

34-GS2585\N
A. Radford
3/21/26

CS FOR SENATE BILL NO. 217(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act increasing contributions to the Department of Labor and Workforce**
2 **Development for the State Training and Employment Program; relating to employer**
3 **contributions to the unemployment compensation fund; establishing an employer**
4 **contribution for the state training and employment program; relating to unemployment**
5 **benefits; relating to employment security contributions for certain sports officials;**
6 **relating to exemptions from the Alaska Workers' Compensation Act; and providing for**
7 **an effective date."**

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

9 * **Section 1.** AS 23.15.630(a) is amended to read:

10 (a) In the manner provided in AS 23.20, the department shall collect from
11 each employee an amount equal to .20 [ONE-TENTH OF ONE] percent of the wages,
12 as set out in AS 23.20.175, on which the employee is required to make contributions
13 under AS 23.20.290(d). The department shall remit to the Department of Revenue, in

1 accordance with AS 37.10.050, money collected under this subsection.

2 * **Sec. 2.** AS 23.15.630 is amended by adding new subsections to read:

3 (d) In the manner provided in AS 23.20, the department shall collect from
4 each employer an amount equal to 0.4 percent of the wages, as set out in
5 AS 23.20.175, on which the employer is required to make contributions under
6 AS 23.20.290(c). The department shall remit to the Department of Revenue, in
7 accordance with AS 37.10.050, money collected under this subsection. The legislature
8 may appropriate the revenue collected under this subsection to the employment
9 assistance and training program account established in AS 23.15.625.

10 (e) The department shall credit against the amount owed by an employer under
11 (d) of this section an amount equal to the contributions paid by the employer under
12 AS 23.20.290(c). If the amount of the credit equals or exceeds the amount owed under
13 (d) of this section, the employer's liability under (d) of this section is zero.

14 * **Sec. 3.** AS 23.20.290(c) is amended to read:

15 (c) The rate of contributions for each employer is a percentage of the average
16 benefit cost rate multiplied by the employer's experience factor set out in column C of
17 the table in this subsection opposite the employer's applicable rate class set out in
18 column A plus the fund solvency adjustment surcharge required under (f) of this
19 section. That percentage is 76 percent beginning January 1, 2009, and 73 percent
20 beginning January 1, 2010. **Notwithstanding any other provision of this chapter,**
21 **including the application of credits** [HOWEVER], the rate of contributions for an
22 employer

23 (1) may not **exceed** [BE LESS THAN ONE PERCENT OR MORE
24 THAN] six and one-half percent;

25 (2) **may not be less than zero percent;**

26 (3) **with less than four quarters of experience may not be less than**
27 **one percent;**

28 (4) [. THE RATE OF CONTRIBUTIONS FOR AN EMPLOYER] in
29 rate class 21 may not be less than 5.4 percent; **and**

30 (5) [. THE RATE OF CONTRIBUTIONS FOR AN EMPLOYER]
31 must be rounded to the nearest 1/100th of one percent.

	COLUMN A	COLUMN B		COLUMN C
	Rate Class	Cumulative Ratable Payroll		Experience Factor
		at least (percent)	but less than (percent)	
1				
2				
3				
4				
5				
6	1		5	<u>0.0</u> [.40]
7	2	5	10	.45
8	3	10	15	.50
9	4	15	20	.55
10	5	20	25	.60
11	6	25	30	.65
12	7	30	35	.70
13	8	35	40	.80
14	9	40	45	.90
15	10	45	50	1.00
16	11	50	55	1.00
17	12	55	60	1.10
18	13	60	65	1.20
19	14	65	70	1.30
20	15	70	75	1.35
21	16	75	80	1.40
22	17	80	85	1.45
23	18	85	90	1.50
24	19	90	95	1.55
25	20	95	99.99	1.60
26	21	99.99		1.65.

* **Sec. 4.** AS 23.20.350(d) is amended to read:

(d) An individual who is eligible under (a) of this section is entitled to receive the weekly benefit amount set out in column (B) of the table in this subsection that is opposite the amount set out in column (A) of the individual's base period wages determined under (c) of this section:

	(A)	(B)	
	Base Period Wages	Weekly Benefit	
		Amount	
	At least	But less than	
1			
2			
3			
4	At least	But less than	
5	0	2,500	\$ 0
6	2,500	2,750	56
7	2,750	3,000	58
8	3,000	3,250	60
9	3,250	3,500	62
10	3,500	3,750	64
11	3,750	4,000	66
12	4,000	4,250	68
13	4,250	4,500	70
14	4,500	4,750	72
15	4,750	5,000	74
16	5,000	5,250	76
17	5,250	5,500	78
18	5,500	5,750	80
19	5,750	6,000	82
20	6,000	6,250	84
21	6,250	6,500	86
22	6,500	6,750	88
23	6,750	7,000	90
24	7,000	7,250	92
25	7,250	7,500	94
26	7,500	7,750	96
27	7,750	8,000	98
28	8,000	8,250	100
29	8,250	8,500	102
30	8,500	8,750	104
31	8,750	9,000	106

1	9,000	9,250	108
2	9,250	9,500	110
3	9,500	9,750	112
4	9,750	10,000	114
5	10,000	10,250	116
6	10,250	10,500	118
7	10,500	10,750	120
8	10,750	11,000	122
9	11,000	11,250	124
10	11,250	11,500	126
11	11,500	11,750	128
12	11,750	12,000	130
13	12,000	12,250	132
14	12,250	12,500	134
15	12,500	12,750	136
16	12,750	13,000	138
17	13,000	13,250	140
18	13,250	13,500	142
19	13,500	13,750	144
20	13,750	14,000	146
21	14,000	14,250	148
22	14,250	14,500	150
23	14,500	14,750	152
24	14,750	15,000	154
25	15,000	15,250	156
26	15,250	15,500	158
27	15,500	15,750	160
28	15,750	16,000	162
29	16,000	16,250	164
30	16,250	16,500	166
31	16,500	16,750	168

1	16,750	17,000	170
2	17,000	17,250	172
3	17,250	17,500	174
4	17,500	17,750	176
5	17,750	18,000	178
6	18,000	18,250	180
7	18,250	18,500	182
8	18,500	18,750	184
9	18,750	19,000	186
10	19,000	19,250	188
11	19,250	19,500	190
12	19,500	19,750	192
13	19,750	20,000	194
14	20,000	20,250	196
15	20,250	20,500	198
16	20,500	20,750	200
17	20,750	21,000	202
18	21,000	21,250	204
19	21,250	21,500	<u>207</u> [206]
20	21,500	21,750	<u>209</u> [208]
21	21,750	22,000	<u>212</u> [210]
22	22,000	22,250	<u>214</u> [212]
23	22,250	22,500	<u>216</u> [214]
24	22,500	22,750	<u>219</u> [216]
25	22,750	23,000	<u>221</u> [218]
26	23,000	23,250	<u>224</u> [220]
27	23,250	23,500	<u>226</u> [222]
28	23,500	23,750	<u>228</u> [224]
29	23,750	24,000	<u>231</u> [226]
30	24,000	24,250	<u>233</u> [228]
31	24,250	24,500	<u>236</u> [230]

1	24,500	24,750	<u>238</u> [232]
2	24,750	25,000	<u>240</u> [234]
3	25,000	25,250	<u>243</u> [236]
4	25,250	25,500	<u>245</u> [238]
5	25,500	25,750	<u>248</u> [240]
6	25,750	26,000	<u>250</u> [242]
7	26,000	26,250	<u>252</u> [244]
8	26,250	26,500	<u>255</u> [246]
9	26,500	26,750	<u>257</u> [248]
10	26,750	27,000	<u>260</u> [250]
11	27,000	27,250	<u>262</u> [252]
12	27,250	27,500	<u>264</u> [254]
13	27,500	27,750	<u>267</u> [256]
14	27,750	28,000	<u>269</u> [258]
15	28,000	28,250	<u>272</u> [260]
16	28,250	28,500	<u>274</u> [262]
17	28,500	28,750	<u>276</u> [264]
18	28,750	29,000	<u>279</u> [266]
19	29,000	29,250	<u>281</u> [268]
20	29,250	29,500	<u>284</u> [270]
21	29,500	29,750	<u>286</u> [272]
22	29,750	30,000	<u>288</u> [274]
23	30,000	30,250	<u>291</u> [276]
24	30,250	30,500	<u>293</u> [278]
25	30,500	30,750	<u>296</u> [280]
26	30,750	31,000	<u>298</u> [282]
27	31,000	31,250	<u>300</u> [284]
28	31,250	31,500	<u>303</u> [286]
29	31,500	31,750	<u>305</u> [288]
30	31,750	32,000	<u>308</u> [290]
31	32,000	32,250	<u>310</u> [292]

1	32,250	32,500	<u>313</u> [294]
2	32,500	32,750	<u>315</u> [296]
3	32,750	33,000	<u>317</u> [298]
4	33,000	33,250	<u>320</u> [300]
5	33,250	33,500	<u>322</u> [302]
6	33,500	33,750	<u>325</u> [304]
7	33,750	34,000	<u>327</u> [306]
8	34,000	34,250	<u>329</u> [308]
9	34,250	34,500	<u>332</u> [310]
10	34,500	34,750	<u>334</u> [312]
11	34,750	35,000	<u>337</u> [314]
12	35,000	35,250	<u>339</u> [316]
13	35,250	35,500	<u>341</u> [318]
14	35,500	35,750	<u>344</u> [320]
15	35,750	36,000	<u>346</u> [322]
16	36,000	36,250	<u>349</u> [324]
17	36,250	36,500	<u>351</u> [326]
18	36,500	36,750	<u>353</u> [328]
19	36,750	37,000	<u>356</u> [330]
20	37,000	37,250	<u>358</u> [332]
21	37,250	37,500	<u>361</u> [334]
22	37,500	37,750	<u>363</u> [336]
23	37,750	38,000	<u>365</u> [338]
24	38,000	38,250	<u>368</u> [340]
25	38,250	38,500	<u>370</u> [342]
26	38,500	38,750	<u>373</u> [344]
27	38,750	39,000	<u>375</u> [346]
28	39,000	39,250	<u>377</u> [348]
29	39,250	39,500	<u>380</u> [350]
30	39,500	39,750	<u>382</u> [352]
31	39,750	40,000	<u>385</u> [354]

1	40,000	40,250	<u>387</u> [356]
2	40,250	40,500	<u>389</u> [358]
3	40,500	40,750	<u>392</u> [360]
4	40,750	41,000	<u>394</u> [362]
5	41,000	41,250	<u>397</u> [364]
6	41,250	41,500	<u>399</u> [366]
7	41,500	41,750	<u>401</u> [368]
8	41,750	42,000	<u>404</u> [370]
9	42,000	<u>42,250</u>	<u>406</u>
10	<u>42,250</u>	<u>42,500</u>	<u>409</u>
11	<u>42,500</u>	<u>42,750</u>	<u>411</u>
12	<u>42,750</u>	<u>43,000</u>	<u>413</u>
13	<u>43,000</u>	<u>43,250</u>	<u>416</u>
14	<u>43,250</u>	<u>43,500</u>	<u>418</u>
15	<u>43,500</u>	<u>43,750</u>	<u>421</u>
16	<u>43,750</u>	<u>44,000</u>	<u>423</u>
17	<u>44,000</u>	<u>44,250</u>	<u>425</u>
18	<u>44,250</u>	<u>44,500</u>	<u>428</u>
19	<u>44,500</u>	<u>44,750</u>	<u>430</u>
20	<u>44,750</u>	<u>45,000</u>	<u>433</u>
21	<u>45,000</u>	<u>45,250</u>	<u>435</u>
22	<u>45,250</u>	<u>45,500</u>	<u>438</u>
23	<u>45,500</u>	<u>45,750</u>	<u>440</u>
24	<u>45,750</u>	<u>46,000</u>	<u>442</u>
25	<u>46,000</u>	<u>46,250</u>	<u>445</u>
26	<u>46,250</u>	<u>46,500</u>	<u>447</u>
27	<u>46,500</u>	<u>46,750</u>	<u>450</u>
28	<u>46,750</u>	<u>47,000</u>	<u>452</u>
29	<u>47,000</u>	<u>47,250</u>	<u>454</u>
30	<u>47,250</u>	<u>47,500</u>	<u>457</u>
31	<u>47,500</u>	<u>47,750</u>	<u>459</u>

1	<u>47,750</u>	<u>48,000</u>	<u>462</u>
2	<u>48,000</u>	<u>48,250</u>	<u>464</u>
3	<u>48,250</u>	<u>48,500</u>	<u>466</u>
4	<u>48,500</u>	<u>48,750</u>	<u>469</u>
5	<u>48,750</u>	<u>49,000</u>	<u>471</u>
6	<u>49,000</u>	<u>49,250</u>	<u>474</u>
7	<u>49,250</u>	<u>49,500</u>	<u>476</u>
8	<u>49,500</u>	<u>49,750</u>	<u>478</u>
9	<u>49,750</u>	<u>50,000</u>	<u>481</u>
10	<u>50,000</u>	<u>50,250</u>	<u>483</u>
11	<u>50,250</u>	<u>50,500</u>	<u>486</u>
12	<u>50,500</u>	<u>50,750</u>	<u>488</u>
13	<u>50,750</u>	<u>51,000</u>	<u>490</u>
14	<u>51,000</u>	<u>51,250</u>	<u>493</u>
15	<u>51,250</u>	<u>51,500</u>	<u>495</u>
16	<u>51,500</u>	<u>51,750</u>	<u>498</u>
17	<u>51,750</u>	<u>52,000</u>	<u>500</u>
18	<u>52,000</u>	<u>52,250</u>	<u>502</u>
19	<u>52,250</u>	<u>52,500</u>	<u>505</u>
20	<u>52,500</u>	<u>52,750</u>	<u>507</u>
21	<u>52,750</u>	<u>53,000</u>	<u>510</u>
22	<u>53,000</u>	<u>53,250</u>	<u>512</u>
23	<u>53,250</u>	<u>53,500</u>	<u>514</u>
24	<u>53,500</u>	<u>53,750</u>	<u>517</u>
25	<u>53,750</u>	<u>54,000</u>	<u>519</u>
26	<u>54,000</u>	<u>54,250</u>	<u>522</u>
27	<u>54,250</u>	<u>54,500</u>	<u>524</u>
28	<u>54,500</u>		<u>525</u> [370].

* **Sec. 5.** AS 23.20.526(a) is amended to read:

(a) In this chapter, unless the context otherwise requires, "employment" does not include

1 (1) domestic service in a private home, except as provided in
2 AS 23.20.525(a)(13);

3 (2) newsboys' services in selling or distributing newspapers on the
4 street or from house to house;

5 (3) service not in the course of the employing unit's trade or business
6 performed in a calendar quarter by an individual, unless the cash remuneration paid
7 for the service is \$50 or more and the service is performed by an individual who is
8 regularly employed by the employing unit to perform the service; an individual is here
9 considered to be regularly employed to perform service not in the course of an
10 employing unit's trade or business during a calendar quarter only if the individual
11 performs the service for some portion of the day on each of 24 days during the quarter
12 or during the preceding calendar quarter;

13 (4) service performed by an individual in the employ of the
14 individual's

15 (A) son, daughter, or spouse;

16 (B) parent or legal guardian if the individual was under the age
17 of 21 years and a full-time student during eight of the last 12 months and
18 intends to resume full-time student status within the next four months; and

19 (C) mother or father if the service is performed by a child under
20 the age of 18;

21 (5) service with respect to which unemployment insurance is payable
22 under an unemployment insurance program established by an Act of Congress;

23 (6) service performed in the employ of a foreign government including
24 service as a consular or other officer or employee or a nondiplomatic representative;

25 (7) service performed in the employ of an instrumentality wholly
26 owned by a foreign government if

27 (A) the service is of a character similar to that performed in
28 foreign countries by employees of the United States government or its
29 instrumentalities; and

30 (B) the department finds that the United States Secretary of
31 State has certified to the United States Secretary of the Treasury that the

1 foreign government, with respect to whose instrumentality exemption is
 2 claimed, grants an equivalent exemption with respect to similar service
 3 performed in the foreign country by employees of the United States
 4 government and its instrumentalities;

5 (8) service performed by an insurance agent, insurance solicitor, real
 6 estate broker, real estate salesperson, or securities salesperson to the extent the person
 7 is compensated by commission, unless the service is required to be covered under the
 8 Federal Unemployment Tax Act, as amended;

9 (9) notwithstanding AS 23.20.525(a)(9), service performed by an
 10 officer or member of the crew of an American vessel on or in connection with the
 11 vessel, if the operating office, from which the operations of the vessel operating on
 12 navigable waters inside or inside and outside the United States are ordinarily and
 13 regularly supervised, managed, directed, and controlled, is outside this state;

14 (10) service performed on or in connection with a vessel not an
 15 American vessel by an individual if the individual performed service on and in
 16 connection with the vessel when outside the United States;

17 (11) service performed in the employ of the United States government
 18 or an instrumentality of the United States exempt under the Constitution of the United
 19 States from the contributions imposed by this chapter, except that to the extent that the
 20 Congress of the United States permits states to require an instrumentality of the United
 21 States to make payments into an unemployment fund under a state employment
 22 security law, all of the provisions of this chapter apply to the instrumentalities, and to
 23 service performed for the instrumentalities in the same manner, to the same extent, and
 24 on the same terms as to all other employers, employing units, individuals, and service;
 25 however, if this state is not certified for any year by the United States Secretary of
 26 Labor under 26 U.S.C. 3304(c) (Federal Unemployment Tax Act, Internal Revenue
 27 Code), the payments required of the instrumentalities with respect to the year shall be
 28 refunded by the department from the fund in the same manner and within the same
 29 period as is provided in AS 23.20.225 with respect to contributions erroneously
 30 collected;

31 (12) service performed in the employ of another state, or political

1 subdivision of another state, or an instrumentality of another state or political
2 subdivision that is wholly owned by another state or its political subdivision, or a
3 service performed in the employ of an instrumentality of another state or its political
4 subdivisions to the extent that the instrumentality is, with respect to the service,
5 exempt under the Constitution of the United States from the tax imposed by 26 U.S.C.
6 3301 (Federal Unemployment Tax Act, Internal Revenue Code);

7 (13) service performed in the employ of an international organization;

8 (14) service covered by an election approved by the agency charged
9 with the administration of any other state or federal employment security law, in
10 accordance with an arrangement under AS 23.20.090(a) during the effective period of
11 the election;

12 (15) service performed by an individual in agricultural labor, except as
13 provided in AS 23.20.525(a)(14); the term "agricultural labor" means remunerated
14 service

15 (A) on a farm, in the employ of any person in connection with
16 cultivating the soil, or in connection with raising or harvesting any agricultural
17 or horticultural commodity, including the raising, shearing, feeding, caring for,
18 training, and management of livestock, bees, poultry, and fur-bearing animals
19 and wildlife;

20 (B) in the employ of the owner or tenant or other operator of a
21 farm, in connection with the operation, management, conservation,
22 improvement, or maintenance of the farm and its tools and equipment, or in
23 salvaging timber or clearing land of brush and other debris left by a hurricane,
24 if the major part of the service is performed on a farm;

25 (C) in connection with the production or harvesting of any
26 commodity defined as an agricultural commodity in 12 U.S.C. 1141j (Sec.
27 15(g), Agricultural Marketing Act), as amended, or in connection with the
28 operation or maintenance of ditches, canals, reservoirs, or waterways, not
29 owned or operated for profit, used exclusively for supplying and storing water
30 for farming purposes;

31 (D) in the employ of the operator of a farm in handling,

1 planting, drying, packing, packaging, processing, freezing, grading, storing, or
 2 delivering to storage or to market or to a carrier for transportation to market, in
 3 its unmanufactured state, any agricultural or horticultural commodity; but only
 4 if the operator produced more than one-half of the commodity with respect to
 5 which the service is performed except as stated in (b) of this section;

6 (E) in the employ of a group of operators of farms, or a
 7 cooperative organization of which the operators are members, in the
 8 performance of service described in (D) of this paragraph, but only if the
 9 operators produced more than one-half of the commodity with respect to which
 10 the service is performed;

11 (F) on a farm operated for profit if the service is not in the
 12 course of the employer's trade or business;

13 (16) service performed as a student nurse in the employ of a hospital or
 14 a nurses' training school by an individual who is enrolled and is regularly attending
 15 classes in a nurses' training school chartered or approved in accordance with the laws
 16 of this state, and service performed as an intern in the employ of a hospital by an
 17 individual who has completed a four-year course in a medical school chartered or
 18 approved in accordance with the laws of this state, unless the service is required to be
 19 covered under the Federal Unemployment Tax Act;

20 (17) service performed by an individual on a boat engaged in catching
 21 fish or other forms of aquatic animal life under an arrangement with the owner or
 22 operator of that boat under which

23 (A) that individual does not receive any cash remuneration
 24 except as provided in (B) of this paragraph;

25 (B) that individual receives a share of the boat's, or the boats' in
 26 the case of a fishing operation involving more than one boat, catch of fish or
 27 other forms of aquatic animal life or a share of the proceeds from the sale of
 28 that catch; and

29 (C) the amount of that individual's share depends on the
 30 amount of the boat's, or the boats' in the case of a fishing operation involving
 31 more than one boat, catch of fish or other forms of aquatic animal life; but only

1 if the operating crew of that boat, or each boat from which the individual
2 receives a share in the case of a fishing operation involving more than one
3 boat, is normally made up of fewer than 10 individuals;

4 (18) service performed as a prospective or impaneled juror in a court;

5 (19) service performed for a corporation by an employee of the
6 corporation if

7 (A) the corporation is incorporated under AS 10.06;

8 (B) the corporation is not a government corporation; and

9 (C) the employee is an executive officer of the corporation;

10 (20) service performed by an individual who drives a taxicab whose
11 compensation and written contractual arrangements are as described in
12 AS 23.10.055(a)(13);

13 (21) service of an individual who

14 (A) directly sells or solicits the sale of consumer products, for
15 resale or otherwise, personally to a prospective consumer in the home or
16 otherwise than in a permanent retail establishment; a sale or solicitation by
17 telephone, mail, other telecommunications method, or other nonpersonal
18 method does not satisfy the requirement of this subparagraph;

19 (B) is compensated solely by

20 (i) commissions on sales or other remuneration directly
21 related to sales or sales performance; or

22 (ii) a profit represented by the difference between the
23 wholesale cost of the product to the seller and the final sale price to the
24 consumer; and

25 (C) performs under a written contract with the person for whom
26 the service is performed that provides, notwithstanding AS 23.20.395(a), that
27 the individual is not an employee for purposes of this chapter or for federal or
28 state tax purposes;

29 (22) temporary services related to emergency oil spill training and
30 response activities by an individual described in (17) of this subsection; in this
31 paragraph, "temporary" means a period of less than seven continuous days; and

1 (23) **service** [VOLUNTEER WORK] performed by **an independent**
 2 **contractor** [A PERSON ENGAGED ON A CONTRACT BASIS] as a sports official
 3 at a sports event for which the competitors are not paid a wage or salary; however, the
 4 exemption provided under this paragraph does not apply to a claim for benefits under
 5 this chapter that is related to a sports event or competition sponsored by an employer
 6 for whom the person making the claim normally performs work, including work as a
 7 teacher, coach, or administrator, that is not sports official work; in this paragraph,

8 (A) "sports official" is a participant in a sports event or
 9 competition whose participation is neutral with respect to who wins or loses,
 10 including an umpire, referee, judge, scorekeeper, timekeeper, or organizer;

11 (B) **"independent contractor" means a sports official**

12 **(i) working under a written contract between the**
 13 **sports official and the party or association engaging the sports**
 14 **official's services that specifically states the sports official is an**
 15 **independent contractor;**

16 **(ii) who is paid based on a set fee for each game**
 17 **officiated;**

18 **(iii) who is free under the terms of the contract to**
 19 **accept or reject assignments of any game;**

20 **(iv) who is not limited to exclusively officiating with**
 21 **the party engaging the services of the sports official**

22 ["VOLUNTEER WORK" MEANS WORK FOR WHICH
 23 COMPENSATION DOES NOT EXCEED \$1,500 A YEAR AND IS
 24 PAID ONLY TO DEFRAY OR REIMBURSE THE REASONABLE
 25 FOOD, TRAVEL, AND INCIDENTAL EXPENSES THE PERSON
 26 INCURS IN ORDER TO PERFORM THE WORK OR AS A RESULT
 27 OF PERFORMING THE WORK].

28 * **Sec. 6.** AS 23.30.240 is amended to read:

29 **Sec. 23.30.240. Officers of corporations, municipal corporations, and**
 30 **nonprofit corporations, and members of limited liability companies as employees.**

31 (a) Except as provided in (b) of this section, an executive officer elected or appointed

1 and empowered in accordance with the charter and bylaws of a corporation; a
2 member, director, or principal officer of a cooperative organized under AS 10.15;
3 or a member of a limited liability company organized under AS 10.50 is not an
4 employee of the business entity under this chapter if the executive officer, principal
5 officer, director, or member owns at least 10 percent of the business entity. Except as
6 provided in (b) of this section, an executive officer of a municipal corporation or
7 charitable, religious, educational, or other nonprofit corporation is not an employee of
8 the corporation under this chapter.

9 (b) Any type of corporation, cooperative, or limited liability company may
10 bring an executive officer, principal officer, director, or a member exempted under
11 (a) of this section within the coverage of the business entity's insurance contract by
12 specifically including the executive officer or member in the contract of insurance.
13 The election to bring the executive officer, principal officer, director, or member
14 within the business entity's coverage continues in force for the period during which the
15 contract of insurance is in effect. During that period, an executive officer, principal
16 officer, director, or a member brought within the coverage of the insurance contract is
17 an employee of the business entity under this chapter.

18 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
19 read:

20 STATE UNEMPLOYMENT INSURANCE LAW FEDERAL APPROVAL. To the
21 extent necessary to implement this Act, the Department of Labor and Workforce
22 Development shall submit for federal approval the changes to the unemployment insurance
23 laws of the state enacted by secs. 2, 3, and 5 of this Act.

24 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 APPLICABILITY. AS 23.15.630(a), as amended by sec. 1 of this Act, applies to
27 contracts entered into on or after the effective date of this Act.

28 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 CONDITIONAL EFFECT; NOTIFICATION. (a) Sections 2, 3, and 5 of this Act take
31 effect only if, on or before July 1, 2027, the United States Secretary of Labor approves the

1 change to the unemployment insurance laws of this state under 26 U.S.C. 3304 (Federal
2 Unemployment Tax Act).

3 (b) The commissioner of labor and workforce development shall notify the revisor of
4 statutes in writing within 30 days after the United States Secretary of Labor approves or
5 denies the change to the unemployment insurance laws of this state.

6 * **Sec. 10.** If secs. 2, 3, and 5 of this Act take effect, they take effect on January 1, 2027, or
7 the day after the United States Secretary of Labor approves the change to the unemployment
8 insurance laws of this state, whichever is later.

9 * **Sec. 11.** Sec. 7 of this Act takes effect immediately under AS 01.10.070(c).

10 * **Sec. 12.** Except as provided in secs. 10 and 11 of this Act, this Act takes effect on
11 January 1, 2027.