

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

6159 HOUSE STATE AFFAIRS

583

TABLE 1: ALASKA STATE GOVERNMENT PRINTING EXPENDITURES

AGENCY	TOTAL EXPENDITURES	TERM	TOTAL IDENTIFIABLE EXPENDITURES	PERCENT IDENTIFIED	IN-STATE				OUT-OF-STATE			
		& CONTRACTS < \$5000			CENTRAL DUPLICATING	ALASKA BIDDER	TOTAL AMOUNT	PERCENT IDENTIFIED	ALASKA BIDDER	NONALASKA BIDDER	TOTAL AMOUNT	PERCENT IDENTIFIED
Governor's Office Administration	\$311,790	\$105,954	207,836	66	\$107,757	\$64,000	171,757	83	\$30,079	\$6,000	36,079	17
Law	410,708	130,980	279,728	68	220,059	0	220,059	79	59,669		59,669	21
Revenue	94,739	63,394	31,345	33	16,345	15,000	31,345	100	0	0	0	0
Education	250,575	80,661	169,913		49,599	40,240	89,839	53	70,469	9,605	80,074	47
Health & Social Services	656,647	388,397	268,240	41	134,559	120,984	255,923	95	4,957	7,380	12,337	5
Labor	384,672	186,128	198,544	52	150,509	42,566	193,075	97	5,469	0	5,469	3
Commerce & Economic Dev.	382,487	169,186	213,302	36	163,206	11,478	174,684	82	34,083	4,535	38,618	18
Military & Veteran Affairs	355,497	223,943	131,553	37	94,502	29,551	124,053	94	0	7,500	7,500	6
Natural Resources	17,327	11,770	5,557	32	5,557	0	5,557	100	0	0	0	0
Fish & Game	426,859	330,711	96,148	23	80,148	16,000	96,148	100	0	0	0	0
Public Safety	1,055,975	558,431	497,544	47	190,718	161,588	352,306	71	39,626	105,612	145,238	29
Environmental Conservation	680,982	588,124	92,858	14	49,399	0	49,399	53	43,459	0	43,459	47
Corrections	55,922	26,466	29,455	53	29,455	0	29,455	100	0	0	0	0
Community & Regional Affairs	42,861	0	42,861	100	42,861	0	42,861	100	0	0	0	0
Transp. & Public Facilities	138,792	76,919	61,874	45	54,409	7,465	61,874	100	0	0	0	0
Ombudsman	800,282	669,942	130,340	16	122,880	0	122,880	94	7,460	0	7,460	6
Legislative Affairs & Audit*	10,850	10,427	423	4	423	0	423	100	0	0	0	0
Alaska Court System	359,708	53,148	306,560	85	5,059	0	5,059	2	0	301,501	301,501	98
	154,403	151,306	3,097	2	3,097	0	3,097	100	0	0	0	0
TOTAL	\$6,593,075	\$3,825,877	2,767,198	42	\$1,520,922	\$508,872	2,029,794	73	\$295,271	\$442,133	737,404	27

*Legislative Affairs Agency FY 86 term contracts included \$301,501 for Alaska statutes which was identified as out-of-state printing.

Source: State of Alaska accounting system; Alaska Department of Administration, Division of General Services and Supply; Legislative Affairs Agency, Division of Administrative Services.

Prepared by the House Research Agency, December 1986.

Item 5



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

MEMORANDUM

February 23, 1982

TO: Representative Ken Fanning
ATTN: Gail Thibodeau
FROM: Carol Biggs, Admin. Asst.
RE: University of Alaska Multi-colored Publications
Research Request #82-54

In response to a request by Gail Thibodeau of your staff, we contacted Keith B. Mather, Vice Chancellor for Research, at the University of Alaska, who provided the following information on costs for publications requiring the use of color.

Six thousand copies of the University of Alaska Research Annual Report were printed at a unit cost of \$13 each, for a total of \$78,000. He said that this report is sent to universities, foundations, industries, and government agencies, both nationally and worldwide, as a means of advertising the University of Alaska. He stated that to his knowledge only two other entities within the University utilized color in their reports. Those were the Agricultural Experiment Station and the Geophysical Institute. He suggested that I contact each of those divisions individually for costs of their publications.

This year Agroborealis, which is a magazine published once a year by the Agricultural Experiment Station, was printed at a cost of \$20,273 for 8,000 copies, or a unit price of \$2.53. The previous year 7,000 copies of this magazine were printed for \$14,300, or \$2.04 per copy.

The Geophysical Institute also publishes an annual report, which, according to Mr. Mather, is too lengthy to include in the University's main annual report. There were 2,200 copies of this report printed at a cost of \$30,239.93, or \$13.75 each. This report has been published for the past 20 years.

Mr. Mather also said that each department at the University can do a certain amount of its own color printing, as there is a graphics services center on campus. I called the graphics center and found that most of the color work that they do involves spot color, such as that used in a bar graph where several different colors are used to differentiate

Representative Ken Fanning
February 23, 1982
Page 2

the items being compared. The graphic services center has the ability to print reports which use colored photographs, but not the time, as they serve all University of Alaska departments statewide. Two of the examples given as products of the graphic service center which involve color were the University of Alaska recruitment brochure and museum posters, such as those used for special exhibits on campus.

The examples of University of Alaska publications using color mentioned above may not represent all of the University publications which use color, and if you would like us to contact each department individually, we will be glad to do so.

/cb



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 65-3991

May 10, 1982

MEMORANDUM

TO: Files
FROM: Deb Pomeroy
RE: Research Request 82-131

Christine Englehart of Representative Fanning's office called on May 7 asking that we find out the cost of preparing and printing the Alaska Silver Anniversary Commission's Master Plan. She also requested that we get the number of copies printed and the cost of distributing it.

The afternoon of the 7th, I called her to tell her that Patria at the Commission's Anchorage office had stated that it had cost \$22,000 to get 100 hundred copies of the 18 volume master plan and the summary volume printed.

Monday, May 10, Jean Reichman called with the following information which I called Christine with:

Contract Cost of the Master Plan (Alaska 1984)	\$2,820,674.50
Printing Costs:	
100 Copies of Master Plan & Summary	\$ 22,000.00
1,000 additional copies of Summary	\$ 20,000.00
Postage	
40 copies air freight to Juneau from Anchorage	\$ 700.00
Additional distribution (Estimate)	\$ 2,500.00

Ms. Reichman also stated that she would be sending me a breakdown of expenditures which the Legislative auditors had compiled.

I called Christine with the above information. She did not want a memo sent down, and said she would call me if she decided to wait for the Legislative auditors' report before writing a speech on this topic.

Total time spent on this request was approximately 1.5 hours.

FEB 22 1989

STEVE COWPER, GOVERNOR

STATE OF ALASKA
DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 465-4100

February 22, 1989

The Honorable Drue Pearce
Alaska State Senator
P.O. Box V
Juneau, AK 99811

Dear Senator Pearce:

This letter will respond to your request of February 22 regarding SB 75. You had requested information regarding the costs and distribution of the popular Alaska Fish & Game magazine.

Alaska Fish & Game was mailed to a total of 9,709 subscribers in the most recent 12-month period. Program receipts for FY 88 totalled \$81,261 and for FY 89 program receipts total \$66,210 through February 15, 1989. Total production costs for Alaska Fish & Game magazine for FY 88 were \$200,276, which includes personal services, printing, postage, equipment, and all supplies. The magazine is issued six times per year with a total of 81,750 copies. Each copy therefore costs approximately \$2.45 to produce. These figures are the total costs for production of the magazine. Actual printing of Alaska Fish & Game magazine is done in Forest Grove, Oregon. The purpose of the magazine is to provide useful information to the general public about Alaska's wildlife resources.

If I can be of further assistance, please feel free to call.

Sincerely,


Don W. Collinsworth
Commissioner



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

MEMORANDUM

March 31, 1982

TO: Representative Fanning
ATTN: Gail Thibodeau

FROM: Carol Biggs, Admin. Asst.

RE: Agricultural Action Council Annual Report Printing Cost
Research Request #82-103

Gail Thibodeau of your staff requested that we find out the amount of money that was specified at the November meeting of the Agricultural Action Council for printing the Agricultural Action Council Annual Report.

This memorandum is in confirmation of my telephone call to Gail yesterday. Julie Hickey of the Governor's Special Projects office reported that \$12,000 had been allocated for printing costs for the Agricultural Action Council Annual Report. Bid proposals have been received from commercial printers for printing the report, and the final report will be printed some time this fiscal year. The \$12,000 is for approximately 5,000 copies, or \$2.40 per unit.

Additionally, 100 copies of the first draft of the report have been xeroxed by the Special Projects office, at a cost of 10 cents per page, or approximately \$12.50 per copy for the 100 copies, with another 500 copies of the first draft to be printed by the Legislative Print Shop; that cost is unknown at this time.

=====

Attached is a copy of an article from U.S. News and World report which may be of interest to you, as it pertains to efforts by the federal government to cut federal publication costs.

CB/bf
Encl.

Item 7

STATE OF ALASKA

STEVE COWPER, GOVERNOR

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**

P. O. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2500

OFFICE OF THE COMMISSIONER

March 28, 1989

The Honorable H.A. "Red" Boucher
House State Affairs Committee Chairman
House of Representatives
P.O. Box V
Juneau, AK 99811

Dear Representative Boucher:

The Division of Tourism and the Alaska Tourism Marketing Council (ATMC) are deeply involved in publications that are sent out-of-state to encourage potential visitors to choose Alaska as their next destination. The department is therefore interested in CSSB 75 (R1s) am, which will be heard in your committee on March 29, and welcomes the chance to comment on it.

The ATMC and the Division of Tourism cooperate to prepare the Alaska Vacation Planner, the State's primary tourist publication. The department believes that printing cost and location data on the Vacation Planner would seem strange and perhaps parochial to the audience of potential tourists, and that the information would be useless to out-of-state readers. The ATMC's brochures and those printed by the Division of Tourism are for consumption by potential visitors from out of state, who are seldom interested in where the brochures are printed or what it cost to print them. Instead, and properly, they want the information that is in the brochure so they can plan their trips to Alaska.

These comments also apply to other publications aimed at an out-of-state audience such as the Fall-Winter-Spring brochure and the Highway brochure.

We are also very concerned that publications destined for use in overseas markets are included in the requirements of CSSB 75 (R1s) am. In addition to the fact that the information would serve no useful purpose to foreign readers, there could be confusion over expressing the cost in a foreign currency or the constantly changing local equivalent, and we are concerned over the message this would give to potential foreign tourists.

March 28, 1989

The department suggests the following amendments to CSSB 75 (R1s) am:

P. 2, L. 18:

#3 after "Code," delete [AND];

after "Court" insert and publications intended primarily for foreign or out-of-state use.

Further, we would suggest that the information required in Section 1 of the bill be made available to the Legislature and members of the public on an annual basis.

Finally, the bill requires a calculation of all costs involved in production. The calculation of these costs is difficult as our publications involve division and ATMC staff, as well as personnel employed by the advertising agencies with which we contract. We are unable at this time to determine an exact amount.

Thank you for this opportunity for comment.

Sincerely,


Larry Mercurieff
Commissioner

LM/LW/mm/C.113
032889b

cc: Senator Drue Pearce
Hugh Gellert, Director, Division of Tourism
Robert Miller, Executive Director, Alaska Tourism Marketing Council
John Andrews, Commissioner, Department of Administration

Department of Transportation & Public Facilities



POSITION PAPER

BILL N(O): CS Senate Bill 75 (Rules An Acting to the identification of and disclosure on and about state publications; and providing for an effective date

APPROVED: M-K S. Hly

DATE: March 28, 1989

The Department strongly opposes the committee substitute for Senate Bill 75.

The Department does not oppose furnishing, prominently within a document, those costs which relate directly to the normal printing industry.

The Department has two major concerns with this committee substitute for Senate Bill 75.

First, the definition of publication is too all inclusive as contained in Sec. 44.99.150(2). By this definition all construction CIP projects publications would be included which could encompass such items as the plans and specifications, location and design study reports, (material) investigation reports, and environmental assessment reports, etc. This additional burden and cost to a CIP project would seem to be difficult to justify in these times when we are diligently seeking ways to cut or contain the costs of administrating CIP projects.

These are the exemptions that DOTPF wants from definition that will make them happy.

The second concern is in Section 44.99.150(1)(A) when the definition of "preparation cost" include the personnel costs.

Except for personnel assigned to CIP projects, the Department does not maintain an accounting system which would separate the personnel costs for the preparation of a document. Thus, the bill would require the Department to establish another accounting system, including a time card system, just to accurately determine the personnel costs.

The definition of "Production costs" and the subsequent "preparation" may also be subject to various interpretations. For example, does the preparations include the actual writing, research or development of a document or just the printing and publication costs with the directly related personnel costs.

As has been stated before, the Department is opposed to the bill in the present form. We would suggest eliminating all CIP projects with their related documents from the definition of publications and limiting the personnel costs specifically to those that are directly associated with the actual normal industry of printing.

Alaska State Legislature

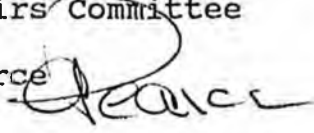
3111 C Street, Suite 150
Anchorage, Alaska 99503
(907) 561-2038

During Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-4993

Senator Drue Pearce
District G

MEMORANDUM

TO: Representative Red Boucher, Chair
House State Affairs Committee

FROM: Senator Drue Pearce 

RE: Senate Bill 75

DATE: March 10, 1989

CSSB 75 (Rules) am passed the Senate on March 9 and has received its first referral in the House to the State Affairs Committee.

Please schedule a hearing of this bill in the House State Affairs Committee.

Attached is information for distribution to the Committee.

DP:jf

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: An Act relating to State BRU: General Services and Supply
Publications Central Duplicating/Purchasing
 Sponsor: Pearce Components: General Services and Supply
 Requestor: House State Affairs Central Duplicating/Purchasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
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	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	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: (Attach a separate page if necessary)

We do not anticipate any significant fiscal impact in expenditures or revenues for the Division of General Services and Supply. Central Duplicating will continue to provide quotations to state agencies so they can include these figures in their costs analysis. There would be no additional costs for printing services.

Prepared By: Robert J. Link, Director *RL* Phone: 465-2250
 Division: General Services and Supply Date: 4/3/89

Approved by Commissioner: John M. Andrews *JMA* Date: 4/4/89
 Agency: Department of Administration

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HCS CSSB 75 (SA)

SUBJECT OF PROPOSED BILL: An act relating to State Publications.

SUMMARY/EXPLANATION OF INTENT: For agency publications which are bid by General Services and Supply, the additional information required would be provided for under existing procurement regulations. The disclosed information can be included in the bidding specifications at no fiscal impact to the division. We do not anticipate any critical fiscal impact when issuing competitive sealed bids for agency publications.

This fiscal note analysis only applies to the Department of Administration purchasing activities and does not represent fiscal impacts to other agencies.

ESTIMATED FISCAL IMPACT:

Capital: 0

Operating: 0

S B

85

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
SB 85

Private Activity Bonds

Received March 22, 1989
by The Rules Committee by
Request of the Governor

Heard March 29, 1989

Passed Out of Committee March 29, 1989
3 Do Pass
2 No Recommendation

TABLE OF CONTENTS

SB 85: Private Activity Bonds

- Item 1:** SB 85 by The Rules Committee by Request of the Governor
- Item 2:** Fiscal Notes
- Item 3:** Governor's Transmittal Letter
- Item 4:** Alaska Private Activity Bond Volume Cap Explanation
- Item 5:** Statutes
- Item 6:** CRA House Committee Report

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 22, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

SB 85

SENATE BILL NO. 85

[PRIVATE ACTIVITY BONDS]

"An Act relating to the issuance of private activity bonds; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
[] have 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):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
[] zero fiscal note _____
[] zero with analysis _____

- [] fiscal note(s) _____
[2] ^{Senate} zero fiscal note(s) CRA/DOR
[] zero fn/analysis _____

SIGNING DO PASS:

Carl Spidel

Eileen P. Mahoney

Dr. G. Bush

SIGNING:

(Check approp. column)

	Do Not Pass	No Rec	Amend
<i>Wayne Hestley</i>		✓	
<i>Jim Zwick</i>		✓	

Chairman's Signature

Item 2

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 85 (a)
PUBLISH DATE: 1/9/89

No. 3

#1

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An act..issuance of private activity bonds.."
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Community & Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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	-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: Jim Plasman Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 11-15-88
 Approved by Commissioner: [Signature] Date: 15 NOV 88
 Agency: Community & Regional Affairs

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

STATE OF ALASKA
1988 LEGISLATIVE SESSION

Bill Version: SB 85 (b)
Publish Date: 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Issuance of Private Activity
Bonds
Sponsor: Rules
Requestor: Governor

Agency Affected: Department of Revenue
BRU: Treasury
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
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	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	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: Attach a separate page for analysis.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: November 1, 1988

Approved by Commissioner: [Signature]
Agency: Department of Revenue

Date: 11/7/88

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



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Kelly:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the issuance of private activity bonds.

The bill provides permanent authority for the state bond committee to allocate the private activity bond volume limit for Alaska. The bond committee was assigned this responsibility by ch. 81, SLA 1987. However, sec. 3 of ch. 81 repeals the committee's authority as of January 1, 1990. The attached bill would place, in statute, the temporary language that was enacted in sec. 1, ch. 81, SLA 1987.

The private activity bond limit for Alaska under current federal law is \$150,000,000 each year. This limit on the amount of certain types of debt that can be issued as tax-exempt applies to Alaska Student Loan Corporation bonds, Alaska Housing Finance Corporation's first-time home buyer bonds, bonds for most Alaska Power Authority projects, and possibly certain bonds that would be issued by the Alaska Industrial Development and Export Authority or municipalities.

Legislation needs to be enacted in 1989 to avoid any hiatus in the authority of the State to allocate the volume limit. Failure to do so would cause the allocation to revert to

Letter from the Governor

Item #3

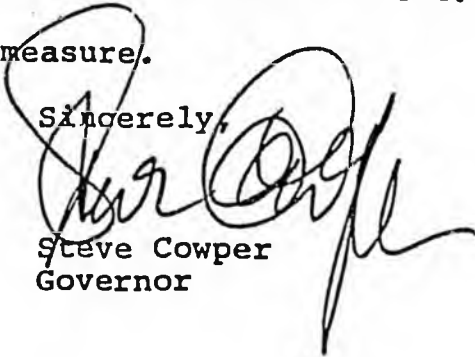
85

85

federal law. Federal law mandates a fixed percentage allocation to municipalities. It is unlikely that municipalities would use all or even a significant portion of their limit. They have used none of the limit so far. Thus, an absence of legislation could cause significant amounts of state debt to be issued without tax exemption. This would increase needlessly the interest costs on such debt.

I urge your support of this measure.

Sincerely,



Steve Cowper
Governor

Item # 7

ALASKA PRIVATE ACTIVITY BOND VOLUME CAP
ALLOCATIONS, USE AND CARRYFORWARDS FROM INCEPTION

CALENDAR YEAR	TOTAL CAP	ALLOCATION	USE	CARRYFORWARD 1.
1986	\$250,000,000	\$125,000,000 TO AHFC \$125,000,000 TO ALL OTHER USERS	\$14,780,000 BY AIDEA	\$125,000,000 FOR AHFC 2. \$110,220,000 FOR STUDENT LOAN BONDS
1987	\$250,000,000	\$0	\$50,000,000 BY AHFC	\$185,590,000 TO AHFC 2. \$64,410,000 TO APA FOR POWER PROJECTS
1988	\$150,000,000	\$0	\$0	\$80,000,000 TO APA FOR SNETTISHAM
1989 (to date)	\$150,000,000	\$0	\$83,795,000 BY ASLC \$0	\$70,000,000 FOR STUDENT LOAN BONDS
TOTAL	\$800,000,000	\$250,000,000	\$148,575,000	\$635,220,000

UNUSED CARRYFORWARDS

AHFC	\$260,590,000	
APA	\$144,410,000	(FOR SPECIFICALLY NAMED PROJECTS)
ASLC	\$96,425,000	
TOTAL	\$501,425,000	

SPECIAL NOTE

An IRS ruling concerning of the 1986 carryforward for student loan bonds is pending. An unfavorable ruling could cause the 1986 carryforward to become unuseable. In that case a 1988 bond issue of the Alaska Student Loan Corporation ("ASLC") would use \$83,795,000 of the 1988 cap, leaving \$66,205,000 to carry forward for APA to purchase Snettisham. A ruling which did that would reduce unused carryforwards to the following amounts:

AHFC	\$260,590,000
APA	\$130,615,000
ASLC	\$0
TOTAL	\$391,205,000

NOTES

1. Carryforwards expire after three calendar years.
2. Under current Federal law AHFC will not be able to issue tax-exempt bonds for first time home-buyers after December 31, 1989.
3. No entity other than those identified in the tables has ever applied for an allocation of the private activity bond cap.

From DOR 2-1-89

Item #5

Amendments

P.L. 100-647, § 5053(a):

Act Sec. 5053(a) amended Code Sec. 145 by redesignating subsection (d) as subsection (e).

For a special effective date, see Act Sec. 5053(c), below.

Act Sec. 5053(c) provides:

(c) EFFECTIVE DATE—

(1) IN GENERAL.—The amendments made by this section shall apply to obligations issued after October 21, 1988.

(2) EXCEPTION FOR CONSTRUCTION OR BINDING AGREEMENT.—

(A) The amendments made by this section shall not apply to bonds (other than refunding bonds) with respect to a facility—

(i) the original use of which begins with the taxpayer, and the construction, reconstruction, or rehabilitation of which began before July 14, 1988, and was completed on or after such date, or

(ii) the original use of which begins with the taxpayer and with respect to which a binding contract to incur significant expenditures for construction, reconstruction, or rehabilitation was entered into before July 14, 1988, and some of such expenditures are incurred on or after such date, and

(iii) described in an inducement resolution or other comparable preliminary approval adopted by an issuing authority (or by a voter referendum) before July 14, 1988.

For purposes of the preceding sentence, the term "significant expenditures" means expenditures greater than 10 percent of

the reasonably anticipated cost of the construction, reconstruction, or rehabilitation of the facility involved.

(B) Subparagraph (A) shall not apply to any bond issued after December 31, 1989, and shall not apply unless it is reasonably expected (at the time of issuance of the bond) that the facility will be placed in service before January 1, 1990.

(3) REFUNDINGS.—The amendments made by this section shall not apply to any bond issued to refund (or which is part of a series of bonds issued to refund) a bond issued before July 15, 1988, if—

(A) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

(B) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

(C) the proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the issuance of the refunding bond.

For purposes of subparagraph (A), average maturity shall be determined in accordance with section 147(b) of the 1986 Code.

P.L. 99-514, § 1301(b):

Act Sec. 1301(b) amended Part IV of subchapter B of chapter 1 by adding Code Sec. 145 to read as above.

For text of Part IV of subchapter B of chapter 1 prior to amendment see the amendment notes for Code Sec. 141.

The above amendment applies generally to bonds issued after August 15, 1986. However, for transitional rules, see Act Secs. 1312-1318 following Code Sec. 103.

[Sec. 146]

SEC. 146. VOLUME CAP.

[Section 146(a)]

(a) GENERAL RULE.—A private activity bond issued as part of an issue meets the requirements of this section if the aggregate face amount of the private activity bonds issued pursuant to such issue, when added to the aggregate face amount of tax-exempt private activity bonds previously issued by the issuing authority during the calendar year, does not exceed such authority's volume cap for such calendar year.

[Sec. 146(b)]

(b) VOLUME CAP FOR STATE AGENCIES.—For purposes of this section—

(1) IN GENERAL.—The volume cap for any agency of the State authorized to issue tax-exempt private activity bonds for any calendar year shall be 50 percent of the State ceiling for such calendar year.

(2) SPECIAL RULE WHERE STATE HAS MORE THAN 1 AGENCY.—If more than 1 agency of the State is authorized to issue tax-exempt private activity bonds, all such agencies shall be treated as a single agency.

[Sec. 146(c)]

(c) VOLUME CAP FOR OTHER ISSUERS.—For purposes of this section—

(1) IN GENERAL.—The volume cap for any issuing authority (other than a State agency) for any calendar year shall be an amount which bears the same ratio to 50 percent of the State ceiling for such calendar year as—

(A) the population of the jurisdiction of such issuing authority, bears to

(B) the population of the entire State.

(2) OVERLAPPING JURISDICTIONS.—For purposes of paragraph (1)(A), if an area is within the jurisdiction of 2 or more governmental units, such area shall be treated as only within the jurisdiction of the unit having jurisdiction over the smallest geographical area unless such unit agrees to surrender all or part of such jurisdiction for such calendar year to the unit with overlapping jurisdiction which has the next smallest geographical area.

icipated cost of the construction, recon-
-stitution of the facility involved.

(A) shall not apply to any bond issued
1, 1989, and shall not apply unless it is
d (at the time of issuance of the bond) that
placed in service before January 1, 1990.

5—The amendments made by this section
any bond issued to refund (or which is part
issued to refund) a bond issued before July

maturity date of the issue of which the
a part is not later than the average
the bonds to be refunded by such issue.

of the refunding bond does not exceed the
nt of the refunded bond, and

of the refunding bond are used to redeem
not later than 90 days after the date of the
unding bond.

paragraph (A), average maturity shall be
ordance with section 147(b) of the 1986

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volume cap for such calendar year.

action—

State authorized to issue tax-exempt
of the State ceiling for such calendar

NCY.—If more than 1 agency of the
all such agencies shall be treated as a

ation—

y (other than a State agency) for any
to 50 percent of the State ceiling for

authority, bears to

raph (1)(A), if an area is within the
reated as only within the jurisdiction
al area unless such unit agrees to
year to the unit with overlapping

3, Commerce Clearing House, Inc.

[Sec. 146(d)]

(d) STATE CEILING.—For purposes of this section—

(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

(A) an amount equal to \$75 multiplied by the State population, or

(B) \$250,000,000.

Subparagraph (B) shall not apply to any possession of the United States.

(2) ADJUSTMENT AFTER 1987.—In the case of calendar years after 1987, paragraph (1) shall be applied by substituting—

(A) "\$50" for "\$75", and

(B) "\$150,000,000" for "\$250,000,000".

(3) SPECIAL RULE FOR STATES WITH CONSTITUTIONAL HOME RULE CITIES.—For purposes of this section—

(A) IN GENERAL.—The volume cap for any constitutional home rule city for any calendar year shall be determined under paragraph (1) of subsection (c) by substituting "100 percent" for "50 percent".

(B) COORDINATION WITH OTHER ALLOCATIONS.—In the case of any State which contains 1 or more constitutional home rule cities, for purposes of applying subsections (b) and (c) with respect to issuing authorities in such State other than constitutional home rule cities, the State ceiling for any calendar year shall be reduced by the aggregate volume caps determined for such year for all constitutional home rule cities in such State.

(C) CONSTITUTIONAL HOME RULE CITY.—For purposes of this section, the term "constitutional home rule city" means, with respect to any calendar year, any political subdivision of a State which, under a State constitution which was adopted in 1970 and effective on July 1, 1971, had home rule powers on the 1st day of the calendar year.

(4) SPECIAL RULE FOR POSSESSIONS WITH POPULATIONS OF LESS THAN THE POPULATION OF THE LEAST POPULOUS STATE.—

(A) IN GENERAL.—If the population of any possession of the United States for any calendar year is less than the population of the least populous State (other than a possession) for such calendar year, the limitation under paragraph (1)(A) shall not be less than the amount determined under subparagraph (B) for such calendar year.

(B) LIMITATION.—The limitation determined under this subparagraph, with respect to a possession, for any calendar year is an amount equal to the product of—

(i) the fraction—

(I) the numerator of which is the amount applicable under paragraph (1)(B) for such calendar year, and

(II) the denominator of which is the State population of the least populous State (other than a possession) for such calendar year, and

(ii) the population of such possession for such calendar year.

Amendments

P.L. 100-647, § 1013(a)(40):

Act Sec. 1013(a)(40) amended Code Sec. 146(d)(4)(B) by striking out "with respect to a possession" and inserting in lieu thereof "with respect to a possession".

The above amendment is effective as if included in the provision of the Tax Reform Act of 1986 (P.L. 99-514) to which it relates.

[Sec. 146(e)]

(e) STATE MAY PROVIDE FOR DIFFERENT ALLOCATION.—For purposes of this section—

(1) IN GENERAL.—Except as provided in paragraph (3), a State may, by law provide a different formula for allocating the State ceiling among the governmental units (or other authorities) in such State having authority to issue tax-exempt private activity bonds.

(2) INTERIM AUTHORITY FOR GOVERNOR.—

(A) IN GENERAL.—Except as otherwise provided in paragraph (3), the Governor of any State may proclaim a different formula for allocating the State ceiling among the governmental units (or other authorities) in such State having authority to issue private activity bonds.

(B) **TERMINATION OF AUTHORITY.**—The authority provided in subparagraph (A) shall not apply to bonds issued after the earlier of—

(i) the last day of the 1st calendar year after 1986 during which the legislature of the State met in regular session, or

(ii) the effective date of any State legislation with respect to the allocation of the State ceiling.

(3) **STATE MAY NOT ALTER ALLOCATION TO CONSTITUTIONAL HOME RULE CITIES.**—Except as otherwise provided in a State constitutional amendment (or law changing the home rule provision adopted in the manner provided by the State constitution), the authority provided in this subsection shall not apply to that portion of the State ceiling which is allocated to any constitutional home rule city in the State unless such city agrees to such different allocation.

[Sec. 146(f)]

(f) **ELECTIVE CARRYFORWARD OF UNUSED LIMITATION FOR SPECIFIED PURPOSE.**—

(1) **IN GENERAL.**—If—

(A) an issuing authority's volume cap for any calendar year after 1985, exceeds

(B) the aggregate amount of tax-exempt private activity bonds issued during such calendar year by such authority,

such authority may elect to treat all (or any portion) of such excess as a carryforward for 1 or more carryforward purposes.

(2) **ELECTION MUST IDENTIFY PURPOSE.**—In any election under paragraph (1), the issuing authority shall—

(A) identify the purpose for which the carryforward is elected, and

(B) specify the portion of the excess described in paragraph (1) which is to be a carryforward for each such purpose.

(3) **USE OF CARRYFORWARD.**—

(A) **IN GENERAL.**—If any issuing authority elects a carryforward under paragraph (1) with respect to any carryforward purpose, any private activity bonds issued by such authority with respect to such purpose during the 3 calendar years following the calendar year in which the carryforward arose shall not be taken into account under subsection (a) to the extent the amount of such bonds does not exceed the amount of the carryforward elected for such purpose.

(B) **ORDER IN WHICH CARRYFORWARD USED.**—Carryforwards elected with respect to any purpose shall be used in the order of the calendar years in which they arose.

(4) **ELECTION.**—Any election under this paragraph (and any identification or specification contained therein), once made, shall be irrevocable.

(5) **CARRYFORWARD PURPOSE.**—The term "carryforward purpose" means—

(A) the purpose of issuing exempt facility bonds described in 1 of the paragraphs of section 142(a).

(B) the purpose of issuing qualified mortgage bonds or mortgage credit certificates.

(C) the purpose of issuing qualified student loan bonds, and

(D) the purpose of issuing qualified redevelopment bonds.

Amendments

P.L. 100-647, § 1013(a)(9):

Act Sec. 1013(a)(9) amended Code Sec. 146(f)(5)(A) to read as above. Prior to amendment, Code Sec. 146(f)(5)(A) read as follows:

(A) the purpose of the issuing exempt facility bonds described in 1 of the paragraphs of section 142(a).

The above amendment is effective as if included in the provision of the Tax Reform Act of 1986 (P.L. 99-514) to which it relates.

P.L. 100-203, § 10631(b):

Act Sec. 10631(b) amended Code Sec. 146(f)(5)(A) to read as above. Prior to amendment, Code Sec. 146(f)(5)(A) read as follows:

(A) the purpose of issuing bonds referred to in one of the clauses of section 141(d)(1)(A).

For the effective date of the above amendment, see Act Sec. 10631(c), below.

P.L. 100-203, § 10631(c):

Act Sec. 10631(c) provides:

(c) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the amendments made by this section shall apply to bonds issued after October 13, 1987 (other than bond issued to refund bonds issued on or before such date).

(2) **BINDING AGREEMENTS.**—The amendments made by this section shall not apply to bonds (other than advance refunding bonds) with respect to a facility acquired after

HOUSE COMMITTEE REPORT

Item 6

(7)
Date Referred: March 8, 1989

FURTHER REFERRALS: STATE AFFAIRS
FINANCE

Date of Committee Action: _____

The COMMUNITY & REGIONAL AFFAIRS Committee considered: SB 85

SENATE BILL NO. 85 [PRIVATE ACTIVITY BONDS]
"An Act relating to the issuance of private activity bonds; and providing for an effective date."

- RECOMMENDATIONS:
- be replaced with _____ the same title
 - have 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): | APPROVES PREVIOUS: |
| (Dept) | (Date/Dept) |
| <input type="checkbox"/> fiscal impact _____ | <input type="checkbox"/> fiscal note(s) _____ |
| <input type="checkbox"/> <u>zero</u> fiscal note _____ | <input type="checkbox"/> <u>zero</u> fiscal note(s) _____ |
| <input type="checkbox"/> <u>zero</u> with analysis _____ | <input type="checkbox"/> <u>zero</u> fn/analysis _____ |

SIGNING DO PASS:

Cheri Davis

Eileen P. Mahan

SIGNING:
(Check approp. column)

	Do Not Pass	No Rec	Amend
<i>Richard [Signature]</i>		X	
<i>[Signature]</i>		X	

Eileen P. Mahan

Chairman's signature

S B

91

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
CS SB 91 (Jud)

Methods of Appointments to APOC

Received February 15, 1989
by the Judiciary Committee

Heard February 28, 1989

Passed Out of Committee February 28, 1989
3 Do Pass
1 No Recommendation

TABLE OF CONTENTS

CSSB 91: Methods of Appointments to APOC

- Item 1: CSSB 91 by the Judiciary Committee
- Item 2: Governor's Transmittal Letter
- Item 3: Fiscal Notes

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

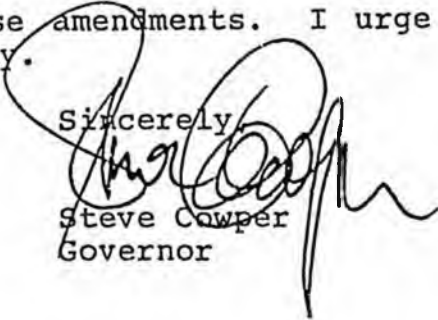
The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Kelly:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to methods of appointment of members of the Alaska Public Offices Commission (APOC).

The bill amends AS 15.13.020 to remedy technical problems with the present appointment process. The proposed amendments provide for legislative confirmation of all APOC members, and clarify the role of the governor in appointing the non-partisan, "fifth member" of the APOC. The bill includes a proposed conforming amendment to AS 15.13.020(h).

The APOC has endorsed these amendments. I urge that this bill be passed without delay.

Sincerely,

Steve Cowper
Governor

Item 2

a1

FISCAL NOTE

REQUEST:

Revision Date: 02/03/89 Agency Affected: APOC
 Title: An act relating to methods of appointment to APOC BRU: _____
 Sponsor: Governor Components: _____
 Requestor: Sen. Faiks/Judiciary Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
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	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	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 : (Attach a separate page if necessary)

Prepared by: Karla Forsythe, Executive Director Phone: 276-4176
 Division: Alaska Public Offices Commission Date: 02/02/89
 Approved by Commissioner: Burke Riley, Acting Chairman Date: 02/02/89
 Agency: Alaska Public Offices Commission

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

FISCAL NOTE

REQUEST:

Revision Date: 12/19/88
Title: An act relating to methods of appointment to the APOC
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Alaska Public Offices Commission
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
<hr/>						
CAPITAL	0	0	0	0	0	0
<hr/>						
REVENUE	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
TOTAL	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 : (Attach a separate page if necessary)

Prepared by: Karla L. Forsythe, Executive Director Phone: 276-4176
Division: Alaska Public Offices Commission Date: 1/03/89

Approved by Commissioner: Daniel Patrick O'Tierney Date: 1/03/89
Agency: Alaska Public Offices Commission

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

Transcript of testimony
Karla Forsythe, Executive Director
Alaska Public Officers Commission

TESTIMONY ON SB 91:

APPOINTMENT PROCEDURES FOR APOC MEMBERS

This measure proposes a straightforward, noncontroversial change in procedures for appointing APOC members.

As you know, the commission administers three laws - campaign disclosure, conflict of interest and lobbying.

The commission by law exercises regulatory and quasi-judicial powers. Its enabling legislation specifically authorizes it to adopt regulations. It adjudicates penalty assessments and the disposition of complaints as well as recommendations for removal from office.

Under Article III, Section 26, of the Alaska Constitution, when a commission heads a regulatory or quasi-judicial agency, the Governor appoints its members and the legislature confirms them.

Current law is at variance with this provision. Under AS 15.13.020(b) and (c), four members are appointed through the two parties receiving the most votes at the most recent election, and are then appointed by the Governor. The statute is silent regarding legislative confirmation.

The law also currently provides that the fifth member is selected by the other four. There is no mention of the need for gubernatorial or legislative confirmation. The fifth member sometimes is considered a nonpartisan appointment, but there is nothing in the statute which establishes this as a nonpartisan position, and there is no reason the person can't be affiliated with a political party.

The actual practice regarding commission appointments has varied. Sometimes gubernatorial confirmation of the fifth member has not occurred, sometimes legislative confirmation has not occurred. The commission is in the process of selecting a fifth member, and the procedure set forth in the proposed bill will be followed. Additionally, the recent Democratic appointment will be subject to legislative confirmation.

This is a procedural problem but it is an important one. It has been raised over the years in challenges to commission action. The argument is that the commission is

unconstitutionally constituted. This has been a problem since 1980. At that point in time a bill was passed which would have amended the appointment procedure but was vetoed by Governor Hammond for unrelated reasons.

The bill would change existing language to clarify that for all members, the Governor appoints and the legislature confirms. For the party designees, the Governor would appoint from four names given to him by the party. For the fifth member, the Governor either selects the person nominated by the other four members, or rejects that person and asks for another name.

The language in this measure recognizes the Governor's constitutional authority but also the need for balance. The Governor is a party member and is also subject to regulation by the commission both as a candidate and a public official. The composition of the commission is meant to preserve a workable balance given that it regulates partisan activity.

The commission favors this change in the law. The Department of Law indicates that this change would withstand legal challenge.

* * *

Examples of challenges to the law:

1. In 1974 commission member Abramczyk filed suit arguing that selection through the partisan process violates the equal protection rights of nonparty members. The Anchorage Superior Court in a summary judgment motion upheld the constitutionality of the law on this ground, (Judge Eben Lewis issuing the order).
2. In 1985 the commission's ability to act was challenged in the McConkey case, with Mr. McConkey through his counsel filing a motion to dismiss. This motion was not granted by the hearing officer.
3. In the Lewis Dischner lobbying complaint, in 1987 Douglas Pope on behalf of Mr. Dischner challenged the commission's right to act because it has been improperly constituted.

S B

102

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
SB 102

Winter Olympic Fund

Received February 3, 1989
by Senator Kelly

Heard February 15, 1989

Letter of Intent adopted February 15, 1989

Passed Out of Committee February 15, 1989
4 Do Pass
1 No Recommendation

TABLE OF CONTENTS

SB 102: Winter Olympic Fund

- Item 1:** SB 102 by Kelly
- Item 2:** Fiscal Note
- Item 3:** Senate Bill Packet
- Item 4:** House State Affairs Letter of Intent
February 16, 1989

FISCAL NOTE

REQUEST

Revision Date: January 18, 1988
Title: An Act relating to Winter Olympic Funding
Sponsor: Kelly
Requestor: Senate State Affairs

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
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	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-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: If the United States Olympic Committee makes its decision by December 31, 1989 as in Section 3(a)(1), or the International Olympic Committee makes its decision by December 31, 1991 as in Section 3(a)(2), the Permanent Fund Dividend application form can be changed in time so there will be no fiscal impact.

Prepared By: Ervin Jones
Division: Permanent Fund Dividend Division
Approved by Commissioner: [Signature]
Agency: Revenue

Phone: 465-2323
Date: January 18, 1989
Date: 1/18/89

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

SENATE COMMITTEE REPORT

Item 3

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 1-12-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

Finance

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 1-18-89

1/11/89

Mr. President:

State Affairs

Committee considered SB 102

Winter Olympic funding; efd

and recommended:

replace with CS _____ same title
 new title

attached amendment(s) and

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

OK

FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact.
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Tim Kelle
~~_____~~
Del Adams
Gene Fairbairn

Pat Fawcett
Chairman signature and recommendation

Committee backup attached

(SA) REPORT

majority of the members



Alaska State Legislature

SENATE

Office of the President

P.O. Box V
State Capitol
Juneau, Alaska 99811

January 24, 1989

TO: Senator Rick Uehling
Senate Finance Co-Chair

FROM: Tim Kelly *TK*
Senate President

re: Background information on SB 102 , relating to the Winter Olympic checkoff.

Senate Bill 102 was introduced to create sunset provisions for the Winter Olympic checkoff program.

Specifically, the program ends on:

1. December 31, 1989 if the Anchorage is not selected by the United States Olympic Committee as America's choice to host the 1998 Olympic Winter Games;

2. December 31, 1991 if the International Olympic Committee does not select Anchorage as the host for the 1998 Olympic Winter Games;

3. December 31, 1998 if Anchorage is selected to host the 1998 Olympic Winter Games.

According to Mr. Rick Nerland, the Executive Director of the AOC, these proposed sunset provisions meet with the approval of the Anchorage Organizing Committee.

Additionally, it should be noted that this program is self-funded: any costs associated with running the program are paid for with checkoff funds before the funds are distributed to the AOC. Thus, there is "zero" fiscal impact with this legislation.



**Anchorage Organizing
Committee
for the 1998 Olympics**

The Frontier Building 3601 C Street, Suite 370 Anchorage, Alaska 99503
Phone (907) 561-1998 Fax (907) 562-0413 Telex 25311

January 26, 1989

Senator Rick Uehling
Senate Finance Committee
P. O. Box V
Juneau, Alaska 99811

Dear Senator Uehling:

I understand SB-102 will be considered in your committee in the near future. The Anchorage Organizing Committee wishes to go on record in support of this legislation. The bill would continue the Permanent Fund Dividend checkoff program while Anchorage pursues its bid for the 1998 Olympic Winter Games.

We appreciate your support.

Sincerely,

Rick Nerland
Secretary-General

RN126/dag

SB 102

Chapter 6

AN ACT

Relating to Winter Olympic funding; and providing for an effective date.

* Section 1. Section 2, ch. 45, SIA 1985, is amended to read:

Sec. 2. This Act takes effect March 15, 1986 (JULY 1, 1986, IF THE UNITED STATES OLYMPIC COMMITTEE SELECTS ALASKA AS THE NATION'S NOMINEE TO HOST THE 1992 WINTER OLYMPIC GAMES).

* Sec. 2. AS 05.35.100 is repealed.

* Sec. 3. (a) Section 2 of this Act takes effect as follows:

(1) on January 1, 1991, if the International Olympic Committee has announced the cities selected to host the 1992 and 1996 Winter Olympic Games, and if Anchorage, Alaska is not a city selected;

(2) on January 1, 1992, if the International Olympic Committee selects Anchorage, Alaska to host the 1992 Olympics;

(3) on January 1, 1996, if the International Olympic Committee selects Anchorage, Alaska to host the 1996 Olympics.

(b) When sec. 2 of this Act takes effect, the money deposited in the Alaska Winter Olympics account lapses into the general fund.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.070(c).

Repealer

§ 1 eff. 3/21/86; § 2 conditional eff. date per § 3

alaska winter Olympics Act (attached)

HCS C555B 331(FIN)

Relating to pollution and discharge of an effective

* Section 1. AS 46.03.740 - 46.03.750 indicating that the vessel may amount of damage and 46.03.522. are not paid on appeal, the directed by the balance, if vessel. The of a bond set

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and equipment as may be necessary in connection with the project; and allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary; it does not include the cost of promotion, travel, or feasibility studies;

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(3) "facility" means a covered stadium or arena or any combination of them, or any other similar structure or structures, including related improvements such as parking areas, locker rooms, concession stands, restaurants, offices, press boxes, rest rooms, and storage areas, and including fixed or portable equipment, used in the operation of the facility;

(4) "municipality" means an organized borough of any class or a first class city outside an organized borough;

(5) "population" means the population of a municipality established by the final official 1970 U.S. Census or other reliable population data;

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(6) "used principally for sports" means that the major use of a facility shall be for sporting events such as baseball games, rodeos, football games, soccer games, track and field meets, ice hockey matches, basketball games, and boxing and wrestling matches, viewed by spectators in substantial numbers, and that the use of a facility may be for organized participant sports and nonsports activities for which similar facilities are commonly used. (§ 2 ch 155 SLA 1972; am § 27 ch 168 SLA 1978)

minis-
35.010

Editor's notes. — This section is set out to incorporate editorial changes made by the Revisor of Statutes.

Article 2. Sport Funds.

Section
100. Alaska Winter Olympics account
150. Alaska Sports Fund

Sec. 05.35.100. Alaska Winter Olympics account. (a) There is created in the general fund an Alaska Winter Olympics account. The Department of Revenue shall prepare the permanent fund dividend application to allow applicants to designate that \$10 of the dividend be subtracted from their check and contributed to the Alaska Winter Olympics account. Permanent fund dividend contributions shall be deposited in the Alaska Winter Olympics account. The Department of

Revenue may use money in the Alaska Winter Olympics account to pay administrative costs incurred under this section.

(b) The Alaska Winter Olympics account shall be held in trust by the Department of Administration for distribution to the official Olympic Organizing Committee in Alaska to be used to develop facilities for Winter Olympic training and competition and to attract the Winter Olympics to Alaska. (§ 1 ch 45 SLA 1985; am § 2 ch 6 SLA 1986; am § 1 ch 1 SLA 1988)

Repeal of section. — Section 2, ch. 6, SLA 1986 repeals this section. Section 3(a), ch. 6, SLA 1986 makes the repeal effective as follows:

(1) on January 1, 1991, if the International Olympic Committee has announced the cities selected to host the 1992 and 1996 Winter Olympic Games, and if Anchorage, Alaska is not a city selected;

(2) on January 1, 1992, if the International Olympic Committee selects Anchorage, Alaska to host the 1992 Olympics;

(3) on January 1, 1996, if the International Olympic Committee selects Anchorage, Alaska to host the 1996 Olympics.

Effect of amendments. — The 1988 amendment, effective January 20, 1988, substituted "S10" for "S5" in the second sentence in subsection (a).

Editor's notes. — Section 3(b), ch. 6, SLA 1986 provides that "money deposited in the Alaska Winter Olympics account lapses into the general fund" on the effective date of the repeal of this section.

Sec. 05.35.150. Alaska Sports Fund. There is established as a separate fund in the Department of Commerce and Economic Development the Alaska sports fund. The fund consists of private contributions and money appropriated to the fund from receipts under AS 28.10.165, 28.10.421(d)(14), and 28.10.421(f). Money in the fund may be appropriated for the promotion and development of sports. (§ 2 ch 15 SLA 1988)

Cross references. — For statement of legislative intent in connection with the enactment of this section, see sec. 1, ch. 15, SLA 1988 in the Temporary and Special Acts.

Effective dates. — Section 3, ch. 15, SLA 1988, provides: "This Act takes effect on the effective date of those sections of an Act enacted by the Fifteenth Alaska State

Legislature that enact AS 28.10.165, 28.10.421(d)(14), and 28.10.421(f) providing for winter Olympics commemorative plates, or immediately under AS 01.10.070(c), whichever is later." The actual effective date of ch. 15, SLA 1988, is July 27, 1988, the effective date of ch. 24, SLA 1988.

FISCAL NOTE

REQUEST

Revision Date: _____
Title: An Act relating to Winter
Olympic Funding
Sponsor: Kelly
Requestor: Senate State Affairs

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
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	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-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: If the United States Olympic Committee makes its decision by December 31, 1989 as in Section 3(a)(1), or the International Olympic Committee makes its decision by December 31, 1991 as in Section 3(a)(2), the Permanent Fund Dividend application form can be changed in time so there will be no fiscal impact. If the above committees makes its decision by October 1 and does not select Anchorage, the Permanent Fund Dividend Division can ignore the checkoff by applicants and pay the applicant the full value of the dividend

Prepared By: Ervin Jones
Division: Permanent Fund Dividend Division

Phone: 465-2323
Date: January 17, 1989

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 1/17/89

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

market for a year-around tourism destination to encourage more development in Alaska.

Senator Faiks questioned the creation of a new bureaucracy, when the private sector and existing government agencies have been accomplishing essentially the same end. Lack of winter tourism has to do with available facilities to accommodate the tourist.

Number 490

Bill Elander, President of ACVB, at Senator Kelly's request stated the occupancy rate of the Anchorage hotels in winter is roughly 62%. There is more room for the winter tourists, but the market has to be developed.

Senator Kelly offered to redraft the his bill.

Senator Pourchot explained a motion to table would not be necessary as the bill was under advisement and would be back before the committee when some of the issues were addressed.

Number 526

Senator Pourchot introduced SB 102 as the next order of business.

Senator Kelly stated the bill simply changes the checkoff status on the Permanent Fund Application to remain in effect as long as Anchorage is in the running for the Olympic Winter Games. As soon as Anchorage either wins or loses the 1998 bid, the checkoff will cease the following year. As the checkoff goes, it was a good idea, too good of an idea, since several nonprofit groups have now requested the same option. Aside from this bill, Senator Kelly has taken a personal position to not support any further checkoff requests.

Senator Pourchot, after reading the fiscal note, felt there was some confusion as to whether or not the \$10 would be deducted from the dividend checks this year.

Senator Kelly stated the checkoff is in effect this year in order to fund a projected \$800,000 for the US America's bid this June. If Anchorage is not awarded bid city status in June, the checkoff will not be on next year's application. However, if the bid is successful, the checkoff will remain until another decision in 1991, and if successful again, it will remain in effect until 1998. The AOC operates on a line of credit and actually receives the checkoff payment when the Dividend checks are distributed in October.

Senator Adams requested last year's administrative cost for the program.

Number 569

Ervin Jones, Director of the Permanent Fund Division, explained that if the bid is not received in June, the checkoff will not appear on next year's application, however, the checkoff payment will go to the AOC for this year's selection. He will make a change on the fiscal note to clarify this point. Payments to the AOC for 1986 were \$710,635; 1987, \$743,420; and 1988, \$721,190 for a total of \$2,175,245. Although the total number of checkoff applicants is roughly 96,100, approximately 12,500 of these are still in a review process and payment for these will not be made until they are clear. Administrative costs have run \$6,200/year for the last two years, which is subtracted from the payment to the AOC.

Number 612

Chris Swalling stated that the AOC supports SB 102 and asked the committee for its support.

Tape Two, Side B
Number 001

Jim Renkert, retired amateur cross-country ski racer, testified in favor of SB 1, stating he felt Alaska would be the best place to develop winter sports, and that it had great potential.

Number 026

Dana Brockway, Exec. Director of AVA and AOC Boardmember, supported SB 102 and asked for its quick adoption. With regard to SB 1, he was not prepared and would like to give testimony at a later date.

Number 054

Bill Elander, representing ACVB and AOC Boardmember, felt that from a visitor and convention standpoint, the AOC movement has been the strongest marketing program for Alaska, and urged speedy passage of SB 102.

Number 115

Senator Faiks moved and asked unanimous consent that SB 102 be adopted and passed out of committee with individual recommendations, and a correction of the fiscal note.

History of Payments for Olympic Checkoff

	Payments made during			
	October 1986			
	10/30	238,575.00		
	November 1986			
	11/4	263,950.00		
	11/19	132,775.00		
	December 1986			
	12/10	212,290.00		
	12/29	567,150.00		
	January 1987			
	1/29/87	341,500.00		
	March 1987			
	3/25/87	22,400.00		
	May 1987			
	5/1/87	6,750.00		
	October 1987			
	10/9/87	58,335.00		
	10/13/87	533,650.00		
	10/20/87	618,300.00		
	November 1987			
	11/4/87	127,220.00		
	11/18/87	1,331,100.00		
	11/30/87	678,150.00		
	December 1987			
	12/5/87	1,508,500.00		
	12/14/87	641,000.00		
	12/21/87	1,125,600.00		
	October 1988			
	10/10/88	232,400.00		
	10/15/88	743,350.00		
	10/22/88	753,850.00		
	10/29/88	680,350.00		
	November 1988			
	11/5/88	800,100.00		
	11/14/88	784,200.00		
	11/19/88	784,250.00		
	11/26/88	809,300.00		
	December 1988			
	12/5/88	781,600.00		
	12/10/88	842,250.00		

1986

1987

743,400

743,400

743,400

SEE ATTACHED COPY

History of Payments for Oleg per Checkoff

Payments made during \$

December 1988 (continued)

~~727,150~~

12/22/88	55330.00
12/24/88	3085.00
12/31/88	1775.00

January 1989

1/9/89	1470.00
1/17/89	252.00

msg 1/17/89

\$ 785,370

3:00 PM
Called, gave message
to Dave Gary.

Unit Star Report &
Daily News of Regatta

710,635
743,420
785,370
\$ 2,239,485

NO OLYMPICS 98

JAN 23 1989

7801 SCHOON STREET SUITE B, ANCHORAGE, ALASKA 99518
(907) 344-0302

January 22, 1989

Dear Senator:

The purpose of this letter is to introduce you to our group "No Olympics 98" and to protest the exclusion of many worthy groups from the permanent fund check-off.

"No Olympics 98" is a grass-roots organization of Anchorage residents who see the proposed Winter Olympics for what it really is: a quick fix nine years down the road that will benefit a very small minority of Alaskans and damage the economy of Anchorage and Alaska for the long term. We have enclosed one of our position papers for your consideration. "No Olympics 98" would be pleased to answer any and all questions you or your staff may have concerning our group or the Olympic issue.

The issue of the permanent fund check-off is a very serious one. We have included a copy of a story that appeared in the 1/19/89 issue of the Anchorage Daily News and have taken the liberty of adding a few comments in the margins. You will notice that the AOC receives about 85% of its budget from the check-off, their fund raising shows a glaring weakness when you consider that less than 15% of the AOC's financial support comes from the very industries it proports to help. This amounts to a free ride that other, more deserving groups do not receive. Please also note that over 80% of Alaskans reject the AOC, this is a very significant measure of support or rather lack of it. Why, if the Olympics are such a great idea does the AOC plan a \$50,000 advertising campaign to encourage donations?

Perhaps the most disturbing of all mentions in the article is the statement that the legislature has given the AOC exclusive rights to the dividend check-off and that Senator Kelly would fight to keep all others off. WHY IS THE AOC THE PRIVILEGED CHILD? WHY ARE THEY MORE EQUAL THAN ANY OTHER NON-PROFIT GROUP? "No Olympics 98" feels that The United Way, The Alaska Visitors Association, The Cancer Society, The Boys and Girls Club and many other non-profit groups accomplish more for the people of Alaska year in and year out than the AOC will ever accomplish.

Perhaps the problem is that these and other groups do good and are not the "fun loving bunch" that the AOC is. Perhaps because these groups do not spend their time lobbying for more money to spend, but spend their time doing good for the community. The AOC has a track record of rubbing shoulders with European royalty, jet setters, and near-do wells and ignoring the wants and needs of Alaska, Anchorage, and the winter sporting people. This is not just the opinion of "No Olympics 98" but the views of many within the AOC itself as reported in the January 17, 1989 issue of the Anchorage Times. In that article AOC Executive Board members Tony Smith and Ron Petro are said to be concerned that the AOC ignores Alaska and socializes too much with the International Olympic Committee.

"No Olympics 98" urges you to end the free ride the AOC has enjoyed, REMOVE THIS FAILED GROUP FROM THE PERMANENT FUND CHECK-OFF THIS YEAR AND IN IT'S PLACE PUT GROUPS THAT ARE INTERESTED IN ALASKA AND ALASKANS.

Thank you for your support.

A handwritten signature in black ink, appearing to read "M. Citti", with a long horizontal line extending to the right.

Michael P. Citti
Chairman

Item 4



Alaska State Legislature

House of Representatives COMMITTEE ON STATE AFFAIRS

February 16, 1989

HOUSE STATE AFFAIRS COMMITTEE

LETTER OF INTENT For Senate Bill 102

Testimony before the House State Affairs Committee has revealed that the Department of Revenue, Division of Permanent Fund Dividends, has not received adequate funding for administrative costs resulting from the Alaska Olympic Committee Permanent Fund Dividend checkoff program.

The House State Affairs Committee respectfully requests that the House Finance Committee, when reviewing the Department of Revenue's budget, determine whether the Division of Permanent Fund Dividends receives adequate program receipts to cover the actual administrative costs for the checkoff program.

H.A. Boucher

Representative H.A. "Red" Boucher

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144

REQUEST: **FISCAL NOTE**

Revision Date:
Title: An Act relating to the Relocation Assistance
for Federal Assisted Programs
Sponsor: DOT&PF
Requestor: Governor

Agency Affected: DOT&PF
BRU: Engineering & Operations
Standards
Components:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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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
TOTAL	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: While this bill is estimated to raise annual relocation costs by as much as \$50.0, these payments would come out of individual capital project appropriations and no additional funding is required. These additional costs would be in the form of higher payments to relocates, based upon the schedule of payments authorized in the bill and required by federal law.

Prepared by: Jeffery C. Ornesen
Division: Engineering and Operations Standards

Phone: 465-2951
Date: February 14, 1989

Approved by Commissioner: *[Signature]*
Agency: Department of Transportation and Public Facilities

Date: *2/15/89*

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



*Department of Transportation
and Public Facilities*

POSITION PAPER

M. L. & H. J.

BILL NO: SB 144

APPROVED: _____

TITLE: An Act relating to the relocation
assistance for Federal assisted
programs

DATE: February 15, 1989

The Department of Transportation and Public Facilities supports this bill.

The Surface Transportation and Uniform Relocation Act of 1987, Public Law 100-17, Stat. 132 mandates that the revised relocation benefits contained therein, will be available to relocatees on Federal-aid projects and federally funded projects on or before April 2, 1989, or federal participation will be withheld on all new Federal-aid funded capital improvement projects that involve relocation.

The purpose of this bill is to change the Alaska Statutes, Title 34, Chapter 60, Section 34.60.10 - 34.60.150 so as to bring them into conformity with the 1987 amendment.

The changes are necessary if federal funding for a wide variety of programs flowing to non-profit organizations, municipalities and the state is to continue. Technically, these changes must be in place by April 2, 1989 or federal funds will be withheld. However, both highway and airport projects conducted by the DOT&PF are not in jeopardy due to statutory authority authorizing the department to "do all things necessary" to assent to federal aid. Other federal funds such as HUD housing programs and EPA wastewater treatment programs could be withheld pending changes in state law.

Technically, the bill adjusts the payment schedules which control the minimum and maximum payments (using federal funds) when families or businesses must relocate or seek replacement housing due to a public project. The net cost of these new payment schedules is thought to be nominal (about \$50,000 per year). These costs would be in the form of higher payments to individuals or business owners from project funds. No additional administrative or staff costs are anticipated.

Aside from the short timeframe, the potentially most controversial aspect of the legislative change is the concept of a lead agency. Under the federal law, the Federal Highway Administration (FHWA) is defined as the federal agency responsible for establishing the rules and procedures concerning relocation. The FHWA is recommending, but not mandating, that each state designate a lead agency. FHWA desires that there be a lead agency so that there is a single body of regulation and procedure concerning relocation.

The DOT&PF has historically been the agency most involved with relocation because of the aviation and highway programs. Further, under AS 36.30, the DOT&PF is empowered with all procurement authority for construction which typically involves acquisition of property for capital projects. Hence, there is a leadership role for the DOT&PF to play with or without the lead agency designation.

However, upon review of the pros and cons of a lead agency, we are not recommending such a designation at this time. The basis for this recommendation is as follows:

- Designation of a lead agency would require the promulgation of a substantial body of regulations. The DOT&PF currently publishes about 100 pages of such guidance in the form of a R-O-W manual. Conversion of this guidance to regulation form would be a substantial new and on-going expense.
- The lead agency may well be required to oversee the relocation activities of other agencies including municipal and non-profit organizations using federal funds. This would be a new and on-going expense requiring additional staff.
- We anticipate that designation of a lead agency would generate controversy and resistance. Municipalities and non-profit agencies have historically participated in land acquisition without involvement by DOT&PF or other state agencies.
- DOT&PF can provide much of the value of a lead agency without the formal designation. It can be provided within current funding while a lead agency concept would require additional funds.

In summary, we believe the benefits of a lead agency can be achieved without actually designating one. If a lead agency is designated there will be a significant and recurring cost. This cost is not off-set by any corresponding savings given the likelihood that the natural leadership of the Department of Transportation and Public Facilities on the relocation issue will be available to other agencies of government with or without the designated lead agency status.

SB 144

An Act relating to relocation assistance for federally assisted projects and programs; and providing an effective date.

Purpose

This bill changes Title 34, Chapter 60 (34.60.10 - 150) so as to bring it into conformity with the 1987 amendments of the Surface Transportation and Uniform Relocation Act.

Background

The 1987 amendments made a number of technical changes (principally inflation adjustments from 1971 values) to the Uniform Act. As a consequence, Alaska, and all other states, need to amend their existing relocation laws. The continued receipt of federal grants and federal-aid are contingent upon the state making these amendments.

This law applies to every recipient of federal assistance within the state, including municipalities, the university and state agencies. Any project that would result in the relocation of a business or residence cannot be supported without these changes. (Funding to DOT&PF for airports and highways are not in jeopardy because of other provisions in law which allow the agency to "do all things necessary to assent to federal-aid").

Technically, these changes were to be in place by April 2, 1989. Thus, there is now the possibility of federally funded projects being discontinued. Examples of the types of projects which might be affected include:

- EPA funding to a municipality for water treatment projects

- Land & Water Conserv. funds for parks

- HUD funding for housing

- Funding to DNR for recreational access

Changes

The bill adjusts the payment schedules which control the minimum and maximum payments (using federal funds) when families or businesses must relocate or seek replacement housing or business space due to displacement as a result of a federally funded public works project. Based upon an analysis of

five years of available data, it is projected that the enlarged payment schedule will cost about \$50,000 per year. This cost is spread across a large number of federally supported projects valued at \$180 million or more per year. No additional GF money is required and no fiscal note is indicated because these costs, where incurred, are appropriated in the individual capital budgets of the state or municipalities.

Detail on changes (if asked):

1. The statutes cited a \$300 residential moving expense schedule limit with a \$200 dislocation allowance. The new federal law allows states to establish their own moving and dislocation allowance schedule. As most relocatees previously elected to receive actual moving expenses, this change may encourage relocatees to elect the simpler fixed moving expense.
2. Statutes dictated a business may receive an "in lieu of moving" payment of \$2,500 to \$10,000 if the business cannot be relocated. The new federal law allows terminating businesses to receive an "in lieu of moving" payment of \$1,000 to \$20,000 and specifically prohibits displacement dwelling rentals being classed as a business.
3. Businesses are not eligible under the federal law to receive up to \$10,000 as a reestablishment payment.
4. Replacement housing payment supplements limits changed from \$15,000 to up to \$22,500 for 180 day owner-occupants. Previously, if more than \$15,000 was required, the remainder was paid through last resort housing programs. Last resort housing will still pay any amount due over \$22,500. Change is negligible.
5. Rental payment supplements limits changed from \$4,000 to up to \$5,250. Previously, if more than \$4,000 was required, the remainder was paid through last resort housing programs. Last resort housing will still pay any amount due over \$5,250. Change is negligible.
6. Downpayment previously required the relocatee to match a portion of the payment up to \$4,000. The new law gives tenants \$5,250 for use in downpayment.



U.S. Department of Housing and Urban Development

Anchorage Office, Region X
701 C Street, Box 84
Anchorage, Alaska 99513-0001

271-4651

DEC 14 1988

Honorable Steve Cowper
Governor of Alaska
P.O. Box A
Juneau, AK 99811-0101


Dear Governor Cowper:

Subject: 1987 Uniform Relocation Act Amendments

The purpose of this letter is to bring to your attention the fact that the 1987 amendments to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USCA 4601 et seq.) will become effective for HUD programs on April 2, 1989. It is my understanding that the state's Relocation Assistance and Real Property Acquisition Practices Act at Title 34, Chapter 60 needs to be amended in order to conform to the revised provisions of the federal law. Grantees of HUD-assisted programs may be unable to carry out acquisition or displacement activities on or after April 2, 1989 should the state law not be revised.

I urge that you add revision of the current state statute to your legislative priority list if it is not already so included. Thank you for your consideration of this issue.

Sincerely,


Michael P. Kulick
Manager

cc:
Mark Hickey
Commissioner, Department of
Transportation and Public
Facilities

APC

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 144

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to relocation assistance for
7 federally assisted projects and programs; and provid-
8 ing for an effective date."

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

10 * Section 1. AS 34.60.040 is amended to read:

11 " " Sec. 34.60.040. RELOCATION PAYMENTS. (a) When the acquisition
12 of real property for a federally assisted program or project under-
13 taken by a state agency will result in the displacement of a person
14 [ON OR AFTER JANUARY 2, 1971], the state agency responsible for the
15 program or project shall make payment to the displaced person, upon
16 proper application as approved by the state agency, for

17 (1) actual reasonable expenses in moving a person, the
18 person's family, business, farm operation, or other personal property;

19 (2) actual direct losses of tangible personal property as a
20 result of moving or discontinuing a business or farm operation, but
21 not to exceed an amount equal to the reasonable expenses that would
22 have been required to relocate the property as determined by the state
23 agency; and

24 (3) actual reasonable expenses in searching for a replace-
25 ment business or farm.

26 (b) A displaced person eligible for payments under (a) of this
27 section who is displaced from a dwelling and who elects to accept the
28 payments authorized by this subsection in place of payments authorized
29 by (a) of this section may receive a moving expense allowance,

1 determined according to a schedule established by the state agency[,
2 NOT TO EXCEED \$300 AND A DISLOCATION ALLOWANCE OF \$200].

3 (c) A displaced person eligible for payments under (a) of this
4 section who is displaced from a place of business or from a farm
5 operation and who elects to accept the payment authorized by this
6 subsection in place of the payment authorized by (a) of this section,
7 may receive a fixed payment in an amount equal to the average annual
8 net earnings of the business or farm operation, except that this pay-
9 ment shall not be less than \$1,000 [\$2,500] or more than \$20,000. For
10 purposes of this subsection, "average annual net earnings" means
11 one-half of the net earnings of the business or farm operation, before
12 federal and state income taxes, during the two taxable years immedi-
13 ately preceding the taxable year in which the business or farm opera-
14 tion moves from the real property acquired for the project, or during
15 any other period the state agency determines to be more equitable for
16 establishing the earnings, and includes any compensation paid by the
17 business or farm operation to the owner, spouse, or dependents during
18 the applicable period [\$10,000]. In the case of a business, a payment
19 may not be made under this subsection unless the state agency is
20 satisfied that the business

21 (1) cannot be relocated without a substantial loss of its
22 existing patronage; [AND]

23 (2) is not a part of a commercial enterprise having at
24 least one other establishment not being acquired by the state agency
25 or by the United States, which is engaged in the same or similar
26 business; and

27 (3) is not an enterprise whose sole business on the real
28 property acquired is the rental of the real property to others.

29 (d) In addition to the moving expenses allowed under this

1 section, a displaced farm or business may receive a payment, not to
2 exceed \$10,000, for the actual reasonable expenses necessary to rees-
3 tablish the operation at a new site [FOR PURPOSES OF THIS SUBSECTION,
4 "AVERAGE ANNUAL NET EARNINGS" MEANS ONE-HALF OF THE NET EARNINGS OF
5 THE BUSINESS OR FARM OPERATION, BEFORE FEDERAL AND STATE INCOME TAXES,
6 DURING THE TWO TAXABLE YEARS IMMEDIATELY PRECEDING THE TAXABLE YEAR IN
7 WHICH THE BUSINESS OR FARM OPERATION MOVES FROM THE REAL PROPERTY
8 ACQUIRED FOR THE PROJECT, OR DURING ANY OTHER PERIOD THE STATE AGENCY
9 DETERMINES TO BE MORE EQUITABLE FOR ESTABLISHING THE EARNINGS, AND
10 INCLUDES ANY COMPENSATION PAID BY THE BUSINESS OR FARM OPERATION TO
11 THE OWNER, SPOUSE, OR DEPENDENTS DURING THE APPLICABLE PERIOD].

12 * Sec. 2. AS 34.60.050(a) is amended to read:

13 (a) In addition to payments otherwise authorized by this chap-
14 ter, the state agency shall make an additional payment not to exceed
15 \$22,500 [IN EXCESS OF \$15,000], to a displaced person who is displaced
16 from a dwelling actually owned and occupied by the person for not less
17 than 180 days before the initiation of negotiations for the acquisi-
18 tion of the property. This additional payment shall include the
19 following elements:

20 (1) the amount, if any, which, when added to the acquisi-
21 tion cost of the dwelling acquired by the state agency, equals the
22 reasonable cost of a comparable replacement dwelling which is a de-
23 cent, safe and sanitary dwelling adequate to accommodate the displaced
24 person, is reasonably accessible to public services and places of
25 employment and is available on the private market; all determinations
26 required to carry out this paragraph shall be made in accordance with
27 standards established by the state agency making the additional pay-
28 ment;

29

1 (2) the amount, if any, which will compensate the displaced
2 person for any increased interest costs which the displaced person is
3 required to pay for financing the acquisition of the comparable re-
4 placement dwelling; this amount may be paid only if the dwelling
5 acquired by the state agency was encumbered by a bona fide mortgage
6 which was a valid lien on the dwelling for not less than 180 days
7 before the initiation of negotiations for the acquisition of the
8 dwelling; and [THIS AMOUNT SHALL BE EQUAL TO THE EXCESS IN THE AGGRE-
9 GATE INTEREST AND OTHER DEBT SERVICE COSTS OF THAT AMOUNT OF THE
10 PRINCIPAL OF THE MORTGAGE ON THE REPLACEMENT DWELLING WHICH IS EQUAL
11 TO THE UNPAID BALANCE OF THE MORTGAGE ON THE ACQUIRED DWELLING, OVER
12 THE REMAINDER TERM OF THE MORTGAGE ON THE ACQUIRED DWELLING, REDUCED
13 TO DISCOUNTED PRESENT VALUE; THE DISCOUNT RATE SHALL BE THE PREVAILING
14 INTEREST RATE PAID ON SAVINGS DEPOSITS BY COMMERCIAL BANKS IN THE
15 GENERAL AREA IN WHICH THE REPLACEMENT DWELLING IS LOCATED;]

16 (3) reasonable expenses incurred by the displaced person
17 for evidence of title, recording fees, and other closing costs inci-
18 dent to the purchase of the replacement dwelling, but not including
19 prepaid expenses.

20 * Sec. 3. AS 34.60.060 is amended to read:

21 Sec. 34.60.060. REPLACEMENT HOUSING FOR TENANTS AND OTHERS. In
22 addition to amounts otherwise authorized by this chapter, the state
23 agency shall make a payment to or for a displaced person displaced
24 from a dwelling, who is not eligible to receive a payment under
25 AS 34.60.050, if the [WHICH] dwelling was actually and lawfully oc-
26 cupied by the displaced person for not less than 90 days before the
27 initiation of negotiations for acquisition of the dwelling. The
28 payment shall be either

29 (1) the amount necessary to enable the displaced person to

1 lease or rent for a period not to exceed three [FOUR] years and six
2 months, a decent, safe, and sanitary dwelling of standards adequate to
3 accommodate the displaced person in areas not generally less desirable
4 in regard to public utilities and public and commercial facilities,
5 and reasonably accessible to the person's place of employment, but not
6 to exceed \$5,250 [\$4,000]; or

7 (2) the amount necessary to enable the displaced person to
8 make a down payment, including incidental expenses described in
9 AS 34.60.050(a)(3), on the purchase of a decent, safe, and sanitary
10 dwelling of standards adequate to accommodate the displaced person in
11 areas not generally less desirable in regard to public utilities and
12 public and commercial facilities, but not to exceed \$5,250 [\$4,000,
13 EXCEPT THAT IF THIS AMOUNT EXCEEDS \$2,000, THE DISPLACED PERSON MUST
14 EQUALLY MATCH ANY AMOUNT IN EXCESS OF \$2,000 IN MAKING THE DOWN PAY-
15 MENT].

16 * S. 4. AS 34.60.140 is amended to read:

17 Sec. 34.60.140. REGULATIONS. State agencies are authorized to
18 adopt regulations to implement this chapter. These regulations [REGU-
19 LATION] shall include provisions relating to

20 (1) a moving expense allowance for displaced persons who
21 move from a dwelling, determined according to a schedule[, NOT TO
22 EXCEED \$300];

23 (2) procedures for an aggrieved person to have a determina-
24 tion of eligibility or amount of payment reviewed by the state agency;

25 (3) eligibility of a displaced person for relocation assis-
26 tance payment, the procedure for displaced persons to claim the pay-
27 ments, amount of the payments; and

28 (4) other regulations necessary to implement the provisions
29 of this chapter.

1 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
SB 144

Relocation Assist/Fed Assisted Projects

Received April 14, 1989
by the Rules Committee by
Request of the Governor

Heard April 25, 1989

Passed Out of Committee April 25, 1989
3 Do Pass
1 No Recommendation

TABLE OF CONTENTS

SB 144: Relocation Assist/Fed Assisted Projects

- Item 1:** SB 144 by The Rules Committee by
Request of the Governor
- Item 2:** Governor's Transmittal Letter
- Item 3:** Fiscal Note and Analysis

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 14, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

SB 144

~~SENATE BILL NO. 144~~

[RELOCATION ASSIST./FED ASSISTED PROJECTS]

"An Act relating to relocation assistance for federally assisted projects and programs; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
- [] _____ [] a new title
- [] have attached amendment(s)
- [X] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) _____
- [] zero fiscal note(s) _____
- [X] zero fn/analysis DOT/PF 4/10/89

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

Eileen A. Mahan
Page Henley
W. B. Fisher

(Check approp. column)	Do Not Pass	No Rec	Amend
<i>W. B. Fisher</i>		X	

W. B. Fisher
Chairman's Signature



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 27, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that amends various portions of AS 34.60, which provides for relocation assistance. Due to recent changes in federal law, the bill is necessary to bring the Alaska relocation assistance program into conformance with federal law regarding federally aided or assisted public works projects.

The state's relocation assistance program has been in operation for nearly 20 years. Aid to persons displaced by public works projects was first required in 1968 under congressional authority relating to federal-aid highways. Two years later Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601 -- 4655, expanding the requirement to all federally assisted or aided public works projects. Alaska enacted AS 34.60.010 -- 34.60.150 the next year (sec. 1, ch. 41, SLA 1971). That chapter has not been amended since it was enacted.

The provisions in the bill will apply only to a public works project or land acquisition project that receives federal money. Consequently, the fiscal impact of the bill, due to increases in relocation assistance limits, will be slight because any payments made will be reimbursed, to the extent of the federal matching money, under the particular federal aid program as a normal incident of a project.

Section 1 of the bill makes a number of amendments to AS 34.60.040, including a "housekeeping" amendment to delete an obsolete date from AS 34.60.040(a).

Item 2

144

AS 34.60.040(b) presently provides that persons displaced from their residences may elect to receive their moving expenses up to a maximum of \$300, based upon a schedule, plus a \$200 "dislocation allowance." Under the proposed amendment of AS 34.60.040(b) the ceiling is removed. In sec. 4 of the bill, reference to that ceiling is also deleted from AS 34.60.140(1).

Section 1 also amends AS 34.60.040(c), which authorizes payments for displaced businesses and farms. Under the existing language, a displaced businessman or farmer who cannot be relocated without a significant loss of patronage and is not part of a chain, may receive a payment in place of moving expenses, based upon the person's average annual net earnings over the previous two years. The payment currently allowed is a minimum of \$2,500 to a maximum of \$10,000. Under the amendments, as required by federal law, the minimum payment is reduced to \$1,000 but the maximum is raised to \$20,000. Subsection (c) is also amended by relocating, unchanged, the definition of "average annual net earnings." This language is currently inappropriately located in para. (2) of that subsection. The final amendment to AS 34.60.040(c) is the addition of new language, found in para. (3), which denies payments under subsec. (c) to landlords.

The last amendment to AS 34.60.040 is the addition of new language as subsec. (d). The new language will allow the payment of the actual reasonable expenses, to a maximum of \$10,000, of re-establishing a farm or business at a new location. This category of reimbursement is in addition to moving expenses allowed under AS 34.60.040, and addresses situations where building code upgrades or public utility service improvements are necessary to re-establish the business.

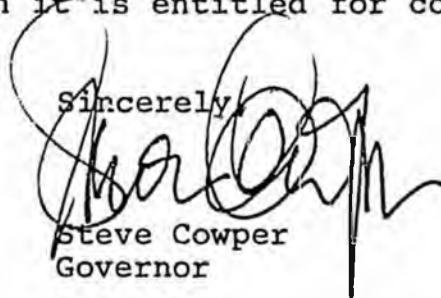
Under the current provisions of AS 34.60.050(a), a residential owner occupying the premises at least 180 days before the initiation of negotiations may receive a replacement housing supplement of up to \$15,000 to ensure the purchase of equivalent replacement housing that is decent, safe, and sanitary. Section 2 of the bill amends AS 34.60.050(a) by raising the maximum payment to \$22,500. It also amends AS 34.60.050(a)(2) to remove obsolete language that does not conform to federal law or practice.

Under the current provisions of AS 34.60.060, residential owners and tenants occupying premises for at least 90 days before the initiation of negotiations may receive a payment of \$4,000 to enable them to rent decent, safe, and sanitary housing for a period of four years. Alternatively, the person may receive up to \$4,000 as a down payment on the

purchase of decent, safe, and sanitary housing (but the person must match any payment in excess of \$2,000). Under the amendments in sec. 3, the time period that the replacement housing supplement is to cover is reduced to three years and six months, but the maximum amount of the payment is increased to \$5,250. In addition, the matching requirement under the down payment option is eliminated.

I urge the passage of this bill to ensure that the state's relocation assistance program conforms to federal requirements. That action will ensure that Alaska will receive all of the federal aid to which it is entitled for construction projects.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name below.

Steve Cowper
Governor

Item 3

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 144
PUBLISH DATE: 4/10/89

REQUEST: FISCAL NOTE

Revision Date:
Title: An Act relating to the Relocation Assistance
for Federal Assisted Programs
Sponsor: DOT&PF
Requestor: Governor

Agency Affected: DOT&PF
BRU: Engineering & Operations
Standards
Components:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	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
TOTAL	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: While this bill is estimated to raise annual relocation costs by as much as \$50.0, these payments would come out of individual capital project appropriations and no additional funding is required. These additional costs would be in the form of higher payments to relocates, based upon the schedule of payments authorized in the bill and required by federal law.

Prepared by: Jeffery C. Ortesch
Division: Engineering and Operations Standards

Phone: 465-2951
Date: February 14, 1989

Approved by Commissioner: *[Signature]*
Agency: Department of Transportation and Public Facilities

Date: *2/15/89*

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

*This F.N. supersedes the
1/5/89 F.N. from the DOT/PF*

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act relating to the Relocation Assistance for Federal Assisted Programs.
 Sponsor: Rules Committee
 Requestor: Governor

Agency Affected: Transportation & Public Facilities
 BRU: Relocation Assistance
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
Relocation Assistance	50	50	50	50	50	50
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING						

CAPITAL	50	50	50	50	50	50
----------------	----	----	----	----	----	----

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	3	3	3	5	3	3
FEDERAL FUNDS	47	47	47	47	47	47
OTHER	0	0	0	0	0	0
TOTAL	50	50	50	50	50	50

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 : (Attach a separate page if necessary)

Businesses are now eligible under federal law to receive up to \$10,000. as a reestablishment payment. Historically there are five businesses relocated per year that would be eligible for the maximum reestablishment payment under the program.

Prepared by: Milton H. Lentz
 Division: Department of Transportation & Public Facilities

Phone: 465-2885
 Date: 12/29/88

Approved by Commissioner: [Signature]
 Agency: DOT/PF

Date: 1/5/89

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

S B

154

HOUSE COMMITTEE ON STATE AFFAIRS

**RECAP OF
CSSB 154 (FIN)**

Equipment Lease-Financing by ASBA

Received April 30, 1990
by the Rules Committee by Request of the
Governor

Heard May 2, 1990

Passed Out of Committee May 2, 1990
2 Do Pass
3 No Recommendation

TABLE OF CONTENTS

CSSB 154 (FIN): Equipment Lease-Financing by ASBA

- Item 1:** CSSB 154 (FIN) by the Rules Committee by Request of the Governor
- Item 2:** Transmittal Letter from the Governor, February 3, 1989
- Item 3:** Senate Letter of Intent
- Item 4:** Fiscal Notes and Analyses by Departments of Revenue, Administration, Commerce and Economic Development, and AK State Building Authority
- Item 5:** Letter from Department of Revenue, April 20, 1990

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 30, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

CSSB 154 (FINANCE)

CS SB NO. 154 (Finance)

EQUIPMENT LEASE-FINANCING BY ASBA

"An Act relating to state equipment, including equipment lease-financing, and authorizing a master equipment lease-financing and lease-refinancing project; and providing for an effective date."

RECOMMENDATIONS:

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

ADOPTS: Senate Finance
CSSB 154 (Fin) letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
- zero fiscal note _____
- zero with analysis _____
- fiscal note(s) 4/19/90. DOR
- zero fiscal note(s) 4/19/90. DOA
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approx. column)

Do Not Pass No Rec Amend

[Signature] Finkelstein

[Signature] Boucher

SIGNING	Do Not Pass	No Rec	Amend
<u>[Signature]</u> Donley	X		
<u>[Signature]</u> Hanley	X		
<u>[Signature]</u> Zawacki	X		

[Signature]
Chairman's Signature

Item 2

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

154

February 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to lease-financing for state equipment.

The main purposes of the bill are to:

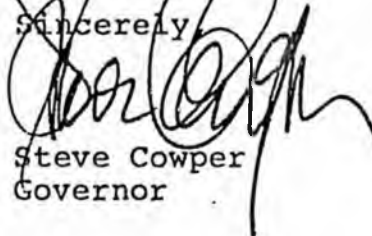
1. provide general statutory authority for the Alaska State Building Authority (ASBA) to finance and acquire equipment for lease to the state (sec. 3 of the bill);
2. specifically authorize ASBA to acquire and finance new equipment, or acquire and refinance equipment already on lease to the state, under a master lease program (secs. 12 and 13); and
3. specifically authorize, in accordance with the State Procurement Code, the Department of Administration to enter into lease-financing agreements with ASBA for the master lease program (secs. 14 and 15).

The approach to financing state equipment embodied in this bill offers potentially significant savings in interest costs on state equipment financing compared to interest rates charged by equipment vendors. The master lease program would be administered by the Department of Administration and available to all state agencies.

The second amendment of AS 18.55.100(d) in sec. 4, regarding legislative approval of equipment projects, raises a constitutional issue under the separation-of-powers doctrine, as does the current wording of that subsection. However, knowing of the legislature's concern about the overall debt management of the state, I believe that it might be helpful to set out this procedure in the statute, as a courtesy to the legislature.

Aside from the immediate-effective-date provision (sec. 16), the remaining sections of the bill consist of amendments that add references to state equipment lease-financing in various ASBA statutes relating to housing or public building projects of ASBA. These include corporate purpose (sec. 1 of the bill); prohibition of ASBA members or employees from acquiring an interest in projects (sec. 2); securing bonds with lease payments (sec. 5); validity of bonds and notes (sec. 6); bond covenants to limit disposition of projects (sec. 7); establish rates and fees for projects (sec. 8); vest in a trustee the right to take possession in the event of default on a project (sec. 9); grant bondholders rights to take possession or appoint a receiver for projects in default (sec. 10); and acceptance of federal aid for projects (sec. 11).

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", is written over the typed name and title.

Steve Cowper
Governor

Item 3



Alaska State Legislature
Senate

POUCH V
JUNEAU, ALASKA 99811

SENATE
LETTER OF INTENT
FOR
CS SB 154 (Finance)

It is the intent of the Legislature that Alaska State Housing Authority and the Department of Administration place first priority on refinancing existing equipment leases under any master lease-financing program established pursuant to this Act, and that the Department of Administration identify in the report required pursuant to AS 36.30.080(d) the amount of equipment lease-financing provided under this Act for refinancing existing equipment leases as opposed to financing new equipment that replaces existing equipment.

*Senate
Adopted
4/30*