

ALASKA LEGISLATIVE COMMITTEE FILED 1900-1900 00 / 2

3214.33 HCRA HB 537 - HB 553

CITY AND BOROUGH OF
SITKA, Appellant,

v.

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, LOCAL
UNION 1547, Appellee.

No. 6116

Supreme Court of Alaska.

Oct. 22, 1982.

City appealed from an order of the Superior Court, First Judicial District, Sitka, Thomas B. Stewart, J., requiring it to recognize and negotiate with its electrical department employees' elected representative. The Supreme Court, Compion, J., held that: (1) city ordinance exempting city from requirements of Public Employment Relations Act was valid, and (2) city violated its city charter requirement to recognize employee organizations by establishing employees' negotiating committee and declining to recognize employees' representative.

Affirmed in part, reversed in part, and remanded.

Rabinowitz, J., dissented and filed opinion.

1. Labor Relations ⇌ 48

City's exemption from requirements of Public Employment Relations Act was effective where, although its electrical department employees had signed union authorization cards before exemption ordinance was passed, there was no evidence of any organizational activities occurring between effective date of Act and passage of exemption ordinance and where city's intent in enacting exemption ordinance was

Helpers of America, Independent Local 959 v. City of Fairbanks, 582 P.2d 150 (Alaska 1978). What is unclear from the plan summary is whether there is any "administrative remedy" by which Deveney could obtain something equivalent to a declaratory judgment as to the meaning of the plan from the Trust. The only way in which the plan summary provides for

to control its own public labor relations and not to frustrate employee rights. Laws 1972, c. 113, § 4.

2. Municipal Corporations ⇌ 58

In construction of municipal charters, Supreme Court is guided by rules of statutory construction.

3. Statutes ⇌ 217.4

Although starting point in construing statute is language of statute itself, reference to legislative history may provide insight that is helpful in determining statute's meaning.

4. Labor Relations ⇌ 179

Collective bargaining is term of art in labor law that harbors concomitant duty to bargain in good faith. AS 23.40.250(1).

5. Labor Relations ⇌ 52

It is only when legislative enactment expressly and unambiguously announces decision requiring public employers to undertake collective bargaining that court should find that government entity has bound itself to such course of dealing.

6. Labor Relations ⇌ 177

City charter provision requiring city assembly to adopt ordinances with provisions recognizing employee organizations did not require city to engage in collective bargaining with employee organizations but only imposed less stringent obligation to meet and confer with recognized employee organizations.

7. Labor Relations ⇌ 177

City's establishment of employees' negotiating committee did not satisfy its charter obligation to recognize employee organizations as bargaining representative of its employees.

Final decisions by the Trustees is in the context of an application for benefits; until the divorce is final the question to which Deveney wanted an answer cannot be formally raised. We leave this issue for further consideration by the superior court in light of the wording of the plan itself.

8. Labor Relations — 177

City could not be directed to recognize and negotiate with whatever agency was elected by majority of its electrical department employees as their representative despite its violation of its charter obligation to recognize employee organizations since charter only required recognition of employee organizations and did not require recognition of agents.

Peter Hallgren, Sitka, for appellant.

Paul S. Wilcox and M. Gregory Oczkus, Law Office of Paul S. Wilcox, Anchorage, for appellee.

OPINION

Before RABINOWITZ, CONNOR, MATTHEWS and COMPTON, JJ., and DIMOND, Senior Justice.*

COMPTON, Justice.

This appeal raises the issue of whether the refusal of the City and Borough of Sitka (Sitka) to recognize the union selected as a bargaining agent by its electrical department employees violates Alaska's Public Employment Relations Act (PERA) and Sitka's Municipal Charter. The superior court ruled that Sitka failed to effectively opt out of PERA and that Sitka's personnel policy ordinance violated its Charter. The court ordered Sitka to recognize and negotiate with the electrical department's elected representative. We hold that Sitka validly opted out of PERA, but violated its Charter.

* Dimond, Senior Justice, sitting by assignment made pursuant to article IV, section 11, of the Constitution of Alaska, and Alaska R.Admin.P. 23(a).

1. Section 4 reads: "This Act is applicable to organized boroughs and political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision, by ordinance or resolution, rejects having its provisions apply." Ch. 113, § 4, SLA 1972.

2. Sitka, Alaska, Charter § 3.05 provides in full:

I. FACTUAL AND PROCEDURAL BACKGROUND

The facts in this case are essentially undisputed. In June 1972, the State of Alaska enacted the Public Employment Relations Act (PERA). AS 23.40.070.-260. PERA confers upon public employees the right to organize and to bargain collectively with their employers. Section 4 of PERA permits the legislative body of any political subdivision of the state to reject the Act, thereby preventing its application to the public employees of that subdivision.¹ PERA became effective on September 5, 1972.

In December 1971, appellant Sitka was unified as a single home rule municipality. At that time, a charter was adopted that included a section requiring the Sitka Assembly to "adopt by ordinance an administrative code which shall include provisions for ... recognizing employee organizations."²

Pursuant to the Charter, Sitka enacted a personnel policy ordinance in May of 1972.³ The ordinance established an employees' negotiating committee. Essentially, each municipal department elects one representative to the committee. The employees' negotiating committee meets with a management committee to discuss various subjects including work conditions, benefits and salaries. On July 10, 1973, the Sitka Assembly passed Ordinance 73-93, which purports to exempt the municipality from PERA pursuant to section 4 of the Act.

Appellee is a labor organization affiliated with the International Brotherhood of Electrical Workers, AFL-CIO (IBEW). Organizational efforts by the IBEW on behalf of

The Assembly shall adopt by ordinance an administrative code which shall include provisions for establishing qualifications for employment and a merit system; establishing a pay plan for all municipal positions; permitting appeal; recognizing employee organizations; protecting municipal employees from arbitrary discharge and safeguarding against nepotism.

3. Sitka, Alaska, Ordinance No. 72-13 (May 9, 1972).

the Sitka electrical department employees extend back to the early 1960's. Thereafter, the employees were periodically in contact with the union, which in turn approached city leaders on several occasions for the purpose of obtaining union recognition. Sometime in 1972, all the electrical department employees signed union authorization cards.⁴ Sitka officials were aware of the electrical employees' desire and intent to have the IBEW represent them for purposes of collective bargaining prior to July 10, 1973. Sitka has consistently refused, however, to recognize the IBEW as a bargaining agent for the Sitka electrical department employees.

On August 24, 1977, the IBEW filed a suit alleging that Sitka Ordinance 73-93 is invalid and that Sitka Charter section 3.05 requires recognition of the union as the bargaining representative of Sitka's electrical department employees. Sitka's answer denied the allegations and raised four affirmative defenses. After the IBEW's motion for summary judgment was denied, the case proceeded to trial on August 28, 1979. The superior court ruled in favor of the IBEW, granting them the right to engage in organizational activities with the employees of the electrical department and requiring the City to recognize and negotiate with the representative elected by a majority of the electrical department employees.

Sitka appeals from his decision.

II. PERA REJECTION

[1] We first address whether Sitka Ordinance 73-93 effectively rejected PERA. The superior court, citing *State v. City of Petersburg*, 538 P.2d 263 (Alaska 1975), held that Sitka's PERA exemption was ineffec-

4. The record is uncertain as to exactly when the union authorization cards were signed. At the trial the most precise time estimate came from the electrical department superintendent. He testified that the union cards were signed in the spring of 1972. This evidence indicates that the cards were probably signed prior to PERA's enactment in July of 1972.

5. The facts in *Petersburg* are as follows: Employees of the City's light and power plant signed cards authorizing the IBEW to act as

tive because it was enacted too late and thus interfered with substantial organizational activities by the electrical department employees.

In *Petersburg*, we held that the City could not exempt itself from PERA after becoming aware of the fact that all municipal power plant employees had authorized a particular union to represent them.⁵ "[T]he substantiality of the organizational activities undertaken by the employees and the extent of the City's awareness of those activities" identify "[t]he critical point beyond which the right and power of the City to reject the Act become subordinated to the rights of the employees." 538 P.2d at 267.

We have warned, however, that the *Petersburg* rule is limited to its factual setting. *Anchorage Municipal Employees Association v. Municipality of Anchorage*, 618 P.2d 575, 579 (Alaska 1980). To ascertain whether a PERA exemption is motivated by proper considerations, we examine the purpose and intent of actions taken by the employees and by the municipality. See *City of Fairbanks v. Fairbanks Firefighters Union*, 623 P.2d 339 (Alaska 1981); *City of Fairbanks v. Fairbanks AFL-CIO Crafts Council*, 623 P.2d 321 (Alaska 1981); *Anchorage Municipal Employees Association v. Municipality of Anchorage*, 618 P.2d 575 (Alaska 1980).

It is uncontroverted that Sitka was aware of the IBEW's organizational attempts prior to passage of the exemption ordinance. Contrary to the position advocated by the IBEW, such knowledge is not in itself sufficient to invoke the *Petersburg* rule. In *City of Fairbanks v. Fairbanks AFL-CIO Crafts Council*, we interpreted *Petersburg* as holding that "a public employer may not

their collective bargaining agent in March of 1973. All preliminary discussions concerning the possibility of unionization had taken place earlier in the same year, thus occurring after the effective date of PERA. Five days later, the Petersburg City Council held a special meeting at which it passed a resolution purporting to exempt the City from the provisions of PERA. The council was aware of the power plant employees' union activities prior to passing the resolution. 538 P.2d at 264-65.

opt out of PERA in order to avoid negotiating with certain unions once its employees have commenced organizational activities in reliance on the rights granted to them by the Act." 622 P.2d at 323. The timing of the organizational activities of the Petersburg power plant employees indicated a reliance on PERA rights. The situation here, however, is different. The Sitka electrical department employees had pursued unionization since the early 1960's, long before the enactment of PERA. Although the superior court found that all the electrical department employees signed union authorization cards sometime in 1972, there is no evidence in the record of any organizational activities occurring between PERA's effective date, September 5, 1972, and the passage of the exemption ordinance, July 10, 1973. Thus, in contrast to *Petersburg*, the employees in Sitka were not acting in reliance on rights granted them by PERA.

Nor is the *Petersburg* rule invoked when a municipality rejects PERA "solely for the purpose of retaining local control over their labor relations, and with the clear intent of continuing collective bargaining rather than to interfere with established employee rights." *Anchorage Municipal Employees Association v. Municipality of Anchorage*, 618 P.2d at 579. This provides an additional ground for distinguishing the present case from *Petersburg*. In contrast to the *Petersburg* factual setting,⁶ there are no factual findings in the present case that the Sitka PERA exemption ordinance was passed with an intent to frustrate employee

rights. Sitka has consistently refused to recognize the IBEW, both before and after PERA. Passage of the personnel policy in May of 1972 reveals Sitka's intent to control its own public labor relations. Sitka's purpose in opting out of PERA was to retain local control through its personnel policy rather than to interfere with employee rights.⁷

We hold that Sitka Ordinance 72-117 validly exempted Sitka from the requirements of PERA.⁸

III. SITKA CHARTER

The second issue is whether the creation of an employees' negotiating committee satisfies the mandate set forth in Sitka Charter section 3.05 of "recognizing employee organizations." The personnel policy ordinance defines the structure of the negotiating committee, but also affords municipal employees the opportunity to elect a department representative. Sitka argues that by enacting the personnel policy ordinance, it fulfilled its Charter obligation. In contrast, the IBEW argues that the Charter requires Sitka to recognize the IBEW as bargaining agent for the municipality's electrical department. In our view, the dispositive question centers on the intentions of the framers of the Sitka Charter in using the word "recognizing."

[2,3] In the construction of municipal charters, we are guided by the rules of

(b) The collective bargaining procedures have proved to be workable and satisfactory.

(c) This municipality has, by ordinance, provided personnel rules and regulations under which merit system principles are maintained among its public employees.

8. The fact that Sitka's PERA exemption ordinance was passed three months after Petersburg's unsuccessful attempt does not affect our holding. *Petersburg* does not set a limited time period within which rejection of PERA must take place. Instead, the circumstances of each case must be examined individually. *Anchorage Municipal Employees Ass'n v. Municipality of Anchorage*, 618 P.2d at 581.

6. In *Petersburg*, there was no indication that the City Council passed the PERA exemption ordinance in order to retain local control over labor relations. Nor was there any evidence that collective bargaining had ever transpired between the City and the power plant workers. The fact that the City Council's exemption ordinance was passed within five days after union authorization cards were signed evidenced an intent to interfere with the rights of employees. 638 P.2d at 264-67.

7. Sitka, Alaska, Ordinance No. 73-93 (July 10, 1973) provides in part:

3. Purpose

(a) This municipality already carries out collective bargaining procedures with its public employees.

statutory construction.⁹ Although the starting point in construing a statute is the language of the statute itself, reference to legislative history may provide insight that is helpful in determining the statute's meaning. *North Slope Borough v. Sohio Petroleum Corp.*, 585 P.2d 534, 540 (Alaska 1978).¹⁰ We, therefore, consider the relevant history of Sitka Charter section 3.05.¹¹

The legislative history surrounding the adoption of Sitka Charter section 3.05 is quite sparse. Section 3.05 was apparently modeled after a similar provision in a 1970 proposed version of the Anchorage Municipal Charter. Among other changes, the Sitka Charter Commission substituted the phrase "recognizing employee organizations" for the phrase "recognizing collective bargaining." There is no reference in the tapes of the meetings of the Charter Commission to explain what was intended by this particular revision. When drafting another charter provision, relating to the status of employees during the transition to a home rule municipality, the Charter Commission considered a section in the proposed Anchorage Municipal Code that referred to collective bargaining and, again, the Commission deleted the reference to collective bargaining in the Charter. The tapes of the July 15, 1977, meeting of the Charter Commission indicate that the deletion was not because of any hostility toward the prospect of collective bargaining in the future. Rather, the Charter Commission determined that it was unnecessary to include the reference to maintain any collective bargaining agreements during the transitional period because at that time there

9. 2 E. McQuillan, *The Law of Municipal Corporations* § 9.22 at 685 (3d ed. 1979).

10. As Judge Learned Hand noted in *Cabell v. Markham*, 148 F.2d 737, 739 (2d Cir.), *aff'd*, 326 U.S. 404, 66 S.Ct. 193, 90 L.Ed. 165 (1945):

Of course it is true that the words used, even in their literal sense, are the primary, and ordinarily the most reliable, source of interpreting the meaning of any writing; be it a statute, a contract, or anything else. But it is one of the surest indexes of a mature and developed jurisprudence not to make a fortress out of the dictionary; but to remember that statutes always have some purpose or object to accomplish, whose sympathetic and

were no collective bargaining agreements in effect. When discussing the matter, the Charter Commission addressed the relationship between "benefit bargaining" and a provision in the administrative code that apparently required the City to recognize an employee organization:

Shuler: You don't have a bargain agreement, unless you have a signed agreement with someone.

Wright: Not necessarily.

(Voice): Are you thinking of bargaining rights?

Wright: Yes.

Fager: Our administrative code doesn't say, except just to say recognize an organization, it doesn't say anything about benefit bargaining.

Grussendorf: *That's all you have to do, just recognize the existence of the organization.*

Transcript of Sitka Charter Commission (July 15, 1977) (emphasis added).

[4] Although the colloquy quoted above was not directly in reference to the meaning of Charter section 3.05, it offers a valuable insight into the probable intent of the Charter Commission. We therefore reject the IBEW's contention that the phrase "recognizing employee organizations" should be interpreted to require Sitka to engage in collective bargaining with respect to the terms and conditions of employment of municipal employees. "Collective bargaining" is a term of art in labor law that harbors the concomitant duty to bargain

imaginative discovery is the surest guide to their meaning.

11. At oral argument, Sitka argued that the enactment of the personnel policy ordinance by the assembly, which included members of the Charter Commission, was a contemporaneous practical construction of the Charter that should be considered controlling. Although a contemporaneous construction may provide some evidence of the meaning of the Charter, it is not conclusive, especially if it conflicts with a literal reading of the language used and the history of the enactment of the Charter.

in good faith.¹² We recognized in *Kenai Peninsula Borough School District v. Kenai Peninsula Education Association*, 572 P.2d 416 (Alaska 1977), that the good faith standard of collective bargaining may affect the substantive position of the bargaining parties. We stated:

While the good faith standard of collective bargaining does not compel either party to make concessions, intransigent positions, adopted in an effort to avoid any agreement, are disfavored. Thus a legal determination that a matter is subject to good faith collective bargaining may narrow the policy-making powers of an employer by curtailing any absolute directives on his part.

572 P.2d at 418-19 (footnote omitted). This consequence raises particularly sensitive concerns when collective bargaining in the public sector is at issue because the public employer who is obligated to engage in good faith bargaining relinquishes some of the essential attributes of sovereignty. Moreover, we also recognized in *Kenai Peninsula Education Association* that collective bargaining in the public sector is fundamentally a political process:

"Finally, decisionmaking by a public employer is above all a political process. The officials who represent the public employer are ultimately responsible to the electorate, which for this purpose can be viewed as comprising three overlapping classes of voters—taxpayers, users of particular government services, and government employees. Through exercise of their political influence as part of the electorate, the employees have the opportunity to affect the decisions of government representatives who sit on the other side of the bargaining table."

12. See AS 23.40.250(1).

13. A "meet and confer," or "meet and discuss," obligation imposes only the duty to meet at reasonable times and to discuss recommendations or proposals submitted by the employee organization. We have previously recognized the value of an obligation to meet and confer with recognized employee organizations. See *Kenai Peninsula Borough School Dist. v. Kenai Peninsula Educ. Ass'n*, 572 P.2d at 423.

572 P.2d at 419, quoting *Abood v. Detroit Board of Education*, 431 U.S. 209, 228, 97 S.Ct. 1782, 1796, 52 L.Ed.2d 261, 280 (1977).

[5, 6] Mindful of the nature of collective bargaining in the public sector and of the serious implications of the duty to bargain in good faith, the decision to engage in collective bargaining should not be implied from language that is unclear. It is only when a legislative enactment expressly and unambiguously announces a decision to undertake collective bargaining that a court should find that a government entity has bound itself to such a course of dealing. The language employed by the Charter Commission is not so clear and explicit that this court will interpret the phrase to mandate collective bargaining. Instead, the less stringent obligation to "meet and confer" is applicable to discussions between Sitka and recognized employee organizations.¹³

[7] Although we conclude that Charter section 3.05 does not require Sitka to engage in collective bargaining, it does not follow that the establishment of an employees' negotiating committee as defined by the personnel policy ordinance satisfied the Charter obligation to "recognize employee organizations." In the context of enactments concerning public employment, "employee organization" is typically defined broadly to include any organization that assists its members in improving the terms and conditions of their employment.¹⁴ The focal point, here, is what was intended by use of the word "recognize." In other clauses of Charter section 3.05, the verb "establish" is used with regard to provisions for employment qualifications, a merit system, and a pay plan. If the Charter Com-

14. For example, AS 23.40.250(4) defines "organization" to mean "a labor or employee organization of any kind in which employees participate and which exists for the primary purpose of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment and conditions of employment." See also *United Faculty of Florida v. Branson*, 350 So.2d 489, 494 (Fla.App.1977); *New York State Teachers Ass'n v. Helsby*, 57 Misc.2d 1066, 294 N.Y.S.2d 38, 41 (1968).

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mission intended that the administrative code provide for employee organizations defined by the municipality, the verb "establish" would have been used here, too. Instead, the Charter Commission used the verb "recognize," which implies that Sitka will acknowledge an employee organization set up by employees. Moreover, the use of the plural suggests that the Charter Commission contemplated that several different employee organizations would be formed. Sitka's argument that it may unilaterally determine that all municipal employees must be included within a single employee organization is misplaced. Although undue fragmentation of the municipal workforce is a legitimate concern,¹⁵ the Charter Commission plainly anticipated that employees would have at least the option of forming more than one employee organization.¹⁶

Our conclusion that Sitka has not satisfied its obligation to "recognize employee organizations" by establishing a bargaining committee is also supported by the principles articulated in *Kenai Peninsula Borough School District v. Kenai Peninsula Borough School District Classified Association*, 590 P.2d 437 (Alaska 1979). At issue in that case was whether the Kenai Peninsula School Board could establish a system of collective bargaining for non-certified school employees and yet limit the employees' rights to freely choose a bargaining representative and to affiliate with a national union. We found "that the right of the District's non-certificated employees to 'select representatives of their own choosing for collective bargaining,' be they from local or national organizations, 'without restraint or coercion by their employer,' is grounded firmly in the first amendment." 590 P.2d at 440, quoting *NLRB v. Jones &*

Laughlin Steel Corp., 301 U.S. 1, 33, 57 S.Ct. 615, 622, 81 L.Ed. 893, 909 (1937). We therefore held that the "restrictions on affiliation and choice of bargaining representative are violative of first amendment freedoms guaranteed to the non-certificated school employees." 590 P.2d at 441. The Sitka Charter plainly contemplates the existence of employee organizations. We will not interpret the intent of the framers of the Charter in a manner that would interfere with the employees right to select a representative of their own choice.

We therefore hold that Sitka's personnel policy does not provide for "recognizing employee organizations" as required under Sitka Charter section 3.05.¹⁷

IV. REMEDY

[8] The superior court's order directs Sitka to recognize and negotiate with whatever agency a majority of the electrical department employees elect as their representative. Sitka argues that this remedy is inappropriate. We agree.

The Sitka Charter provides the only basis for relief in this case. Section 3.05 does not require the municipality to recognize an agent selected by the electrical department, but only requires recognition of employee organizations. The judgment should only require compliance with the mandate of the Sitka Charter. On remand, we direct the superior court to modify its final judgment in a manner that orders the Sitka Assembly to adopt within a reasonable time an ordinance that provides for recognizing employee organizations pursuant to Charter section 3.05.

15. See AS 23.40.090. We note, though, in view of our holding that Sitka need not engage in collective bargaining to comply with Charter § 3.05, the problems typically associated with the excessive fragmentation of the workforce into separate bargaining units are not as substantial in the present case as they might otherwise be.

16. We need not address whether Sitka may define by ordinance appropriate bargaining units.

17. Sitka advances two other grounds for reversal of the superior court's decision. We are unpersuaded by either. First, Sitka argues that the IBEW's unreasonable delay in bringing this action constitutes laches. Second, Sitka argues that the IBEW waived its claim. The superior court found neither laches nor waiver. These findings are not clearly erroneous and will not be set aside here. Alaska R.Civ.P. 52(a).

The judgment of the superior court is **AFFIRMED** in part, **REVERSED** in part, and **REMANDED** for modification in accordance with this opinion.

BURKE, C.J., not participating.

RABINOWITZ, Justice, dissenting.

I disagree with the court's holding that Sitka Ordinance 73-93 validly exempted Sitka from the requirements of PERA. Therefore, I would affirm the superior court's ruling that Sitka's attempted exemption from PERA was ineffective.

In my view, *State v. Petersburg*, 538 P.2d 263 (Alaska 1975), is controlling. The focus of my disagreement with the court's treatment of this issue is its conclusion that the organizational activity must occur between the effective date of PERA, September 5, 1972, and the July 10, 1973 passage of the exemption ordinance. The distinction between *Petersburg* and the instant case is that in the former the union activity took place between the effective date of PERA and the city's exemption. Here the union activity occurred prior to the effective date of PERA. In my view, this factual distinction is of no legal significance.

The principal concern of *Petersburg* was that a city might employ its opt-out option as a de facto veto of a particular labor organization. Although a claim that the political subdivision has resorted to its exemption to thwart particular employee organizations is compelling when the city or borough exempts itself immediately after the commencement of organizational activities, as was the case in *Petersburg*, the timing of those organizational activities should not be dispositive.

It is uncontroverted that Sitka was aware of the long history of past IBEW organizational attempts. More important than the lack of Union activity within the "window period" is the city's continuing fear of, and disdain for, the IBEW. Sometime after all the electrical employees signed union authorization cards (which was probably in the spring of 1972 and before the city passed its exemption ordinance in July 1973), several

city leaders met with the electrical department employees. At this meeting, IBEW representation was discussed. One employee testified: "I remember Mr. Conway (an assembly man) saying that if you do get a union, we will pull back everything, start from there, you won't have anything. Those aren't verbatim, but that's the gist of what he said." The city's only objection to IBEW seems to have been that it was a powerful outside organization. The city administrator testified: "I believe it's the feeling of the assembly and the prior council there that it should be a local problem there, and wages and fringes should be tied to a local economy as to the prevailing wage and what have you. This—this is what I read into it." Thus, review of the record persuades me that there is ample evidence showing that Sitka opted out of PERA primarily because it objected to the IBEW.



Terry WILLIFORD, Appellant,

v.

STATE of Alaska, Appellee.

No. 598C.

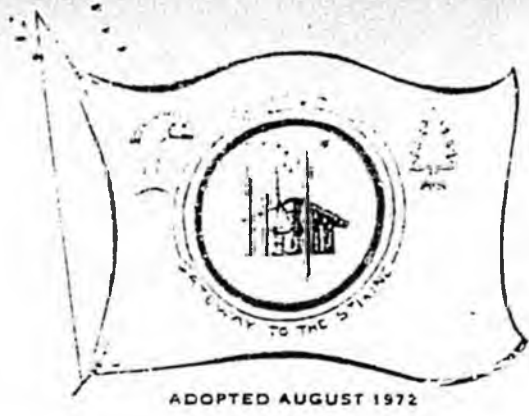
Court of Appeals of Alaska.

Oct. 22, 1982.

Defendant was convicted before the District Court, Third Judicial District, Kenai, Jess Nicholas, Magistrate, of operating motor vehicle while intoxicated, and she appealed. The Court of Appeals, Coats, J., held that: (1) statute, which provides that person commits crime of driving while intoxicated if he drives motor vehicle while he is under combined influence of intoxicating liquor and another substance, provides sufficient notice of the prohibited conduct; (2) statute pertaining to refusal to submit

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CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

February 14, 1986

Representative Al Adams, Chairman
House Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

RE: House Bill No. 537 regarding Right to Strike
or Binding Arbitration

Dear Sir:

The City of Wrangell is strongly opposed to House Bill No. 537. As written, the Bill would bring municipalities under the State Public Employment Relations Act (PERA) unless a local ordinance was enacted to permit collective bargaining with the right to strike or binding arbitration as the final step in the negotiation process.

In 1972, the Legislature recognized the financial impact PERA could have on municipalities, as well as the need for local control, and provided that we could opt out of the Act by adoption of a Resolution or Ordinance. Recognizing the economic and social impact the Act could have on services provided to the public, the Wrangell City Council did indeed opt out of the Act in the best interests of the taxpayers.

The Wrangell city employees are currently receiving wages and benefits that exceed those received by the private major industry employees in our community. We need not remind you that the non-governmental employees in our community are the very taxpayer that must bear the burden of government wages and benefits. While it is recognized that public employees received greater benefits than private employees for many years due to their lower wages, this is no longer true. In many cases (if not most) the public employees far exceed the private employees in both benefits and wages. The State, in fact, has several employees that receive a higher annual salary than the Governor, some of which were achieved through PERA.

The threat of strike or binding arbitration would place an unfair burden on local government. Unlike private industry, a government employee strike can affect the health and welfare of an entire community by reducing or completely stopping public services. Binding arbitration can take away the City

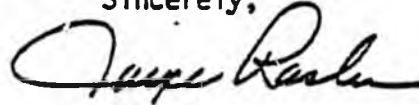
CITY OF WRANGELL, ALASKA

February 14, 1986
Rept. Al Adams
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Council's ability to set the mill levy and utility rates in a reasonable, equitable manner for all of the residents.

We urge defeat of House Bill No. 537 which would only serve to increase local budgets at a time when our revenues, like the State's, are decreasing.

Sincerely,



Joyce Rasler
City Manager

cc: Senator Robert H. Ziegler, Sr.
Representative John Sund
Representative Robin Taylor
Representative Ronald Larson
Alaska Municipal League



231 W. EVERGREEN AVE.
PALMER, ALASKA 99645

CITY OF PALMER



A HOME RULE CITY



Phone (907) 745-3271

March 4, 1986

The Honorable Ronald Larson
Alaska State Legislature
Parcel V (MS 3100)
Juneau, Alaska 99811

RE: HB 537 - Mandatory PERA

Dear Representative Larson:

I have given HB 537 Mandatory PERA a lot of thought and it seems as though every legislative session, since my coming to Palmer this issue continues to come up.

Before the State legislature gets carried away with PERA, I think we should really see what we are trying to accomplish by enacting this bill.

Most cities within the State, whether union or non-union, have personnel policies which provide for a grievance procedure and causes which justify the termination of an employee.

However, pursuing the issue of employee rights further, the court decisions of late, are clearly on the side of the employee which makes dismissal a very exact, time and money consuming procedure to follow through.

With times going to get tougher in the future, lay-off of employees are inevitable.

PERA is only going to further coddle employees who are not pulling their fair share.

A merit raise is the only way to reward an employee for their work. Under PERA, all employees are equal and takes away the initiative to excell or want to advance.

With a forty-eight and one half percent (48.5%) employee fringe benefit package presently in the City of Palmer, I truly am concerned about any attempt by the State to impose further restrictions on local government to make the act of providing services uneconomical. This will result in lay-offs when dealing with the private sector to provide the same services. It may not be totally cost effective but the time savings in dealing with grievance arbitration, and strikes makes this choice easier not to avoid the hassle. We somehow forget that time is money too.

March 4, 1986

The Honorable Ronald Larson

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I urge you not to support HB 537. As a property owner, PERA legislation will impact your property tax rate directly in the level of services you receive.

The present PERA legislation is satisfactory and needs no tinkering.

Should you have any questions please contact me.

Yours truly,

David L. Soulak
City Manager
City of Palmer

DLS/tls

cc: Scott Burgess

CITY OF SEWARD

P.O. BOX 167
SEWARD, ALASKA 99664



- Main Office (907) 224-3331
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- Telecopier (907) 224-3248

March 5, 1985

MR. SCOTT A. BURGESS, EXECUTIVE DIRECTOR
ALASKA MUNICIPAL LEAGUE
105 Municipal Way, Suite 301
Juneau, AK 99801

RE: HB 537 - MANDATORY PERA

Dear Scott:

We are strongly opposed to HB 537 which would force cities and boroughs into the Public Employees Retirement Act if they do not allow employees to strike or provide binding arbitration of collective bargaining disputes.

On September 8, 1975, the City of Seward enacted Ordinance No. 412 rejecting the application of PERA to the City of Seward. In that Ordinance the City noted that it had considered the Alaska Supreme Court Opinion in State of Alaska v. City of Petersburg, 538P 2nd 263 (1975). Last year, the City again rejected a request to become subject to the terms of that Act, and intends to retain local control of labor relations, while granting limited rights to those employees who choose to be covered by a collective bargaining agreement to affiliate together in a labor organization in bargaining with the City.

The Seward City Council enacted Ordinance No. 540 on May 25, 1985, which sets forth certain parameters for collective bargaining with employees. Specifically, Ordinance No. 540 provides that: (1) no City employee shall have the right to strike; (2) each City employee included within the bargaining unit shall indicate whether or not they wish to be governed by the terms and conditions contained in the Agreement; (3) all collective bargaining agreements are subject to approval by the City Council; (4) all collective bargaining agreements shall expire on June 30 of the last contract year; (5) the City Council shall determine, in each instance, the unit appropriate for purposes of collective bargaining.

The Legislative Determination Preamble to the aforesaid enactments is explanatory of our opposition to HB 537. To paraphrase from these Legislative Determinations, Seward is remote geographically and provides essential public services, including fire, police, sewer, water, snow removal, street repair, electrical, hospital care, and other services critical to the public health, safety and convenience.

critical to the public health, safety and convenience. City employees are agents of the City and, serving only public purposes, are entirely different from employees in the private sector; strike by them would contravene the public welfare, paralyze the City and endanger the public health, safety and convenience.

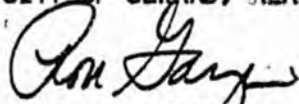
Since the terms of employment of City employees include economic obligations and commitments which, under the City of Seward Charter, can only be determined by the City Council, granting a right to strike or binding arbitration would, in effect, permit employees and arbitrators to place undue pressure and influence on the City Council. The City Council would be prone to accede to the demands of striking employees or arbitrators in order to protect the public, while the concessions granted or forced by arbitrator decision may well be against the public interest in that they could affect the financial well being of the city. Employees or arbitrators ought not to be granted the powers to put the city in such a dilemma.

In the face of declining revenues, Alaskan cities and boroughs must retain control of their finances. If city or borough employees are permitted to strike, or if collective bargaining agreements can be mandated by binding arbitration, the City Councils and Borough Assemblies will no longer be able to provide for the public health, safety and convenience, and would not retain control of their finances. To permit employees to strike and binding arbitration would result in a surrender of the power of taxation since the commitment of public monies in the form of wages and working conditions can result in tax adjustments. It is essential that the City Council or Borough Assembly approve any collective bargaining agreement before it can become effective.

Please let me know if we can assist further with additional comment, information and/or testimony.

Sincerely,

CITY OF SEWARD, ALASKA



RONALD A. GARZINI
CITY MANAGER

RAG:DS:alm

Enclosure: Ordinance No. 540

cc: J. Kerttula
E. DeVries
B. Cato

CITY OF SEWARD, ALASKA
ORDINANCE NO. 540

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
SEWARD, ALASKA, CONCERNING COLLECTIVE BARGAINING
WITH CITY EMPLOYEES

WHEREAS, the City of Seward opted out of the State of Alaska Public Employee Relations Act in 1975 by Ordinance No. 412, and has again in 1985 rejected a request to become subject to the terms of that Act, and intends to retain local control over labor relations while granting limited rights to those employees who choose to be covered by a collectively bargained agreement to affiliate together in a labor organization and bargain with the City; and

WHEREAS, pursuant to Resolution No. 85-34 the City has permitted an election among City employees for the purposes set forth in that Resolution; and

WHEREAS, the results of that election were certified by the City Council and the City had determined in Resolution No. 85-34 that if a majority of the City employees voted in favor of being represented by the IBEW then the City Council would begin to make the required changes in its ordinances and personnel regulations to permit collective bargaining on behalf of those employees who choose to be covered by a collective bargaining agreement, while protecting the rights of those who do not choose to be covered by a collective bargaining agreement; and

WHEREAS, the City Council finds it in the public interest to make the minimum changes necessary to its existing Personnel Ordinance in order to preserve the stable atmosphere that has prevailed in the City during the past years; and

WHEREAS, given the size of the City of Seward, its remote geographical location and the dependence of the public on City services, the City Council views all City employees as essential for the public peace, health, safety and convenience; and

WHEREAS, the City Council is aware of the common law with regard to the issue of whether public employees have the right to engage in strikes or other concerted economic action and the City Council wishes to codify those provisions and to also cover those areas which might be in dispute among the various courts; and

WHEREAS, the City Council, as previously referenced in Resolution No. 85-34, does not intend to infringe on any individual's right to join or not join a union or be subject to the terms of a collectively bargained agreement, even though Federal or State statutes may provide otherwise; and

CITY OF SEWARD, ALASKA
ORDINANCE NO. 540

WHEREAS, the City Council wishes to make known some of the more important reasons for enacting changes to the Seward Code while not being bound by only the reasons set forth below;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, HEREBY ORDAINS that:

Section 1. The City Council of the City of Seward, Alaska, makes the following legislative determinations:

a. The City of Seward is remote geographically, and the City provides essential public services including fire, police, sewer, water, snow removal, street repair, electrical, and other services critical to the public health, safety and convenience.

b. Granting public employees the right to strike may be construed as granting employees the right to deny the authority of the City of Seward, and, as a home rule municipality, the City of Seward desires its authority to be broadly construed.

c. A strike or work stoppage by public employees is the equivalent to a rebellion against the very existence of the government and is not to be condoned or permitted.

d. Employees of the City of Seward, being agents of the City and serving only public purposes, are entirely different from employees in the private sector and a strike by them would contravene the public welfare and paralyze the City and endanger the public health, safety and convenience.

e. Since the terms of employment of City employees include economic obligations and commitments which under the City of Seward Charter can only be determined by the City Council, granting a right to strike would, in effect, permit employees to place undue pressure and influence on the City Council in that the City Council would be prone to accede to the demands of striking employees in order to protect the public, while the concessions granted in so doing may well also be against the public interest insofar as they could affect the financial well being of the City. Employees ought not be permitted to put the City in such a dilemma.

f. Unlike private enterprise, the City of Seward does not perform its public functions and

activities for profit and thus purely economic considerations may not appropriately be the most important considerations and should not be allowed to become the most important through strike activity.

g. The efficient operation of the City and harmonious labor relations between the City and its employees will best be served when each individual employee has the maximum freedom possible to choose individually whether to affiliate with other employees or a labor organization for the purpose of collective bargaining.

h. The interests of the majority of the City employees should not infringe on the interests of the minority provided the interests of the minority can be accommodated.

i. Because the City of Seward has a long-standing set of personnel procedures and ordinances which, for the most part, have resulted in stable and harmonious labor relations, the public interest would be best served by permitting each individual employee the right to choose to continue to be subject to the existing personnel policies and procedures (as they may be amended), thus permitting each employee the widest possible freedom to choose while at the same time permitting those who wish to collectively bargain the right to do so. The City realizes that this approach could be construed as a possible violation under Section 8(a)(1) of the National Labor Relations Act, but also realizes, for reasons set forth above, that the City has the right to determine its own labor relations policies, and has determined, as a legislative matter, that the greatest freedom of choice for individual employees serves the public interest best.

j. The City Council realizes its obligation never to surrender the power of taxation as set forth in the City Charter. The City Council determines that the accountability of the City Council to the public can only be maintained if this power to tax remains exclusively with the City Council. Since the commitment of public monies in the form of wages and working conditions can result in a tax adjustment, the City Council determines that it is essential that the City Council approve any collective bargaining agreement before it can become effective. Because of the budget requirements set

CITY OF SEWARD, ALASKA
ORDINANCE NO. 540

forth in the City Charter, and in order to preserve the public's opportunity to be heard on the budget, any collective bargaining agreement which would result in a change in the amounts budgeted for City employees must be concluded in time for the changes to be included in the annual budget prior to the end of the fiscal year.

k. The City Council also realizes that it would be unrealistic to require collective bargaining to conclude in the first year prior to the required budget deadlines and therefore finds that it would be permissible, for the budget year 1986 only, to review a collectively bargained agreement which could result in changes in wages or working conditions provided that such an agreement were to be submitted prior to August 1, 1985, and further, that any changes in wages or working conditions would not be retroactive.

l. The City Council finds that due to the annual budget process it would disrupt the orderly operation of the City if collectively bargained agreements were to expire at any time other than the close of the fiscal year.

Section 2. Section 17-13.6 of the City of Seward Code is added to read as follows:

Sec. 17-13.6 No right to strike. No City employee shall have the right to strike. A strike is defined as a concerted failure to report for duty, a willful absence from work, a stoppage of work, or an abstinence from the full and proper performance of duties for the purpose of inducing or coercing a change in working conditions or compensation. The term strike includes any refusal to perform regular duties while other City employees, or any other persons, are engaged in picketing or any other work stoppage, slowdown or refusal.

Section 3. A new Section 17-14 is hereby created and added to the Seward City Code as follows:

SECTION 17-14 -- COLLECTIVE BARGAINING

Sec. 17-14.1 Freedom of Choice. Upon the conclusion of the collective bargaining process and the approval of any such contract by the City Council as provided in Section 17-14.2 below, each City employee included within the bargaining unit

CITY OF SEWARD, ALASKA
ORDINANCE NO. 540

shall indicate whether that person wishes to be governed by the terms and conditions contained in that agreement. If not, then the employee shall continue to be subject to this personnel code and regulations and pay plan as they exist and may be amended or changed. Neither the City nor any City employee shall discriminate against any employee solely by reasons of that employee's exercise of this right to choose, although differences between terms and conditions of employment set forth in the City Personnel Code and those terms and conditions set forth in a collectively bargained agreement that result in differential treatment will not be a violation of this section. Each new employee likewise shall have the right to choose between the Personnel Code and any collectively bargained agreement after being offered a position but before beginning work.

Sec. 17-14.2 Submission of collective bargaining agreements to the City Council: Any collectively bargained agreement is subject to approval by the City Council.

Sec. 17-14.3 Effective dates for agreements. All collectively bargained agreements shall expire on June 30 of the last contract year. No agreement may require changes in wages or working conditions that are retroactive to any date prior to the date of approval by the City Council.

Sec. 17-14.4 Appropriate Bargaining Unit. The City Council shall determine, in each instance, the unit appropriate for purposes of collective bargaining. In making its determination, the City Council shall consider the avoidance of fragmented bargaining units and any expressed desires of members of the unit.

Section 4. This ordinance shall take effect 10 days following enactment.

ENACTED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA,
this 29th day of May, 19 85.

CITY OF SEWARD, ALASKA
ORDINANCE NO. 540

THE CITY OF SEWARD, ALASKA



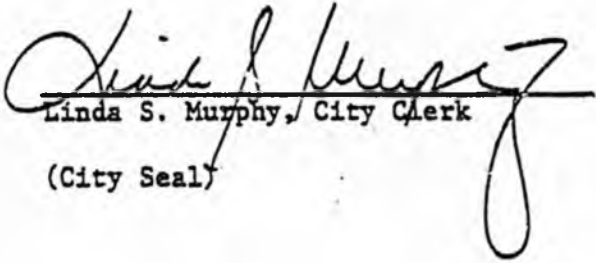
DONALD W. CRIPPS, MAYOR

AYES: CRIPPS, GILLESPIE, HILTON, MEEHAN, SCHOLL, SIMUTIS & WILLIAMS
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

ATTEST:

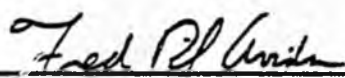
APPROVED AS TO FORM:

HUGHES, THORSNESS, GANTZ, POWELL
AND BRUNDIN, Attorneys for the
City of Seward, Alaska



Linda S. Murphy, City Clerk

(City Seal)



Fred B. Arvidson, City Attorney

Introduction Date; 05/13/85

Introduced By: City Attorney

Public Hearing &
Enactment Date: 05/29/85

HOUSE
COMMITTEE REPORT

(7)

Date referred: 4/3/86

FURTHER REFERRALS:

DATE: _____

COMMUNITY AND
The REGIONAL AFFAIRS Committee has considered HB 537

"An Act relating to participation of municipalities and political subdivisions in the Public Employment Relations Act."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CSHB 537 (CRA) same title
- new title

and recommends _____

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO-PASS:

SIGNING OTHER RECOMMENDATIONS:

Walter Korman
Mark Kuenberg
John J. ...
Peter ...

Kay Wallis do not pass

Peter ...
Chairman



City of Galena

Antoski Hall • P.O. Box 149 • Galena, Alaska 99741 • Telephone (907) 656-1301

RESOLUTION 86-6

A RESOLUTION OPPOSING HB 537

WHEREAS, the City Council of Galena is the duly authorized governing body of the City of Galena; and

WHEREAS, the provisions of HB 537 pertaining to Public Employees Collective Bargaining procedures can be quite costly; and

WHEREAS, the City of Galena is a small rural community with limited financial and staff resources; and

WHEREAS, the City of Galena probably would not have the financial ability to meet the provisions of a bill such as HB 537; and

NOW, THEREFORE, BE IT RESOLVED THAT the City of Galena strongly opposes HB 537.

PASSED AND APPROVED this 11th day of February, 1986.

Vernon A. White
Mayor


ATTEST:


Pat Myers
City Manager

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Representative Peter Goll, Chair
Members of the House Community and  Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: April 14, 1986

SUBJECT: HB 537 - Mandatory PERA for Municipalities

The Alaska Municipal League opposes HB 537 based on the language cited below from the AML 1986 Policy Statement (page 19), adopted by the membership at the 1985 annual meeting in Fairbanks in November:

"Alaska Public Employees Labor Relations Act: The League strongly opposes any legislation which would force municipalities to be subject to the provisions of the Alaska Public Employees Labor Relations Act. The League opposes, just as strongly, any legislative efforts to dictate the provisions of local public employees labor relations ordinances. The League supports legislation to allow each municipality at any time to reject or withdraw from the terms of the Alaska Public Employees Relations Act."

I have attached copies of several letters, resolutions etc. I have received on HB 537. Other correspondence in opposition to similar legislation, proposed in the past, is also available to the Committee, if requested. Clearly, the position of the League, which represents, directly, 117 municipalities around the State, is in opposition to HB 537. The attached information addresses specific reasons and opposition to HB 537; however, I have summarized below some of the major reasons for our opposition to the legislation for the Committee:

1. Municipalities are opposed, generally, to State mandates on local governments which remove local control and increase cost without remuneration by the State.
2. Mandating PERA, or the adoption of ordinances with the same effect, removes the power of the elected representatives at the local level to set policy and budgets by balancing the resources and needs of the whole community rather than one segment - public employees.
3. Public employees have recourse through their elected on the city council or borough assembly to address specific concerns.
4. Public employees can put collective bargaining before the local voters and the assembly or council through the initiative and referendum process.
5. The public sector is different from the private sector in terms of the services provided, civil service protections, and their access to, and the responsibility of, the elected officials.

The League strongly opposes HB 537. Thank you.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

7/25/89
Date

H B

5 4 6

Offered: 4/9/86
Referred: Finance

Original sponsor: Fuller

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 546 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the capital and the taxation of

7

Native corporations."

8

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

9

* Section 1. AS 10.05.005(a) is amended to read:

10

(a) A corporation organized under 43 U.S.C. 1601 - 1628 (Alaska

11

Native Claims Settlement Act), except a village corporation which may

12

be incorporated under either this chapter or AS 10.20, shall be incor-

13

porated under and is subject to this chapter, except

14

(1) each corporation shall issue without further considera-

15

tion the number of shares of common stock necessary to comply with the

16

requirements of the Alaska Native Claims Settlement Act and all stock

17

so issued is considered fully paid and nonassessable when issued;

18

(2) unless otherwise provided in the articles of incorpora-

19

tion approved by the secretary of the interior,

20

(A) the capital is considered the consideration for

21

the initial issuance of shares; and

22

(B) the capital of a corporation organized under 43

23

U.S.C. 1601 - 1628 includes

24

(i) the land or interests in it conveyed to the

25

corporation by the United States under the federal Act,

26

except that which is required to be conveyed under 43 U.S.C.

27

1613(c)(1), (3), and (4), entered at its fair value to the

28

corporation upon receiving the conveyance of it; and

29

(ii) the money, when received under 43 U.S.C.

1 1605, 1606(i), and 1608, that [WHICH] is retained by the
2 corporation and that [WHICH] is not immediately distributed
3 or required to be distributed under 43 U.S.C. 1606(j).

4 * Sec. 2. AS 43.20.031 is amended by adding a new subsection to read:

5 (j) The department shall apply the exception contained in sec.
6 60(b)(5) of P.L. 98-369 (Deficit Reduction Act of 1984) to a consoli-
7 dated return filed by a Native corporation under this chapter. In
8 this subsection, "Native corporation" means a corporation organized
9 under 43 U.S.C. 1601 - 1628 (Alaska Native Claims Settlement Act).

Introduced: 2/5/86
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY FULLER

2

HOUSE BILL NO. 546

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the taxation of Native corpora-
7 tions."

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

9 * Section 1. AS 10.05.005(a) is amended to read:

10 (a) A corporation organized under 43 U.S.C. 1601 - 1628 (Alaska
11 Native Claims Settlement Act), except a village corporation which may
12 be incorporated under either this chapter or AS 10.20, shall be incor-
13 porated under and is subject to this chapter, except

14 (1) each corporation shall issue without further considera-
15 tion the number of shares of common stock necessary to comply with the
16 requirements of the Alaska Native Claims Settlement Act and all stock
17 so issued is considered fully paid and nonassessable when issued;

18 (2) unless otherwise provided in the articles of incorpora-
19 tion approved by the secretary of the interior,

20 (A) the capital is considered the consideration for
21 the initial issuance of shares; and

22 (B) the capital of a corporation organized under 43
23 U.S.C. 1601 - 1628 includes

24 (i) the land or interests in it conveyed to the
25 corporation by the United States under the federal Act,
26 except that which is required to be conveyed under 43 U.S.C.
27 1613(c)(1), (3), and (4), entered at its fair value to the
28 corporation upon receiving the conveyance of it; and

29 (ii) the money, when received under 43 U.S.C.

1 1605, 1606(i), and 1608, that [WHICH] is retained by the
2 corporation and that [WHICH] is not immediately distributed
3 or required to be distributed under 43 U.S.C. 1606(j).

4 * Sec. 2. AS 43.20.031 is amended by adding a new subsection to read:

5 (j) The department shall apply the exception contained in sec.
6 60(b)(5) of P.L. 98-369 (Tax Reform Act of 1984) to a consolidated
7 return filed by a Native corporation under this chapter. In this
8 subsection, "Native corporation" means a corporation organized under
9 43 U.S.C. 1601 - 1628 (Alaska Native Claims Settlement Act).

Comply w/1984 tax law.

HB 546

I appreciate the opportunity to appear before the committee today. I'd like to briefly go through the provisions of HB 546 and then have you hear the testimony of ^{Janie Lusk} AFN and Mr. Beattie of Peat, Marwick, who will be able to answer any questions you may have about the intricacies of federal tax law.

Section 1

The first section of the bill amends state law to define the 7(i) revenues received by Native Regional Corporations as contributions to a corporation's capital. The reason for this change is to ensure that the intent of ANCSA to equally distribute the earnings from resource development revenues among all Alaska Native Corporations is met; under current law this is not possible due to manner in which the depletion allowance for resource extraction is computed.

Section 2 *can take losses against profit*

Section 2 has been added to the legislation to make state law consistent with federal law. Because state tax regulations reference the internal revenue code, it may not be technically necessary to include this provision, but we have done so on the advise of Mr. Beattie of Peat Marwick.

Thank you.

Jack Fuller



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
Alaska Mutual Bank Building
601 West 5th Avenue, Suite 700
Anchorage, Alaska 99501

March 22, 1986

MAR 31 RECD

Representative Jack Fuller
Pouch V
Juneau, Alaska 99611

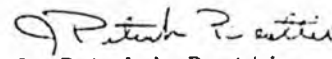
Dear Representative Fuller:

Attached is a memorandum regarding the explanation behind the proposed changes to the corporate statutes and the revenue statutes for Alaska native corporations. Hopefully, this will be of help to you as you progress on the bill. Please call me if you have any questions.

Thank you for your help in this matter.

Very truly yours,

PEAT, MARWICK, MITCHELL & CO.


J. Patrick Beattie, Partner

JPB:SKH

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 3/24/86

REQUEST

Bill/Resolution No: HB 546
Title: Taxation of Native Corporations

Sponsor: Fuller
Requestor: (H) C & RA
Date of Request: March 24, 1986

FISCAL DETAIL

Agency Affected: Department of Revenue
BRU: Audit

Components:
Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
<u>OPERATING</u>						
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL OPERATING</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>CAPITAL</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>REVENUE</u>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL</u>	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Please see attached.

Prepared By: Steven E. Kettel
Division: Audit Division

Phone: 465-2343
Date: March 24, 1986

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/25/86

Distribution (by Agency preparing fiscal note):

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

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 3/24/86

REQUEST

Bill/Resolution No: HB 546
Title: Taxation of Native Corporations

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100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL OPERATING</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>CAPITAL</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>REVENUE</u>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL</u>	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Please see attached.

Prepared By: Steven E. Kettel
Division: Audit Division

Phone: 465-2343

Date: March 24, 1986

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/25/86

Distribution (by Agency preparing fiscal note):

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

Fiscal Note
HB 546

Analysis:

This bill has two provisions affecting Native corporations organized under the Alaska Native Claims Settlement Act. (ANCSA).

- I. Section I amends AS 10.05.005(a) to allow Native corporations to treat as a contribution to capital all distributions made to it under section 1606(i) of ANCSA. These distributions, commonly referred to as "(7)(i)" distributions are currently required to be reported in each recipient corporation's income for tax purposes. This legislation will therefore change the character of the distribution.

It is not possible to estimate the revenue impact this bill will have. Revenue loss would depend upon the Regional and Village corporations' overall profitability and, of course, upon the continued availability of distributable income from the sale of non-renewable resources from Native lands.

- II. Section II of the bill gives Native corporations special treatment under Alaska tax law, identical to that bestowed upon them at the federal level. As Alaska corporate tax law currently adopts the special federal provisions which this bill attempts to recognize, section II of the bill is entirely unnecessary. The intent of this section is apparently to leave no doubt that the special privilege allowed by federal income tax law is also allowed at the State level.

IRC Section 1504(a) was amended in 1984 to tighten up the rules which allow corporations with large net operating losses to, in effect "sell" those tax losses to profitable non-Native corporations. The amendment specifically exempts Native corporations organized under ANCSA from the provision, thereby allowing them to continue to utilize their net tax losses in business ventures with profitable corporations.

Although it is not possible to estimate the impact this federal provision has on Alaska state revenues, several inferences can be made:

1. Native corporations will more quickly utilize their losses and become subject to Alaska tax;
2. Non-native corporations acquiring these losses will benefit by paying less federal and state income tax, thus freeing up more capital for additional investment in the state;
3. Corporations organized and doing business outside Alaska may also acquire the net operating losses to shelter their federal taxable income. If they are not doing business in Alaska, no revenue impact would result.

Jack Fuller Testimony

I appreciate the opportunity to appear before the committee today. I'd like to briefly go through the provisions of HB 546 and then have you hear the testimony of AFN and Mr. Beattie of Peat, Marwick, who will be able to answer any questions you may have about the intricacies of federal tax law.

Section 1

The first section of the bill amends state law to define the 7(i) revenues received by Native Regional Corporations as contributions to a corporation's capital. The reason for this change is to ensure that the intent of ANCSA to equally distribute the earnings from resource development revenues among all Alaska Native Corporations is met; under current law this is not possible due to manner in which the depletion allowance for resource extraction is computed.

Section 2

Section 2 has been added to the legislation to make state law consistent with federal law. Because state tax regulations reference the internal revenue code, it may not be technically necessary to include this provision, but we have done so on the advise of Mr. Beattie of Peat Marwick.

Thank you.

Bill Analysis
HB 546

Analysis:

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STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 3/24/86

REQUEST

Bill/Resolution No: HB 546
Title: Taxation of Native Corporations

Sponsor: Fuller
Requestor: (H) C & RA
Date of Request: March 24, 1986

FISCAL DETAIL

Agency Affected: Department of Revenue
BRU: Audit

Components:
Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
<u>OPERATING</u>						
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL OPERATING</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>CAPITAL</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>REVENUE</u>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL</u>	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Please see attached.

Prepared By: Steven E. Kettel
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Distribution (by Agency preparing fiscal note):

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- Impacted Agency(ies)



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
Alaska Mutual Bank Building
601 West 5th Avenue, Suite 700
Anchorage, Alaska 99501

March 22, 1986

MAR 31 RECD

Representative Jack Fuller
Pouch V
Juneau, Alaska 99611

Dear Representative Fuller:

Attached is a memorandum regarding the explanation behind the proposed changes to the corporation statutes and the revenue statutes for Alaska native corporations. Hopefully, this will be of help to you as you progress on the bill. Please call me if you have any questions.

Thank you for your help in this matter.

Very truly yours,

PEAT, MARWICK, MITCHELL & CO.

A handwritten signature in cursive script that reads "J. Patrick Beattie".

J. Patrick Beattie, Partner

JPB:SKH

March 22, 1986

Memorandum for Record:

Alaska Native Legislation

A House bill has been proposed by Representative Jack Fuller regarding two items relating to the taxation of native corporations. The purpose of this memorandum is to provide an explanation for those items and a discussion behind the purpose of the legislation.

The first item proposed is the change to revenue statute AS 43.20.031 which recognizes the Federal consolidated exception allowable to Alaska native corporations. The purpose behind this amendment is to ensure that Alaska taxation follows Federal with regard to native consolidated loss transactions. The exceptions provided in the Federal legislation allow Alaska native corporations to file consolidated returns under the rules in existence prior to the changes of the Tax Reform Act of 1984. The revenue statutes for Alaska already indicate that they recognize Federal consolidated filings and the purpose behind the legislation is to merely emphasize the fact that the State will also recognize the Federal exception.

The net effect of the recognition and the transactions, which are anticipated to be entered into by native corporations in the current year, should be minimal to Alaska taxation. The reason for this is the fact that the majority of income that would be sheltered for Federal purposes would, in all probability, come from outside the State of Alaska and not have been subject to taxation otherwise. The utilization of this income to offset the Alaska loss carryforwards will have the effect of accelerating revenue payments to the State of Alaska once the losses are utilized.

The second piece of legislation is a bit more complicated than the first part. However, the second part merely is a reversion back to the law for corporate structure that existed prior to 1981. This is the capital formation provision that treated Section 7(i) receipts by a native corporation as contributed capital. The provision was changed in 1981 because of a concern that native corporations could not make distributions of 7(i) to their shareholders since it was considered, for State law purposes, to be contributed capital. If this is still a concern, it is recommended that it be addressed by simply allowing native corporations to distribute contributed capital to the extent of 7(i).

The rationalization behind the desired change is founded in the overall intent of ANCSA. When the historical land claim settlement was reached, the Federal government recognized in Section 21(c) of the Act the need to provide for an exemption from taxation on the overall settlement. To the extent moneys and land were received by native corporations, they were not subject to any Federal or State taxation. The mechanics of this were to provide a basis allowance equal to fair market value on the receipt of any land. The problem then came with regard to the provisions enacted by Section 7(i) of the Act which provided for a revenue sharing allocation among the various corporations, giving recognition to the fact that there could be substantial variances in the value of resources received in a particular region.

Memorandum for Record
Alaska Native Legislation
March 22, 1986
2

The overall intent, as indicated in the basis provision, was to allow for the receipt of land and the conversion of its resources to be exempt from taxation. While this is a fairly straight-forward concept, the accounting problems which surfaced as a result of the revenue sharing provision created substantial difficulties. A regional corporation which receives land and extracts subsurface estate is obligated to share the subsurface estate with other regions. If the receipt of the subsurface estate by the other regions under Section 7(i) were taxable, it would defeat the intent of the overall settlement itself. However, the tax rules and regulations regarding depletion did not directly allow for a receiving corporation to be entitled to an outright basis deduction. Therefore, in order to implement the intent of ANCSA, the easiest method appears to be having the amounts received under Section 7(i) as contributed capital and thus eliminate the need for complex calculations and substantial disagreements.

Accordingly, it was recommended that the statutes be revised back to their previous form so that for State law purposes, amounts received under Section 7(i) will be considered contributed capital and exempt in accordance with the intent of ANCSA. As native corporations currently are paying extremely little amounts of taxation to the State due to their net operating loss carryovers, this provision is not anticipated to have a substantial revenue effect, if any, to the State.

J. P. Smith

TELEPHONE CONVERSATION WITH PAT BEATTIE, BSNC
MARCH 14, 1986

Present: John Halterman
Bob Berry
Pat Norman

BEATTIE: We have Bob, Pat and John there, right?

HALTERMAN: That is correct.

BEATTIE: Okay, I am in the office here in Anchorage and I also have Mike Stone with me. Mike is a tax partner, like myself, and our specialty is working with the Native Corporations both regional and village. I felt it would be helpful to have Mike in here as well.

To start off in addressing, I think there is two provisions of the bill and let's separate them and dispense with the easy one first, as far as the rationalization part, and that is the consolidation provision.

BERRY: I was hoping they were both going to be easy.

BEATTIE: Well, they are fine as far as I am concerned.

The consolidation provision is something that technically may not even be needed. It is just a clarification because of changes we are doing to the internal revenue code at the federal level, to make sure there is no miss communication with regards to the State's application of federal law. For federal purposes we have already achieved a change in the Deficit Reduction Act of '84, which allows Alaska Native corporations to file under the old consolidated rules. We have a draft of technical report language that is being submitted in the Tax Reform Bill of '85, in Washington. That will help further clarify that consolidation provision, and what is being proposed for the State is simply to recognize what ever is recognized for federal purposes. In other words, to follow it. There is an argument that you don't even have to do that because that is what the State statutes say, but just to make sure there is no confusion on it, and that Native companies which are allowed file consolidated tax returns and utilize their net operating loss position for federal purposes, will also be allowed to do it for state tax returns.

HALTERMAN: Practically, as I understand what that means, is that if you have five subsidiaries and four of them are operating at a profit and one of them is operating at a loss you can use that loss to shelter the profits by filing a single return.

Is that basically it?

BEATTIE: That is basically it, the standard consolidation provision. What makes it different, is for federal purposes now, and it is also for state, is that the requirements for ownership of those subsidiaries have changed. But they have changed for corporations other than Native corporations. Native Corporations are subject to the old rules under the internal revenue code.

HALTERMAN: Now, there is a statutory time limit is there not, for being able to transfer the net operation losses?

BEATTIE: Yes, it is tied into the disability issue of the stock under 7(h).

HALTERMAN: So, 1991 is the last year, tax year, that they will be able to use this.

BEATTIE: That is correct.

HALTERMAN: I see.

BEATTIE: So, that in a nut shell is really kind of the sole purpose behind the consolidation provision being requested for the State. To just make sure it is in line with the federal, which is consistent with all other applications of state law, at least with regard to taxation. They simply reference the internal revenue code and use that as a source for authority.

HALTERMAN: Let me ask you kind of an ancillary question then, Pat, and go over this again. The sale of the net operating losses, now have any village or regional corporation in the State actually sold those losses to date?

BEATTIE: Yes.

HALTERMAN: I see, and these were to domestic in state Alaska corporations?

BEATTIE: Some, yes.

HALTERMAN: So, it is a mixture, and there is a viable market for selling your net operating losses?

BEATTIE: That is correct. There certainly is.

BERRY: Do I need to understand that? Because I don't. I mean the question of selling losses. This is Bob Berry.

BEATTIE: Okay, yeah, Bob, it is a misnomer to say selling losses. Although, from a practicality aspect that is what it is. The utilization of the consolidate filing allows the Native

corporation which has operating loss carry overs and can not issue any of its own stock to acquire an ownership interest in another corporation which is profitable, and to use their losses to observe the income of that other corporation.

BERRY: Okay, that I understand a little better than just the term selling losses. John mentioned this before. Maybe a week or so ago, I said don't tell me now if I don't need to know. So when it came up again, that is a little more helpful.

HALTERMAN: I think what you need to know is that other corporate entities can benefit from this provision besides Alaska Native regional and village corporations. Is that correct?

BEATTIE: That is correct. It is not restricted within Alaska.

HALTERMAN: And also that not only out of state but domestic Alaskan corporations have benefited by this provision to the extent then, freeing up their own capital for additional investment and business purposes in the state of Alaska.

BEATTIE: That is correct.

HALTERMAN: So, that is the positive side to it. Right?

BEATTIE: Then from the point of view of the other corporations outside the state of Alaska the issue with regard to revenue is relatively moot because the profit that is earned outside the state of Alaska, which is being absorbed for federal income tax purposes by the Native corporations, would never have been subject to tax in Alaska anyway.

HALTERMAN: Pat (N), do you have any questions on that? Okay, let's go on to 7, (i) then.

BEATTIE: 7(i), is a much more difficult concept. Maybe I shouldn't preface it that way. Maybe it isn't. But, it has always been a difficult one to rattle with, and it is something that I think is a typical result of ANCSA. That ANCSA was not extremely well thought out in its accounting applications, okay, and the reason for that is that the purpose behind ANCSA was that the Native corporation would receive their land, and in receiving their land would not be subject to taxation on them, and this was the essential provision under Section 21(c) of ANCSA, which provided that companies would receive a basis on their land equal to fair market value on the date that they received it. Okay, and that fair market value related to not only the surface estate of the land but also the subsurface. Well, that was fine because if you forget about 7(i). Okay, in its normal context what that means is a company is formed under this federal act ANCSA which allows it to receive land, and the

disposition of that land, be it the subsurface or the surface interest, would not give rise to taxation. In other words, that they would not be subject to tax on the receipt of their land or the disposition of it. That was the entire fair market value basis concept, and it works very well if you look at just one corporation, and you forget about 7(i). However, 7(i) provision, which I am sure you gentlemen are more aware than even myself, was a provision stated, which recognized the discrepancies in the values of the land received by different regional corporations, and provided the mechanism for sharing which is relatively unique in tax law, so that the subsurface estates received by various corporations would be shared with all the other corporations. Well, that net policy as translated doesn't give rise to the same type of tax deductions that you would normally get because there is no basis in resource revenue received by other corporations under 7(i). The only one entitled to the basis, technically is the land owning corporation itself, the regional corporation. So, the purpose behind requesting this reinstatement of the corporate statute, that was already there, is to eliminate the problem of 7(i) essentially being taxed, when it was in our minds never intended to be taxed, because it could have been offset by depletion deduction. The accounting concept of getting those depletion deductions over to where the revenue is actually being received, is something that is unworkable under federal law because it is a concept that never really has arisen before the 7(i) concept, and there may be many ways to address the problem. But, in our minds, the easiest way, which prevents all sorts of accounting nightmares, is to simply provide for a method that the 7(i) itself is considered a contribution of capital, which is no more different then when regional corporations and village corporation originally received their land as part of their capitalization.

BERRY: Would you tell me in what sense of the word are you, what sense are using basis? I don't understand that. You are talking about assigning of basis to fair market value?

BEATTIE: Yes, that is Section 21(c) of the Native Claims Settlement Act.

HALTERMAN: What basis is, Pat, is an initial evaluation of properties, is what you are saying?

BEATTIE: Yes, and it was amended by the d(2) legislation that says that; let's say if you are Sealaska, if you are a Southeast village corporation, you have got an easier time of it for evaluation purposes because you select land, and you can do a timber cruise, and you can say this is what the land is worth, and this is amount of timber on it, and this is fair market value. Okay, but if you are an Arctic slope type

corporation or if you have a subsurface estate that you really don't know what is down there, then you run into problems. How do you value it? The d(2) legislation addressed that also. They said that basis would be fair market value on either the date of receipt or the date that property is first commercially developed, if that is greater. So, going back to the concept of establishing that basis, you would, say that you select an acre of land in 1971, when you are formed, and that land has an speculative value because it is up on the north slope, and it is a hundred dollars, and 1986 you find out that there is a substantial oil reserve under that land. Then when you drill and establish that reserve, in as far as how much oil is there, and then start to take it out, you are entitled to higher basis at that point in time. In other words, fair market value on date of first commercial development, and this is the principle behind the taxation provision of ANCSA, which essentially says that a Native corporation should not be taxed on the receipt or conversion of their land.

HALTERMAN: And the net affect of that is reducing your capital gain. Is that right?

BEATTIE: Reducing your basis, that is correct. In other words, it would be cost depletion to the Native corporation that owns the land. But to any one else it would be nothing. Unless we had the 7(i) provision in there.

HALTERMAN: Okay. Now, I guess, I had to step out of the room for a minute, but, then did you explain how the proposal here by defining the contributions as, the 7(i) payments as contributions to capital, extends that benefit and the concept of equality and distribution of assets to other recipients of the funds.

BEATTIE: I think so. If you step back, and say that if you could collapse all the corporations, because that is essentially what 7(i) does, I mean it shares everything. If you could collapse all the corporations, they would receive resource revenue, and they would be entitled to a cost depletion deduction, which is consistent with the basis intent of ANCSA, which says they should not be paying tax on this. Well, if you extend the corporation and say; well, okay accountants, tell us what our depletion deduction is. Tell us because we know that we are suppose to have recovery of basis in this. It is a very difficult thing to do and establish and approve because they don't actually have an interest in the land; they have an interest in the proceeds. So, what this provision does, is it eliminates a lot of employment for accountants. It essentially says; we are not going to get into the recipients of depletion on a regional recipients basis or on a village basis. We are simply going to say that the receipt of this amount under

7(i) consistent with the overall intent of ANCSA is itself a contribution of capitals of the corporation. It is something that you are entitled to receive as result of your formation under ANCSA.

HALTERMAN:

Do you have any questions on that? Okay, I guess the next outstanding, I guess the only outstanding remaining issue then, Pat, is what effect do these changes have on current or future state tax revenues?

BEATTIE:

And how does the Social Security Administration relate to the deficit on the United States? Your question is a very difficult one because of a couple of things. Number one; I would throw the question back at you or to the Department of Revenue: How much in taxes are you currently collecting from Native corporations? I am making the assumption that the amount of taxes being collected from Native corporations is currently relatively low. Because a lot of them have had problems. How much in revenues is there a loss? On a practical basis probably very little. On a gross numbers basis it may look like an awfully lot because there is a lot of 7(i) payments that are made. Okay, but it doesn't change the fact that the revenues being reported, the net revenues being reported by the Native corporations are for the most part relatively small. I think that is a correct statement to make. I make that statement knowing the clients that we have with regards to the villages and the amount of losses that they have had and the tax returns that we have filed. I think it is a safe statement to extrapolate that and say, that there are not a whole lot of taxes that are paid. I haven't really answered your question because it is a very difficult question to answer, and to come up with, I guess, what would be a meaningful projection of reduction of state revenues, and I also have to admit that you might have to get more complicated and tie this into the Native corporations ability to use the consolidation provision mentioned earlier in disposing of some of their losses, so that they do become a tax paying entity in Alaska. Which they are not currently.

HALTERMAN:

And, also, I think you have to optimistically look at the future, the time when they will be profitable enterprises and to the extent that they are profitable and tax paying and then to the extent that the 7(i) distributions are not counted as profits, there is a lost.

BEATTIE:

That is correct, and it's a little bit of a catch 22, because the consolidation provision may well have the effect of accelerating taxation in Alaska that wouldn't otherwise take place. In other words, my example before when I said the lower forty-eight companies that would participate in these transaction, whose income would not otherwise be subject to tax in Alaska, all of a sudden now will be taking down losses that are Alaska losses and

making income in, future income to be made in Alaska subject to taxation that would not otherwise be subject to taxation. That is part of the pluses behind the consolidation provision, is that it accelerates that, and hopefully is a benefit to the revenue picture in Alaska. But, then once you have made that assumption, okay, and that is a big hurdle and assumption to be made; that not only the technology exists to get the federal law changed and to implement transactions that are a benefit to Native corporations, but once that is done, then at that point they will be taxable on their earnings, and then you are talking about different types of dollars if you will, with regard to the 7(i) provision. But, one and the other is part and parcel to it.

HALTERMAN: Well, I don't have any other questions right now. Do you have any other questions, Bob?

BERRY: No, I don't think so.

HALTERMAN: Sure, go a head, Pat.

NORMAN: The corporations file consolidated statements now and after 1991 that ends and how

BEATTIE: I am sorry I can't hear you. Could you repeat that, please?

HALTERMAN: Just a minute.

NORMAN: Corporations are required to, or we file consolidated statements right now until 1991. After that date, then what happens to how we file?

BEATTIE: As it stands right now, assuming the alienability issue is resolved and the stock becomes tradable, then the consolidations are terminated, and the reason for that is the fact that in discussing the need for the consolidated provision with the Internal Revenue Service in Washington D.C. and IRS National, one of the major reasons why we were able to get the provision, was the fact that Native corporations themselves can not have a stock issued to raise capital. So, this is an alternative form of raising capital. No more different than the popular money market preferreds that are currently being utilized by savings and loans, in the saving and loan industry to absorb their losses. So, that once 1991 comes and this restriction on the ability to raise capital by issuing stock lapses, then the need or the benefit for the consolidated filing arguably should not be there, because it was there essentially to supplement the problems of the restriction provided by 7(h).

HALTERMAN: Okay, Pat, I think we have all the answers to the questions we have now, but I think we may have some more questions. Now, you are going to Washington next week? What is your availability here in the near term?

BEATTIE: I am in the office today and definitely Monday and Tuesday next week. I am not sure about the end of next week. It hasn't been decided yet.

BERRY: Will you be available to testify by teleconference from Anchorage on this bill when it has a hearing?

BEATTIE: Yes.

BERRY: Okay, that would be good. It is probably almost, it is probably real important for people to understand the bill that you be available.

BEATTIE: That is fine. It is my pleasure. It is unfortunate because, I guess, in my mind it is a very technical issue with out question, but in reality, what we are trying to do at least on the 7(i) issue is simply put. the law back to where it was prior.

HALTERMAN: Right, and I guess, Pat, the one other question that I ask in listening to your response, I have heard a political response to it is: Why was it changed in the first place?

BEATTIE: The reason it was changed in the first place was the thought that by having 7(i) considered as contributing capital it would restrict the corporation ability to pay dividends. That there would be something, and I am a little bit out of my bailiwick here because it is a legal question, I have gotten away from tax, but I think the concept was that a corporation can not pay dividends for State purposes out of its capital. It has to come out of surplus. So, by 7(i) being considered contributing capital it restricted their ability to pay dividends. I don't believe that situation still exists, and if it does, I would recommend that included with the change then we simply have a corporate statute change that says, that Native corporations are entitled to make dividend distributions or distributions out of their contributing capital to the extent of 7(i), if that is a problem.

HALTERMAN: That leads me to hopefully the last questions. That is; now, am I correct in understanding that if in fact a corporate entity makes a dividend distribution from its capital base, then, it by definition is reducing that base and that can have an affect on loan agreements and other business transaction and so forth?

BEATTIE: I suppose so, but I am not aware of that being a major problem.

HALTERMAN: I see. Well, listen, Pat, we appreciate it very much and we will be back in touch, and of course, you know, as far as when the committee schedules the bill as long as you are near a telephone if you are in Tierra del Fruego we can have you testify that is no problem.

BEATTIE: Okay, that is great.

HALTERMAN: Alright, thank you very much.

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poses of subchapter at any time shall section had applied fits for all taxable actment of the Tax

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FOR PURPOSES OF OF INDEBTEDNESS.

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INSOLVENT DEBT- in the case of a ent the debtor is

108(e) (as added by e end thereof the

RAIN WORKOUTS.— (1) shall not apply workout.

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port to its share- hich such transfer such corporation it of subclause (I) ne workout provi-

50 percent of the tion approve such

"(IV) at least 25 percent of the total indebtedness of the corporation is extinguished by transfers pursuant to such plan."

26 USC 108 note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if it had been included in the amendments made by subsections (e) and (f) of section 806 of the Tax Reform Act of 1976.

26 USC 368, 382, 383.

(b) EFFECTIVE DATE.—

26 USC 108 note.

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendment made by subsection (a) shall apply to transfers after the date of the enactment of this Act in taxable years ending after such date.

(2) TRANSITIONAL RULE.—The amendment made by subsection (a) shall not apply to the transfer by a corporation of its stock in exchange for debt of the corporation after the date of the enactment of this Act if such transfer is—

(A) pursuant to a written contract requiring such transfer which was binding on the corporation at all times on June 7, 1984, and at all times after such date but only if the transfer takes place before January 1, 1985, and only if the transferee held the debt at all times on June 7, 1984, or

(B) pursuant to the exercise of an option to exchange debt for stock but only if such option was in effect at all times on June 7, 1984, and at all times after such date and only if at all times on June 7, 1984, the option and the debt were held by the same person.

(3) CERTAIN TRANSFERS TO CONTROLLING SHAREHOLDER.—The amendment made by subsection (a) shall not apply to any transfer before January 1, 1985, by a corporation of its stock in exchange for debt of such corporation if—

(A) such transfer is to another corporation which at all times on June 7, 1984, owned 75 percent or more of the total value of the stock of the corporation making such transfer, and

(B) immediately after such transfer, the transferee corporation owns 80 percent or more of the total value of the stock of the transferor corporation.

(4) CERTAIN TRANSFER PURSUANT TO DEBT RESTRUCTURE AGREEMENT.—The amendment made by subsection (a) shall not apply to the transfer by a corporation of its stock in exchange for debt of the corporation after the date of the enactment of this Act and before January 1, 1985, if—

(A) such transfer is covered by a debt restructure agreement entered into by the corporation during November 1983, and

(B) such agreement was specified in a registration statement filed with the Securities and Exchange Commission by the corporation on March 7, 1984.

SEC. 64 AFFILIATED GROUP DEFINED.

→ (a) IN GENERAL.—Subsection (a) of section 1504 (defining affiliated group) is amended to read as follows:

26 USC 1504.

"(a) AFFILIATED GROUP DEFINED.—For purposes of this subtitle—

"(1) IN GENERAL.—The term 'affiliated group' means—

"(A) 1 or more chains of includible corporations connected through stock ownership with a common parent corporation which is an includible corporation, but only if—

"(B)(i) the common parent owns directly stock meeting the requirements of paragraph (2) in at least 1 of the other includible corporations, and

"(ii) stock meeting the requirements of paragraph (2) in each of the includible corporations (except the common parent) is owned directly by 1 or more of the other includible corporations.

"(2) 80-PERCENT VOTING AND VALUE TEST.—The ownership of stock of any corporation meets the requirements of this paragraph if it—

"(A) possesses at least 80 percent of the total voting power of the stock of such corporation, and

"(B) has a value equal to at least 80 percent of the total value of the stock of such corporation.

"(3) 5 YEARS MUST ELAPSE BEFORE RECONSOLIDATION.—

"(A) IN GENERAL.—If—

"(i) a corporation is included (or required to be included) in a consolidated return filed by an affiliated group for a taxable year which includes any period after December 31, 1984, and

"(ii) such corporation ceases to be a member of such group in a taxable year beginning after December 31, 1984,

with respect to periods after such cessation, such corporation (and any successor of such corporation) may not be included in any consolidated return filed by the affiliated group (or by another affiliated group with the same common parent or a successor of such common parent) before the 61st month beginning after its first taxable year in which it ceased to be a member of such affiliated group.

"(B) SECRETARY MAY WAIVE APPLICATION OF SUBPARAGRAPH (A).—The Secretary may waive the application of subparagraph (A) to any corporation for any period subject to such conditions as the Secretary may prescribe.

"(4) STOCK NOT TO INCLUDE CERTAIN PREFERRED STOCK.—For purposes of this subsection, the term 'stock' does not include any stock which—

"(A) is not entitled to vote,

"(B) is limited and preferred as to dividends and does not participate in corporate growth to any significant extent,

"(C) has redemption and liquidation rights which do not exceed the paid-in capital or par value represented by such stock (except for a reasonable redemption premium in excess of such paid-in capital or par value), and

"(D) is not convertible into another class of stock.

"(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including (but not limited to) regulations—

"(A) which treat warrants, obligations convertible into stock, and other similar interests as stock, and stock as not stock,

"(B) which treat options to acquire or sell stock as having been exercised,

"(C) which provide that the requirements of paragraph (2)(B) shall be treated as met if the affiliated group, in

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SEC. 61. PROVISION

(a) ADJUSTMENT

reliance on a good faith determination of value, treated such requirements as met,

"(D) which disregard an inadvertent ceasing to meet the requirements of paragraph (2)(B) by reason of changes in relative values of different classes of stock,

"(E) which provide that transfers of stock within the group shall not be taken into account in determining whether a corporation ceases to be a member of an affiliated group, and

"(F) which disregard changes in voting power to the extent such changes are disproportionate to related changes in value."

(b) EFFECTIVE DATE.—

26 USC 15-4
note.

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1984.

(2) **SPECIAL RULE FOR CORPORATIONS AFFILIATED ON JUNE 22, 1984.**—In the case of a corporation which on June 22, 1984, is a member of an affiliated group which files a consolidated return for such corporation's taxable year which includes June 22, 1984, for purposes of determining whether such corporation continues to be a member of such group for taxable years beginning before January 1, 1988, the amendment made by subsection (a) shall not apply.

(3) **SPECIAL RULE NOT TO APPLY TO SELL-DOWNS AFTER JUNE 22, 1984.**—If—

(A) the requirements of subsection (b)(2) are satisfied with respect to a corporation,

(B) more than a de minimis amount of the stock of such corporation is sold or exchanged (including in a redemption), or issued (other than in the ordinary course of business) after June 22, 1984, and

(C) the requirements of the amendment made by subsection (a) are not satisfied after such sale, exchange, or issuance, then the amendments made by subsection (a) shall apply for purposes of determining whether such corporation continues to be a member of such group.

(4) **EXCEPTION FOR CERTAIN SELL-DOWNS.**—Subsection (b)(2) (and not subsection (b)(3)) will apply to a corporation if such corporation issues or sells stock after June 22, 1984, pursuant to a registration statement filed with the Securities and Exchange Commission on or before June 22, 1984, but only if the requirements of the amendment made by subsection (a) (substituting "more than 50 percent" for "at least 80 percent" in paragraph (2)(B) of section 1504(a) of the Internal Revenue Code of 1954) are satisfied immediately after such issuance or sale and at all times thereafter until the first day of the first taxable year beginning after December 31, 1987.

Ante, p. 577.

→ (5) **NATIVE CORPORATIONS.**—The amendments made by subsection (a) shall not apply to any Native Corporation established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) during any taxable year beginning before 1992 or any part thereof in which such Corporation is subject to the provisions of section 7(h)(1) of such Act (43 U.S.C. 1606 (h)(1)).

SEC. 61. PROVISIONS RELATING TO EARNINGS AND PROFITS.

(a) ADJUSTMENTS TO EARNINGS AND PROFITS.—

LEGISLATIVE AFFAIRS DIVISION
POLICE Y-STATE CLERK

REGIONAL CORPORATIONS

SEC. 7. (a) For purposes of this Act, the State of Alaska shall be divided by the Secretary within one year after the date of enactment of this Act into twelve geographic regions, with each region composed as far as practicable of Natives having a common heritage and sharing common interests. In the absence of good cause shown to the contrary, such regions shall approximate the areas covered by the operations of the following existing Native associations:

- (1) Arctic Slope Native Association (Barrow, Point Hope);
- (2) Bering Straits Associations (Seward Peninsula, Unalakleet, Saint Lawrence Island);
- (3) Northwest Alaska Native Association (Kotzebue);
- (4) Association of Village Council Presidents (southwest coast, all villages in the Bethel area, including all villages on the Lower Yukon River and the Lower Kuskokwim River);
- (5) Tanana Chiefs' Conference (Koyukuk, Middle and Upper Yukon Rivers, Upper Kuskokwim, Tanana River);
- (6) Cook Inlet Association (Kenai, Tyonek, Eklutna, Iliamna);
- (7) Bristol Bay Native Association (Dillingham, Upper Alaska Peninsula);
- (8) Aleut League (Aleutian Islands, Pribilof Islands and that part of the Alaska Peninsula which is in the Aleut League);
- (9) Chugach Native Association (Cordova, Tatitlek, Port Graham, English Bay, Valdez, and Seward);
- (10) Tlingit-Haida Central Council (southeastern Alaska, including Metlakatla);
- (11) Kodiak Area Native Association (all villages on and around Kodiak Island); and
- (12) Copper River Native Association (Copper Center, Glennallen, Chitina, Mentasta).

Any dispute over the boundaries of a region or regions shall be resolved by a board of arbitrators consisting of one person selected by each of the Native associations involved, and an additional one or two persons, whichever is needed to make an odd number of arbitrators, such additional person or persons to be selected by the arbitrators selected by the Native associations involved.

(b) The Secretary may, on request made within one year of the date of enactment of this Act, by representative and responsible leaders of the Native associations listed in subsection (a), merge two or more of the twelve regions: Provided, That the twelve regions may not be reduced to less than seven, and there may be no fewer than seven Regional Corporations.

(c) If a majority of all eligible Natives eighteen years of age or older who are not permanent residents of Alaska elect, pursuant to subsection 5(c), to be enrolled in a thirteenth region for Natives who are non-residents of Alaska, the Secretary shall establish such a region for

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the benefit of the Natives who elected to be enrolled therein, and they may establish a Regional Corporation pursuant to this Act.

(d) Five incorporators within each region, named by the Native association in the region, shall incorporate under the laws of Alaska a Regional Corporation to conduct business for profit, which shall be eligible for the benefits of this Act so long as it is organized and functions in accordance with this Act. The articles of incorporation shall include provisions necessary to carry out the terms of this Act.

(e) The original articles of incorporation and bylaws shall be approved by the Secretary before they are filed, and they shall be submitted for approval within eighteen months after the date of enactment of this Act. The articles of incorporation may not be amended during the Regional Corporation's first five years without the approval of the Secretary. The Secretary may withhold approval under this section if in his judgment inequities among Native individuals or groups of Native individuals would be created.

(f) The management of the Regional Corporation shall be vested in a board of directors, all of whom, with the exception of the initial board, shall be stockholders over the age of eighteen. The number, terms, and method of election of members of the board of directors shall be fixed in the articles of incorporation or bylaws of the Regional Corporation.

(g) The Regional Corporation shall be authorized to issue such number of shares of common stock, divided into such classes of shares as may be specified in the articles of incorporation to reflect the provisions of this Act, as may be needed to issue one hundred shares of stock to each Native enrolled in the region pursuant to section 5.

(h) (1) Except as otherwise provided in paragraph (2) of this subsection, stock issued pursuant to subsection (g) shall carry a right to vote in elections for the board of directors and on such other questions as properly may be presented to stockholders, shall permit the holder to receive dividends or other distributions from the Regional Corporation, and shall vest in the holder all rights of a stockholder in a business corporation organized under the laws of the State of Alaska, except that for a period of twenty years after the date of enactment of this Act the stock, inchoate rights thereto, and any dividends paid or distributions made with respect thereto may not be sold, pledged, subjected to a lien or judgment execution, assigned in present or future, or otherwise alienated: Provided, That such limitation shall not apply to transfers of stock pursuant to a court decree of separation, divorce or child support or by stockholder who is a member of a professional organization, association, or board which limits the ability of that stockholder to practice his profession because of holding stock issued under this Act.

(2) Upon the death of any stockholder, ownership of such stock shall be transferred in accordance with his last will and testament or under the applicable laws of intestacy, except that (A) during the twenty-year period after the date of enactment of this Act such stock shall carry

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voting rights only if the holder thereof through inheritance also is a Native, and (B), in the event the deceased stockholder fails to dispose of his stock by will and has no heirs under the applicable laws of intestacy, such stock shall escheat to the Regional Corporation.

(3)(A) On December 18, 1991, all stock previously issued shall be deemed to be canceled, and shares of stock of the appropriate class shall be issued to each stockholder share for share subject only to such restrictions as may be provided by the articles of incorporation of the corporation, or agreements between corporations and individual shareholders.

(B) If adopted by December 18, 1991, restrictions provided by amendment to the articles of incorporation may include, in addition to any other legally permissible restrictions —

(i) the denial of voting rights to any holder of stock who is not a Native, or a descendant of a Native, and

(ii) the granting to the corporation, or to the corporation and a stockholder's immediate family, on reasonable terms, the first right to purchase a stockholder's stock (whether issued before or after the adoption of the restriction) prior to the sale or transfer of such stock (other than a transfer by inheritance) to any other party, including a transfer in satisfaction of a lien, writ of attachment, judgment execution, pledge, or other encumbrance.

(C) Notwithstanding any provision of Alaska law to the contrary —

(i) any amendment to the articles of incorporation of a regional corporation to provide for any of the restrictions specified in clause (i) or (ii) subparagraph (B) shall be approved if such amendment receives the affirmative vote of the holders of a majority of the outstanding shares entitled to be voted of the corporation, and

(ii) any amendment to the articles of incorporation of a Native Corporation which would grant voting rights to stockholders who were previously denied such voting rights shall be approved only if such amendment receives, in addition to any affirmative vote otherwise required, a like affirmative vote of the holders of shares entitled to be voted under the provisions of the articles of incorporation.

→ (i) Seventy per centum of all revenues received by each Regional Corporation from the timber resources and subsurface estate patented to it pursuant to this Act shall be divided annually by the Regional Corporation among all twelve Regional Corporations organized pursuant to this section according to the number of Natives enrolled in each region pursuant to section 5. The provisions of this subsection shall not apply to the thirteenth Regional Corporation if organized pursuant to subsection (c) hereof.

(j) During the five years following the enactment of this Act, not less than 10% of all corporate funds received by each of the twelve Regional Corporations under section 6 (Alaska Native Fund), and under subsection (i) (revenues from the timber resources and subsurface estate

patented to it pursuant to this Act), and all other net income, shall be distributed among the stockholders of the twelve Regional Corporations. Not less than 45% of funds from such sources during the first five-year period, and 50% thereafter, shall be distributed among the Village Corporations in the region and the class of stockholders who are not residents of those villages, as provided in subsection to it. In the case of the thirteenth Regional Corporation, if organized, not less than 50% of all corporate funds received under section 6 shall be distributed to the stockholders.

(k) Funds distributed among the Village Corporations shall be divided among them according to the ratio that the number of shares of stock registered on the books of the Regional Corporation in the names of residents of each village bears to the number of shares of stock registered in the names of residents in all villages.

(l) Funds distributed to a Village Corporation may be withheld until the village has submitted a plan for the use of the money that is satisfactory to the Regional Corporation. The Regional Corporation may require a village plan to provide for joint ventures with other villages, and for joint financing of projects undertaken by the Regional Corporation that will benefit the region generally. In the event of disagreement over the provisions of the plan, the issues in disagreement shall be submitted to arbitration, as shall be provided for in the articles of incorporation of the Regional Corporation.

(m) When funds are distributed among Village Corporations in a region, an amount computed as follows shall be distributed as dividends to the class of stockholders who are not residents of those villages: The amount distributed as dividends shall bear the same ratio to the amount distributed among the Village Corporations that the number of shares of stock registered on the books of the Regional Corporation in the names of nonresidents of villages bears to the number of shares of stock registered in the names of village residents: Provided, That an equitable portion of the amount distributed as dividends may be withheld and combined with Village Corporation funds to finance projects that will benefit the region generally.

(n) The Regional Corporation may undertake on behalf of one or more of the Village Corporations in the region any project authorized and financed by them.

(o) The accounts of the Regional Corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of the State or the United States. The audits shall be conducted at the place or places where the accounts of the Regional Corporation are normally kept. All books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Regional Corporation and necessary to facilitate the audits shall be available to

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income, shall be distributed among the stockholders who have a right to it. In the event of a liquidation, not less than one-half of the net assets shall be distributed to the stockholders who have a right to it.

Regional Corporations shall be organized in the number of shares of stock equal to the number of shares of stock of the Regional Corporation in the event of a liquidation.

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the person or persons conducting the audits; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agent, and custodians shall be afforded to such person or persons. Each audit report or a fair and reasonably detailed summary thereof shall be transmitted to each stockholder, to the Secretary of the Interior and to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives.

(p) In the event of any conflict between the provisions of this section and the laws of the State of Alaska, the provisions of this section shall prevail.

(q) Two or more Regional Corporations may contract with the same business management group for investment services and advice regarding the investment of corporate funds. (Amended December 2 1980, P.L. 96-487 Title XIV § 1401(c), 94 Stat. 2492)

Revisor's notes. — The phrase "as provided in subsection to it" at the end of the second sentence of subsection (j) also appeared in the original version of this Act; it probably should refer to subsections (k), (l), and (m).

Cross references. — For corporations organized under this act, see AS 10.05.005; for the intestate share of a surviving spouse in stock of corporations organized under this act, see AS 13.11.012; for inheritance of stock of corporations organized under this act, see AS 13.16.705; for transfers of stock of corporations organized

under this act pursuant to a court decree of separation, divorce or child support, see AS 22.10.020; for contracts between corporations organized under this act and the Department of Natural Resources for management of land, see AS 38.95.050; for the issuance to a minor of stock or membership in a corporation organized under this act, see AS 45.60.016.

Effect of amendments. — The 1980 amendment, in subsection (h), added language beginning "or by stockholder who is a member" at the end of paragraph (1), and rewrote paragraph (3).

NOTES TO DECISIONS

- I. General Consideration.
 - A. Intent.
 - B. Jurisdiction.
- II. Boundaries.
- III. Stock.
 - A. Alienation.
 - B. Intestate Disposition.
- IV. Subsurface Estate.
- V. Division of Revenues.
 - A. "All Revenues."
 - B. Revenue Subject to Division.
 - C. Evidentiary and Procedural Issues.
- VI. Distribution of Funds.
- VII. Projects to Benefit Region.

I. GENERAL CONSIDERATION.

Applicability to villages holding fee land. — Neither subsection (l) nor subsection (m) seems applicable to the villages holding fee land since the regional corporation has no authority to control activities in those villages and the natives are not entitled to receive distributions

from the fund or stock. *Doyon, Ltd. v. Bristol Bay Native Corp.*, 569 F.2d 491 (9th Cir.), cert. denied, 439 U.S. 954, 99 S. Ct. 352, 58 L. Ed. 2d 345 (1978).

Construction of "Natives enrolled". — See *Doyon, Ltd. v. Bristol Bay Native Corp.*, 565 F.2d 491 (9th Cir.), cert. denied, 439 U.S. 954, 99 S. Ct. 352, 58 L. Ed. 2d 345 (1978).



RECORDS CERTIFICATION

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James O. Smith
Signature of Camera Operator

7/25/89
Date

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Alaska State Legislature

ANCHORAGE
DOWNTOWN
DISTRICT TWELVE



MEMBER

HOUSE FINANCE COMMITTEE

HOUSE SPECIAL COMMITTEE
ON STATE LOANS

HOUSE FINANCE SUBCOMMITTEE ON
ADMINISTRATION, REVENUE
AND THE GOVERNOR'S OFFICE

AIRPORT HEIGHTS
CITY VIEW
DOWNTOWN
FAIRVIEW
GOVERNMENT HILL
INLET VIEW
SOUTH ADDITION

House of Representatives

Representative

RICK UEHLING

To: Rep. John Sund
Chair, House Special Committee on State Loans
From: Rep. Rick Uehling
Subject: " HB 553, An Act making special appropriations to the Department of Community and Regional Affairs for senior citizen housing development grants; and for low cost and low income housing development; and providing for an effective date. "
Date: April 9, 1986

I have asked staff to prepare the following background and information regarding HB 553.

HB553 as written, appropriates \$21,963,000 to the Department of Community and Regional Affairs for the development of senior housing projects throughout the State and \$3,000,000 for the development of low cost and low income housing.

In developing the list of projects to be included in the legislation for Senior Housing, all projects for which applications were received by CR&A were included. The intent was to try to show that there was a need for Senior Housing throughout the State and not just in Anchorage.

In developing the amount for Low Income and Low cost Housing the amount of \$3,000,000 was simply chosen. This program has never received a great deal of funding since its inception and is out of money.

It is obvious under the current revenue situation the outlook for funding of these two programs at the level proposed in the legislation is not probable. There are two ways that the Loans committee could attempt to reduce the amount of the appropriation.

First, with regard to Senior Housing, the committee could chose which projects to fund and include them in the bill or second, the Loans committee could take a dollar amount and appropriate it, letting the Department of Community and Regional Affairs decide who should receive funding. There is a draft committee substitute which takes the second approach. In the draft committee substitute, \$7,000,000 is the amount appropriated to the Department for Senior Housing and 1,500,000 is the amount appropriated for Low income, Low cost Housing. The Department has a grant review committee which reviews the grant applications and awards the grants. The department is familiar with the applicants and would be in the best situation to decide who should receive funding. This would be the preferable approach.

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* FROM: FALEENE BIGGS
* SUBJECT: FINAL STATS--YAKUTAT/HAINES
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MONDAY, APRIL 21, 1986 3:00-4:30
HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE
PUBLIC HEARING ON HB 553; SR. CITIZEN HOUSING

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TESTIFIED:

1. TED GREGG, NO ADDRESS GIVEN
2. JANE BELL, NO ADDRESS GIVEN

OBSERVED:

1. ANN KEANER, P.O. BOX 796, HAINES, AK 99827
2. HAZEL NELSON, P.O. BOX 297, HAINES
3. LOUISE HOMSTEAD, P.O. BOX 87, HAINES
4. LILA TAYLOR, P.O. BOX 1052
5. ALLIE CARDER, P.O. BOX 6, HAINES.

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TESTIFIED:

1. BELLA WATSON, P.O. BOX 204, YAKUTAT, AK 99689
2. IDA GALLAGHER, P.O. BOX 354, YAKUTAT

OBSERVED:

1. MARY ANN FOQUETTE, P.O. BOX 302, YAKUTAT
2. NORA JOHNSON, P.O. BOX 28, YAKUTAT

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04/21/86 TIME: 16:14
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HOUSE COMM AND REG AFF STATS
04/21/86 TIME: 16:14

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*** FINAL T/C STATS ***

DATE: _____ APRIL 22, 1986 _____
SITE: _____ ANCHORAGE _____
SPONSOR: _____ HOUSE COMM AND REGIONAL AFFAIRS COMM _____
SUBJECT: _____ HB 553 _____
LOCAL MODERATOR: _____ DAVID J _____

TESTIFIED:

NAME/REPRESENTING		ADDRESS	PHONE
CLARK D BOSTON	OPAG	ANCH	276-1509
PRESTON JOHNSON	ASHA	ANCH	562-2813

OBSERVED:

NAME/REPRESENTING		ADDRESS	PHONE
NONA MCVICKAR	DCRA - HAD	ANCH	561-0900
LOIS PILLIFANT	DCRA - HAD	ANCH	562-2813

TESTIFIED: ___02___
OBSERVED: ___02___
TOTAL: ___04___

TIME START: ___3PM___
TIME END: ___4PM___

.....

Ford
4/27/86 ✓

Original sponsors: Uehling, Goll,
Boucher, et al

<u>Funding Information</u>	
General fund	58,500,000
Other Funds	-0-
	<u>58,500,000</u>

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IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 553 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Community and Regional Affairs for senior citizen housing development grants; and providing for an effective date."

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

* Section 1. The sum of \$8,500,000 is appropriated from the general fund to the senior citizens housing development fund in the Department of Community and Regional Affairs for the purpose of making grant under AS 44.47.620 for senior citizen housing development.

* Sec. 2. The appropriation made by this Act is for a capital project and is subject to AS 37.25.020.

* Sec. 3. This Act takes effect July 1, 1986.

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE DIVISION
SENIOR CITIZEN HOUSING PROGRAM
CONSTRUCTION GRANT STATUS

FISCAL YEAR 1982-1985

PROJECT LOCATION	# OF UNITS	SPONSOR	AMOUNT ANTICIPATED	AMOUNT SUBMITTED	AMOUNT COMMITTED	REMARKS	FUNDS DISBURSED
ARCHAEOLOGICAL RESIDENTIAL II	45	COOK COUNTY HSG. AUTH.	4,500,000				
ARCHAEOLOGICAL	35	MERIDIAN LIVING, INC.	3,500,000				
FATHAMSK II	25	CITY OF FATHAMSKS	2,500,000				
HAINES	15	CITY OF HAINES	1,500,000				
HOMER PHASE II	24	HOMER SENIOR CITIZENS, INC.	2,062,345	2,400,000	337,655		100,000
KAKE	12	TRINGIT/HAIDA HSG. AUTH.	1,200,000				
PALMER	45	ASHA	4,500,000				
ST. MARK'S, 1983	0	CITY OF ST. MARK'S	800,000				
STUBBINS	15	CITY OF STUBBINS	1,500,000				
YAKUTAT	14	HSG. AUTH.	1,400,000				
	228		23,452,345	2,400,000	337,655		100,000

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 565-1073

For Hearing in House Loans Committee
House Bill 553--Approp: Senior Citizen Hsg.

April 11, 1986

* The Department of Community and Regional Affairs does not necessarily object to the intent of the bill.

* However, The Department does oppose the method of appropriation proposed in the bill. The bill appropriates money to all pending project applications, whether or not the applications are accepted or meet the selection criteria. The bill enables money to be appropriated to a project which has not been selected, may not be needed, may not be economically feasible, or has no sound operating and maintenance management plan. Because of this, the bill has the capacity to waste general funds.

* If the committee agrees with the intent of the bill, the Department recommends that the bill be amended to make an appropriation directly to the Senior Citizen Housing Development Grant Program, and not earmarked to specific housing authorities, as their project applications are still pending and may all not be necessary.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB 553
 Title : Appron: Senior and Low cost Housing.

 Sponsor : Uehling
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : DCRA
 BRU : _____

 Components : _____

EXPENDITURES/REVENUES (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING : (Thousands of Dollars)

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

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Prepared by : Clark Boston *CS*
 Division : Housing Assistance Division

Phone : 561-0900
 Date : 3/7/86

Approved by Commissioner : Emil Notti *Emil Notti*
 Agency : Community and Regional Affairs

Date : 3/7/86

Distribution (by Agency preparing fiscal note) :

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

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 6, 1986

- POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

POSITION PAPER

RE: House Bill 553

SPONSOR: Representatives Uehling, Goll and Boucher

Program Effects of the Bill:

HB-553 is an appropriations bill that provides funds for projects for which the Housing Assistance Division is responsible. The itemized projects are those which have planning completed but have not had construction funds awarded by the Division. This has been due to lack of appropriation for this purpose.

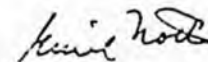
Comments:

This bill would cover all the pending project applications, however, all of the specified projects have not been approved as viable and necessary. Normally a development grant is awarded following a rigorous review by a selection committee. The committee makes recommendations based on 1) a demonstration of need for senior citizen housing in a community 2) a determination of the feasibility of any proposed project and 3) the establishment of a plan which shows the ability of the grant recipient to manage and sustain the project from construction or renovation through operation.

If this bill were to pass, all the listed projects would then become directly funded by a legislative appropriation and the Division would automatically fund these projects whether or not they met the above criteria.

If all the above projects were funded, they would eventually provide 241 units of Senior Citizen housing.

It would be preferred that funding be appropriated on the basis that funds be allocated only for projects that prove to be feasible following a review. The Department would prefer that normal safeguards be mandatory through the use of established guidelines.



Emil Notti, Commissioner

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

February 3, 1986

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

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

The Honorable Rick Uehling
Alaska State House
of Representatives
P.O. Box V
Juneau, AK 99811

Dear Representative Uehling:

Following a request from David Cobb of your staff, we are sending you the status of the Senior Citizen Housing Development Program and the State Assisted Rental Housing Program.

Senior Citizen Housing Development

FY 82, 83, 84 and 85

Total Appropriated	\$44,000,000
Total Committed	43,803,651
Total Disbursed	29,202,757
Remaining balance to be paid	14,600,894
Held for Contingency	196,349

Total pending applications \$21,662,345

State Assisted Rental Housing Program

FY 84 and 85

Total Appropriated	8,580,000
Total Committed	8,580,000
Total Disbursed	7,415,000
Remaining balance to be paid	1,165,000
Available to Commit	-0-

We have attached a summary of the committed agencies for both programs and applicant request for Senior Citizen funding. Additionally, our Housing office telecommunicated the applicant request to you on January 30.

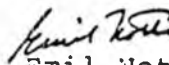
As you know, there was no funding appropriated for either of these programs in FY 86, and there is no funding in the budget for these two programs for FY 87.

Representative Rick Uehling
February 3, 1986
Page Two

I hope this information will assist you at this time, but should you have any questions or desire additional information, please contact Clark Boston of the Housing Assistance Division.

Thank you.

Sincerely,


Emil Notti
Commissioner

Enclosure

cc: Clark D. Boston

REPORT # 0010-SC
DATE: 01/31/86

PAGE 1 OF 3

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE DIVISION

MASTER LIST - SENIOR CITIZEN HOUSING PROGRAM

FY'82-FY'85 FUNDING

<u>PROJECT LOCATION</u>	<u># OF UNITS</u>	<u>SPONSOR</u>	<u>AMOUNT COMMITTED</u>
ANCHORAGE		COOK INLET HOUSING AUTHORITY	90,000
ANCHORAGE	120	COOK INLET HOUSING AUTHORITY	7,486,000
ANCHORAGE INTERMEDIATE CARE	60	COOK INLET HOUSING AUTHORITY	65,000
ANCHORAGE	0	COOK INLET HOUSING AUTHORITY	250,000
ANCHORAGE RESIDENTIAL II		COOK INLET HOUSING AUTHORITY	50,000
ANCHORAGE CHUGACH VIEW		ASHA	75,000
ANCHORAGE CHUGACH VIEW	120	ASHA	9,925,000
ANCHORAGE		MERIDIAN LIVING	50,000
ANGOON		TLINGIT/HAIDA HSG. AUTH.	30,000
ANGOON	12	TLINGIT/HAIDA HSG. AUTH.	1,150,655
CHUGIAK/EAGLE RIVER PHASE II	20	MUNICIPALITY OF ANCHORAGE	2,500,000
DILLINGHAM	15	CITY OF DILLINGHAM	30,000
DILLINGHAM	15	BBHA	1,335,000
FAIRBANKS		CITY OF FAIRBANKS	49,693

FAIRBANKS	40	ASHA	4,300,000
FAIRBANKS II		CITY OF FAIRBANKS	50,000
HAINES		CITY OF HAINES	30,000
HOMER	24	HOMER SENIOR CITIZENS, INC.	2,400,000
HOMER PHASE II		HOMER SENIOR CITIZENS, INC.	50,000
HOMER PHASE II		HOMER SENIOR CITIZENS, INC.	337,655
KAKE		TLINGIT/HAIDA HSG. AUTH.	30,000
KENAI	24	COOK INLET HOUSING AUTHORITY	1,066,000
KLAWOCK		TLINGIT/HAIDA HSG. AUTH.	30,000
KLAWOCK	10	TLINGIT/HAIDA HSG. AUTH.	846,284
KODIAK		KODIAK SENIOR CITIZENS, INC.	48,426
METLAKATLA	25	CITY OF METLAKATLA	1,383,000
NINILCHIK	10	COOK INLET HOUSING AUTHORITY	500,000
PALMER		ASHA	50,000
PETERSBURG		CITY OF PETERSBURG	30,731
SITKA		CITY & BOROUGH OF SITKA	50,000
SITKA	20	ASHA	1,800,000
ST. MICHAEL	8	CITY OF ST. MICHAEL	12,000
ST. PAUL		CITY OF ST. PAUL	30,000
ST. PAUL	14	CITY OF ST. PAUL	1,275,000
STEBBINS		CITY OF STEBBINS	25,000

TANANA	3	CITY OF TANANA	328,507
VALDEZ		CITY OF VALDEZ	30,000
VALDEZ	15	CITY OF VALDEZ	1,470,000
WASILLA	18	ASHA	1,650,000
WASILLA, PHASE II		ASHA	30,000
WASILLA, PHASE II	14	ASHA	1,260,000
WRANGELL	24	WRANGELL/SENIOR CITIZENS, INC.	1,574,700
YAKUTAT		TLINGIT/HAIDA HSG. AUTH.	30,000
TOTALS	611		43,803,701



ALASKA
CHAPTER

NATIONAL ASSOCIATION OF
SOCIAL WORKERS

March 11, 1986

Representative John Sund, Chair
House Special Committee on Loans
Pouch V
Juneau, Alaska 99811

MAR 14 1986

Dear Representative Sund,

The Alaska Chapter, National Association of Social Workers is writing to advise you of the strong support of our members for the provisions of Section 2 of HB553. The three million dollars proposed for appropriation to the low-income multiple family housing development fund would provide for badly needed low-income housing units in Alaska.

Since 1983, when AS44.47.635 was enacted, social workers around the State have endorsed the Program because our members must dai'y confront people's desperate needs for affordable housing. We are acutely aware of the housing shortages for people with moderate and low incomes.

As of February 28, 1986, the Alaska State Housing Authority office reported a waiting list of four-hundred ninety-seven families for the available low-income units which ASHA manages in Anchorage alone!! The need for additional affordable housing is obvious.

As oil revenues decline, the Legislature must prioritize spending for the State. Decent housing for all Alaskans should, we believe, be considered as one of the "basics" and identified as a priority for funding. We urge your support for the low-income, multiple family housing development fund appropriation contained in HB553.

Sincerely,

Cecilia Kleinkauf
Cecilia Kleinkauf, Chair
Social Policy & Action Committee
Alaska Chapter, NASW

cc. Representatives Cotten
Fuller
Duncan
Uehling ✓

P.O. Box 101394 • Anchorage, Alaska 99510 • (907) 274-4479

P.O. Box 10430 • Fairbanks, Alaska 99710 • (907) 457-5914

Rep. Peter Goll
Rep. F. Kay Wallis
Rep. Walter Furnace
Rep. Max Gruenberg
Rep. Niilo Koponen
Rep. Albert Adams
Rep. John Ringstad
Rep. John Binkley
Rep. Sam Cotten
Rep. Jim Duncan

Rep. Pat Pourchot
Rep. Steve Rieger
Rep. Mike Szymanski
✓ Rep. Rick Uehling
Rep. Ronald Larson
Rep. Steve Frank
Rep. Andre Marrou
Rep. Randy Phillips

Alaska State Legislature
P.O. Box V, MS 3100
Juneau, Ak 99811

Regarding House Bill No. 553

Please give your full support
to Bill #553. There is a great need
for senior housing in Palmer.

Many seniors live in upstairs apartments.
It gets more & more difficult for them to
climb stairs.

Single seniors find it very difficult
to maintain a yard and would feel more
secure in a housing project.

Sincerely

Mary & George McClure

Rep. Peter Goll
Rep. F. Kay Wallis
Rep. Walter Furnace
Rep. Max Gruenberg
Rep. Niilo Koponen
Rep. Albert Adams
Rep. John Ringstad
Rep. John Binkley
Rep. Sam Cotten
Rep. Jim Duncan

Rep. Pat Pourchot
Rep. Steve Rieger
Rep. Mike Szymanski
Rep. Rick Uehling
Rep. Ronald Larson
Rep. Steve Frank
Rep. Andre Marrou
Rep. Randy Phillips

Alaska State Legislature
P.O. Box V, MS 3100
Juneau, Ak 99811

MAR 31 1986

Regarding House Bill No. 553

Dear Legislator

I am concerned that 553 might be Cct.
In Palmer we started on housing
two or three years ago but could not
get the Real estate until last fall. The
surveys at that time was a need for about
thirty but it is now about 7000.

Thank You

Floyd Davis
211 AINNA St.
Palmer.

P.S.

I would not quibly.

F.D.

***** (****)

*
* DELIVER TO: JFOM

* ORIGINAL
* SENT: 03/19/86 TIME: 15:49
* FROM: BARBARA NORRELL
* SUBJECT: POM
* PRINT DATE: 03/19/86 TIME: 15:50

6

TO: REPS. BOUCHER, GOLL, UEHLING, LARSON, HURLEY

FROM: DAVE HERNDON, 325 E. 3, ANCHORAGE, AK 99501,

SUBJECT: HB 553, SENIOR LOW COST HOUSING

OLDER PERSONS ACTION GROUP URGES APPROPRIATION FOR PROJECTS AT PALMER, HAINES AND HOMER. THESE HAVE COMPLETED PLANNING GRANTS AND ARE READY FOR BID AND CONSTRUCTION NOW. OPAG SUPPORTS OTHER PROJECTS BUT URGES PRIORITY FOR THESE NOW AREADY IN ORDER TO MINIMIZE COST INCREASES.

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*
* DELIVER TO: TCJNU
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* ORIGINAL
* SENT: 04/23/86 TIME: 11:09
* FROM: TCMAT
* SUBJECT: HB553 SR. HOUSING HC&RA
* PRINT DATE: 04/23/86 TIME: 11:09
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*** FINAL T/C STATS***

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DATE: -----4-21-86-----
SITE: -----MATSU-----
SPONSOR: -----HOUSE C&RA-----
SUBJECT: -----HB553 SENIOR HOUSING-----
LOCAL MODERATOR: -----JUDY MATHIS-----

```

TESTIFIED:

NAME/REPRESENTING	ADDRESS	PHONE
1. ALICE SNODGRASS	PO BOX 824 PALMER AK 99645	745-3755
2. ELOISE SMITH	PO BOX 765 PALMER AK 99645	745-3877
3. HARRIET Z. MCRAE	PO BOX 771 PALMER AK 99645	745-4695
4. WANDA MARRS	PO BOX 520 PALMER AK 99645	745-3313
5. JO PUDDICOMBE	PO BOX 603 PALMER AK 99645	N/A
6. BLANCHE E. MARSHALL	PO BOX 767 PALMER AK 99645	745-3088
7. FLOYD DAVIS	211 ANNA ST PALMER AK 99645	745-0586
8. WALT HARRIS	WASILLA SR. CENTER	
9. ROSE PALMQUIST	PO BOX 870294 WASILLA AK 99687	376-0110

OBSERVED:

NAME/REPRESENTING	ADDRESS	PHONE
1. MARY MCCLURE	416 S. BAILEY PALMER AK	745-3755
2. LOIS GORDON	PO BOX 871968 PALMER AK	376-6203

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TESTIFIED: _____9_____ TIME START: ___3:00PM_____
OBSERVED: _____2_____ TIME END: _____4:00PM_____
TOTAL: _____11_____

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* DELIVER TO: TCJNU *
* * * * *
* ORIGINAL *
* SENT: 04/21/86 TIME: 16:35 *
* FROM: LIOKOD *
* SUBJECT: KODIAK FINAL STATS *
* PRINT DATE: 04/21/86 TIME: 16:36 *
* * * * *

*** FINAL T/C STATS ***

DATE: ___APRIL 21, 1986___
SITE: ___KODIAK L.I.O._____
SPONSOR: ___HOUSE COMMUNITY AND REGIONAL AFFAIRS_____
SUBJECT: ___HB 553 - SR. CITIZENS HOUSING_____
LOCAL MODERATOR: ___LORNA STEELMAN_____

KODIAK HAD NO PARTICIPANTS AND DID NOT DIAL INTO THE BRIDGE
