

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 27512

1 DEVELOPMENT (CONT.)

2

3

4

ENERGY & POWER DEVELOPMENT

5

KUSKOKWIM SINGLE WIRE GROUND RETURN

6

STATEWIDE FACILITIES GRANT PROGRAM

7

ALTERNATIVE ENERGY DEMONSTRATION PROJECTS

8

AVEC FUEL CONVERSION PROJECT/NULATO

9

POWER PROJECT FUND

10

SUSITNA FEASIBILITY ANALYSIS

11

HYDROELECTRIC PROJECT/DILLINGHAM

12

HYDROELECTRIC PROJECT/KISARALIK RIVER

13

HYDROELECTRIC PROJECT/HAINES-SKAGWAY

14

MENNONITE CREEK HYDRO PROJECT/KODIAK ISLAND

15

LARSEN BAY HYDRO PROJECT/KODIAK ISLAND

16

OLD HARBOR HYDRO PROJECT/KODIAK ISLAND

17

AVEC VILLAGES HYDRO STUDY

18

DISCRETIONARY STUDY FUNDS

19

BOTTOMFISH DEVELOPMENT

20

BOTTOMFISH COMMUNITY ASSISTANCE

21

BOTTOMFISH PORTS AND TRANSPORTATION

22

BOTTOMFISH PRODUCTION TRIALS

23

BOTTOMFISH LABORFORCE STUDY

24

BOTTOMFISH ADVANCE EMPLOYMENT PROJECT

25

PUBLIC INFORMATION

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS
		50,000	50,000	
		2,655,000	885,000	1,770,000
		550,000	550,000	
		125,000	125,000	
		3,335,000	3,335,000	
		100,000	100,000	
		100,000	100,000	
		100,000	100,000	
		200,000	200,000	
		200,000	200,000	
		200,000	200,000	
		325,000	325,000	
		75,000	75,000	
		425,000	425,000	
		204,000	204,000	
		500,000	500,000	
		58,300	58,300	
		175,100	175,100	
		100,000	100,000	

1 DEVELOPMENT (CONT.)		APPROPRIATION		APPROPRIATION FUND SOURCES	
	ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS	
4	ADMINISTRATION & CONTINGENCY	415,700	415,700		
5	DEPARTMENT OF NATURAL RESOURCES				
7	AGRICULTURE REVOLVING LOAN FUND	6,160,000		6,160,000	
8	EQUIPMENT & SEED STORAGE BUILDING/PALMER	108,000	108,000		
9	PLANT MATERIAL CENTER ANIMAL EXCLOSURE	14,600	14,600		
10	UPGRADE SEED CLEANING BUILDING	110,000	110,000		
11	*****	*****			
12	***** TRANSPORTATION *****				
13	*****	*****			
14	DEPARTMENT OF TRANSPORTATION				
15	HIGHWAY DESIGN & CONSTRUCTION	35,429,900		35,429,900	
16	HEADQUARTERS CAPITAL POSITIONS (113 POSITIONS)	3,964,700			
17	SOUTHEAST REGION CAPITAL POSITIONS (146 POSITIONS)	4,057,600			
18	CENTRAL REGION CAPITAL POSITIONS (442 POSITIONS)	11,952,300			
19	SOUTHCENTRAL CAPITAL POSITIONS (147 POSITIONS)	4,698,600			
20	INTERIOR REGION CAPITAL POSITIONS (348 POSITIONS)	9,824,300			
21	WESTERN REGION CAPITAL POSITIONS (29 POSITIONS)	932,400			
22	AVIATION DESIGN & CONSTRUCTION	4,219,200		4,219,200	
23	HEADQUARTERS CAPITAL POSITIONS (4 POSITIONS)	156,100			
24	CENTRAL REGION CAPITAL POSITIONS (111 POSITIONS)	3,267,900			
25	INTERIOR REGION CAPITAL POSITIONS (25 POSITIONS)	738,400			

1 TRANSPORTATION (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
3					
4	SOUTHEAST REGION CAPITAL POSITIONS (2 POSITIONS)	56,800			
5	WATER AND HARBOR FACILITIES				
6	CAPITAL POSITIONS (16 POSITIONS)		619,000		619,000
7	CENTRAL REGION HIGHWAYS		67,528,500		67,528,500
8	PALMER-WASILLA HIGHWAY	7,440,000			
9	WASILLA URBAN AREA	3,255,000			
10	SEWARD HIGHWAY, MCHUGH CREEK TO INDIAN CREEK	15,810,000			
11	UNALASKA CULVERTS	139,500			
12	ANCHORAGE PUBLIC TRANSIT COACHES	2,707,000			
13	ANCHORAGE BUS TURNOUTS	511,500			
14	GLENN PATHWAY, ANCHORAGE BOWL AREA	1,860,000			
15	ANCHORAGE-MAT-SU VAN POOLS	69,700			
16	KODIAK PAVING	1,395,000			
17	SEWARD HIGHWAY INTERCHANGE LIGHTING, ANCHORAGE	1,627,500			
18	STERLING HIGHWAY MILE 72-84	3,720,000			
19	STERLING WEIGH STATION RECONSTRUCTION	662,000			
20	BONIFACE INTERCHANGE & MCCARREY GRADE SEPARATION	5,101,000			
21	DIMOND BOULEVARD, ARR TO JEWEL LAKE ROAD	4,236,100			
22	ANCHORAGE URBAN LANDSCAPING	279,000			
23	POTTER WEIGH STATION RECONSTRUCTION	657,500			
24	RASPBERRY ROAD, JEWELL LAKE TO MINNISOTA	1,474,000			
25	ANCHORAGE NORTH SIDE CORRIDOR STUDY	423,100			

1	TRANSPORTATION (CONT.)		APPROPRIATION	APPROPRIATION FUND SOURCES	
2			ITEMS	GENERAL FUND	OTHER FUNDS
3		ALLOCATIONS			
4	GLENN HIGHWAY, BRAGAW INTERCHANGE	1,060,200			
5	OLD SEWARD HIGHWAY, DOWLING TO HUFFMAN ROAD	186,000			
6	GLENN HIGHWAY, PALMER TO KING RIVER	1,525,200			
7	DEARMOUN & RABBIT CREEK INTERCHANGES	2,078,500			
8	WASILLA BYPASS	223,200			
9	BRAGAW, TUDOR TO ABBOTT, ANCHORAGE	47,000			
10	DOWLING ROAD, LAKE OTIS TO RASPBERRY EXTENSION	188,000			
11	STERLING HIGHWAY, MILE 37-50	204,600			
12	A-C COUPLET PHASE I	7,440,000			
13	HIGHWAY PROJECT CONTINGENCY	3,207,900			
14	CENTRAL REGION AIRPORTS		15,905,300		15,905,300
15	DUTCH HARBOR RUNWAY EXTENSION	5,940,000			
16	TOGIAK AIRPORT RELOCATION	3,150,000			
17	HOMER NEW AIR CARRIER APRON	1,620,000			
18	KODIAK AIR CARRIER APRON EXPANSION	2,160,000			
19	MANOKOTAK AIRPORT RECONSTRUCTION	270,000			
20	AKUTAN AIRPORT CONSTRUCTION	1,350,000			
21	OUZINKIE AIRPORT	657,900			
22	AVIATION PROJECT CONTINGENCY	757,400			
23	CENTRAL REGION MARINE TRANSPORTATION		56,210,000	410,000	55,800,000
24	KODIAK FERRY TERMINAL	2,790,000			
25	TUSTUMENA REPLACEMENT	46,500,000			

1 TRANSPORTATION (CONT.)

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

HOMER FERRY TERMINAL

SELDOVIA FERRY TERMINAL

BOW THRUSTERS

VESSEL PIPING REPLACEMENT

HULL, DECK & JOINTER RESTORATION

TANKS, VOIDS & DOUBLE BOTTOMS

CAR DECK LIGHTING & VENT SYSTEMS

CARPET & TILE REPLACEMENT

CENTRAL REGION PORTS & HARBORS

SEWARD HARBOR

DILLINGHAM HARBOR

HOMER HARBOR

INTERIOR REGION HIGHWAYS

ALASKA HIGHWAY, TOK JUNCTION TO YERRICK CREEK

ALASKA HIGHWAY, YERRICK CREEK TO DOT LAKE

ALASKA HIGHWAY, JOHNSON RIVER TO DOT LAKE

ALASKA HIGHWAY, MILE 1270-1285

ALASKA HIGHWAY, MILE 1256-1270

TOK CUTOFF, MILE 111-118

RICHARDSON HIGHWAY, TRIMS TO MCCALLUM CREEK

PARKS HIGHWAY, AIRPORT INTERCHANGE

MILE 6 WEIGH STATION, RICHARDSON HIGHWAY

ALLOCATIONS

3,255,000

3,255,000

80,000

60,000

100,000

70,000

60,000

40,000

9,930,500

280,900

450,100

393,400

9,284,200

186,000

418,500

6,510,000

1,302,000

APPROPRIATION

ITEMS

APPROPRIATION FUND SOURCES

GENERAL FUND

OTHER FUNDS

365,000

365,000

435,000

435,000

50,000

50,000

64,791,300

234,000

64,557,300

1 TRANSPORTATION (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
3					
4	TOK WEIGH STATION	644,000			
5	FOX WEIGH STATION	299,500			
6	RICHARDSON HIGHWAY, CANYON TO SHAW CREEK	2,348,200			
7	TAYLOR HIGHWAY, MILE 23-43	7,314,400			
8	TAYLOR HIGHWAY, MILE 43-66	112,500			
9	STEESE HIGHWAY, MILE 54-66	5,728,800			
10	PARKS HIGHWAY SHOULDER PAVING	4,950,400			
11	MARIAN & DOUGLAS CREEK BRIDGES	710,000			
12	30TH AVENUE BYPASS, FAIRBANKS	8,277,000			
13	FAIRBANKS TRANSIT TURNOUTS, COLLEGE & UNIVERSITY	1,116,000			
14	BADGER ROAD RECONSTRUCTION, FAIRBANKS	1,018,400			
15	FARMERS LOOP ROAD	465,000			
16	HIGHWAY PROJECT CONTINGENCY	3,051,500			
17	INTERIOR REGION AIRPORTS		7,037,400		7,037,400
18	CHALKYITSIK RUNWAY REHABILITATION	432,000			
19	FORT YUKON RUNWAY SURFACING	720,000			
20	NULATO RUNWAY IMPROVEMENT	450,000			
21	NORTHWAY RUNWAY RESURFACING	1,485,000			
22	RAMPART RUNWAY RESURFACING	407,700			
23	BEAVER RUNWAY RESURFACING	470,700			
24	MANLEY RUNWAY CLEARING & RESURFACING	324,900			
25	GALENA APRON EXTENSION	1,013,400			

11

1	TRANSPORTATION (CONT.)		APPROPRIATION	APPROPRIATION FUND SOURCES
2			ITEMS	GENERAL FUND OTHER FUNDS
3		ALLOCATIONS		
4	CIRCLE HJT SPRINGS LIGHTING SYSTEM	225,000		
5	TANANA RUNWAY SURFACING	720,000		
6	STEVENS VILLAGE RUNWAY RECONSTRUCTION	453,600		
7	AVIATION PROJECT CONTINGENCY	335,100		
8	SOUTHEAST REGION HIGHWAYS		21,432,200	21,432,200
9	GLACIER HIGHWAY, JUNEAU	1,860,000		
10	ADMIRAL WAY, JUNEAU	787,600		
11	LOOP ROAD-EGAN DRIVE IMPROVEMENTS, JUNEAU	317,100		
12	KAKE BRIDGES	612,700		
13	MAIN STREET, HAINES	188,400		
14	EGAN EXPRESSWAY RAMPS, JUNEAU	2,472,100		
15	TONGASS AVENUE, KETCHIKAN	864,800		
16	HALIBUT POINT ROAD OVERLAY, SITKA	523,400		
17	CRAIG TO KLAUOCK PAVING	1,663,300		
18	PETERSBURG AIRPORT ROAD	1,360,800		
19	PETERSBURG THRU ROUTE, PHASE III	3,349,500		
20	LEMON ROAD, JUNEAU	2,619,600		
21	MUD BAY ROAD, HAINES	2,845,000		
22	NORTH TONGASS HIGHWAY, KETCHIKAN	17,300		
23	MENDENHALL LOOP ROAD, JUNEAU	930,000		
24	HIGHWAY PROJECT CONTINGENCY	1,020,600		
25	SOUTHEAST REGION AIRPORTS		5,326,200	5,326,200

11

11

1 TRANSPORTATION (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
3					
4	WRANGELL RUNWAY RECONSTRUCTION	1,706,300			
5	SITKA APRON EXPANSION	2,080,800			
6	JUNEAU FLOATPLANE FACILITY	558,900			
7	KLAWOCK RUNWAY EXTENSION	726,600			
8	AVIATION PROJECT CONTINGENCY	253,600			
9	SOUTHEAST REGION PORTS & HARBORS				
10	ELFIN COVE HARBOR		175,000	175,000	
11	PELICAN HARBOR		825,000	825,000	
12	HOLE-IN-WALL BREAKWATER		250,000	250,000	
13	HYDER HARBOR		300,000	300,000	
14	YAKUTAT HARBOR		500,000	500,000	
15	CONTINGENCY - ALL REGIONS		150,000	150,000	
16	SOUTHEAST REGION MARINE TRANSPORTATION		11,096,800	3,550,000	7,546,800
17	PETERSBURG FERRY DOCK & TOWER REPLACEMENT	860,200			
18	HAINES FERRY DOCK & TOWER REPLACEMENT	590,500			
19	KETCHIKAN FERRY TERMINAL, PHASE II	1,329,900			
20	REPOWER VESSELS	4,766,200			
21	TERMINAL FACILITY MAINTENANCE	450,000			
22	VESSEL SUITABILITY/DESIGN STUDY	250,000			
23	DIESEL GENERATING UNIT UPGRADE	150,000			
24	STEERING SYSTEMS	200,000			
25	M/V COLUMBIA EMERGENCY GENERATOR REPLACEMENT	500,000			

1 TRANSPORTATION (CONT.)

2			APPROPRIATION	APPROPRIATION FUND SOURCES
3		ALLOCATIONS	ITEMS	GENERAL FUND OTHER FUNDS
4	PROPELLER PITCH CONTROL SYSTEMS	200,000		
5	VESSEL SPARE PARTS	120,000		
6	NAVIGATION LIGHTS CONVERSION	80,000		
7	BOW THRUSTERS	160,000		
8	VESSEL PIPING REPLACEMENT	150,000		
9	BAGGAGE STOWAGE UNITS	50,000		
10	VESSEL FURNITURE & LOUNGE CHAIRS	200,000		
11	RAMP TRAFFIC CONTROL	10,000		
12	HULL, DECK & JOINTER RESTORATION	360,000		
13	TANKS, VOIDS & DOUBLE BOTTOMS	320,000		
14	CAR DECK LIGHTING & VENT SYSTEMS	200,000		
15	VESSEL CARPET & TILE REPLACEMENT	150,000		
16	WESTERN REGION HIGHWAYS		12,987,500	12,987,500
17	NOME-BELTZ HIGHWAY WIDENING & REPAVING	1,674,000		
18	KOTZEBUE THIRD AVENUE	1,116,000		
19	NOME-COUNCIL ROAD STORM DAMAGE REPAIRS	930,000		
20	NOME CITY STREETS, PHASE II	2,325,000		
21	NOME-COUNCIL ROAD, MILE 4-15	1,116,000		
22	NOME-TELLER ROAD RESURFACING	2,604,000		
23	NOME-TAYLOR ROAD, MILE 8-13	1,395,000		
24	NOME-TAYLOR ROAD BRIDGES	1,209,000		
25	HIGHWAY PROJECT CONTINGENCY	618,500		
26	WESTERN REGION AIRPORTS		6,559,200	6,559,200

1 TRANSPORTATION (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
3					
4	SHAKTOOLIK AIRPORT RELOCATION	893,700			
5	SHISHMAREF AIRPORT RELOCATION	2,138,600			
6	BUCKLAND AIRPORT RELOCATION	1,308,100			
7	DEERING AIRPORT IMPROVEMENTS	806,500			
8	KOTZEBUE AIRPORT LAND ACQUISITION	900,000			
9	AVIATION PROJECT CONTINGENCY	312,300			
10	SOUTHCENTRAL REGION HIGHWAYS		65,584,100		65,584,100
11	RICHARDSON HIGHWAY, MILE 46-65	2,883,000			
12	RICHARDSON HIGHWAY, MILE 6-14	11,160,000			
13	RICHARDSON HIGHWAY, MILE 115-125	6,510,000			
14	COPPER RIVER HIGHWAY, MILE 28-33	1,860,000			
15	RICHARDSON HIGHWAY, MILE 16-19	3,069,000			
16	RICHARDSON HIGHWAY, MILE 186-192	930,000			
17	RICHARDSON HIGHWAY, MILE 35-40	6,830,000			
18	RICHARDSON HIGHWAY, MILE 101-106	7,533,000			
19	RICHARDSON HIGHWAY, MILE 138-148	370,000			
20	TOK HIGHWAY, MILE 38-48	9,486,000			
21	HANAGITA EAST EXTENSION, VALDEZ	837,000			
22	RICHARDSON HIGHWAY, MILE 19-25	1,042,000			
23	GLENN HIGHWAY, MILE 118-189	3,255,000			
24	COPPER RIVER HIGHWAY, MILE 18-27	186,000			
25	TOK HIGHWAY, MILE 48-65	372,000			

1 TRANSPORTATION (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
3					
4	TOK HIGHWAY, MILE 65-75	279,000			
5	RICHARDSON HIGHWAY, MILE 160-170	279,000			
6	DAYVILLE ROAD PAVING	930,000			
7	TOK HIGHWAY, MILE 2-30	4,650,000			
8	HIGHWAY PROJECT CONTINGENCY	3,123,100			
9	SOUTHCENTRAL REGION PORTS & HARBORS				
10	CORDOVA HARBOR		150,000	150,000	
11	SOUTHCENTRAL REGION MARINE TRANSPORTATION				
12	TERMINAL FACILITY MAINTENANCE, VALDEZ & CORDOVA		50,000	50,000	
13	TRANSPORTATION PLANNING		12,644,100	4,800,000	7,844,100
14	TRANSPORTATION PLANNING	12,587,600			
15	URBAN MAPPING, ANCHORAGE	9,500			
16	EAST CITY BYPASS CORRIDOR, ANCHORAGE	47,000			
17	STATEWIDE HIGHWAY PROJECTS		23,100,000		23,100,000
18	ON SYSTEM BRIDGE REPLACEMENT	4,675,000			
19	OFF SYSTEM BRIDGE REPLACEMENT	825,000			
20	REIMBURSABLE AGREEMENTS	8,000,000			
21	SAFETY IMPROVEMENT PROGRAM	8,400,000			
22	PUBLIC TRANSPORTATION	1,200,000			
23	INTERNATIONAL AIRPORTS		3,188,000		3,188,000
24	ANCHORAGE EQUIPMENT	873,000			
25	FAIRBANKS EQUIPMENT	520,000			

1 TRANSPORTATION (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
3					
4	ANCHORAGE SECURITY PLAN DEVELOPMENT	145,000			
5	ANCHORAGE PUBLIC ROAD IMPROVEMENTS	690,000			
6	ANCHORAGE TERMINAL DESIGN	300,000			
7	ANCHORAGE ANNUAL IMPROVEMENTS	350,000			
8	FAIRBANKS ANNUAL IMPROVEMENTS	210,000			
9	ANCHORAGE UPPER RAMP REPAIR	100,000			
10		*****	*****		
11		***** GENERAL GOVERNMENT *****			
12		*****	*****		
13	OFFICE OF THE GOVERNOR				
14	AUTOMATED BUDGET SYSTEM				
15	AUTOMATED BUDGET SYSTEM		700,000	700,000	
16	MANAGEMENT BY OBJECTIVES PROJECT		250,000	250,000	
17	BUDGET REVIEW COMMITTEE SPECIAL STUDIES		300,000	300,000	
18	DEPARTMENT OF ADMINISTRATION				
19	ADMINISTRATIVE SERVICES TO STATE AGENCIES				
20	CONCEPTUAL DESIGN/STATE FINANCIAL SYSTEM		250,000	250,000	
21	JUNEAU DATA CENTER BACKUP POWER		485,400	485,400	
22	COMPUTER CENTER FIRE DETECTION EQUIPMENT		40,000	40,000	
23	SECURITY EQUIPMENT-JUNEAU DATA CENTER		40,000	40,000	
24	DISK SPACE MANAGEMENT SYSTEM		29,000	29,000	
25	OFFICE SYSTEMS FURNITURE		375,000	375,000	

1 GENERAL GOVERNMENT (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
3					
4	EMPLOYEE HOUSING REPLACEMENT				
5	EMPLOYEE HOUSING REPLACEMENT		1,250,000	1,250,000	
6	DEPARTMENT OF LAW				
7	LAW- LEGAL SERVICES				
8	ATTORNEY TIMEKEEPING/CASE COST STUDY		30,000	30,000	
9	DEPARTMENT OF TRANSPORTATION				
10	PUBLIC FACILITIES DESIGN & CONSTRUCTION		2,596,000		2,596,000
11	CAPITAL IMPROVEMENT PROJECT POSITIONS - INTERIOR	603,000			
12	CAPITAL IMPROVEMENT PROJECT POSITIONS - CENTRAL	1,408,300			
13	CAPITAL IMPROVEMENT PROJECT POSITIONS-SOUTHEAST	584,700			
14	BUILDINGS MAINTENANCE & REPAIRS		2,577,600	2,577,600	
15	GOVERNOR'S MANSION FIRE SPRINKLER SYSTEM	71,000			
16	SUBPORT BUILDING FIRE CODE MODIFICATIONS	95,000			
17	KENAI HIGHWAY SHOP ROOF	17,600			
18	ANCHORAGE SAFETY BUILDING ROOF	76,900			
19	ROOF REPAIR, FAIRBANKS	105,000			
20	ROOF REHABILITATION, SOUTHEASTERN	220,000			
21	GENERAL ROOF REPAIR, CENTRAL	30,500			
22	GOVERNOR'S MANSION MAINTENANCE, JUNEAU	29,000			
23	FAIRBANKS COURT BUILDING COOLING SYSTEM	200,000			
24	BUILDING HVAC SYSTEMS SOUTHEASTERN	105,000			
25	BOILER HVAC REPAIR & REPLACEMENT	48,000			

1 GENERAL GOVERNMENT (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	FUND SOURCES OTHER FUNDS
3					
4	GENERATOR REPLACEMENTS	103,200			
5	FURNACE REPLACEMENT, SOUTHCENTRAL	18,800			
6	FAIRBANKS COURT BUILDING WELL REPAIR	15,000			
7	COMMUNITY BUILDING PIPING REPLACEMENT	76,000			
8	SOUTH FORK WELL & SECURITY FENCE	40,000			
9	BETHEL SHOP IMPROVEMENTS	60,000			
10	FAIRBANKS COURT BUILDING AIR SYSTEM	60,000			
11	CONCRETE SLABS INTERIOR SHOPS	40,000			
12	PAINTING STATE FACILITIES, SOUTHCENTRAL	32,300			
13	PAINTING, INTERIOR REGION	100,000			
14	PAINTING STATE FACILITIES SOUTHEASTERN	50,000			
15	ISLAND CENTER BUILDING CARPET REPLACEMENT	93,000			
16	CAPITOL BUILDING CLEANING & REPAIRS	102,000			
17	STATE OFFICE BUILDING EXTERIOR CLEANING, JUNEAU	90,000			
18	SUBPORT BUILDING MAINTENANCE, JUNEAU	30,000			
19	THOMPSON PASS BUNKHOUSE FOUNDATION	26,900			
20	REPAIRS TO NOME EQUIPMENT SHOP	334,100			
21	ELEVATOR IMPROVEMENTS, SOUTHEASTERN	60,000			
22	CAPITOL BUILDING EMERGENCY GENERATOR	98,000			
23	CANTWELL SITE IMPROVEMENTS	25,000			
24	COLD STORAGE BUILDING, PAXSON	42,300			
25	CAPITOL BUILDING FIRE ESCAPE PAINTING	50,000			

1 GENERAL GOVERNMENT (CONT.)

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

ANCHORAGE VISUAL ARTS CENTER HVAC REPAIRS

STATE EQUIPMENT FLEET

EQUIPMENT REPLACEMENT PROGRAM

FACILITIES PLANNING & RESEARCH

FEDERAL HIGHWAY RESEARCH PROGRAM

ENGINEERING COMPUTER SOFTWARE

HIGHWAY LIFE CYCLE COSTING

STABILIZED SOILS STUDY

RESILIENT SOIL PROPERTIES STUDY

SNOW & ICE CONTROL

RUT MEASURING DEVICE

PERMAFROST CULVERTS STUDY

BUILDING ENERGY CONSERVATION RESEARCH

SOLAR ALASKAN SCHOOLS

NEW ROOFING MATERIALS

FUEL CELL TESTING

REMOTE FACILITY MONITORING

METEOR BURST DEMONSTRATION PROJECT

SATELLITE DATA SYSTEM

NEW PRODUCT TESTING

ANCHORAGE TRAFFIC COMPUTER IMPROVEMENTS

PAINT PERFORMANCE TESTING

ALLOCATIONS

33,000

1,200,000

305,000

250,000

150,000

80,000

150,000

35,000

50,000

165,000

140,000

50,000

60,000

300,000

40,000

100,000

100,000

130,000

50,000

APPROPRIATION

ITEMS

10,253,800

3,645,000

APPROPRIATION FUND SOURCES

GENERAL FUND

OTHER FUNDS

2,645,000

10,253,800

1,000,000

1 GENERAL GOVERNMENT (CONT.)

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

GENERAL GOVERNMENT (CONT.)

PAVEMENT THERMAL STUDY

RESEARCH CATALOGING SYSTEM

AIR CUSHION VEHICLE STUDY-STATEWIDE APPLICATIONS

HYDROFOIL DEMONSTRATION PROJECT

FACILITIES PLANNING

MANAGEMENT INFORMATION SYSTEM

FACILITIES PLANNING & RESEARCH

CAPITAL IMPROVEMENT PROJECT POSITIONS - SUPPORT

CAPITAL IMPROVEMENT PROJECT POSITIONS - CENTRAL

CAPITAL IMPROVEMENT PROJECT POSITIONS - INTERIOR

CAPITAL IMPROVEMENT PROJECT POSITIONS-SOUTHEAST

* SEC. 11 THE FOLLOWING LIST SETS OUT THE FUNDING OF THE APPROPRIATIONS MADE IN SECTIONS 9 AND 10 OF THIS ACT.

EDUCATION

FEDERAL RECEIPTS

GENERAL FUND MATCH

GENERAL FUND

INTER-AGENCY RECEIPTS

PROGRAM RECEIPTS

SCHOOL FUND (CIGARETTE TAX)

DONATED COMMODITY HANDLING FEE ACCOUNT

PUBLIC LAW 81-874/GENERAL FUND

STUDENT REVOLVING LOAN FUND

TRAINING AND BUILDING FUND

*** TOTAL FUNDING ***

ALLOCATIONS

APPROPRIATION

ITEMS

APPROPRIATION FUND SOURCES

GENERAL FUND

OTHER FUNDS

40,000

50,000

100,000

100,000

3,100,000

3,100,000

1,800,000

1,600,000

200,000

2,276,200

2,276,200

71,200

541,200

1,313,800

350,000

26,863,600

2,718,500

349,173,900

2,557,400

806,100

2,503,200

85,700

16,000,000

2,050,000

250,000

403,008,400

PAGE 74

SCS CSHB 556

1	UNIVERSITY OF ALASKA	
2	FEDERAL RECEIPTS	35,517,100
3	GENERAL FUND MATCH	2,255,200
4	GENERAL FUND	95,920,900
5	INTER-AGENCY RECEIPTS	1,335,600
6	PROGRAM RECEIPTS	13,025,600
7	STUDENT FEES, UNIVERSITY OF ALASKA	8,067,100
8	INDIRECT COST RECOVERY	4,317,400
9	RESTRICTED RECEIPTS, U OF A	6,778,100
10	*** TOTAL FUNDING ***	167,217,000
11	SOCIAL SERVICES	
12	FEDERAL RECEIPTS	63,925,300
13	GENERAL FUND MATCH	17,904,800
14	GENERAL FUND	73,824,400
15	INTER-AGENCY RECEIPTS	5,919,700
16	PROGRAM RECEIPTS	897,600
17	TITLE 20	4,640,900
18	TRAINING AND BUILDING FUND	230,900
19	*** TOTAL FUNDING ***	167,343,600
20	HEALTH	
21	FEDERAL RECEIPTS	34,335,200
22	GENERAL FUND MATCH	12,706,200
23	GENERAL FUND	53,101,500
24	INTER-AGENCY RECEIPTS	1,139,800
25	PROGRAM RECEIPTS	172,600
26	FEDERAL REVENUE SHARING FUND	9,400,000
27	*** TOTAL FUNDING ***	110,855,300

1	NATURAL RESOURCE MANAGEMENT	
2	FEDERAL RECEIPTS	17,016,100
3	GENERAL FUND MATCH	2,377,400
4	GENERAL FUND	82,749,900
5	INTER-AGENCY RECEIPTS	1,553,600
6	FISH AND GAME FUND	4,782,700
7	PROGRAM RECEIPTS	100,000
8	*** TOTAL FUNDING ***	108,579,700
9	PUBLIC PROTECTION	
10	FEDERAL RECEIPTS	4,316,600
11	GENERAL FUND MATCH	1,013,300
12	GENERAL FUND	24,414,500
13	INTER-AGENCY RECEIPTS	57,900
14	PROGRAM RECEIPTS	2,027,100
15	SECOND INJURY FUND RESERVE ACCOUNT	1,248,600
16	DISABLED FISHERMANS RESERVE ACCOUNT	991,400
17	*** TOTAL FUNDING ***	34,069,400
18	ADMINISTRATION OF JUSTICE	
19	FEDERAL RECEIPTS	2,739,700
20	GENERAL FUND MATCH	448,300
21	GENERAL FUND	93,138,900
22	INTER-AGENCY RECEIPTS	143,000
23	PROGRAM RECEIPTS	49,300
24	*** TOTAL FUNDING ***	96,519,200
25	DEVELOPMENT	
26	FEDERAL RECEIPTS	7,186,500

1	GENERAL FUND MATCH	313,200
2	GENERAL FUND	62,251,400
3	INTER-AGENCY RECEIPTS	2,323,000
4	AGRICULTURAL LOAN FUND	203,800
5	PROGRAM RECEIPTS	686,500
6	VETERANS REVOLVING LOAN FUND	903,600
7	*** TOTAL FUNDING ***	73,868,000
8	TRANSPORTATION	
9	FEDERAL RECEIPTS	300,000
10	GENERAL FUND	150,101,500
11	INTER-AGENCY RECEIPTS	2,143,900
12	INTERNATIONAL AIRPORT REVENUE FUND	16,518,900
13	PROGRAM RECEIPTS	1,982,900
14	*** TOTAL FUNDING ***	171,047,200
15	GENERAL GOVERNMENT	
16	FEDERAL RECEIPTS	4,353,900
17	GENERAL FUND MATCH	750,900
18	GENERAL FUND	345,284,400
19	INTER-AGENCY RECEIPTS	28,700,800
20	AGRICULTURAL LOAN FUND	19,500
21	FICA ADMINISTRATION FUND ACCOUNT	83,200
22	FISH AND GAME FUND	332,200
23	HIGHWAY WORKING CAPITAL FUND	14,387,200
24	INTERNATIONAL AIRPORT REVENUE FUND	676,700
25	PROGRAM RECEIPTS	2,950,600
26	PUBLIC EMPLOYEES RETIREMENT FUND	1,203,000

1	GENERAL GOVERNMENT (CONT.)	
2	SECOND INJURY FUND RESERVE ACCOUNT	11,600
3	SURPLUS PROPERTY REVOLVING FUND	152,900
4	TEACHERS RETIREMENT SYSTEM FUND	1,087,100
5	VETERANS REVOLVING LOAN FUND	61,700
6	TRAINING AND BUILDING FUND	17,300
7	*** TOTAL FUNDING ***	400,073,000
8	NEW LEGISLATION	
9	*** TOTAL FUNDING ***	
10	CAPITAL PROJECTS	
11	FEDERAL RECEIPTS	363,260,700
12	GENERAL FUND MATCH	1,842,000
13	GENERAL FUND	53,938,000
14	INTER-AGENCY RECEIPTS	45,140,300
15	RENEWABLE RESOURCES INVESTMENT FUND	8,030,300
16	HIGHWAY WORKING CAPITAL FUND	10,253,800
17	INTERNATIONAL AIRPORT REVENUE FUND	2,563,000
18	PROGRAM RECEIPTS	8,638,400
19	*** TOTAL FUNDING ***	493,666,500
20	***** TOTAL BUDGET *****	2,226,247,300
21	* SEC. 12 THIS ACT TAKES EFFECT IMMEDIATELY IN ACCORDANCE WITH AS 01.10.070(C).	

SENATE JOURNAL

ALASKA STATE LEGISLATURE

ELEVENTH LEGISLATURE - SECOND SPECIAL SESSION

JUNEAU, ALASKA

Monday

September 22, 1980

First Day

Pursuant to the September 4, 1980 Proclamation of the Governor calling for the convening of a Special Session of the Eleventh State Legislature, the Senate was called to order by President Tillion at 10:05 a.m.

The roll call showed nineteen members present. Senator Hohman was absent.

The prayer was offered by the Chaplain, Lay Rabbi Danny Plotnick of the Juneau Jewish Community.

MESSAGES FROM THE GOVERNOR

By the authority vested in me by Article II, Section 9, of the Alaska Constitution, I call the Eleventh Alaska Legislature into special session at Juneau at 10:00 a.m., on September 22, 1980, to consider the subject of immediate tax relief, including tax refunds, for individuals and fiduciaries subject to the payment of personal income taxes under the Alaska Net Income Tax Act.

Dated at Juneau, Alaska this 4th day of September, 1980.

/s/ Jay S. Hammond
Jay S. Hammond
Governor

A message from Keith W. Specking, Legislative Assistant to the Governor, was read stating the Governor will be pleased to address a joint session of the Alaska State Legislature at 11:00 a.m., September 22, 1980.

INTRODUCTION AND REFERENCE OF SENATE BILLS

SENATE BILL NO. 591 by the Rules Committee by request of the Governor, entitled:

"An Act suspending the Alaska Net Income Tax Act for individuals and fiduciaries; and providing for an effective date."

was read the first time and referred to the Finance Committee.

Fiscal notes accompanying SENATE BILL NO. 591 appear in Senate Supplement No. 1 to today's journal.

Governor's transmittal letter follows:

September 22, 1980

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, AK 99811

Dear Mr. President:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill providing for a suspension of all state income tax for individuals and fiduciaries for a minimum of ten years. Under the bill, the suspension would remain in effect until at least tax year 1990.

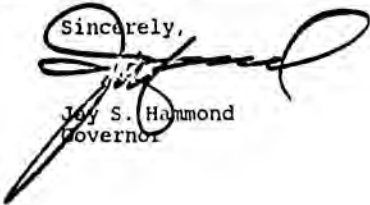
A major feature of the bill is a mechanism, starting in 1989, for annually reviewing the question of whether the suspension should remain in effect. The bill would require the commissioner of revenue, on January 15 of each year starting in 1989, to certify to the legislature and to the governor the amount of "sustainable revenues" (primarily all revenues except those derived from mineral resource development) received during the

prior fiscal year and the amount of state expenditures for that fiscal year. The first year it is demonstrated that expenditures for the prior fiscal year have exceeded sustainable revenues, the suspension would be lifted and the tax would be reimposed starting on January 1 of the next year, unless the legislature took some intervening action.

The bill also provides for a refund to individuals and fiduciaries of all income taxes paid for tax year 1979, and for a refund of withholding payments and estimated taxes for tax year 1980. Necessary technical amendments are also included in the bill, primarily to deal with those sections of chapter 22, SLA 1980, that were affected by the supreme court's ruling in Williams v. Zobel, P.2d ____ (Ak. Sup. Ct. Op. No. 2170, Sept. 19, 1980).

Finally, the bill includes a technical amendment that is necessary to permit the continuation of the refundable credits for political campaign contributions and dependent care expenses that were enacted as part of chapter 22, SLA 1980. I have been advised by the Department of Law that these refundable credits were not affected by the Zobel decision, and that they remain in effect. The bill includes a mechanism for continuing the refundable credits during the income tax suspension because it is my impression that the legislature does not wish to repeal them. Without a provision in the bill, the continued availability of the refundable credits to individuals would be unclear under a suspension of the income tax.

Sincerely,



Jay S. Hammond
Governor

SENATE BILL NO. 592 by the Rules Committee by request of the Governor, entitled:

"An Act making a supplemental appropriation to the Department of Revenue; and providing for an effective date."

was read the first time and referred to the Finance Committee.

Governor's transmittal letter accompanying SENATE BILL NO. 592 follows:

September 22, 1980

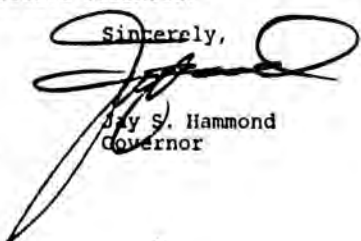
The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, AK 99811

Dear Mr. President:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill to make a supplemental appropriation from the general fund for fiscal year 1981 to the Department of Revenue to pay the tax credits and refunds prescribed by the companion measure on tax relief which I am also submitting today.

The appropriation made by section 52, chapter 120, SLA 1980, was \$90,273,500. The appropriation was made to finance tax credits and refunds under the Alaska Net Income Tax Act (AS 43.20). The Department of Revenue estimates that the total amount required under the companion bill on tax relief which I am submitting today is \$112,878,500, that is, an additional \$22,605,000, and that is the amount appropriated by this bill. The entire amount covers both the tax credits and refunds and also the administrative overhead.

Sincerely,



Jay S. Hammond
Governor

ANNOUNCEMENTS

Finance

Rm 518, Capitol

1:30 p.m., 9/22

Democratic caucus

Upon recess

Senator Colletta moved and asked unanimous consent that the Senate recess until 11:00 a.m. for the purpose of a joint session to hear an address by Governor Jay S. Hammond. Senator Colletta announced that the Senate would reconvene at 4:00 p.m. Without objection, the Senate recessed at 10:14 a.m.

AFTER RECESS

JOINT SESSION IN THE HOUSE

Speaker Gardiner called the House to order and turned the gavel over to President Tillion in accordance with the Uniform Rules. The joint session was called to order by President Tillion at 11:00 a.m.

The purpose of the joint session was to hear an address by the Honorable Jay S. Hammond, Governor, State of Alaska.

Senator Kerttula moved and asked unanimous consent the the roll call of the Senate be waived. Without objection, it was so ordered.

Representative Anderson moved and asked unanimous consent that the roll call of the House be waived. Without objection, it was so ordered.

President Tillion appointed Senator Kelly and Representative Guy to escort the Governor to and from the joint session.

The Honorable Jay S. Hammond was escorted to the rostrum and introduced by President Tillion.

The Governor delivered his Special Legislative Session address which appears in Senate and House Supplement No. 1 to today's journal.

Following his address, the Governor was escorted from the chambers.

Senator Colletta moved and asked unanimous consent that the joint session adjourn. Without objection, the joint session adjourned at 11:12 a.m.

IN THE SENATE

The Senate reconvened at 4:07 p.m.

COMMUNICATIONS

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: 1907/ 465-3795

September 22, 1980

The Honorable Clem V. Tillion
President of the Alaska Senate
Pouch V
Juneau, AK 99811

Dear President Tillion:

Chapter 50, SLA 1980, Chapter 173, SLA 1980 and Chapter 120, SLA 1980, the latter containing the general appropriations bill, contain item vetoes and reductions by the governor. It is the opinion of the Legislative Budget and Audit Committee and of counsel that certain purported vetoes in the Acts exceed the authority of the governor and are therefore void.

Under AS 24.20.201(a)(8) the Legislative Budget and Audit Committee has the power to:

"Sue in the name of the legislature during the interim between sessions if authorized by majority vote of the full membership of the committee."

Acting under this authority the committee directed action be brought seeking judicial determination that these vetoes were void. Action was commenced in Superior Court in Alaska State Legislature v. Hammond, Civil Action No. 1JU-80-1163.

Because of the special session the committee requested a legal opinion as to the effect of either attempting to override these vetoes or taking no action. That opinion has been furnished the committee and is attached.

Very truly yours,


Representative Jim Duncan
Chairman
Legislative Budget and Audit Committee

STANDING COMMITTEE REPORTS

The Finance Committee considered SENATE BILL NO. 591 (suspending the Alaska Net Income Tax Act for individuals and fiduciaries) and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 591, entitled:

"An Act relating to taxes; repealing the Alaska net income tax on individuals; and providing for an effective date."

and do pass. The report was signed by Senator Sackett, Chairman and concurred in by Senators Ray, Kerttula, Bennett, Hackney and Sumner. Senator Hohman signed "no recommendation".

SENATE BILL NO. 591 was referred to the Rules Committee.

The Finance Committee considered SENATE BILL NO. 592 (supplemental appropriation to the Department of Revenue) and a majority of the committee recommends it do pass. The report was signed by Senator Sackett, Chairman and concurred in by Senators Ray, Kerttula, Bennett, Hackney and Sumner. Senator Hohman signed "no recommendation".

SENATE BILL NO. 592 was referred to the Rules Committee.

SPECIAL ORDERS

Senator Ziegler moved and asked unanimous consent that he be excused from a call of the Senate from the close of business on September 26 until January 19, 1981. Without objection, Senator Ziegler was excused.

Senator Fahrenkamp moved and asked unanimous consent that she be excused from a call of the Senate from the close of business on September 26 through October 2, 1980. Without objection, Senator Fahrenkamp was excused.

ADJOURNMENT

Senator Colletta moved and asked unanimous consent that the Senate adjourn until 10:00 a.m., September 23. Without objection, the Senate adjourned at 4:10 p.m.

Peggy Mulligan
Senate Secretary

September 1980

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 591Title An Act Suspending the Alaska Net Income Tax Act for Individuals and FiduciariesRequested by Governor Date 9/22/80

II. FISCAL DETAIL

Agency Affected RevenueProgram Category Affected General GovernmentBRU, Program, or Subprogram(s) Affected Administration and Support Management Service

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		0	(480.2)			
200 TRAVEL		0	(2.0)			
300 CONTRACTUAL		0	(231.2)			
400 COMMODITIES		0	(1.0)			
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	(714.4)			

FUNDING (Thousands of Dollars)

GENERAL FUND		0	(714.4)			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	(16/192 mm)			
PART TIME		0	(10/50 mm)			
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

100 - 384.2 Salaries	3.00 - 96.2 Forms/Postage
96.0 Benefits	30.0 Machine Rental
480.2 Total Personnel Reduction	100.0 DP Chargeback
	5.0 Miscellaneous Contractual
	231.2 Total Contractual Reduction

IV. DATE 9/22/80PREPARED BY Mr. P. A. WallAGENCY RevenuePHONE 465-2313SENATE
JOURNAL SUPPLEMENT
SECOND SPECIAL SESSION

9/22/80

Monday

No. 1

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 591Title An Act Suspending the Alaska Net Income Tax ActRequested by Governor Date _____

II. FISCAL DETAIL

Agency Affected _____

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		112.878	1.6	2.3	2.8	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Withholding in Trust		73.5				
		(147.5)	(206)	(266)	(338)	

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

\$90,273,500 was previously appropriated in Ch. 120, SLA 1980, Sec. 52, p. 70, 1. 10 to cover the costs of Chapter 22. That figure included \$88.9 million for 1979 tax refunds, \$537,000 for refundable credits and \$836,500 for administrative costs. The new FY 81 figure of \$112,878,000 includes \$111,000,000 for 1979 tax refunds (an increase of \$22.1 million), \$1,042,000 for refundable credits (an increase of \$505,000) and \$836,500 for administrative costs (no increase). Complete suspension of the income tax is estimated to cost a total of \$22,605,000 more than the graduated exemption program in FY 81 and this is the figure utilized in the appropriation bill accompanying the suspension proposal since it is assumed the original Chapter 22 appropriation remains available to implement the new bill.

The \$73.5 million figure for FY 81 consists of withholding held in trust

for the first three quarters of tax year 1980 that will be refunded in FY 81.

The bottom line figures represent foregone revenues due to suspension of the individual income tax.

IV. DATE

PREPARED BY

AGENCY

PHONE

FISCAL NOTE

I. REQUEST

Bill/Resolution No.

SB 591

Title An act suspending the Alaska Net Income Tax for individuals and fiduciaries.

Requested by Governor

Date September 22

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Revenue Collection & Management

BRU, Program, or Subprogram(s) Affected Enforcement

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY
100 PERSONAL SERVICES	-0-	-0-	(191.3)			
200 TRAVEL	-0-	-0-	(7.8)			
300 CONTRACTUAL	-0-	-0-	(18.8)			
400 COMMODITIES	-0-	-0-	(1.9)			
500 EQUIPMENT	-0-	-0-				
600 LAND & STRUCTURES	-0-	-0-	(2.3)			
700 GRANTS, CLAIMS, ETC.	-0-	-0-				
TOTAL	-0-	-0-	(222.1)			

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	(222.1)			
FEDERAL FUNDS					
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME	-0-	(16)			
PART TIME	-0-				
TEMPORARY	-0-				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum from Fred Boetach, Director of Enforcement Division to Joe Donohue, Deputy Commissioner, Taxation, dated August 29, 1980.

IV. DATE

09/19/80

PREPARED BY

AGENCY

PHONE

Fred Boetach, Director of Enforcement

Revenue

(907) 465-2366

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 591

Title An Act suspending the Alaska Net Income Tax Act for individuals

Requested by Governor

Date 9/22/80

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Fiscal Services

BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	-0-	-0-	(162.3)		
200 TRAVEL	-0-	-0-	(-0.6)		
300 CONTRACTUAL	-0-	-0-	(-3.4)		
400 COMMODITIES	-0-	-0-			
500 EQUIPMENT	-0-	-0-			
600 LAND & STRUCTURES	-0-	-0-			
700 GRANTS, CLAIMS, ETC.	-0-	-0-			
TOTAL	-0-	-0-	(166.3)		

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	(166.3)		
FEDERAL FUNDS				
OTHER (Specify Fund Source)				

POSITIONS

FULL TIME	-0-	(6)		
PART TIME	-0-	(5)		
TEMPORARY				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE

September 22, 1980

PREPARED BY

AGENCY

PHONE

Audit Division

465-2320

SENATE JOURNAL

ALASKA STATE LEGISLATURE

ELEVENTH LEGISLATURE - SECOND SPECIAL SESSION

JUNEAU, ALASKA

Tuesday

September 23, 1980

Second Day

Pursuant to adjournment, the Senate was called to order by President Tillion at 10:09 a.m.

The roll call showed fifteen members present. Senators Ferguson, Hohman, Kelly, Ray and Sackett were absent.

The prayer was offered by the Chaplain, Lay Rabbi Danny Plotnick of the Juneau Jewish Community.

Senator Colletta moved and asked unanimous consent that the journal for the first legislative day, Senate and House Supplement No. 1 and Senate Supplement No. 1 be approved as certified. Without objection, it was so ordered.

Representatives Branson and Malone informed the Senate that the business of the House was completed and they had adjourned sine die.

Senator Bradley moved and asked unanimous consent that the Senate recess to a call of the Chair for the purpose of a Republican caucus. Without objection, the Senate recessed at 10:13 a.m.

The Senate reconvened at 10:50 a.m.

MESSAGES FROM THE HOUSE

Message of September 23 was read, stating the House has passed the following:

INTRODUCTION AND REFERENCE OF HOUSE BILLS

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1040 (Rules) amended, by the Rules Committee, entitled:

"An Act relating to taxes; repealing the Alaska net income tax on individuals and fiduciaries; providing for tax credits for political contributions and household and dependent care services; and providing for an effective date."

was read the first time and referred to the Finance Committee.

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1041 (Rules) by the Rules Committee, entitled:

"An Act making an appropriation to the Department of Revenue for income tax, estimated income tax, and withholding payment refunds to individuals and fiduciaries; and providing for an effective date."

was read the first time and referred to the Finance Committee.

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1042 (Rules) by the Rules Committee, entitled:

"An Act relating to taxes; repealing the Alaska net income tax on individuals and fiduciaries; providing for tax credits for political contributions and household and dependent care services; providing for refunds of 1979 individual and fiduciary income taxes; and providing for an effective date."

was read the first time and referred to the Finance Committee.

ANNOUNCEMENTS

Finance

Rm 518, Capital

11:00 a.m., 9/23

Senator Colletta moved and asked unanimous consent that the Senate recess until 1:30 p.m. Without objection, the Senate recessed at 10:55 a.m.

AFTER RECESS

The Senate reconvened at 2:06 p.m.

COMMUNICATIONS

September 23, 1980

The Honorable Jay S. Hammond
Governor, State of Alaska
Juneau, Alaska 99811

Dear Governor Hammond:

It is my understanding from your address to the joint session that if the Legislature wishes to make a dividend disbursement not now covered by the call, that the Speaker and the President could request that the call be enlarged and you would thereby comply.

It is the Senate's intention to act on a dividend bill. Therefore I am requesting the call to be enlarged to cover this legislation.

Sincerely,

/s/ Clem Tillion

Clem Tillion
President of the Senate
Alaska State Legislature

The following communication was received and distributed to all members of the Senate:

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

September 22, 1980

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

The Honorable Clem V. Tillion
President of the Alaska Senate
Pouch V
Juneau, AK 99811

Dear President Tillion:

Chapter 50, SLA 1980, Chapter 173, SLA 1980 and Chapter 120, SLA 1980, the latter containing the general appropriations bill, contain item vetoes and reductions by the governor. It is the opinion of the Legislative Budget and Audit Committee and of counsel that certain purported vetoes in the Acts exceed the authority of the governor and are therefore void.

Under AS 24.20.201(a)(8) the Legislative Budget and Audit Committee has the power to:

"Sue in the name of the legislature during the interim between sessions if authorized by majority vote of the full membership of the committee."

Acting under this authority the committee directed action be brought seeking judicial determination that these vetoes were void. Action was commenced in Superior Court in Alaska State Legislature v. Hammond, Civil Action No. 1JU-80-1163.

Because of the special session the committee requested a legal opinion as to the effect of either attempting to override these vetoes or taking no action. That opinion has been furnished the committee and is attached.

Very truly yours,

Attachment


Representative Jim Duncan
Chairman
Legislative Budget and Audit Committee

STATE OF ALASKA THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

September 22, 1980

SUBJECT: Legislative reconsideration of invalid vetoes of portions of appropriations; Alaska State Legislature, et al. v. Hammond, Civil Action No. 1JU-80-1163

TO: Representative Jim Duncan, Chairman
Legislative Budget and Audit Committee

FROM: Billy G. Berrier
Director
Division of Legal Services

You have asked whether the legislature should, or may, as it is authorized to do by Article II, section 16 of the Alaska Constitution, reconsider those portions of certain appropriations unconstitutionally vetoed by the governor which are the subject of Alaska State Legislature, et al. v. Hammond, Civil Action No. 1JU-80-1163. My opinion is that although the legislature may reconsider, it need not because the vetoes are unconstitutional and of no force and effect and the appropriations are law as originally enacted.

On July 25, 1980, the Legislative Budget and Audit Committee, after careful consideration of the constitutionality of the governor's vetoes of portions of items in certain appropriations bills, authorized a lawsuit to obtain a judicial declaration that these vetoes were unconstitutional, and the appropriations were law as originally enacted. The lawsuit was filed on August 29, 1980 and is pending in the Alaska Superior Court.

The governor's failure to exercise veto power in the manner prescribed by the Alaska Constitution renders his veto invalid and of no force and effect. The governor may not veto conditions or restrictions on appropriations, nor veto portions of items without vetoing the entire appropriation. See State of Alaska, Legislative Affairs Agency, Opinion, Work Order No. 12-0023 (July 21, 1980) and authorities cited therein. In addition, the governor must set out the reasons for his vetoes in detail. See, generally, State Ex Rel. Browning v. Blankenship, 175 S.E.2d 172 (W.Va. 1970). The requirements for exercise of the governor's veto power are mandatory and may not be satisfied by substantial compliance.

Those portions of appropriations invalidly vetoed are valid law as originally enacted by the legislature. Therefore, no reconsideration, as authorized by Article II, section 16 of the Alaska Constitution, is necessary.

It is possible, however, even if expedited, that the lawsuit will not generate a definitive result within this fiscal year. Also, in the absence of a judicial mandate, the governor need not, and may not, disburse funds in a manner consistent with the intent of the legislature.

The legislature may determine that the public interest demands that some appropriations affected by the governor's vetoes be disbursed according to the legislature's intent prior to final judicial resolution of this dispute. If the legislature so finds, it may, without abandoning its position, reconsider such invalidly-vetoed portions of appropriations in the prescribed manner, and override the governor's purported vetoes. As to these appropriations, the governor would have no choice but to disburse the appropriations in the manner originally intended by the legislature. The lawsuit will continue, however, to determine the validity of those appropriations improperly vetoed and the limitations on the governor's veto power.

STANDING COMMITTEE REPORTS

The Finance Committee considered COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1040 (Rules) amended (relating to taxes; repealing the Alaska net income tax on individuals and fiduciaries) and a majority of the committee recommends it do pass. The report was signed by Senator Sackett, Chairman and concurred in by Senators Kerttula, Bennett, Hackney and Sumner. Senators Hohman and Ray signed "no recommendation".

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1040 (Rules) amended was referred to the Rules Committee.

The Finance Committee considered COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1042 (Rules) (relating to taxes; repealing the Alaska net income tax on individuals and fiduciaries; providing for tax credits for political contributions and household and dependent care service) and a majority of the committee recommends it do pass. The report was signed by Senator Sackett, Chairman and concurred in by Senators Kerttula, Bennett, Hackney and Sumner. Senators Hohman and Ray signed "no recommendation".

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1042 (Rules) was referred to the Rules Committee.

The Finance Committee considered HOUSE BILL NO. 36 amended (special appropriation for a study of Alaska fisheries taxation law) and the committee recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 36 (Finance), entitled:

"An Act providing for residency payments to state residents; and providing for an effective date."

and do pass. The report was signed by Senator Sackett, Chairman and concurred in by Senators Hohman, Ray, Kerttula, Hackney, Sumner and Bennett.

HOUSE BILL NO. 36 amended was referred to the Rules Committee.

The Rules Committee considered HOUSE BILL NO. 36 amended (special appropriations to the Legislative Council for studies of Alaska's fisheries taxation law and policy) and recommends the following: Senator Colletta, Chairman and Senator Sumner signed "do pass the Senate Committee Substitute and calendar September 23". Senators Tillion, Hohman and Zielger signed "calendar September 23".

Senator Colletta moved and asked unanimous consent that the Rules be suspended and HOUSE BILL NO. 36 amended be made a Special Order of Business at this time. Without objection, it was so ordered.

SPECIAL ORDER OF BUSINESS

SECOND READING OF HOUSE BILLS

HOUSE BILL NO. 36 amended (special appropriation for a study of Alaska's fisheries taxation law) was read the second time.

Senator Ray moved and asked unanimous consent that the Finance Senate Committee Substitute offered above be adopted. Without objection, SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 36 (Finance) was adopted.

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 36 (Finance) (providing for residency payments to state residents) was read the second time.

Senator Colletta called the Senate.

The President stated the call was satisfied.

Senator Collett moved and asked unanimous consent that the Rules be suspended and SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 36 (Finance) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 36 (Finance) was read the third time.

The question being: "Shall SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 36 (Finance) (residency payments to state residents) pass the Senate?" The roll was taken with the following result:

SCS HB 36 3RD

Yeas: 18 Bennett, Bradley, Colletta,
Dankworth, Fahrenkamp, Ferguson,
Hackney, Hohman, Kelly, Kerttula,
Meland, Mulcahy, Ray, Rodey, Sackett,
Sturgulewski, Sumner, Ziegler

Nays: 2 Stimson, Tillion

and so, SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 36 (Finance) passed the Senate.

Senator Colletta moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 36 (Finance) was referred to the Secretary for engrossment.

The Rules Committee considered SENATE BILL NO. 591 (suspending the Alaska Net Income Tax Act for individuals and fiduciaries) and recommends it be placed on the September 23 calendar. The report was signed as follows: Senator Colletta, Chairman signed "do pass and calendar September 23". Senators Hohman, Tillion and Sumner signed "calendar September 23".

SENATE BILL NO. 591 appears on today's calendar.

The Rules Committee considered SENATE BILL NO. 592 (making a supplemental appropriation to the Department of Revenue) and recommends it be placed on the September 23 calendar. The report was signed as follows: Senator Colletta, Chairman signed "do pass and calendar September 23". Senators Hohman, Tillion and Sumner signed "calendar September 23".

SENATE BILL NO. 592 appears on today's calendar.

Senator Colletta moved and asked unanimous consent that today's calendar, namely: SENATE BILL NO. 591 and SENATE BILL NO. 592 be held until September 24. Senator Kelly objected, then withdrew his objection. There being no further objection, it was so ordered.

SPECIAL ORDER OF BUSINESS

Senator Colletta moved and asked unanimous consent that the Citation - In Memoriam - Bob Hartig be taken up as a Special Order of Business at this time. Without objection, it was so ordered.

CITATIONS

Senator Colletta moved and asked unanimous consent that the publication and notice requirement on the above Citation be waived. Without objection, it was so ordered.

Senator Colletta moved and asked unanimous consent that the Citation - In Memoriam Bob Hartig be sponsored by All Members of the Senate. Without objection, it was so ordered.

Senator Colletta moved and asked unanimous consent that the Citation In Memoriam - Rob Hartig be approved. Without objection, the Citation was approved and referred to the Secretary for return to the House.

ENGROSSMENT

The following was engrossed, signed by the President and Secretary and transmitted to the House:

SENATE COMMITTEE SUBSTITUTE FOR HOUSE
BILL NO. 36 (Finance)

ANNOUNCEMENTS

Finance

Rm 518, Capital

8:45 a.m. 9/24

ADJOURNMENT

Senator Colletta moved and asked unanimous consent that the Senate adjourn until 9:00 a.m., September 24. Without objection, the Senate adjourned at 2:24 p.m.

Peggy Mulligan
Secretary of the Senate

September 1980

MINUTES
SENATE FINANCE COMMITTEE
SPECIAL SESSION
September 22, 1980
1:40 p.m.

Chairman Sackett called the meeting to order at 1:40 p.m. All ATTENDANCE members were present. Also in attendance were Attorney General Wilson Condon; Assistant Attorney General Susan Burke; Commissioner of Department of Revenue Thomas K. Williams; Ken Vassar of Division of Legal Services, Legislative Affairs Agency; Senators Mulcahy, Ferguson, Kelly and Fahrenkamp; and members of the press including Joe LaRocca.

Chairman Sackett advised that the first order of business would be review of the various draft versions of SENATE BILL NO. 591. The three versions before the committee at that time were: SENATE BILL NO. 591 (An Act relating to taxes; repealing the Alaska net income tax on individuals; providing for tax credits for political contributions and household and dependent care services) (by the Senate Finance Committee); SENATE BILL NO. 591 (An Act suspending the Alaska Net Income Tax Act for individuals and fiduciaries) (version # 1 by the Office of the Governor); and SENATE BILL NO. 591 (An Act repealing the Alaska Net Income Tax Act for individuals and fiduciaries; providing for re-imposition of the Alaska Net Income Tax for individuals and fiduciaries) (version # 2 by the Office of the Governor). He requested that Assistant Attorney General Susan Burke explain to the Committee the difference between the Governor's versions # 1 and # 2. SB 591

Ms. Burke explained that the only real difference between the two versions was that in # 1 "suspension" substituted for "repeal" in # 2, and that there was an additional section at the end of # 2 allowing for re-enactment of the tax. She further stated that the effect of both bills would be to eliminate income taxes for individuals and fiduciaries until 1990. After that time, re-imposition of the tax would be conditional. The condition would be whether or not sustainable revenues (defined in the bill as all revenues except those related to mineral resource development) for the immediate base year were less than State expenditures for that year. She stated that there was a mechanism in both bills (section 2) that on January 1 of each year starting in 1989, the Commissioner of Revenue would certify to the Legislature and to the Governor the amount of sustainable revenues for the immediate base year. He would also certify the amount of State expenditures for that year, so that if expenditures were greater than the sustainable revenues, the tax would be re-imposed starting with the next January 1. This would give the Legislature an opportunity to do whatever it thought appropriate with respect to the tax before it actually went into effect. She added that the only real difference between the terms "suspension" and "repeal" was a semantical one, and that legally and practically both bills would have the same effect. SB 591 (versions # 1 & # 2)

Discussion on the Governor's version followed. Senator Kerttula asked Ms. Burke to further define "sustainable revenues", and Ms. Burke responded that it was by exception, adding that revenues considered to be "non-sustainable" were listed as specifically as possible by Alaska Statute number at the end of section 2 (version # 2). Senator Kerttula also questioned her concerning the conditional re-imposition of the tax, to which she responded that she felt it was clear that a subsequent legislature could undo what was in the bill, and that she didn't see a problem with making it conditional or just "flat re-imposing" it in 1990.

Senator Hohman moved that the committee meet in executive session and stated to Chairman Sackett that his reason was "personalities". Chairman Sackett stated that the committee would stand in recess for five minutes while the room was cleared, and that an executive session would be held. EXECUTIVE SESSION

The committee recessed at 2:00 p.m.

RECESS

AFTER RECESS

Chairman Sackett called the meeting back to order at 2:10 p.m. All members were present. Others in attendance were the same as those in attendance at the beginning of the meeting.

Chairman Sackett requested that Ms. Burke continue her testimony. She reiterated that she did not see any real problems with a conditional re-imposition.

Senator Hackney asked the Commissioner of Department of Revenue about staffing needs in relation to the tax credits issue. Commissioner Williams stated that the program would not require a large staff, adding that the plan was to phase down the department during FY 82. But since they have a continuous paper flow, he didn't anticipate any major staffing reductions in this fiscal year. He said that by the end of FY 82, the department anticipated cutting back the following positions:

- 6 part time audit employees

- 6 full time audit employees

- 16 positions from the Enforcement Division

- 16 full time & 10 part time from Administrative Services

Further discussion with the Commissioner ensued concerning staff workload and personal services costs. Commissioner Williams stated that over a three year period, personal services costs would run about \$2.76 to \$2.83 million.

Chairman Sackett asked Attorney General Condon if he wished to add anything to the testimony. The Attorney General responded that he did not at that time unless the committee wished to discuss a repeal of 1978 taxes, adding that he had prepared an analysis having to do with tax repeal in relation to comparable court cases.

Discussion followed. Senator Ray asked the Attorney General if he had recommended to the Governor that the portions of any bill relating to refund of '77 and '78 taxes be vetoed. The Attorney General responded that if such legislation was passed, they would recommend veto, and that additionally, if the legislative body were to override such a veto, the administration would make arrangements to secure outside council.

The question of "severability" arose, and Attorney General Condon stated that there was a general law in the Statutes allowing for severability, but that if the legislature wished to confirm that right in this special case, it would be preferred that the language be written up in a separate bill.

Chairman Sackett thanked the three for their testimony, and then requested that Ken Vassar of the Legislative Affairs Legal Services Division come forward to discuss the Senate Finance Committee version of SENATE BILL NO. 591. Discussion ensued on such aspects of this version as tax credits, political contributions and severability. Mr. Vassar also stated that there was a severability clause in the Alaska Statutes, so that even though it was not in this bill version, the legislation would automatically be severable. Senator Kelly asked if, with the passage of this legislation, people would need to apply for a refund or if it would automatically go out to them. Mr. Vassar stated that the Department of Revenue could make '79 refunds without applications. Commissioner Williams added that that was essentially correct, though the '80 withholding refunds would not be made until January or February of 1981.

CSSB 591

Senator Ray moved to delete section 2 of the draft version. Senator Kerttula asked unanimous consent. Senator Sumner objected, then removed his objection. There being no further objection, it was so ordered. MOTION

Senator Ray moved and asked unanimous consent that section 9 be deleted in its entirety. There being no objection, it was so ordered. MOTION

Senator Ray moved that a new section be added at the end saying that the effective date of repeal of these sections would be January 1, 1980. There being no objection, it was so ordered. MOTION

Senator Kerttula moved and asked unanimous consent that the Senate Finance COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 591 be moved from committee with a "do pass" recommendation. Senator Sumner objected, then removed his objection. There being no further objection, it was so ordered, and the committee report was signed as follows: Chairman Sackett and Senators Ray, Kerttula, Bennett, Hackney and Sumner signed "do pass", and Senator Hohman signed "no recommendation". MOTION
CSSB 591

Senator Ray brought up the subject of the permanent fund dividend payments, stating that a court decision would not come out until after the end of the special session. As it might also be rendered unconstitutional, he felt that there should be some additional legislation provided then to get the money back to the people of Alaska so that they wouldn't have to wait until next session. The committee discussed with Ms. Burke the ramifications of such legislation. The possibility of making a committee substitute for SENATE BILL NO. 592 (supplemental appropriation to the Department of Revenue) to include a residency payment of \$500 payment to individuals of the state was discussed. Chairman Sackett questioned whether or not this would be within the purview of the call of the session. Ms. Burke stated that she felt that if it would stimulate the economy it would probably be considered relevant to the "call". It was decided that a special bill with a letter of intent be written up by Mr. Vassar; Chairman Sackett requested that Ms. Burke speak with the Governor about broadening his request, and stated that the committee would return to this subject at the next day's meeting.

Senator Kerttula moved that SENATE BILL NO. 592 be passed from committee with a "do pass" recommendation. Senator Sumner asked unanimous consent. There being no objection, it was so ordered, and the committee report was signed as follows: Chairman Sackett and Senators Ray, Kerttula, Bennett, Hackney and Sumner signed "do pass", and Senator Hohman signed "no recommendation".

MOTION
SB 592

Chairman Sackett advised that the committee would meet again at 9:00 a.m. the following day. The meeting adjourned at 3:00 p.m.

ADJOURN

TAPE # 1, Side 1 (000 - 154)
Before recess. Tape
malfunction after
recess.

MINUTES
SENATE FINANCE COMMITTEE
SPECIAL SESSION
September 23, 1980
9:30 a.m.

Chairman Sackett called the meeting to order at 9:30 a.m. All members were present. Also in attendance were Jack Chenoweth of the Legal Services Division of Legislative Affairs; Janet Klein of the Department of Revenue; Senators Ferguson, Colletta, Fahrenkamp and Sturgulewski; and members of the press including Joe LaRocca.

ATTENDANCE

Chairman Sackett advised that Jack Chenoweth of the Legal Services Division was present to explain the previously requested draft to provide a \$500 residency payment to individuals in Alaska, and he requested that Mr. Chenoweth come forward. Mr. Chenoweth stated that he had prepared the draft in response to yesterday's request to Mr. Vassar. He said the draft was to be an adjunct to the permanent fund dividend payment legislation now in litigation, so that an immediate payment of \$500 could be made, and credit would be applied against any possible permanent fund dividend payments at a later date. He proceeded to go through the sections of the bill. Section 1 stated this to be a temporary substitute for the permanent fund legislation that is now on the books subject to litigation. Section 1 B stated that this bill did not serve as inducement for people to come into the state just to receive the \$500 payment. He said that \$500 is not an adequate incentive for people to leave where they are now to come to Alaska for 30 days in order to qualify for the money. Section 2 set out the qualifications for the payment. Chairman Sackett and Senator Ray both questioned Mr. Chenoweth further on Section 1 B, with Senator Ray stating that \$500 certainly did seem incentive enough for people to come to Alaska for a 30 day paid vacation. Chairman Sackett did not see a reason for making the statement in the bill in any case. He requested that Mr. Chenoweth continue. Mr. Chenoweth read the following qualifications from Section 2:

RESIDENCY
PAYMENTS

SCS HB 36
(Finance)

- must be 18 years of age
- must be a state resident on the date of application
- must make application to Department of Revenue before 8/1/81.

Chairman Sackett questioned the length of time given to make application. Mr. Chenoweth responded that the Department of Law operated under the assumption that if it were limited to people who were residents on the effective date of the Act, perhaps distinctions would be drawn between people that may not be sustainable in the case of an equal protection challenge to this particular scheme. He added that he had "followed their lead" in the drafting of this legislation because this was the way the Administration was proposing to "send it down", but that if the committee wished, it could be changed accordingly. Senator Ray suggested that a 30 day grace period from the date of the Act be given so that they could establish residency, but was strongly opposed to giving them an entire year. Senator Sumner stated that he felt the 8/1/81 date was inconsistent with Section 1 B and Section 2, item 1.

When asked by Mr. Chenoweth if the permanent fund dividend application deadline of November 15, 1980 should be the date to rely upon, Senator Ray stated that he did not want this legislation tied in any legal manner to the permanent fund dividend legislation. Ms. Janet Klein of the Department of Revenue explained that the bill had been worded this way so that the \$500 payments could be made based on the '79 permanent fund applications that have already been sent out, and that it was assumed that anyone eligible for the permanent fund payments would also be eligible for the \$500 residency payments. But, she added, it would leave a lapse of about a year for people who have come up or back to Alaska in 1980. Senator Ray stated that he understood that but that the "whole door was opened" with this language. He suggested instead that a person be required to be a resident on a certain date (perhaps 45 days forward of the effective date of the act), and then give them until 8/1/81 to make application. Chairman Sackett asked Mr. Chenoweth to make that language change.

Mr. Chenoweth went on to explain that subsection D provided that '79 permanent fund dividend applications could serve in place of any separate application that might be required in B or C. Senator Ray requested that all reference to the permanent fund be deleted. He suggested the following wording: "...an individual who has established his residency previous to November 15, 1980 is presumed to be eligible..."

Further discussion on the draft followed. In relation to subsection H, it was decided that "other reasons satisfactory to the commissioner" be added so that there wouldn't be the constraint of regulation. The "18 years of age or older" issue was discussed. Mr. Chenoweth that if it was ruled invalid, the requirements would be filing date and residency. Senator Sumner stated that the safe way would be for people to make applications for minors in the meantime. Senator Ray stated the the requirement should simply be that the person be "qualified to vote". Mr. Chenoweth responded that he saw no problem with that if it was clear that the person did not necessarily have to be registered to vote. Chairman Sackett requested that Mr. Chenoweth write that language in.

Chairman Sackett advised that if the committee passed the legislation as discussed, HOUSE BILL NO. 36 am (special appropriation for a study of Alaska's fisheries taxation law) would be used as the vehicle, and the bill would become SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 36 (Finance) (An Act providing for residency payments to state residents; effective date).

Senator Sumner moved and asked unanimous consent that the bill be moved from committee with a "do pass" recommendation. There being no objection, it was so ordered, and the committee report was signed "do pass" by all members.

MOTION
SCS HB 36
(Finance)

The meeting adjourned at 10:00 a.m.

ADJOURN

MINUTES
SENATE FINANCE COMMITTEE
SPECIAL SESSION
September 23, 1980
11:00 a.m.

Chairman Sackett called the meeting to order at 11:00 a.m. All members were present. Also in attendance were Attorney General William Condon; Ken Vassar of the Legislative Affairs Legal Services Division; Shiela Klein of the Department of Revenue; Commissioner Thomas K. Williams of the Department of Revenue; Fiscal Analyst Alston Elgee; Senator Ferguson; and members of the press including Joe LaRocca.

ATTENDANCE

Chairman Sackett advised that the committee would consider the following House bills; COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1040 (Rules) am (An Act relating to taxes; repealing the Alaska net income tax on individuals and fiduciaries; providing for tax credits for political contributions and household and dependent care services); COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1041 (Rules) (An Act making an appropriation to the Department of Revenue for income tax, estimated income tax, and withholding payment refunds to individuals and fiduciaries); and COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1042 (Rules) (An Act relating to taxes; repealing the Alaska net income tax on individuals and fiduciaries; providing for tax credits for political contributions and household and dependent care services; providing for refunds of 1979 individual and fiduciary income taxes).

CSHB 1040
(Rules) am

CSHB 1041
(Rules)

CSHB 1042
(Rules)

Chairman Sackett questioned Ms. Shiela Klein on the appropriation portion of the legislation. Ms. Klein stated that the \$90 million in Chapter 120 had been repealed and was reinstated in this legislation, along with the \$22.6 million, for a total of \$112.878 million. Also, rather than take a chance that it would not be needed, the \$73.5 million for the 1980 withholding refunds had been added to the appropriation bill (CSHB 1041 (Rules)).

Senator Ray questioned the validity of giving out money from the State treasury when there have been no tax requirements, or when no money has been expended. He felt that this might be a violation of the equal protection clause in relation to the recent Supreme Court decision. He stated that he would like to obtain an opinion from the Attorney General. Senator Kerttula stated that he would also like an opinion on the severability clause. Senator Hohman stated that he would like to move the bill from committee. Chairman Sackett stated that the Attorney General was on his way to testify before the committee, and that these questions could be directed to him momentarily.

Attorney General Condon arrived at the meeting and Senator Ray restated his question. He said that he could understand the idea of a refund if an individual paid a tax or made political contributions, but questioned any kind of tax credit (subsidy from the state treasury) when no tax had been paid in the first place. He felt that the trend of the State's argument on equal protection might prove this action to be entirely contrary to the equal protection clause. He pointed specifically to lines 16, 18 and 20 of page 2 of CSHB 1040 (Rules) amended. Attorney General Condon responded that he felt that someone could raise the question, but that in his opinion, he did not feel they could prevail. He reiterated that since there was a general severability clause in the Alaska Statutes, one was not needed in this language in order for it to be severable. He did not feel that any judge would do any more than enjoin the refunding of money in those instances. He added that he would be willing to take responsibility for the language, but again, did not feel that the question of political contributions and/or child care would raise any controversy. He said that these issues had been ignored in the Zobel case, and the odds were enormous that they would be bothered in the future. Senator Sumner asked if there was anything the Attorney General could recommend that would render this legislation less vulnerable, to which Attorney General Condon responded "I don't think so".

CSHB 1040
(Rules) am

Senator Ray pointed out that in COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1041 (Rules) (appropriation to Department of Revenue for income tax, estimated income tax, and withholding payment refunds to individuals and fiduciaries), there was mention in the body of the bill relating to tax credits, but that the title of the bill made no such mention. Commissioner Williams stated that that might mean that there was no valid appropriation for tax credits. The Attorney General stated that in reading the bill, he could not say that there was money actually appropriated for tax credits. Legislative Finance Fiscal Analyst Alison Elgee stated that the \$112 million would provide for the tax credits, that provisions had been made in the body of the bill but not in the title. Mr. Vassar of the Legislative Affairs Agency Legal Services Division stated that the \$112 million was for Department of Revenue refunds and tax credits, and cited the Alaska Statute number providing for '79 tax refunds and '79 and '80 tax credits. He qualified that it would did mention that the appropriation was for income tax refunds.

CSHB 1041
(Rules)

BEGIN TAPE # 2, SIDE 2

Discussion continued. Senator Ray asked for an Attorney General's opinion on the matter. Chairman Sackett made that request to the Attorney General. Attorney General Condon responded that he would provide the committee with an opinion by 1:00 p.m. in the afternoon.

REQUEST
FOR A.G.'s
OPINION

The meeting adjourned at 11:40 a.m.

ADJOURN

TAPE # 2, Side 1 (410 - end)
Side 2 (000 - 87)

MINUTES
SENATE FINANCE COMMITTEE
SPECIAL SESSION
September 23, 1980
1:30 p.m.

Chairman Sackett called the meeting to order at 1:30 p.m. All members were present. Also in attendance were Attorney General William Condon, and members of the press including Joe LaRocca.

ATTENDANCE

Chairman Sackett advised that the meeting had been called to hear the Attorney General's opinion on whether or not the fact that "tax credits" was not mentioned in the title of CSHB 1041 (Rules) would cause legal problems upon the passage of the bill. He requested that the Attorney General come forward.

CSHB 1041
(Rules)

Attorney General Condon passed a written opinion out to the committee (appended to the end of these minutes), and stated that he had concluded that the court would say "pay the credits" for political contributions and child care. He went on to say that there were no cases in Alaska which construe our descriptive title requirements since we became a state. There was a Territorial case which construed the Organic Act which had the same requirement and the same language in it. That 1946 case, dealt with the two halves (the descriptive title requirement and the single subject requirement). He said that there were a lot of cases in his court dealing with the single subject clause (such as the Griffin case). The Supreme Court has followed this case on the single subject side, and it was his guess that they would on the descriptive title side also. The Griffin case cites reasons for a descriptive title requirement, saying that it is to "prevent inadvertance and surreptitiousness". He concluded that in today's case, there were three bills all relating to the same subject, and that he did not think a court would say that the legislative body was not informed concerning the matter that was before them; however, he agreed that it was a very liberal construction of the descriptive title requirement.

A.G.'S
OPINION

Senators Sumner and Kerttula stated that if "severability" was available, they would be willing to go with the bill as it was. Senator Sumner moved and asked unanimous consent that CSHB 1041 (Rules) be passed from committee with individual recommendations. Senator Ray objected, saying that it was the committee's responsibility to see that legislation known to be defective not be passed from that committee. Senator Hackney suggested writing a Letter of Intent to go with the bill, stating that when the Supreme Court looked at the legislation they would also be looking at the legislative intent with respect to the subject matter. Senator Hohman stated that he felt that the problem should be cleared up so that a Letter of Intent would not be necessary. Senator Hackney asked Attorney General Condon what a strong Letter of Intent would do.

Attorney General Condon responded that a letter of Intent would make it abundantly clear that the committee knew they were considering an appropriation to refund tax credits for political contributions and child care payments and that the descriptive title requirement was fulfilled; but that they were just unable to change the title language and still pass the same bill the House had passed in the desired time frame. He pressed the point that such a letter would acknowledge that the committee knew what it was doing. LETTER OF INTENT

The members discussed the issue further; it was apparent that if the bill were not passed from committee, the House would have to be called back into session. Senator Ray restated his objection, along with Senator Hohman. Senator Ray also stated that a Letter of Intent from only one body of the legislature would not carry much weight. Attorney General Condon stated that it was clear on the floor that the House knew what it was doing and that was all that was needed to fulfill the title requirement. Senators Kerttula and Hackney stated that they would be in favor of the bill if it were accompanied by such a Letter of Intent.

Chairman Sackett asked if there were any objections to moving COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1040 (Rules) am (An Act relating to taxes; repealing the Alaska net income tax on individuals and fiduciaries; providing for tax credits for political contributions and household and dependent care services; and providing for an effective date) from committee. There being no objection, it was so ordered and the committee report was signed as follows: Chairman Sackett and Senators Kerttula, Bennett, Hackney and Sumner signed "do pass", and Senators Hohman and Ray signed "no recommendation". CSHB 1040 (Rules) am

Senator Kerttula moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1042 (Rules) (An Act relating to taxes; repealing the Alaska net income tax on individuals and fiduciaries; providing for tax credits for political contributions and household and dependent care services; providing for refunds of 1979 individual and fiduciary income taxes; and providing for an effective date) be moved from committee with individual recommendations. There being no objection, it was so ordered and the committee report was signed as follows: Chairman Sackett and Senators Kerttula, Bennett, Hackney and Sumner signed "do pass", and Senators Hohman and Ray signed "no recommendation". CSHB 1042 (Rules)

Chairman Sackett advised that the committee would consider CSHB 1041 (Rules) at a later time. CSHB 1041 (Rules)

The meeting adjourned until further notice at 2:00 p.m. ADJOURN

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

September 23, 1980

The Honorable Bill Ray
Alaska State Legislature
165 Behrends Avenue
Juneau, Alaska 99801

Dear Senator Ray:

You have requested our opinion on the question of whether or not the title of CSHB 1041 (Rules), passed by the Alaska House of Representatives early this morning, is sufficient to permit funds to be paid out for the tax credits provided in CSHB 1040 (Rules) am, and CSHB 1042 (Rules). Section 1(1) of the bill provides that part of the appropriation to the Department of Revenue is "for 1979 and 1980 tax credits payable under AS 43.20.013." The title of the bill does not mention tax credits, but describes the Act as "an appropriation . . . for income tax, estimated income tax, and withholding payment refunds for individuals and fiduciaries." Consequently, a question is raised as to whether the title of the bill is an adequate description of the subject matter contained in the bill. We believe that a court would find the title adequate.

Article II, sec. 13 of the Alaska Constitution requires that "the subject of each bill shall be expressed in the title." The purpose of the requirement is to prevent stealth, inadvertance, and the surreptitious introduction of legislation not indicated by the title. Griffin v. Sheldon, 78 F.Supp. 455, 11 Alaska 607, 615-616. The requirement is to be liberally construed in order to uphold the law and accomplish "the beneficial purposes for which it was enacted." Id. Mere verbal inaccuracies are to be disregarded, and doubts are to be resolved in favor of the bill's validity.

Here, if anything, the only complaint is that the bill was particularized rather than general, and one of the bill's particulars was omitted from the title. A generalized title would have provided the reader with no greater knowledge, but its validity would not be questioned. Moreover here, there is no issue of stealth, inadvertance, or surreptitiousness. The House was well aware that tax credits were also involved, and an attempt was made to eliminate them from the authorizing, substantive legislation. Finally, this bill

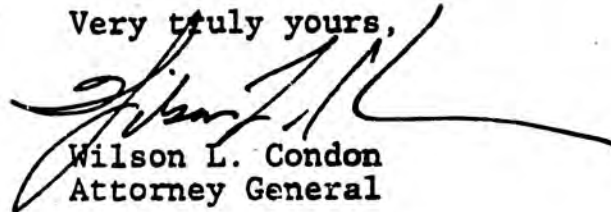
The Honorable Bill Ray

- 2 -

September 23, 1980

merely appropriates the money to pay the expense of the refunds and tax credits which are authorized by the substantive law. To that extent, the purpose of the requirement becomes less important than it is when applied to substantive bills. The decision to pay tax refunds and credits was duly made. This bill's sole purpose is to make money available to carry out that decision.

Very truly yours,



Wilson L. Condon
Attorney General

WLC:cjs

MINUTES
SENATE FINANCE COMMITTEE
SPECIAL SESSION
September 24, 1980
8:55 a.m.

Chairman Sackett called the meeting to order. All members were present with the exception of Senator Ray. Also in attendance were members of the press including Joe LaRocca.

ATTENDANCE

Chairman Sackett stated that Letters of Intent for CSHB 1041 (Rules) had been drafted by both Legislative Finance staff and the Attorney General's Office, and that the general consensus was to use the letter drafted by staff. (attached)

CSHB 1041
(Rules)

Senator Kerttula moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1041 (Rules) (An Act making an appropriation to the Department of Revenue for income tax, estimated income tax, and withholding payment refunds to individuals and fiduciaries; and providing for an effective date) be moved from committee with the Letter of Intent, with individual recommendations. There being no objection, it was so ordered and the committee report was signed as follows: Chairman Sackett and Senators Sumner, Hackney and Bennett signed "do pass", and Senators Kerttula and Hohman signed "no recommendation".

MOTION

Chairman Sackett advised that the next order of business would be to consider the appropriation of \$150 million for the residency payment legislation passed from committee the previous day. He added that the vehicle for passage of the appropriation was COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 136 (Finance) am (special appropriation to the Department of Fish and Game for sonar fish counters), and that it would be replaced by SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 136 (An Act making a special appropriation to the Department of Revenue for residency payments; and providing for an effective date). Senator Sumner moved and asked unanimous consent that the bill be moved from committee with a "do pass" recommendation. There being no objection, it was so ordered and the committee report was signed as follows: Chairman Sackett and Senators Sumner, Hackney, Bennett and Kerttula signed "do pass", and Senator Hohman signed "no recommendation".

SCS CSHB 136

MOTION

The meeting adjourned at 9:10 a.m.

ADJOURN

SENATE JOURNAL

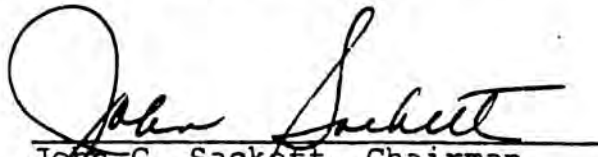
SENATE FINANCE COMMITTEE

LETTER OF INTENT For CSHB 1041 (Rules)

The Senate Finance Committee is passing out the CSHB 1041 (Rules) as passed by the House. It is the understanding of the Committee that the appropriation bill includes funds to pay 1979 tax refunds, 1980 withholding and estimated taxes paid, and 1979 and 1980 refundable tax credits as provided for by CSHB 1040 (Rules) am and CSHB 1042 (Rules). The Committee is aware of the omission of reference to the 1979 and 1980 refundable credits in the title of CSHB 1041 (Rules). It is noted that section 1(b) specifically states that the appropriation contained in section 1 is for the purpose of paying 1979 and 1980 refundable credits.

The Senate Finance Committee would have preferred to have offered a Committee Substitute correcting the bill title. However, due to the adjournment of the House and the time constraints facing the Senate, the Finance Committee has chosen to pass out CSHB 1041 (Rules) in the interests of expediting the legislation.

It is the intent of the Committee that this letter serve as evidence that the complete contents of CSHB 1041 (Rules) were duly considered in the action taken on this bill.


John C. Sackett, Chairman
Senate Finance Committee

Original sponsor: Rules Committee

Offered: 9/23/80
For Today's Calendar

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 1040 (Rules) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to taxes; repealing the Alaska net
7 income tax on individuals and fiduciaries; providing
8 for tax credits for political contributions and house-
9 hold and dependent care services; and providing for an
10 effective date."

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

12 * Section 1. FINDINGS. The legislature finds:

13 (1) Section 1, ch. 22, SLA 1980 afforded complete tax relief to a
14 majority of individual taxpayers under the Alaska Net Income Tax Act and
15 substantial tax relief to most other taxpayers by means of exemptions based
16 on the number of years an individual reported Alaska income. On September 4,
17 1980, the Alaska Supreme Court ruled that these exemptions violate the equal
18 protection clause of art. I, sec. 1 of the state constitution. The effect of
19 that decision is to reimpose the full income tax burden on all taxpayers.

20 (2) It is in the public interest to remedy the constitutional
21 defect and provide tax relief to the public at least equal to that attempted
22 by the exemptions in sec. 1, ch. 22, SLA 1980. This can best be accomplished
23 by repealing the Alaska net income tax on individuals and fiduciaries.

24 * Sec. 2. AS 43.20 is amended by adding new sections to read:

25 Sec. 43.20.012. LIMITATION ON APPLICATION OF CHAPTER; CREDITS.

26 The tax imposed by this chapter does not apply to individuals or to
27 fiduciaries. However, an individual may file a return under this chapter
28 in order to receive a tax credit under AS 43.20.013.

29 Sec. 43.20.013. INDIVIDUAL TAX CREDITS. (a) A resident individ-

1 ual is entitled to a tax credit not to exceed \$50 for

2 (1) a contribution made in a calendar year to a person or
3 organization for use exclusively

4 (A) for a political campaign for a candidate for

5 (i) President or Vice President of the United
6 States, whether or not the candidate will be voted on in a
7 primary election in Alaska;

8 (ii) United States senator from Alaska;

9 (iii) United States representative from Alaska;

10 (iv) governor or lieutenant governor of Alaska;

11 (v) the Alaska legislature;

12 (vi) delegate to an Alaska constitutional convention;

13 (vii) electoral confirmation as a judge or justice of
14 a court in Alaska; or

15 (viii) municipal office in Alaska; or

16 (B) by a group seeking to influence the outcome of a
17 ballot proposition or question in Alaska; and

18 (2) dues paid in a calendar year to a nonprofit organization
19 organized primarily for the purpose of influencing elections in Alaska.

20 (b) A resident individual is entitled to a tax credit equal to 16
21 percent of the tax credit claimed by the individual on his federal
22 income tax return for household and dependent care services necessary
23 for his gainful employment.

24 (c) The commissioner of revenue shall pay the amount of a tax
25 credit allowed by this section to a resident individual who makes a
26 return as provided in AS 43.20.012. A credit under this section shall
27 be paid in the manner provided in AS 43.20.030(e) for the payment of
28 refunds and payment may not be made without an appropriation for that
29 purpose.

1 * Sec. 3. AS 43.20.021(c) is amended to read:

2 (c) For purposes of calculating the alternative tax on capital
3 gains provided for in the provisions of Internal Revenue Code sec. 1201,
4 the rate is 4.5 percent for corporations [AND 4 PERCENT FOR INDIVIDUALS
5 AND FIDUCIARIES].

6 * Sec. 4. AS 43.20.021(d) is amended to read:

7 (d) Where a credit allowed under the Internal Revenue Code is also
8 allowed in computing Alaska income tax, it is limited to [16 PERCENT FOR
9 INDIVIDUALS AND FIDUCIARIES AND] 18 percent for corporations of the
10 amount of credit determined for federal income tax purposes which is
11 attributable to Alaska.

12 * Sec. 5. AS 43.20.021(f) is amended to read:

13 (f) For the purpose of calculating the minimum tax on tax prefer-
14 ences provided for in secs. 56 - 58 of the Internal Revenue Code (26
15 U.S.C. secs. 56 - 58), the rate is [16 PERCENT FOR INDIVIDUALS AND] 18
16 percent for corporations of the applicable minimum federal tax rate.

17 * Sec. 6. AS 43.20.030(a) is amended to read:

18 (a) If a [EVERY INDIVIDUAL, FIDUCIARY,] partnership which has a
19 corporation as a partner or a [AND] corporation is required to make a
20 return under the provisions of the Internal Revenue Code, it shall at
21 the same time file with the department a return setting out

22 (1) the amount of tax due under this chapter, less credits
23 claimed against the tax; and

24 (2) other information for the purpose of carrying out the
25 provisions of this chapter which the department requires.

26 * Sec. 7. REFUND OF 1980 INCOME TAXES. (a) An individual or fiduciary
27 is entitled to a refund of his Alaska net income taxes paid or withheld after
28 December 31, 1979 for all or part of a tax year occurring after December 31,
29 1979. An individual or fiduciary is also entitled to a refund of his

1 estimated net income tax payments made under AS 43.20 after December 31, 1979
2 for a tax year for which he has not filed a year-end return under AS 43.20.-
3 030.

4 (b) A refund under this section may be made only as provided in this
5 section. Refunds of Alaska net income taxes paid may not be made without an
6 appropriation for that purpose.

7 (c) The department shall establish procedures for determining the
8 amount of and for making the refunds described in (a) of this section.

9 (d) The commissioner may adopt regulations to implement this section,
10 and those regulations may be adopted as emergency regulations under AS 44.-
11 62.250 and 44.62.260.

12 (e) In this section,

13 (1) "commissioner" means the commissioner of revenue;

14 (2) "department" means the Department of Revenue.

15 * Sec. 8. The provisions of AS 43.05.280 do not apply to refunds made
16 under sec. 7 of this Act.

17 * Sec. 9. AS 43.20.013(a) is amended to read:

18 (a) A resident individual is entitled to a tax credit not to
19 exceed \$100 [\$50] for

20 (1) a contribution made in a calendar year to a person or
21 organization for use exclusively

22 (A) for a political campaign for a candidate for

23 (i) President or Vice President of the United
24 States, whether or not the candidate will be voted on in a
25 primary election in Alaska;

26 (ii) United States senator from Alaska;

27 (iii) United States representative from Alaska;

28 (iv) governor or lieutenant governor of Alaska;

29 (v) the Alaska legislature;

1 (vi) delegate to an Alaska constitutional conven-
2 tion;

3 (vii) electoral confirmation as a judge or justice of
4 a court in Alaska; or

5 (viii) municipal office in Alaska; or

6 (B) by a group seeking to influence the outcome of a
7 ballot proposition or question in Alaska; and

8 (2) dues paid in a calendar year to a nonprofit organization
9 organized primarily for the purpose of influencing elections in Alaska.

10 * Sec. 10. The following laws are repealed: AS 43.20.011(a) - (d) and
11 (f), 43.20.015, 43.20.017, 43.20.021(e), 43.20.030(f) and (g), 43.20.031(a),
12 (b), and (f) - (h), 43.20.033, 43.20.035, 43.20.036(d) - (i), 43.20.038,
13 43.20.039, 43.20.040(b)(3) and (6), 43.20.045, 43.20.061, 43.20.160(e),
14 43.20.180, 43.20.215, and secs. 6 - 11 of ch. 22 SLA 1980.

15 * Sec. 11. AS 43.20.170 and 43.20.340(4), (7), (13), (14), (16), and (17)
16 are repealed.

17 * Sec. 12. Sections 2, 3 - 6, and 10 of this Act are retroactive to
18 January 1, 1980.

19 * Sec. 13. Section 9 of this Act takes effect January 1, 1981. Section
20 11 of this Act takes effect February 1, 1981. Sections 1 - 8, 10, 12, and 13
21 of this Act take effect immediately in accordance with AS 01.10.070(c).
22
23
24
25
26
27
28
29

Original sponsor: Rules Committee

Offered: 9/23/80
For Today's Calendar

Funding Information

General Fund \$186,378,500
Other Funds -0-
\$186,378,500

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 1041 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act making an appropriation to the Department of
7 Revenue for income tax, estimated income tax, and
8 withholding payment refunds to individuals and fiducia-
9 ries; and providing for an effective date."

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

11 * Section 1. The sum of \$112,042,000 is appropriated from the general
12 fund to the Department of Revenue

13 (1) for refunds to individuals and fiduciaries for income taxes
14 paid after December 31, 1978 for all or part of a tax year occurring after
15 December 31, 1978 and

16 (2) for 1979 and 1980 tax credits payable under AS 43.20.013.

17 * Sec. 2. The sum of \$73,500,000 is appropriated from the general fund to
18 the Department of Revenue for refunds to individuals and fiduciaries of esti-
19 mated income taxes paid and income taxes withheld after December 31, 1978 for
20 tax years for which a year-end return has not been filed under AS 43.20.030.

21 * Sec. 3. The sum of \$836,500 is appropriated from the general fund to
22 the Department of Revenue for administrative costs related to the refunds and
23 credits payable under this Act.

24 * Sec. 4. Lines 10 - 11, page 70, ch. 120 SLA 1980 are repealed, and the
25 appropriation made at those lines is lapsed into the general fund.

26 * Sec. 5. This Act takes effect on the effective date of the repeal of
27 AS 43.20.011(a) - (d) and (f).
28
29

Original sponsor: State Affairs Committee

Offered: 9/23/80
For Today's Calendar

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 1042 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to taxes; repealing the Alaska net
7 income tax on individuals and fiduciaries; providing
8 for tax credits for political contributions and house-
9 hold and dependent care services; providing for refunds
10 of 1979 individual and fiduciary income taxes; and
11 providing for an effective date."

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

13 * Section 1. FINDINGS. The legislature finds:

14 (1) Section 1, ch. 22, SLA 1980 afforded complete tax relief to a
15 majority of individual taxpayers under the Alaska Net Income Tax Act and
16 substantial tax relief to most other taxpayers by means of exemptions based
17 on the number of years an individual reported Alaska income. On September 4,
18 1980, the Alaska Supreme Court ruled that these exemptions violate the equal
19 protection clause of art. I, sec. 1 of the state constitution. The effect of
20 that decision is to reimpose the full income tax burden on all taxpayers.

21 (2) It is in the public interest to remedy the constitutional
22 defect and provide tax relief to the public at least equal to that attempted
23 by the exemptions in sec. 1, ch. 22, SLA 1980. This can best be accomplished
24 by repealing the Alaska net income tax on individuals and fiduciaries.

25 (3) Because ch. 22, SLA 1980 applied to taxes due for the tax year
26 1979, many taxpayers expected a refund of part or all of their state income
27 tax for 1979, and many of them made plans and commitments in anticipation of
28 the refund. The state has a moral obligation to fulfill this widely held
29 expectation, and this obligation is best discharged by repealing the Alaska

1 net income tax on individuals and fiduciaries retroactive to January 1, 1979.

2 * Sec. 2. AS 43.20 is amended by adding new sections to read:

3 Sec. 43.20.012. LIMITATION ON APPLICATION OF CHAPTER; CREDITS.

4 The tax imposed by this chapter does not apply to individuals or to
5 fiduciaries. However, an individual may file a return under this chapter
6 in order to receive a tax credit under AS 43.20.013.

7 Sec. 43.20.013. INDIVIDUAL TAX CREDITS. (a) A resident individ-
8 ual is entitled to a tax credit not to exceed \$50 for

9 (1) a contribution made in a calendar year to a person or
10 organization for use exclusively

11 (A) for a political campaign for a candidate for

12 (i) President or Vice President of the United
13 States, whether or not the candidate will be voted on in a
14 primary election in Alaska;

15 (ii) United States senator from Alaska;

16 (iii) United States representative from Alaska;

17 (iv) governor or lieutenant governor of Alaska;

18 (v) the Alaska legislature;

19 (vi) delegate to an Alaska constitutional convention;

20 (vii) electoral confirmation as a judge or justice of
21 a court in Alaska; or

22 (viii) municipal office in Alaska; or

23 (B) by a group seeking to influence the outcome of a
24 ballot proposition or question in Alaska; and

25 (2) dues paid in a calendar year to a nonprofit organization
26 organized primarily for the purpose of influencing elections in Alaska.

27 (b) A resident individual is entitled to a tax credit equal to 16
28 percent of the tax credit claimed by the individual on his federal
29 income tax return for household and dependent care services necessary

1 for his gainful employment.

2 (c) The commissioner of revenue shall pay the amount of a tax
3 credit allowed by this section to a resident individual who makes a
4 return as provided in AS 43.20.012. A credit under this section shall
5 be paid in the manner provided in AS 43.20.030(e) for the payment of
6 refunds and payment may not be made without an appropriation for that
7 purpose.

8 * Sec. 3. AS 43.20.021(c) is amended to read:

9 (c) For purposes of calculating the alternative tax on capital
10 gains provided for in the provisions of Internal Revenue Code sec. 1201,
11 the rate is 4.5 percent for corporations [AND 4 PERCENT FOR INDIVIDUALS
12 AND FIDUCIARIES].

13 * Sec. 4. AS 43.20.021(d) is amended to read:

14 (d) Where a credit allowed under the Internal Revenue Code is also
15 allowed in computing Alaska income tax, it is limited to [16 PERCENT FOR
16 INDIVIDUALS AND FIDUCIARIES AND] 18 percent for corporations of the
17 amount of credit determined for federal income tax purposes which is
18 attributable to Alaska.

19 * Sec. 5. AS 43.20.021(f) is amended to read:

20 (f) For the purpose of calculating the minimum tax on tax prefer-
21 ences provided for in secs. 56 - 58 of the Internal Revenue Code (26
22 U.S.C. secs. 56 - 58), the rate is [16 PERCENT FOR INDIVIDUALS AND] 18
23 percent for corporations of the applicable minimum federal tax rate.

24 * Sec. 6. AS 43.20.030(a) is amended to read:

25 (a) If a [EVERY INDIVIDUAL, FIDUCIARY,] partnership which has a
26 corporation as a partner or a [AND] corporation is required to make a
27 return under the provisions of the Internal Revenue Code, it shall at
28 the same time file with the department a return setting out

29 (1) the amount of tax due under this chapter, less credits

1 claimed against the tax; and

2 (2) other information for the purpose of carrying out the
3 provisions of this chapter which the department requires.

4 * Sec. 7. REFUND OF 1979 INCOME TAXES. (a) An individual or fiduciary
5 is entitled to a refund of his Alaska net income taxes paid or withheld under
6 AS 43.20 for all or part of a tax year occurring after December 31, 1978 and
7 before January 1, 1980.

8 (b) A refund under this section may be made only as provided in this
9 section. Refunds of Alaska net income taxes paid may not be made without an
10 appropriation for that purpose.

11 (c) The department shall establish procedures for determining the
12 amount of and for making the refunds described in (a) of this section.

13 (d) The commissioner may adopt regulations to implement this section,
14 and those regulations may be adopted as emergency regulations under AS 44.-
15 62.250 and 44.62.260.

16 (e) In this section,

17 (1) "commissioner" means the commissioner of revenue;

18 (2) "department" means the Department of Revenue.

19 * Sec. 8. The provisions of AS 43.05.280 do not apply to refunds made
20 under sec. 7 of this Act.

21 * Sec. 9. The following laws are repealed: AS 43.20.011(a) - (d) and
22 (f), 43.20.015, 43.20.017, 43.20.021(e), 43.20.030(f) and (g), 43.20.031(a),
23 (b), and (f) - (h), 43.20.033, 43.20.035, 43.20.036(d) - (i), 43.20.038,
24 43.20.039, 43.20.040(b)(3) and (6), 43.20.045, 43.20.061, 43.20.160(e),
25 43.20.180, 43.20.215, and secs. 6 - 11 of ch. 22 SLA 1980.

26 * Sec. 10. Sections 2 - 6 and 9 of this Act are retroactive to January 1,
27 1979.

28 * Sec. 11. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).