

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4498 HCRA SB 321 - SJR 23

differences in the social and economic characteristics of these districts may justify those variations.

Thus, the commission finds that the apportionment plan set out in the petition does not cause a failure to satisfy the standards for borough incorporation set out in the law.

DECISION AND ORDER

Based upon the findings of fact and conclusions of law stated above, the commission approves the petition for incorporation of the Aleutians East Borough with the amendment of boundaries to include the territory to a line extending southerly mid-line between Unalga and Sedanka Islands. The boundaries of the territory approved for incorporation are as follows:

All of that territory along the Alaska Peninsula and the Aleutian Chain lying:

1) west of a line beginning at the point of intersection of 57° 00' North Latitude and the extension of a line due north from the NW corner T38S, R60W, Seward Meridian (SM); thence due south to the NW corner T40S, R60W, SM; thence west to the NW corner T40S, R61W, SM; thence south to the SW corner T40S, R61W, SM; thence west to the NW corner T41S, R63W, SM; thence south to the NW corner T42S, R63W, SM; thence west to the NW corner T42S, R65W, SM; thence south to the NW corner T43S, R65W, SM; thence west to the NW corner T43S, R67W, SM; thence south to the SW corner T44S, R67W, SM; thence east to the NW corner T45S, R67W, SM; thence south along the line separating R67W and R68W, SM to the SW corner of T48S, R67W, SM; thence west to the NW corner of T49S, R68W, SM; thence south to the NE corner of T50S, R69W, SM; thence east to the NE corner of T50S, R67W, SM; thence south along the line separating R66W and R67W, SM, to the land terminus of the line separating R66W and R67W, SM, on the Kupreanof Peninsula at approximately 55° 38' 22.296" North Latitude, thence due east to the intersection with 159° 00' West Longitude; thence southerly along 159° 00' West Longitude to 54° 00' North Latitude; and

2) east of a line mid-channel through Unalga Pass, extending northerly mid-line between Unalga and Unalaska Islands and extending southerly mid-line between Unalga and Sedanka Islands;

With respect to the water areas, the boundaries of the Aleutians East Borough extend to the limits of the State's jurisdiction under AS 44.03.010. The territory described above contains 15,405 square miles, more or less, all in the Third Judicial District, State of Alaska.

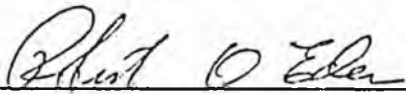
THEREFORE, IT IS ORDERED:

1. That the department of community and regional affairs notify the Alaska division of elections of the approval of the petition in order that it may schedule and conduct an election for the incorporation of the proposed Aleutians

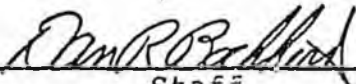
East Borough. The incorporation ballot shall have a separate proposition authorizing the borough to levy an areawide 2% sales and use tax upon raw fish. Incorporation of the borough is not conditioned upon voter approval of the sales and use tax referendum.

2. If the voters approve the incorporation of the borough, the department is directed to consult with the new borough to determine whether the apportionment plan established in the petition for incorporation and implemented under the provisions of AS 29.20.060(b) is fair and equitable. If such a determination cannot be made, the department is directed to assist the borough in the development and implementation of a plan which is fair and equitable.

ADOPTED BY THE LOCAL BOUNDARY COMMISSION OF THE STATE OF ALASKA THIS 24th DAY of JULY, 1987.


Robert O. Eder, Chairman

ATTEST:


Staff

ORDER AND NOTICE OF INCORPORATION ELECTION
PROPOSED ALEUTIANS EAST BOROUGH

Notice is hereby given that pursuant to the provisions of AS 29.05.110, an election will be held in the communities within the boundaries of the proposed Aleutians East Borough on October 6, 1987 to determine:

- (1) THE VOTERS' DESIRE TO INCORPORATE A SECOND CLASS BOROUGH;
- (2) THE VOTERS' AUTHORIZATION OF THE LEVY OF A 2% SALES AND USE TAX ON RAW FISH; AND,
- (3) IF INCORPORATION IS APPROVED, THE ELECTION OF A MAYOR AND THE INITIAL SEVEN (7) PERSON ASSEMBLY MEMBERS.

The election will be held on October 6, 1987 and will be under the administration and supervision of the Director of Elections. The proposed second class borough is to be named Aleutians East Borough and is described as follows:

All of that territory along the Alaska Peninsula and the Aleutian Chain lying:

1) west of a line beginning at the point of intersection of 57 degrees 00' North Latitude and the extension of a line due north from the NW corner T38S, R60W, Seward Meridian (SM); thence due south to the NW corner T40S, R60W, SM; thence west to the NW corner T40S, R61W, SM; thence south to the SW corner T40S, R61W, SM; thence west to the NW corner T41S, R63W, SM; thence south to the NW corner T42S, R63W, SM; thence west to the NW corner T42S, R65W, SM; thence south to the NW corner T43S, R65W, SM; thence west to the NW corner T43S, R67W, SM; thence south to the SW corner T44S, R67W, SM; thence east to the NW corner T45S, R67W, SM; thence south along the line separating R67W and R68W, SM to the SW corner of T48S, R67W, SM; thence west to the NW corner of T49S, R68W, SM; thence south to the NE corner of T50S, R69W, SM; thence east to the NE corner of T50S, R67W, SM; thence south along the line separating R66W and R67W, SM, to the land terminus of the line separating R66W and R67W, SM, on the Kupreanof Peninsula at approximately 55 degrees 38' 22.296" North Latitude, thence due east to the intersection with 159 degrees 00' West Longitude; thence southerly along 159 degrees 00' West Longitude to 54 degrees 00' North Latitude; and

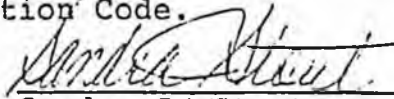
2) east of a line mid-channel through Unalga Pass, extending northerly mid-line between Unalga and Unalaska Islands and extending southerly mid-line between Unalga and Sedanka Islands; .

With respect to the water areas, the boundaries of the Aleutians East Borough extend to the limits of the State's jurisdiction under AS 44.03.010. The territory described above contains 15,405 square miles, more or less, all in the Third Judicial District, State of Alaska.

The initial assembly, if incorporation is approved, will be composed of a mayor and seven assembly members. Individuals seeking office on the initial assembly and desiring to have their name appear on the ballot must file nominating petitions. The initial mayor shall be nominated and elected by the voters areawide. Assembly members shall be nominated and elected by voters residing within the boundaries of the district in which each candidate is seeking office. Signed petitions must be filed with the Director of Elections, P.O. Box AF, Juneau, AK 99811-0105, or with the Region 3 Elections Office, 675 Seventh Avenue, Station H, Fairbanks, Alaska 99701-4594, no later than 4:30 p.m. prevailing time, on August 21, 1987. Candidates for municipal office must file Conflict of Interest Statements with the city clerk within their district.

Any person who is a qualified voter in Alaska and who has resided within the boundaries of the proposed borough for 30 days before July 20, 1987, the date of this election order, may be nominated and vote in this election. (AS 29.05.110(b)).

The election will be conducted in the general manner as prescribed by the Alaska Election Code.



Sandra J. Stout
Director
Division of Elections

Dated this 20th day of July, 1987

ALEUTIANS EAST BOROUGH

DATE: Thursday November 12, 1987
TIME: 10:00 a.m.
LOCATION: * Hill Bldg., 6th & G, Rm 508, Anchorage, Alaska

PUBLIC IS WELCOME

AGENDA

Swearing in of Assembly Members and Mayor
Call to Order
Roll Call

New Business

1. Ordinance No. 88-1/First Reading - General Provisions - Administration and election
2. Ordinance No. 88-2/First Reading - Raw Fish Tax - update
3. Ordinance No. 88-3/First Reading - Powers & Functions of Aleutians East Borough.
4. Ordinance No. 88-4/First Reading - Planning, Platting and Land use regulations.
5. Resolution No. 88-1/Municipal Assistance/Revenue Sharing
6. Participation by Nelson Lagoon and False Pass
7. Education Powers/School Board
8. Land Entitlements
9. State Transition Grant
10. Lawsuit Status
11. Executive Session
12. Public Comment

① budget
② Meeting

DEC 1

ALEUTIANS EAST BOROUGH

DATE: Tuesday, December 1, 1987
TIME: Workshop 2:00 p.m. - Meeting 7:00 p.m.
PLACE: Sand Point Municipal Building, Room 11

AGENDA

Call to Order
Minutes
Adoption of Agenda

Legislation

Assembly Term of Office

Unfinished Business

1. Ordinance No. 88-1/Public Hearing - General Provisions - Administration and election
2. Ordinance No. 88-2/Public Hearing - Raw Fish Tax - update
3. Ordinance No. 88-3/Public Hearing - Powers & Functions of Aleutians East Borough
4. Ordinance No. 88-4/Public Hearing - Planning, Platting and Land use regulations.

New Business

1. Resolution No. 88-2 - Loan from Rainier Bank Alaska
2. Resolution No. 88-3 - School Board Election
3. Ordinance No. 88-5/First Reading - Advisory Member
4. Ordinance No. 88-6/First Reading - FY 88 Budget

Update

1. Intervener Status in Law Suite
2. Land Status
3. Citizen comments
4. Executive Session

S B

3 3 5

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
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POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-2800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House C+RA

4-8-88 3:00p.m.

File Contents

SB 335 am - Approp: Prior Hear PF Dividend Approp's

<u>No.</u>	<u>Description</u>
1.	Bill - SB 335 am
2.	Fiscal Note - Revenue
3.	Bill Review - Harrison

SB335.FIL
4/7/88

STATE OF ALASKA

DEPARTMENT OF REVENUE

STEVE COWPER, GOVERNOR

STATE OFFICE BUILDING
P.O. BOX SA
JUNEAU, ALASKA 99811-0400

April 4, 1988


APR - 5 1988

Mr. David Harrison
House Community & Regional
Affairs Committee
P.O. Box V
Juneau, AK 99801

Dear Mr. Harrison:

Enclosed is the chart prepared to show the balances of the accounts dealt with in SB 335 and 336. I will attempt to update this chart by early next week.

Sincerely,


Ervin Jones, Director
Permanent Fund Dividend Division
(907) 465-2323

EJ:bro
88-94

Enclosure

5393G

Prior Year Permanent Fund Dividend Payment History
as of January 14, 1988

AR #	Appropriation Cite	Dividend Year	Appropriation Amount	Expended to date	Encumbered Balance	Unencumbered Balance	Amount to Reserve for Potential Liabilities	Balance
15720	Ch. 101 SLA 82 General Fund	1982	\$421,032,500.00	\$416,217,256.53	\$4,676,890.01	\$ 138,575.89	\$408,000.00	\$4,407,466.50
15795	Ch. 6 SLA 83 PFD Fund	1982 Supplemental	\$ 41,000,000.00	\$ 34,422,432.80	\$6,577,567.20	0.00	0.00	6,577,567.20
15800	Ch. 107 SLA 83 PFD Fund	1983	\$175,935,300.00	\$174,254,300.19	\$ 192,302.70	\$1,488,697.11	59,853.25	1,621,146.56
15805	Ch. 44 SLA 84 PFD Fund	1983 Reopening	\$ 11,584,500.00	\$ 2,354,530.03	0.00	\$9,229,969.97	0.00	9,229,969.97
15765	Ch. 122 SLA 84 PFD Fund	1984	160,100,171.00	158,654,315.65	\$ 164,319.84	\$1,281,535.51	42,405.12	1,403,450.23
15502	Ch. 98, SLA 85 PFD Fund	1985	208,910,043.58	206,790,675.16	\$2,119,368.42	0.00	119,988.00	1,999,380.42

FISCAL NOTE

REQUEST:

Revision Date:
 Title: An Act making, amending, lapsing, and repealing appropriations pertaining to permanent fund dividends.
 Sponsor: Senators Fischer and Faiks
 Requestor: Senate Finance

Agency Affected: Revenue
 BRU: Permanent Fund Dividend
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & 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	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

See attachment

Prepared By: Royce B. Weller *RW* Phone: 465-2300
 Division: Commissioner's Office Date: January 15, 1988

Approved by Commissioner: Hugh Malone *H Malone* Date: January 15, 1988
 Agency: Department of Revenue

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Prior Year Permanent Fund Dividend Payment History
as of January 14, 1988

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③ SB 335 am



Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

April 7, 1988

TO: Henry Springer, Chairman HCRA

FROM: David C. Harrison, P.A., HCRA *DCH*

SUBJECT: SB 335 am "An Act making, amending, lapsing, and
repealing appropriations pertaining to permanent
fund dividends; and providing for and effective
date." (Fischer, Faiks)

REVIEW:

Section 1 lines 10-14 provide the unexpended and unobligated balances of appropriations made in 1982 to lapse into the general fund on June 30, 1988 from the following:

- sec. 17, ch 101 SLA 1982 as amended by sec. 122, ch 105 SLA 1985 Also sec. 18, ch 101 SLA 1982 -see attached (2) 335am line funding from Dept of Rev. for 1982 Gen. Fund and 1982 PFD.

Sec. 2, line 15 equal sums of unexpended and unobligated funds as repealed by this section is appropriated from the dividend fund to the Dept. of Rev. to pay permanent fund dividends in 1988 are as follows:

- sec. 1, ch 6, SLA 1983
- sec. 2, ch, 44, SLA 1984
- sec. 3 ch, 44, SLA 1984
- sec. 26, ch, 98, SLA 1985, page 26, line 5 (PFD)
- sec. 26, ch, 98, SLA 1985, page 35, line 7 permanent fund dividend hold harmless. See attached items.

Sec. 3. The unexpended and unobligated balances of the following appropriations are repealed and an equal amount to the sum of the appropriations repealed by this section is appropriated from the earnings reserve account of the permanent fund to the dividend fund.

- sec. 32, ch. 107, SLA 1983, page 14, line 11 PFD
- sec. 14, ch. 122, SLA 1984
- sec. 15, ch. 122, SLA 1984
- sec. 14, ch. 98, SLA 1985, as amended by
- sec. 763, ch. 105, SLA 1985. See attached items

for details.

Sec. 4. The amount equal to the amount appropriated to the dividend fund by sec. 3 of this Act is appropriated from the

SECTIONAL ANALYSIS (Senator Paul Fischer)

SENATE BILL 335 (Making, amending, lapsing, and repealing appropriations pertaining to permanent fund dividends)

This bill provides for the transfer of the unexpended and unobligated balances of permanent fund dividend appropriations for what are known as "prior year dividends" for the years 1982 through 1985.

Section 1 lapses the unexpended and unobligated balances of the 1982 appropriations originally made from the general fund back to the the general fund (approximately \$4 million).

Section 2 of the bill repeals the unexpended and unobligated balances of 1983, 1984, and 1985 appropriations from the dividend fund to the Department of Revenue for the payment of dividends.

Section 3 repeals the unexpended and unobligated balances in several appropriations from the permanent fund earnings reserve account to pay permanent fund dividends in the years 1983 through 1985. This would allow the Department of Revenue to "sweep" all their accounts and deposit the balances in one account.

Section 4 appropriates the sum of money appropriated to the dividend fund by section 3 of this bill out of the dividend fund to the Department of Revenue for payment of permanent fund dividends.

Section 5 is the effective date and is contingent upon passage of Senate Bill 336 or a similar version. However, an amendment will be offered by the sponsor to replace this section.

1-15-88

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STATE OF ALASKA THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House C+RA 4-8-88 3:00 p.m.

5
(17)

HOUSE COMMITTEE REPORT

Transportation,
S.A., HESS,
Resources, L&C,
Judiciary,
Finance

Date referred: 1/20/88

FURTHER REFERRALS:

(5) SB 336

DATE: APR - 8 1988

The Community and Regional Affairs Committee has considered SB 336

"An Act relating to computation of permanent fund dividends; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note
- zero with analysis same as previous zero fiscal note published _____

SIGNING DO PASS:

Heinrich Springer Springer
Adelheid Herrmann Herrmann
Dorcas Collins Collins
Althea Cato Cato

SIGNING OTHER RECOMMENDATIONS:

Springer

Heinrich Springer
Chairman's signature

File Contents

SB 336 - Computation of Permanent Fund Dividends

<u>No.</u>	<u>Description</u>
1.	Bill - SB 336
2.	Zero Fiscal Note - Revenue
3.	Bill Review - Harrison

SB336.FIL
4/7/88

FISCAL NOTE

REQUEST:

Revision Date:
 Title: An Act relating to computation of PFD Dividends and an effective date.
 Sponsor: Senators Fischer and Faiks
 Requestor: Senate Finance

Agency Affected: Revenue
 BRU: Permanent Fund Dividend

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & 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	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Royce B. Weller *RW* Phone: 465-2300
 Division: Commissioner's Office Date: January 15, 1988

Approved by Commissioner: Hugh Malone *H Malone* Date: January 15, 1988
 Agency: Department of Revenue

Distribution (by preparer):

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



Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

April 7, 1988

TO: Henry Springer, Chairman HCRA

FROM: David C. Harrison, P.A., HCRA *DCH*

SUBJECT: SB 335 am "An Act making, amending, lapsing, and repealing appropriations pertaining to permanent fund dividends; and providing for and effective date." (Fischer, Faiks)

REVIEW:

Section 1 lines 10-14 provide the unexpended and unobligated balances of appropriations made in 1982 to lapse into the general fund on June 30, 1988 from the following:

sec. 17, ch 101 SLA 1982 as amended by sec. 122, ch 105 SLA 1985 Also sec. 18, ch 101 SLA 1982 -see attached (2) 335am line funding from Dept of Rev. for 1982 Gen. Fund and 1982 PFD.

Sec. 2, line 15 equal sums of unexpended and unobligated funds as repealed by this section is appropriated from the dividend fund to the Dept. of Rev. to pay permanent fund dividends in 1988 are as follows:

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sec. 2, ch, 44, SLA 1984
sec. 3 ch, 44, SLA 1984
sec. 26, ch, 98, SLA 1985, page 26, line 5 (PFD)
sec. 26, ch, 98, SLA 1985, page 35, line 7 permanent fund dividend hold harmless. See attached items.

Sec. 3. The unexpended and unobligated balances of the following appropriations are repealed and an equal amount to the sum of the appropriations repealed by this section is appropriated from the earnings reserve account of the permanent fund to the dividend fund.

sec. 32, ch. 107, SLA 1983, page 14, line 11 PFD
sec. 14, ch. 122, SLA 1984
sec. 15, ch. 122, SLA 1984
sec. 14, ch. 98, SLA 1985, as amended by
sec. 763, ch. 105, SLA 1985. See attached items

for details.

Sec. 4. The amount equal to the amount appropriated to the dividend fund by sec. 3 of this Act is appropriated from the



Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

April 7, 1988

TO: Henry Springer, Chariman HCRA

FROM: David C. Harrison, P. A., HCRA *DCH*

SUBJECT: SB 336 "An Act relating to computation of permanent fund dividends; and providing for an effective date. (Fischer)

REVIEW: The only change in this section of the law is on line 27 through 29: plus any additional amount appropriated to the dividned fund for distribution as dividends during the current year.

There are other requirements of the law that mandate certain information about the permanent fund dividends. This will provide information about any additional amount appropriated to the dividend fund for distribution as dividends during the current year.

Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

SECTIONAL ANALYSIS (Senator Paul Fischer)

SENATE BILL 336 (Relating to computation of permanent fund dividends)

The purpose of this bill is to revise the method of calculation and allow for including the additional unexpended and unobligated balances of past appropriations in this year's dividend formula.

This bill will also allow for future unexpended and unobligated balances of appropriations to lapse into the dividend fund for which the appropriation was made and shall be used in determining the amount of and paying the subsequent year's dividend.

1-15-88

SB

462

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-1818

Senate

M E M O R A N D U M

21 April 1988

TO: Representative Henry Springer
FROM: Senator Arliss Sturgulewski *AS*
RE: Senate Bill 462

As you know, Senate Bill 462, "An Act relating to seizure and forfeiture of property in cases involving controlled substances, imitation controlled substances, and alcoholic beverage control laws" has been referred to your committee. I respectfully request that you waive this bill from your committee.

This bill adds an administrative procedure to the current law that governs the disposition of property seized under a violation of the controlled substances act and the bootlegging prohibition. This procedure was taken from that used by the federal Drug Enforcement Agency and is to be used by the Department of Public Safety and by municipal law enforcement agencies.

Senate Bill 462 also allows municipal law enforcement agencies to conduct this procedure on property seized by them. Section 14 adds to AS 29.10.200 a home rule power allowing municipalities to adopt an ordinance authorizing the chief of police to conduct a summary administrative proceeding as outline in Titles 04 and 17.30. Section 15 outlines the municipal disposition of seized and forfeited property.

Senate Bill 462 is supported by the Department of Public Safety, the Anchorage Police Department Employees Association, the Alaska Peace Officers Association, the Alaska Chiefs of Police, and the FBI National Academy-Alaska Branch.

*next committee of referral
waive to Judiciary.*

*✓ ok 4/22/88.
in floor*

JW

STATE OF ALASKA
THE LEGISLATURE

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

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

*Senate State Affairs
(p.10-13)*

2-29-88

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

Write in Juneau
P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

MEMORANDUM

18 February 1988

TO: Senator Rick Halford
Senator John Binkley
Co-Chairmen, Senate Finance Committee

FROM: Senator Arliss Sturgulewski *AS*

RE: Senate Bill 462

I appreciate your scheduling of Senate Bill 462 "An Act relating to seizure and forfeiture of property in cases involving controlled substances". Attached is a copy of the current Alaska statute and a sectional analysis of the bill.

This bill is designed to allow law enforcement agencies to administratively pursue forfeiture of property seized as a result of a violation of the controlled substances act.

Current state law allows seized property to be forfeited to the state only through a civil proceeding against the property itself in court. This bill adds an administrative procedure and outlines how it is to be conducted. This procedure is taken from that used by the federal Drug Enforcement Agency.

The Drug Report to the Alaska Legislature by the Alaska State Troopers showed that in the period from January 1, 1986 to June 30, 1987 almost \$1 million in seizures of non-drug items took place. I think you will agree that there is potential with this legislation to help us pay, through the proceeds of seized property, for some of the costs of our drug enforcement measures.

I feel this legislation strikes a balance between allowing our law enforcement agencies to perform their duties in a timely fashion and protecting the rights of property owners. Please call me or Melissa Fouse of my staff at 465-3818 if you have any questions.

SECTIONAL ANALYSIS

Committee Substitute for Senate Bill 462 (Judiciary):

"An Act relating to seizure and forfeiture of property in cases involving controlled substances."

Section 1: changes statute citation to reflect changes caused by this bill. Makes it clear that this applies to imitation controlled substances as well as controlled substances.

Section 2: Provides that the listed items subject to forfeiture may be forfeited to a municipality as well as to the state.

Adds real property to the list of items eligible for seizure. Provides that if the owner can establish that the owner was neither a consenting party nor privy to the violation then the property may not be forfeited. Makes the same exception for a party with a valid security interest.

Expands scope of financial instruments subject to seizure.

Section 3: Adds summary administrative procedure by the state or by a municipality to the list of those proceedings resulting in forfeiture. Provides that any forfeiture proceeding must be commenced within 20 days after the property is seized or the property must be released unless the forfeiture is to be pursued as part of a criminal prosecution. In that instance the property may be retained until the conclusion of the criminal proceeding or two years, whichever occurs first.

Changes reference to the court having jurisdiction over forfeiture proceedings to procedures set out in the chapter. Adds chief of police of a municipality to section requiring inventory and appraisal within 10 days.

Section 4: Adds municipalities to the section regarding procedures for seizure of property. Clarifies that the value of items seized shall be estimated rather than appraised.

Section 5: Sets out the summary administrative procedure to be followed by the custodian of the seized property.

(a) Limits value of seized property that can be seized administratively to \$100,000 (unless it is a conveyance),

(1) requires notice to be sent to persons having an interest in the property,

(2) requires that notice be published in a newspaper for three weeks and sets out what must be contained in the published notice,

(b) requires a person claiming the property to respond within 20 days and also submit a bond,

(c) sets out the amount and type of the bond to be submitted,

(d) provides that if the bond is satisfactory, the administrative proceeding shall be terminated and within 20 days the civil proceeding against the property shall be commenced. Provides that if the bond is not satisfactory, a reasonable time must be allowed for corrections.

(e) makes it clear that the filing of a bond does not entitle the claimant to the property.

(f) if the property is not claimed, the custodian of the property shall declare the property forfeited and notify the custodian of the property.

Section 6: sets out notice requirements for circumstances under which the forfeiture proceeding is not done administratively, such as going to court.

Section 7: adds municipality to clarify that this section applies to municipalities as well as the state.

Section 8: clarifies that this section on disposal of property applies to property forfeited to the state. Clarifies that proceeds from sale of forfeited property goes to the state general fund after expenses are paid.

Section 9: deletes requirement that a municipal law enforcement agency must be authorized by the commissioner of public safety to disposal of controlled substances. This is a conforming change to section 3 of the bill.

Section 9: adds to definitions section.

Section 10: adds new section 29.35.135 to list of home rule limitations in Title 29.

Section 11: adds new section to Title 29 allowing municipalities to adopt an ordinance authorizing the chief of police to conduct a summary administrative forfeiture proceeding.

FROM SENATOR STURGULEWSKI
08 April 1988

Seizure

- 10 days

MORE THAN \$100,000

Civil
Court
proceeding

Inventory & Appraisal

Less than \$100,000
OR a compromise

Summary
Administrative Proceeding

Notice
to
Persons

Partisan
notice in
Paper 14x22
WK
FOR 3 WKS

20 days

Response from
interested parties
with bond and
Sureties

NO response

TO COURT

Declared Forfeit

SP 462

Sturgulewski
4/12/88

Anchorage

Clerk V

PERSONAL SERVICES - 100

Base Salary (Range 11/A)	\$23,460	
Benefits	<u>8,211</u>	
TOTAL PERSONAL SERVICES		\$31,671

CONTRACTUAL - 300

Terminal Hook-up Fees	\$ 850	
Telephone/Postage, \$85 per month x 12	1,020	
Maintenance Agreement on Computer	175	
Professional Services (Appraisal Fees/ Public Notices)	<u>3,000</u>	
TOTAL CONTRACTUAL		5,045

SUPPLIES AND MATERIALS - 400

Forms	1,000	
Stationary, copy machine paper, etc.	<u>1,000</u>	
TOTAL SUPPLIES AND MATERIALS		2,000

EQUIPMENT - 500 (FY 89 only)

Desk	576	
Chair	223	
Microcomputer - Compaq 286	<u>6,850</u>	
TOTAL EQUIPMENT		<u>7,649</u>

TOTAL COST		\$46,365
------------	--	----------

CSSB 462 (Jud)
Fiscal Note Analysis
Department of Public Safety

This legislation establishes a "summary administrative forfeiture procedure" that would allow the commissioner of the Department of Public Safety to summarily order the forfeiture of property used in drug law violations if the forfeiture action is not contested. Under this new scheme, the department would be required to estimate the value of seized property, notify property owners of the department's intent to forfeit the items, arrange to publish notice of the proposed forfeiture action in newspapers in the area, and review claims and bonds filed by persons claiming the property. To properly perform these tasks the services of a Clerk V will be required, located in Anchorage.

Assumptions made in the preparation of this fiscal note include that the bill's effective date would be July 1, 1988, that equipment will be needed in the first year only, and that no inflation is projected.

It is impossible to know at this point how many offenders will choose not to contest the summary administrative forfeiture proceedings, so it is impossible to estimate the amount of revenue that will result from the new procedure. We believe that most property that will be forfeited under the administrative scheme will be the same type of property on which forfeiture is now being sought, through criminal conviction or civil "in rem" forfeiture actions. For these reasons the fiscal note indicates a zero revenue impact.

FISCAL NOTE

REQUEST

Revision Date: 3/25/88
Title: "An Act relating to seizure and forfeiture . . ."
Sponsor: Sen. Sturgulewski
Requestor: Senate Judiciary

Agency Affected: Public Safety
BRU: Alaska State Troopers
Components: Criminal Investigation Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES		31.7	31.7	31.7	31.7	31.7
TRAVEL		-0-	-0-	-0-	-0-	-0-
CONTRACTUAL		5.0	5.0	5.0	5.0	5.0
SUPPLIES		2.0	2.0	2.0	2.0	2.0
EQUIPMENT		7.6				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		46.3	38.7	38.7	38.7	38.7

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

REVENUE		-0-	-0-	-0-	-0-	-0-
---------	--	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUNDS		46.3	38.7	38.7	38.7	38.7
FEDERAL FUNDS						
OTHER						
TOTAL		46.3	38.7	38.7	38.7	38.7

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See attached analysis

Prepared by: Joseph Reeves, Program Budget Analyst
Division: Administrative Services

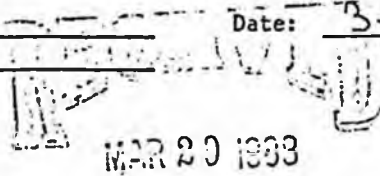
Phone: 465-3223
Date: 3/25/88

Approved by Commissioner: Arthur English
Agency: Public Safety

Date: 3-25-88

Distribution: (by preparer):

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



LEGISLATIVE FINANCE

A/B

201102

1.	POSITION TITLE Clerk V				RANGE/STEP 11/A	BARG. UNIT CGU	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7-11	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2		3						
	PERSONAL SERVICES									
5.	Salary	23,460								
6.	Benefits	8,211								
7.	Overtime									
8.										
9.	TOTAL PERSONAL SERVICES		01	31.7						
10.	Travel	02		-0-						
11.	Contractual	03		5.0						
12.	Commodities	04		2.0						
13.	Equipment	05		7.6						
14.	Other									
15.	TOTAL COST			46.3						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		46.3						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
KEY NUMBER - - - - -										

This Clerk V would be responsible for oversight of the administrative forfeiture program. These duties would include:

- Arranging for a value estimate of the property seized.
- Providing notice of administrative and "in rem" forfeiture proceedings to persons who may have an interest in the property.
- Publishing notices in appropriate newspapers for administrative and "in rem" forfeiture proceedings.
- Determining if the claim and bonds filed in administrative proceedings are "proper" and "satisfactory".
- Ensuring that disposal of forfeited assets is in compliance with statutory requirements.
- Providing guidelines to law enforcement officers to assure that seizures of property are made properly.

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

BRU Alaska State Troopers

COMPONENT Criminal Investigation Bureau

FY 89

Page 1 of 1
Revised Date

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

1.	POSITION TITLE Clerk V				RANGE/STEP 11/A	BARG. UNIT GCU	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7-11	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This Clerk V would be responsible for oversight of the administrative forfeiture program. These duties would include:</p> <ul style="list-style-type: none"> - Arranging for a value estimate of the property seized. - Providing notice of administrative and "in rem" forfeiture proceedings to persons who may have an interest in the property. - Publishing notices in appropriate newspapers for administrative and "in rem" forfeiture proceedings. - Determining if the claim and bonds filed in administrative proceedings are "proper" and "satisfactory". - Ensuring that disposal of forfeited assets is in compliance with statutory requirements. - Providing guidelines to law enforcement officers to assure that seizures of property are made properly. 					
	1		2	3						
	PERSONAL SERVICES									
5.	Salary		23,460							
6.	Benefits		8,211							
7.	Overtime									
8.										
9.	TOTAL PERSONAL SERVICES		01	31.7						
10.	Travel		02	-0-						
11.	Contractual		03	5.0						
12.	Commodities		04	2.0						
13.	Equipment		05	7.6						
14.	Other									
15.	TOTAL COST			46.3						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		46.3						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
KEY NUMBER										

REQUEST FOR NEW POSITION

AGENCY Department of Public Safety

BRU Alaska State Troopers

COMPONENT Criminal Investigation Bureau

FY 89

Page 1 of 1
Revised Date

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Dept of Public Safety
 Title: Seizure & forfeiture of property DRU: Alaska State Troopers
in alcohol & controlled substance cases
 Sponsor: Senator Sturgulewski Components: Criminal Investigation
 Requestor: Senate Finance Committee Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		28.5	28.5	28.5	28.5	28.5
TRAVEL						
CONTRACTUAL		4.5	4.0	4.0	4.0	4.0
SUPPLIES		2.0	2.0	2.0	2.0	2.0
EQUIPMENT		2.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		37.0	34.5	34.5	34.5	34.5

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		37.0	34.5	34.5	34.5	34.5
FEDERAL FUNDS						
OTHER						
TOTAL		37.0	34.5	34.0	34.5	34.5

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

It is expected that funding for this program in subsequent years will be supported by program receipts.

Prepared by: *Rick Halford* Phone: 465-3753
 Division: Senator Rick Halford, Co-chairman Date: April 12, 1988
Senate Finance Committee
 Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Anchorage

Clerk IV - Full Time

PERSONAL SERVICES - 100

Base Salary (Range 9/A) and Benefits		\$28.5
---	--	--------

CONTRACTUAL - 300

Terminal Hook-up Fees	\$ 850	
Telephone/Postage, \$85/mo. x 12	1,020	
Maintenance Agreement, Computer Professional Services (Appraisal Fees/Public Notices)	175	
	<u>2,500</u>	
TOTAL CONTRACTUAL		\$ 4.5

SUPPLIES AND MATERIALS - 400

Forms	1,000	
Stationary, copy machine paper, etc.	<u>1,000</u>	
TOTAL SUPPLIES AND MATERIALS		\$ 2.0

EQUIPMENT - 500 (FY 89 only)

Microcomputer		<u>\$ 2.0</u>
TOTAL COST		\$37.0

292

(11) CSSB 462 (FIN)

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CS SB 462 (Fin)
PUBLISH DATE: SENATE 4/12/88

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Dept of Public Safety
Title: Seizure & forfeiture of property BRU: Alaska State Troopers
in alcohol & controlled substance cases
Sponsor: Senator Sturgulewski Components: Criminal Investigation
Requestor: Senate Finance Committee Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		28.5	28.5	28.5	28.5	28.5
TRAVEL						
CONTRACTUAL		4.5	4.0	4.0	4.0	4.0
SUPPLIES		2.0	2.0	2.0	2.0	2.0
EQUIPMENT		2.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		37.0	34.5	34.5	34.5	34.5

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		37.0	34.5	34.5	34.5	34.5
FEDERAL FUNDS						
OTHER						
TOTAL		37.0	34.5	34.0	34.5	34.5

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

It is expected that funding for this program in subsequent years will be supported by program receipts.

Prepared by: _____ Phone: 465-3753
Division: Senator Rick Halford, Co-chairman Date: April 12, 1988
Senate Finance Committee
Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Anchorage

Clerk IV - Full Time

PERSONAL SERVICES - 100

Base Salary (Range 9/A)
and Benefits

\$28.5

CONTRACTUAL - 300

Terminal Hook-up Fees	\$ 850	
Telephone/Postage, \$85/mo. x 12	1,020	
Maintenance Agreement, Computer	175	
Professional Services (Appraisal Fees/Public Notices)	<u>2,500</u>	
TOTAL CONTRACTUAL		\$ 4.5

SUPPLIES AND MATERIALS - 400

Forms	1,000	
Stationary, copy machine paper, etc.	<u>1,000</u>	
TOTAL SUPPLIES AND MATERIALS		\$ 2.0

EQUIPMENT - 500 (FY 89 only)

Microcomputer		<u>\$ 2.0</u>
TOTAL COST		\$37.0

SJR

23

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House C+RA

5-6-87

3:00 p.m.

Date referred: 4/23/87

FURTHER REFERRALS: Labor & Commerce

DATE: 05/06/87

The Community and Regional Affairs Committee has considered CSSJR 23 (C&RA)

Endorsing the application of the Department of Commerce and Economic Development for a rural development assistance demonstration grant.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Heinrich Springer Springer

Bette Cato Cato

Virginia Collins Collins

Edelheid Herrmann Herrmann

SIGNING OTHER RECOMMENDATIONS:

Springer

Heinrich Springer
Chairman's signature



Official Business

COMMITTEE:

HOUSE COMMUNITY & REGIONAL AFFAIRS

DATE: May 6, 1987

SIGN-IN

Subject of meeting: ^{CSSJR 23} (B) ~~CS~~ (C&RA)

*HB 286 - Crating the Rural Governance Council
(first hearing)

CS
SJR 23 - Rural Development Demonstration Grant
(C&RA)

CSSB162(C&RA)am Raw fish tax; local gov't refunds

NAME (PLS PRINT)	YOUR TITLE & ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
------------------	-------------------------	-------	--------------	----------------------------

John Dunker	609 Math St., Juneau	586-4401 465-4972	self	No
Lony Mercurief				

BILL WORKSHEET

Bill #: CSSJR 23 (C&RA)
Date Sched.: HCRA Committee, Wed. May 6, 1987
Title: "Endorsing the application of the Department of
Commerce and Economic Development for a rural
development assistance demonstration grant"
Sponsor: Senate Community and Regional Affairs Committee
Info Attached: Copy of Resolution
Documentation from sponsor: Senate C&RA
Cover letter
Fiscal Note
Grant Proposal
Letters from Governor to U.S. Econ. Dev. Adm.

Sponsor's Briefing, Intent/purpose:

Resolution urges U.S. Dept. of Commerce and Economic Development to approve a \$1 million rural economic development assistance grant to the State Department of Economic Development (DCEd).

The grant would be used by DCEd to strengthen the state's economic development process by advancing local and regional economic development strategies to:

1. establish a regional economic development network
2. establish a revolving loan fund for rural economic development, and
3. provide technical assistance for development activities

Effect of Bill:

Fiscal Impact:

0 (Zero)

Proponents:

Opponents:

Analysis of Bill's effect, by staff:

If the grant is awarded by the Economic Development Administration to the state, a major element of the program will be to establish "economic development regions". These regions will address:

1. economic development planning
2. exports
3. tourism
4. infrastructure development
5. job opportunities
6. resource development
7. entrepreneurial enhancement

Committee Report:

Alaska State Legislature

APR 29 1987

for
CRA file.

(A) SJR 23



2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

Whit - in Juneau
P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

SENATOR
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

Senate

MEMORANDUM

April 27, 1987

TO: Representative Henry Springer, Chairman
House Community and Regional Affairs Committee

FROM: Senator Arliss Sturgulewski *(AS)*
Senate District F

RE: SJR 23 "Rural Development Demonstration Grant"

The State of Alaska through the Department of Commerce and Economic Development has made application to the federal Economic Development Administration for a \$1 million grant to promote economic development in rural Alaska. This resolution supports that application. Because of heavy competition from other states, we need to give this application as much support as possible.

I hope you will be able to schedule an early hearing as we are getting close to May 18. My staff will be able to provide background material for you.

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



SJR 23
② SJR 23

P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

12 pgs

Senate Community and Regional Affairs Committee

MEMORANDUM

March 17, 1987

TO: All Members
Community and Regional Affairs Committee

FROM: Staff *AS*
Community and Regional Affairs Committee

RE: SJR 23 "Endorsing the application of the Department of Commerce and Economic Development for a rural development assistance demonstration grant."

SJR 23 urges the U.S. Department of Commerce, Economic Development Administration to approve a \$1,000,000 Rural Economic Development Assistance Grant to the State of Alaska, Department of Commerce and Economic Development (DCED).

This grant would be used by the DCED to strengthen local and regional economic development strategies and to implement those strategies. Topics to be addressed on a regional basis would include export of Alaska products, tourism, infrastructure development, job opportunities, resource development and the enhancement of entrepreneurship at the local level.

The fiscal note is zero.

Enclosures: Fiscal Note
Grant Proposal
Letter from Governor Cowper

Original sponsors: Sturgulewski, Uehling,
Zharoff, et al.

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE JOINT RESOLUTION NO. 23 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 Endorsing the application of the Depart-
6 ment of Commerce and Economic Develop-
7 ment for a rural development assistance
8 demonstration grant.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 WHEREAS the state is experiencing a major downturn in its economy due
11 to the drop in oil revenue over the past two years; and

12 WHEREAS the people of the state are faced with rising unemployment,
13 reduced state and local government services, a decrease in the level of
14 business activity, and in many instances, the personal tragedy of the loss
15 of a home or personal property; and

16 WHEREAS all areas of the state are being affected by the drop in oil
17 revenue and the reduction of state and local services; and

18 WHEREAS the large size of the state and the sparse population of the
19 rural parts of the state cause unique problems for the delivery of ser-
20 vices; and

21 WHEREAS the rural areas of the state are a vital and important part of
22 the state; and

23 WHEREAS the Department of Commerce and Economic Development has sub-
24 mitted an application to the federal Economic Development Administration
25 for a rural economic development assistance grant that would fund a demon-
26 stration project to promote economic development, establish businesses, and
27 increase job opportunities in the rural areas of the state;

28 BE IT RESOLVED that the Alaska State Legislature endorses the applica-
29 tion by the Department of Commerce and Economic Development for a rural

ONLY
ADDITION
IN
C&RA
COMMITTEE

1 development assistance demonstration grant from the Economic Development
2 Administration; and be it

3 FURTHER RESOLVED that the Economic Development Administration is
4 requested to expedite the review and approval of the grant application.

5 COPIES of this resolution shall be sent to the Honorable Malcolm
6 Baldrige, Secretary of the U.S. Department of Commerce; and to the Honor-
7 able Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the
8 Honorable Don Young, U.S. Representative, members of the Alaska delegation
9 in Congress.

No 160

STATE OF ALASKA 1987 LEGISLATIVE SESSION

FISCAL NOTE SENATE

BILL VERSION: CSSJR 23(C&RA)
PUBLISH DATE: 3/26/87

REQUEST: _____

Revision Date: _____
Title: Endorsing DCED application for
rural development assistance demonstration grant
Sponsor: Sturqulewski
Requestor: _____

Agency Affected: Comm. & Econ. Dev.
BRU: Advocates
Components: Office of Enterprise

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS :

Prepared by: Larry Mercurieff, Director Phone: 465-2017
Division: Office of Enterprise Date: March 6, 1987

Approved by Commissioner: J. Anthony Smith, Commissioner Date: March 6, 1987
Agency: Department of Commerce and Economic Development

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary
 - 0201k3987

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____ Bill Version : SJR 23
 _____ Publish Date : _____
 Revision Date: _____ Agency Affected: Comm. & Econ. Dev.
 Title : Endorsing DCED application for BRU: Advocates
rural development assistance demonstration grant
 Sponsor : Sturgulewski Components : Office of Enterprise
 Requestor : _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Larry Mercurieff, Director Phone: 465-2017
 Division: Office of Enterprise Date: March 6, 1987
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DEMONSTRATION GRANT PROPOSAL FOR THE
ECONOMIC DEVELOPMENT ADMINISTRATION

The State of Alaska now faces double digit unemployment, and some communities have 60 percent or more. There are 11,500 fewer jobs in Alaska today than there were one year ago, business incorporations are down by 24.5 percent, and the state has a net loss of population. Many of the problems facing the state are attributable to the decline of world oil prices, and reflects the overdependence of the state upon that single commodity.

Except for the Municipality of Anchorage, Alaska basically has a rural economy. The state has some 148 cities and boroughs and several hundred Native villages. Much of the state is not organized into boroughs or any other form of local government. Vast land areas, difficult transportation, climatic peculiarities, sparse population and heavy reliance on governmental and service sector jobs contribute to economic development impediments.

Native issues are paramount, with sovereignty, subsistence and land ownership and use are nearing a critical phase under implementation of the Alaska Native Claims Settlement Act. Among the numerous Native entities are villages comprised of Eskimos, Aleuts or Indians, with traditional or Indian Reorganization Act councils, or perhaps with both; village and regional corporations, incorporated under state law; regional nonprofit entities; plus a variety of statewide and local organizations. These complexities have in the past been obstacles in the state's efforts to assist economic development in the rural areas. One of the principal objectives of this demonstration project will be an effort to develop appropriate regional entities that can serve as vehicles for more efficient and equitable delivery of business and economic development assistance.

There is a new governor and a new state administration which is committed to making the economic climate for Alaska as warm and friendly as possible. There are significant opportunities for this resource-rich state in export development, mining extraction, fish, timber, tourism and expanded entrepreneurship. Alaska's proximity to the Pacific Rim countries and its position as an international transportation crossroads are major factors in such plans. Diversification, including increased value-added manufacturing and processing, rank high on the priority list of the states.

One of the most critical needs in the State of Alaska is the strengthening of its economic development processes. The state has made substantial progress under its 302(a) Planning Grant, but there is still an obvious need to strengthen the regional economic development planning, support, and implementation efforts. Alaska wants meaningful public-private sector economic development at the local level, which can then be channelled into coherent state economic development policy, plan and execution.

This proposal has basically three program components. First, there is the need to establish a regional economic development network to draw upon local resources and ideas, and then to effectively direct those contributions to the state economic development planning process. Second, for reasons described below, a revolving loan fund is essential for the development of a broadened economic base in the rural areas of the state. Third, closely related to the state economic development planning commitment is the need for several specific technical assistance elements to address discrete issues relating to the Alaskan economy.

The state believes that the establishment of regional economic development organizations is critical to the effective investment of limited state, federal and local funds in the rural areas. To facilitate the creation of such organizations, it is proposed that Economic Development Administration (EDA) assistance be provided to the Department of Commerce and Economic Development (DCEd) to delineate economic development regions throughout the state. It is anticipated that these regions will evolve into Economic Development Districts (EDDs), meeting the criteria of mutual-benefit local institutions responsible to the regions they serve.

The focus of the economic development regions (EDRs) will include such interests as economic development planning, export, tourism, infrastructure development, increased job opportunities, entrepreneurship in villages, and resource development. It is anticipated that they will be multi-governmental, multi-purpose and multi-funded organizations. But they also serve additional functions. An EDR, when operational, will be able to speak as a single voice representing the needs and requirements of its constituents concerning economic development activities in its region. By presenting such an organized front, the EDR can greatly increase its influence with both the state and federal government in getting needed financial and other assistance required to further local economic development plans.

The formation of EDRs will also be of considerable benefit to the state. By organizing these regional focal points, the state can now work with a relatively small number of organizations instead of trying to serve 300 plus local governments and a multitude of other development interests. This will be of great assistance in the state's overall economic development planning program (supported by an EDA Sec. 302a Grant); it will allow for increased efficiency in providing needed assistance; and will provide a statewide network for the gathering and dissemination of data and information.

We anticipate perhaps 8 to 12 EDD regions can be established statewide, and these will reflect the concurrence of both the regions involved and the state. We anticipate that three to four EDDs can be established during the first year of operation.

State of Alaska Grant Request and Proposed Work Effort

EDA is requested to provide \$100,000 to aid the state in delineating the EDD boundaries and to assist in the initial establishment of the regions and their organizations, as well as to fully assist those entities ready to function as EDDs. Over approximately a 15 to 18 month period, in order to create additional private sector jobs, the department plans to: (1) develop an approach to issues surrounding labor/management relations, (2) to review and make substantive recommendations concerning the effectiveness of rural tourism throughout the state, (3) evaluate and subsequently enhance the "high tech" potential of the state, perhaps including such direct assistance approaches as incubators or other mechanisms deemed appropriately effective, (4) develop a state economic development policy, which includes Native entities, which will enhance economic development within the state, (5) prepare a plan for developing the state's import/export potential, and (6) take the initiative to coordinate and facilitate state government efforts to enhance private sector development. An additional \$260,000, in keeping with levels of support now provided to other EDDs, is further requested. Significant travel, meetings and other expenses will be involved to meet this overall objective. The state will provide matching funds as indicated in the attached Budget Proposal. Various state departments will provide direct staff assistance, and all the various public and private resources will be invited to participate in the process.

The EDRs will function as ongoing local economic development planners and implementers, and they will also provide meaningful support to the state's continuing economic development process and programs.

As part of the critical first steps of implementation, several technical assistance activities have been identified that will be closely tied to the 302(a) grant program. Over approximately a 15 to 18 month period, the department plans to: (1) develop an approach to issues surrounding local hire and export-import conflicts, (2) to review and make substantive recommendations concerning the effectiveness of rural tourism throughout the state, (3) evaluate and subsequently enhance the "high tech" potential of the state, perhaps including such direct assistance approaches as incubators or other mechanisms deemed appropriately effective, (4) develop a state economic development policy in conjunction with Native representation which will enhance their position within the state processes for meaningful economic development, and (5) participate in a statewide small business conference scheduled for the fall of 1988 which will examine the needs and requirements of small business in both the urban and rural areas.

For this five part technical assistance effort EDA will be asked to provide \$200,000 for two full-time staff persons plus contractual, travel and other expenses. This will be matched from state resources with at least \$75,000 in cash plus in-kind. These technical assistance efforts will be closely tied to current EDA grant activities in the University Center Program (University of Alaska, Juneau), the regional Native nonprofit corporations and several local community projects. Full coordination will occur with all of the state departments, other federal agencies and programs, the public and private sectors, cities, boroughs, chambers of commerce, Native villages and corporations.

Funding in rural areas of the state for both manufacturing and commercial enterprises is often severely lacking. The state, working with EDA, the Small Business Administration (SBA), the Minority Business Development Agency (MBDA), from its own resources, and with the private sector has helped to establish technical assistance networks to provide entrepreneurial assistance across the state.

To meet the specific need of a lack of capital in rural Alaska, however, it is requested that a Revolving Loan Fund be established. It is proposed that EDA contribute \$500,000, to be matched with \$300,000 in state funds. If EDA Title IX eligibility criteria are applied some 80 percent of the rural areas of the state will be served by this program.

Examples of the need and opportunity can be expressed by noting a couple of examples. There is not a single car-lift in the city of Kotzebue, a principal regional center in Northwestern Alaska. Both the Matanuska-Susitna Borough and the Kenai Peninsula Borough have significant small manufacturing and business activities. Small salmon smoking operations are located in many areas of rural Alaska, and these frequently involve Native interests. By utilizing this new source of capital to enhance the interest of the state's lending institutions in doing business in the more rural areas, meaningful, substantial and lasting development should be possible.

This new Revolving Loan Fund will be coordinated with the RLF funded by EDA three years ago for the Fairbanks Native Association, Inc., recent efforts in the state by the Bureau of Indian Affairs, and the grant and loan programs of the Minority Business Development Agency.

The individual elements described here are intimately related, and for optimum chance of success these elements should be coordinated in the closest way possible. Better priority setting should be established, coupled with wise investment of limited resources.

The Department of Commerce and Economic Development is looking forward to working together with EDA in bringing a more meaningful, broad-based and effective economic development process to the State of Alaska.

X
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STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 4, 1987

Ms. Beverly L. Milkman
Deputy Director for Grant
Programs
Economic Development
Administration
US Department of Commerce
Washington, DC 20230

Dear Ms. Milkman:

The State of Alaska is experiencing a very severe downturn in its economy due to the precipitous drop in oil prices over the past two-year period. The people of this state are faced with rising unemployment, reduced services from state and local governments, a decrease in the level of business activity, and, in too many instances, the personal tragedy of the loss of homes and businesses. But we Alaskans are a resilient and resourceful lot and are already beginning to take actions to solve the problems facing us, one of which is this demonstration project.

Over the past two years, life has changed a great deal for all of us in Alaska, but nowhere has that change been felt as deeply as in rural Alaska. Even as the urban areas of Alaska were enjoying the fruits of the oil boom, the rural areas were still suffering from high unemployment, as much as 90 percent in some communities and villages; a lack of job and business opportunities; and a serious problem of coping with a cash economy in a traditional subsistence society. The recent fall of oil revenues to the state has only served to worsen those conditions.

Rural Alaska is a vital and important part of our state, but I believe that the needs and requirements of villages and communities in the rural areas have not been adequately addressed in the past. This new administration, however, is proposing new and expanded efforts in this area. The application we have submitted to you for the Demonstration Project is just one of a number of actions we are taking to assist the rural areas, but an extremely important one. With the approval of this project, we will be able to

Ms. Beverly L. Milkman

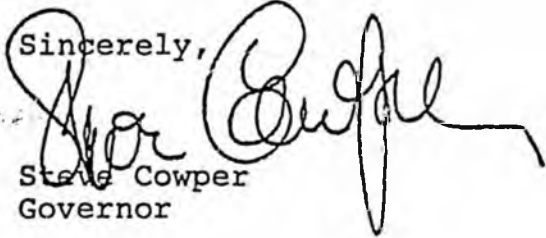
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February 4, 1987

greatly accelerate our economic development efforts,
provide services in a more rational and effective way, and
do it in ways that are most appropriate to rural Alaska.

We are looking forward to working with you on this project.

Sincerely,



Steve Cowper
Governor

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 4, 1987

Mr. John Woodward
Regional Director
Economic Development
Administration
US Department of Commerce
1700 Westlake Avenue North
Seattle, WA 98109

RECEIVED
OFFICE OF ECONOMIC DEVELOPMENT

FEB 6 1987

DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT

Dear Mr. Woodward:

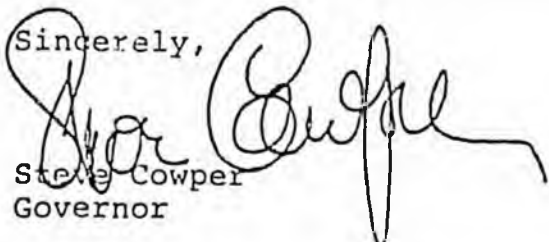
The State of Alaska is applying for this Demonstration Grant in order to expand and strengthen our economic development efforts in the rural areas of the state. Approximately 85 percent of Alaska's land area can be classified as "rural", and it is occupied almost exclusively by Native Americans: Indians, Aleuts, and Eskimos. The communities and villages are generally very small, ranging in population from 25 to 5,000--the majority having 500 persons or less.

Over the past two years, life has changed a great deal for all of us in Alaska, but nowhere has that change been felt as deeply as in rural or "bush" areas. Rural Alaska did not share equally in the benefits of the 1980s oil boom, and the recent fall in state oil revenues has only made things worse. With the help of EDA through the Demonstration Grant, we hope to reverse this downward economic trend in the rural economy.

The Demonstration Project will provide rural Alaskans with new tools and procedures for attacking their economic problems, several of which will become available while the project is still underway, i.e., the Revolving Loan Fund and the technical assistance work on tourism. Most importantly, the completion of the project will allow the state to accelerate its economic development efforts in the rural areas and permanently break the hold of poverty, joblessness, and need in bush Alaska.

We are looking forward to working with you on this project.

Sincerely,


Steve Cowper
Governor