FOR AN ACT ENTITLED

"An Act relating to the functions of state agencies, including functions relating to certain state grants, the payment of state money, certain wages, warrants, and terminal leave, the selling of fish and game licenses and tags, certain taxes, royalties, and penalties, certain documents and bonds filed with and records of state agencies, certain public contracts, the service of process, the control of rabies, flour and bread standards, the athletic commission and regulation of boxing and wrestling, the regulation of professional geologists, and the water resources board; and providing for an effective date."

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

* Section 1. AS 14.11.013(a) is amended to read:
  (a) With regard to projects for which grants are requested under AS 14.11.011, the department shall
(1) **biennially** [ANNUALLY] review the six-year plans submitted by each district under AS 14.11.011(b) and recommend to the board a revised and updated six-year capital improvement project grant schedule that serves the best interests of the state and each district; in recommending projects for this schedule, the department shall verify that each proposed project meets the criteria established under AS 14.11.014(b) and qualifies as a project required to

(A) avert imminent danger or correct life-threatening situations;

(B) house students who would otherwise be unhoused; for purposes of this subparagraph, students are considered unhoused if the students attend school in temporary, relocatable facilities;

(C) protect the structure of existing school facilities;

(D) correct building code deficiencies that require major repair or rehabilitation in order for the facility to continue to be used for the educational program;

(E) achieve an operating cost savings;

(F) modify or rehabilitate facilities for the purpose of improving the instructional program;

(G) meet an educational need not specified in (A) - (F) of this paragraph, identified by the department;

(2) prepare an estimate of the amount of money needed to finance each project;

(3) **after a biennial review required under (1) of this subsection** provide to the governor, by November 1, and to the legislature within the first 10 days of each regular legislative session, a revised and updated six-year capital improvement project grant schedule, together with a proposed schedule of appropriations.

* Sec. 2. AS 14.11.013(e) is amended to read:

(e) By November 5 of a biennial review year, the department shall provide public notice of the grant applications submitted under (a) of this section and the priorities established under (b) of this section. After public notice has been given, the department shall, not later than December 1 of a biennial review year, hold a public hearing on the priorities established under (b) of this section. In this subsection,
"public notice" means notice published in a newspaper of general circulation and notice to every person who has requested notice about the grant application program from the department.

* Sec. 3. AS 14.40.040 is amended by adding a new subsection to read:

(b) Notwithstanding AS 23.10.043, the University of Alaska may require that wages due or to become due or an advance on wages to be earned be deposited in an account in a bank, savings and loan association, or credit union unless the employee has requested an exemption from this requirement. All deposits under this subsection shall be in a bank, savings and loan association, or credit union of the employee’s choice.

* Sec. 4. AS 16.05 is amended by adding a new section to read:

Sec. 16.05.085. GRANT AUTHORITY. The commissioner may award grants for protecting, maintaining, improving, or extending fish, game, or aquatic plant resources of the state, including making those resources available for the public. Grants may be awarded only for Kenai River drainage projects and only from money appropriated by the legislature under sec. 8, ch. 79, SLA 1993, or sec. 15, ch. 103, SLA 1995, for specific grant purposes, and the grants must be awarded consistent with those purposes. The commissioner may adopt regulations to interpret or implement this section. In order to recover all or part of the department’s costs of administering the grants, the commissioner may charge a fee to grant applicants and may retain up to 10 percent of a grant award.

* Sec. 5. AS 16.05.390(a) is amended to read:

(a) Except as provided in (e) of this section, an agent appointed by the commissioner under AS 16.05.380 to sell licenses and tags is entitled to retain

(1) [RETAIN] five percent of the fee that is charged for a license or tag or 25 cents for each license or tag sold, whichever is greater; and

(2) compensation of $50 per year or $1 for each license or tag sold during the year, whichever is greater.

* Sec. 6. AS 16.05.390(b) is amended to read:

(b) Each agent appointed to sell licenses or tags under AS 16.05.380 shall, as directed by the commissioner, transmit the proceeds from the sales of licenses and
tags, except the amount authorized to be retained under (a)(1) of this section, together with a report of the sales, to the commissioner for deposit in the fish and game fund or the general fund.

* Sec. 7. AS 16.05.390(c) is amended to read:

(c) On March 31, June 30, September 30, and December 31 of each year the commissioner shall calculate the compensation earned by an agent under (a)(2) of this section, minus the penalties assessed under (g) of this section. If the compensation due exceeds $50, the commissioner shall pay the compensation not later than 30 days after the date for which the compensation was calculated. If the compensation due is $50 or less, the commissioner shall pay the compensation not later than January 30 of the year following the year in which the compensation was earned. The commissioner shall pay compensation only for sales of licenses or tags for which the commissioner has received the report and proceeds required to be transmitted under (b) of this section. An agent may assign to an in-state nonprofit fish or game association all of the compensation earned by the agent under (a)(2) of this section and due under this subsection. Before paying the assigned compensation to the assignee as directed by the agent, the commissioner shall retain 25 percent of the assigned compensation for deposit into the fish and game fund.

* Sec. 8. AS 16.05.390(g) is amended to read:

(g) The commissioner may assess a penalty against an agent who does not transmit proceeds within the time allowed under (f) of this section. The penalty is equal to one and one-half percent of the amount of proceeds due. The penalty may be assessed for each month or portion of a month that the proceeds are delinquent. [A PENALTY UNDER THIS SUBSECTION SHALL BE WITHHELD FROM THE AGENT’S COMPENSATION UNDER (a)(2) OF THIS SECTION.]

* Sec. 9. AS 21.09.210(b) is amended to read:

(b) Each insurer, and each formerly authorized insurer with respect to premiums received while an authorized insurer in this state, shall pay a tax on the total direct premium income received during the year ending on the preceding December 31 and paid for the insurance of property or risks resident or located in the state other than wet marine and transportation insurance, after deducting from the total direct
premium income the applicable cancellations, returned premiums, the unabsorbed portion of any deposit premium, all policy dividends, unabsorbed premiums refunded to policyholders, refunds, savings, savings coupons, and other similar returns paid or credited to policyholders with respect to their policies. No deductions may be made of cash surrender value of policies. Considerations received on annuity contracts are not included in the direct premium income and are not subject to tax. The tax shall be paid to the director at least annually but not more often than once each quarter on the dates specified by the director and by the electronic or other payment method designated by the director. The tax [OR BEFORE MARCH 1, AND] is computed at the rate of

(1) for domestic and foreign insurers, except hospital and medical service corporations, 2.7 percent;

(2) for hospital and medical service corporations, six percent of their gross premiums less claims paid.

* Sec. 10. AS 21.09.210(d) is amended to read:

(d) An authorized insurer shall, with respect to all wet marine and transportation contracts written in this state during the preceding calendar year, on or before March 1 of each year, pay to the director a tax of three-quarters of one percent on its gross underwriting profit. The director shall specify the dates that payment is due and the electronic or other method by which payment is to be made. The gross underwriting profit is computed by deducting from the net premiums on wet marine and transportation insurance contracts, the net losses paid during the calendar year under the contracts. In the case of an insurer issuing participating contracts, the gross underwriting profit may not include, for computation of the tax prescribed by this section, the amounts refunded or paid as participation dividends by the insurers to the holders of the contracts. In this subsection,

(1) "net losses" means gross losses less salvage and recoveries on reinsurance ceded;

(2) "net premiums" means gross premiums less all return premiums and premiums for reinsurance.

* Sec. 11. AS 21.34.180(b) is amended to read:
(b) The surplus lines tax [IS DUE ON THE SECOND DAY OF MARCH FOLLOWING THE CALENDAR YEAR IN WHICH THE PREMIUM IS WRITTEN. THE TAX] shall be paid by the electronic or other method and on the due dates specified by the director. The tax shall be reported on forms prescribed by the director, or upon the director’s order paid to and reported on forms prescribed by the surplus lines association.

* Sec. 12. AS 21.34.190(a) is amended to read:

(a) The fee for filing the statement under AS 21.34.180(b) is an amount equal to one percent on gross premium charged less any return premiums as reported on the statement [DURING THE PRECEDING CALENDAR YEAR]. The surplus lines broker shall pay the fee at the time of filing of the statement.

* Sec. 13. AS 21.66.110(a) is amended to read:

(a) Each title insurance company shall pay [ON OR BEFORE MARCH 1,] a tax of one percent of the amount of gross title insurance premiums received by it including as premium income received from guaranteed certificates of title and other guarantees of title [DURING THE PRECEDING CALENDAR YEAR] covering property in this state, as shown by its electronic or other [ANNUAL] statement to the director. The director shall specify the due dates and the electronic or other method of payment.

* Sec. 14. AS 27.30.020 is amended to read:

Sec. 27.30.020. PROCEDURE FOR REQUESTING AND TAKING THE CREDIT. To obtain the credit authorized by this chapter,

(1) a person shall submit a request for the credit as follows:

(A) the person may [SHALL] submit a request and a statement of expenditures

(i) whenever the amount of credit certified in the request totals at least $250,000 and the period covered is at least one year; or

(ii) when the person is ready to take the entire balance of the credit, regardless of the total amount of the credit [FOR THE PREVIOUS CALENDAR YEAR NOT LATER THAN 60...]
DAYS AFTER THE CLOSE OF THAT CALENDAR YEAR];

(B) the request must be on a form provided by the commissioner and

(i) describe the work accomplished during each year of the period covered by the request [PREVIOUS YEAR], the number of employees, and the names and number of consultants; [AND]

(ii) provide a detailed list or ledger of expenditures of the accomplishments described in (i) of this subparagraph and a list of exploration activity data that in the future will be made available to the commissioner under (2)(A) of this section; and

(iii) provide certification by a certified public accountant to support a claim for annual credit that exceeds $40,000;

(C) the person submitting the request is not required to transmit copies of receipts with the request, but the statement of expenditures is subject to audit in the discretion of the commissioner;

(D) if the commissioner determines to audit the statement of expenditures, the commissioner may require the person submitting the request to justify claims of expenditures with receipts and other reliable information;

(E) the commissioner shall respond to the request within six months after receiving it [BY SEPTEMBER 30] by certifying or not certifying the person’s expenditures; if the commissioner

(i) does not certify expenditures, the commissioner shall state the reasons for denial of certification and give the person making the request an opportunity to correct any problems or to provide additional information;

(ii) certifies expenditures, the commissioner shall specify the exploration activity data requirements for that year that must be presented to the department at the time of the taking of the credit;

(F) if the commissioner neither certifies nor denies certification of expenditures within six months after the request for credit [BY
SEPTEMBER 30], the expenditures are certified as submitted;

(2) the person whose expenditures have been certified under (1) of this section [SUBSECTION] may thereafter request the taking of the credit for the certified expenditures as follows:

(A) the person shall deliver to the commissioner the exploration activity data identified by the commissioner under (1)(E)(ii) of this section, and shall request the commissioner’s approval of the taking of the credit;

(B) the commissioner shall approve or disapprove the taking of the credit within six months after receipt of the request for taking of the credit; if the

(i) exploration activity data complies with the requirements identified by the commissioner under (1)(E)(ii) of this section, the commissioner shall approve the taking of the credit;

(ii) request is disapproved, the commissioner shall state the reasons for disapproval and offer the person seeking to take the credit an opportunity to correct any problems or to provide additional exploration activity data or other information;

(C) if the commissioner neither approves nor disapproves the request to take the credit within six months after submission of the request, the taking of the credit is approved.

* Sec. 15. AS 36.30.015(e) is amended to read:

(e) The board of directors of the Alaska Railroad Corporation and the board of directors of the Alaska Aerospace Development Corporation shall adopt procedures to govern the procurement of supplies, services, professional services, and construction. The procedures must be substantially equivalent to the procedures prescribed in this chapter and in regulations adopted under this chapter. However, when procuring supplies, services, professional services, or construction contracts that are over $25,000 and that are related to construction work that the Department of Transportation and Public Facilities authorizes the Alaska Railroad Corporation to perform instead of the Department of Transportation and Public Facilities, the Alaska Railroad Corporation shall use competitive sealed bidding or competitive...
sealed proposals under AS 36.30.100 - 36.30.270.

* Sec. 16. AS 37.05.180 is repealed and reenacted to read:

Sec. 37.05.180. TIME LIMITATION ON PAYMENT OF WARRANTS. A warrant upon the state treasury may not be paid unless presented to the Department of Revenue within one year after the date of its issuance. Money that was not paid because a warrant for its payment was not timely presented may not be transferred to another fund except as otherwise specifically provided by law.

* Sec. 17. AS 39.20.250(a) is amended to read:

(a) Terminal leave for unused personal leave shall be allowed upon separation from service. The payment equals the personal leave balance at the time of separation multiplied by the officer’s or employee’s annualized hourly rate of pay [compensation that the officer or employee would have received if the officer or employee had remained in the service until the expiration of the period of unused personal leave]. A payment of terminal leave to an employee shall be made as a lump sum payment [or in installments over a period of time, as the employee elects].

* Sec. 18. AS 43.10.170(b) is amended to read:

(b) The service of process shall be made by leaving a copy with the commissioner of commerce and economic development. If legal action is instituted against the nonresident taxpayer, the commissioner of commerce and economic development shall immediately notify the nonresident by sending a copy of the process by registered letter to the [post office address stated in the affidavit on file with the commissioner of revenue, or, if no address is stated in the affidavit, to the] last known address of the taxpayer.

* Sec. 19. AS 47.20 is amended by adding a new section to read:

Sec. 47.20.075. GRANT AUTHORITY. The department may award grants for covered services to children eligible under this chapter.

* Sec. 20. AS 47.20.110(a) is amended to read:

(a) The department shall adopt regulations necessary to implement this chapter, including regulations
(1) for personnel development, including preservice and in-service training programs for providers of early intervention services;

(2) to govern resolution of intraagency and interagency disputes about the provision of services under this chapter and the financial responsibility of the respective parties for those services;

(3) that ensure that services are provided to children and their families in a timely manner pending the resolution of disputes among public agencies or service providers;

(4) providing for due process with respect to the rights of children and parents who are eligible for services under this chapter; the regulations must provide that during the pendency of a complaint about a change in services, the child and family shall continue to receive the prior services unless the state and the family otherwise agree, or, if the complaint relates to an application for initial services, the child and family shall receive the services that are not in dispute; and

(5) for the award of grants under this chapter.

* Sec. 21. AS 44.99 is amended by adding a new section to article 1 to read:

Sec. 44.99.030. LOBBYING CONTRACTS PROHIBITED. (a) Notwithstanding other provisions of law, the following public entities may not contract with a person to pay the person money or other thing of value to lobby the state, a municipality of the state, or an agency of the state or municipality:

(1) Alaska Aerospace Development Corporation;
(2) Alaska Commercial Fishing and Agriculture Bank;
(3) Alaska Energy Authority;
(4) Alaska Housing Finance Corporation;
(5) Alaska Industrial Development and Export Authority;
(6) Alaska Medical Facility Authority;
(7) Alaska Mental Health Trust Authority;
(8) Alaska Municipal Bond Bank Authority;
(9) Alaska Permanent Fund Corporation;
(10) Alaska Railroad Corporation;
(11) Alaska Science and Technology Foundation;
(12) Alaska Seafood Marketing Institute;
(13) Alaska Student Loan Corporation;
(14) Alaska Tourism Marketing Council.

(b) In this section,

(1) “lobby a municipality” means engage in an activity for the purpose
of influencing municipal legislative or administrative action if the activity is
substantially the same as activity that would have required registration under AS
24.45.121 if the activity was for the purpose of influencing state legislative or
administrative action;

(2) “lobby the state” means to engage in an activity for which
registration is required under AS 24.45.121.

* Sec. 22. AS 03.05.070; AS 17.07.010, 17.07.020, 17.07.030, 17.07.040, 17.07.050,
17.07.060, 17.07.070, 17.07.080, 17.07.090, 17.07.100, 17.07.200; and AS 39.20.250(b) are
repealed.

* Sec. 23. AS 05.05.010, 05.05.020, 05.05.030, 05.05.040; AS 05.10.010, 05.10.020,
05.10.030, 05.10.040, 05.10.050, 05.10.060, 05.10.070, 05.10.080, 05.10.090, 05.10.100,
05.10.110, 05.10.120, 05.10.130, 05.10.140, 05.10.150, 05.10.160, 05.10.170; AS 08.01.010(3),
08.01.010(32); AS 08.02.011; AS 46.15.190, 46.15.200, 46.15.210, 46.15.220, 46.15.230, and
46.15.240 are repealed.

* Sec. 24. AS 16.05.390(d); AS 43.10.160, 43.10.180, 43.10.190, and 43.10.200 are
repealed.

* Sec. 25. TRANSITION: PAYMENT AND REPORTING FOR TAXES ON
INSURANCE PREMIUMS FOR CALENDAR YEAR 1996. Notwithstanding the amendments
to AS 21.09.210(b) and (d), AS 21.34.180(b), 21.34.190(a), and AS 21.66.110(a) made by
secs. 9 - 13 of this Act, payment of and reporting for fees and taxes for calendar year 1996
shall be made as required under those statutes, and regulations adopted under those statutes,
as they read on the day before the effective date of secs. 9 - 13 of this Act.

* Sec. 26. TRANSITION: REGULATIONS. Notwithstanding secs. 30 and 31 of this Act,
the state agencies affected by this Act may proceed to adopt regulations necessary to
implement changes in law enacted by this Act. The regulations take effect under AS 44.62
(Administrative Procedure Act), but not before the respective effective date of the change in
law in this Act.

* Sec. 27. APPLICABILITY. The provisions of AS 37.05.180, as repealed and reenacted by sec. 16 of this Act, apply to a state warrant issued on or after the effective date of sec. 16 of this Act.

* Sec. 28. LIMITATION ON ENTITIES TO WHICH THE STATE MAY DISBURSE MONEY. Notwithstanding any other provision of law, the state may not disburse state money to an entity that is not incorporated under or subject to the laws of the state. This limitation does not apply to the Annette Island Indian Reserve. This section applies only until July 1, 1998.

* Sec. 29. Sections 4, 17, 21, 22, and 26 of this Act take effect immediately under AS 01.10.070(c).

* Sec. 30. Sections 3, 14, 16, 19, 20, 23, 27, and 28 of this Act take effect July 1, 1996.

* Sec. 31. Sections 1, 2, 5 - 13, 18, 24, and 25 of this Act take effect January 1, 1997.