

ALASKA LEGISLATURE COMMITTEE FILES 1989-1990 8672
6212 SENATE COMMUNITY & REGIONAL AFFAIRS

6/6

6-06855
Lauterbach
3/6/90

Original sponsor(s): SEN. DUNCAN, Kerttula, Fahrenkamp, Zharoff, Rodey, Szymanski, Sturgulewski, Fischer, Faiks, Uehling

1 IN THE SENATE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 150 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a senior housing office and loan
7 program in the Department of Community and Regional
8 Affairs; directing the Older Alaskans Commission to
9 assist the senior housing office; and authorizing the
10 issuance of bonds for senior housing."

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

12 * Section 1. AS 18.56 is amended by adding a new section to read:

13 Sec. 18.56.083. BONDS FOR SENIOR HOUSING. (a) Under the proce-
14 dures of this chapter, the corporation may issue bonds in a total
15 amount not exceeding \$30,000,000 to fund senior housing loans made by
16 the Department of Community and Regional Affairs under AS 44.47.585 -
17 44.47.609 that are approved by the corporation under (b) of this
18 section.

19 (b) Before requesting the corporation to issue bonds under this
20 section, the Department of Community and Regional Affairs shall com-
21 pile a list of senior housing projects that the department has deter-
22 mined are financially feasible and meet housing needs for senior
23 citizens as required under AS 44.47.587(b). Upon the department's
24 submission to the corporation of appropriate documentation of project
25 feasibility and desirability, the corporation shall approve or disap-
26 prove the projects proposed.

27 (c) The proceeds of bonds issued under this section for approved
28 projects shall be deposited in the senior housing revolving fund
29

1 44.47.609 on a schedule determined by the corporation.

2 (d) There is established in the corporation a senior housing
3 bond account. The account consists of proceeds of bonds issued under
4 this section, money appropriated to the account, repayments of princi-
5 pal transferred to the corporation under AS 44.47.593(a), and assign-
6 ments made under AS 44.47.593(b). The corporation may pledge assets
7 in the account and in the senior housing revolving fund for the pay-
8 ment of bonds issued under this section and may use money in the
9 account for payment of the bonds.

10 * Sec. 2. AS 44.21.230(a) is amended to read:

11 (a) The commission shall

12 (1) formulate a comprehensive statewide plan that identi-
13 fies the concerns and needs of older Alaskans and, with reference to
14 the plan adopted, prepare and submit to the governor and legislature
15 an annual analysis and evaluation of the services that are provided to
16 older Alaskans;

17 (2) make recommendations directly to the governor and
18 legislature with respect to legislation, regulations, and appropria-
19 tions for programs or services that benefit older Alaskans;

20 (3) encourage and aid the development of municipal commis-
21 sions serving older Alaskans and community-oriented programs and
22 services for the benefit of older Alaskans;

23 (4) employ an executive director who serves at the pleasure
24 of the commission;

25 (5) help older Alaskans lead dignified, independent, and
26 useful lives;

27 (6) request and receive reports and audits from state
28 agencies and local institutions concerned with the conditions and
29 needs of older Alaskans;

1 (7) administer, with the approval of the commissioner of
2 administration, federal programs as provided under 42 U.S.C. 3001 -
3 3045i (Older Americans Act), as amended; [AND]

4 (8) administer, with the approval of the commissioner of
5 administration, state programs as provided under AS 47.65; and

6 (9) give assistance, on request, to the senior housing
7 office in the Department of Community and Regional Affairs in adminis-
8 tration of the senior housing loan program under AS 44.47.587 -
9 44.47.609 and in the performance of the office's other duties under
10 AS 44.47.585.

11 * Sec. 3. AS 44.21.230(b) is amended to read:

12 (b) To accomplish its duties, the commission may

13 (1) review, evaluate, and comment upon state programs
14 concerned with the problems and the needs of older Alaskans;

15 (2) collect facts and statistics, and make studies of
16 conditions and problems pertaining to the employment, health, housing,
17 financial security, social welfare, and other concerns that bear upon
18 the well-being of older Alaskans;

19 (3) provide information about public programs that would be
20 of interest or benefit to older Alaskans;

21 (4) appoint special committees, which may include persons
22 who are not members of the commission, to complete necessary studies;

23 (5) promote community education efforts regarding the
24 problems and concerns of older Alaskans;

25 (6) contract for necessary services;

26 (7) consult and cooperate with persons, organizations, and
27 groups interested in or concerned with programs of assistance to older
28 Alaskans;

1 Alaskans;

2 (9) set standards for levels of services for older Alaskans
3 for programs administered by the commission; and

4 (10) adopt regulations necessary for the administration of
5 AS 44.21.200 - 44.21.240 and to comply with federal law.

6 * Sec. 4. AS 44.47 is amended by adding new sections to read:

7 ARTICLE 9A. SENIOR HOUSING OFFICE.

8 Sec. 44.47.585. SENIOR HOUSING OFFICE. (a) There is estab-
9 lished in the department a senior housing office. The office shall
10 promote a comprehensive response to the needs of senior citizens for
11 adequate, accessible, secure, and affordable housing in the state. In
12 order to fulfill this purpose, the office may

13 (1) study the needs of senior citizens in the state for
14 housing to meet their needs;

15 (2) seek funding from appropriate sources for the develop-
16 ment of housing alternatives for senior citizens;

17 (3) administer the senior housing loan program established
18 under AS 44.47.587 - 44.47.609;

19 (4) cooperate and coordinate with other public and private
20 agencies, including the Alaska Housing Finance Corporation and the
21 Alaska State Housing Authority, to respond to the housing needs of
22 senior citizens;

23 (5) offer public education programs to increase the aware-
24 ness of alternatives to large residential facilities for senior citi-
25 zens;

26 (6) provide information to senior citizens to help them
27 understand their financial alternatives related to homes they might
28 already own and to help them coordinate with other senior citizens in
29 finding housing alternatives, including information and coordination;

1 on home equity conversion and home sharing; and

2 (7) disseminate information to construction contractors to
3 educate them about remodeling projects that would meet the needs of
4 many senior citizens for accessible and secure housing.

5 (b) In order to avoid duplication of efforts and to benefit from
6 the commission's expertise, the office shall consult with the Older
7 Alaskans Commission in the performance of the office's duties under
8 AS 44.47.585 - 44.47.609 so that the housing needs of senior citizens
9 can be met most efficiently and effectively.

10 Sec. 44.47.587. SENIOR HOUSING REVOLVING FUND. (a) The senior
11 housing revolving fund is established in the department. The revolv-
12 ing fund consists of appropriations made to it by the legislature, the
13 proceeds of bonds sold under AS 18.56.083 as they are deposited by the
14 Alaska Housing Finance Corporation for specific projects, and money or
15 other assets transferred to the revolving fund by the department.
16 Amounts deposited in the revolving fund may be pledged by the Alaska
17 Housing Finance Corporation for bonds issued under AS 18.56.083 and
18 used by the office for making, purchasing, or participating in

19 (1) senior housing mortgage loans;

20 (2) loans made for building materials for senior housing;

21 (3) loans made for renovation or improvement of or for
22 senior housing, including loans for renovation or improvement of
23 congregate or individual residences; and

24 (4) loans made for the construction of senior housing.

25 (b) The department, under guidelines established in regulations
26 adopted by the department in consultation with the Alaska Housing
27 Finance Corporation, shall determine for each loan proposed to be made
28 under AS 44.47.587 - 44.47.609 the financial feasibility of the
29 project for which the loan would be used and the extent to which the

1 project would meet senior housing needs in the area for which it is
2 proposed.

3 Sec. 44.47.589. INTEREST RATE. The interest rate on loans made
4 under AS 44.47.587 - 44.47.609 that are funded by a bond issue of the
5 Alaska Housing Finance Corporation is equal to the cost of funds of
6 that bond issue plus

7 (1) two percentage points for a construction loan;

8 (2) one-half of one percentage point for a permanent loan.

9 Sec. 44.47.591. CONDITIONS ON LOANS. (a) The commissioner
10 shall adopt regulations in accordance with the Administrative Proce-
11 dure Act (AS 44.62) establishing acceptable security for loans orig-
12 inated or purchased in whole or in part under AS 44.47.587 - 44.47.-
13 609.

14 (b) The department may condition a loan under AS 44.47.587 -
15 44.47.609 on an agreement by the borrower to maintain the financed
16 project as senior housing for a time period specified by the depart-
17 ment. The department shall establish by regulation the criteria it
18 will use for specifying time periods under this subsection and for
19 determining under what circumstances the time periods can be decreased
20 after the loan is made.

21 Sec. 44.47.593. TRANSFER AND ASSIGNMENT OF CERTAIN ASSETS. (a)
22 The department shall transfer to the Alaska Housing Finance Corpora-
23 tion repayments of principal it collects for a loan made under AS 44.-
24 47.587 - 44.47.609 that was funded by bonds issued by the Alaska
25 Housing Finance Corporation under AS 18.56.083.

26 (b) The department shall assign to the Alaska Housing Finance
27 Corporation all right, title, and interest of the department in prop-
28 erty financed through a loan made under AS 44.47.587 - 44.47.609 that
29 was funded by bonds issued by the Alaska Housing Finance Corporation.

1 under AS 18.56.083.

2 Sec. 44.47.595. FIRE INSURANCE. Before purchasing or partic-
3 ipating in the purchase of a senior housing mortgage loan, the office
4 shall require the borrower to agree to purchase and maintain fire
5 insurance for the real property for which the loan is made in an
6 amount not less than the outstanding principal balance of the loan.

7 Sec. 44.47.597. LOAN ORIGINATION AND SERVICING. (a) Before
8 purchasing or participating in the purchase of a senior housing loan,
9 the office shall enter into a loan servicing agreement with the pri-
10 vate financial institution from which the loan is to be purchased.

11 (b) The office may execute service agreements with private
12 lending institutions or with regional native housing authorities
13 established under AS 18.55.996 to service loans originated by the
14 office.

15 (c) Under the servicing agreement, the private financial insti-
16 tution or the regional native housing authority shall administer the
17 loan and may charge the office a negotiated origination or servicing
18 fee on the office's share of the loan. When appropriate, the private
19 financial institution or the regional native housing authority may
20 also charge the borrower a reasonable origination fee not to exceed
21 one percent.

22 Sec. 44.47.599. APPRAISALS. Before originating or purchasing or
23 participating in the purchase of a senior housing mortgage loan, the
24 office may have or may require the borrower to have an appraisal made
25 of the fair market value of the real property, including structures on
26 the real property, for which the loan is made. In conducting an
27 appraisal under this section, the appraiser shall give full value to
28 insulation and other features of construction in structures on the
29 real property that add to the energy efficiency of the structures.



ALASKA STATE LEGISLATIVE COMMITTEE

CHAIRMAN
Mr. R. W. Bob Paynt
130 Seward Street #204
Anchorage AK 99501
(907) 585-2066

VICE CHAIRMAN
Mrs. Marie C. Mackenzie
1620 Crescent
Anchorage AK 99508
(907) 562-4895

SECRETARY
Miss Ann E. Walsh
924 Kellum #201
Anchorage AK 99501
(907) 456-6737

SENIOR CITIZEN HOUSING
POSITION PAPER

BACKGROUND/PROBLEM

Since 1980, Alaska's senior population has grown by 66% to more than 19,000 residents according to the Department of Labor. It is one of the fastest growing age groups in the state. If Alaska's population continues to grow older as projected, the senior population could double soon after the year 2000. Many seniors who formerly would have retired Outside are now remaining in Alaska.

Affordable, secure, accessible housing facilities with attendant supportive services are meager at best, and totally unavailable in most rural and urban Alaska communities. Thus, the strong desire of older Alaskans to remain independent as long as possible in their own homes must give way to some other housing solution when they can no longer maintain a private residence.

It is socially and economically advantageous to all Alaskans to effectively address senior citizen housing needs.

PROPOSED SOLUTION

Mechanisms must be established to enable and encourage seniors and their families, profit or non-profit organizations and government agencies to work cooperatively in meeting the needs. Development of alternative approaches, home equity conversions and provision of methods for realistic financing are but a few of the topics which must be addressed. Appropriate lands on which to locate necessary facilities need to be made available.

Physical housing, as such, is not the only aspect to be addressed in meeting senior needs. Greater support must be provided for adult family care, weatherization, day care, respite care, case management, and other services which make it possible for a senior to stay in his or her own home as long as possible.

In summary, necessary lands, financing methods, mechanisms for cooperative action and supportive services must be made available if we are to solve senior citizen housing problems in Alaska.

PROPOSED LEGISLATION

SB 150 would create a senior housing office in the Department of Community and Regional Affairs, and a revolving loan fund for all types of senior housing.

HB 218 would expand the Alaska Housing Finance Corporation's authority to include loans to build congregate housing for seniors, and to cooperatively establish a pilot program of such housing.

These bills currently in the Alaska Legislature would constitute a start in addressing senior housing problems, and the AARP ALASKA STATE LEGISLATIVE COMMITTEE supports passage of this legislation.

**LEGISLATIVE PRIORITIES
OF
THE PIONEERS OF ALASKA**

1. During this session of the Legislature the Pioneers are most interested in protecting the Senior programs presently in place. We prefer the \$250.00 monthly bonus program remain as it is, however, rather than see it suffer major setbacks, the Grand Igloo supports an annuity program as introduced by Senator Kerttula.

2. The Pioneers support a requirement of 65 years of age as a minimum for admission to the Pioneer Home system, and removal of the word 'destitute' as is presently used in giving priority for admission.

3. The Pioneers support full state funding to cover property tax exemptions for Seniors.

⇒ 4. The Pioneers support in-Home Support Care and Senior Housing. Re: HB 218; SB 150.

5. The Pioneers support Health Care legislation. Re: HB 47.

6. Also, it has been noted, from a recent news article that Sen Uehling has prefiled legislation that would give Medicare eligible Senior an option to choose to receive health care under Medicaid at home rather than in a Long Term Care facility. The Pioneers certainly support this concept.

The Pioneers have taken no position regarding a State Income Tax or the Governor's proposal on an Education Endowment.

The Pioneer's registered lobbyist is Bill Ray, 165 Behrends Ave, Juneau, AK, 99801, Tel: (907) 586-1275

Bob Huffman, Chm.
Legislative Committee
Pioneers of Alaska

SENATE STATE AFFAIRS COMMITTEE TESTIMONY
October 19, 1989

My name is Amos J. Alter. I live at 303 Distin Ave. in Juneau. I speak in recognition of a serious need for affordable housing alternatives for Alaska's elderly people. In addition to recognizing the need I speak in support of actions to provide housing for middle and low income persons.

As a member of the State Legislative Committee of the American Association of Retired Persons, a group with an Alaska membership of about 32,000 persons, I speak in support of the concept of making those resources available to seniors which enable them to stay in their own homes as long as possible thereby avoiding the high costs to society incurred by institutionalization. Among other things such resources should include a variety of housing alternatives, congregate, group new or converted facilities, additions to existing housing, non-profit, public or private participation. State and local governments and individuals as well as the private sector should be encouraged to cooperate in meeting the need.

A sizable proportion of the senior citizen community is able and willing to make reasonable payment for housing. Incentives such as funding through revenues, low interest loans, land grants for sites and coordination and leadership in developing viable alternatives are all needed. There is a singular lack of housing alternatives for those middle income persons ineligible for low rent housing and yet unable to meet housing needs beyond a private home. Residential and assisted living alternatives for these persons in their own communities would allow them to remain in Alaska. As they are allowed to remain in Alaska they would continue to contribute to their communities economically as well as socially. A retired person spending retirement income in the community is a significant part of the economic base of that community.

In summary it is to the advantage of all Alaskans to provide housing alternatives for the elderly which keep seniors independent as long as possible. AARP supports those actions which will expedite and provide affordable housing alternatives for all Alaskan elders regardless of their income.

PUBLIC OPINION MESSAGE

DEAR: SENATOR DUNCAN

NAME: KAYE CORY DAKER
TITLE:
ADDRESS: BOX 55659
CITY: NORTH POLE ZIP: 99705
PHONE: 489-2455
BILL NO: SB 150
SUBJECT: SENIOR HOUSING OFFICE/OLDER AK COMM
MESSAGE: SB 150 / SB 487: MEMBERS OF SANTA SENIOR CENTER ASSOCIATION INC.
SUPPORT SB 150 AND SB 487. CAPITAL MONEY FROM AHFC INTO SENIOR HOUSING
REVOLVING FUND AS BASIS FOR SELLING BONDS. URGENT NEED FOR SENIOR HOUSING
IN NORTH POLE AREA. PLEASE SPREAD ON RECORD. EOM/MJO

POMID: 07075258
DATE: 03/01/90
TIME: 07:52:58
LIONAME: FAIRBANKS LIO

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Central Alaska Retired Teachers Association

Volume 14, Number 2

December 1989

SURVEY SHOWS RETIRED TEACHERS WANT SENIOR HOUSING HERE

Of the twenty-four CARTAs who returned the middle income housing survey that was included with the September/October newsletter, only one said "not interested" in senior housing in Anchorage. Most were looking forward to the future. Three indicated need within the next 1-3 years; nine said in 3-6 years; eleven were looking forward beyond six years.

Judging from these responses—a pretty fair return from the approximately 200 newsletters mailed, Central Alaska retired teachers are definitely interested in having appropriate Anchorage-area housing available for middle and upper income senior citizens and would themselves participate. Not only are they interested. They are also flexible and would accept several possible variations.

About half desire rentals, half condominiums to be purchased. Some marked both, indicating either would be acceptable. Three preferred separate village-type units. Two-bedroom apartments were chosen by nineteen. Extra storage and heated parking received high marks.

Location preference was not conclusive: downtown (9), east Anchorage (7), midtown (6), south Anchorage (3), Turnagain (2), out of town but within Municipality (2). Several marked more than one choice. Fifteen wanted a view, with mountains highly preferred. The other location question asked near what facilities the housing should be located. Respondents were asked to mark any that applied; most marked several. The results: shopping area (14), grocery store (14), public transportation (12), drug store (11), medical facilities (8), library (6), park (6), theaters (5), athletic facility (3), educational facilities (2). Two respondents marked "all of the above."

Amenities desired within the retirement housing

complex were identified as follows: maintenance personnel (20); some food service (17), with one meal a day (10), two meals (5), three meals (2); coin-op laundry (16); transportation (15); athletic room (14); security personnel (14); library (12); resident manager (12); swimming pool (12); meeting rooms (10); first aid room (9); arts and crafts area (9); card/game room (8); beauty parlor (7); general store (6).

Twenty indicated willingness to purchase units outright and pay \$50-\$75,000 (8), \$75-100,000 (10), \$100-\$150,000 (2). The same number were willing to pay rent: \$500-\$750 (8), \$750-\$1000 (10), \$1000-\$1500 (2).

Continued on page 3

PUT THESE 1990 CARTA MEETINGS ON YOUR CALENDAR—AND COME !!!

- Jan 13**—Regular meeting. Program is Medigap Insurance: How Do You Choose, with guest speaker to answer questions.
- Feb 10**—White Elephant Auction for scholarship fund. Bring items to sell and money to buy!
- Mar 17**—ASRTA / CARTA joint luncheon meeting at the Hilton Hotel. Speaker to be announced.
- Apr 21**—Regular meeting. Election of officers for upcoming year. Program to be announced.
- May 12**—Regular meeting. Installation of officers.

Note: The March and April meetings are the third Saturday of the month. The March meeting date was changed to coincide with the AARP training workshop. The Senior Center was not available for CARTA on the regular April meeting date.

JEAN MCLANE underwent surgery November 20th, but we hear he is doing well. It's put our Sunshine Committee in a position to receive our sunshine himself. You can drop him a note at 1911 Kuskokwim, Anchorage 99504 or call him at 279-3166.

GENEYA and BUCK SMITH travelled "outside" in their fifth-wheel for two months. They visited friends and relatives and enjoyed relaxing days in Idaho, Washington, California, Arizona, New Mexico and Nevada. They left their pickup and trailer in Las Vegas where they plan to return in April for the Alaskans Convention. They also visited their daughter in Hawaii for two weeks.

MARLOU and DICK SMITH will be visiting family in the San Diego area during January 1990.

RITA and JOHN STRACHAN recently returned from a two week visit to Ireland--great horse country and thousands of castles and ruins. Their 17-day trip included trail riding, horseback lessons in Donegal, a visit to the Waterford factory, scenic trips to the Ring of Kerry, Connemara country, and, of course, the famous Blarney castle. They planned to spend the holidays with grandchildren in Sedro Wooley, Washington. A family reunion after Christmas in San Francisco is also planned to celebrate Rita's 50th birthday and to ring in 1990. Relatives and friends from Alaska, Hawaii, the east coast, and the west coast are all planning to help Rita enjoy turning half a century.

ALICE THOMPSON has been sightseeing in New York and Washington, D.C., then a visit to a sister in Ohio, followed by a flight to Mexico for fun in the sun. She'll be back to Anchorage in January.

MARIE TVEIT's new address is PO Box 96474, Houston, Texas, 77213-6474.

MCDONAGH APPOINTED TO TEACHERS RETIREMENT SYSTEM BOARD

CARTA has been notified by the office of Governor Cowper that one of its members, Roxy McDonagh, has been appointed to the Teachers Retirement System Board to replace Merritt Olson. CARTA will look forward to regular reports from her to keep the membership advised about the administration of the retirement fund.

NO ANSWERS YET FROM GOVERNOR OR COMMISSIONER ON AD HOC PRPA

Letters and copies of the last CARTA newsletter featuring the Post Retirement Pension Adjustment problem went to Governor Cowper and Commissioner Andrews saying in part:

According to information made available to the Central Alaska Retired Teachers Association, it is the plan of this administration to deny teacher retirees an ad hoc post-retirement pension adjustment justified by an increase in cost of living. Such an action is unconscionable and appears to us to be illegal.

To date no reply has been received from either the Governor or the Commissioner.

Volunteers Needed

Weekday mornings and afternoons for two hour shifts in Dining Room, Reception, Gift Shop.

Contact Liz Illig in Volunteer Services 562-2281

OUR LADY OF COMPASSION CARE CENTER
LONG TERM AND REHABILITATIVE CARE

4900 Eagle Street Anchorage, Alaska 99503

WHITE HOUSE CONFERENCE ON AGING NOT YET ORDERED BY THE PRESIDENT

Under the Older Americans Act, the President may call for a 1991 White House Conference on Aging. Prior to the conference, the national aging network will be involved in a year of pre-conference related events.

The Alaska Older Alaskans Commission hopes that it will be possible to convene an Alaska Conference on Aging, perhaps in late spring 1991, and is asking Governor Cowper for a one-time allocation from the FY91 budget.

HOUSING SURVEY, cont.

Many marked both purchase and rental figures although they preferred one or the other in an earlier question. There was a greater spread on acceptable monthly maintenance and service fees. Several noted it would depend on what is included. Preferences were \$150-\$200 (10), \$200-\$250 (5), \$250-\$300 (4), over \$350 (1), no idea (1), no preference marked (2).

FISCAL NOTE

REQUEST: _____

Revision Date: _____ Agency Affected: Administration
 Title: An Act establishing a senior BRU: Older Alaskan Commission
housing and loan program in Department*
 Sponsor: Duncan Components: _____
 Requestor: _____

* of Community and Regional Affairs.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
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 1034	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)

The duties which this bill adds to the Older Alaskans Commission Statute do not require any additional resources.

Prepared by: Connie J. Sipe, Executive Director *CJS* Phone: 465-3250
 Division: Older Alaskan Commission Date: 3/7/90
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 3/8/90
 Agency: Department of Administration

Distribution (by preparer):
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Older Alaskans Commission

Box C
Juneau, Alaska 99811-0209
907/465-3250

POSITION PAPER

COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR

SENATE BILL 150 (C&RA)

The Older Alaskans Commission strongly supports CSSB 150 (C&RA), which will create a Senior Housing Office in the Department of Community & Regional Affairs and institute a revolving loan fund for construction or modification of senior housing.

OAC's 1989 Senior Housing Report documents the desires of Alaskan seniors to stay in their own homes--with modifications to enhance independent functioning--or in specially-designed congregate senior housing. These desires cut across all income ranges, and are not limited to only the low-income seniors now eligible for HUD or ASHA subsidized housing. Seniors also express the desire to pay their own way for this type of housing, and CSSB 150 does not propose to subsidize the senior housing loans or the ensuing rental prices.

Helping seniors to stay in their own homes (through modification or accessibility loans), or in semi-independent congregate housing, should be a key part of Alaska's policy to promote independent living instead of costly, restrictive, and often unnecessary nursing home placements.

The State needs to take a leadership role in promoting the growth of the senior housing industry in Alaska. Although our senior population is one of the fastest growing in the country, it is still so small in absolute numbers of seniors in each town, that private enterprise needs the encouragement of favorable and flexible loan terms and the expertise of a Senior Housing Office. In some communities, non-profit or private senior groups may need to step forward to sponsor the borrowing and construction for senior housing. This bill extends financing to such groups.

(The Legislature may wish to note that many states with higher population percentages of seniors, even New York and California, run active senior housing offices which work to stimulate the private sector's interest in meeting senior housing needs.)

The CSSSSB 150 (C&RA) adds to the duties of the Older Alaskans Commission the giving of assistance to the Department of Community & Regional Affairs Senior Housing Office and the power to conduct studies related to senior housing. The OAC supports these amendments, as we believe they simply ratify the Commission's ongoing concern on the issue of housing, and will ensure cooperation and coordination between state agencies working with this issue. (A "zero" fiscal note is attached related to these sections and their impact upon the OAC.)

The Commission has heard nothing but senior support for the concept of CSSB 150 since its introduction last spring. The Commission urges your early passage of CSSSSB 150 (C&RA) and its companion legislation, CSSB 487 (B&ED), which authorizes a senior housing bond account within Alaska Housing Finance Corporation.

APPROVED:

Peggy A. Burgin
Peggy A. Burgin, Chair
Older Alaskans Commission

Dated: March 7, 1990

REVIEWED AND agree _____ :

James S. Tolson
Frank S. Baxter, Commissioner
Department of Administration

Dated: 3/8/90

STATE OF ALASKA 1990 - 16TH LEGISLATURE
SECOND SESSION
FISCAL NOTE

Bill/Resolution No.: CS SB 150

Title: "An Act establishing a senior housing office and loan program in the Department of Community and Regional Affairs and authorizing the issuance of bonds for senior housing."

The establishment of a senior housing office and senior housing loan program will require two full-time staff positions.

It is anticipated that in the first and second year, the Senior Housing Office would be created with a Loan Examiner, range 19A and a clerical position, range 8A funded by the General Fund. The Loan Examiner would work with a great deal of independence basically setting up the office by coordinating and meeting with a large constituency, gathering information, responding to requests, attending meetings, and attending to other issues relating to developing a senior office including information dissemination.

The loan processing and accounting staff would be funded through the revolving loan fund from the sale of bonds by the Alaska State Housing Authority.

The largest part (35.3) of contractual fees will be to make available funding for those services such as servicing (bank fees), appraisal, architect, and surveyors fees, or those services needed to maintain the integrity of the loan program or the quality of Senior Housing being constructed.

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8A	Barg. Unit GGU
Time Status Full	Staff Months 12 Months	Location Anchorage		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	19.9			
Benefits	6.4			
Premium Pay				
Other				
Total Personal Services		26.3		
Travel		0		
Contractual		0		
Commodities		0		
Equipment		0		
Other		0		
Total Cost		0		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	26.3		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
Justification CSSB 150 Senior Housing Office FY 91 will require this position as clerical support for the Loan Examiner III in setting up the office. It is anticipated there will be substantial typing, mailing, copying of materials, etc. in support of this new office proposed in SSSB 150.				

**Request For
New Position**

Agency Department of Community & Regional Affairs
 BRU Housing Assistance
 Component Housing Construction

Page 4 of 4
 Revised Date

FY 91

Position Title Loan Examiner III		No. of Positions 1	Range/Step 19A	Barg. Unit GGU
Time Status Full	Staff Months 12 Months	Location Anchorage		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	40.1			
Benefits	12.8			
Premium Pay				
Other				
Total Personal Services		52.9		
Travel		30.0		
Contractual		14.7		
Commodities		5.0		
Equipment		2.0		
Other		0		
Total Cost		51.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	104.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
Justification CSSB 150 Senior Housing Office in FY 91 will require this additional staff person. Position will be responsible for program coordination and meeting with a large constituency, gathering information, responding to requests, attending meetings, and attending to other issues relating to developing a senior housing office, including the implementation and processing of the senior citizen housing loan program.				

**Request For
New Position**

Agency Department of Community & Regional Affairs
 BRU Housing Assistance
 Component Housing Construction

Page 3 of 4
 Revised Date

FY 91

S B

155

**C&RA COMMITTEE
THURSDAY
MARCH 23, 1989**

**SB 155: AN ACT RELATING TO THE TRANSFER OF CERTAIN ALCOHOLIC
BEVERAGE LICENSES
SPONSOR: RULES/GOV
FISCAL; NONE**

THE NEXT BILL BEFORE THE COMMITTEE IS SENATE BILL 155, AN ACT RELATING TO THE TRANSFER OF CERTAIN ALCOHOLIC BEVERAGES LICENSES. THIS BILL CORRECTS A CONFUSING PORTION OF THE STATUTES RELATING TO RESTAURANT AND EATING PLACE LICENSES THAT ALLOW THESE INSTITUTIONS TO PROVIDE BEER AND WINE.

PAT SHARROCK FROM THE ALCOHOL BEVERAGE CONTROL BOARD IS ON TELECONFERENCE TO TESTIFY FURTHER.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2 3.18.89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FIN

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

DATE TURNED INTO OFFICE 3.23.89

2/8/89

Mr. President:

C&RA

Committee considered

SB 155

transfer of certain alcoholic beverage licenses; efd

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten Signature]

[Handwritten Signature]
Chairman signature and recommendation

Committee backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Transfer of alcoholic beverage licenses
Sponsor: Sen. rules by Governor request
Requester: Sen. C & RA Committee

Agency Affected: Department of Revenue
BRU: Alcoholic Beverage Control Board
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

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 : (Attach a separate page if necessary)

Prepared by: Patrick L. Sharrock, Director Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: March 1, 1989
 Approved by Commissioner: Hugh Malone Date: 3/6/89
 Agency: Revenue

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



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

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 that makes changes in existing law to eliminate an inconsistency, and resultant confusion, regarding transfer of certain alcoholic beverage licenses.

AS 04.11.360(11) and AS 04.11.400(j) relate to "restaurant or eating place licenses," which are the licenses permitting restaurants to dispense beer or wine. These exception licenses are issued without regard to the population of a given locality if the Alcoholic Beverage Control (ABC) Board determines that new licenses are necessary for the public convenience.

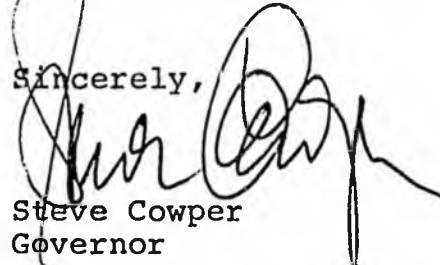
Because restaurant or eating place licenses issued under AS 04.11.400(j) are not subject to population limitations, there is no "quota" that limits the number that may be issued in a given locality. Accordingly, the licenses do not have an inherent "market value"; and as many restaurant or eating place licenses may be issued in a locality as the board finds are necessary for the public convenience. There is, therefore, no recognizable interest of a licensee in being able to market a license in conjunction with the sale of a restaurant or eating place. A person purchasing or starting a restaurant can, under strict board regulation, apply for a new beer and wine license without regard to the population levels at the time of the application. There is, therefore, no reason to permit the transfer of these licenses. Additionally, under AS 04.11.330(9), the board is required to deny renewal of a license issued under AS 04.11.400(j) if the public convenience does not require renewal.

Currently, AS 04.11.360(11) prohibits the transfer of such licenses. AS 04.11.400(j), however, creates confusion by permitting the board to approve the issuance or transfer of ownership of a restaurant or eating place license when it

156

is necessary for the public convenience. This inconsistency would be resolved by deleting the provision in AS 04.11.400(j) which permits the board to approve transfer of ownership of such a license. This amendment will eliminate confusion and conflicting direction in present law.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the word "Sincerely,".

Steve Cowper
Governor

vately held license is no longer effective, whether as the result of a local option election or otherwise;

(11) the license was issued under AS 04.11.400(j);

(12) the license was issued under AS 04.11.135, unless the transferor is also applying to transfer the beverage dispensary license required under AS 04.11.135 to the same transferee. (§ 2 ch 131 SLA 1980; am § 4 ch 111 SLA 1988)

Effect of amendments. — The 1988 amendment, effective June 7, 1988, added paragraph (12).

Article 5. Restrictions on Issuance and Transfer of Licenses.

Section

400. Population limitations

450. Prohibited financial interest

Sec. 04.11.400. Population limitations. (a) Except as provided in (g), (h), (i), (j), and (k) of this section, a new license may not be issued and the board may prohibit relocation of an existing license

(1) outside an established village, incorporated city, unified municipality, or organized borough if after the issuance or relocation there would be more than one restaurant or eating place license for each 1,500 population or fraction of 1,500 population or more than one license of each other type, including licenses that have been issued under (g) or (h) of this section, for each 3,000 population or fraction of 3,000 population in a radius of five miles of the licensed premises or location of premises sought to be licensed, excluding the populations of established villages, incorporated cities, unified municipalities, and organized boroughs that are wholly or partly included within the radius;

(2) inside an established village, incorporated city, or unified municipality if after the issuance or relocation there would be inside the established village, incorporated city, or unified municipality more than one restaurant or eating place license for each 1,500 population or fraction of 1,500 population or more than one license of each other type, including licenses that have been issued under (g) or (h) of this section, for each 3,000 population or fraction of 3,000 population inside the established village, incorporated city, or unified municipality;

(3) inside an organized borough but outside an established village or incorporated city located within the borough, if after the issuance or relocation there would be inside the borough, but outside the established villages and incorporated cities located within the borough, more than one restaurant or eating place license for each 1,500 population or fraction of 1,500 population or more than one license of each other type, including licenses that have been issued under (g) or (h) of

this section, for each 3,000 population or fraction of 3,000 population inside the borough, excluding the population of those established villages that have conducted an election on a question set out in AS 04.11.490, 04.11.496, or 04.11.500, and excluding the population of incorporated cities located within the organized borough.

(b) If the radius described in (a)(1) of this section encompasses all of an established village, incorporated city, or unified municipality and the population resident inside and outside the established village, incorporated city, or unified municipality but inside the radius described in (a)(1) of the section is less than 3,000, the board may deny the issuance or relocation of the license.

(c) *(Repealed, § 88 ch 74 SLA 1985.)*

(d) In this section "radius" means the circular area or distance limited by the sweep of a straight line originating at the proposed licensed premises and extending outward.

(e) In (a)(1) of this section, "population" includes only those persons residing inside the radius not later than the date the application is received by the board and not earlier than 60 days before the application is received by the board.

(f) In (a)(2) and (3) of this section, "population" includes only those persons residing inside the established village, incorporated city, unified municipality, or organized borough as of December 31 of the year preceding the date of application.

(g) The board may approve the issuance or transfer of ownership of a beverage dispensary or restaurant or eating place license without regard to (a) of this section if it appears that the issuance or transfer will encourage the tourist trade by encouraging the construction or improvement of

(1) a hotel, motel, resort, or similar business relating to the tourist trade with a dining facility or having kitchen facilities in a majority of its rental rooms and at least a minimum number of rental rooms required according to the population of the established village, incorporated city, unified municipality or population area established under AS 04.11.400(a) in which the facility will be located, as follows:

- (A) 10 rental rooms if the population is less than 1,501;
- (B) 20 rental rooms if the population is between 1,501 and 2,500;
- (C) 25 rental rooms if the population is between 2,501 and 5,000;
- (D) 30 rental rooms if the population is between 5,001 and 15,000;
- (E) 35 rental rooms if the population is between 15,001 and 25,000;
- (F) 40 rental rooms if the population is between 25,001 and 50,000;

and

- (G) 50 rental rooms if the population is greater than 50,000; or
- (2) an airport terminal.

(h) The board may approve the issuance or transfer of ownership of a restaurant or eating place license without regard to (a) of this section if

(1) the premises miles from the co

(2) the premises

(3) the board fin issuance or trans

(i) An applicatio is limited under regard to (a) of the from the original

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(j) The board ma restaurant or eatin

(a) of this section license is necessar

(k) Except as pr city, unified munic

may be issued, and approved by the l

(1) the issuance limitation contain resolution adopted organized borough relocated; and

(2) after issuanc porated city or un but outside the in than one club lice population. (§ 2 cl — 16 ch 93 SLA

Effect of amendm amendment, effective stituted "(i), (j), and (k)

Sec. 04.11.450.

than a licensee ma the business for v

(b) A person wh ness, brewery, wir solely or together age store license. issued a brewpub

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- and 50,000;

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(1) the premises of the restaurant or eating place are more than 18 miles from the corporate limits of a city or unified municipality;

(2) the premises will serve food to the traveling public; and

(3) the board finds that the public convenience will be served by the issuance or transfer.

(i) An application requesting a transfer of location of licensed premises limited under (a) or (b) of this section shall be granted without regard to (a) of this section if the new location is less than one mile from the original location and

- (1) no ground for denial exists under AS 04.11.340(1) or (3); and
- (2) relocation of the licensed premises is necessary due to
 - (A) termination of a lease or rental agreement;
 - (B) condemnation of the premises;
 - (C) the substantial destruction of the premises by any cause.

(j) The board may approve the issuance or transfer of ownership of a restaurant or eating place license in a municipality without regard to (a) of this section if the board finds that issuance or transfer of the license is necessary for the public convenience.

(k) Except as provided in (i) of this section, within an incorporated city, unified municipality or an organized borough, a new club license may be issued, and the relocation of an existing club license may be approved by the board if

(1) the issuance or relocation of club licenses under the population limitation contained in (2) of this subsection has been approved by resolution adopted by the incorporated city, unified municipality, or organized borough within which the club license is to be issued or relocated; and

(2) after issuance or relocation there would not be, inside the incorporated city or unified municipality, or inside the organized borough but outside the incorporated cities located within the borough, more than one club license for each 1,500 population or fraction of 1,500 population. (§ 2 ch 131 SLA 1980; am § 88 ch 74 SLA 1985; am §§ 9 — 16 ch 93 SLA 1985; am §§ 3, 4 ch 17 SLA 1988)

Effect of amendments. — The 1988 amendment, effective April 8, 1988, substituted "(i), (j), and (k)" for "(i), and (j)" in the introductory language of subsection (a) and added subsection (k).

Sec. 04.11.450. Prohibited financial interest. (a) A person other than a licensee may not have a direct or indirect financial interest in the business for which a license is issued.

(b) A person who is a representative or owner of a wholesale business, brewery, winery, bottling works, or distillery may not be issued, solely or together with others, a beverage dispensary license or package store license. A holder of a beverage dispensary license may be issued a brewpub license, subject to the provisions of AS 04.11.135.

S B

160

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3.8.89
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 3.14.89

2/3/89

Mr. President:

C&RA

Committee considered

SB 160

prohibiting municipal sales tax on rents payable for occupation of
certain publicly-financed housing projects; efd

and recommended:

replace with CS _____ same title

attached amendment(s) and

new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero

fiscal impact

appropriation no FN attached

Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Pat Kouchak

Mike Snyder - No Rec.

Irma L. ...
Chairman signature and recommendation

Committee backup attached

Alaska State Legislature

Al Adams
District L

WHILE IN SESSION
P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3707

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3245

111 C Street
Anchorage, Alaska 99503
(907) 561-7622



Official Business

TO: Community and Regional Affairs Committee Members

FROM: Senator Al Adams, Chair ^{APA}
Community and Regional Affairs Committee

RE: Senate Bill 160

DATE: March 7, 1989

Senate Bill 160 was introduced on February 3, 1989 at the request of the Association of Alaska State Housing Authorities. Despite its apparent complexity, it is a rather straight forward piece of legislation. In essence, as the title implies, it creates a municipal tax exemption on rents payable for the occupation of housing that has been or is being subsidized by the federal government if exemption is required by federal law or by agreement as a condition of the subsidy.

There are precedents for such an exemption. In 1987, the legislature provided that a city may not levy and collect a sales tax on purchases of certificates under the Food Stamp Act, or food instruments, food vouchers or other types of certificated under the Food Program for Women, Infants and Children.

Just last year we passed legislation permitting, but not requiring, municipalities to exempt taxation interests in real property if the property has been developed, improved or acquired with federal low-income housing funds and is owned or managed as low income housing by the Alaska State Building Authority or a regional housing authority.

As far as I know, no municipality is currently levying or collecting a municipal sales tax on rents payable for the occupation of publicly-financed housing projects; however, the Association has brought to my attention the fact that some municipal attorneys have counselled their clients to levy and collect such taxes because existing state law does not prohibit them from doing so.

Page 2

March 7, 1989

Community and Regional Affairs Committee

SB 160

This legislation would not only provide municipal attorneys with clear statutory authority for such an exemption, thereby clearing any confusion that may exist now, but would prevent future conflicts between the state's political subdivisions from arising. This measure reflects a cost-benefit decision that municipalities have apparently already made. As you may know, some rents in publicly-financed housing projects are as small as \$2 per month and the administrative cost connected with the collection of these sales taxes probably outweighs the benefits that might flow from collection. So, they simply forego the revenue. I believe the state should sanction this decision of its subdivisions.

Finally, I am not aware of any opposition to this legislation from any municipalities or the Alaska Municipal League. The state Department of Community and Regional Affairs has not as yet developed a position on the proposed legislation.

Thank you for your consideration.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act prohibiting municipal sales tax on rents..housing projects.."
 Sponsor: Adams
 Requestor: _____

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: 2/20/89
 Approved by Commissioner: [Signature] Date: 2-20-89
 Agency: Community & Regional Affairs

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

for the four tax years in question. Municipality of Anchorage v. Alaska Distribs. Co., Sup. Ct. Op. No. 3115 (File No. S-1047), P.2d (1986).

Sec. 29.45.230. Tax adjustments on property affected by a natural disaster. (a) The municipality may provide for assessment or reassessment and reduction of taxes for property destroyed, damaged, or otherwise reduced in value as a result of a natural disaster.

(b) An assessment or reassessment under this section may be made by the assessor only upon the receipt of a sworn statement of the taxpayer that losses exceed \$1,000. A reduction of taxes may be made only on losses in excess of \$1,000 for the remainder of the year following the disaster. On reassessment, the municipality shall recompute this tax and refund taxes that have already been paid.

(c) The municipality shall give notice of assessment or reassessment under this section and shall hold an equalization hearing as provided in this chapter, except that a notice of appeal must be filed with the board of equalization within 10 days after notice of assessment or reassessment is given to the person appealing. Otherwise, the right of appeal ceases unless the board finds that the taxpayer is unable to comply.

(d) In enacting an ordinance or resolution authorized by this section the municipality may, consistent with this section, prescribe procedures, restrictions, and conditions of assessing or reassessing property and of remitting, refunding, or forgiving taxes.

(e) In this section "disaster" means a major disaster declared by the President of the United States under federal law or a disaster declared by the governor under AS 26.23.010 — 26.23.110. (§ 12 ch 74 SLA 1985; am § 50 ch 14 SLA 1987)

Effect of amendments. — The 1987 amendment deleted "the provisions of 42 U.S.C. sec. 1855 — 1855g (Federal Disaster Act of 1950), or other" preceding "federal law" in subsection (e).

Article 4. Borough Sales and Use Tax.

Section 650. Sales and use tax

Sec. 29.45.650. Sales and use tax. (a) Except as provided in (f) of this section, a borough may levy and collect a sales tax not exceeding six percent on sales, rents, and on services provided in the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

(b) A borough tax on the storage in the borough. use tax shall be

(c) A person borough tax collection on which a use tax only to the sales tax paid: This subsection whether inside

(d) If the assessed due, the rate of delinquent taxes full. This subsection ties.

(e) A borough a lien on real or use tax, and the event of delinquent over all other assessments; (2) sales tax lien the sales tax lien claims of lien to 34.35.064 have lien. This subsection ties.

(f) A borough made with (1) issued under 7 instruments, for U.S.C. 1786 (Sales and Children). municipalities. § 1 ch 20 SLA

Effect of amendment in the section (f) inserted and inserted the (2) food instrument. The 1988 amendment 1988, in subsection

Article 5. City Sales and Use Tax.

Section

700. Power of levy

Sec. 29.45.700. Power of levy. (a) A city in a borough that levies and collects areawide sales and use taxes may levy sales and use taxes on all sources taxed by the borough in the manner provided for boroughs. Except as provided in (d) of this section, the assembly may by ordinance authorize a city to levy and collect sales and use taxes on other sources.

(b) A city in a borough that does not levy and collect sales and use taxes for areawide borough functions may levy and collect sales and use taxes in the manner provided for boroughs.

(c) A city outside a borough may levy and collect sales and use taxes in the manner provided for boroughs

(d) A city that levies and collects sales and use taxes under (a) of this section may not levy and collect a sales tax on a purchase made with (1) food coupons, food stamps, or other types of certificates issued under 7 U.S.C. 2011 — 2025 (Food Stamp Act); or (2) food instruments, food vouchers, or other type of certificate issued under 42 U.S.C. 1786 (Special Supplemental Food Program for Women, Infants, and Children). This subsection applies to home rule and general law municipalities. (§ 12 ch 74 SLA 1985; am § 5 ch 38 SLA 1986; am §§ 51, 52 ch 14 SLA 1987; am § 2 ch 20 SLA 1987)

Effect of amendments. — The first 1987 amendment in subsection (a) substituted "Except as provided in (d) of this section, the" for "The" at the beginning of the second sentence and at the end of the subsection deleted "except purchases made with food coupons, food stamps, or other type of certificate issued under 7 U.S.C. 2011 — 2025 (Food Stamp Act). This subsection applies to home rule and general law municipalities"; and added subsection (d).

The second 1987 amendment in the first

sentence of subsection (d) inserted the designation "(1)" and inserted the language beginning "or (2) food instruments."

Editor's notes. — The 1987 amendment to (a) and the first 1987 amendment that added (d) are retroactive to October 1, 1986 under § 53, ch. 20, SLA 1987.

Legislative history reports. — For an analysis of the amendments to this section made by §§ 51 and 52, ch. 14, SLA 1987, see 1987 House Journal Supplement No. 11, May 17, 1987, p. 7.

Chapter 47. Municipal Debt.

Article

6. Miscellaneous Provisions (§ 29.47.460)

Section

460. Debt f
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SLA 198

Sec. 29.10.090. Charter rejection. (a) If a proposed charter for an existing municipality is rejected, the charter commission shall prepare another proposed charter to be submitted to the voters at an election to be held within one year after the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved and the question of adoption of a charter shall be treated as if it had never been proposed or approved.

(b) If incorporation of a home rule borough is rejected by the voters in an area in the unorganized borough, the proposed charter is rejected. (§ 6 ch 74 SLA 1985)

Sec. 29.10.100. Charter amendment. (a) A home rule charter may be amended as provided in the charter, except that no amendment is effective unless ratified by the voters.

(b) This section applies to home rule municipalities. (§ 6 ch 74 SLA 1985)

Article 2. Home Rule Limitations.

Section

200. Limitation of home rule powers

Sec. 29.10.200. Limitation of home rule powers. Only the following provisions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. These provisions supersede existing and prohibit future home rule enactments that provide otherwise:

- (1) AS 29.05.140 (transition)
- (2) AS 29.06.010 (change of municipal name)
- (3) AS 29.06.040 — 29.06.060 (annexation and detachment)
- (4) AS 29.06.090 — 29.06.170 (merger and consolidation)
- (5) AS 29.06.190 — 29.06.420 (unification of municipalities)
- (6) AS 29.06.450 — 29.06.530 (dissolution)
- (7) AS 29.10.100 (charter amendment)
- (8) AS 29.20.010 (conflict of interest)
- (9) AS 29.20.020 (meetings public)
- (10) AS 29.20.050 (legislative power)
- (11) AS 29.20.060 — 29.20.120 (assembly composition and apportionment)
- (12) AS 29.20.140 (qualifications of members of governing bodies)
- (13) AS 29.20.150 (term of office)
- (14) AS 29.20.220 (executive power)
- (15) AS 29.20.270(e) (ordinance veto by mayor).
- (16) AS 29.20.630 (prohibitions)
- (17) AS 29.20.640 (reports)

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29.10.200

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§ 29.10.200

MUNICIPAL GOVERNMENT

§ 29.10.200

- (18) AS 29.25.010(a)(10) (municipal exemption on contractor bond requirements)
- (19) AS 29.25.050 (codification)
- (20) AS 29.25.060 (resolutions)
- (21) AS 29.26.030 (notice of elections)
- (22) AS 29.26.050 (voter qualification)
- (23) AS 29.26.250 — 29.26.360 (recall)
- (24) AS 29.35.020 (extraterritorial jurisdiction)
- (25) AS 29.35.030 (eminent domain)
- (26) AS 29.35.050 (garbage and solid waste services)
- (27) AS 29.35.060 (franchises and permits)
- (28) AS 29.35.070 (public utilities)
- (29) AS 29.35.080 (alcoholic beverages)
- (30) AS 29.35.120 (post audit)
- (31) AS 29.35.145 (regulation of firearms)
- (32) AS 29.35.160 (education)
- (33) AS 29.35.170(b) (assessment and collection of taxes)
- (34) AS 29.35.180(b) (land use regulation)
- (35) AS 29.35.250 (cities inside boroughs)
- (36) AS 29.35.260 (cities outside boroughs)
- (37) AS 29.35.340 (acquisition of areawide power)
- (38) AS 29.35.500 — 29.35.590 (hazardous materials and wastes)
- (39) AS 29.40.160(a) — (c) (title to vacated areas)
- (40) AS 29.40.200 (subdivisions of state land)
- (41) AS 29.45.010 — 29.45.570 (property taxes)
- (42) AS 29.45.650(c), (d), and (f) (sales and use tax)
- (43) AS 29.45.700(a) (power of levy)
- (44) AS 29.47.200(b) (security for bonds)
- (45) AS 29.47.260 (construction)
- (46) AS 29.60.050(a) (limitation on computation and use of payment)
- (47) AS 29.60.120(a) and (c) (state aid for health facilities and hospitals)
- (48) AS 29.65 (general grant land) (§ 6 ch 74 SLA 1985; am §§ 1, 2 ch 38 SLA 1986; am § 6 ch 70 SLA 1986; am § 12 ch 80 SLA 1986; am § 3 ch 108 SLA 1986)

Revisor's notes. — Reorganized in 1986 to maintain the referenced provisions in numerical order.

Effect of amendments. — The first 1986 amendment substituted ", (d), and (f)" for "and (d)" in paragraph (42) and added paragraph (43).

The second 1986 amendment, effective

January 1, 1987, repealed former paragraph (41), which read: "AS 29.46.090 (exemption from special assessment)."

The third 1986 amendment added paragraph (15).

The fourth 1986 amendment, effective January 1, 1987, added paragraph (38).

COOPERATION AGREEMENT

THIS AGREEMENT made this ____ DAY of _____, 19 ____

BY AND BETWEEN Tlingit-Haida Regional Housing Authority herein called the "Authority".

AND City of _____, herein called the "City".

WITNESSETH:

In consideration of the mutual covenants hereinafter set forth, the parties hereto do agree as follows:

1. Whenever used in this agreement:
 - (a) The term "Project" shall mean any low-rent housing hereinafter developed or acquired by the Authority with financial assistance of the United States of America acting through the Secretary of Housing and Urban Development (herein called the "Government"); excluding, however, and low-rent housing project covered by any contract for loans and annual contributions entered into between the Authority and the Government, or its predecessor agencies, prior to the date of this Agreement;
 - (b) The term "Taxing Body" shall mean the State or any political subdivision or taxing unit thereof in which a Project is situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to a Project if it were not exempt from taxation;
 - (c) The term "Shelter Rent" shall mean the total of all charges to all tenants of a Project for dwelling rents and nondwelling rents (excluding all other income of such Project), less the cost to the Authority of all dwelling and nondwelling utilities;
2. The Authority shall endeavor to secure a contract with the Government for loans and annual contributions covering one or more Projects consisting of approximately ____ units. The Authority shall plan, develop or acquire and administer the Project which shall be located within the corporate limits of the City. The obligations of the parties hereto shall apply to each such Project and the City shall have no contractual responsibility with respect to the Project other than as expressly provided in this Agreement.
3. (a) Under the Constitution and laws of the State of Alaska, the Project is exempt from all real and personal property taxes and special assessments levied or imposed by any Taxing Body. So long as either (i) the Project is owned by a public body or governmental agency and is used for low rent housing purposes, or (ii) any contract between the Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the City agrees that it

Cooperation Agreement

Page 2

will not levy or impose any real or personal property taxes or special assessment upon such Project or upon the Authority with respect thereto. During such period, the Authority shall make annual payments (herein called "Payments in Lieu of Taxes") in lieu of such taxes and special assessments and in payment for the public services and facilities furnished from time to time without other cost or charge for or with respect to such Project.

- (h) Each such annual Payment in Lieu of Taxes shall be made after the end of the fiscal year established for such Project, and shall be in an amount equal either (i) ten percent (10%) of the Shelter Rent charged by the Authority in respect to such Project during such fiscal year or (ii) the amount permitted to be paid by applicable State law in effect on the date such payment is made, whichever amount is the lower.
 - (c) No payment for any year shall be made to the City in excess of the amount of the real property taxes which would have been paid to the City for such year if the Project were not exempt from taxation.
 - d) Upon failure of the Authority to make any Payment in lieu of Taxes, no lien against any Project or assets of the Authority shall attach, nor shall any interest penalties accrue or attach on account thereof.
4. During the period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the City, without cost or charge to the Authority or the tenants of such project (other than the Payments in Lieu of Taxes), shall:
- (a) Furnish or cause to be furnished to the Authority and the tenants of such Project public services and facilities of the same extent as are furnished from time to time without cost or charge to other dwelling and inhabitants in the City;
 - (b) Notwithstanding the date of acquisition the City shall vacate such streets, roads, and alleys within the area of such Projects as may be necessary in the development thereof, and convey without charge to the Authority, such interest as the City may have in such vacated areas; and insofar as the City is lawfully able to do so without cost or expense to the Authority or to the City, cause to be removed from such vacated areas, insofar as it may be necessary, all public or private utility lines and equipment;
 - (c) Insofar the City may lawfully do so, (i) grant such deviation from the building code as are reasonable and necessary to promote economy and efficiency in the development and administration of such Project, and at the same time, safeguard health and safety; and (ii) make such changes in any zoning of the site and surrounding territory of such Project as are reasonable and necessary surrounding territory;

Cooperation Agreement

Page 3

- (d) Accept grants of easements necessary for the development of such Project; and
 - (e) Cooperation with the Authority by such other lawful action or ways as the City and the Authority may find necessary in connection with the development and administration of such Project.
5. In respect to any Project, the City further agrees that within a reasonable time after receipt of a written request therefor from the Authority:
- (a) It will accept the dedication of all interior streets, roads alleys, and adjacent sidewalks within the area of such Project, together with all storm and sanitary sewer mains in such dedicated areas, after the Authority or its Developer has completed the grading, improvements, paving and installation thereof, in accordance with specification acceptable to the City;
 - (b) It will accept necessary dedications of land for, and will grade, improve, pave and provide sidewalks for, all streets bounding such Project or necessary to provide adequate access thereto (in consideration whereof the Authority or its Developer shall pay to the City such amounts as would be assessed against the Project sites for such work if such site were privately owned); and
 - (c) It will provide, or cause to be provided, water mains and storm and sanitary sewer mains, leading to such Project and serving the bounding streets thereof (in consideration whereof the Authority or its Developer shall pay to the City such amounts as would be assessed against the Project site for such work if such site were privately owned).
6. If by reason of the City's failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed hereunder to furnish or cause to be furnished to the Authority or to the tenants of any Project, the Authority incurs any expense to obtain such services or facilities, then the Authority may deduct the amount of such expenses from any Payment in Lieu of Taxes due or to become due to the City in respect to any Project or any other low-rent housing projects owned or operated by the Authority.
7. The City agrees to exempt the tenants of the Project and the Authority from the payment of sales taxes in conjunction with rents.
8. No Cooperation Agreement heretofore entered into between the City and the Authority shall be construed to apply to any Project covered by this Agreement.
9. No member of the governing body of the City or any other public official of the City who exercises any responsibilities or functions with respect to any Project during his tenure or for one year thereafter shall have any interest, direct or indirect, in any project or any property included or planned to be included in any Project, or any contracts in connection with such Projects or property. If any such governing body member or such other public official of the City involuntarily acquires or had acquired prior to the beginning of his tenure any such interest, he shall immediately disclose such interest to the Authority.

10. So long as any contract between the Authority and the Government for loans (including preliminary loans) or annual contributions, or both, in connection with any Project remains in force and effect, or so long as any bonds issued in connection with any project, or any monies due the Government in connection with any Project remain unpaid, this Agreement shall not be abrogated, changed, or modified without the consent of the Government. The privileges and obligations of the City hereunder shall remain in full force and effect with respect to each Project so long as the beneficial title to such Project is held by the Authority or by any other public body or governmental agency, including the Government, authorized by law to engage in the development or administration of low-rent housing projects. If at any time, the beneficial title to, or possession of, any Project is held by such other public body or governmental agency, including the Government, the provisions hereto shall inure to the benefit of and may be enforced by, such other public body or governmental agency, including the Government.

IN WITNESS WHEREOF, the City and the Authority have respectively signed this Agreement and caused their seals or be affixed and attested as of the day and year first above written.

CITY OF _____

BY: _____, Mayor
City of _____

SEAL

ATTEST:

_____, City Clerk

TLINGIT-HAIDA REGIONAL
HOUSING AUTHORITY

BY: _____
Matthew Fred, Chairman

SEAL

ATTEST:

Joseph G. Wilson, Assistant Secretary

S B

168

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2.26.89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

SA TRSP
FIN

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

DATE TURNED INTO OFFICE 3.2.89

2/8/89

Mr. President:

C&RA

SB 168

Committee considered

authorizing gambling enterprises in municipalities and on state
ferries; efd

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero ^{REVENUE} C&RA fiscal impact ^{REVENUE} DOT
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Revenue - no rec
Don't touch no rec
Pat Lammert no REC

Al Adams - No Rec

Chairman signature and recommendation

Committee backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act authorizing gambling ...
 in municipalities and on state ferries.."
 Sponsor: Senator Bettye Fahrenkamp
 Requestor: _____

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: *Carol Carroll* Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 3/2/89
 Approved by Commissioner: *[Signature]* Date: 3/2/89
 Agency: Community & Regional Affairs

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

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 168
PUBLISH DATE: 2/8/89

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: An act authorizing gambling in municipalities and on state ferries
Sponsor: Fahrenkamp
Requestor: Community & Regional Affairs

Agency Affected: Revenue
BRU: Income & Excise Audit
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel *Steven E. Kettel* Phone: (907) 465-2320
Division: Income and Excise Audit Date: February 17, 1989

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: February 17, 1989
Agency: Department of Revenue

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

Analysis

This legislation would impact the Department of Revenue by:

1. Section 2

A) which requires the Department to issue a license to and regulate gambling on vessels on the Alaska Marine Highway System, upon application by the Commissioner of DOTPF.

B) which provides the Department will regulate legalized gambling activities in communities which have allowed, by ordinance, for those activities to be conducted and who have established a commission responsible for licensing and regulating gambling in the community.

2. Section 6

A) which requires the Department to collect a 3 1/2% fee applied against gambling gross proceeds. The fee is collected from the municipality and deposited in the general fund.

Fiscal Impact

The Department has no basis on which to estimate revenues or expenses for this legislation. Legalized gambling of the type allowed in this bill is not permitted by present law. It cannot be assumed that any community will pass an ordinance to allow gambling.

Recommendation

1) The regulation of legalized gambling should not be placed within the Department of Revenue. It would detract management attention away from its highest priority - the administration of tax enforcement and investment programs.

2) There would be unnecessary duplication of effort and expense in having DOR license and regulate DOTPF ferries conducting gambling activities. Perhaps DOTPF could better carry out this function.

3) The Department of Revenue has no agency position on the merits of this proposal itself.



Department of Transportation & Public Facilities



POSITION PAPER

BILL NO: SB 168

APPROVED:

A handwritten signature in black ink, appearing to read "M. L. S. H. J.", written over the "APPROVED:" label.

TITLE: Authorizing Gambling in Certain
Places

DATE: March 3, 1989

Senate Bill No. 168

ANALYSIS:

The analysis assumes three mainline vessels would each have one roulette wheel, one dice table and one card table. Each game would require two staff per week to run the game. The analysis also assumes these facilities would be located in the existing bar space, or other public area, eliminating the need to reduce staterooms. Does not include cost to modify vessel for the quarters for this additional crew. It further assumes that the pay scale for the dealers would be roughly equivalent to that of the bartender.

No attempt has been made to estimate the potential revenue from casino operations, although we will be working on developing such an estimate. Our primary thrust has been to review the possibility of placing electronic gaming devices on the vessels, it is from this source that the estimated capital cost is derived. It must be understood these are very preliminary estimates, which could change drastically once more information is known. In addition, the crewing levels and compensation are subject to collective bargaining agreements and are subject to change depending upon the outcome of negotiations.

2 crews each consisting of:

- 6 "dealers" @ \$48,500/year with benefits
- 2 "reliefs" @ \$48,500/year with benefits

8 crew x \$48,500/year x 2 crews/vessel x 2 vessel years of operation

* $8 \times \$48,500 \times 2 \times 2 = \$1,552,000$

* Vessel year

2 vessels operating 10 months/year = 20 months

1 vessel operating 4 months/year = 4 months

24 vessel months = 2
vessel years

For further information call Catherine A. McHugh at 465-3900

Travel:

Travel costs depend upon crew change ports and the location of the specific crew members. Assuming approximately 756 "crew weeks" and that travel costs would only be incurred for 20% of those weeks the total cost would be approximately \$30,000.

Capital Cost:

Each ship at approximately \$90,000 x 3 = \$270,000

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "...gambling enterprise in
 municipalities & on state ferries..."
 Sponsor: Fahrenkamp
 Requestor: _____

Agency Affected: DOT&PF - AMHS
 BRU: _____
 Components: Southeast Vessels

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		1,500.0	1,500.0	1,500.0	1,530.0	1,560.0
TRAVEL		30.0	30.0	30.0	31.0	32.0
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		1,530.0	1,530.0	1,530.0	1,561.0	1,592.0
CAPITAL		270.0				
REVENUE		*	*	*	*	*

FUNDING: (Thousands of Dollars)

GENERAL FUND		1,900.0	1,530.0	1,530.0	1,561.0	1,592.0
FEDERAL FUNDS						
OTHER						
TOTAL		1,800.0	1,530.0	1,530.0	1,561.0	1,592.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

* Not determined at this time.

FY 93 and FY 94 each increased by approximately 2% over previous year to allow for inflation.

See attached comments.

Prepared by: John Halterman, Assistant Director Phone: 465-3050
 Division: Alaska Marine Highway System Date: _____

Approved by Commissioner: Mark S. Hickey *MSH* Date: 3/2/89
 Agency: Department of Transportation and Public Facilities

Distribution (by preparer):

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

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN, RESOURCES COMMITTEE
119 N. CUSHMAN STREET, SUITE 201
FAIRBANKS, ALASKA 99701
OFFICE (907) 452-4882
HOME (907) 456-2899



Senate

WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
CAPITOL, ROOM 125
OFFICE (907) 465-3834
HOME (907) 780-6027

MEMORANDUM

TO: Senator Al Adams, Chairman
Senate Community & Regional Affairs Committee

FROM: Senator Bettye Fahrenkamp

DATE: February 21, 1988

RE: SB 168 An Act authorizing gambling enterprises in municipalities and ferries; and providing for an effective date.

INTRODUCTION

Casino style gambling on a limited, historical basis would be allowed under SB 168. Municipalities with a history of gaming during the gold rush era, such as Fairbanks, Nome, and Skagway, would be eligible if their economies depend substantially on tourism. Local residents would have to vote to approve any gaming enterprises. Municipalities could require more than a simple majority vote. The bill also would allow gambling on state ferries.

Gaming enterprises can make a contribution to the prosperity of the state and municipalities in a time of declining and uncertain state revenue. Limited, historic gaming would enhance Alaska as a tourist destination and create jobs. We already allow gaming such as bingo, Monte Carlo nights, and pool classics.

Gaming under SB 168 is limited in the following ways:

- * A municipality must adopt an ordinance regulating gaming and have it ratified by a majority of voters within its boundary. The municipality may require more than a simple majority.

- * The municipality must have an economy substantially dependent on tourism.

- * Only cards, dice, and number wheels would be allowed, the kinds of games played at the turn of the century in Alaska. No slot machines would be allowed by this measure.

- * A gaming enterprise within a municipality must enhance the historic character of the municipality. No glitz and glitter, no chrome and glass.

* Gaming enterprises may not extend credit to their patrons. Large cash or credit transactions provide an opportunity for loan sharks and quick buck artists.

Municipalities may decide to run gaming operations themselves, or license the operation, and must pay three and one half percent of gross revenues to the Department of Revenue. Participating municipalities must form a commission to regulate gaming.

Gaming on ferries would also be allowed and revenue would be deposited in the general fund.

Gaming enterprises can be conducted honestly, free from criminal and corrupt persons and practices. I don't believe limited, historical gaming will result in the high roller style gaming found in Las Vegas and Atlantic City, but rather the type found in Dawson City.

In recognition that a small percentage of gamblers can become compulsive, one half of one percent of state income from gaming may be appropriated by the legislature for treatment and counseling.



Alaska State Legislature

SENATE

Official Business

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

M E M O R A N D U M

SUBJECT: Section-by-Section Summary of SB 168
TO: Senate Community & Regional Affairs Committee
FROM: Senator Betty ^{BF}Fahrenkamp
DATE: February 21, 1989

This memorandum is a section-by-section summary of SB 168, An Act authorizing gambling enterprises in municipalities and on state ferries; and providing for an effective date.

Section 1 of the bill states the policy which the Legislature seeks to implement by enacting this bill.

Section 2 of the bill amends AS 05 by adding a new chapter.

CHAPTER 16. LEGALIZED GAMBLING.

Sec. 05.16.010 GAMBLING PERMITTED establishes the conditions under which gambling is permitted.

A person under 21 years of age may not gamble. Only card and dice games and numbers wheels are permitted. A person who operates a gambling enterprise, or an employee of a gambling enterprise may not extend credit to a patron of a gambling enterprise. A person may not receive a permit to operate a gambling enterprise or be employed by a gambling enterprise if the person has been convicted of a state or federal felony or gambling offense. Only a person who has completed classes on gambling at a school in a state where gambling is legal may be employed by a gambling enterprise. An employee of a gambling enterprise may not gamble while on duty for the gambling enterprise.

Gambling is allowed within municipalities, with the municipal government regulating gambling enterprises. No gambling is allowed outside of municipalities, except the Department of Revenue may license gambling enterprises on state ferries.

Sec. 05.16.020 LICENSED GAMBLING ON STATE FERRIES requires the Department of Revenue to issue a license for a gambling enterprise on state ferry vessels, if the commissioner of transportation and public facilities requests a license. The proceeds of a gambling enterprise on a state ferry may be used to fund the operations of the Alaska Marine Highway System.

Sec. 05.16.030 PROCEEDS FROM MUNICIPALITIES provides for the distribution of the net proceeds of a gambling enterprise. Half of the net proceeds of a gambling enterprise shall be paid to the Department of Revenue. Money received by the department shall be placed into the general fund. This money may be appropriated to the department for implementation of this chapter, except that one-half percent may be used for treatment and counseling of compulsive gamblers.

Sec. 05.16.040 COOPERATION WITH MUNICIPALITIES requires the Department of Revenue to cooperate with municipalities in the regulation and administration of gambling within municipalities.

Sec. 05.16.050 REGULATIONS provides that the Department of Revenue may adopt regulations necessary to implement AS 05.16. Among the regulations which the department may adopt are regulations relating to issuance renewal, suspension, and revocation of licenses, financial records of gambling enterprises, investigations of licensees and their employees, exclusion of certain persons from a gambling enterprise, conduct of gambling, accounting procedures, license fees, amounts of wagers, disclosures of financial interests in gambling enterprises, rates of return, dispute resolution procedures, bonds, and reports by municipalities.

Sec. 05.16.060 ANNUAL REPORT requires the Department of Revenue to make a report to the Governor and the Legislature by March 1 of each year.

Sec. 05.16.900 DEFINITIONS defines "department", "gambling", and "gambling enterprise".

Section 3 of the bill amends the definition of gambling in the criminal code so that it does not include gambling conducted under a license issued to a gambling enterprise by a municipality.

Section 4 of the bill amends the definition of gambling enterprise in the criminal code so that it does not include a gambling enterprise licensed by a municipality.

Section 5 of the bill adds regulation of gambling to the list of limitations on powers of home rule municipalities under AS 29.10.200.

Section 6 of the bill amends AS 29.35 by adding new sections related to the regulation of gambling enterprises within municipalities.

Sec. 29.35.600 AUTHORIZATION authorizes a municipality to operate or license a person to operate a gambling enterprise within the municipality if the municipality adopts an ordinance regulating gambling enterprises, and the ordinance is ratified by a majority of the voters of the municipality or by more than a majority of the voters, and if the economy of the municipality depends substantially on tourism, the municipality has a history of gambling, and the gambling enterprise enhances the historic character of the municipality,

Sec. 29.35.610 REGULATION OF GAMBLING establishes the requirements for a municipality that regulates gambling.

The municipality must adopt an ordinance regulating gambling. The ordinance must establish a commission responsible for licensing and regulating gambling enterprises, establish qualifications for members of the commission, provide for issuance, renewal, suspension, and revocation of licenses for gambling enterprises, establish the terms and conditions under which gambling is permitted, provide for distribution of the proceeds of a gambling enterprise, require disclosure of persons having a financial interest in a gambling enterprise, and require detailed records.

Gambling within a municipality is limited to card and dice games and numbers wheels. The municipality may regulate the availability of alcoholic beverages at a gambling enterprise. Members and employees of the municipal gambling commission may not participate in or have a financial interest in a gambling enterprise.

A municipality that regulates gambling must submit a report each year to the Department of Revenue.

Sec. 29.35.620 PROCEEDS provides for the distribution of proceeds of gambling enterprise licensed by a municipality. Three and one-half percent of the gross proceeds of a gambling enterprise shall be paid to the Department of Revenue for deposit into the general fund. The municipality shall receive all of the proceeds of a municipally operated gambling enterprise less the 3½ percent paid to the Department of Revenue. The municipality shall receive that portion of the proceeds of a gambling enterprise licensed by the municipality and operated by someone other than the municipality, that the municipality and the licensee may agree upon, provided that 3½ percent of the gross receipts is paid to the Department of Revenue.

Sec. 29.35.630 REVENUE DERIVED FROM GAMBLING ENTERPRISES provides that a municipality may dedicate the revenue derived from a gambling enterprise to a public purpose.

Sec. 29.35.640 APPLICATION provides that AS 29.35.600 - 29.35.690 apply to home rule and general law municipalities.

Sec. 29.35.690 DEFINITION defines the terms "gambling" and "gambling enterprise".

Section 7 of the bill provides that the bill takes effect immediately.

Offered: 1/9/89
IN THE SENATE Labor & Commerce and
Finance
IN THE HOUSE Labor & Commerce and
Finance

EXECUTIVE ORDER NO. 74

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.08.210, I order the following:

* Section 1. FINDINGS. As governor, I find that it would be in the best interests of efficient administration to transfer the function of regulating games of chance and contests of skill from the Department of Revenue to the Department of Commerce and Economic Development.

* Sec. 2. AS 05.15.010 is amended to read:

Sec. 05.15.010. DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT [REVENUE] TO ADMINISTER CHAPTER. The Department of Commerce and Economic Development [REVENUE] shall administer this chapter.

* Sec. 3. AS 05.15.140(a) is amended to read:

(a) The commissioner may not issue or renew a permit except upon satisfactory proof that the applicant is a municipality or qualified organization, the activity may be permitted under this chapter, and the issuance of a permit is not detrimental to the best interests of the public. Upon request of the commissioner [OF REVENUE], the applicant shall prove conclusively each of these requirements before a permit may be issued or renewed.

* Sec. 4. AS 05.15.210(6) is amended to read:

(6) "commissioner" means the commissioner of commerce and economic development [REVENUE];

* Sec. 5. AS 05.15.210(8) is amended to read:

(8) "department" means the Department of Commerce and Economic Development [REVENUE];

* Sec. 6. AS 11.66.280(2) is amended to read:

(2) "gambling" means that a person stakes or risks something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an

1 agreement or understanding that that person or someone else will
2 receive something of value in the event of a certain outcome;
3 "gambling" does not include

4 (A) bona fide business transactions valid under the law
5 of contracts for the purchase or sale at a future date of secu-
6 rities or commodities and agreements to compensate for loss
7 caused by the happening of chance, including contracts of indem-
8 nity or guaranty and life, health, or accident insurance; or

9 (B) playing an amusement device that

10 (i) confers only an immediate right of replay not
11 exchangeable for something of value other than the privilege
12 of immediate replay; and

13 (ii) does not contain a method or device by which
14 the privilege of immediate replay may be cancelled or
15 revoked;

16 (C) an activity authorized by the commissioner of
17 commerce and economic development [REVENUE] under AS 05.15;

18 * Sec. 7. AS 44.33.020 is amended by adding a new paragraph to read:

19 (31) regulate games of chance and contests of skill under
20 AS 05.15.

21 * Sec. 8. TRANSITION. Regulations relating to games of chance and
22 contests of skill, adopted by the Department of Revenue under authority of
23 AS 05.15 before the effective date of this Order, remain in effect until
24 regulations relating to that function are adopted by the Department of
25 Commerce and Economic Development under AS 05.15 as amended by this Order,
26 and take effect. The Department of Commerce and Economic Development shall
27 administer those Department of Revenue regulations until its own take
28 effect.

29 * Sec. 9. This Order takes effect July 1, 1989.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: EXECUTIVE ORDER 74
PUBLISH DATE: HOUSE 1/9/89

37

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Trans. of games of chance and contests
of skill from Revenue to UCED
 Sponsor: Rules Committee
 Requestor: GOVERNOR
 Agency Affected: Commerce & Econ. Dev.
 BRU: OCCUPATIONAL LICENSING
 Components: Administration

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						
CONTRACTUAL						
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING						
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Funding for the transfer of this function will be submitted through the budget amendment process.

Prepared by: Jennifer Strickler, Admin. Officer
 Division: Occupational Licensing
 Approved by Commissioner: Larry Mercurieff, Commissioner
 Agency: Dept. of Commerce & Economic Development

465-2144
 Phone: December 22, 1988
 Date: 12/23/88

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

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STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: EXECUTIVE ORDER 74
PUBLISH DATE: HOUSE 179/89

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: Transfer of Charitable
Gaming Program
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Revenue
BRU: Income and Excise Audit Division
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
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: See Attached.

Prepared By: Steven E. Kettel, Director *Steven E. Kettel* Phone: (907) 465-2320
Division: Income and Excise Audit Division Date: December 22, 1988

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: 12/22/88
Agency: Department of Revenue

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

Prepared By: Steven E. Kettel
Income and Excise Audit Division
Department of Revenue
December 22, 1988

FISCAL NOTE ANALYSIS
TRANSFER OF CHARITABLE GAMING PROGRAM

The Charitable Gaming Program will transfer from the Department of Revenue to the Department of Commerce and Economic Development on July 1, 1989. The Gaming Program operates more as a regulatory section than a revenue agency. This transfer will enhance the efficiency of state government through consolidation in a department that already performs other similar regulatory functions. This transfer will allow the Department of Revenue to focus attention and resources on its primary responsibility of collection revenue due to state government.

This bill is necessary to amend the statutes which specify the department responsible for implementing AS 04.15.

The Department of Revenue will transfer the necessary resources; including seven positions, associated travel, contractual, and supply monies to enable the Department of Commerce and Economic Development to carry out the responsibilities of the program. Refer to Income and Excise Audit Division's FY 90 Budget Amendment for details.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
 Title: Trans. of games of chance and contest BRU: Occupational Licensing
of skill from Revenue to DCEO
 Sponsor: Rules Committee Components: Administration
 Requestor: Governor

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						
CONTRACTUAL						
SUPPLIES	-0-	-0-	-0-	0	0	0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING						
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Funding for the transfer of this function will be submitted through the budget amendment process.

Prepared by: Jennifer Strickler, Admin. Officer
 Division: Occupational Licensing

Phone: 465-2144
 Date: December 22, 1988

Approved by Commissioner: Larry Mercurieff, Commissioner
 Agency: Dept. of Commerce & Economic Development

Date: 12/22/88

Distribution (by preparer):

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

FISCAL NOTE

REQUEST: _____

Revision Date: _____
 Title: Transfer of Charitable
Gaming Program
 Sponsor: Rules Committee
 Requestor: Governor

Agency Affected: Revenue
 BRU: Income and Excise Audit Division
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
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: See Attached.

Prepared By: Steven E. Kettel, Director *See E. Kettel* Phone: (907) 465-2320
 Division: Income and Excise Audit Division Date: December 22, 1988

Approved by Commissioner: Hugh Malone *H. Malone* Date: 12/22/88
 Agency: Department of Revenue

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

Prepared By: Steven E. Kettel
Income and Excise Audit Division
Department of Revenue
December 22, 1988

FISCAL NOTE ANALYSIS
TRANSFER OF CHARITABLE GAMING PROGRAM

The Charitable Gaming Program will transfer from the Department of Revenue to the Department of Commerce and Economic Development on July 1, 1989. The Gaming Program operates more as a regulatory section than a revenue agency. This transfer will enhance the efficiency of state government through consolidation in a department that already performs other similar regulatory functions. This transfer will allow the Department of Revenue to focus attention and resources on its primary responsibility of collection revenue due to state government.

This bill is necessary to amend the statutes which specify the department responsible for implementing AS 04.15.

The Department of Revenue will transfer the necessary resources; including seven positions, associated travel, contractual, and supply monies to enable the Department of Commerce and Economic Development to carry out the responsibilities of the program. Refer to Income and Excise Audit Division's FY 90 Budget Amendment for details.

Sec. 05.15.100. Issuance of permits and licenses. (a) The commissioner may issue a permit to a municipality or qualified organization. The permit gives the municipality or qualified organization the privilege of conducting bingo, raffles and lotteries, pull-tab games, ice classics, rain classics, goose classics, mercury classics, salmon classics, dog mushers' contests, fish derbies, and contests of skill.

(b) The commissioner also may issue a permit giving a municipality or qualified organization the privilege of conducting an activity involving the use of playing cards, dice, and number wheels. Each year, a municipality or qualified organization may apply for a permit under this subsection for either a single event lasting no more than three consecutive days, or for no more than three events lasting no more than one day each.

(c) The commissioner may issue an operator's license to a natural person to conduct an activity permitted under this chapter on behalf of a municipality or a qualified organization. The commissioner may also issue an operator's license to a municipality or a qualified organization to conduct an activity on behalf of another municipality or qualified organization. (§ 1 a ch 27 SLA 1960; am § 1 ch 66 SLA 1976; am § 2 ch 27 SLA 1982; am § 2 ch 59 SLA 1983; am § 1 ch 93 SLA 1986; am § 2 ch 94 SLA 1986; am §§ 11, 12 ch 99 SLA 1988)

Effect of amendments. — The first 1986 amendment inserted "goose classics, mercury classics," in subsection (a) and inserted a comma following "derbies."

The second 1986 amendment in subsection (a) inserted "salmon classics," in the second sentence.

The 1988 amendment, in subsection (a), deleted "of revenue" following "commissioner" in the first sentence and, in the second sentence, inserted "qualified" and "pull-tab games," and made a minor punctuation change; and added subsection (c).

Sec. 05.15.112. Member in charge. (a) Each municipality or qualified organization that receives a permit under this chapter shall designate a member in charge.

(b) The member in charge is responsible for preparation, maintenance, and transmittal of all records and reports required of the permittee. The member in charge shall be a member of the qualified organization or the board of directors of the qualified organization or an employee of the municipality.

(c) The member in charge shall monitor the operator's performance under and compliance with contracts for the conduct of activities on behalf of the authorizing permittee.

(d) The municipality or qualified organization shall designate alternate members in charge who are responsible for the duties of the member in charge in the absence of the member in charge. (§ 13 ch 99 SLA 1988)

Sec. 05.

(a) A municipality or qualified organization may apply for a permit to conduct an activity involving the use of playing cards, dice, and number wheels. Each year, a municipality or qualified organization may apply for a permit under this subsection for either a single event lasting no more than three consecutive days, or for no more than three events lasting no more than one day each.

(b) The commissioner also may issue a permit giving a municipality or qualified organization the privilege of conducting an activity involving the use of playing cards, dice, and number wheels. Each year, a municipality or qualified organization may apply for a permit under this subsection for either a single event lasting no more than three consecutive days, or for no more than three events lasting no more than one day each.

(c) A person may apply for a permit to conduct an activity involving the use of playing cards, dice, and number wheels. Each year, a person may apply for a permit under this subsection for either a single event lasting no more than three consecutive days, or for no more than three events lasting no more than one day each.

(d) A person may apply for a permit to conduct an activity involving the use of playing cards, dice, and number wheels. Each year, a person may apply for a permit under this subsection for either a single event lasting no more than three consecutive days, or for no more than three events lasting no more than one day each.

Sec. 05.1

qualified organization that receives a permit under this chapter shall designate a member in charge.

(b) The member in charge is responsible for preparation, maintenance, and transmittal of all records and reports required of the permittee. The member in charge shall be a member of the qualified organization or the board of directors of the qualified organization or an employee of the municipality.

(c) The member in charge shall monitor the operator's performance under and compliance with contracts for the conduct of activities on behalf of the authorizing permittee.

(d) The municipality or qualified organization shall designate alternate members in charge who are responsible for the duties of the member in charge in the absence of the member in charge. (§ 13 ch 99 SLA 1988)

(c) The commissioner may also issue an operator's license to a municipality or a qualified organization to conduct an activity on behalf of another municipality or qualified organization. (§ 1 a ch 27 SLA 1960; am § 1 ch 66 SLA 1976; am § 2 ch 27 SLA 1982; am § 2 ch 59 SLA 1983; am § 1 ch 93 SLA 1986; am § 2 ch 94 SLA 1986; am §§ 11, 12 ch 99 SLA 1988)

or until the end of a hearing or other proceeding begun during suspension. The authority of the commissioner to suspend a permit is not subject to the Administrative Procedure Act (AS 44.62). (§ 5 ch 27 SLA 1960)

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

Sec. 05.15.180. Limitations on authorized activity. (a) Except as provided in AS 05.15.100(b), this chapter does not authorize the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended primarily for gaming or gambling or any other method or implement not expressly authorized by the commissioner.

(b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain classics, goose classics, mercury classics, salmon classics, and other activities authorized under AS 05.15.100(b), an activity may not be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959.

(c) The operation of activities licensed under AS 05.15.100(b) is limited as follows:

- (1) cash prizes may not be awarded;
- (2) only money substitutes such as chips or scrip may be used by a player in the activity;
- (3) the money substitutes may be exchanged only for prizes other than money and may not be otherwise exchanged or sold; and
- (4) additional limitations may be established by the commissioner under adopted regulations.

(d) The total value of door prizes offered or awarded under authority of a permit issued to a municipality or qualified organization under this chapter may not exceed \$20,000 a month or \$240,000 a year.

(e) The total value of all door prizes offered or awarded at a single facility or bingo hall or parlor by an operator on behalf of authorizing permittees or by a permittee in conjunction with other permittees may not exceed \$20,000 a month or \$240,000 a year.

(f) A person under the age of 19 years may not play a bingo game.

(g) A municipality or a qualified organization may award a maximum of \$1,000,000 in prizes each year in activities authorized under this chapter; however, if a municipality or a qualified organization contracts with an operator to conduct on its behalf activities authorized under this chapter, the municipality or qualified organization may award a maximum of \$500,000 in prizes each year. In this subsection "activities authorized under this chapter" means all activities subject to this chapter other than bingo. (§ 2 ch 27 SLA 1960; am § 3

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§ 05.15.181

AMUSEMENTS AND SPORTS

§ 05.15.184

ch 66 SLA 1976; am §§ 5, 6 ch 59 SLA 1983; am § 2 ch 93 SLA 1986;
am § 3 ch 94 SLA 1986; am §§ 20, 21 ch 99 SLA 1988)

Effect of amendments. — The first "not" preceding "be licensed" and substi-
1986 amendment inserted "goose classics, mercurtuted "an" for "no."
mercury classics," in subsection (b). The 1988 amendment inserted "bingo
The second 1986 amendment in subsec- games, pull-tab games" in subsection (b)
tion (b) inserted "salmon classics," and and added subsections (d)-(g).

Sec. 05.15.181. Pull-tab manufacturer's license. (a) A person may not manufacture pull-tabs in the state unless the person has received a pull-tab manufacturer's license issued by the department.

(b) The department may issue a pull-tab manufacturer's license to a person who pays an annual fee of \$500.

(c) Each series of pull-tabs manufactured in the state shall be sealed and have a number label issued by the National Association of Fundraising or other serial number label approved by the department.

(d) A pull-tab manufacturer shall distribute pull-tabs only to a licensed pull-tab distributor unless the pull-tab manufacturer is also a licensed pull-tab distributor.

(e) Each pull-tab manufacturer shall report to the department by the last business day of the month on each series of pull-tabs distributed during the preceding month, including the serial number of each series distributed and the name of the distributor to whom the series was distributed. (§ 22 ch 99 SLA 1988)

Sec. 05.15.183. Pull-tab distributor's license. (a) A person may not distribute pull-tab games unless the person has received a pull-tab distributor's license issued by the department.

(b) The department may issue a pull-tab distributor's license to a person who pays an annual fee of \$1,000.

(c) Pull-tabs may be distributed only from a location in the state. A person may not distribute pull-tabs directly to another person in the state from a location outside of this state.

(d) A pull-tab distributor shall report to the department by the last business day of each month on each pull-tab series distributed in the preceding month. The report must include the name of the permittee to whom each series of pull-tabs is distributed and the serial number of each series. (§ 22 ch 99 SLA 1988)

Sec. 05.15.184. Pull-tab tax. A pull-tab distributor shall collect a tax of three percent of an amount equal to the gross receipts less prizes awarded on each series of pull-tabs distributed. The pull-tab distributor shall pay to the department the tax collected in the preceding month at the time that the report under AS 05.15.183(d) is filed with the department. (§ 22 ch 99 SLA 1988)

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CRIMINAL LAW

§ 11.66.280

Article 2. Gambling Offenses.

Section 280. Definitions

Sec. 11.66.280. Definitions. In AS 11.66.200 — 11.66.280, unless the context requires otherwise,

(1) "contest of chance" means a contest, game, gaming scheme, or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that the skill of the contestants may also be a factor;

(2) "gambling" means that a person stakes or risks something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that that person or someone else will receive something of value in the event of a certain outcome; "gambling" does not include

(A) bona fide business transactions valid under the law of contracts for the purchase or sale at a future date of securities or commodities and agreements to compensate for loss caused by the happening of chance, including contracts of indemnity or guaranty and life, health, or accident insurance; or

(B) playing an amusement device that

(i) confers only an immediate right of replay not exchangeable for something of value other than the privilege of immediate replay; and

(ii) does not contain a method or device by which the privilege of immediate replay may be cancelled or revoked;

(C) an activity authorized by the commissioner of revenue under AS 05.15;

(3) "gambling device" means any device, machine, paraphernalia, or equipment that is used or usable in the playing phases of unlawful gambling, whether it consists of gambling between persons or gambling by a person involving the playing of a machine; "gambling device" does not include

(A) lottery tickets, policy slips, or other items used in the playing phases of lottery or policy schemes; or

(B) an amusement device as described in (2)(B) of this section;

(4) "gambling enterprise" means a gambling business that

(A) includes five or more persons who conduct, finance, manage, supervise, direct, or own all or part of the business;

(B) has been or remains in substantially continuous operation for a period in excess of 30 days or has a gross income of \$2,000 or more in any single day; and

(C) is not a municipality or a qualified organization under AS 05.15.210, except that, for purposes of this paragraph, no application

for a license under AS 05.15 is required to be considered a qualified organization;

(5) "gambling record" means any writing or paper of a kind commonly used in the operation or promotion of unlawful gambling and includes lottery tickets, policy slips, or other writings or papers used in the playing phases of lottery or policy schemes;

(6) "player" means a person who engages in gambling solely as a contestant or bettor, believing that the risk of losing and the chances of winning are the same for all participants except for the advantages of skill and luck, without receiving or becoming entitled to receive any profit from gambling other than personal gambling winnings and without otherwise rendering any material assistance to the establishment, conduct, or operation of the particular gambling activity, except that, for purposes of this paragraph, a person who gambles at a social game on equal terms with the other participants does not "otherwise render material assistance" to the establishment, conduct, or operation by performing, without fee or remuneration, acts directed towards the arrangement or facilitation of the game, such as inviting persons to play, permitting the use of premises for the game, or supplying cards or other equipment used in the game;

(7) "profits from gambling" means that a person, acting other than as a player, accepts or receives money or other property under an agreement or understanding with another person by which the person participates or is to participate in the proceeds of gambling;

(8) "promoting gambling" means that a person, acting other than as a player, engages in conduct that materially aids any form of gambling; conduct of this nature includes

(A) conduct directed toward the

(i) creation or establishment of the particular gambling activity or acquisition or maintenance of premises, paraphernalia, equipment, or apparatus used in the gambling;

(ii) conduct of the playing phases of gambling; or

(iii) arrangement of the financial or recording phase of gambling or toward any other phase of its operation; or

(B) having control or right of control over premises that are used with the defendant's knowledge for purposes of gambling and permitting the gambling to occur or continue without making an effort to prevent its occurrence or continuation;

(9) "social game" means gambling in a home where no house player, house bank, or house odds exist and where there is no house income from the operation of the game;

(10) "something of value" means any money or property; any token, object, or article exchangeable for money or property; and any form of credit or promise directly or indirectly contemplating transfer of money or property or of an interest in money or property or involving

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Article
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State v. J

§ 11.66.280

§ 11.70.010

CRIMINAL LAW

§ 11.71.030

extension of a service, entertainment, or privilege of playing at a game or scheme without charge;

(11) "unlawful" means not specifically authorized by law. (§ 8 ch 166 SLA 1978; am § 9 ch 59 SLA 1983; am § 20 ch 14 SLA 1987)

Effect of amendments. — The 1987 amendment, in paragraph (4) substituted "that" for "which" in the introductory language and in subparagraph (C) inserted "municipality or a" and substituted "AS 05.15.210" for "AS 05.15.210(15)" and "AS 05.15" for "AS 05.15.210(15)."

Chapter 70. Miscellaneous Provisions.

Secs. 11.70.010— 11.70.030. Intent to defraud; use of evidence by person on charge of perjury; intoxication as defense. [Repealed, § 21 ch 166 SLA 1978. For current law, see AS 11.46.990(10), AS 11.81.630.]

Editor's notes. — The repeal line above is set out to correct an error in the main pamphlet.

Chapter 71. Controlled Substances.

Article

1. Offenses Relating to Controlled Substances (§§ 11.71.030 — 11.71.070)
2. Standards and Schedules (§§ 11.71.120, 11.71.160, 11.71.180)
3. Miscellaneous Provisions (§ 11.71.305)
4. Definitions (§ 11.71.900)

Article 1. Offenses Relating to Controlled Substances.

Section

30. Misconduct involving a controlled substance in the third degree
40. Misconduct involving a controlled substance in the fourth degree
50. Misconduct involving a controlled substance in the fifth degree

Section

60. Misconduct involving a controlled substance in the sixth degree
70. Misconduct involving a controlled substance in the seventh degree

NOTES TO DECISIONS

Conviction reversed where search warrant improperly issued. — See State v. Jones, Sup. Ct. Op. No. 2983 (File

No. S-486), 706 P.2d 317 (1985) (conviction under former AS 17.10.101).

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN, RESOURCES COMMITTEE
119 N. CUSHMAN STREET, SUITE 201
FAIRBANKS, ALASKA 99701
OFFICE (907) 452-4882
HOME (907) 458-2899



Senate

WHILE IN JUNEAU
PO BOX V
JUNEAU, ALASKA 99811
CAPITOL, ROOM 125
OFFICE (907) 485-3834
HOME (907) 780-6027

MEMORANDUM

TO: Senator Al Adams, Chairman
Senate Community & Regional Affairs Committee

FROM: Senator Bettye Fahrenkamp

DATE: February 21, 1988

RE: SB 168 An Act authorizing gambling enterprises in municipalities and ferries; and providing for an effective date.

INTRODUCTION

Casino style gambling on a limited, historical basis would be allowed under SB 168. Municipalities with a history of gaming during the gold rush era, such as Fairbanks, Nome, and Skagway, would be eligible if their economies depend substantially on tourism. Local residents would have to vote to approve any gaming enterprises. Municipalities could require more than a simple majority vote. The bill also would allow gambling on state ferries.

Gaming enterprises can make a contribution to the prosperity of the state and municipalities in a time of declining and uncertain state revenue. Limited, historic gaming would enhance Alaska as a tourist destination and create jobs. We already allow gaming such as bingo, Monte Carlo nights, and pool classics.

Gaming under SB 168 is limited in the following ways:

- * A municipality must adopt an ordinance regulating gaming and have it ratified by a majority of voters within its boundary. The municipality may require more than a simple majority.
- * The municipality must have an economy substantially dependent on tourism.
- * Only cards, dice, and number wheels would be allowed, the kinds of games played at the turn of the century in Alaska. No slot machines would be allowed by this measure.
- * A gaming enterprise within a municipality must enhance the historic character of the municipality. No glitz and glitter, no chrome and glass.

* Gaming enterprises may not extend credit to their patrons. Large cash or credit transactions provide an opportunity for loan sharks and quick buck artists.

Municipalities may decide to run gaming operations themselves, or license the operation, and must pay three and one half percent of gross revenues to the Department of Revenue. Participating municipalities must form a commission to regulate gaming.

Gaming on ferries would also be allowed and revenue would be deposited in the general fund.

Gaming enterprises can be conducted honestly, free from criminal and corrupt persons and practices. I don't believe limited, historical gaming will result in the high roller style gaming found in Las Vegas and Atlantic City, but rather the type found in Dawson City.

In recognition that a small percentage of gamblers can become compulsive, one half of one percent of state income from gaming may be appropriated by the legislature for treatment and counseling.



Alaska State Legislature

SENATE

Official Business

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

M E M O R A N D U M

SUBJECT: Section-by-Section Summary of SB 168
TO: Senate Community & Regional Affairs Committee
FROM: Senator Betty ^{BT} Fahrenkamp
DATE: February 21, 1989

This memorandum is a section-by-section summary of SB 168, An Act authorizing gambling enterprises in municipalities and on state ferries; and providing for an effective date.

Section 1 of the bill states the policy which the Legislature seeks to implement by enacting this bill.

Section 2 of the bill amends AS 05 by adding a new chapter.

CHAPTER 16. LEGALIZED GAMBLING.

Sec. 05.16.010 GAMBLING PERMITTED establishes the conditions under which gambling is permitted.

A person under 21 years of age may not gamble. Only card and dice games and numbers wheels are permitted. A person who operates a gambling enterprise, or an employee of a gambling enterprise may not extend credit to a patron of a gambling enterprise. A person may not receive a permit to operate a gambling enterprise or be employed by a gambling enterprise if the person has been convicted of a state or federal felony or gambling offense. Only a person who has completed classes on gambling at a school in a state where gambling is legal may be employed by a gambling enterprise. An employee of a gambling enterprise may not gamble while on duty for the gambling enterprise.

Gambling is allowed within municipalities, with the municipal government regulating gambling enterprises. No gambling is allowed outside of municipalities, except the Department of Revenue may license gambling enterprises on state ferries.

Sec. 05.16.020 LICENSED GAMBLING ON STATE FERRIES requires the Department of Revenue to issue a license for a gambling enterprise on state ferry vessels, if the commissioner of transportation and public facilities requests a license. The proceeds of a gambling enterprise on a state ferry may be used to fund the operations of the Alaska Marine Highway System.

Sec. 05.16.030 PROCEEDS FROM MUNICIPALITIES provides for the distribution of the net proceeds of a gambling enterprise. Half of the net proceeds of a gambling enterprise shall be paid to the Department of Revenue. Money received by the department shall be placed into the general fund. This money may be appropriated to the department for implementation of this chapter, except that one-half percent may be used for treatment and counseling of compulsive gamblers.

Sec. 05.16.040 COOPERATION WITH MUNICIPALITIES requires the Department of Revenue to cooperate with municipalities in the regulation and administration of gambling within municipalities.

Sec. 05.16.050 REGULATIONS provides that the Department of Revenue may adopt regulations necessary to implement AS 05.16. Among the regulations which the department may adopt are regulations relating to issuance renewal, suspension, and revocation of licenses, financial records of gambling enterprises, investigations of licensees and their employees, exclusion of certain persons from a gambling enterprise, conduct of gambling, accounting procedures, license fees, amounts of wagers, disclosures of financial interests in gambling enterprises, rates of return, dispute resolution procedures, bonds, and reports by municipalities.

Sec. 05.16.060 ANNUAL REPORT requires the Department of Revenue to make a report to the Governor and the Legislature by March 1 of each year.

Sec. 05.16.900 DEFINITIONS defines "department", "gambling", and "gambling enterprise".

Section 3 of the bill amends the definition of gambling in the criminal code so that it does not include gambling conducted under a license issued to a gambling enterprise by a municipality.

Section 4 of the bill amends the definition of gambling enterprise in the criminal code so that it does not include a gambling enterprise licensed by a municipality.

Section 5 of the bill adds regulation of gambling to the list of limitations on powers of home rule municipalities under AS 29.10.200.

Section 6 of the bill amends AS 29.35 by adding new sections related to the regulation of gambling enterprises within municipalities.

Sec. 29.35.600 AUTHORIZATION authorizes a municipality to operate or license a person to operate a gambling enterprise within the municipality if the municipality adopts an ordinance regulating gambling enterprises, and the ordinance is ratified by a majority of the voters of the municipality or by more than a majority of the voters, and if the economy of the municipality depends substantially on tourism, the municipality has a history of gambling, and the gambling enterprise enhances the historic character of the municipality,

Sec. 29.35.610 REGULATION OF GAMBLING establishes the requirements for a municipality that regulates gambling.

The municipality must adopt an ordinance regulating gambling. The ordinance must establish a commission responsible for licensing and regulating gambling enterprises, establish qualifications for members of the commission, provide for issuance, renewal, suspension, and revocation of licenses for gambling enterprises, establish the terms and conditions under which gambling is permitted, provide for distribution of the proceeds of a gambling enterprise, require disclosure of persons having a financial interest in a gambling enterprise, and require detailed records.

Gambling within a municipality is limited to card and dice games and numbers wheels. The municipality may regulate the availability of alcoholic beverages at a gambling enterprise. Members and employees of the municipal gambling commission may not participate in or have a financial interest in a gambling enterprise.

A municipality that regulates gambling must submit a report each year to the Department of Revenue.

Sec. 29.35.620 PROCEEDS provides for the distribution of proceeds of gambling enterprise licensed by a municipality. Three and one-half percent of the gross proceeds of a gambling enterprise shall be paid to the Department of Revenue for deposit into the general fund. The municipality shall receive all of the proceeds of a municipally operated gambling enterprise less the 3½ percent paid to the Department of Revenue. The municipality shall receive that portion of the proceeds of a gambling enterprise licensed by the municipality and operated by someone other than the municipality, that the municipality and the licensee may agree upon, provided that 3½ percent of the gross receipts is paid to the Department of Revenue.

Sec. 29.35.630 REVENUE DERIVED FROM GAMBLING ENTERPRISES provides that a municipality may dedicate the revenue derived from a gambling enterprise to a public purpose.

Sec. 29.35.640 APPLICATION provides that AS 29.35.600 - 29.35.690 apply to home rule and general law municipalities.

Sec. 29.35.690 DEFINITION defines the terms "gambling" and "gambling enterprise".

Section 7 of the bill provides that the bill takes effect immediately.

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: An act authorizing gambling in municipalities and on state ferries
Sponsor: Fahrenkamp
Requestor: Community & Regional Affairs

Agency Affected: Revenue
BRU: Income & Excise Audit
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel *Steven E. Kettel* Phone: (907) 465-2320
Division: Income and Excise Audit Date: February 17, 1989

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: February 17, 1989
Agency: Department of Revenue

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

February 17, 1989

Prepared by: Steven E. Kettel

Analysis

This legislation would impact the Department of Revenue by:

1. Section 2

A) which requires the Department to issue a license to and regulate gambling on vessels on the Alaska Marine Highway System, upon application by the Commissioner of DOTPF.

B) which provides the Department will regulate legalized gambling activities in communities which have allowed, by ordinance, for those activities to be conducted and who have established a commission responsible for licensing and regulating gambling in the community.

2. Section 6

A) which requires the Department to collect a 3 1/2% fee applied against gambling gross proceeds. The fee is collected from the municipality and deposited in the general fund.

Fiscal Impact

The Department has no basis on which to estimate revenues or expenses for this legislation. Legalized gambling of the type allowed in this bill is not permitted by present law. It cannot be assumed that any community will pass an ordinance to allow gambling.

Recommendation

1) The regulation of legalized gambling should not be placed within the Department of Revenue. It would detract management attention away from its highest priority - the administration of tax enforcement and investment programs.

2) There would be unnecessary duplication of effort and expense in having DOR license and regulate DOTPF ferries conducting gambling activities. Perhaps DOTPF could better carry out this function.

3) The Department of Revenue has no agency position on the merits of this proposal itself.



S B

181

SENATE COMMITTEE REPORT

FURTHER

FIN

3/8/89

DATE TURNED INTO OFFICE 4-07-89

Mr. President:

C&RA

Committee considered

SB 182

state Board of Education

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

- FISCAL NOTE(S)** zero fiscal impact appropriation no FN
- new updated previous
- same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Bill France - no rec

[Signature] No Rec.

Pat [Signature] no rec

[Signature] No Rec

[Signature]

Chairman signature and recommendation

Committee Backup attached

Alaska State Legislature

Senator Paul Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269



State Senate

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3791

M E M O R A N D U M

3/24/89

TO: Senator Al Adams, Chairman, Senate Community and
Regional Affairs Committee.

From: Senator Paul Fischer

RE: SB 182 Increase the size of the Alaska State Board of
Education.

SB 182 if enacted into law, would increase the size of the Alaska State Board of Education. This bill would allow for the voting membership of both a student and military member on the board.

This bill has the support of the Alaska Association of School Governments, and the State Board of Education has twice voted unanimously to support legislation putting a voting Student and Military member on the board.

I urge your favorable consideration of this bill, and respectfully request that it be considered for a hearing.

Thank you.

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
MARCH 2, 1989

SB 181: AN ACT RELATING TO AN EXEMPTION FROM MUNICIPAL
PROPERTY TAXATION FOR NATURAL RESOURCES IN PLACE; AND
PROVIDING FOR AN EFFECTIVE DATE.

SPONSOR: YOU
FISCAL: NONE

THE NEXT BILL BEFORE THE COMMITTEE IS SENATE BILL 181. THIS IS A BILL THAT I SPONSORED. IT ADDRESSES A PROBLEM THAT HAS COME TO LIGHT ABOUT TAX ASSESSMENTS AND THE VALUATION OF IN-PLACE RESOURCES. IT APPEARS THAT CURRENT STATUTES SAY THAT THESE RESOURCES SHOULD BE INCLUDED IN THE FULL AND TRUE VALUATIONS OF AN AREA.

UNDERSTANDABLY, THIS PROVISION PRESENTS MANY PROBLEMS FOR AREAS IN THE STATE RICH IN RESOURCES. ONE OF THOSE AREAS IS THE NORTHWEST ARCTIC BOROUGH- WHICH I REPRESENT. BUT THE ISSUE IS BY NO MEANS LIMITED TO THAT AREA IN THE STATE. MANY OTHER BOROUGHES AND AREAS IN THE STATE HAVE UNTAPPED RESOURCES THAT VARY IN VALUE ON A DAILY BASIS AND WHICH IF REQUIRED TO BE ASSESSED- WOULD CREATE GREAT PROBLEMS IN DETERMINING AMOUNTS AND VALUES.

IDEALLY, I WOULD LIKE TO SEE THESE RESOURCES REMOVED FROM THE TABLE AS FAR AS BEING INCLUDED IN ASSESSMENTS. BUT THAT WOULD BE SETTING SOMETHING IN STATEWIDE POLICY THAT WE ARE NOT SURE THE EFFECTS OF. RATHER I HAVE INTRODUCED THIS LEGISLATION THAT TEMPORARILY LIFTS THIS PROVISION FROM STATE LAW AND ASKS FOR THE ISSUE TO BE STUDIED THOROUGHLY.

I UNDERSTAND THERE IS GOING TO BE TESTIMONY TODAY TO CHANGE THE DATE IN SECTION 3 REGARDING WHEN THE TEMPORARY LAW IS REPEALED TO JULY 1, OR JUNE 30, 1991. FOR THE RECORD I HAVE NO OBJECTION TO THAT TYPE OF AMENDMENT TO THIS BILL.

WE HAVE SEVERAL PEOPLE WHO WISH TO TESTIFY ON THIS BILL. SO I WILL BRING THE FIRST PERSON FORWARD:

Municipal Assessment Assoc.

TESTIFY:

DENNIS TIEPELMAN- *NWAD*

MAYBE MIKE SCOTT - *dr. Municipal*

SCOTT BURGESS

*Service:
in-place*

*No tax on policy of structure
Planning commission*

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act..exemption from municipal property taxation for natural resources.."
Sponsor: Senator Adams
Requestor: Senate C&RA Committee

Agency Affected: Community & Regional Affairs
BRU: State Assessor
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 Plasmany Deputy Director Phone: 465-4750
Division: Municipal & Regional Assistance Date: 2/24/89
Approved by Commissioner: [Signature] Date: 24 Feb 89
Agency: Community & Regional Affairs

Distribution (by preparer):

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

MEMORANDUM

State of Alaska

Department of Law

TO: Bob Evans, Legislative Liaison
Office of the Governor

DATE: April 26, 1988

FILE NO: 663-88-0410

TEL NO: 465-3600

SUBJECT: Exemption of "in place"
natural resources

FROM:

Marjorie L. Odland

Marjorie L. Odland
Assistant Attorney General
Governmental Affairs-Juneau

You have requested our opinion regarding a draft bill exempting "in place" natural resources from municipal taxation (Our file: 773-88-0061). You have several concerns regarding the effect and necessity of this bill which will be addressed individually below.

1. What is the state's current obligation regarding the assessment of "in place" natural resources in the full-value determination of a borough or municipality?

The standard by which a local assessor must assess property is set out in AS 29.45.110(a), which reads:

The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060 and 29.45.230. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

Under the above statute, a local assessor must assess all taxable property in accordance with the standard. The determination as to whether "in place" natural resources must be included in the assessment of property and the state's liability for insuring the inclusion of assessment of "in place" natural resources by municipalities is central to your question.

To date, municipalities have not assessed "in place" natural resources. Additionally, the state has not required municipalities to include these resources when determining full and true value of property under AS 29.45.110. There is no case law in Alaska interpreting AS 29.45.110 with respect to assessment requirements of "in place" natural resources nor is there a case