a five year old son, a cat and a large dog. I do have a good job as a secretary with the Dept. of Public Safety, but even so, I find myself living on a month-to-month basis. I'm considered low-income status simply because I have only <u>one</u> income coming in. My choices for providing my son a secure, comfortable homelife are limited because of this. I do not receive child support. I thought my choice in investing in a trailer was the best and most logical considering my resources and the high cost of renting. My mortgage payment is only $225/mo. Space rent is $150/mo. This compared to $700/mo rent to pay off someone else's mortgage was in our best interests. I am a proud, self-reliant individual who has worked hard for what I have. Before buying this trailer, my son and I could only afford living in small, one-room efficiency apartments or sharing housing with roommates. It is important when you are raising a child to have the privacy of your own home and also important is the child's privacy in having his/her own room. Finally, at age five, my son has a room of his own. Not only will he be forced to go back to efficiency apartment living quarters by this eviction, but we are being faced with the <u>strong possibility</u> of having to live out of our pick-up truck for a while as I cannot afford to pay rent <u>and</u> also pay the mortgage payment each month on a home we cannot live in.

Where my trailer would be at that point, I do not know. I have written AHFC to get information on what action, if any, they will be taking. I shudder at

repossession of my trailer. After literally writing letters to AHFC to justify my even qualifying for the loan, repossession would not have a good effect on my credit status. It would most likely kill any chances I would have at obtaining a loan for something else in the future. The loss of my $3,000 downpayment, plus having to pay an additional $1,000 to credit card accounts in order to qualify for the loan is something I do not wish to happen. If it were not for the $1,000 Alaska Permanent Dividend payments in 1982, we would not have been able to come up with that kind of money in the first place. The only other alternative I can see is to be forced to work two jobs in order to save enough money to get out of this financial hole and back in a secure position. But, I strongly feel that this would not be in the best interests of my son. He already has only his mother to depend on, it must surely be important that she is there with him at least part of the day. No matter how you look at it, the only ones sacrificing anything are the residents facing eviction.

The possibility of saving enough money to even move my trailer (it has been said the cost would range somewhere between $2,000 and $3,000) is something I cannot begin to try to budget for at this point. I purchased my trailer in Valley Court because: 1) I could not afford the incredibly high cost of renting anymore; 2) Valley Court is one of the very few trailer courts that allow a dog over 15 inches; and 3) there simply was not another choice in my price range ($16,000.

You may wonder why I have a cat and large dog. My cat is 10 years old; she is my baby and I could not give her up anymore than I could give up my son. My dog is a collie and I have him to protect us. I am afraid of guns and my eyesight is bad enough that if I were to gather the courage to use one, I would probably miss. Considering the recent murders in trailer courts, I'm sure you can understand a single woman's desire for the protection of a large dog.

I decided to invest in buying a trailer as a stepping stone in order to build up enough money so that if I were to sell it in about three years, I might get enough back for a downpayment on a house. Do you realize that a person paying $600 a month rent will have paid $10,800 by June, 1985? That is a little less than one half my gross annual income. I think you would agree that $600 a month is a very conservative estimate of rent these days in Juneau. Since so many of us have animals and children, even finding rentals will be extremely difficult. To me, renting is a waste of my financial resources and chain me to a dead end. How do I compensate for the added expense? Buy less food? Shop at the Salvation Army? I do not want to end up in a low-income housing project like Cedar Park. Although I sympathize with the problems that many people are faced in those kinds of places like alcoholism, child abuse and wife abuse, I certainly do not want my baby surrounded by them. If that sounds selfish, I can't help wanting the best life I can possibly give to my child. I could have sat around on welfare for the last five years if I wanted to. But I didn't, I wanted to work and strive for what little we now have. I'm overwhelmed by the injustice we are all being faced with.

I feel a bit awkward explaining my reasons for being in Valley Court in the first place, but I think it is important. Now that you know why I am there I will tell you what the impact of it closing will have on me.

The financial strain of getting the money together to move the trailer will set me back for the next two years as I will have to beg the bank for a personal loan and pay it back plus interest. Once I work out the financial end of it, I am not really any better off because there is nowhere to move to. I realize I am very fortunate that my trailer is moveable at all. Valley Court is not a nice, manicured trailer court like Switzer Village, for instance. Many of the trailers there are around 20 years old and to move them would be impossible. My trailer is a 1974 model. Right now I owe $14,000 on it. My loan is for 11 years and I will be paying almost double that amount with the interest. Whether I move my trailer to a new location or am forced to abandon it, the bank expects me to keep paying for it. If I am living on a limited budget now, how can I possibly keep paying off this loan and pay rent? And I do not see why I should be in the position of paying for a home I cannot live in. I have no money to invest in something else at the same time so I could rent my trailer out.

You are probably thinking of several options I may have at this point. The most logical one is to find a buyer who will not have a problem with relocating the trailer in the future. I am trying, but not too many people are interested in trailers that have to be moved. My trailer would be valued at about $17,000 if it weren't in Valley Court. I don't know what kind of an offer I could even get for it now. Since I owe a major portion of the value to the bank, I cannot afford to sell it for peanuts just to be rid of it.

The other option I have is to apply for a loan at the bank for a property purchase when the trailer court is just about closed. AHFC has started a brand new program dealing specifically with a situation like this. Simply stated, if you have an existing loan on your trailer with AHFC, they will finance 75% on a piece of property to move it to as long as the property is hooked up to water, sewer and electricity and assuming they approve you for the loan based on your specific financial situation. This sounds like the perfect solution, however, the 25% I would have to come up with is at least $10,000. My savings account is balanced at $3.00. I'm not kidding. If I am having a hard time figuring out where to come up with two or three thousand dollars, there is no way I can raise ten. So, although the intent of AHFC is good, as it now stands, it is not addressing anyone's needs. People with that kind of money do not live in trailers usually. They are into the real thing - houses on your own land that you do not have to worry about being evicted from.

One other thought. Even if the City and Borough of Juneau takes a stand in this matter and decides to somehow see that a new trailer court is built, there is no legal guarantee that the people being forced out will be the ones to move in. Anyone can find out about a new trailer court at the same time we do and move in ahead of us. If feel fairly confident my trailer is moveable, but being 10 years old, it is not certain it would be allowed in.

Mr. John Annon, Housing Director for the City and Borough of Juneau, stated in an interview with KTOO on the program "Our Town" last week that the city felt this was a private matter between a private citizen and a landlord. The only reason they were looking into it was the fact that many of the families were of low-income status. He also expressed the dilema that if a solution were

arrived at, it would have to be designed to meet any future situations that may arise. It didn't sound like the City was willing to put itself in the position of having to lend financial aid to every trailer owner in Juneau now or in the future. I cannot help but wonder why a piece of land can be zoned for a trailer court and a gravel pit at the same time. It has also been said that one of the main buyers of the gravel would be the City and Borough of Juneau. At this time, Mr. Phil Godfry's permit to run his gravel operation is due for review and reissuance. It is scheduled on the agenda of a meeting of the City Planning Commission on February 14, 1984. Even if we, the residents of Valley Court, do not have any legal rights or power in this situation, it would seem the City does. I can only think of one solution that would possibly address the various problems we are faced with. Some kind of financial opportunity in the form of a loan not requiring any downpayment to be used for a property purchase to move your trailer on, or if you do not have a trailer that can be moved, a loan to get you into another home purchase. The HOF program and Farmer's Home Loan program are nice in print, but you are limited to finding housing under $85,000 and even so, you still need the 5% downpayment and closing costs. Again, if we had that kind of money, we would be standing in line at the realtor's office with our applications in hand. Either this loan procedure could be developed, or else someone should appropriate the funds to reimburse us for our losses. If you trailer is valued under $5,000, then set a minimum reimbursement amount that would give that family buying power. This may sound like the "wounded duck syndrome" (the psychologist in the movie Modern Problems used that phrase. It went like this: Help me, help me, I'm a wounded duck. Fix my broken wing.) Well, the City has directed us as individuals to come up with the answer as it is beyond their imagination to find it themselves, so this is one individual's attempt at addressing everyone's needs. The main thing to remember is whatever solution is arrived at must not include a family having to come up with thousands of dollars they don't have and to end up in the street homeless.

It is my intention with this letter to ask you for your personal consideration in helping us find an alternative solution to our problem. Somewhere there must be a State Statute or City law which can be utilized. Somewhere the moral obligation must rest at a governmental level that can provide an answer. If you have any advice or know of anyway you can be of some assistance, please contact me. Thank you for listening.

Sincerely,

Linda S. Larsen

Attachment: (Eviction Notice)

VALLEY COURT

1720-0 Valley Court

Juneau, Alaska 99801

JANUARY 3, 1984

TO THE RESIDENTS OF VALLEY COURT:

THIS IS TO NOTIFY YOU THAT NO LATER THAN JUNE 1, 1985, YOU MUST HAVE COMPLETED REMOVING YOUR TRAILER, WANNIGAN AND ANY OTHER ATTACHMENTS THERETO FROM VALLEY COURT. THIS IS KEEPING IN LINE WITH OUR NOTICE AND STATEMENT GIVEN IN JUNE OF 1982. THIS NOTICE DOES APPLY TO ALL TRAILERS ON SPACES IN VALLEY COURT. ALASKA LAW STATES THAT WE ARE OBLIGATED TO GIVE A 90-DAY NOTICE; WE ARE GIVING 1½ YEARS. WE FEEL THIS SHOULD BE SUFFICIENT TIME TO RELOCATE. YOUR COOPERATION WILL BE APPRECIATED.

MANAGER

Barnes Development, Inc.

Wasilla Branch
P.O. Box 874567
Wasilla, Alaska 99687
(907) 376-8550

Juneau Branch
P.O. Box 3173
Juneau, Alaska 99803
(907) 789-5090

February 8, 1984

Honorable Bill Ray
Alaska Senate
District C
Pouch V
Juneau, AK 99811

Re: Senate Bill 393

Dear Senator Ray:

We are owners of Glacier View Mobile Home Park in Juneau.

It is our opinion that your Bill No. 393, recently submitted to the Senate, is not in the best interests of either the public or mobile home park owners.

Clearly, "mobile homes" manufactured fifteen or twenty years ago were literally "trailers", many of them travel-trailers now referred to as Recreational Vehicles. In either case, they were not made for winter in Alaska, lacking the necessary insulation, heating systems and other weatherization features found in more recently manufactured mobile homes. They often become not merely unsightly with age and liabilities to the park, but dangerously subject to burn-out and resulting injury or death.

Finally, we believe it is unreasonable to require mobile home park owners to permit older homes to remain forever. Such a requirement only degrades the park and will eventually produce a ghetto. Sooner or later the park owner would have little choice but to convert the land to other use.

Sincerely,

W A Barnes

William A. Barnes

cc: Senator Richard Eliason
Chairman
Senate Labor & Commerce Committee
Pouch V
Juneau, AK 99811

Bill Fact Sheet

Date Received 1/31/84

Bill Number SB393 Title Eviction from mobile home

Fiscal Note - Date Requested _____ Date Received _____

- Of Whom _____

Dept. Position Paper - Date Requested _____ Date Received _____

- Of Whom _____

Resource People

Initial Hearing - Date 2/7/84

People Contacted

Connie Sipe.
Ben Marsh - 278-3615. Trailer Court Owner's Asso.
Ray - 2/2

Follow-up Hearing - Date _____

Final Action _____ Date _____

SB

396

BILL SHEFFIELD
GOVERNOR

396

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 31, 1984

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

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that clarifies who is responsible for the payment of relocation or removal costs when a utility facility is required to be changed, removed, or relocated as a result of highway construction. The bill addresses an ambiguity in AS 19.25.020(c) which presently leaves open the question of whether the state must pay for these costs even though a utility facility was not installed or authorized under the authority of a utility permit or, if a permit exists, even though the facility is not installed in the location provided for in the permit. The bill also makes clear that the question of who pays for future relocation costs is to be a matter of negotiation between the state and the utility to be reflected in the language of the permit.

Section 1 amends AS 19.25.020(c) by creating four new paragraphs:

Paragraph (1) requires the state to pay for the costs of the change, removal, or relocation of any utility facility installed before July 1, 1960 regardless of whether the facility is authorized by a utility permit at the time the change, relocation, or removal of the facility is required. There is a matter of equity and fairness, since there was no real uniform utility permit system in place before July 1, 1960.

Paragraph (2) requires either the state or the utility to pay for the costs of the change, removal, or relocation of the utility facility depending on the terms of the permit, provided the permit was issued after July 1, 1960. The effect of this paragraph is to make it clear that the question of who is to pay for relocation costs is a matter to be negotiated between the state and the utility. Presently, the state is required to pay for all relocation costs regardless of any agreement with the utility to the contrary.

Paragraph (3) requires the utility to pay for relocation costs if their facility was installed after July 1, 1960 and is not under permit. Under existing law, it is ambiguous whether a utility has to pay relocation costs if it does not have a utility permit.

Paragraph (4) requires the utility to pay for relocation costs if their facility is not installed in the location provided for in a permit. Currently, it is unclear whether a utility must pay relocation costs even if its facility is not installed in the location set out in the utility permit.

Section 2 of the bill sets an effective date of July 1, 1984 for this bill.

I urge your favorable action on this measure so that the question of who pays for utility relocation costs under the various circumstances described in the bill is answered in clear statutory language.

Sincerely,

Bill Sheffield
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/~~Resolution~~ No.: ~~N/A~~ 391
Title: Utility Relocation - Hwy. Construction
Sponsor: DOT&PF
Requestor: Commissioner
Date of Request:

FISCAL DETAIL
Agency Affected: DOT&PF
Program Category Affected: Utilities
BRU, Program or Subprogram(s) Affected: N/A

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						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	(200.0)	(300.0)				
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars) N/A

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS: N/A

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

ANALYSIS: Attach a separate page for analysis

Prepared By: Bruce R. Freitag BRF
Division: Standards and Technical Services
Phone: 789-6237
Date: 01-04-84

Approved by Commissioner: [signature]
Agency: DOT&PF
Date: 1/11/84

Distribution (by Agency preparing fiscal note):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Fiscal Note: Utility Relocation - Highway Construction

Analysis

SUMMARY/EXPLANATION OF INTENT:

To change existing statute AS 19.25.020(c) such that reimbursement for utility change, relocation, or removal costs necessitated by highway construction may only be paid by the State if the utility facility was properly permitted (strike out "...notwithstanding the terms...contrary." and add in its place "...if the facility was previously permitted in accordance with Department regulations.")

ESTIMATED FISCAL IMPACT:

Capital: Up to $1 million savings to the Department annually dependent upon amount of Highway construction contracts involving utility relocation work.

Operating: $0

Of major concern:

A) Utilities may oppose item 2 because some existing permits (those issued between 1960 and 1977) contain clause that requires utility to pay for relocation. The 1977 law effectively wiped that clause out by the "notwithstanding" phrase which allows for relocation participation regardless what the existing permit states, or even if no permit exists. We propose to take care of that problem by issuing a standard letter from this office to all utility companies that states we will reimburse relocation costs for any facility under permit after 1960 unless special provision was identified in the permit that purposely required relocation to be borne by the utility. (This may have occurred because the utility needed our right-of-way even though we knew a major reconstruction was already scheduled.)

B) Regional Utility Engineers were worried about not showing the 1977 date. As explained above, Jack McGhee thought it best if only the 1960 date was shown. They were concerned that many permits were issued between 1960 and 1977, and they didn't want to have to change the relocation payment clause to assure the utility they would receive facility relocation reimbursement. Our letter mentioned in "A)" above will allieviate RUE concern.

Positive Aspects:

1) All utilities would desire to have their facilities under permit to assure relocation reimbursement.

2) All utilities under permit assures they meet all codes and regulations, and that they are placed in accordance with Department direction.

3) Provides assurance that Department will obtain as-built of utility construction.

4) Assures that all utility facilities within our R/W "mesh" together so one does not conflict with another.

Payment of utility relocation costs by the utility would not result in a direct cost to the consumers, regardless of whether the reason for payment was due to the terms of a permit, location other than that described in the permit, or location in R/W without a permit.

Any construction costs (new and relocation) can only be passed on to the consumers through the rate-making process, according to Mark Figura, Asst. Attorney General with the Alaska Public Utility Commission (APUC). Glacier Highway Electric Assn. (GHEA) (an unregulated utility) would treat utility relocation due to highway construction as any other plant addition, according to Charles Y. Walls, General Manager.

With the regulated REA's, all rates must be approved by APUC in a rate hearing. With unregulated REA's, the cooperative's board of directors establish the rates and the rates must be approved by the members (consumers). With GHEA, when 5% or more of the members object, a rate hearing similar to an APUC hearing is held.

Fact Sheet:

"Relocation of Utilities Incident To Highway Projects - AS 19.25.020(c)"

The need for this change is to revise statute authority such that reimbursement for utility relocation incident to highway construction would only be allowed if the utility facility was properly permitted by the Department within highway rights-of-way. With the utility facility being properly permitted, it also provides assurance that the facility is located properly and is installed in accordance within established coding (i.e. electrical, safety, etc.). Presently, utility relocations are generally reimbursed even if the facilities are not under permit or within code requirements.

In summary, then, this revision would:

(1) Provide that the State participate in all utility relocation costs for those utilities placed in highway rights-of-way without a permit prior to July 1, 1960 and for the utilities that were installed by permit between July 1, 1960 and July 1, 1977 regardless of whether or not the permit provided for State relocation costs.

(2) Provide that the State or utility participate in the relocation costs under permits issued after July 1, 1977, depending on the prescribed terms written in the permit. This allows the State to write a permit on new utility facilities that either requires the utility to pay or the State to pay on existing facilities not covered by a permit that are located properly and can be covered by a permit.

(3) Provide that the utility participate in the utility relocation cost if the facility was not located in accordance with the permit regardless of when the permit was issued.

The 1960 date is significant due to Statehood and 1977 is significant as that is the effective date of the present law we are proposing to revise.

The estimated fiscal impact will vary from year to year and from $0 to a considerable amount dependent upon the number of projects, primarily bush/village, where utility facility conflicts occur due to highway construction. Recently, an approximate $200,000 conflict occurred on the Palmer-Wasilla project with Matanuska Telephone Association facilities.

Other proposed projects with possible similar conflicts beside bush/village projects are Boniface, DeArmour Road, Raspberry Road, and the Old Seward Highway - all in the Anchorage Area. Further, under the present law, the Department is unable to write a permit to a utility to allow that company to pay for its own relocation should future conflicts occur.

We believe that the utility industry would be in favor of this amendment because it (1) clarifies that their facilities installed without a permit prior to July 1, 1960 are to be relocated at State cost and (2) it allows them to install a facility on future highway projects and pay for the relocation costs instead of being denied a permit.

As explained above, this proposed change would provide Department protection by assuring that:

1) All utility facilities within highway rights-of-way are properly permitted;

2) All facilities installed within highway rights-of-way meet proper State and national codes; and

3) Both the state project and the utility participate fairly in any necessary relocation costs.

DRAFT

AMENDED BY DOT&PF 3-15-84

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

IN THE SENATE

SENATE BILL NO. 396

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to relocation of utilities incident to highway projects; and providing for an effective date."

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

*Section 1. AS 19.25.020(c) is amended to read:

(c) The cost of change, relocation, or removal necessitated by highway construction is [A COST OF HIGHWAY CONSTRUCTION] to be paid [BY THE STATE] in accordance with AS 19.45.001(4) as follows:

(1) by the department as a cost of highway construction if the facility was installed before July 1, 1960, regardless of whether the facility is authorized by a permit at the time the change, relocation, or removal of the facility is required;

(2) by the department as a cost of highway construction if the facility was authorized or installed under the terms of a department utility permit issued after July 1, 1960;

(3) by the utility if the facility was installed after July 1, 1960, and there is no utility permit for the facility;

(4) by the utility if the facility is not installed in the location provided for in the utility permit, regardless of whether the utility permit requires payment by the department;

(5) by the utility if the facility was authorized under a temporary permit that specifies placement of the facility in the permitted location is authorized only for a temporary period of time and specifies that the utility will pay for any change, relocation or removal [NOTWITHSTANDING THE TERMS OR PROVISIONS OF ANY EXISTING PERMIT, AGREEMENT, REGULATION OR STATUTE TO THE CONTRARY].

*Sec. 2. This Act takes effect July 1, 1984.

Provided by DOT/PF

DRAFT

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

AMENDMENT TO UTILITY PERMIT FOR PLACEMENT OF UTILITY FACILITIES WITHIN HIGHWAY RIGHTS-OF-WAY

This agreement between the Department of Transportation and Public Facilities (hereinafter referred to as the DEPARTMENT) and _____ (hereinafter referred to as the UTILITY) amends those provisions of all existing utility permit agreements between the DEPARTMENT and the UTILITY that relate to the question of who shall bear the cost of change, relocation, adjustment, or removal of utility facilities located within highway rights-of-way when such change, relocation, adjustment or removal is necessitated by highway construction. Notwithstanding any existing language to the contrary, the cost of change, relocation, adjustment, or removal of utility facilities located within highway rights-of-way shall be apportioned as follows:

If the utility facilities have been installed in accordance with the provisions of the existing permit, then the cost of change, relocation, adjustment, or removal of these facilities necessitated by highway construction is a cost of that highway construction to be paid by the State in accordance with AS 19.45.001(4).

"Cost of change, relocation, or removal" as used here means the entire cost incurred by the utility properly attributed to the change, relocation, or removal of a facility, less any costs for improvements or upgrading over and above the cost of functionally equal facility; if a facility is to be relocated and replaced with new equipment, there shall also be subtracted from the entire cost any salvage value derived from the old facility.

DRAFT

The intent of this Amendment is to provide assurance that the UTILITY will not be required to bear the cost of any change, relocation, adjustment or removal of its facilities as a result of highway construction provided that the facilities were installed under the authority of a valid existing permit and have been properly located according to the terms of that permit.

Approval:

UTILITY	DEPARTMENT
_____	_____
Authorized Representative	Authorized Representative
_____	_____
Position	Position
_____	_____
Date	Date

SB 396 TITLE & SPONSOR SUMMARY 14:28 5/22/84 PAGE 1 OF 2

AMENDED TITLE:
AN ACT RELATING TO RELOCATION OF UTILITIES INCIDENT TO HIGHWAY PROJECTS; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: SENATE RULES COMMITTEE.
CO-SPONSORS:
CURRENT STATUS: 1/31/84 IN (S) LABOR & COM REFERRAL: TRANSPORTATION

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/31/84	01	1896	FIRST READING -- COMMITTEE REPORTS
01/31/84	02	1896	F/NOTE SEN SUPPL #47
01/31/84	03	1896	GOV TRANSMITTAL LETTER
			LABOR & COMMERCE
			TRANSPORTATION
			FINANCE
			RULES

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

POUCH Z
JUNEAU, ALASKA 99811
PHONE: (907) 465-3900

OFFICE OF THE COMMISSIONER

April 30, 1984

The Honorable Richard Eliason
Chairman, Senate Labor and
Commerce Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Eliason:

The following information is provided in response to your request concerning the impact on DOT&PF should the Department's utility legislation fail enactment this year.

Senate Bill 396

"An act relating to relocation of utilities incident to highway projects; and providing for an effective date."

The objective of this legislation is to provide better control on permitting utility use of Department rights-of-way and on allowing Department reimbursement for relocation/adjustment costs of utility facilities due to highway construction.

If SB 396 is not passed, considerable funds may be spent by the Department to relocate or adjust utility facilities which have been placed in highway rights-of-way illegally. Without this legislation, the Department of Transportation and Public Facilities does not have a means to ensure a utility company will install its facilities in conformance with proper codes and in approved locations within highway rights-of-way. Further, with this legislation the Department will have statutory authority to issue a Temporary Permit for locating utility facilities in highway rights-of-way when known reconstruction is planned for a highway segment the utility wishes to use.

With passage of SB 396, the State stands to save $50,000 to $200,000 per year from cost reimbursements to utilities as well as experiencing fewer instances of faulty code compliance or improper location.

Senate Bill 398

"An act relating to utilities and encroachments in rights-of-way for State Airports and Public Facilities; and providing for an effective date."

The objective of this legislation is to provide statutory authority to the Department of Transportation and Public Facilities to issue permits for utility facilities within State rights-of-way for airports, harbors, marine transportation areas, and State public buildings similar to the existing permit ability the Department has for highway rights-of-way. The State would also then have statute authority to reimburse utility companies for required relocation/adjustment of utility facilities due to State construction.

If SB 398 does not pass, DOT&PF will continue to lack statutory authority to permit location of utility facilities in State rights-of-way other than highways. Therefore, utility companies may have to pay to locate their facilities in private rights-of-way which would ultimately result in higher costs and rates to their consumers.

The department strongly supports the passage of SB 396 and SB 398. Should you require additional information, please contact our legislative liaison office at 465-3900.

Sincerely,

R. J. Knapp
Commissioner

cc: Susan Fleischhauer, Administrative Assistant
Ray Gillespie, Director of Legislative Relations
Office of the Governor
John J. Simpson, Director, Standards and Technical Services

City and Borough of Sitka

~~P.O. BOX 79~~ · SITKA, ALASKA · 99835
304 Lake Street
Room 104

Senator Richard Eliason
Alaska State Legislature
Pouch V M/S 3100
Juneau, Alaska 99811

Dear Dick:

Please be advised that the City and Borough of Sitka opposes the passage of SB-396 and SB-398 which if enacted would not be in our best interest.

Sincerely,

Fermin Gutierrez
Administrator

SB

398

BILL SHEFFIELD
GOVERNOR

ch 5 96

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 31, 1984

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

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that clarifies authority of the Department of Transportation and Public Facilities (DOT/PF) to set up a permit system to authorize utilities and other encroachments in state airports and other public facilities. The bill also provides for dealing with the relocation or removal of utilities and encroachments in state airports and public facilities.

For the most part, the bill tracks existing statutory language that deals with utilities and encroachments in highway rights-of-way, (AS 19.25.010, 19.25.020, and 19.25.200 -- 19.25.250). A section by section analysis of the bill is attached.

I urge your favorable action on this measure so that there is no doubt that DOT/PF has the authority to implement a utility and encroachment permit system for state airports and public facilities.

Sincerely,

Bill Sheffield
Governor

SECTION-BY-SECTION ANALYSIS OF UTILITIES AND ENCROACHMENTS BILL

Section 1 amends art. 2 of AS 02.15 concerning state airports by adding eight new sections. A brief explanation of each of these new sections is set out below:

AS 02.15.102 authorizes utilities to be installed in state airports so long as they are installed under permit.

AS 02.15.104 sets out a procedure for relocating a utility if the relocation is required because of airport construction. The procedure requires that notice be given the utility. Subsection (b) authorizes the state to move the utility, at no cost to the state, if the notice to relocate is disregarded. Subsection (c) makes it clear that the cost of change or relocation in compliance with (a) of that section is to be determined by the language of the utility permit. Subsection (c) also makes it clear that the utility is required to pay for relocation costs if there is no utility permit issued for the utility facility, or if the utility facility is not installed in the location provided for in the utility permit.

AS 02.15.106 authorizes encroachments to be installed in state airports so long as they are installed under permit.

AS 02.15.108 creates a procedure for relocating or removing encroachments when relocation or removal is required by construction or maintenance of a state airport. The procedure requires that notice be given to the owner of the encroachment.

AS 02.15.110 authorizes the state to require the removal of unauthorized encroachments.

AS 02.15.112 requires the state to give notice to owner of unauthorized encroachments in the event the state determines that the encroachment must be removed.

AS 02.15.114 gives the state the authority to remove an encroachment if the owner fails to comply with the notice given under AS 02.15.104 or 02.15.108, or 02.-15.112. This section also makes it clear that if the state removes an encroachment under these circumstances, the cost of removal is to be borne by the owner of the encroachment.