

34-GS2585\I
A. Radford
3/28/26

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 **and employee contributions to the unemployment compensation fund; establishing an**
4 **employer contribution for the state training and employment program; relating to**
5 **unemployment benefits; relating to employment security contributions for certain sports**
6 **officials; relating to exemptions from the Alaska Workers' Compensation Act; relating**
7 **to employee unemployment tax credits; and providing for 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

accordance with AS 37.10.050, money collected under this subsection.

* **Sec. 2.** AS 23.15.630(a), as amended by sec. 1 of this Act, is amended to read:

(a) In the manner provided in AS 23.20, the department shall collect from each employee an amount equal to .20 percent of the wages, as set out in AS 23.20.175 [], ON WHICH THE EMPLOYEE IS REQUIRED TO MAKE CONTRIBUTIONS UNDER AS 23.20.290(d)]. The department shall remit to the Department of Revenue, in accordance with AS 37.10.050, money collected under this subsection.

* **Sec. 3.** AS 23.15.630 is amended by adding new subsections to read:

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

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

* **Sec. 4.** AS 23.15.835(a) is amended to read:

(a) In the manner provided in AS 23.20 and for the benefit of the program, the department shall collect from each employee an amount equal to .25 percent of the wages, as set out in AS 23.20.175 [], ON WHICH THE EMPLOYEE IS REQUIRED TO MAKE CONTRIBUTIONS UNDER AS 23.20.290(d)]. The department shall remit to the Department of Revenue, in accordance with AS 37.10.050, money collected under this subsection.

* **Sec. 5.** AS 23.20.135(b) is amended to read:

(b) The department, or a designee of the department, shall immediately deposit, upon receipt, all money payable to the fund in the clearing account. Refunds of contributions erroneously collected and payable under AS 23.20.225 and

1 23.20.526(a)(11) may be paid from the clearing account in the same manner, or from
 2 the training and building fund. Interest and penalty payments may not be refunded
 3 from the unemployment compensation fund. After clearance, all money in the clearing
 4 account [, EXCEPT FOR THAT PORTION OF EMPLOYEE CONTRIBUTIONS
 5 UNDER AS 23.20.290(d) USED TO PAY INTEREST ON ADVANCES RECEIVED
 6 UNDER AS 23.20.140,] shall be immediately deposited with the United States
 7 Secretary of the Treasury to the credit of the account of this state in the unemployment
 8 trust fund established and maintained under 42 U.S.C. 1104 (sec. 904, Social Security
 9 Act), as amended.

10 * **Sec. 6.** AS 23.20.290(c) is amended to read:

11 (c) The rate of contributions for each employer is a percentage of the average
 12 benefit cost rate multiplied by the employer's experience factor set out in column C of
 13 the table in this subsection opposite the employer's applicable rate class set out in
 14 column A plus the fund solvency adjustment surcharge required under (f) of this
 15 section. That percentage is 76 percent beginning January 1, 2009, [AND] 73 percent
 16 beginning January 1, 2010, and 100 percent beginning January 1, 2027.
 17 Notwithstanding any other provision of this chapter, including the application of
 18 credits [HOWEVER], the rate of contributions for an employer

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

21 (2) may not be less than zero percent;

22 (3) with less than four quarters of experience may not be less than
 23 one percent;

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

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

	COLUMN B	COLUMN C
COLUMN A	Cumulative	Experience
Rate Class	Ratable Payroll	Factor
	at least	but less than

		(percent)	(percent)	
1				
2	1		5	.40
3	2	5	10	.45
4	3	10	15	.50
5	4	15	20	.55
6	5	20	25	.60
7	6	25	30	.65
8	7	30	35	.70
9	8	35	40	.80
10	9	40	45	.90
11	10	45	50	1.00
12	11	50	55	1.00
13	12	55	60	1.10
14	13	60	65	1.20
15	14	65	70	1.30
16	15	70	75	1.35
17	16	75	80	1.40
18	17	80	85	1.45
19	18	85	90	1.50
20	19	90	95	1.55
21	20	95	99.99	1.60
22	21	99.99		1.65.

* Sec. 7. 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	0	2,500	\$ 0
2	2,500	2,750	56
3	2,750	3,000	58
4	3,000	3,250	60
5	3,250	3,500	62
6	3,500	3,750	64
7	3,750	4,000	66
8	4,000	4,250	68
9	4,250	4,500	70
10	4,500	4,750	72
11	4,750	5,000	74
12	5,000	5,250	76
13	5,250	5,500	78
14	5,500	5,750	80
15	5,750	6,000	82
16	6,000	6,250	84
17	6,250	6,500	86
18	6,500	6,750	88
19	6,750	7,000	90
20	7,000	7,250	92
21	7,250	7,500	94
22	7,500	7,750	96
23	7,750	8,000	98
24	8,000	8,250	100
25	8,250	8,500	102
26	8,500	8,750	104
27	8,750	9,000	106
28	9,000	9,250	108
29	9,250	9,500	110
30	9,500	9,750	112
31	9,750	10,000	114

1	10,000	10,250	116
2	10,250	10,500	118
3	10,500	10,750	120
4	10,750	11,000	122
5	11,000	11,250	124
6	11,250	11,500	126
7	11,500	11,750	128
8	11,750	12,000	130
9	12,000	12,250	132
10	12,250	12,500	134
11	12,500	12,750	136
12	12,750	13,000	138
13	13,000	13,250	140
14	13,250	13,500	142
15	13,500	13,750	144
16	13,750	14,000	146
17	14,000	14,250	148
18	14,250	14,500	150
19	14,500	14,750	152
20	14,750	15,000	154
21	15,000	15,250	156
22	15,250	15,500	158
23	15,500	15,750	160
24	15,750	16,000	162
25	16,000	16,250	164
26	16,250	16,500	166
27	16,500	16,750	168
28	16,750	17,000	170
29	17,000	17,250	172
30	17,250	17,500	174
31	17,500	17,750	176

1	17,750	18,000	178
2	18,000	18,250	180
3	18,250	18,500	182
4	18,500	18,750	184
5	18,750	19,000	186
6	19,000	19,250	188
7	19,250	19,500	190
8	19,500	19,750	192
9	19,750	20,000	194
10	20,000	20,250	196
11	20,250	20,500	198
12	20,500	20,750	200
13	20,750	21,000	202
14	21,000	21,250	204
15	21,250	21,500	<u>207</u> [206]
16	21,500	21,750	<u>209</u> [208]
17	21,750	22,000	<u>212</u> [210]
18	22,000	22,250	<u>214</u> [212]
19	22,250	22,500	<u>216</u> [214]
20	22,500	22,750	<u>219</u> [216]
21	22,750	23,000	<u>221</u> [218]
22	23,000	23,250	<u>224</u> [220]
23	23,250	23,500	<u>226</u> [222]
24	23,500	23,750	<u>228</u> [224]
25	23,750	24,000	<u>231</u> [226]
26	24,000	24,250	<u>233</u> [228]
27	24,250	24,500	<u>236</u> [230]
28	24,500	24,750	<u>238</u> [232]
29	24,750	25,000	<u>240</u> [234]
30	25,000	25,250	<u>243</u> [236]
31	25,250	25,500	<u>245</u> [238]

1	25,500	25,750	<u>248</u> [240]
2	25,750	26,000	<u>250</u> [242]
3	26,000	26,250	<u>252</u> [244]
4	26,250	26,500	<u>255</u> [246]
5	26,500	26,750	<u>257</u> [248]
6	26,750	27,000	<u>260</u> [250]
7	27,000	27,250	<u>262</u> [252]
8	27,250	27,500	<u>264</u> [254]
9	27,500	27,750	<u>267</u> [256]
10	27,750	28,000	<u>269</u> [258]
11	28,000	28,250	<u>272</u> [260]
12	28,250	28,500	<u>274</u> [262]
13	28,500	28,750	<u>276</u> [264]
14	28,750	29,000	<u>279</u> [266]
15	29,000	29,250	<u>281</u> [268]
16	29,250	29,500	<u>284</u> [270]
17	29,500	29,750	<u>286</u> [272]
18	29,750	30,000	<u>288</u> [274]
19	30,000	30,250	<u>291</u> [276]
20	30,250	30,500	<u>293</u> [278]
21	30,500	30,750	<u>296</u> [280]
22	30,750	31,000	<u>298</u> [282]
23	31,000	31,250	<u>300</u> [284]
24	31,250	31,500	<u>303</u> [286]
25	31,500	31,750	<u>305</u> [288]
26	31,750	32,000	<u>308</u> [290]
27	32,000	32,250	<u>310</u> [292]
28	32,250	32,500	<u>313</u> [294]
29	32,500	32,750	<u>315</u> [296]
30	32,750	33,000	<u>317</u> [298]
31	33,000	33,250	<u>320</u> [300]

1	33,250	33,500	<u>322</u> [302]
2	33,500	33,750	<u>325</u> [304]
3	33,750	34,000	<u>327</u> [306]
4	34,000	34,250	<u>329</u> [308]
5	34,250	34,500	<u>332</u> [310]
6	34,500	34,750	<u>334</u> [312]
7	34,750	35,000	<u>337</u> [314]
8	35,000	35,250	<u>339</u> [316]
9	35,250	35,500	<u>341</u> [318]
10	35,500	35,750	<u>344</u> [320]
11	35,750	36,000	<u>346</u> [322]
12	36,000	36,250	<u>349</u> [324]
13	36,250	36,500	<u>351</u> [326]
14	36,500	36,750	<u>353</u> [328]
15	36,750	37,000	<u>356</u> [330]
16	37,000	37,250	<u>358</u> [332]
17	37,250	37,500	<u>361</u> [334]
18	37,500	37,750	<u>363</u> [336]
19	37,750	38,000	<u>365</u> [338]
20	38,000	38,250	<u>368</u> [340]
21	38,250	38,500	<u>370</u> [342]
22	38,500	38,750	<u>373</u> [344]
23	38,750	39,000	<u>375</u> [346]
24	39,000	39,250	<u>377</u> [348]
25	39,250	39,500	<u>380</u> [350]
26	39,500	39,750	<u>382</u> [352]
27	39,750	40,000	<u>385</u> [354]
28	40,000	40,250	<u>387</u> [356]
29	40,250	40,500	<u>389</u> [358]
30	40,500	40,750	<u>392</u> [360]
31	40,750	41,000	<u>394</u> [362]

1	41,000	41,250	<u>397</u> [364]
2	41,250	41,500	<u>399</u> [366]
3	41,500	41,750	<u>401</u> [368]
4	41,750	42,000	<u>404</u> [370]
5	42,000	<u>42,250</u>	<u>406</u>
6	<u>42,250</u>	<u>42,500</u>	<u>409</u>
7	<u>42,500</u>	<u>42,750</u>	<u>411</u>
8	<u>42,750</u>	<u>43,000</u>	<u>413</u>
9	<u>43,000</u>	<u>43,250</u>	<u>416</u>
10	<u>43,250</u>	<u>43,500</u>	<u>418</u>
11	<u>43,500</u>	<u>43,750</u>	<u>421</u>
12	<u>43,750</u>	<u>44,000</u>	<u>423</u>
13	<u>44,000</u>	<u>44,250</u>	<u>425</u>
14	<u>44,250</u>	<u>44,500</u>	<u>428</u>
15	<u>44,500</u>	<u>44,750</u>	<u>430</u>
16	<u>44,750</u>	<u>45,000</u>	<u>433</u>
17	<u>45,000</u>	<u>45,250</u>	<u>435</u>
18	<u>45,250</u>	<u>45,500</u>	<u>438</u>
19	<u>45,500</u>	<u>45,750</u>	<u>440</u>
20	<u>45,750</u>	<u>46,000</u>	<u>442</u>
21	<u>46,000</u>	<u>46,250</u>	<u>445</u>
22	<u>46,250</u>	<u>46,500</u>	<u>447</u>
23	<u>46,500</u>	<u>46,750</u>	<u>450</u>
24	<u>46,750</u>	<u>47,000</u>	<u>452</u>
25	<u>47,000</u>	<u>47,250</u>	<u>454</u>
26	<u>47,250</u>	<u>47,500</u>	<u>457</u>
27	<u>47,500</u>	<u>47,750</u>	<u>459</u>
28	<u>47,750</u>	<u>48,000</u>	<u>462</u>
29	<u>48,000</u>	<u>48,250</u>	<u>464</u>
30	<u>48,250</u>	<u>48,500</u>	<u>466</u>
31	<u>48,500</u>	<u>48,750</u>	<u>469</u>

1	<u>48,750</u>	<u>49,000</u>	<u>470</u>
2	<u>49,000</u>		<u>470</u> [370].

3 * **Sec. 8.** AS 23.20.350 is amended by adding a new subsection to read:

4 (h) On January 1 of each year, the department shall increase the maximum
5 base period wages in (d) of this section by a percentage equal to the percentage
6 increase in the base of contributions calculated under AS 23.20.175 in comparison to
7 the base contributions calculated for the prior year. The new base period wage amount
8 shall be rounded to the nearest \$250. The department shall increase the corresponding
9 weekly benefit amount in (d) of this section by \$2 for each \$250 increase in base
10 period wages. The department may not decrease the base period wage amount of the
11 weekly benefit amount.

12 * **Sec. 9.** AS 23.20.526(a) is amended to read:

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

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

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

19 (3) service not in the course of the employing unit's trade or business
20 performed in a calendar quarter by an individual, unless the cash remuneration paid
21 for the service is \$50 or more and the service is performed by an individual who is
22 regularly employed by the employing unit to perform the service; an individual is here
23 considered to be regularly employed to perform service not in the course of an
24 employing unit's trade or business during a calendar quarter only if the individual
25 performs the service for some portion of the day on each of 24 days during the quarter
26 or during the preceding calendar quarter;

27 (4) service performed by an individual in the employ of the
28 individual's

29 (A) son, daughter, or spouse;

30 (B) parent or legal guardian if the individual was under the age
31 of 21 years and a full-time student during eight of the last 12 months and

intends to resume full-time student status within the next four months; and

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

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

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

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

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

(B) the department finds that the United States Secretary of State has certified to the United States Secretary of the Treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States government and its instrumentalities;

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

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

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

(11) service performed in the employ of the United States government

1 or an instrumentality of the United States exempt under the Constitution of the United
2 States from the contributions imposed by this chapter, except that to the extent that the
3 Congress of the United States permits states to require an instrumentality of the United
4 States to make payments into an unemployment fund under a state employment
5 security law, all of the provisions of this chapter apply to the instrumentalities, and to
6 service performed for the instrumentalities in the same manner, to the same extent, and
7 on the same terms as to all other employers, employing units, individuals, and service;
8 however, if this state is not certified for any year by the United States Secretary of
9 Labor under 26 U.S.C. 3304(c) (Federal Unemployment Tax Act, Internal Revenue
10 Code), the payments required of the instrumentalities with respect to the year shall be
11 refunded by the department from the fund in the same manner and within the same
12 period as is provided in AS 23.20.225 with respect to contributions erroneously
13 collected;

14 (12) service performed in the employ of another state, or political
15 subdivision of another state, or an instrumentality of another state or political
16 subdivision that is wholly owned by another state or its political subdivision, or a
17 service performed in the employ of an instrumentality of another state or its political
18 subdivisions to the extent that the instrumentality is, with respect to the service,
19 exempt under the Constitution of the United States from the tax imposed by 26 U.S.C.
20 3301 (Federal Unemployment Tax Act, Internal Revenue Code);

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

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

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

29 (A) on a farm, in the employ of any person in connection with
30 cultivating the soil, or in connection with raising or harvesting any agricultural
31 or horticultural commodity, including the raising, shearing, feeding, caring for,

1 training, and management of livestock, bees, poultry, and fur-bearing animals
2 and wildlife;

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

8 (C) in connection with the production or harvesting of any
9 commodity defined as an agricultural commodity in 12 U.S.C. 1141j (Sec.
10 15(g), Agricultural Marketing Act), as amended, or in connection with the
11 operation or maintenance of ditches, canals, reservoirs, or waterways, not
12 owned or operated for profit, used exclusively for supplying and storing water
13 for farming purposes;

14 (D) in the employ of the operator of a farm in handling,
15 planting, drying, packing, packaging, processing, freezing, grading, storing, or
16 delivering to storage or to market or to a carrier for transportation to market, in
17 its unmanufactured state, any agricultural or horticultural commodity; but only
18 if the operator produced more than one-half of the commodity with respect to
19 which the service is performed except as stated in (b) of this section;

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

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

27 (16) service performed as a student nurse in the employ of a hospital or
28 a nurses' training school by an individual who is enrolled and is regularly attending
29 classes in a nurses' training school chartered or approved in accordance with the laws
30 of this state, and service performed as an intern in the employ of a hospital by an
31 individual who has completed a four-year course in a medical school chartered or

1 approved in accordance with the laws of this state, unless the service is required to be
2 covered under the Federal Unemployment Tax Act;

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

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

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

12 (C) the amount of that individual's share depends on the
13 amount of the boat's, or the boats' in the case of a fishing operation involving
14 more than one boat, catch of fish or other forms of aquatic animal life; but only
15 if the operating crew of that boat, or each boat from which the individual
16 receives a share in the case of a fishing operation involving more than one
17 boat, is normally made up of fewer than 10 individuals;

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

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

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

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

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

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

27 (21) service of an individual who

28 (A) directly sells or solicits the sale of consumer products, for
29 resale or otherwise, personally to a prospective consumer in the home or
30 otherwise than in a permanent retail establishment; a sale or solicitation by
31 telephone, mail, other telecommunications method, or other nonpersonal

method does not satisfy the requirement of this subparagraph;

(B) is compensated solely by

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

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

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

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

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

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

(B) "independent contractor" means a sports official

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

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

1 (iii) who is free under the terms of the contract to
2 accept or reject assignments of any game;

3 (iv) who is not limited to exclusively officiating with
4 the party engaging the services of the sports official
5 ["VOLUNTEER WORK" MEANS WORK FOR WHICH
6 COMPENSATION DOES NOT EXCEED \$1,500 A YEAR AND IS
7 PAID ONLY TO DEFRAY OR REIMBURSE THE REASONABLE
8 FOOD, TRAVEL, AND INCIDENTAL EXPENSES THE PERSON
9 INCURS IN ORDER TO PERFORM THE WORK OR AS A RESULT
10 OF PERFORMING THE WORK].

11 * **Sec. 10.** AS 23.30.240 is amended to read:

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

14 (a) Except as provided in (b) of this section, an executive officer elected or appointed
15 and empowered in accordance with the charter and bylaws of a corporation; a
16 member, director, or principal officer of a cooperative organized under AS 10.15;
17 or a member of a limited liability company organized under AS 10.50 is not an
18 employee of the business entity under this chapter if the executive officer, principal
19 officer, director, or member owns at least 10 percent of the business entity. Except as
20 provided in (b) of this section, an executive officer of a municipal corporation or
21 charitable, religious, educational, or other nonprofit corporation is not an employee of
22 the corporation under this chapter.

23 (b) Any type of corporation, cooperative, or limited liability company may
24 bring an executive officer, principal officer, director, or a member exempted under
25 (a) of this section within the coverage of the business entity's insurance contract by
26 specifically including the executive officer or member in the contract of insurance.
27 The election to bring the executive officer, principal officer, director, or member
28 within the business entity's coverage continues in force for the period during which the
29 contract of insurance is in effect. During that period, an executive officer, principal
30 officer, director, or a member brought within the coverage of the insurance contract is
31 an employee of the business entity under this chapter.

1 * **Sec. 11.** AS 23.15.630(b), 23.15.835(b); and AS 23.20.290(d) are repealed.

2 * **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 STATE UNEMPLOYMENT INSURANCE LAW FEDERAL APPROVAL. To the
5 extent necessary to implement this Act, the Department of Labor and Workforce
6 Development shall submit for federal approval the changes to the unemployment insurance
7 laws of the state enacted by secs. 2 - 9 and 11 of this Act.

8 * **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

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

12 * **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 CONDITIONAL EFFECT; NOTIFICATION. (a) Sections 2 - 9 and 11 of this Act
15 take effect only if, on or before July 1, 2027, the United States Secretary of Labor approves
16 the change to the unemployment insurance laws of this state under 26 U.S.C. 3304 (Federal
17 Unemployment Tax Act).

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

21 * **Sec. 15.** If secs. 2 - 9 and 11 of this Act take effect, they take effect on January 1, 2027, or
22 the day after the United States Secretary of Labor approves the change to the unemployment
23 insurance laws of this state, whichever is later.

24 * **Sec. 16.** Section 12 of this Act takes effect immediately under AS 01.10.070(c).

25 * **Sec. 17.** Except as provided in secs. 15 and 16 of this Act, this Act takes effect January 1,
26 2027.