

HOUSE BILL NO. 409

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES KELLY, Therriault, James, Kohring

Introduced: 1/11/96

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act combining parts of the Department of Commerce and Economic
2 Development and parts of the Department of Community and Regional Affairs by
3 transferring some of their duties to a new Department of Community and
4 Economic Development; transferring some of the duties of the Department of
5 Commerce and Economic Development and the Department of Community and
6 Regional Affairs to other existing agencies; eliminating the Department of
7 Commerce and Economic Development and the Department of Community and
8 Regional Affairs; adjusting the membership of certain multi-member bodies to
9 reflect the transfer of duties among departments and the elimination of
10 departments; and providing for an effective date."

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

12 * Section 1. AS 05.05.010(a) is amended to read:

1 (a) There is created an athletic commission within the Department of **Labor**
2 [COMMERCE AND ECONOMIC DEVELOPMENT]. The commission consists of
3 four members appointed by the governor. One member of the commission shall be
4 appointed from each of the four judicial districts. The commissioners shall be
5 appointed for overlapping four-year terms. Members of the commission serve at the
6 pleasure of the governor and shall be selected on the basis of their known interest in
7 and knowledge of athletics in the state.

8 * **Sec. 2.** AS 05.35.070(1) is amended to read:

9 (1) "commissioner" means the commissioner of **community**
10 [COMMERCE] and economic development;

11 * **Sec. 3.** AS 05.35.150 is amended to read:

12 Sec. 05.35.150. ALASKA AMATEUR SPORTS FUND. There is established
13 as a separate fund in the Department of **Community** [COMMERCE] and Economic
14 Development the Alaska amateur sports fund. The fund consists of private
15 contributions and money appropriated to the fund from receipts under AS 28.10.421(f).
16 Money in the fund may be appropriated for the promotion and development of amateur
17 sports.

18 * **Sec. 4.** AS 06.01.050(1) is amended to read:

19 (1) "commissioner" means the commissioner of **revenue** [COMMERCE
20 AND ECONOMIC DEVELOPMENT] or a designee of the commissioner;

21 * **Sec. 5.** AS 06.01.050(2) is amended to read:

22 (2) "department" means the Department of **Revenue** [COMMERCE
23 AND ECONOMIC DEVELOPMENT];

24 * **Sec. 6.** AS 06.05.540(7) is amended to read:

25 (7) "commissioner" means the commissioner of **revenue** [COMMERCE
26 AND ECONOMIC DEVELOPMENT] or a designee of the commissioner;

27 * **Sec. 7.** AS 06.05.540(9) is amended to read:

28 (9) "department" means the Department of **Revenue** [COMMERCE
29 AND ECONOMIC DEVELOPMENT];

30 * **Sec. 8.** AS 06.10.030 is amended to read:

31 Sec. 06.10.030. FILING STATEMENT. Before engaging in this state in any

1 of the activities specified in AS 06.10.020, a foreign bank shall execute and file with
2 the commissioner of revenue [COMMERCE AND ECONOMIC DEVELOPMENT]
3 a statement. The statement shall list its name, state of incorporation or organization
4 and principal place of business and shall appoint irrevocably the commissioner of
5 revenue [COMMERCE AND ECONOMIC DEVELOPMENT] and the commissioner's
6 successors its agents upon whom may be served process against it in any proceeding
7 or cause of action arising out of its engaging in this state in any of the activities
8 referred to in AS 06.10.020. Until the statement is filed the immunities provided by
9 this chapter do not become operative, but failure to file the statement has no other
10 effect.

11 * **Sec. 9.** AS 06.15.010 is amended to read:

12 Sec. 06.15.010. DECLARATION OF POLICY. In providing authority for the
13 establishment of mutual savings banks it is the intent of the legislature to make
14 available the benefits of mutual savings banking, thereby encouraging the practice of
15 thrift and promoting the accumulation of funds for investment to develop the economy.
16 For the accomplishment of these purposes, the legislature intends by this chapter to
17 vest in mutual banks those powers generally possessed by state-chartered mutual
18 savings banks and to grant authority to the Department of Revenue [COMMERCE
19 AND ECONOMIC DEVELOPMENT] to define powers and to adopt regulations
20 designed to enable mutual savings banks to perform their functions and to carry out
21 the above purposes, subject to the provisions of AS 06.05 (Alaska Banking Code) that
22 are not inconsistent with this chapter.

23 * **Sec. 10.** AS 06.15.370(2) is amended to read:

24 (2) "department" means the Department of Revenue [COMMERCE
25 AND ECONOMIC DEVELOPMENT];

26 * **Sec. 11.** AS 06.20.900(1) is amended to read:

27 (1) "commissioner" means the commissioner of revenue [COMMERCE
28 AND ECONOMIC DEVELOPMENT] or a designee of the commissioner;

29 * **Sec. 12.** AS 06.20.900(2) is amended to read:

30 (2) "department" means the Department of Revenue [COMMERCE
31 AND ECONOMIC DEVELOPMENT];

1 * **Sec. 13.** AS 06.25.050(a) is amended to read:

2 (a) The existence of a trust company begins on the filing of the articles of
3 incorporation. However, a trust company may not transact any business, except that
4 which is preliminary to its organization, until it complies with the following
5 conditions:

6 (1) all of the capital stock shall be fully paid in cash, and the affidavit
7 of the president and treasurer, or the president and cashier of the trust company, setting
8 out the fact that it has been paid, subscribed, and sworn to before some person
9 authorized to administer oaths, shall be filed with the department;

10 (2) a complete and correct list of stockholders, showing the name,
11 address, and the amount of stock held by each, verified by the oath of the president
12 and treasurer or president and cashier, or by oath of any two officers of the trust
13 company, shall be filed with the department;

14 (3) a deposit of securities shall be made with the **department**
15 [DEPARTMENT OF REVENUE] as provided by this chapter and the regulations of
16 the **department** [DEPARTMENT OF COMMERCE AND ECONOMIC
17 DEVELOPMENT];

18 (4) a certificate of authority is issued by the department to the trust
19 company, authorizing it to engage in business;

20 (5) a trust company proposing to engage in the banking business shall,
21 before commencing the banking business, acquire membership in the Federal Deposit
22 Insurance Corporation.

23 * **Sec. 14.** AS 06.25.200(a) is amended to read:

24 (a) A trust company may examine titles to real estate, procure and furnish
25 information in relation **to the titles** [THERETO], and guarantee or insure the title to
26 real estate against loss, due to defective title or other encumbrance. A trust company
27 is subject to the insurance law of the state to the extent of its title insurance activities
28 and operations, except that securities deposited by a trust company under AS 06.25.230
29 shall be credited to and included in the total of the guaranty fund of the company
30 required by the insurance law, unless demand for the full statutory amount under the
31 title insurance and the trust company laws is made by the commissioner of **revenue**

1 [COMMERCE AND ECONOMIC DEVELOPMENT].

2 * **Sec. 15.** AS 06.25.230 is amended to read:

3 Sec. 06.25.230. DEPOSIT OF SECURITIES WITH DEPARTMENT [OF
4 REVENUE]. A trust company shall keep on deposit with the **department**
5 [DEPARTMENT OF REVENUE] interest or dividend bearing stocks or bonds of the
6 United States or of the State of Alaska, or of any city of this state, or such other
7 interest or dividend bearing stocks, bonds, or securities approved by the **department**
8 [DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT], in value
9 of 20 percent of its capital stock. The securities so deposited may not be of less value
10 than \$5,000. The securities shall be registered in the name of the **department**
11 [DEPARTMENT OF REVENUE], in trust for the creditors of and depositors with the
12 trust company, subject to sale and transfer and to the disposal of the proceeds **of the**
13 **securities** [THEREOF], by the **department** [DEPARTMENT OF REVENUE], only
14 on the order of a court of competent jurisdiction. The trust company, so long as it
15 continues solvent and complies with the laws of the state, may be permitted by the
16 **department** [DEPARTMENT OF COMMERCE AND ECONOMIC
17 DEVELOPMENT] to collect the interest and dividends on the securities and from time
18 to time exchange the securities for others of equal value. All securities before they
19 may be accepted by the **department** [DEPARTMENT OF REVENUE] for filing under
20 this section shall be approved by the **department** [DEPARTMENT OF COMMERCE
21 AND ECONOMIC DEVELOPMENT]. A trust company that is a member of the
22 Federal Deposit Insurance Corporation or whose deposits are insured in whole or in
23 part by an agency of the United States is exempt from the requirements of this section.

24 * **Sec. 16.** AS 06.25.350 is amended to read:

25 Sec. 06.25.350. **DEFINITION** [DEFINITIONS]. In this chapter, "department"
26 means the Department of **Revenue** [COMMERCE AND ECONOMIC
27 DEVELOPMENT].

28 * **Sec. 17.** AS 06.40.190(1) is amended to read:

29 (1) "commissioner" means the commissioner of **revenue** [COMMERCE
30 AND ECONOMIC DEVELOPMENT] or a designee of the commissioner;

31 * **Sec. 18.** AS 06.40.190(2) is amended to read:

1 (2) "department" means the Department of Revenue [COMMERCE
2 AND ECONOMIC DEVELOPMENT];

3 * **Sec. 19.** AS 06.45.400(1) is amended to read:

4 (1) "commissioner" means the commissioner of revenue [COMMERCE
5 AND ECONOMIC DEVELOPMENT];

6 * **Sec. 20.** AS 08.01.110(2) is amended to read:

7 (2) "commissioner" means the commissioner of labor [COMMERCE
8 AND ECONOMIC DEVELOPMENT];

9 * **Sec. 21.** AS 08.01.110(3) is amended to read:

10 (3) "department" means the Department of Labor [COMMERCE AND
11 ECONOMIC DEVELOPMENT];

12 * **Sec. 22.** AS 08.02.011 is amended to read:

13 Sec. 08.02.011. PROFESSIONAL GEOLOGIST. The commissioner of labor
14 [COMMERCE AND ECONOMIC DEVELOPMENT] shall certify an applicant as a
15 professional geologist if the applicant is certified as a professional geologist by the
16 American Institute of Professional Geologists.

17 * **Sec. 23.** AS 08.02.025 is amended to read:

18 Sec. 08.02.025. COMPLIANCE WITH STUDENT LOAN REQUIREMENTS.

19 (a) A person licensed under this title shall comply with the student loan repayment
20 provisions under AS 14.43 that are applicable to the person. Notwithstanding another
21 provision of law, a license issued to a person under this title may not be renewed if
22 the borrower and the Department of Labor [COMMERCE AND ECONOMIC
23 DEVELOPMENT] have received notice from the Alaska Commission on
24 Postsecondary Education that the licensee is in default on a student loan provided to
25 the licensee. This action may be taken no sooner than 60 days after the Alaska
26 Commission on Postsecondary Education has notified the borrower of the default status
27 of the loan as provided under AS 14.43.120(i). If an appeal of a determination of
28 default status is pending on behalf of the licensee, the Alaska Commission on
29 Postsecondary Education shall notify the department and renewal may not be denied
30 under this section until and unless the appeal has been concluded and the default status
31 affirmed. Denial of renewal of a license shall continue until the Department of Labor

1 [COMMERCE AND ECONOMIC DEVELOPMENT] receives notice from the Alaska
2 Commission on Postsecondary Education that the licensee is no longer in default on
3 the student loan.

4 (b) The Department of Labor [COMMERCE AND ECONOMIC
5 DEVELOPMENT] shall provide the applicable licensing board, if any, a copy of a
6 notice received under (a) of this section.

7 * **Sec. 24.** AS 08.02.030(a) is amended to read:

8 (a) A board established under this title and the Department of Labor
9 [COMMERCE AND ECONOMIC DEVELOPMENT], with respect to an occupation
10 that it regulates under this title, may by regulation establish criteria for issuing a
11 temporary courtesy license to nonresidents who enter the state so that, on a temporary
12 basis, they may practice the occupation regulated by the board or the department.

13 * **Sec. 25.** AS 08.04.070(e) is amended to read:

14 (e) The board shall tape record all board meetings and submit the tapes to the
15 Department of Labor [COMMERCE AND ECONOMIC DEVELOPMENT] with a
16 request that they be kept on file for at least two years.

17 * **Sec. 26.** AS 08.04.495 is amended to read:

18 Sec. 08.04.495. FEES. The Department of Labor [COMMERCE AND
19 ECONOMIC DEVELOPMENT] shall set fees under AS 08.01.065 for examinations,
20 reexaminations, permits, licenses, certificates, and registrations.

21 * **Sec. 27.** AS 08.06.190(2) is amended to read:

22 (2) "department" means the Department of Labor [COMMERCE AND
23 ECONOMIC DEVELOPMENT];

24 * **Sec. 28.** AS 08.11.200(3) is amended to read:

25 (3) "department" means the Department of Labor [COMMERCE AND
26 ECONOMIC DEVELOPMENT];

27 * **Sec. 29.** AS 08.13.030(c) is amended to read:

28 (c) The board may

29 (1) suspend or revoke a license or permit;

30 (2) on its own motion or upon receipt of a written complaint, conduct
31 hearings and request the Department of Labor [COMMERCE AND ECONOMIC

1 DEVELOPMENT] to investigate the practices of a person, shop, or school involved
2 in the practice or teaching of barbering, hairdressing, or cosmetology;

3 (3) adopt regulations or do any act necessary to carry out the provisions
4 of this chapter.

5 * **Sec. 30.** AS 08.13.050 is amended to read:

6 Sec. 08.13.050. RECORDS OF THE BOARD. The Department of **Labor**
7 [COMMERCE AND ECONOMIC DEVELOPMENT] shall keep a record of the
8 board's proceedings related to the issuance, refusal, suspension, and revocation of each
9 license and permit. The record shall contain the name of the person to whom a license
10 or permit is issued, the person's place of business, the date of issuance for each license
11 and permit, and whether it is currently valid. The record shall be open to inspection
12 by the public at all reasonable times. The board shall submit an annual report on its
13 operations to the governor.

14 * **Sec. 31.** AS 08.13.185(a) is amended to read:

15 (a) The Department of **Labor** [COMMERCE AND ECONOMIC
16 DEVELOPMENT] shall set fees under AS 08.01.065 for initial licenses and renewals
17 for the following:

- 18 (1) schools;
- 19 (2) school owners;
- 20 (3) instructor;
- 21 (4) shop owner;
- 22 (5) practitioner of barbering;
- 23 (6) practitioner of hairdressing;
- 24 (7) practitioner of cosmetology;
- 25 (8) temporary permit;
- 26 (9) student permit.

27 * **Sec. 32.** AS 08.18.011(a) is amended to read:

28 (a) A person may not submit a bid or work as a contractor until that person
29 has been issued a certificate of registration by the Department of **Labor** [COMMERCE
30 AND ECONOMIC DEVELOPMENT]. A partnership or joint venture shall be
31 considered registered if one of the general partners or venturers whose name appears

1 in the name under which the partnership or venture does business is registered.

2 * **Sec. 33.** AS 08.18.025(b) is amended to read:

3 (b) The department shall issue a residential contractor endorsement to a person
4 who

5 (1) has a certificate of registration as a general contractor;

6 (2) passes a residential contractor examination, which shall be offered
7 by the department at least once each year in each judicial district; the examination,
8 which may be written or practical, may test competence in relation to arctic structural
9 and thermal construction techniques and other matters as determined by the department
10 in consultation with representatives of the construction industry;

11 (3) applies for an endorsement within six months after passing the
12 examination required under (2) of this subsection;

13 (4) within the two years preceding the date of application for the
14 endorsement, has satisfactorily completed either the Alaska craftsman home program
15 sponsored by the **department** [DEPARTMENT OF COMMUNITY AND REGIONAL
16 AFFAIRS], or its equivalent, or a postsecondary course in arctic engineering, or its
17 equivalent;

18 (5) within the seven years preceding the date of application, has not
19 been under a sentence for an offense related to forgery, theft in the first or second
20 degree, extortion, or conspiracy to defraud creditors or for a felony involving
21 dishonesty; and

22 (6) pays the appropriate fees.

23 * **Sec. 34.** AS 08.18.116 is amended to read:

24 Sec. 08.18.116. INVESTIGATIONS. **The** [EITHER THE DEPARTMENT OF
25 COMMERCE AND ECONOMIC DEVELOPMENT OR THE] Department of Labor
26 may investigate alleged or apparent violations of this chapter. **The department**
27 [THESE DEPARTMENTS], upon showing proper credentials, may enter, during
28 regular hours of work, a construction site where it appears that contracting work is
29 being done. The **department** [DEPARTMENTS] may make inquiries about the
30 identity of the contractor or the person acting in the capacity of a contractor. Upon
31 demand, a contractor or person acting in the capacity of a contractor, or that person's

1 representative, shall produce evidence of current endorsement, if applicable, and
2 registration.

3 * **Sec. 35.** AS 08.18.117 is amended to read:

4 Sec. 08.18.117. ISSUANCE OF CITATIONS. **The** [EITHER THE
5 DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT OR THE]
6 Department of Labor may issue a citation for a violation if there is probable cause to
7 believe a person has violated this chapter. Each day a violation continues after a
8 citation for the violation has been issued constitutes a separate violation.

9 * **Sec. 36.** AS 08.18.118(c) is amended to read:

10 (c) The [DEPARTMENT OF COMMERCE AND ECONOMIC
11 DEVELOPMENT AND THE] Department of Labor **is** [ARE] responsible for the
12 issuance of books containing appropriate citations, and each shall maintain a record of
13 each book issued and each citation contained in it. **The** [EACH] department shall
14 require and retain a receipt for every book issued to an employee of **the** [THAT]
15 department.

16 * **Sec. 37.** AS 08.18.121(f) is amended to read:

17 (f) If the [DEPARTMENT OF COMMERCE AND ECONOMIC
18 DEVELOPMENT OR THE] Department of Labor determines that a contractor or a
19 person acting in the capacity of a contractor, is in violation of this chapter, **the**
20 [THAT] department may give written notice to the person prohibiting further action
21 by the person as a contractor. The prohibition continues until the person has submitted
22 evidence acceptable to **the** [THAT] department showing that the violation has been
23 corrected.

24 * **Sec. 38.** AS 08.18.121(g) is amended to read:

25 (g) A person affected by an order issued under this chapter may seek equitable
26 relief preventing the [DEPARTMENT OF COMMERCE AND ECONOMIC
27 DEVELOPMENT OR THE] Department of Labor from enforcing the order.

28 * **Sec. 39.** AS 08.18.131 is amended to read:

29 Sec. 08.18.131. INJUNCTION. In an action instituted in the superior court by
30 the [DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT OR
31 THE] Department of Labor, the court may enjoin a person from acting in the capacity

1 of a contractor in violation of this chapter. In addition to other relief, the court may
2 impose a civil penalty of not more than \$250 for each violation. Each day that an
3 unlawful act continues constitutes a separate violation.

4 * **Sec. 40.** AS 08.18.141(b) is amended to read:

5 (b) Criminal prosecution for a violation of this chapter does not preclude the
6 [DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT OR THE]
7 Department of Labor from seeking available civil remedies.

8 * **Sec. 41.** AS 08.18.171(3) is amended to read:

9 (3) "commissioner," unless the text reads otherwise, means the
10 commissioner of **labor** [THE DEPARTMENT OF COMMERCE AND ECONOMIC
11 DEVELOPMENT];

12 * **Sec. 42.** AS 08.18.171(5) is amended to read:

13 (5) "department" means the Department of **Labor** [COMMERCE AND
14 ECONOMIC DEVELOPMENT], unless the context indicates otherwise;

15 * **Sec. 43.** AS 08.24.160 is amended to read:

16 Sec. 08.24.160. FORM OF BOND. The bond required by AS 08.24.140 and
17 08.24.150 shall be in the form substantially as follows:

18 BOND

19 Know all Men by These Presents that we, _____,
20 as principal, and _____ as surety, are held and firmly
21 bound to the State of Alaska, in the penal sum of
22 \$_____, lawful money of the United States, for the
23 payment of which we bind ourselves, our heirs, executors,
24 administrators, successors and assigns jointly and severally.

25 The condition of this obligation is such that whereas, the
26 bonded principal, named above, has applied to the Department
27 of **Labor** [COMMERCE AND ECONOMIC DEVELOPMENT]
28 of the State of Alaska for a collection agency license under the
29 provisions of AS 08.24 and is required by the provisions of that
30 law to furnish a bond conditioned as herein set out.

31 Now, therefore, if _____, within 30 days after

1 the close of each fiscal or calendar month, reports and pays to
2 customers the net proceeds due and payable of all collections
3 made during that calendar or fiscal month which exceed \$20,
4 and strictly, honestly and faithfully complies with the provisions
5 of AS 08.24 and all amendments to it and regulations adopted
6 under it, then this obligation is void, otherwise to remain in full
7 force and effect.

8 This bond becomes effective on the ____ day of
9 _____, 19____. The surety may be relieved of future
10 liability under it by giving 60 days' written notice to the
11 principal and to the Department of Labor [COMMERCE AND
12 ECONOMIC DEVELOPMENT] of the State of Alaska.

13 This bond is one continuing obligation and the liability
14 of the surety for the aggregate of all claims which may arise
15 under it may in no event exceed the amount of the penalty set
16 out in it.

17 IN WITNESS WHEREOF we have hereunto set our
18 hands and seals at _____, Alaska, this ____ day of
19 _____, 19____.

20 (SEAL) _____ Principal

21 (SEAL) _____ Surety.

22 * **Sec. 44.** AS 08.24.210 is amended to read:

23 Sec. 08.24.210. ANNUAL STATEMENT OF COLLECTION. Each collection
24 agency licensee shall, not later than January 31 of each calendar year, file with the
25 department a verified annual statement for the preceding calendar year, showing the
26 respective amounts of all customers' money collected by the licensee during the
27 preceding calendar year, that has not previously been remitted to the customers entitled
28 to it or properly accounted for, and showing also the amounts of money that the
29 licensee has on deposit in a bank or in the licensee's possession for the purpose of
30 liquidating any and all amounts due to customers. The statement must contain the
31 name and address of the bank. The annual statement shall be made substantially in

1 the following form:

2 ANNUAL STATEMENT TO DEPARTMENT OF **LABOR**
3 [COMMERCE AND ECONOMIC DEVELOPMENT]

4 Pursuant to AS 08.24.210 the undersigned,
5 _____, licensed under AS 08.24 to conduct a collection
6 agency business, hereby declares that the amount of money
7 collected during the preceding calendar year by the undersigned,
8 as a licensee under AS 08.24, which has not been remitted to a
9 customer or properly accounted for is \$_____; and that
10 the amount on deposit with all banks for the purpose of
11 liquidating all amounts to customers is \$_____.

12 The attached schedule contains a true statement of the
13 name and address of each customer of the undersigned to whom
14 there was due or owing at the end of the preceding calendar
15 year on account of collections made during the preceding
16 calendar year the aggregate sum of \$20 or more.

17 IN WITNESS WHEREOF, the undersigned has executed
18 this statement on this ____ day of _____, 19_____.

19 (name of licensee) _____

20 (signature) _____

21 (capacity) _____

22 VERIFICATION

23 STATE OF ALASKA ss

24 THIRD DISTRICT

25 I, the undersigned, being first sworn, do on oath depose
26 and say: That I executed the within annual statement as the
27 licensee named in it or on behalf of the licensee named in it, as
28 the operator, director, or officer of the licensee named in it, as
29 indicated in it; that I have read the statement and know its
30 contents; and that the statement is true.

31 _____

1 (B) are over 50 miles by air or water transportation from the
2 business place of an electrical administrator licensed under AS 08.40.010 -
3 08.40.200;

4 (3) electrical installation on residential property that is owned by the
5 installer or a member of the installer's immediate family and not intended for sale at
6 the time of making the installation;

7 (4) the operation, maintenance, or repair of a television or radio
8 broadcasting system and the installation of a radio broadcasting system under 500
9 watts input power except for A.C. power supply and wiring;

10 (5) the installation, maintenance, and repair of elevators so long as the
11 work is performed by an agent or employee of the elevator industry and is confined
12 to the elevator control system, which system does not include the power supply,
13 wiring, and motor connection;

14 (6) the operation, maintenance, and repair of telephone, telegraph, and
15 intercommunication facilities;

16 (7) the installation, maintenance, and repair of fire alarm, intrusion
17 alarm, or other low voltage signaling systems of 48 volts to ground or less;

18 (8) the maintenance or repair of diesel electric engines installed on
19 heavy construction equipment, either in a shop or on a job site;

20 (9) the installation in a commercial water well of the submersible pump
21 motor and the wiring to the well pump system controls if the controls are outside a
22 building or a structure;

23 (10) the installation in a noncommercial water well of the submersible
24 pump motor and the wiring to the well pump system controls;

25 (11) electrical maintenance or repair work if the work is performed by
26 the person as an employee of an owner or tenant of commercial property as part of the
27 employee's work duties with respect to the property but is not offered or performed
28 as a service to the public.

29 * **Sec. 49.** AS 08.40.200(2) is amended to read:

30 (2) "department" means the Department of **Labor** [COMMERCE AND
31 ECONOMIC DEVELOPMENT];

1 * **Sec. 50.** AS 08.40.360 is amended to read:

2 Sec. 08.40.360. CEASE AND DESIST ORDER. (a) If the commissioner of
3 **labor** [COMMERCE AND ECONOMIC DEVELOPMENT] determines that a person
4 is acting as a mechanical administrator in violation of AS 08.40.210 - 08.40.490, the
5 commissioner may issue a cease and desist order prohibiting further action by the
6 person as a mechanical administrator. The cease and desist order remains in effect
7 until the person has submitted evidence acceptable to the commissioner showing that
8 the violation has been corrected.

9 (b) A person affected by an order issued under (a) of this section may seek
10 equitable relief preventing the commissioner of **labor** [COMMERCE AND
11 ECONOMIC DEVELOPMENT] from enforcing the order.

12 * **Sec. 51.** AS 08.40.370 is amended to read:

13 Sec. 08.40.370. INJUNCTIVE RELIEF. The commissioner of **labor**
14 [COMMERCE AND ECONOMIC DEVELOPMENT] may seek an injunction in the
15 superior court to enjoin a person from violating AS 08.40.210 - 08.40.490.

16 * **Sec. 52.** AS 08.40.390(b) is amended to read:

17 (b) AS 08.40.210 - 08.40.490 do not apply to a person engaged in

18 (1) the manufacture or repair of mechanical apparatus or equipment;
19 (2) mechanical work, the cost of which does not exceed \$50,000,
20 involving residences or small commercial establishments in communities that

21 (A) have a population of under 5,000 according to the latest
22 available federal or state census or other census approved by the Department
23 of **Revenue** [COMMUNITY AND REGIONAL AFFAIRS]; or

24 (B) are over 50 miles by air or water transportation from the
25 business place of a mechanical administrator licensed under AS 08.40.210 -
26 08.40.490;

27 (3) mechanical installation on a single-family residence or a two-family
28 residence that is not intended for sale at the time of making the installation;

29 (4) installation of water lines or sanitary, storm, or drain sewer lines
30 more than five feet from a building;

31 (5) mechanical maintenance or repair work if the work is performed by

1 the person as an employee of an owner or tenant of commercial property as part of the
2 employee's work duties with respect to the property but is not offered or performed
3 as a service to the public;

4 (6) design, installation, maintenance, or repair of fire extinguishing
5 systems.

6 * **Sec. 53.** AS 08.40.490(1) is amended to read:

7 (1) "department" means the Department of **Labor** [COMMERCE AND
8 ECONOMIC DEVELOPMENT] except where the context otherwise requires;

9 * **Sec. 54.** AS 08.42.200(1) is amended to read:

10 (1) "department" means the Department of **Labor** [COMMERCE AND
11 ECONOMIC DEVELOPMENT];

12 * **Sec. 55.** AS 08.45.020 is amended to read:

13 Sec. 08.45.020. APPLICATION FOR LICENSE. A person desiring to practice
14 naturopathy shall apply in writing to the division of occupational licensing of the
15 Department of **Labor** [COMMERCE AND ECONOMIC DEVELOPMENT].

16 * **Sec. 56.** AS 08.45.100 is amended to read:

17 Sec. 08.45.100. REGULATIONS. The Department of **Labor** [COMMERCE
18 AND ECONOMIC DEVELOPMENT] shall adopt regulations to implement this
19 chapter.

20 * **Sec. 57.** AS 08.45.200(2) is amended to read:

21 (2) "division" means the division of occupational licensing in the
22 Department of **Labor** [COMMERCE AND ECONOMIC DEVELOPMENT];

23 * **Sec. 58.** AS 08.48.071(a) is amended to read:

24 (a) The following record of the board's proceedings and of all applications for
25 registration or authorization shall be kept by the Department of **Labor** [COMMERCE
26 AND ECONOMIC DEVELOPMENT] under AS 08.01.050:

27 (1) the name, age, and last known address of each applicant;

28 (2) the date of application;

29 (3) the place of business of the applicant;

30 (4) the education, experience, and other qualifications;

31 (5) the type of examination required;

- 1 (6) whether or not the applicant was rejected;
- 2 (7) whether or not a certificate of registration or authorization was
- 3 granted or endorsed;
- 4 (8) the date of the action of the board;
- 5 (9) other action taken by the board;
- 6 (10) other information that may be considered necessary by the board.

7 * **Sec. 59.** AS 08.48.071(e) is amended to read:

8 (e) The Department of **Labor** [COMMERCE AND ECONOMIC

9 DEVELOPMENT] shall, under AS 08.01.050, preserve the records under (a) of this

10 section for the previous five years.

11 * **Sec. 60.** AS 08.48.071(f) is amended to read:

12 (f) The Department of **Labor** [COMMERCE AND ECONOMIC

13 DEVELOPMENT] shall assemble statistics relating to the performance of its staff and

14 the performance of the board, including but not limited to,

15 (1) the number of architects, engineers, and land surveyors registered

16 over a five-year period;

17 (2) the rate of passage of examinations administered by the board;

18 (3) the number of persons making application for registration as a

19 professional architect, engineer, or land surveyor over a five-year period;

20 (4) an account of registration fees collected under AS 08.01.065;

21 (5) a measure of the correspondence workload of any licensing

22 examiner employed by the department to carry out this chapter.

23 * **Sec. 61.** AS 08.48.265 is amended to read:

24 Sec. 08.48.265. FEES. The Department of **Labor** [COMMERCE AND

25 ECONOMIC DEVELOPMENT] shall set fees under AS 08.01.065 for examinations,

26 registrations, certificates of authorization, and renewals of a certificate.

27 * **Sec. 62.** AS 08.54.300(a) is amended to read:

28 (a) For the purposes of licensing and regulating the activities of providers of

29 commercial services to big game hunters in the interest of the state's wildlife resources

30 there is created the Big Game Commercial Services Board. For administrative

31 purposes, the board is in the Department of **Labor** [COMMERCE AND ECONOMIC

1 DEVELOPMENT].

2 * **Sec. 63.** AS 08.54.393(b) is amended to read:

3 (b) A guide-outfitter license, marine mammal guide-outfitter license, class-A
4 assistant guide-outfitter license, or assistant guide-outfitter license issued under this
5 chapter after May 16, 1992, is suspended if the person to whom the license is issued
6 subsequently becomes a law enforcement officer. A person whose license is subject
7 to suspension under this subsection shall notify the Department of **Labor**
8 [COMMERCE AND ECONOMIC DEVELOPMENT] that the person has become a
9 law enforcement officer within 30 days after becoming a law enforcement officer. The
10 suspension of a license under this subsection remains in effect until three months have
11 elapsed from the date on which the licensee provides written notification to the
12 Department of **Labor** [COMMERCE AND ECONOMIC DEVELOPMENT] of the fact
13 that the person is no longer a law enforcement officer. A person whose license is
14 suspended under this subsection is not required to renew the license or pay license
15 renewal fees for the period of suspension. Once a suspension of a license is
16 terminated, the licensee may provide, without further payment of a guide-outfitter
17 license fee, the guide-outfitter services authorized by the license for the remainder of
18 the licensing period in which the suspension is terminated. Notwithstanding other
19 provisions of this subsection, if a person whose license is suspended under this
20 subsection fails to notify the Department of **Labor** [COMMERCE AND ECONOMIC
21 DEVELOPMENT] within one year after the person is no longer a law enforcement
22 officer, the person's license lapses and the person is eligible for reissuance of the
23 license only as provided in AS 08.54.440. The board may adopt regulations to
24 implement this subsection.

25 * **Sec. 64.** AS 08.54.410 is amended to read:

26 Sec. 08.54.410. APPEAL TO COMMISSIONER FROM BOARD ON
27 DENIAL OF LICENSE. The commissioner of **labor** [COMMERCE AND
28 ECONOMIC DEVELOPMENT] may order that an applicant for an initial license
29 under AS 08.54.350 - 08.54.400 be allowed to take the license examination or be
30 issued the license if, after reviewing a petition filed by the applicant, the commissioner
31 finds that

1 (1) the board denied the applicant an opportunity to take the license
2 examination or refused to approve issuance of the license;

3 (2) the board's denial or refusal has been upheld by a final
4 administrative order and the order has not been appealed to the superior court under
5 AS 44.62.560;

6 (3) the board's denial or refusal was based on
7 (A) an error of fact by the board; or
8 (B) the applicant's failure of the license examination due to
9 faulty or unfair examination questions or procedures;

10 (4) the applicant is otherwise qualified to take the examination or to be
11 issued the license; and

12 (5) sustaining the board's denial or refusal would work a substantial
13 injustice on the applicant.

14 * **Sec. 65.** AS 08.54.590(7) is amended to read:

15 (7) "department" means the Department of **Labor** [COMMERCE AND
16 ECONOMIC DEVELOPMENT];

17 * **Sec. 66.** AS 08.55.200(3) is amended to read:

18 (3) "department" means the Department of **Labor** [COMMERCE AND
19 ECONOMIC DEVELOPMENT];

20 * **Sec. 67.** AS 08.62.900(2) is amended to read:

21 (2) "commissioner" means the commissioner of **labor** [THE
22 DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT];

23 * **Sec. 68.** AS 08.62.900(3) is amended to read:

24 (3) "department" means the Department of **Labor** [COMMERCE AND
25 ECONOMIC DEVELOPMENT];

26 * **Sec. 69.** AS 08.63.900(4) is amended to read:

27 (4) "department" means the Department of **Labor** [COMMERCE AND
28 ECONOMIC DEVELOPMENT];

29 * **Sec. 70.** AS 08.64.380(2) is amended to read:

30 (2) "department" means the Department of **Labor** [COMMERCE AND
31 ECONOMIC DEVELOPMENT];

1 * **Sec. 71.** AS 08.65.190(2) is amended to read:

2 (2) "department" means the Department of **Labor** [COMMERCE AND
3 ECONOMIC DEVELOPMENT];

4 * **Sec. 72.** AS 08.68.111(a) is amended to read:

5 (a) The Department of **Labor** [COMMERCE AND ECONOMIC
6 DEVELOPMENT], in consultation with the board, shall employ a licensed, registered
7 nurse, who is not a member of the board, to serve as executive secretary of the board.

8 * **Sec. 73.** AS 08.68.220 is amended to read:

9 Sec. 08.68.220. FEES. The Department of **Labor** [COMMERCE AND
10 ECONOMIC DEVELOPMENT] shall set fees under AS 08.01.065 for each of the
11 following:

12 (1) registered nursing:

- 13 (A) application;
- 14 (B) license by examination;
- 15 (C) license by endorsement;
- 16 (D) license renewal;
- 17 (E) temporary permit;

18 (2) practical or vocational nursing:

- 19 (A) application;
- 20 (B) license by examination;
- 21 (C) license by endorsement;
- 22 (D) license renewal;
- 23 (E) temporary permit.

24 * **Sec. 74.** AS 08.70.090 is amended to read:

25 Sec. 08.70.090. APPLICATION. Applicants shall file applications with the
26 Department of **Labor** [COMMERCE AND ECONOMIC DEVELOPMENT] on forms
27 provided by the department. Information requested on the forms shall be given under
28 oath.

29 * **Sec. 75.** AS 08.70.180(2) is amended to read:

30 (2) "department" means the Department of **Labor** [COMMERCE AND
31 ECONOMIC DEVELOPMENT];

1 * **Sec. 76.** AS 08.71.240(2) is amended to read:

2 (2) "department" means the Department of **Labor** [COMMERCE AND
3 ECONOMIC DEVELOPMENT];

4 * **Sec. 77.** AS 08.72.300(2) is amended to read:

5 (2) "department" means the Department of **Labor** [COMMERCE AND
6 ECONOMIC DEVELOPMENT];

7 * **Sec. 78.** AS 08.80.158(f) is amended to read:

8 (f) A pharmacy subject to this section shall appoint a registered agent in the
9 state who is empowered to accept, on behalf of the pharmacy, process, notice, and
10 demand required or permitted by law to be served upon the pharmacy. If the
11 pharmacy fails to appoint an agent under this subsection, if the registered agent cannot
12 with reasonable diligence be found at the registered office, or if the registration of the
13 pharmacy is suspended or revoked, the commissioner of **labor** [COMMERCE AND
14 ECONOMIC DEVELOPMENT] is an agent upon whom process, notice, or demand
15 may be served. Service is made upon the commissioner in the same manner as
16 provided for corporations under AS 10.06.175(b), except that for the purposes of
17 AS 10.06.175(b)(2)(A), the address shall be the last registered address of the pharmacy
18 as shown by the records of the board.

19 * **Sec. 79.** AS 08.80.160 is amended to read:

20 Sec. 08.80.160. FEES. The Department of **Labor** [COMMERCE AND
21 ECONOMIC DEVELOPMENT] shall set fees under AS 08.01.065 for the following:

- 22 (1) examination;
- 23 (2) reexamination;
- 24 (3) investigation for licensing by credentials;
- 25 (4) pharmacist license;
- 26 (5) temporary license;
- 27 (6) wholesale drug dealer license;
- 28 (7) retail pharmacy license;
- 29 (8) pharmacy intern registration;
- 30 (9) emergency permit;
- 31 (10) hospital pharmacy license (inpatient and outpatient);

- 1 (11) hospital drug room license (inpatient);
- 2 (12) nursing home and related facilities license for inpatient dispensing;
- 3 (13) license amendment or replacement;
- 4 (14) registration of a pharmacy located outside of the state.

5 * **Sec. 80.** AS 08.84.050 is amended to read:

6 Sec. 08.84.050. FEES. The Department of **Labor** [COMMERCE AND
7 ECONOMIC DEVELOPMENT] shall set fees under AS 08.01.065 for the following:

- 8 (1) application;
- 9 (2) license by examination;
- 10 (3) license by acceptance of credentials;
- 11 (4) renewal;
- 12 (5) temporary permit;
- 13 (6) limited permit.

14 * **Sec. 81.** AS 08.86.230(2) is amended to read:

15 (2) "department" means the Department of **Labor** [COMMERCE AND
16 ECONOMIC DEVELOPMENT];

17 * **Sec. 82.** AS 08.87.010 is amended to read:

18 Sec. 08.87.010. BOARD CREATED. There is created in the Department of
19 **Labor** [COMMERCE AND ECONOMIC DEVELOPMENT] the Board of Certified
20 Real Estate Appraisers. The board is composed of five members appointed by the
21 governor. At least one member shall be a person licensed under this chapter as a
22 general real estate appraiser, at least one member shall be a person licensed under this
23 chapter as a residential real estate appraiser, at least one member shall be an executive
24 in a mortgage banking entity, and at least one member shall represent the public. The
25 board shall elect a chair from among its membership.

26 * **Sec. 83.** AS 08.87.900(6) is amended to read:

27 (6) "department" means the Department of **Labor** [COMMERCE AND
28 ECONOMIC DEVELOPMENT];

29 * **Sec. 84.** AS 08.88.221 is amended to read:

30 Sec. 08.88.221. FEES. The Department of **Labor** [COMMERCE AND
31 ECONOMIC DEVELOPMENT] shall set fees under AS 08.01.065 for a real estate

1 broker, associate broker, or salesman licensee or applicant for the following:

- 2 (1) examination;
- 3 (2) reciprocity;
- 4 (3) initial license;
- 5 (4) renewal of an active license;
- 6 (5) renewal of an inactive license;
- 7 (6) amending or transferring a license;
- 8 (7) publications offered by the commission;
- 9 (8) seminars offered by the commission.

10 * **Sec. 85.** AS 08.92.090(2) is amended to read:

11 (2) "department" means the Department of **Labor** [COMMERCE AND
12 ECONOMIC DEVELOPMENT];

13 * **Sec. 86.** AS 08.95.990(4) is amended to read:

14 (4) "department" means the Department of **Labor** [COMMERCE AND
15 ECONOMIC DEVELOPMENT];

16 * **Sec. 87.** AS 08.98.250(4) is amended to read:

17 (4) "department" means the Department of **Labor;** [COMMERCE AND
18 ECONOMIC DEVELOPMENT.]

19 * **Sec. 88.** AS 09.25.110(e) is amended to read:

20 (e) Notwithstanding other provisions of this section to the contrary, the Bureau
21 of Vital Statistics **and** [,] the library archives in the Department of Education [, AND
22 THE DIVISION OF BANKING, SECURITIES, AND CORPORATIONS IN THE
23 DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT] may
24 continue to charge the same fees that they **were** [ARE] charging on September 25,
25 1990, for performing record searches, and may increase the fees as necessary to
26 recover agency expenses on the same basis that **was** [IS] used by the agency
27 immediately before September 25, 1990. **Notwithstanding other provisions of this**
28 **section to the contrary, the division of banking, securities, and corporations in the**
29 **Department of Revenue may continue to charge the same fees that the former**
30 **Department of Commerce and Economic Development was charging on the**
31 **effective date of this bill section for performing record searches and may increase**

1 the fees as necessary to recover agency expenses on the same basis that was used
2 by the former Department of Commerce and Economic Development immediately
3 before the effective date of this bill section.

4 * **Sec. 89.** AS 09.25.121 is amended to read:

5 Sec. 09.25.121. COPIES OF PUBLIC RECORDS FOR VETERANS. When
6 a copy of a public record is required by the Department of Military and Veterans'
7 Affairs, the Department of **Community** [COMMERCE] and Economic Development,
8 or by the United States Veterans' Administration to be used in determining the
9 eligibility of a person to participate in benefits, the official custodian of the public
10 record shall, without charge, provide the applicant for the benefits, a person acting on
11 behalf of the applicant, or an authorized representative of the department or the United
12 States Veterans' Administration with a certified copy of the record.

13 * **Sec. 90.** AS 09.38.025(b) is amended to read:

14 (b) A judgment creditor or other claimant of an insurer may not levy upon any
15 of the assets or securities held in this state as a deposit for the protection of the
16 insurer's policyholders or policyholders and creditors. Deposits under AS 21.09.270
17 may be levied upon if provided in the order of the director of insurance, Department
18 of **Revenue** [COMMERCE AND ECONOMIC DEVELOPMENT], under which the
19 deposit is made.

20 * **Sec. 91.** AS 10.06.990(10) is amended to read:

21 (10) "commissioner" means the commissioner of **revenue**
22 [COMMERCE AND ECONOMIC DEVELOPMENT] or a designee of the
23 commissioner;

24 * **Sec. 92.** AS 10.06.990(15) is amended to read:

25 (15) "department" means the Department of **Revenue** [COMMERCE
26 AND ECONOMIC DEVELOPMENT];

27 * **Sec. 93.** AS 10.10.040 is amended to read:

28 Sec. 10.10.040. GENERAL POWERS. In furtherance of its purposes and in
29 addition to the powers now or hereafter conferred on business corporations by
30 AS 10.06.010, the corporation shall, subject to the restrictions and limitations contained
31 in this chapter have the following powers:

1 (1) to elect, appoint, and employ officers, agents, and employees; to
2 make contracts and incur liabilities for a purpose of the corporation, except that the
3 corporation may not incur a secondary liability by way of guaranty or endorsement of
4 the obligations of a person, firm, corporation, joint-stock company, association or trust,
5 or in another manner;

6 (2) to borrow money from its members and the Small Business
7 Administration and any other federal agency for a purpose of the corporation; to issue
8 for those purposes its bonds, debentures, notes or other evidences of indebtedness,
9 whether secured or unsecured, and to secure them by mortgage, pledge, deed of trust,
10 or other lien on its property, franchises, rights, and privileges of every kind and nature,
11 or a part of them or interest in them, without securing stockholder or member
12 approval;

13 (3) to make loans to a person, firm, corporation, joint-stock company,
14 association or trust, and to establish and regulate the terms and conditions with respect
15 to the loans and the charges for interest and service connected with them, except that
16 the corporation may not approve an application for a loan unless and until the person
17 applying for the loan shows that the applicant has applied for the loan through ordinary
18 banking channels and that the loan has been refused by at least one bank or other
19 financial institution;

20 (4) to purchase, receive, hold, lease, or otherwise acquire, and to sell,
21 convey, transfer, lease, or otherwise dispose of real and personal property, together
22 with the rights and privileges that are incidental and appurtenant to the property and
23 the use of it, including real or personal property acquired by the corporation from time
24 to time in the satisfaction of debts or enforcement of obligations;

25 (5) to acquire the good will, business, rights, real and personal property
26 and other assets, or a part of them, or interest in them, of any persons, firms,
27 corporations, joint-stock companies, associations or trusts, and to assume, undertake,
28 or pay the obligations, debts, and liabilities of the person, firm, corporation, joint-stock
29 company, association or trust; to acquire improved or unimproved real estate for the
30 purpose of constructing industrial plants or other business establishments **on the real**
31 **estate** [THEREON] or for the purpose of disposing of the real estate to others for the

1 construction of industrial plants or other business establishments; and to acquire,
2 construct or reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease,
3 or otherwise dispose of industrial plants or business establishments;

4 (6) to acquire, subscribe for, own, hold, sell, assign, transfer, mortgage,
5 pledge or otherwise dispose of the stock, shares, bonds, debentures, notes, or other
6 securities and evidences of interest in, or indebtedness of any person, firm, corporation,
7 joint-stock company, association or trust, and while the owner or holder of them to
8 exercise all the rights, powers, and privileges of ownership, including the right to vote
9 on them;

10 (7) to mortgage, pledge, or otherwise encumber any property, right or
11 thing of value, acquired under the powers contained in (4), (5), and (6) of this section
12 as security for the payment of a part of the purchase price of them;

13 (8) to cooperate with and avail itself of the facilities of the United
14 States Department of Commerce, the state Department of Community [COMMERCE]
15 and Economic Development, and any other state or federal governmental agencies; and
16 to cooperate with and assist, and otherwise encourage organizations in the various
17 communities of the state in the promotion, assistance, and development of the business
18 prosperity and economic welfare of the communities or of the state or of a part of the
19 state;

20 (9) to do whatever is necessary or convenient to carry out the powers
21 expressly granted in this chapter.

22 * **Sec. 94.** AS 10.10.150 is amended to read:

23 Sec. 10.10.150. EXAMINATIONS. The corporation shall be examined at least
24 once annually by the commissioner of administration and shall make reports of its
25 condition not less than annually to the commissioner of administration and more
26 frequently upon call of the commissioner of administration, who in turn shall make
27 copies of the reports available to the commissioner of community [COMMERCE] and
28 economic development and the governor. The corporation shall also furnish other
29 information that [WHICH] may from time to time be required by the commissioner
30 of administration. The corporation shall pay the actual cost of the examinations.

31 * **Sec. 95.** AS 10.10.210(2) is amended to read:

1 (2) "commissioner" means the commissioner of community
2 [COMMERCE] and economic development;

3 * **Sec. 96.** AS 10.13.990(8) is amended to read:

4 (8) "department" means the Department of Revenue [COMMERCE
5 AND ECONOMIC DEVELOPMENT];

6 * **Sec. 97.** AS 10.15.595(3) is amended to read:

7 (3) "commissioner" means the commissioner of revenue [COMMERCE
8 AND ECONOMIC DEVELOPMENT];

9 * **Sec. 98.** AS 10.15.595(7) is amended to read:

10 (7) "department" means the Department of Revenue [COMMERCE
11 AND ECONOMIC DEVELOPMENT];

12 * **Sec. 99.** AS 10.20.720(4) is amended to read:

13 (4) "commissioner" means commissioner of revenue [COMMERCE
14 AND ECONOMIC DEVELOPMENT];

15 * **Sec. 100.** AS 10.20.720(6) is amended to read:

16 (6) "department" means the Department of Revenue [COMMERCE
17 AND ECONOMIC DEVELOPMENT];

18 * **Sec. 101.** AS 10.25.640(1) is amended to read:

19 (1) "commissioner" means the commissioner of revenue [COMMERCE
20 AND ECONOMIC DEVELOPMENT];

21 * **Sec. 102.** AS 10.35.500(2) is amended to read:

22 (2) "commissioner" means the commissioner of revenue [COMMERCE
23 AND ECONOMIC DEVELOPMENT].

24 * **Sec. 103.** AS 10.40.030 is amended to read:

25 Sec. 10.40.030. FILING OF ARTICLES OF INCORPORATION. One copy
26 of the articles shall be filed with the Department of Revenue [COMMERCE AND
27 ECONOMIC DEVELOPMENT]; one copy shall be filed in the office of the clerk of
28 the superior court in the judicial district in which the principal place of business of the
29 corporation is to be located; and one copy shall be retained by the corporation. Each
30 copy filed shall be recorded in a book kept for that purpose.

31 * **Sec. 104.** AS 10.40.090 is amended to read:

1 Sec. 10.40.090. FILING IMPRESSION OF SEAL. An impression of the
2 corporate seal shall be filed with the Department of Revenue [COMMERCE AND
3 ECONOMIC DEVELOPMENT].

4 * **Sec. 105.** AS 10.40.100 is amended to read:

5 Sec. 10.40.100. ARTICLES AS EVIDENCE OF CORPORATE EXISTENCE.

6 The articles of incorporation or a certified copy of those filed with the Department of
7 Revenue [COMMERCE AND ECONOMIC DEVELOPMENT] are evidence of the
8 existence of the corporation.

9 * **Sec. 106.** AS 10.40.105 is amended to read:

10 Sec. 10.40.105. BIENNIAL REPORT. A corporation formed under this
11 chapter shall file a biennial report with the commissioner of revenue [COMMERCE
12 AND ECONOMIC DEVELOPMENT] setting out the real and personal property assets
13 of the corporation.

14 * **Sec. 107.** AS 10.45.010(a) is amended to read:

15 (a) One or more persons each of whom is licensed to render a professional
16 service in this state may incorporate a professional corporation by filing articles of
17 incorporation with the Department of Revenue [COMMERCE AND ECONOMIC
18 DEVELOPMENT]. The articles shall meet the requirements of AS 10.06 (Alaska
19 Corporations Code) and, in addition, must include

20 (1) the name of the profession to be practiced by the corporation;

21 (2) the names and addresses of all original shareholders, directors, and
22 officers;

23 (3) the address where the professional corporation will have its office.

24 * **Sec. 108.** AS 10.50.990(2) is amended to read:

25 (2) "commissioner" means the commissioner of revenue [COMMERCE
26 AND ECONOMIC DEVELOPMENT];

27 * **Sec. 109.** AS 10.50.990(4) is amended to read:

28 (4) "department" means the Department of Revenue [COMMERCE
29 AND ECONOMIC DEVELOPMENT];

30 * **Sec. 110.** AS 11.76.100(e) is amended to read:

31 (e) The court shall forward a record of each person convicted under this

1 section who holds a business license endorsement under AS 43.70.075, or who is an
2 employee or agent of a person who holds a license endorsement under AS 43.70.075
3 to the Department of **Labor** [COMMERCE AND ECONOMIC DEVELOPMENT].

4 * **Sec. 111.** AS 14.08.031(a) is amended to read:

5 (a) The Department of Community and **Economic Development** [REGIONAL
6 AFFAIRS] in consultation with the Department of Education and local communities
7 shall divide the unorganized borough into educational service areas using the
8 boundaries or sub-boundaries of the regional corporations established under the Alaska
9 Native Claims Settlement Act, unless by referendum a community votes to merge with
10 another community contiguous to it but within the boundaries or sub-boundaries of
11 another regional corporation.

12 * **Sec. 112.** AS 14.08.051(a) is amended to read:

13 (a) The commissioner in consultation with the Department of Community and
14 **Economic Development** [REGIONAL AFFAIRS] and the local communities may
15 divide a regional educational attendance area into sections only for the purpose of
16 nominating and electing regional school board members. If the voters in a regional
17 educational attendance area favor election of regional school board members by
18 sections under (b) of this section, the commissioner in consultation with the
19 Department of Community and **Economic Development** [REGIONAL AFFAIRS] and
20 the local communities shall divide the regional educational attendance area into
21 sections for the purpose of nominating and electing regional school board members.
22 If a regional educational attendance area is divided into sections, each school board
23 member shall represent, as nearly as practicable, an equal number of persons. The
24 basis for the division of a regional educational attendance area into sections shall be
25 the total population of the area as reported in the most recent decennial federal census.
26 If the census is five years old or older, then other reliable population data, including
27 but not limited to population estimates based on public school enrollments, public
28 utility connections, registered voters, or certified employment payrolls, shall be used
29 as the basis for the division of the area into sections. Each section within a regional
30 educational attendance area shall consist of compact, contiguous territory and, as far
31 as practicable, each section shall contain an integrated socioeconomic, linguistically

1 and culturally homogeneous area. In the division of the regional school and attendance
2 area into sections, consideration shall be given to the transportation and communication
3 network to facilitate the administration of education and communication between
4 communities that comprise the area. Whenever possible, municipalities, other
5 governmental or regional corporate entities, drainage basins, and other identifiable
6 geographic features shall be used in describing the boundaries of the sections.

7 * **Sec. 113.** AS 14.17.025(a) is amended to read:

8 (a) Local contributions to a city or borough school district shall include at least
9 the lesser of

10 (1) the equivalent of a four mill tax levy on the full and true value of
11 the taxable real and personal property in the district as of January 1 of the second
12 preceding fiscal year, as determined by the Department of **Revenue** [COMMUNITY
13 AND REGIONAL AFFAIRS] under AS 14.17.140 and AS 29.45.110; or

14 (2) 35 percent of the district's basic need for the preceding fiscal year,
15 as determined under AS 14.17.021(b).

16 * **Sec. 114.** AS 14.17.025(b) is amended to read:

17 (b) In addition to the local contributions required under (a) of this section,
18 local contributions to a city or borough school district in a fiscal year may include no
19 more than the greater of

20 (1) the equivalent of a two mill tax levy on the full and true value of
21 the taxable real and personal property in the district as of January 1 of the second
22 preceding fiscal year, as determined by the Department of **Revenue** [COMMUNITY
23 AND REGIONAL AFFAIRS] under AS 14.17.140 and AS 29.45.110; or

24 (2) 23 percent of the district's basic need for the fiscal year under
25 AS 14.17.021(b), as adjusted under AS 14.17.225(b).

26 * **Sec. 115.** AS 14.17.025(f) is amended to read:

27 (f) For the first three fiscal years in which a newly formed city or borough
28 school district operates schools, local contributions may be less than the amount that
29 would otherwise be required under (a) of this section, except that

30 (1) local contributions in the second fiscal year of operations must be
31 at least the greater of

1 (A) the local contributions, excluding federal impact aid, for the
2 previous fiscal year; or

3 (B) the sum of 10 percent of the district's eligible federal
4 impact aid for that year and the equivalent of a two mill tax levy on the full
5 and true value of the taxable real and personal property in the newly formed
6 city or borough school district as of January 1 of the second preceding fiscal
7 year, as determined by the Department of Revenue [COMMUNITY AND
8 REGIONAL AFFAIRS] under AS 14.17.140 and AS 29.45.110; and

9 (2) in the third year of operation, local contributions must be at least
10 the greater of

11 (A) the local contributions, excluding federal impact aid, for the
12 previous fiscal year; or

13 (B) the sum of 10 percent of the district's eligible federal
14 impact aid for that year and the equivalent of a three mill tax levy on the full
15 and true value of the taxable real and personal property in the district as of
16 January 1 of the second preceding fiscal year, as determined by the Department
17 of Revenue [COMMUNITY AND REGIONAL AFFAIRS] under AS 14.17.140
18 and AS 29.45.110.

19 * **Sec. 116.** AS 14.17.140(a) is amended to read:

20 (a) To determine the amount of local effort under AS 14.17.025 and to aid the
21 department and the legislature in planning, the Department of Revenue
22 [COMMUNITY AND REGIONAL AFFAIRS], in consultation with the assessor for
23 each district, shall determine the full value of the taxable real and personal property
24 in each city or borough district. If there is no local assessor or current local
25 assessment for a district, then the Department of Revenue [COMMUNITY AND
26 REGIONAL AFFAIRS] shall make the determination of full value from information
27 available. In making the determination, the Department of Revenue [COMMUNITY
28 AND REGIONAL AFFAIRS] shall be guided by AS 29.45.110. The determination
29 of full value shall be made by October 1 and sent by certified mail, return receipt
30 requested, on or before that date to the president of the school board in each district.
31 Duplicate copies shall be sent to the commissioner. The governing body of a borough

1 or city that is a school district may obtain judicial review of the determination. The
2 superior court may modify the determination of the Department of **Revenue**
3 [COMMUNITY AND REGIONAL AFFAIRS] only upon a finding of abuse of
4 discretion or upon a finding that there is no substantial evidence to support the
5 determination.

6 * **Sec. 117.** AS 14.40.821(a) is amended to read:

7 (a) The Alaska Aerospace Development Corporation is created as a public
8 corporation of the state. The corporation is a body corporate and politic located for
9 administrative purposes within the Department of **Community** [COMMERCE] and
10 Economic Development and affiliated with the University of Alaska but with a
11 separate and independent legal existence.

12 * **Sec. 118.** AS 14.40.826(a) is amended to read:

13 (a) The board of directors of the corporation consists of nine members
14 appointed by the governor as follows:

15 (1) one member of the Board of Regents of the University of Alaska;

16 (2) the president or the designee of the president of the University of
17 Alaska;

18 (3) the director of the Geophysical Institute of the University of Alaska;

19 (4) the executive director of the Alaska Science and Technology
20 Foundation;

21 (5) the commissioner of **community** [COMMERCE] and economic
22 development or the commissioner's designee;

23 (6) two members who have experience and understanding of the
24 aerospace or commercial space industry, one of whom shall have a special emphasis
25 in federal regulatory procedures and policy involving space;

26 (7) one faculty member of the University of Alaska with research
27 interests involving rockets or satellites;

28 (8) a public member.

29 * **Sec. 119.** AS 14.40.831 is amended to read:

30 Sec. 14.40.831. CHAIR AND VICE-CHAIR. The president of the University
31 of Alaska or the designee of the president shall be the chair of the board of directors

1 of the corporation. The commissioner of community [COMMERCE] and economic
2 development or the designee of the commissioner shall be vice-chair of the board of
3 directors of the corporation. The vice-chair presides over all meetings in the absence
4 of the chair and has other duties the board of directors of the corporation may direct.

5 * **Sec. 120.** AS 14.42.120(a) is amended to read:

6 (a) The corporation shall be governed by a board of directors appointed by the
7 governor consisting of two members of the Alaska Commission on Postsecondary
8 Education, each of whom is selected for the commission under AS 14.42.015(a)(1) -
9 (2), (4) - (6), (8), or (9) and the commissioner of revenue, the commissioner of
10 administration, and the commissioner of community [COMMERCE] and economic
11 development. Members of the board serve without compensation but the members
12 who are also members of the Alaska Commission on Postsecondary Education are
13 entitled to per diem and travel expenses authorized by law for boards and commissions
14 under AS 39.20.180.

15 * **Sec. 121.** AS 14.43.120(i) is amended to read:

16 (i) If a loan is in default, the commission

17 (1) shall notify the borrower that, if the borrower has an occupational
18 license issued under AS 08, the license may not be renewed under AS 08.02.025 and
19 that repayment of the remaining balance is accelerated and due by sending the
20 borrower a notice by registered or certified mail;

21 (2) may take the borrower's permanent fund dividend under
22 AS 43.23.065(b)(3) to satisfy the balance due on the defaulted loan; and

23 (3) shall provide notice of the default to the Department of Labor
24 [COMMERCE AND ECONOMIC DEVELOPMENT], if the loan recipient is licensed
25 under AS 08.

26 * **Sec. 122.** AS 15.07.055(a) is amended to read:

27 (a) The following agencies are designated voter registration agencies:

28 (1) the Department of Public Safety, division of motor vehicles;

29 (2) divisions of the Department of Health and Social Services that
30 provide public assistance through the food stamp program, Medicaid program, Special
31 Supplemental Food Program for Women, Infants, and Children (WIC), and aid to

1 families with dependent children (AFDC) program;

2 (3) the **divisions** [DIVISION] of the Department of **Revenue and the**
3 **Department of** Community and **Economic Development** [REGIONAL AFFAIRS] that
4 **are** [IS] responsible for municipal and regional assistance programs; and

5 (4) all recruitment offices of the armed forces of the United States
6 located in Alaska.

7 * **Sec. 123.** AS 15.13.010(a) is amended to read:

8 (a) This chapter applies in every election for governor, lieutenant governor, a
9 member of the state legislature, a delegate to a constitutional convention, or judge
10 seeking electoral confirmation. It also applies to every candidate for election to a
11 municipal office in a municipality with a population of more than 1,000 inhabitants
12 according to the latest United States census figures or estimates of population certified
13 as correct for administrative purposes by the Department of **Revenue** [COMMUNITY
14 AND REGIONAL AFFAIRS]. A municipality may exempt its elected municipal
15 officers from the requirements of this chapter if a majority of the voters voting on the
16 question at a regular election, as defined by AS 29.71.800(20), or a special
17 municipality-wide election called for that purpose, vote to exempt its elected municipal
18 officers from the requirements of this chapter. The question of exemption from the
19 requirements of this chapter may be submitted by the governing body by ordinance or
20 by initiative election. This chapter does not prohibit a municipality from regulating
21 by ordinance campaign contributions and expenditures.

22 * **Sec. 124.** AS 16.10.265(d) is amended to read:

23 (d) The commissioner of **labor** [COMMERCE AND ECONOMIC
24 DEVELOPMENT] may suspend or revoke a business license issued under
25 AS 43.70.020 and the commissioner of revenue may suspend or revoke a license to
26 engage in the business of processing or buying raw fish if the licensee or an officer,
27 director, or employee in a policy-making position of the licensee has been convicted
28 of three offenses under this section. Proceedings to suspend or revoke a license are
29 governed by AS 44.62 (Administrative Procedure Act).

30 * **Sec. 125.** AS 16.10.360(2) is amended to read:

31 (2) "commissioner" means the commissioner of **community**

1 [COMMERCE] and economic development;

2 * **Sec. 126.** AS 16.10.360(4) is amended to read:

3 (4) "department" means the Department of Community [COMMERCE]
4 and Economic Development;

5 * **Sec. 127.** AS 16.10.470(b) is amended to read:

6 (b) A person who holds a permit for the operation of a salmon hatchery under
7 AS 16.10.400 - 16.10.470 and each regional association levying a voluntary assessment
8 under AS 16.10.540 shall submit an annual financial report to the Department of
9 Community [COMMERCE] and Economic Development on a form to be provided by
10 the Department of Community [COMMERCE] and Economic Development.

11 * **Sec. 128.** AS 16.10.505(a) is amended to read:

12 (a) There is created within the Department of Community [COMMERCE] and
13 Economic Development a revolving fund to be known as the fisheries enhancement
14 revolving loan fund. Except as provided in (b) and (c) of this section, the fund shall
15 be used to carry out the purposes of AS 16.10.500 - 16.10.560 and for no other
16 purpose. All principal and interest payments, and money chargeable to principal or
17 interest that is collected through liquidation by foreclosure or other process on loans
18 made under AS 16.10.500 - 16.10.560, shall be paid into the fisheries enhancement
19 revolving loan fund.

20 * **Sec. 129.** AS 16.10.555 is amended to read:

21 Sec. 16.10.555. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
22 FORECLOSURE. The Department of Community [COMMERCE] and Economic
23 Development shall dispose of property acquired through default or foreclosure of a
24 loan made under AS 16.10.500 - 16.10.560. Disposal shall be made in a manner that
25 serves the best interests of the state, and may include the amortization of payments
26 over a period of years.

27 * **Sec. 130.** AS 16.10.560(1) is amended to read:

28 (1) "commissioner" means the commissioner of community
29 [COMMERCE] and economic development;

30 * **Sec. 131.** AS 16.51.010 is amended to read:

31 Sec. 16.51.010. ALASKA SEAFOOD MARKETING INSTITUTE

1 ESTABLISHED. There is established the Alaska Seafood Marketing Institute. The
2 institute is a public corporation of the state. It is an instrumentality of the state in the
3 Department of Community [COMMERCE] and Economic Development, but has a
4 legal existence independent of and separate from the state. Exercise by the institute
5 of the powers conferred by this chapter is an essential governmental function of the
6 state.

7 * **Sec. 132.** AS 16.52.060 is amended to read:

8 Sec. 16.52.060. COOPERATION WITH OTHER AGENCIES. In the
9 development of its programs the center shall consult with

- 10 (1) the Department of Fish and Game;
- 11 (2) [REPEALED
- 12 (3) REPEALED
- 13 (4)] the division of economic development of the Department of
14 Community [COMMERCE] and Economic Development;
- 15 ~~(3)~~ [(5)] the Department of Natural Resources;
- 16 ~~(4)~~ [(6)] the Alaska Fisheries Development Foundation;
- 17 ~~(5)~~ [(7)] the Alaska Seafood Marketing Institute;
- 18 ~~(6)~~ [(8)] the North Pacific Fishery Management Council;
- 19 ~~(7)~~ [(9)] the National Marine Fisheries Service;
- 20 ~~(8)~~ [(10)] the Department of Education; and
- 21 ~~(9)~~ [(11)] the Department of Labor.

22 * **Sec. 133.** AS 18.26.030(a) is amended to read:

23 (a) The authority shall be managed and controlled by a seven-person board of
24 directors, who serve at the pleasure of the governor, consisting of

- 25 (1) the commissioner of revenue, who shall also chair the board;
- 26 (2) the commissioner of health and social services;
- 27 (3) the commissioner of community and economic development
28 [REGIONAL AFFAIRS];
- 29 (4) four public members, appointed by the governor.

30 * **Sec. 134.** AS 18.45.030 is amended to read:

31 Sec. 18.45.030. CONDUCT OF STUDIES CONCERNING CHANGES IN

1 LAWS AND REGULATIONS WITH A VIEW TO ATOMIC INDUSTRIAL
2 DEVELOPMENT. Each of the following departments and agencies of the state are
3 directed to initiate and to pursue continuing studies as to the need for changes in the
4 laws and regulations administered by it that would arise from the presence within the
5 state of special nuclear, by-product, and radioactive materials, from the operation of
6 production or utilization facilities, and from the generation of radiation, and, on the
7 basis of these studies, to make the recommendations for the enactment of laws or
8 amendments to law administered by it, and the proposals for amendments to the
9 regulations issued by it that it considers necessary:

10 (1) the Department of Health and Social Services particularly as to
11 hazards to the public health and safety;

12 (2) the Department of Labor particularly as to hazardous working
13 conditions;

14 (3) the Department of Labor particularly as to the time and character
15 of proof of claims of injuries and the extent of the compensation allowable;

16 (4) the Department of Transportation and Public Facilities particularly
17 as to the transportation of special nuclear, by-product, and radioactive materials on
18 highways of the state;

19 (5) the Department of Transportation and Public Facilities particularly
20 as to the transportation of special nuclear, by-product, and radioactive materials by
21 common carriers not in interstate commerce and as to the participation by public
22 utilities subject to its jurisdiction in projects for the development of production or
23 utilization facilities for industrial or commercial use;

24 (6) the Department of Revenue [COMMERCE AND ECONOMIC
25 DEVELOPMENT] particularly as to the insurance of persons and property from
26 hazards to life and property resulting from atomic development;

27 (7) the Department of Fish and Game particularly as to the hazards to
28 the natural resources of the state, including wildlife, and as to the protection of rivers,
29 streams, and airspace from pollution;

30 (8) the Department of Natural Resources particularly as to the hazards
31 involved in the mining of radioactive minerals;

1 (9) departments and agencies the governor directs and for the purposes
2 specified by the governor, and other departments and agencies provided by law.

3 * **Sec. 135.** AS 18.55.934(a) is amended to read:

4 (a) In connection with any project carried out under AS 18.55.932, the
5 commissioner of **community** [COMMERCE] and economic development may contract
6 with the corporation, under terms approved by the governor to provide a state grant-in-
7 aid equal to one-half the excess of the cost of the project, as determined by the
8 commissioner, over the federal grant-in-aid.

9 * **Sec. 136.** AS 18.56.030(a) is amended to read:

10 (a) The corporation shall be governed by a board of directors consisting of

11 (1) the commissioner of revenue;

12 (2) the commissioner of community and **economic development**
13 [REGIONAL AFFAIRS];

14 (3) the commissioner of health and social services; and

15 (4) four public members appointed by the governor, as follows:

16 (A) one member with expertise or experience in finances or real
17 estate;

18 (B) one member who is a rural resident of the state or who has
19 expertise or experience with a regional housing authority;

20 (C) one member who has expertise or experience in residential
21 energy efficient home-building or weatherization; and

22 (D) one person who has expertise or experience in the provision
23 of senior or low-income housing.

24 * **Sec. 137.** AS 18.56.095(a) is amended to read:

25 (a) There is a special fund of the state to be known as the "state mortgage
26 insurance fund" (called the "mortgage insurance fund") **that** [WHICH] shall be
27 completely segregated and set apart from all other funds of the state, and **that**
28 [WHICH] is a trust fund for the uses and purposes of this section and into and from
29 which money shall be paid as provided in this section. The mortgage insurance fund
30 shall be held by the commissioner of revenue, subject to the power of the
31 commissioner of **community** [COMMERCE] and economic development to enter into

1 and perform agreements with respect to the use of money in the mortgage insurance
2 fund and to pledge, assign, or grant interests in the mortgage insurance fund as
3 provided in this section. The commissioner of community [COMMERCE] and
4 economic development may enter into agreements with the corporation with respect
5 to the exercise of any power or approval relating to the mortgage insurance fund under
6 this section, including, without limitation, agreements as to the use of money in the
7 mortgage insurance fund, agreements with respect to the terms and conditions upon
8 which payments from the mortgage insurance fund shall be made to the corporation
9 with respect to mortgage loans insured under this section, and agreements regarding
10 the payment of and security for mortgage insurance bonds, and in connection with
11 these agreements the commissioner of community [COMMERCE] and economic
12 development may pledge, assign, or grant other interests in the mortgage insurance
13 fund to the corporation as may be necessary or appropriate in connection with the
14 insurance of mortgage loans and to provide for the payment of and security for
15 mortgage insurance bonds. Any such agreement or any of the rights of the corporation
16 under the agreement and payments received or to be received under the agreement may
17 be pledged or assigned by the corporation for the benefit of the holders of mortgage
18 insurance bonds.

19 * **Sec. 138.** AS 18.56.095(e) is amended to read:

20 (e) Mortgage loans may only be insured when the amount in the mortgage
21 insurance fund as a percentage of the sum of all mortgage loans to be insured and all
22 unpaid principal on mortgage loans insured by the corporation, equals or exceeds the
23 fund requirement. As used in this section, the fund requirement is calculated as
24 follows as to the following mortgage loans insured by the corporation:

25 [(1)] in the case of federally insured or guaranteed mortgage loans, or
26 mortgage loans insured by a qualified mortgage insurance company or, if not so
27 insured or guaranteed, with a loan-to-value ratio at the time of the mortgage insurance
28 application less than 80 percent, the greater of (A) two percent of the unpaid principal
29 amount of those mortgage loans, or (B) a percentage that the corporation with the
30 approval of the commissioner of community [COMMERCE] and economic
31 development determines is actuarially sound for operation of the mortgage insurance

1 fund [;

2 (2) REPEALED].

3 * **Sec. 139.** AS 18.56.095(f) is amended to read:

4 (f) On December 1 of each year the commissioner of community
5 [COMMERCE] and economic development shall determine the amount on deposit in
6 the mortgage insurance fund. If the amount in the fund is less than the fund
7 requirement, the commissioner of community [COMMERCE] and economic
8 development shall request the corporation to transfer from any available funds the
9 amount necessary to restore the mortgage insurance fund to the fund requirement and
10 the corporation shall promptly comply with the request from any funds available
11 subject to agreements with holders of any of its obligations. If sufficient funds are not
12 provided as the result of the requests, the commissioner of community [COMMERCE]
13 and economic development shall, no later than January 2 of the following year, make
14 and deliver to the governor and to the chairs [CHAIRMEN] of the house and senate
15 finance committees a certificate stating the sum required to restore the fund to the fund
16 requirement and the sum so certified may be appropriated and paid to the fund during
17 the then current state fiscal year. Nothing in this subsection creates a debt or liability
18 of the state.

19 * **Sec. 140.** AS 18.56.095(h)(4) is amended to read:

20 (4) "special mortgage loan insurance commitment fee" and "special
21 mortgage loan insurance premium" mean, respectively, a fee of a percent of the
22 principal amount of a mortgage loan to be insured under this section, and an annual
23 insurance premium of a percent of the portion of the unpaid principal amount of a
24 mortgage loan insured under this section that is not federally insured or guaranteed or
25 insured by a private mortgage insurance company, that the corporation with the
26 approval of the commissioner of community [COMMERCE] and economic
27 development determines is actuarially sound for the operation of the mortgage
28 insurance fund;

29 * **Sec. 141.** AS 18.56.096(a) is amended to read:

30 (a) The corporation may not make, participate in the making of, purchase, or
31 participate in the purchase of

1 (1) a first mortgage loan under this chapter for a duplex, triplex, or
2 four-plex that exceeds the limitations on first mortgage loans for similar housing
3 purchased by the Federal National Mortgage Association as to principal amount and
4 loan-to-value ratio;

5 (2) a second mortgage loan for a duplex, triplex, or four-plex the
6 amount of which, when combined with the principal balance of a first mortgage loan
7 on the property, exceeds the limitation on the amount set out in (1) of this subsection
8 or that has a loan-to-value ratio, when considered with the principal balance of the first
9 mortgage loan, that exceeds 90 percent;

10 (3) a mortgage loan to finance the purchase of new housing or for the
11 improvement or rehabilitation of existing housing, unless the construction,
12 improvement, or rehabilitation work has been performed by a contractor who is
13 registered to work as a contractor under AS 08.18; this paragraph does not apply if the
14 construction, improvement, or rehabilitation work

15 (A) has been totally or substantially performed by the borrower;

16 (B) has been performed by a borrower who acts as the
17 contractor for the construction, improvement, or rehabilitation work; or

18 (C) has been performed in an area designated by the corporation
19 as exempt from the requirements of this paragraph because of the unavailability
20 of registered contractors in that area;

21 (4) a first mortgage loan for a single-family residence that exceeds the
22 limitations on first mortgage loans for similar housing purchased by the Federal
23 National Mortgage Association as to principal amount by more than 10 percent, or has
24 a loan-to-value ratio that exceeds 95 percent, or a second mortgage loan for a single-
25 family residence, the amount of which, when combined with the principal balance of
26 a first mortgage loan on the property, exceeds the limitations on loans for similar
27 housing purchased by the Federal National Mortgage Association as to principal
28 amount by more than 10 percent, or has a loan-to-value ratio, when considered with
29 the principal balance of the first mortgage loan, that exceeds 90 percent;

30 (5) a first or second mortgage loan for rental housing unless the
31 borrower agrees not to discriminate against tenants or prospective tenants because of

1 sex, marital status, changes in marital status, pregnancy, parenthood, race, religion,
2 color, national origin, or status as a student;

3 (6) a first mortgage loan if the borrower has an outstanding first
4 mortgage housing loan under this chapter or an outstanding first mortgage loan for
5 owner-occupied housing under former AS 44.47; or

6 (7) a loan to a person who has a past due child support obligation
7 established by court order or by the child support enforcement division under
8 AS 25.27.160 - 25.27.220 at the time of application.

9 * **Sec. 142.** AS 18.56.097 is amended to read:

10 Sec. 18.56.097. COLLATERAL FOR LOANS. Under procedures established
11 by regulations of the corporation adopted in accordance with AS 18.56.088 a person
12 may pledge as security for the repayment of a loan made, purchased, or insured by the
13 corporation under this chapter a preference right the person holds to receive title to
14 land the person occupies as a primary place of residence, primary place of business,
15 subsistence campsite, or as headquarters for reindeer husbandry. The preference right
16 must be conveyed to the person by the Native corporation to which the land was
17 granted under section 14 of the Alaska Native Claims Settlement Act (85 Stat. 688, 43
18 U.S.C. Sec. 1601 - 1626, as amended by P.L. 94-204) before it may be pledged as
19 security under this section. The Department of Community and **Economic**
20 **Development** [REGIONAL AFFAIRS] shall prescribe procedures and standard forms
21 for establishing and appraising the value of a preference right held by a person to
22 secure the repayment of a loan made, purchased, or insured by the corporation under
23 this chapter.

24 * **Sec. 143.** AS 18.60.240 is amended to read:

25 Sec. 18.60.240. APPOINTMENT AND QUALIFICATIONS OF SPECIAL
26 INSPECTORS. In addition to the deputy boiler inspectors provided for in
27 AS 18.60.230, the Department of Labor shall, upon the request of a company
28 authorized by the Department of **Revenue** [COMMERCE AND ECONOMIC
29 DEVELOPMENT] under AS 21.09 to insure against loss from explosion of boilers and
30 unfired pressure vessels as described in AS 21.12.070(a)(7), or upon the request of a
31 company operating unfired pressure vessels, issue to an inspector of the company a

1 state commission as a special inspector. However, to be eligible for a commission as
2 special inspector, a person must have passed the examination provided for in
3 AS 18.60.290, or hold a certificate as an inspector of boilers from the National Board
4 of Boiler and Pressure Vessel Inspectors.

5 * **Sec. 144.** AS 18.60.340(b) is amended to read:

6 (b) A company authorized by the Department of **Revenue** [COMMERCE AND
7 ECONOMIC DEVELOPMENT] under AS 21.09 to insure boilers or unfired pressure
8 vessels shall notify the Department of Labor each time it discontinues the insurance
9 for a boiler or unfired pressure vessel located in the state. The Department of Labor
10 shall terminate the inspection certificate and require a reinspection if the insurance was
11 terminated because of a condition dangerous to life or property.

12 * **Sec. 145.** AS 18.65.755(a) is amended to read:

13 (a) A permittee may not carry a concealed handgun into
14 (1) a law enforcement or correctional facility;
15 (2) or on school grounds or a school bus; in this paragraph, "school
16 grounds" has the meaning given in AS 11.71.900;
17 (3) a courthouse or a courtroom of this state, unless the permittee
18 (A) is a judge; or
19 (B) has been authorized to possess a concealed handgun by a
20 judge presiding at that courthouse or courtroom;
21 (4) a building housing only state or federal offices or the offices of a
22 political subdivision of the state, except as authorized under (3) of this subsection;
23 (5) an office of the state, federal government, or of a political
24 subdivision of the state that is not located in a building described in (4) of this
25 subsection;
26 (6) a passenger loading or unloading area of an airline terminal;
27 (7) a vessel of the Alaska marine highway system;
28 (8) a facility providing services to victims of domestic violence or
29 sexual assault;
30 (9) a residence where notice that carrying a concealed handgun is
31 prohibited has been given by the posting of a conspicuous notice or by oral statement

1 by the resident to the permittee;

2 (10) a meeting of a business, charitable, or other organization or entity
3 where notice that carrying a concealed handgun is prohibited has been given by the
4 posting of conspicuous notice;

5 (11) a financial institution; in this paragraph, "financial institution"
6 means a bank, savings bank, savings association, credit union, or other institution
7 regulated by the Department of Revenue [COMMERCE AND ECONOMIC
8 DEVELOPMENT] under AS 06;

9 (12) another place where the possession of a deadly weapon or firearm
10 is prohibited by law; or

11 (13) a municipality or established village that has prohibited the
12 possession of concealed handguns by a permit under AS 18.65.780 - 18.65.785.

13 * **Sec. 146.** AS 18.70.081 is amended to read:

14 Sec. 18.70.081. APPROVAL OF FIRE PROTECTION SYSTEMS. Before
15 October 30 of each year the Department of Public Safety shall prepare and make
16 available a list of approved fire protection systems to [THE DEPARTMENT OF
17 COMMUNITY AND REGIONAL AFFAIRS,] the Department of Community
18 [COMMERCE] and Economic Development [,] and the public.

19 * **Sec. 147.** AS 19.30.131(a) is amended to read:

20 (a) During each fiscal year the commissioner shall allocate sums appropriated
21 or otherwise designated for expenditure upon local service roads for that fiscal year
22 among the five allocation districts in the following manner: one-half in the ratio that
23 the area of each allocation district bears to the total area of the state and one-half in
24 the ratio that the population of each allocation district bears to the total population of
25 the state as shown by the latest available federal or state census or other census
26 approved by the Department of Revenue [COMMUNITY AND REGIONAL
27 AFFAIRS].

28 * **Sec. 148.** AS 19.30.131(b) is amended to read:

29 (b) The commissioner shall also further allocate the sums in each allocation
30 district to the boroughs and unified municipalities within each allocation district in the
31 following manner: one-half in the ratio that the area of each organized borough or

1 unified municipality (excluding salt water areas) within that district bears to the total
2 area of the allocation district and one-half in the ratio that the population of each
3 organized borough area or each unified municipality within that district bears to the
4 total population of the allocation district as shown by the latest available federal or
5 state census or other census approved by the Department of **Revenue** [COMMUNITY
6 AND REGIONAL AFFAIRS].

7 * **Sec. 149.** AS 19.30.131(c) is amended to read:

8 (c) The commissioner shall also further allocate portions of the sum allocated
9 to any organized borough and to any home rule city within the organized borough in
10 the following manner:

11 (1) one-half in the ratio that the area of each home rule city bears to
12 the total area of the organized borough excluding salt water areas; and

13 (2) one-half in the ratio that the population of each home rule city bears
14 to the total population of the organized borough as shown by the latest available
15 federal or state census or other census approved by the Department of **Revenue**
16 [COMMUNITY AND REGIONAL AFFAIRS].

17 * **Sec. 150.** AS 21.06.010 is amended to read:

18 Sec. 21.06.010. APPOINTMENT OF DIRECTOR. The commissioner of
19 **revenue** [COMMERCE AND ECONOMIC DEVELOPMENT] shall appoint the
20 director, division of insurance, Department of **Revenue** [COMMERCE AND
21 ECONOMIC DEVELOPMENT]. The director serves at the pleasure of the
22 commissioner.

23 * **Sec. 151.** AS 21.06.020 is amended to read:

24 Sec. 21.06.020. DIVISION OF INSURANCE. (a) There is created within the
25 Department of **Revenue** [COMMERCE AND ECONOMIC DEVELOPMENT] a
26 division of insurance, **that** [WHICH] shall be located in or convenient to the office
27 occupied by the commissioner of **revenue** [COMMERCE AND ECONOMIC
28 DEVELOPMENT].

29 (b) The division of insurance shall be under the administrative control of the
30 commissioner of **revenue** [COMMERCE AND ECONOMIC DEVELOPMENT] and
31 the supervision of the director of the division of insurance.

1 * **Sec. 152.** AS 21.59.020(b) is amended to read:

2 (b) If the corporation is to be formed under the laws of this state, the articles
3 of incorporation of the proposed corporation or amendments to existing articles of
4 incorporation shall be submitted to the director before they are filed with the
5 commissioner of revenue [COMMERCE AND ECONOMIC DEVELOPMENT]. The
6 commissioner of revenue [COMMERCE AND ECONOMIC DEVELOPMENT] may
7 not file the articles or amendments unless the director's approval is endorsed. The
8 director shall approve the articles or amendments unless the director finds that the
9 articles or amendments do not comply with law. If not approved, the director shall
10 return the proposed articles of incorporation to the incorporators or amendments to the
11 corporation, together with a written, detailed statement of the reasons for nonapproval.

12 * **Sec. 153.** AS 21.69.040(b) is amended to read:

13 (b) When the articles of incorporation have been approved by the director, the
14 director shall endorse the approval upon each set of the articles; except, that if the
15 director finds that the proposed insurer would not be eligible for a certificate of
16 authority under AS 21.09.100, the director shall refuse to approve the articles of
17 incorporation, and shall return them to the proposed incorporators together with a
18 written statement of the reasons for the refusal. If approved by the director, the
19 director shall then forward the articles of incorporation, endorsed with the approval,
20 to the incorporators. The incorporators shall immediately file one set of the articles
21 of incorporation with the commissioner of revenue [COMMERCE AND ECONOMIC
22 DEVELOPMENT], one set with the director bearing the certification of the
23 commissioner, and the remaining set of articles shall be made a part of the
24 corporation's record.

25 * **Sec. 154.** AS 21.69.050(c) is amended to read:

26 (c) Upon adoption of an amendment the insurer shall make in triplicate under
27 its corporate seal a certificate, sometimes referred to as "articles of amendment,"
28 setting out the amendment and the date and manner of its adoption, the [WHICH]
29 certificate shall be executed by the insurer's president or vice-president and secretary
30 or assistant secretary and acknowledged by them before an officer authorized by law
31 to take acknowledgements of deeds. The insurer shall deliver to the director the

1 triplicate originals of the certificate, together with a filing fee set under AS 21.06.250.
2 If the director finds that the certificate and amendments comply with law, the director
3 shall endorse approval upon each of the triplicate originals and return them to the
4 insurer. The insurer shall immediately file one set of the endorsed articles of
5 amendment with the commissioner of revenue [COMMERCE AND ECONOMIC
6 DEVELOPMENT], one set with the director bearing the certification of the
7 commissioner, and retain the remaining set in the corporate records. The amendment
8 shall be effective when the filings have been completed.

9 * **Sec. 155.** AS 21.87.050(b) is amended to read:

10 (b) Before the articles of incorporation of the proposed corporation formed
11 after July 1, 1966, are filed with the commissioner of revenue [COMMERCE AND
12 ECONOMIC DEVELOPMENT], they shall be submitted to the director, and the
13 commissioner may not file the articles unless the director's approval is endorsed
14 thereon. The director shall approve the articles unless the director finds that they do
15 not comply with law. If not approved, the director shall return the proposed articles
16 of incorporation to the incorporators together with a written statement of particulars
17 of the reasons for nonapproval.

18 * **Sec. 156.** AS 21.90.900(7) is amended to read:

19 (7) "commissioner" means the commissioner of revenue [COMMERCE
20 AND ECONOMIC DEVELOPMENT];

21 * **Sec. 157.** AS 21.90.900(10) is amended to read:

22 (10) "division" means the division of insurance, Department of
23 Revenue [COMMERCE AND ECONOMIC DEVELOPMENT];

24 * **Sec. 158.** AS 23.05 is amended by adding a new section to read:

25 Sec. 23.05.065. FEES FOR PUBLICATIONS, RESEARCH DATA, AND
26 OTHER SERVICES. The commissioner may establish by regulation and the
27 department may charge reasonable fees for department publications, research data, and
28 other centralized administrative services to cover the cost of reproduction, printing,
29 mailing, distribution, and other centralized administrative services.

30 * **Sec. 159.** AS 23.05 is amended by adding new sections to read:

31 ARTICLE 6. BUSINESS INCENTIVE TRAINING PROGRAM.

1 Sec. 23.05.400. BUSINESS INCENTIVE TRAINING PROGRAM
2 ESTABLISHED. (a) There is established in the department the business incentive
3 training program. The incentive program shall be administered as a supplement to the
4 Job Training Partnership Act (P.L. No. 97-300).

5 (b) The purpose of the incentive program is to encourage private industry to
6 provide new job opportunities by offering assistance in training the new work force
7 and in retraining existing employees to implement new technologies.

8 Sec. 23.05.410. ADMINISTRATION. (a) The Alaska Human Resources
9 Investment Council established in AS 44.19.620 shall oversee the incentive program.
10 The service delivery areas established under 29 U.S.C. 1511 and subject to
11 redesignation under 29 U.S.C. 1515 shall be used in the administration of the incentive
12 program. The private industry councils appointed under 29 U.S.C. 1512 and subject
13 to reconstitution under 29 U.S.C. 1515 shall serve as the private industry councils for
14 the incentive program.

15 (b) The council shall divide appropriations for the incentive program equally
16 among the private industry councils. If a private industry council lacks sufficient
17 money to fund a proposal, the private industry council may apply to the council for
18 additional funding. The council may approve reallocation of money from one service
19 delivery area to another to fund a particular proposal if it finds that the reallocation
20 will best serve the purposes of the program.

21 (c) The council shall adopt regulations under AS 44.62 (Administrative
22 Procedure Act) to implement AS 23.05.400 - 23.05.510.

23 Sec. 23.05.420. BUSINESS INCENTIVE TRAINING PLAN. (a) A private
24 industry council shall adopt a business incentive training plan for the service delivery
25 area. The plan must extend for two years to coincide with the term for the Job
26 Training Partnership Act (P.L. 97-300) and must contain

27 (1) identification of the entity or entities that will administer the
28 incentive program and be the grant recipient for grants from the state;

29 (2) a description of the services to be provided, including the estimated
30 duration of service and the estimated training cost per participant;

31 (3) procedures for identifying and selecting participants;

1 (4) performance goals established in accordance with standards under
2 AS 23.05.480;

3 (5) procedures for awarding grants to businesses; and

4 (6) the budget for two program years and any proposed expenditures
5 for the succeeding two program years in as much detail as required by the grant
6 administrator designated under AS 23.05.440.

7 (b) If changes in labor market conditions, funding, or other factors require
8 substantial deviation from an approved business incentive training plan, the private
9 industry council and the appropriate elected municipal official or officials shall submit
10 a modification of the plan and the budget for review under AS 23.05.430.

11 Sec. 23.05.430. REVIEW AND APPROVAL OF BUSINESS INCENTIVE
12 TRAINING PLAN. The business incentive training plan shall be published and made
13 available for review and comment as an attachment to the job training plan as set out
14 in 29 U.S.C. 1515. The business incentive training plan is subject to review and
15 approval by the governor.

16 Sec. 23.05.440. BUSINESS INCENTIVE TRAINING GRANTS. (a) Each
17 private industry council shall designate an administrative entity to be the grant
18 recipient and administrator for the region. An employer may apply to the grant
19 administrator for a business incentive grant if the employer is a private for-profit or
20 nonprofit corporation, partnership, or sole proprietor business. The grant administrator
21 shall review applications and award grants.

22 (b) Each grant administrator is responsible for the allocation of funds and the
23 eligibility of those enrolled in its programs. The grant administrator is responsible for
24 taking action against its subcontractors, subgrantees, and other recipients to eliminate
25 abuses in the programs they are carrying out, and to prevent misuse of funds. If the
26 arrangement is included in an approved job training plan, a grant administrator may
27 delegate the responsibility for determining eligibility under reasonable safeguards,
28 including provisions for reimbursement of costs incurred because of erroneous
29 determinations made with insufficient care.

30 (c) A business incentive training grant shall be used to recruit and train eligible
31 employees for newly created permanent or permanent seasonal positions or to enable

1 existing employees to acquire the skills necessary to qualify the employee to
2 implement new technologies. A business incentive training grant may be used for
3 occupations for which there is a demand in the area served or in another area to which
4 the participant is willing to relocate and for emerging technologies in the state. In
5 selecting recruiting and training programs, the private industry councils and the grant
6 administrators may consider whether the occupation in which recruiting or training is
7 sought is in a sector of the economy that has a high potential for sustained demand or
8 growth.

9 (d) Only individuals eligible under the business incentive training plan and
10 residing in the service delivery area may be participants in employment and training
11 activities funded under the business incentive training program. To be eligible for
12 training or education services under AS 23.05.400 - 23.05.510, immediately before
13 beginning training or education under the program a person shall

14 (1) have been unemployed and

15 (A) receiving unemployment insurance benefits; or

16 (B) have exhausted the right to unemployment insurance
17 benefits within the past three years;

18 (2) be liable to be displaced from work within the next six months
19 because of

20 (A) reductions in overall employment within the business;

21 (B) elimination of the person's current job; or

22 (C) a change in the conditions of the employee's job requiring
23 that, to remain employed, the employee must have substantially different skills
24 that the employee does not now possess; or

25 (3) have worked in a position covered by AS 23.20 at any time during
26 the last three years and be ineligible for unemployment insurance benefits because the
27 person

28 (A) was working in a seasonal, temporary, part-time, or other
29 marginal employment;

30 (B) has insufficient qualifying wages because of limited job
31 opportunities; or

1 (C) is employed, but, because the person is underemployed, the
2 person needs employment assistance and training to obtain full employment.

3 (e) Payments to employers for on-the-job training of participants who
4 experience multiple barriers to employment or are eligible under the Job Training
5 Partnership Act (P.L. 97-300) may not average more than 80 percent of the wages paid
6 by the employer to the participant. Payments to employers for on-the-job training of
7 other participants may not average more than 50 percent of the wages paid by the
8 employer to participants. The payments shall be considered to be in compensation for
9 the extraordinary costs associated with training employees for new positions and the
10 lower productivity of the participants.

11 (f) A grant made under the business incentive training program may not be
12 used to duplicate facilities or services available in the area from federal, state, or local
13 sources unless the business incentive training plan establishes that services or facilities
14 under the program would be more effective or more likely to achieve performance
15 goals.

16 (g) A fee may not be charged for placing an individual in or referring an
17 individual to a training program under AS 23.05.400 - 23.05.510.

18 (h) A business incentive training grant may not be awarded to a program that
19 involves political activities.

20 (i) An employer at whose request a participant is offered training shall fulfill
21 the obligation to offer a successful participant in the business incentive training
22 program a position or promotion, as applicable. A participant is considered successful
23 if the participant satisfactorily completes the training program in which the participant
24 was enrolled.

25 Sec. 23.05.450. COMPENSATION FOR PARTICIPANTS. (a) A trainee may
26 not receive a payment for training activities in which the trainee fails to participate.

27 (b) An individual in on-the-job training shall be compensated by the employer
28 at the same rates, including periodic increases, as similarly situated employees or
29 trainees and in accordance with applicable law. However, an individual may not be
30 paid less than the state minimum wage under AS 23.10.065 whether or not the
31 individual is exempt under AS 23.10.055 or 23.10.070.

1 (c) An individual employed in activities authorized under the business
2 incentive training program other than on-the-job training shall be paid wages that are
3 not less than the highest of

4 (1) the state minimum wage under AS 23.10.065;

5 (2) the prevailing rate of pay for individuals employed in similar
6 occupations by the same employer; or

7 (3) the prevailing rate of wages under AS 36.05 or 40 U.S.C. 276a -
8 276a-5, if applicable.

9 (d) Allowances, earnings, and payments to individuals participating in
10 programs under the business incentive training program may not be considered as
11 income in determining eligibility for and the amount of income transfer and in-kind
12 aid furnished under a state program based on need, other than programs under the
13 Social Security Act.

14 (e) Conditions of employment and training must be appropriate and reasonable
15 in light of factors including the type of work, geographical region, and proficiency of
16 the participant.

17 (f) An individual employed in a subsidized job under the business incentive
18 training program shall be provided benefits and working conditions at the same level
19 and to the same extent as other employees working a similar length of time and doing
20 the same type of work.

21 (g) Money from a grant under the business incentive training program may not
22 be used for contributions on behalf of a participant to retirement systems or plans.

23 Sec. 23.05.460. REPORTING AND RECORDKEEPING. (a) A grant
24 administrator shall maintain records of each participant's enrollment in a business
25 incentive training program in sufficient detail to demonstrate compliance with
26 AS 23.05.400 - 23.05.510.

27 (b) The council shall adopt regulations concerning retention of records.

28 (c) The council shall report annually to the legislature concerning the incentive
29 program no later than February 1.

30 Sec. 23.05.470. ALLOWABLE COSTS. (a) To be allowable, a cost must be
31 necessary and reasonable for proper and efficient administration of the program. The

1 following costs are not allowable:

2 (1) costs resulting from violations of or failure to comply with federal,
3 state, or local laws and regulations;

4 (2) entertainment costs; and

5 (3) insurance policies offering protection against debts established by
6 the federal government.

7 (b) Personal liability insurance for members of the private industry council is
8 an allowable cost.

9 Sec. 23.05.480. PERFORMANCE STANDARDS. (a) The basic measure of
10 performance for training programs under AS 23.05.400 - 23.05.510 is the increase in
11 jobs in the area and in employment and earnings for participants resulting from
12 participation in the program. In order to determine whether these standards are
13 achieved, the governor shall adopt standards based on appropriate factors.

14 (b) The governor shall provide technical assistance to programs that do not
15 meet performance criteria. If a program fails to meet performance standards for two
16 consecutive years, the governor shall withdraw unencumbered funds from the program.

17 (c) An interested party who is harmed by a change made under this section is
18 entitled to a hearing under AS 44.62 (Administrative Procedure Act).

19 Sec. 23.05.490. LIMITATION ON CERTAIN COSTS. No more than 15
20 percent of the money available to a service delivery area for a fiscal year may be
21 expended for the cost of administration. For purposes of this section, costs of program
22 support, including counseling, that are directly related to the provision of education or
23 training to participants may not be counted as part of the cost of administration.

24 Sec. 23.05.500. SELECTION OF SERVICE PROVIDERS. (a) The primary
25 consideration in selecting agencies or organizations to deliver services within a service
26 delivery area is the effectiveness of the agency or organization in delivering
27 comparable or related services based on demonstrated performance, in terms of the
28 likelihood of meeting performance goals, cost, quality of training, and characteristics
29 of participants. In complying with this subsection, proper consideration shall be given
30 to community based organizations as service providers.

31 (b) Appropriate education agencies in the service delivery area shall be given

1 the opportunity to provide educational services, unless the grant administrator
2 determines that alternative agencies or organizations would be more effective or would
3 have greater potential to enhance the participants' continued occupational and career
4 growth.

5 (c) The grant administrator may not fund an occupational skills training
6 program unless the level of skills provided in the program is in accordance with
7 guidelines established by the private industry council.

8 Sec. 23.05.510. DEFINITIONS. In 23.05.400 - 23.05.510,

9 (1) "council" means the Alaska Human Resources Investment Council
10 established in AS 44.19.620;

11 (2) "incentive program" means the business incentive training program
12 established under AS 23.05.400;

13 (3) "participant" means an individual receiving education or training,
14 including on-the-job training, under an incentive program grant.

15 * **Sec. 160.** AS 23.30.265(18) is amended to read:

16 (18) "insurance commissioner" refers to the person who heads the
17 insurance division or section of the Department of **Revenue** [COMMERCE AND
18 ECONOMIC DEVELOPMENT] and is charged with the administration of the state
19 insurance laws;

20 * **Sec. 161.** AS 24.08.035(e) is amended to read:

21 (e) If a bill or resolution, except an appropriation bill, significantly increases
22 costs to a municipality, there shall be attached to the measure a municipal fiscal note
23 containing an estimate for the current fiscal year and five succeeding fiscal years of
24 the cost to municipalities that would result from enactment of the measure. The last
25 committee to which the bill is referred on the day it is introduced in the house of
26 origin shall request the municipal fiscal note. It shall be prepared by the Department
27 of Community and **Economic Development** [REGIONAL AFFAIRS]. It shall be
28 delivered in accordance with (d) of this section within five days of the request, or
29 within two days if the request is made after the 90th day of a regular session or during
30 a special session. The municipal fiscal note must contain information that substantially
31 complies with (c)(1), (2), and (6) - (9) of this section to the extent the information is

1 available to the department.

2 * **Sec. 162.** AS 26.15.010(a) is amended to read:

3 (a) The Department of Community [COMMERCE] and Economic
4 Development shall administer the laws and regulations relating to the veterans' loan
5 program, adopt new regulations, and recommend legislation.

6 * **Sec. 163.** AS 26.15.030(a) is amended to read:

7 (a) The Department of Community [COMMERCE] and Economic
8 Development shall formulate general policies and adopt regulations, including
9 regulations to establish reasonable fees for services provided.

10 * **Sec. 164.** AS 26.15.040 is amended to read:

11 Sec. 26.15.040. VETERANS' LOANS. (a) The commissioner of community
12 [COMMERCE] and economic development may, under regulations and policies, make
13 the following loans:

14 (1) personal loans may be made for educational, domestic, remote area
15 family housing and other personal purposes, not exceeding \$10,000; the loans shall be
16 secured by acceptable collateral when available but if not available the commissioner
17 may make loans on the basis of good character; the rate of interest may not exceed
18 nine and one-half per cent a year on the unpaid balance;

19 (2) Repealed

20 (3) business loans not exceeding \$125,000 may be made to acquire,
21 finance or refinance, or equip businesses, including mining and fishing but not
22 including farming, if the loan applicant has had three or more years of general business
23 experience; the loans shall be secured by acceptable collateral and may not exceed 75
24 percent of the appraised value of the collateral offered as security; the rate of interest
25 may not exceed nine and one-half percent a year on the unpaid balance;

26 (4) multiple dwelling loans not exceeding \$110,000 may be made to
27 purchase, remodel, repair, build, furnish, refinance or equip multiple dwellings; the
28 loans shall be secured by acceptable collateral and may not exceed 75 percent of the
29 appraised value of the collateral offered as security; the rate of interest may not exceed
30 nine and one-half percent a year on the unpaid balance.

31 (b) The commissioner of community [COMMERCE] and economic

1 development may enter into agreements with private banks, other lending institutions
2 and individuals for the purpose of guaranteeing loans made to qualified applicants.
3 The guarantees may not exceed 90 percent of the amount loaned and the loans shall
4 be secured in the same manner provided for direct loans under this section. A loan
5 made under this subsection and guaranteed by the commissioner of community
6 [COMMERCE] and economic development and the state shall bear an interest rate not
7 exceeding nine and one-half percent a year on the unpaid balance.

8 (c) Loans authorized by former (a)(2) of this section or (a)(3) and (4) of this
9 section may not be made unless the commissioner of community [COMMERCE] and
10 economic development is satisfied that money at a comparable rate of interest is not
11 available to the applicant from private lending institutions on a guaranteed basis as set
12 out in (b) of this section. An applicant is eligible for more than one type of loan, but
13 the total may not exceed \$125,000 at any one time.

14 (d) Money loaned shall be delivered to the borrower in the form of a warrant
15 drawn on the treasury, vouchered in the manner prescribed for state disbursing officers,
16 and charged against the Alaska World War II veterans' revolving fund. Each voucher
17 shall be approved by the commissioner of community [COMMERCE] and economic
18 development or any bonded deputy authorized to act as a certifying officer. Upon
19 repayment of loans by installments, or otherwise, in accordance with the prescribed
20 terms, or upon liquidation by foreclosure or other process, or upon receipt of interest,
21 the money so received shall be turned over to the commissioner of revenue for deposit
22 in the Alaska World War II veterans' revolving fund.

23 (e) If a loan made under (a)(3) of this section is assigned by the borrower or
24 if the real property that secures a loan made under former (a)(2) or under (a)(4) of this
25 section is transferred by the borrower, the commissioner of community
26 [COMMERCE] and economic development shall allow the assignee or transferee to
27 assume the outstanding indebtedness on the loan unless the commissioner determines
28 in writing that the credit of the assignee or transferee is not satisfactory to assure
29 repayment of the loan. The assignee or transferee may assume the outstanding
30 indebtedness on the loan at the existing interest rate on the loan.

31 * **Sec. 165.** AS 26.15.070(a) is amended to read:

1 (a) The commissioner of community [COMMERCE] and economic
2 development may sell or transfer at par value or at a premium or discount to any bank
3 or other private purchaser for cash or other consideration the mortgages and notes held
4 by the Department of Community [COMMERCE] and Economic Development as
5 security for loans made under this chapter.

6 * **Sec. 166.** AS 26.15.085 is amended to read:

7 Sec. 26.15.085. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
8 FORECLOSURE. The Department of Community [COMMERCE] and Economic
9 Development shall dispose of property acquired through default or foreclosure of a
10 loan made under this chapter. Disposal shall be made in a manner that serves the best
11 interests of the state, and may include the amortization of payments over a period of
12 years.

13 * **Sec. 167.** AS 26.15.095(b) is amended to read:

14 (b) The commissioner of community [COMMERCE] and economic
15 development may expend money credited to the foreclosure expense account when
16 necessary to protect the state's security interest in collateral on loans made under
17 AS 26.15.040 or to defray expenses incurred during foreclosure proceedings after a
18 default by an obligor.

19 * **Sec. 168.** AS 26.15.160 is amended to read:

20 Sec. 26.15.160. EXTENSION OF CHAPTER TO MEMBERS OF THE
21 ALASKA TERRITORIAL GUARD AND TO VETERANS OF KOREA AND VIET
22 NAM. The provisions of this chapter, except those provisions relating to the payment
23 of bonuses, are extended to persons who served in the Alaska Territorial Guard, who
24 served other than dishonorably on active duty between June 25, 1950, and January 31,
25 1955, who served other than dishonorably on active duty between August 4, 1964, and
26 November 7, 1975, and to dependents of those persons, subject to the following
27 provisions and eligibility qualifications:

28 (1) persons are eligible

29 (A) who served in the Alaska Territorial Guard, who were
30 discharged other than dishonorably from the armed forces of the United States,
31 or who are released to a reserve component; and

1 (B) who at the time of entry into the service were bona fide
2 residents of the territory or State of Alaska and had been residents of the
3 territory or state for not less than one year before their entry into the service;
4 and who have returned to the territory or state within a reasonable length of
5 time after the end of their service in the Alaska Territorial Guard or their
6 discharge or separation as residents with the intention of remaining in the
7 territory or state; or who, not being bona fide residents of the territory before
8 their entry into the service, have lived in the territory or state for at least five
9 years following their release from active military service; and

10 (C) who served in the armed forces of the United States for 90
11 days or more, or whose service was for a lesser period because of injury or
12 disability incurred in line of duty, between June 25, 1950, and January 31,
13 1955, or who served in the armed forces of the United States for 90 days or
14 more or whose service was for a lesser period because of injury or disability
15 incurred in line of duty, between August 4, 1964, and July 1, 1977, or who
16 served in the Alaska Territorial Guard for 90 days or more or whose service
17 in the Alaska Territorial Guard was for a lesser period because of injury or
18 disability incurred in the line of duty;

19 (2) persons are eligible who were dependent upon a member of the
20 Alaska Territorial Guard or armed forces or upon a veteran, including persons who
21 served in the Alaska Territorial Guard, eligible for the benefits of this chapter at the
22 time of the member's or veteran's death if the member or veteran was a resident of
23 the territory for one year before entry into service and died before November 5, 1975;
24 dependents must be unmarried and the deceased veteran or member of the armed
25 forces must have been their chief means of support and they must be either a widow,
26 widower, minor child, or a mother, father, sister, or brother incapable of self-support;
27 dependents must be residents of the state at the time of application and shall intend to
28 remain residents in the state permanently; the rights of minor children under this
29 chapter may be exercised only if they have no surviving parent and have an appointed
30 guardian who may apply on their behalf for the benefits of this chapter for their care,
31 support, or education;

1 (3) a person who is eligible for veteran's benefits under the laws of any
2 other state or territory is not eligible for the benefits of this section unless the person
3 has lived in the state or territory for at least five years following the end of the
4 person's service in the Alaska Territorial Guard or release from active military service;
5 a World War II veteran who received a bonus under former AS 26.15.120 and former
6 AS 26.15.150 need not repay the bonus in order to qualify under the loan provisions
7 of this section;

8 (4) for persons otherwise eligible for the benefits under this section,
9 who did not return to the state or territory within one year after the end of the persons'
10 service in the Alaska Territorial Guard or separation from the service unless prevented
11 from doing so for medical, educational, or other valid purposes approved by the
12 Department of **Community** [COMMERCE] and Economic Development within one
13 year after the end of the persons' service in the Alaska Territorial Guard or separation
14 from the service, an additional requirement of four years' residence in the state or
15 territory before their entry into the service is imposed to entitle them to the benefit
16 provisions of this section.

17 * **Sec. 169.** AS 26.23.071(b) is amended to read:

18 (b) The commission consists of the commissioners of community and
19 **economic development** [REGIONAL AFFAIRS], environmental conservation, fish and
20 game, health and social services, labor, natural resources, public safety, and
21 transportation and public facilities, or the designees of the commissioners, the adjutant
22 general of the Department of Military and Veterans' Affairs or a designee, and seven
23 members of the public appointed by the governor, two of whom must be members of
24 a local emergency planning committee for an emergency planning district that is
25 predominantly rural in character and two of whom must be members of a local
26 emergency planning committee for an emergency planning district that is
27 predominantly urban in character. Two of the other three members of the public who
28 are appointed to the commission must be members of the governing body of, or the
29 mayor of, a political subdivision that has a local emergency planning committee or a
30 person who, in the opinion of the governor, is otherwise appropriate to represent the
31 political subdivision. The United States Department of Defense - Alaska Command,

1 the Federal Emergency Management Agency, the United States Environmental
2 Protection Agency, and the United States Coast Guard may each appoint a
3 representative to serve on the commission in an ex-officio, nonvoting capacity. To the
4 extent practicable, the commission must include members with expertise in the
5 emergency response field.

6 * **Sec. 170.** AS 27.09.010(a) is amended to read:

7 (a) There is established in the Department of Community [COMMERCE] and
8 Economic Development the mining loan fund. The department may make loans from
9 the fund to underwrite advanced mineral exploration, development, or mining in the
10 state.

11 * **Sec. 171.** AS 27.09.015(b) is amended to read:

12 (b) The commissioner of community [COMMERCE] and economic
13 development may expend money credited to the foreclosure expense account when
14 necessary to protect the state's security interest in collateral on loans made under
15 AS 27.09.010 or to defray expenses incurred during foreclosure proceedings after a
16 default by an obligor.

17 * **Sec. 172.** AS 27.09.050 is amended to read:

18 Sec. 27.09.050. REGULATIONS. The department may adopt regulations
19 necessary to carry out the provisions of this chapter, including regulations to establish
20 reasonable fees for services provided. Regulations adopted under this section shall be
21 prepared after consultation with the Department of Natural Resources or after
22 consultation with a person who, in the opinion of the commissioner of community
23 [COMMERCE] and economic development or a designee, has broad experience in and
24 is highly qualified in advanced mineral exploration, development, and mining.

25 * **Sec. 173.** AS 27.09.060(3) is amended to read:

26 (3) "department" means the Department of Community [COMMERCE]
27 and Economic Development;

28 * **Sec. 174.** AS 28.01.010(b) is amended to read:

29 (b) A municipality may adopt by reference all or a part of this title and
30 regulations adopted under this title, and may request and shall receive from the
31 Departments of Public Safety and Community and Economic Development

1 [REGIONAL AFFAIRS] assistance in the drafting of model ordinances for adoption
2 by reference. Notwithstanding (a) of this section, a municipality may enact necessary
3 ordinances to meet specific local requirements.

4 * **Sec. 175.** AS 28.20.580 is amended to read:

5 Sec. 28.20.580. ASSIGNED RISK PLANS. After consultation with the
6 insurance companies authorized to issue motor vehicle liability policies in this state,
7 the director of the division of insurance shall approve a reasonable plan, fair to the
8 insurers and equitable to their policyholders, for the apportionment among these
9 companies of applicants for motor vehicle policies and other vehicle coverages who
10 are in good faith entitled to but are unable to procure policies through ordinary
11 methods. When a plan is approved, all the insurance companies shall subscribe to it
12 and participate in it, except a reciprocal insurer formed by and only insuring a group
13 of municipalities or nonprofit utilities under AS 21.75, or a reciprocal insurer formed
14 under AS 21.75 to provide marine insurance. An applicant for an assigned risk policy,
15 a person insured under an assigned risk plan, and an insurance company affected may
16 appeal to the commissioner of **revenue** [COMMERCE AND ECONOMIC
17 DEVELOPMENT] from a ruling or decision of the authority designated to operate the
18 plan. Failure to adopt an assigned risk plan does not relieve any person from
19 responsibility under this chapter.

20 * **Sec. 176.** AS 29.04.040 is amended by adding a new subsection to read:

21 (f) In this section, "department" means the Department of Community and
22 Economic Development.

23 * **Sec. 177.** AS 29.05 is amended by adding a new section to read:

24 ARTICLE 4. GENERAL PROVISIONS.

25 Sec. 29.05.900. DEFINITION. In this chapter, "department" means the
26 Department of Community and Economic Development.

27 * **Sec. 178.** AS 29.06.040(c) is amended to read:

28 (c) In addition to the regulations governing annexation by local action adopted
29 under **AS 44.33.812** [AS 44.47.567], the Local Boundary Commission shall establish
30 procedures for annexation and detachment of territory by municipalities by local
31 action. The procedures established under this subsection include a provision that

1 (1) a proposed annexation and detachment must be approved by a
2 majority of votes on the question cast by voters residing in the area proposed to be
3 annexed or detached;

4 (2) municipally owned property adjoining the municipality may be
5 annexed by ordinance without voter approval; and

6 (3) an area adjoining the municipality may be annexed by ordinance
7 without an election if all property owners and voters in the area petition the governing
8 body.

9 * **Sec. 179.** AS 29.06 is amended by adding a new section to read:

10 ARTICLE 6. GENERAL PROVISIONS.

11 Sec. 29.06.900. DEFINITION. In this chapter, "department" means the
12 Department of Community and Economic Development.

13 * **Sec. 180.** AS 29.10 is amended by adding a new section to read:

14 ARTICLE 3. GENERAL PROVISIONS.

15 Sec. 29.10.900. DEFINITION. In this chapter, "department" means the
16 Department of Community and Economic Development.

17 * **Sec. 181.** AS 29.20 is amended by adding a new section to read:

18 ARTICLE 8. GENERAL PROVISIONS.

19 Sec. 29.20.900. DEFINITIONS. In this chapter,

20 (1) "commissioner" means the commissioner of community and
21 economic development;

22 (2) "department" means the Department of Community and Economic
23 Development.

24 * **Sec. 182.** AS 29.35 is amended by adding a new section to read:

25 ARTICLE 10. GENERAL PROVISIONS.

26 Sec. 29.35.900. DEFINITION. In this chapter, "department" means the
27 Department of Community and Economic Development.

28 * **Sec. 183.** AS 29.45.080(b) is amended to read:

29 (b) A municipality may levy and collect a tax on the full and true value of
30 taxable property taxable under AS 43.56 as valued by the department
31 [DEPARTMENT OF REVENUE] at a rate not to exceed that which produces an

1 amount of revenue from the total municipal property tax equivalent to \$1,500 a year
2 for each person residing in its boundaries.

3 * **Sec. 184.** AS 29.45.080(c) is amended to read:

4 (c) A municipality may levy and collect a tax on the full and true value of that
5 portion of taxable property taxable under AS 43.56 as assessed by the **department**
6 [DEPARTMENT OF REVENUE] which value, when combined with the value of
7 property otherwise taxable by the municipality, does not exceed the product of 225
8 percent of the average per capita assessed full and true value of property in the state
9 multiplied by the number of residents of the taxing municipality.

10 * **Sec. 185.** AS 29.45.080(d) is amended to read:

11 (d) By February 1 of each assessment year a taxing municipality shall inform
12 the **department** [DEPARTMENT OF REVENUE] which method of taxation the
13 municipality will use.

14 * **Sec. 186.** AS 29.45 is amended by adding a new section to read:

15 Sec. 29.45.900. In this chapter,

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

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

18 * **Sec. 187.** AS 29.60.120(d) is amended to read:

19 (d) Before money may be distributed under this section, the commissioner of
20 health and social services shall certify to the commissioner of **revenue** [COMMUNITY
21 AND REGIONAL AFFAIRS] that any accumulation of assets by nonprofit
22 corporations or other recipients under this section is dedicated irrevocably to a public
23 purpose.

24 * **Sec. 188.** AS 29.60.370(a) is amended to read:

25 (a) If the amount in the municipal assistance fund at the time of distribution
26 exceeds the base amount to be distributed under AS 29.60.360, the excess amount shall
27 be distributed to each municipality on the basis of population. Population for the
28 purpose of this section shall be as certified by the commissioner of **revenue**
29 [COMMUNITY AND REGIONAL AFFAIRS]. In determining the population of a
30 borough, the population of all cities in the borough shall be deducted from the total
31 population of the borough.

1 * **Sec. 189.** AS 29.60.400(a) is amended to read:

2 (a) Within the limits of appropriations for the purpose the Department of
3 **Community** [COMMERCE] and Economic Development shall make matching grants
4 in accordance with the provisions of AS 29.60.410 - 29.60.440 to municipalities or
5 their nonprofit designees equal to

6 (1) 50 percent of the estimated reasonable costs of construction of
7 municipal civic, convention, and community recreation centers; and

8 (2) 50 percent of the cost of feasibility studies relating to the
9 construction of municipal civic, convention, and community recreation centers.

10 * **Sec. 190.** AS 29.60.410 is amended to read:

11 Sec. 29.60.410. GRANT PROCEDURES. (a) An application for a grant
12 under AS 29.60.400 shall be made in a form prescribed by the commissioner of
13 **community** [COMMERCE] and economic development.

14 (b) A grant shall be allotted in accordance with an agreement made between
15 the commissioner of **community** [COMMERCE] and economic development on behalf
16 of the state and the grantee. The agreement may include any provision agreed upon
17 by the parties and must include in substance the following provisions:

18 (1) estimates of reasonable costs of the study or project as approved by
19 the commissioner after consultation with the Department of Transportation and Public
20 Facilities;

21 (2) a schedule of disbursements of money from the grant if the
22 commissioner determines that the grant money is not to be disbursed in one sum;

23 (3) agreement by the grantee

24 (A) to proceed with and complete the proposed study or project
25 expeditiously;

26 (B) not to discontinue operation or dispose of all or part of a
27 community facility for which it receives a grant without the approval of the
28 commissioner;

29 (C) to apply for and make reasonable efforts to secure federal
30 assistance that may be available for the study or project, subject to any
31 conditions the commissioner may require to maximize the amounts of that

1 assistance available for all projects in the state;

2 (D) to provide for payment of the grantee's share of the cost of
3 the study or project;

4 (E) that, if federal assistance for a study or project becomes
5 available to the grantee that was not included in the calculation of the amount
6 of the grant, the value of the federal assistance shall be subtracted from the
7 total value of the project and the balance shall be equally divided between the
8 grantee and the state;

9 (4) alteration or modification of an approved study or project;

10 (5) alteration or modification of an existing facility that would have
11 qualified for a grant at the time of initial construction if AS 29.60.400 - 29.60.440 had
12 been in effect;

13 (6) remedies in case of failure to perform the agreement or
14 noncompliance with regulations adopted under AS 29.60.420.

15 (c) The commissioner of community [COMMERCE] and economic
16 development shall require in negotiations and in each grant agreement that continued
17 maintenance of the community facility is the responsibility of the municipality. The
18 municipality must show the feasibility of continuing to maintain the facility before
19 state money may be authorized for a grant.

20 * **Sec. 191.** AS 29.60.420(b) is amended to read:

21 (b) The commissioner of community [COMMERCE] and economic
22 development shall adopt regulations to carry out the purposes of AS 29.60.400 -
23 29.60.440.

24 * **Sec. 192.** AS 29.60.430 is amended to read:

25 Sec. 29.60.430. ALLOCATION OF MONEY. If the amount of money
26 appropriated by the legislature for grants under AS 29.60.400 is not adequate to satisfy
27 amounts required for approved grant applications, money shall be allocated on the
28 basis of priority established by regulations of the Department of Community
29 [COMMERCE] and Economic Development.

30 * **Sec. 193.** AS 29.60 is amended by adding a new section to article 5 to read:

31 Sec. 29.60.449. DEFINITIONS. In AS 29.60.400 - 29.60.449,

1 (1) "commissioner" means the commissioner of community and
2 economic development;

3 (2) "department" means the Department of Community and Economic
4 Development.

5 * **Sec. 194.** AS 29.60.599(9) is amended to read:

6 (9) "village" means a place within the unorganized borough or within
7 a borough if the power, function, or service for which a grant application is submitted
8 under AS 29.60.500 - 29.60.599 is not exercised or provided by the borough on an
9 areawide or nonareawide basis at the time the grant application is submitted, that

10 (A) has irrevocably waived, in a form approved by the
11 Department of Law, any claim of sovereign immunity that might arise in
12 connection with the use of grant money under this chapter; and

13 (B) has

14 (i) a council organized under 25 U.S.C. 476 (sec. 16 of
15 the Indian Reorganization Act);

16 (ii) a traditional village council recognized by the United
17 States as eligible for federal aid to Indians; or

18 (iii) a council recognized by the commissioner under
19 regulations adopted by the department to determine and give official
20 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)].

21 * **Sec. 195.** AS 29.60.599 is amended by adding new paragraphs to read:

22 (10) "commissioner" means the commissioner of community and
23 economic development;

24 (11) "department" means the Department of Community and Economic
25 Development.

26 * **Sec. 196.** AS 29.60.620(b) is amended to read:

27 (b) For purposes of (a) of this section, population shall be determined by the
28 Department of Revenue [COMMUNITY AND REGIONAL AFFAIRS] based on the
29 latest figures of the United States Bureau of the Census or other reliable population
30 data. If a city within a borough has an approved grant for a service to be provided on
31 an areawide basis, the allocation under (a) of this section shall be based on the

1 population of the borough.

2 * **Sec. 197.** AS 29.60.650(2) is amended to read:

3 (2) "municipality" means a (A) city whose population is over 20,000;
4 (B) unified municipality whose population is over 100,000; or (C) second class
5 borough whose population is over 65,000; population for purposes of this paragraph
6 shall be determined by the Department of **Revenue** [COMMUNITY AND REGIONAL
7 AFFAIRS].

8 * **Sec. 198.** AS 29.60 is amended by adding a new section to read:

9 ARTICLE 9. GENERAL PROVISIONS.

10 Sec. 29.60.900. DEFINITIONS. Except as provided in AS 29.60.449 and
11 29.60.599, in this chapter,

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

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

14 * **Sec. 199.** AS 29.65.050(c) is amended to read:

15 (c) The director shall approve or disapprove each selection for patent within
16 nine months of its selection by a municipality. Before a decision is issued, the
17 Department of Community and **Economic Development** [REGIONAL AFFAIRS] shall
18 review the selection and recommend approval or disapproval of it. The director may
19 disapprove a selection only upon a finding that the public interest in retaining state
20 ownership of the land outweighs the municipality's interest in obtaining the land. A
21 patent shall be issued to the municipality for land selected in satisfaction of a general
22 grant land entitlement vested under AS 29.65.010 - 29.65.030 within three months after
23 approval by the director of a plat of survey.

24 * **Sec. 200.** AS 29.65.050(d) is amended to read:

25 (d) Before disapproving a selection, the director shall notify the municipality
26 in writing of the decision and set out reasons for it. The municipality may submit a
27 written response within 30 days after receipt of the notice. Within 30 days after the
28 period for responding has expired, the director shall affirm, modify, or reverse the
29 decision and supply the municipality with written notice of that action. If the selection
30 is disapproved, the municipality may file notice of an appeal with the director. The
31 appeal shall be heard under procedures adopted by regulation of the Department of

1 Natural Resources. Before reaching a decision on an appeal the Department of Natural
2 Resources shall request the Department of Community and **Economic Development**
3 [REGIONAL AFFAIRS] to review the matter and submit a recommendation. After
4 reviewing the recommendation, a decision on the appeal shall be submitted by the
5 Department of Natural Resources to the municipality in writing within 30 days after
6 the notice of appeal was filed with the director. A municipality may appeal an adverse
7 decision to the superior court under AS 44.62.560 - 44.62.570.

8 * **Sec. 201.** AS 29.65.060(f) is amended to read:

9 (f) For purposes of determining the per capita entitlement under (a) of this
10 section, the population of a municipality shall be the population determined by the
11 commissioner **of community and regional affairs** under former AS 43.18.010 for the
12 program year beginning July 1, 1978, for a municipality whose entitlement was
13 determined under former AS 29.18.201 or 29.18.202.

14 * **Sec. 202.** AS 29.65.120 is amended to read:

15 Sec. 29.65.120. REGULATIONS. The commissioner of natural resources may,
16 after consultation with the Department of Community and **Economic Development**
17 [REGIONAL AFFAIRS], adopt regulations in accordance with AS 44.62
18 (Administrative Procedure Act) necessary to carry out the purposes of this chapter.

19 * **Sec. 203.** AS 30.13.010(a) is amended to read:

20 (a) The residents of each area of the state within the boundaries of a regional
21 housing authority established under AS 18.55.996 **that** [WHICH] is located in whole
22 or in part in the unorganized borough of the state may create a public body corporate
23 and politic under the name and style of the "Resource Development Authority" with
24 all or any significant part of the name of the region of the state inserted. The
25 boundaries of the authority created shall be coterminous with the portion of the
26 applicable regional housing authority that lies in the unorganized borough. Creation
27 of an authority is initiated by a petition filed with the Department of Community and
28 **Economic Development** [REGIONAL AFFAIRS] and a statement submitted to the
29 governor. The petition must include the proposed name of the authority, its
30 boundaries, and a statement of the facilities proposed to be provided by the authority.
31 The petition must be signed by 15 percent of the total number of residents in the

1 portion of the applicable regional housing authority that lies in the unorganized
2 borough who cast votes in the preceding general election. The Department of
3 Community and **Economic Development** [REGIONAL AFFAIRS] shall review
4 petitions for content and signatures. If the department determines that the petition is
5 adequate, it shall transmit the petition to the director of elections.

6 * **Sec. 204.** AS 32.11.010(a) is amended to read:

7 (a) In order to form a limited partnership, a certificate of limited partnership
8 shall be executed and filed with the Department of **Revenue** [COMMERCE AND
9 ECONOMIC DEVELOPMENT]. The certificate must set out

10 (1) the name of the limited partnership;

11 (2) the address of the office and the name and address of the agent for
12 service of process required to be maintained by AS 32.11.830;

13 (3) the name and business address of each general partner;

14 (4) the latest date upon which the limited partnership is to dissolve; and

15 (5) other matters the general partners determine to include.

16 * **Sec. 205.** AS 32.11.900(2) is amended to read:

17 (2) "commissioner" means the commissioner of **revenue** [COMMERCE
18 AND ECONOMIC DEVELOPMENT];

19 * **Sec. 206.** AS 32.11.900(4) is amended to read:

20 (4) "department" means the Department of **Revenue** [COMMERCE
21 AND ECONOMIC DEVELOPMENT];

22 * **Sec. 207.** AS 34.03.340 is amended to read:

23 Sec. 34.03.340. SERVICE OF PROCESS. If a landlord is not a resident of
24 this state or is a corporation not authorized to do business in this state and engages in
25 any conduct in this state governed by this chapter, or engages in a transaction subject
26 to this chapter, the landlord may designate an agent upon whom service of process
27 may be made in this state. The agent shall be a resident of this state or a corporation
28 authorized to do business in this state. The agent shall be the same person designated
29 under AS 34.03.080. The designation shall be in writing and filed with the
30 commissioner of **revenue** [COMMERCE AND ECONOMIC DEVELOPMENT]. If
31 no designation is made and filed or if process cannot be served in this state upon the

1 designated agent, process may be served upon the commissioner of revenue
2 [COMMERCE AND ECONOMIC DEVELOPMENT], but the service upon the
3 commissioner is not effective unless the plaintiff or petitioner immediately mails a
4 copy of the process and pleadings by certified or registered mail to the defendant or
5 respondent at the last ascertainable address of the defendant or respondent. An
6 affidavit of compliance with this section shall be filed with the clerk of the court
7 having jurisdiction on or before the return day for the process, if any, or within any
8 further time allowed by the court.

9 * **Sec. 208.** AS 34.55.044(1) is amended to read:

10 (1) "department" means Department of Natural Resources
11 [COMMERCE AND ECONOMIC DEVELOPMENT];

12 * **Sec. 209.** AS 36.30.322(a) is amended to read:

13 (a) Only timber, lumber, and manufactured lumber products originating in this
14 state from Alaska forests may be procured by an agency or used in construction
15 projects of an agency unless the manufacturers and suppliers who have notified the
16 commissioner of community [COMMERCE] and economic development of their
17 willingness to manufacture or supply Alaska forest products

18 (1) have been given reasonable notice of the forest product needs of the
19 procurement or project; and

20 (2) are unable to supply the products at a cost that is within seven
21 percent of the price offered by a manufacturer or supplier of non-Alaska forest
22 products.

23 * **Sec. 210.** AS 36.30.322(c) is amended to read:

24 (c) During the period of performance of a state contract, the contractor shall
25 maintain records showing efforts made in using Alaska forest products or evidence of
26 Alaska forest products not being available or reasonably competitive. The contractor
27 shall provide the records to the procurement officer on a periodic basis, as required by
28 regulations adopted by the commissioner of community [COMMERCE] and economic
29 development.

30 * **Sec. 211.** AS 36.30.330(c) is amended to read:

31 (c) The procurement officer shall report to the commissioner of community

1 [COMMERCE] and economic development each contractor penalized under (a) of this
2 section. The commissioner of community [COMMERCE] and economic development
3 shall maintain a list of contractors determined not to be responsible bidders under (b)
4 of this section.

5 * **Sec. 212.** AS 36.30.332(a) is amended to read:

6 (a) The commissioner of community [COMMERCE] and economic
7 development shall adopt regulations establishing the value added in the state for
8 materials and supplies produced or manufactured in the state that are used in a state
9 procurement and establishing whether a product qualifies as a recycled Alaska product.
10 The commissioner shall publish a list of the products annually. A supplier may
11 request inclusion of its product on the appropriate list.

12 * **Sec. 213.** AS 36.30.850(b) is amended to read:

13 (b) This chapter applies to every expenditure of state money by the state,
14 acting through an agency, under a contract, except that this chapter does not apply to

15 (1) grants;

16 (2) contracts for professional witnesses to provide for professional
17 services or testimony relating to existing or probable lawsuits in which the state is or
18 may become a party;

19 (3) contracts of the University of Alaska where the work is to be
20 performed substantially by students enrolled in the university;

21 (4) contracts for medical doctors and dentists;

22 (5) acquisitions or disposals of real property or interest in real property,
23 except as provided in AS 36.30.080 and 36.30.085;

24 (6) disposals under AS 38.05;

25 (7) contracts for the preparation of ballots under AS 15.15.030;

26 (8) acquisitions or disposals of property and other contracts relating to
27 airports under AS 02.15.070, 02.15.090, 02.15.091, and AS 44.88;

28 (9) disposals of obsolete property under AS 19.05.060;

29 (10) disposals of obsolete material or equipment under AS 35.20.060;

30 (11) agreements with providers of services under [AS 44.47.250;]
31 AS 47.07; AS 47.08; AS 47.10; AS 47.17; AS 47.24; AS 47.25.195, [AND] 47.25.310;

1 and AS 47.35.910;

2 (12) contracts of the Department of Fish and Game for flights that
3 involve specialized flying and piloting skills and are not point-to-point;

4 (13) purchases of income-producing assets for the state treasury or a
5 public corporation of the state;

6 (14) operation of the state boarding school established under AS 14.16,
7 if the State Board of Education or the commissioner of education adopts regulations
8 for use by the state boarding school in procurement and contracting;

9 (15) a contract that is a delegation, in whole or in part, of investment
10 powers held by the commissioner of revenue under AS 14.40.400, AS 14.42.200,
11 14.42.210, AS 18.56.095, AS 37.10.070, 37.10.071, or AS 37.14;

12 (16) a contract that is a delegation, in whole or in part, of investment
13 powers or fiduciary duties of

14 (A) the Board of Trustees of the Alaska Permanent Fund
15 Corporation under AS 37.13;

16 (B) the Alaska Mental Health Trust Authority under
17 AS 37.14.001 - 37.14.099;

18 (17) the purchase of books, book binding services, newspapers,
19 periodicals, audio-visual materials, network information services access, approval plans,
20 professional memberships, archival materials, objects of art, and items for museum or
21 archival acquisition having cultural, historical, or archaeological significance; in this
22 paragraph,

23 (A) "approval plans" means book selection services in which
24 current book titles meeting an agency's customized specifications are provided
25 to the agency subject to the right of the agency to return those books that do
26 not meet with the agency's approval;

27 (B) "archival materials" means the noncurrent records of an
28 agency that are preserved after appraisal because of their value;

29 (C) "audio-visual materials" means nonbook prerecorded
30 materials, including records, tapes, slides, transparencies, films, filmstrips,
31 cassettes, videos, compact discs, laser discs, and items that require the use of

1 equipment to render them usable;

2 (D) "network information services" means a group of resources
3 from which cataloging information, holdings records, inter-library loans,
4 acquisitions information, and other reference resources can be obtained;

5 (18) contracts for the purchase of standardized examinations for
6 licensure under AS 08;

7 (19) contracts for home health care provided under regulations adopted
8 by the Department of Health and Social Services and for adult residential care services
9 provided under regulations adopted by the Department of Health and Social Services
10 or by the Department of Administration;

11 (20) contracts for supplies or services for research projects funded by
12 money received from the federal government or private grants;

13 (21) guest speakers or performers for an educational or cultural activity;

14 (22) contracts of the Alaska Industrial Development and Export
15 Authority for a clean coal technology demonstration project that

16 (A) is attempting to develop a coal-fired electric generation
17 project;

18 (B) uses technology that is capable of commercialization during
19 the 1990s [1990'S]; and

20 (C) qualifies for federal financial participation under P.L. 99-
21 190 as amended;

22 (23) disposals of supplies acquired through foreclosure of loans issued
23 under AS 03.10;

24 (24) purchases of curatorial and conservation services to maintain,
25 preserve, and interpret

26 (A) objects of art; and

27 (B) items having cultural, historical, or archaeological
28 significance to the state;

29 (25) acquisition of confidential seismic survey data necessary for pre-
30 sale oil and gas lease analyses under AS 38.05.180;

31 (26) contracts for village public safety officers;

1 (27) purchases of supplies and services to support the operations of the
2 Alaska state troopers or the division of fish and wildlife protection if the procurement
3 officer for the Department of Public Safety makes a written determination that
4 publicity of the purchases would jeopardize the safety of personnel or the success of
5 a covert operation;

6 (28) expenditures when rates are set by law or ordinance;

7 (29) construction of new vessels by the Department of Transportation
8 and Public Facilities for the Alaska marine highway system;

9 (30) contracts entered into with a regional development organization;
10 in this paragraph, "regional development organization" has the meaning given in
11 AS 44.33.026;

12 (31) contracts that are to be performed in an area outside of the country
13 and that require a knowledge of the customs, procedures, rules, or laws of the area; or

14 (32) contracts that are between the Department of Law and attorneys
15 who are not employed by the state and that are for the review or prosecution of
16 possible violations of the criminal law of the state in situations where the attorney
17 general concludes that an actual or potential conflict of interest makes it inappropriate
18 for the Department of Law to review or prosecute the possible violations;

19 (33) contracts between the Department of Natural Resources and
20 contractors qualified to evaluate hydrocarbon development, production, transportation,
21 and economics, to assist the commissioner of natural resources in evaluating
22 applications for oil and gas royalty increases or decreases or other oil and gas royalty
23 adjustments, and evaluating the related financial and technical data, entered into under
24 AS 38.05.180(j).

25 * **Sec. 214.** AS 37.05.317 is amended to read:

26 Sec. 37.05.317. GRANTS TO UNINCORPORATED COMMUNITIES. (a)
27 When an amount is appropriated or allocated as a grant under this section to an
28 unincorporated community, it shall be disbursed as follows:

29 (1) Within 45 days after the effective date of the appropriation or
30 allocation, the Department of Community and **Economic Development** [REGIONAL
31 AFFAIRS] shall notify the governing body of the unincorporated community, if any,

1 that a grant is available.

2 (2) The Department of Community and **Economic Development**
3 [REGIONAL AFFAIRS] shall determine if there is a qualified incorporated entity in
4 the community area that will agree to receive the grant and administer it, subject to
5 terms generally applicable to private grantees. If there is more than one such entity,
6 the Department of Community and **Economic Development** [REGIONAL AFFAIRS]
7 shall select the most qualified and the grant shall be awarded to that incorporated
8 entity for the purposes specified in the appropriation act. However, the Department
9 of Community and **Economic Development** [REGIONAL AFFAIRS] shall give
10 preference to a nonprofit corporation organized by a community for receipt of the
11 grant.

12 (3) If there is no incorporated entity qualified to receive the grant, the
13 Department of Community and **Economic Development** [REGIONAL AFFAIRS] shall
14 administer the program as specified in the appropriation act directly or through agents
15 or contractors with whom it may contract in the community area.

16 (b) The Department of Labor shall require the qualified incorporated entity
17 awarded a grant or agents or contractors with whom the Department of Community
18 and **Economic Development** [REGIONAL AFFAIRS] contracts under (a) of this
19 section to comply with the requirements of AS 36.10.150 - 36.10.175 for employment
20 generated by the grant or contract if the grant or contract is for a public works project.

21 * **Sec. 215.** AS 37.05.530(c) is amended to read:

22 (c) The Department of **Natural Resources** [COMMUNITY AND REGIONAL
23 AFFAIRS] shall adopt regulations under which municipalities impacted by National
24 Petroleum Reserve - Alaska oil and gas development under 42 U.S.C. 6508 may apply
25 for and be eligible to receive grants to alleviate the impact. The department shall give
26 priority in the allocation of grants to municipalities that are experiencing or will
27 experience the most direct or severe impact from oil and gas development under 42
28 U.S.C. 6508 within the National Petroleum Reserve - Alaska. The department shall
29 fund all meritorious grant applications out of the money appropriated to it each year.
30 Within 10 days after the convening of each regular session of the legislature, the
31 department shall submit to the legislature a list of all municipalities that have received

1 grants, a list of all municipalities determined by the department to be eligible for
2 further grants, a recommendation of the amount of money to be granted for those
3 additional applications, and written justification of each past and potential grant.

4 * **Sec. 216.** AS 37.06.010(g) is amended to read:

5 (g) For purposes of this section, in calculating the population of a borough the
6 population of each city in the borough is excluded. The determination of population
7 shall be based upon data used by the Department of **Revenue** [COMMUNITY AND
8 REGIONAL AFFAIRS] under AS 29.60.020.

9 * **Sec. 217.** AS 37.06.020(i) is amended to read:

10 (i) The limitations of **AS 44.33.745** [AS 44.47.140] do not apply to a grant
11 made under this section.

12 * **Sec. 218.** AS 37.06.020(k) is amended to read:

13 (k) In this section, unless specified otherwise, "department" means the
14 Department of Community and **Economic Development** [REGIONAL AFFAIRS].

15 * **Sec. 219.** AS 37.06.030(c) is amended to read:

16 (c) For purposes of (a) of this section, in calculating the population of a
17 borough the population of each city in the borough is excluded. The determination of
18 population shall be based upon data used by the Department of **Revenue**
19 [COMMUNITY AND REGIONAL AFFAIRS] under AS 29.60.020.

20 * **Sec. 220.** AS 37.06.080 is amended to read:

21 Sec. 37.06.080. **ADOPTION OF REGULATIONS.** The Department of
22 Administration for grants under AS 37.06.010 and the Department of Community and
23 **Economic Development** [REGIONAL AFFAIRS] for grants under AS 37.06.020

24 (1) may adopt regulations that impose additional requirements or
25 procedures to implement, interpret, make specific, or otherwise carry out the applicable
26 provisions of this chapter for grants administered by the department;

27 (2) shall adopt regulations providing for periodic audits of the use of
28 money for grants administered by the department under this chapter, including audit
29 of the department's determination of the value of, and adequacy of the verification of
30 the actual use of, locally funded or contributed labor on projects funded by a grant
31 under this chapter.

1 * **Sec. 221.** AS 37.15.110 is amended to read:

2 Sec. 37.15.110. CREATION AND MEMBERSHIP OF STATE BOND
3 COMMITTEE. There is created a committee known as the "state bond committee,"
4 the members of which are the commissioner of community [COMMERCE] and
5 economic development, the commissioner of administration, and the commissioner of
6 revenue. If a member of the committee is absent or otherwise unable to act, the
7 member's designee in the department shall act as a member of the committee in the
8 member's place.

9 * **Sec. 222.** AS 37.15.130 is amended to read:

10 Sec. 37.15.130. OFFICERS, RECORDS AND PROCEEDINGS. The
11 commissioner of community [COMMERCE] and economic development is the chair
12 [CHAIRMAN] of the state bond committee and the commissioner of revenue is the
13 secretary. A majority of the members of the committee constitute a quorum. The
14 committee shall keep a full, complete, and permanent record of its proceedings. All
15 records and correspondence of the committee shall be kept in the office of the
16 commissioner of revenue.

17 * **Sec. 223.** AS 37.17.010(a) is amended to read:

18 (a) The Alaska Science and Technology Foundation is established as a public
19 corporation in the Department of Community [COMMERCE] and Economic
20 Development.

21 * **Sec. 224.** AS 38.06.025(a) is amended to read:

22 (a) The board consists of the commissioner of community [COMMERCE] and
23 economic development; the commissioner of revenue; the commissioner of natural
24 resources, who is a nonvoting member; and three public members.

25 * **Sec. 225.** AS 39.25.120(c) is amended to read:

26 (c) The following positions in the state service constitute the partially exempt
27 service:

28 (1) deputy and assistant commissioners of the principal departments of
29 the executive branch, including the assistant adjutant general of the Department of
30 Military and Veterans' Affairs;

31 (2) the directors of the major divisions of the principal departments of

1 the executive branch and the regional directors of the Department of Transportation
2 and Public Facilities;

3 (3) attorney members of the staff of the Department of Law, of the
4 public defender agency, and of the office of public advocacy in the Department of
5 Administration;

6 (4) one private secretary for each head of a principal department in the
7 executive branch;

8 (5) employees of councils, boards, or commissions established by
9 statute in the Office of the Governor or the office of the lieutenant governor, unless
10 a different classification is provided by statute;

11 (6) the executive director, deputy director, hearing officers, and
12 administrative law judges of the Alaska Public Utilities Commission;

13 (7) [REPEALED]

14 (8)] not more than two special assistants to the commissioner of each
15 of the principal departments of the executive branch, but the number may be increased
16 if the partially exempt service is extended under AS 39.25.130 to include the additional
17 special assistants;

18 (8) [(9)] the principal executive officer of the following boards,
19 councils, or commissions:

20 (A) Alaska Public Broadcasting Commission;

21 (B) Professional Teaching Practices Commission;

22 (C) Parole Board;

23 (D) Board of Nursing;

24 (E) Real Estate Commission;

25 (F) Alaska Royalty Oil and Gas Development Advisory Board;

26 (G) [REPEALED]

27 (H)] Alaska State Council on the Arts;

28 (H) [(I)] Alaska Police Standards Council;

29 (I) [(J)] Older Alaskans Commission;

30 (J) [(K)] Alaska Mental Health Board;

31 (K) [(L)] State Medical Board;

1 (L) [(M)] Governor’s Council on Disabilities and Special
2 Education;

3 (M) [(N)] Advisory Board on Alcoholism and Drug Abuse;

4 (9) [(10)] Alaska Pioneers’ Home managers;

5 (10) [(11)] hearing examiners in the Department of Revenue;

6 (11) [(12)] the comptroller in the division of treasury **and the deputy**
7 **director of the division of insurance**, Department of Revenue;

8 (12) [(13)] REPEALED

9 (14)] airport managers in the Department of Transportation and Public
10 Facilities employed at the Anchorage and Fairbanks International Airports;

11 (13) [(15)] the deputy director of the division of tourism [AND THE
12 DEPUTY DIRECTOR OF THE DIVISION OF INSURANCE] in the Department of
13 **Community** [COMMERCE] and Economic Development;

14 (14) [(16)] the executive director and staff of the Alaska Public Offices
15 Commission;

16 (15) [(17)] the rehabilitation administrator of the Workers’
17 Compensation Board;

18 (16) [(18)] guards employed by the Department of Public Safety for
19 emergencies;

20 (17) [(19)] REPEALED

21 (20) REPEALED

22 (21)] the director and deputy director of the division of international
23 trade in the Department of **Community** [COMMERCE] and Economic Development;

24 (18) [(22)] marine pilot coordinator of the Board of Marine Pilots;

25 (19) [(23)] employees of the unit established under AS 44.37.050;

26 (20) [(24)] guards employed by the Department of Corrections, other
27 than in state correctional facilities, to carry out the responsibility of the commissioner
28 of corrections under AS 33.30.071(b).

29 * **Sec. 226.** AS 39.50.200(b)(18) is amended to read:

30 (18) Local Boundary Commission (**AS 44.33.810** [AS 44.47.565]);

31 * **Sec. 227.** AS 41.15.180(a) is amended to read:

1 (a) When the commissioner of revenue [COMMUNITY AND REGIONAL
2 AFFAIRS] receives national forest income under 16 U.S.C. 500, the commissioner
3 shall immediately pay to each organized borough in which national forest land is
4 located a share of the income from that forest; an organized borough's share of income
5 from a national forest shall be proportional to the area of the national forest located
6 within its boundaries.

7 * **Sec. 228.** AS 41.15.180(b) is amended to read:

8 (b) There is created as a separate account in the general fund the unorganized
9 borough national forest receipts fund. The fund consists of national forest income
10 received by the Department of Revenue [COMMUNITY AND REGIONAL
11 AFFAIRS] under 16 U.S.C. 500 for the percentage of a national forest located within
12 the unorganized borough. Seventy-five percent of the fund shall be allocated for
13 public schools and 25 percent for public roads.

14 * **Sec. 229.** AS 41.15.180(f) is amended to read:

15 (f) For the purpose of making distributions from the fund, the commissioner
16 of revenue [COMMUNITY AND REGIONAL AFFAIRS] shall consult with the
17 commissioner of education, for purposes of determining the number of children in
18 average daily membership in the public schools affected by this section, and the
19 commissioner of transportation and public facilities, to determine the total number of
20 road miles in the unorganized borough affected by this section.

21 * **Sec. 230.** AS 41.15.180(g) is amended to read:

22 (g) An organized borough, home rule city, first class city, second class city,
23 regional educational attendance area, or a municipality organized under federal law that
24 receives a national forest income payment or distribution under 16 U.S.C. 500 or this
25 section shall annually report and account to the commissioner of revenue
26 [COMMUNITY AND REGIONAL AFFAIRS] its use of the payment or distribution
27 for the purposes provided in (a) - (e) of this section. The commissioner of revenue
28 [COMMUNITY AND REGIONAL AFFAIRS] may not distribute national forest
29 income under this section to an entity in the unorganized borough that has previously
30 failed to report and account as required under this subsection.

31 * **Sec. 231.** AS 41.35.350(a) is amended to read:

- 1 (a) The duties of the commission are to
- 2 (1) survey, evaluate, and catalog Alaska prehistory and history materials
- 3 now in print;
- 4 (2) ascertain and register what Alaska prehistory and history work is
- 5 now in progress;
- 6 (3) identify the existing gaps in the coverage of Alaska's past in
- 7 presently available published works and establish priorities for bridging them;
- 8 (4) prepare a thematic study of Alaska's history for historic
- 9 preservation;
- 10 (5) identify the sources of Alaska's history;
- 11 (6) coordinate the production and publication of works that will
- 12 adequately present all aspects of Alaska's past;
- 13 (7) cooperate with the federal government in programs relating to
- 14 history and archaeology;
- 15 (8) develop criteria for the evaluation of state monuments and historic
- 16 sites and all real and personal property that may be considered to be of historic,
- 17 prehistoric, or archeological significance as would justify their acquisition and
- 18 ownership by the state;
- 19 (9) cooperate with the department in formulating and administering a
- 20 statewide historic sites survey under 16 U.S.C. 470-470n (P.L. 89-665, National
- 21 Historic Preservation Act of 1966);
- 22 (10) review those surveys and historic preservation plans that may be
- 23 required, and approve properties for nomination to the National Register as provided
- 24 for in 16 U.S.C. 470-470n (P.L. 89-665, National Historic Preservation Act of 1966);
- 25 (11) provide necessary assistance to the governor and the legislature for
- 26 achieving balanced and coordinated state policies and programs for the preservation
- 27 of the state's historic, prehistoric, and archeological resources;
- 28 (12) consult with local historical district commissions regarding the
- 29 establishment of historical districts under AS 29.55.010 - 29.55.020 and the approval
- 30 of project alterations under AS 45.98.040; recommend, if appropriate, the formulation
- 31 of additional criteria for the designation of historical districts under AS 29.55.020(b);

1 approve plans for and evaluate the suitability of specific structures for purposes of loan
2 eligibility and continuance under the historical district revolving loan fund (AS 45.98);
3 and consult with the Department of Community [COMMERCE] and Economic
4 Development relative to the adoption of regulations for historical district loans under
5 AS 45.98;

6 (13) determine the correct and most appropriate names of the lakes,
7 streams, places, and other geographic features in the state and their spelling;

8 (14) pass upon and give names to lakes, streams, places, and other
9 geographic features in the state for which no single generally acceptable name has
10 been in use;

11 (15) cooperate with local subdivisions of government and, with their
12 approval, change the names of lakes, streams, places, and other geographic features to
13 eliminate duplication of names in the state;

14 (16) prepare and publish an official state dictionary of geographic
15 names and publish it for sale, either as a complete whole or in parts when ready; and

16 (17) serve as the state representatives of the United States Board on
17 Geographic Names and cooperate with that board so that there is no conflict between
18 the state and federal designations of geographic features in the state.

19 * **Sec. 232.** AS 41.98.020(a) is amended to read:

20 (a) The Mineral Resource Fund Board is created within the department. The
21 board consists of the commissioner of natural resources, who is the chair
22 [CHAIRMAN] and administrative officer of the board, the commissioner of
23 community [COMMERCE] and economic development, and the commissioner of
24 revenue, who is the custodian of the fund.

25 * **Sec. 233.** AS 42.05.010 is amended to read:

26 Sec. 42.05.010. ALASKA PUBLIC UTILITIES COMMISSION CREATED.
27 There is created within the Department of Revenue [COMMERCE AND ECONOMIC
28 DEVELOPMENT] the Alaska Public Utilities Commission.

29 * **Sec. 234.** AS 42.05.351 is amended to read:

30 Sec. 42.05.351. TESTING OF APPLIANCES. The commission shall provide
31 for the examination and testing of appliances used for the measuring of a service of

1 a public utility and may purchase equipment, apparatus, and standards required for this
2 purpose. The commissioner of revenue [COMMERCE AND ECONOMIC
3 DEVELOPMENT] may assign the examination and testing function to the section of
4 weights and measures. Upon the payment of a reasonable fee established by the
5 commission, a consumer may have an appliance that is used by the consumer tested.
6 The commission shall establish by regulation allowable tolerances with respect to the
7 functioning or operation of the appliance. If the measuring appliance does not perform
8 within these tolerances, the utility concerned shall pay the costs of the test by
9 reimbursing the person requesting the test for the fee paid by that person. This
10 reimbursement shall be made no later than at the time of the next regular billing
11 following the test.

12 * **Sec. 235.** AS 42.30.380(5) is amended to read:

13 (5) "department" means the Department of Revenue [COMMERCE
14 AND ECONOMIC DEVELOPMENT];

15 * **Sec. 236.** AS 42.40.010 is amended to read:

16 Sec. 42.40.010. ESTABLISHMENT OF THE CORPORATION. There is
17 established the Alaska Railroad Corporation. The corporation is a public corporation
18 and is an instrumentality of the state within the Department of Community
19 [COMMERCE] and Economic Development. The corporation has a legal existence
20 independent of and separate from the state. The continued operation of the Alaska
21 Railroad by the corporation as provided in this chapter is considered an essential
22 government function of the state.

23 * **Sec. 237.** AS 42.40.020(a) is amended to read:

24 (a) The powers of the corporation are vested in the board of directors. The
25 board consists of the commissioner of community [COMMERCE] and economic
26 development, the commissioner of transportation and public facilities, and five
27 members appointed by the governor. The five appointed members must be registered
28 voters in the state except as provided in (1) and (2) of this subsection. Except for the
29 commissioners and the member appointed under (5) of this subsection [SECTION],
30 a member may not be a state officer or employee. Appointed members shall have the
31 following qualifications:

1 (1) one member of the board shall be a person who has at least 10
2 years of experience in railroad management; a person who is not a resident of the state
3 may be appointed under this paragraph;

4 (2) one member of the board shall be or have been an executive official
5 of a United States railroad and shall be selected in accordance with any requirements
6 imposed under 49 U.S.C. (Interstate Commerce Act); a person who is not a resident
7 of the state may be appointed under this paragraph;

8 (3) at least one member shall be from each judicial district directly
9 served by the Alaska Railroad;

10 (4) one member shall have at least five years experience as an owner
11 or manager of a business in the state;

12 (5) one member shall be an employee who is a member of a bargaining
13 unit representing employees of the corporation.

14 * **Sec. 238.** AS 42.40.030 is amended to read:

15 Sec. 42.40.030. TERM OF OFFICE. Except for the commissioner of
16 community [COMMERCE] and economic development and the commissioner of
17 transportation and public facilities, members of the board serve for staggered terms of
18 five years each at the pleasure of the governor.

19 * **Sec. 239.** AS 42.40.040(a) is amended to read:

20 (a) Except for the commissioner of community [COMMERCE] and economic
21 development and the commissioner of transportation and public facilities, a vacancy
22 on the board is filled by appointment by the governor, and the appointment must be
23 confirmed by the members of the legislature in joint session. A member appointed to
24 fill a vacancy holds office for the balance of the term for which the member's
25 predecessor was appointed.

26 * **Sec. 240.** AS 42.45.060(a) is amended to read:

27 (a) A loan committee consisting of six [SEVEN] members is established. The
28 committee is composed of [THE COMMISSIONER OF COMMUNITY AND
29 REGIONAL AFFAIRS,] the commissioner of community [COMMERCE] and
30 economic development, the director of management and budget, or the designees of
31 the commissioners or the director, and four public members.

1 * **Sec. 241.** AS 42.45.060(c) is amended to read:

2 (c) The commissioner of community and **economic development** [REGIONAL
3 AFFAIRS] serves as chair of the committee. The committee may elect other officers
4 as necessary. A majority of the members of the committee constitute a quorum and
5 may exercise the powers of the committee.

6 * **Sec. 242.** AS 42.45.990(1) is amended to read:

7 (1) "department" means the Department of Community and **Economic**
8 **Development** [REGIONAL AFFAIRS];

9 * **Sec. 243.** AS 43.05.230(g) is amended to read:

10 (g) The information contained in a license issued by the commissioner of
11 revenue or the commissioner of **labor** [COMMERCE AND ECONOMIC
12 DEVELOPMENT] under AS 43.50, AS 43.60, AS 43.65, AS 43.70, and AS 43.75 is
13 public information.

14 * **Sec. 244.** AS 43.10.170 is amended to read:

15 Sec. 43.10.170. AGENT FOR SERVICE OF PROCESS. (a) Every
16 nonresident person shall, as a condition precedent to severing or taking resources or
17 transacting or doing business in the state, file with the commissioner of **community**
18 [COMMERCE] and economic development a duly executed and notarized instrument
19 appointing the commissioner of **community** [COMMERCE] and economic
20 development the agent upon whom all original process may be served in any action
21 or legal proceeding resulting from the taxpayer's failure or neglect to pay state taxes
22 or license fees, and agreeing that service of the original process against the nonresident
23 taxpayer is of the same effect as if personally served on the nonresident taxpayer in
24 the state.

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

1 (c) If a nonresident taxpayer fails to appoint the commissioner of community
2 [COMMERCE] and economic development as agent for service of process, service
3 may nevertheless be made upon the commissioner of community [COMMERCE] and
4 economic development, who shall then transmit a copy of the process by registered
5 mail to the last known address of the taxpayer, and this service is binding to the same
6 effect as if personally served on the nonresident taxpayer in the state.

7 * **Sec. 245.** AS 43.70.110(2) is amended to read:

8 (2) "commissioner" means the commissioner of labor [COMMERCE
9 AND ECONOMIC DEVELOPMENT];

10 * **Sec. 246.** AS 43.70.110(3) is amended to read:

11 (3) "department" means the Department of Labor [COMMERCE AND
12 ECONOMIC DEVELOPMENT];

13 * **Sec. 247.** AS 43.75.137 is amended to read:

14 Sec. 43.75.137. ADDITIONAL REFUND. To the extent that appropriations
15 are available for the purpose, and notwithstanding the requirement of AS 37.07.080(e)
16 that approval of the office of management and budget is required, an amount equal to
17 50 percent of the tax revenue that is collected under this chapter from fisheries
18 businesses and is not subject to division with a municipality under AS 43.75.130 shall
19 be disbursed [TRANSMITTED] each fiscal year, without the approval of the office
20 of management and budget, by the department [TO THE DEPARTMENT OF
21 COMMUNITY AND REGIONAL AFFAIRS FOR DISBURSAL] to eligible
22 municipalities under AS 29.60.450.

23 * **Sec. 248.** AS 43.76.015(a) is amended to read:

24 (a) A qualified regional association may conduct an election under this section
25 after the commissioner of revenue [COMMERCE AND ECONOMIC
26 DEVELOPMENT] approves the

27 (1) [THE] notice to be published by the qualified regional association;

28 (2) [THE] ballot to be used in the election; and

29 (3) [THE] registration and voting procedure for the approval or
30 termination of the salmon enhancement tax.

31 * **Sec. 249.** AS 43.76.015(b) is amended to read:

1 (b) The salmon enhancement tax is levied under AS 43.76.010, 43.76.011, or
2 43.76.012 in a region on the effective date stated on the ballot if

3 (1) it is approved by a majority vote of the eligible interim-use permit
4 and entry permit holders voting in an election held under this section in the region; and

5 (2) the election results are certified by the commissioner of revenue
6 [COMMERCE AND ECONOMIC DEVELOPMENT].

7 * **Sec. 250.** AS 43.76.015(c) is amended to read:

8 (c) In conducting an election under this section, a qualified regional association
9 shall adopt the following procedures:

10 (1) the qualified regional association for the region shall hold at least
11 one public meeting not less than 30 days before the date on which ballots must be
12 postmarked to be counted in the election to explain the reason for the proposed salmon
13 enhancement tax and to explain the registration and voting procedure to be used in the
14 election; the qualified regional association shall provide notice of the meeting by

15 (A) mailing the notice to each eligible interim-use permit and
16 entry permit holder;

17 (B) posting the notice in at least three public places in the
18 region; and

19 (C) publishing the notice in at least one newspaper of general
20 circulation in the region at least once a week for two consecutive weeks before
21 the meeting;

22 (2) the qualified regional association shall mail two ballots to each
23 eligible interim-use permit and entry permit holder; the first ballot shall be mailed not
24 more than 45 days before the dates ballots must be postmarked to be counted in the
25 election; the second ballot shall be mailed not less than 15 days before the date ballots
26 must be postmarked to be counted in the election; the qualified regional association
27 shall adopt procedures to ensure that only one ballot from each eligible interim-use
28 permit and entry permit holder is counted in the election;

29 (3) the ballot must

30 (A) indicate whether the election relates to a salmon
31 enhancement tax under AS 43.76.010, to a salmon enhancement tax under

1 AS 43.76.011, or to a salmon enhancement tax under AS 43.76.012;

2 (B) ask the question whether the salmon enhancement tax shall
3 be levied;

4 (C) indicate the boundaries of the region in which the salmon
5 enhancement tax will be levied;

6 (D) provide an effective date for the levy of the salmon
7 enhancement tax; and

8 (E) indicate the date on which returned ballots must be
9 postmarked in order to be counted;

10 (4) the ballots shall be returned by mail and shall be counted by the
11 commissioner of revenue [COMMERCE AND ECONOMIC DEVELOPMENT] or by
12 a person approved by the commissioner of revenue [COMMERCE AND ECONOMIC
13 DEVELOPMENT].

14 * **Sec. 251.** AS 43.76.015(d) is amended to read:

15 (d) The commissioner of revenue [COMMERCE AND ECONOMIC
16 DEVELOPMENT] shall certify the results of an election under this section if the
17 commissioner determines that the requirements of (a) and (c) of this section have been
18 satisfied.

19 * **Sec. 252.** AS 43.76.020(b) is amended to read:

20 (b) A salmon enhancement tax shall be terminated by the commissioner of
21 revenue under (a) of this section following an election in a region if

22 (1) a petition is presented to the commissioner of revenue
23 [COMMERCE AND ECONOMIC DEVELOPMENT] requesting termination of the
24 salmon enhancement tax that [WHICH] is signed by at least 25 percent of the number
25 of persons who voted under AS 43.76.015 in the election approving the salmon
26 enhancement tax in the region;

27 (2) the commissioner of revenue [COMMERCE AND ECONOMIC
28 DEVELOPMENT] determines that there are no outstanding loans to the qualified
29 regional association under AS 16.10.510 that are secured by the tax;

30 (3) an election is held in accordance with AS 43.76.015; the ballot must
31 ask the question whether the salmon enhancement tax for the region shall be

1 terminated; the ballot must be worded so that a "yes" vote is for continuation of the
2 salmon enhancement tax and a "no" vote is for termination of the salmon enhancement
3 tax;

4 (4) a majority of the eligible interim-use permit and entry permit
5 holders who vote in the election cast a ballot for the termination of the salmon
6 enhancement tax; and

7 (5) the qualified regional association provides notice of the election in
8 accordance with AS 43.76.015 within two months after receiving notice from the
9 commissioner of revenue [COMMERCE AND ECONOMIC DEVELOPMENT] that
10 a valid petition under (1) of this subsection has been received.

11 * **Sec. 253.** AS 43.76.025(c) is amended to read:

12 (c) The salmon enhancement tax collected under AS 43.76.010 - 43.76.030
13 shall be deposited in the general fund. The legislature may make appropriations based
14 on this revenue to the Department of Community [COMMERCE] and Economic
15 Development for the purpose of providing financing for qualified regional associations.
16 The legislature may base an appropriation for a qualified regional association operating
17 within a region designated under AS 16.10.375 on the value of the fisheries resources
18 caught in that region rather than the value of the fisheries resources sold in that region
19 if those values differ.

20 * **Sec. 254.** AS 43.76.030 is amended to read:

21 Sec. 43.76.030. ACCOUNTING OF FINANCING RECEIVED AS A RESULT
22 OF THE SALMON ENHANCEMENT TAX. A qualified regional association
23 requesting state financial assistance in accordance with AS 43.76.025(c) shall submit
24 an annual financial report to the Department of Revenue [COMMERCE AND
25 ECONOMIC DEVELOPMENT] on a form provided by the Department of Revenue
26 [COMMERCE AND ECONOMIC DEVELOPMENT]. The Department of Revenue
27 [COMMERCE AND ECONOMIC DEVELOPMENT] may, by regulation, require that
28 a qualified regional association use a uniform system of accounting. A qualified
29 regional association requesting state assistance shall submit an annual budget to the
30 Department of Community [COMMERCE] and Economic Development on or before
31 a date specified by the Department of Community [COMMERCE] and Economic

1 Development.

2 * **Sec. 255.** AS 43.77.040(b) is amended to read:

3 (b) A taxpayer who makes a contribution that qualifies for the credit
4 authorized by (a) of this section must apply to obtain the credit. The taxpayer shall
5 apply to the department in the manner provided by the department by regulation, and
6 shall provide to the commissioner all information relating to the contribution that may
7 be required by the department. Upon receipt of a complete application, the
8 department, in consultation with the Department of Community and **Economic**
9 **Development** [REGIONAL AFFAIRS], shall approve or disapprove the application for
10 the credit within 60 days.

11 * **Sec. 256.** AS 43.77.060(d) is amended to read:

12 (d) To the extent that appropriations are available for the purpose, and
13 notwithstanding the requirement of AS 37.07.080(e) that approval of the office of
14 management and budget is required, an amount equal to 50 percent of the tax revenue
15 that is collected under this chapter and is not subject to division with a municipality
16 under (a) - (c) of this section shall be **disbursed** [TRANSMITTED] each fiscal year,
17 without the approval of the office of management and budget, by the department [TO
18 THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FOR
19 DISBURSAL] to eligible municipalities under AS 29.60.450.

20 * **Sec. 257.** AS 44.17.005(8) is amended to read:

21 (8) Department of **Community** [COMMERCE] and Economic
22 Development

23 * **Sec. 258.** AS 44.19.145(a) is amended to read:

24 (a) The office shall

25 (1) provide technical assistance to the governor and the legislature in
26 identifying long range goals and objectives for the state and its political subdivisions;

27 (2) prepare and maintain a state comprehensive development plan;

28 (3) provide information and assistance to state agencies to aid in
29 governmental coordination and unity in the preparation of agency plans and programs;

30 (4) review planning within state government as may be necessary for
31 receipt of federal, state, or other funds;

1 (5) participate with other countries, provinces, states, or subdivisions
2 of them in international or interstate planning, and assist the state's local governments,
3 governmental conferences, and councils in planning and coordinating their activities;

4 (6) encourage educational and research programs that further state
5 planning and development, and provide administrative and technical services for them;

6 (7) publish the [SUCH] statistical information or other documentary
7 material that [AS] will further the provisions and intent of AS 44.19.141 - 44.19.152;

8 (8) assist the governor and the Department of Community and
9 Economic Development [REGIONAL AFFAIRS] in coordinating state agency
10 activities that have an effect on the solution of local and regional development
11 problems;

12 (9) serve as a clearinghouse for information, data, and other materials
13 that may be helpful or necessary to federal, state, or local governmental agencies in
14 discharging their respective responsibilities or in obtaining federal or state financial or
15 technical assistance;

16 (10) review all proposals for the location of capital improvements by
17 any state agency and advise and make recommendations concerning location of these
18 capital improvements;

19 (11) render, on behalf of the state, all federal consistency
20 determinations and certifications authorized by 16 U.S.C. 1456 (Sec. 307, Coastal Zone
21 Management Act of 1972), and each conclusive state consistency determination when
22 a project requires a permit, lease, or authorization from two or more state resource
23 agencies.

24 * **Sec. 259.** AS 44.19.155(a) is amended to read:

25 (a) There is created in the Office of the Governor the Alaska Coastal Policy
26 Council. The council consists of the following:

27 (1) nine public members appointed by the governor from a list
28 comprised of at least three names from each region, nominated by the municipalities
29 of each region; the nominees shall be the mayor or member of the assembly or council
30 of a municipality; one public member shall be appointed from each of the following
31 general regions:

1 (A) northwest Alaska, including, generally, the area of the North
2 Slope Borough and the Northwest Arctic regional educational attendance area;

3 (B) Bering Straits, including, generally, the area of the Bering
4 Straits regional educational attendance area;

5 (C) southwest Alaska, including, generally, the area within the
6 Lower Yukon, Lower Kuskokwim, Southwest, and Lake and [&] Peninsula
7 regional educational attendance areas and the Bristol Bay Borough;

8 (D) Kodiak-Aleutians, including the area of the Kodiak Island
9 Borough and the Aleutian, Adak and Pribilof regional educational attendance
10 areas;

11 (E) Upper Cook Inlet, including the Municipality of Anchorage
12 and the Matanuska-Susitna Borough;

13 (F) Lower Cook Inlet, including, generally, the area within the
14 Kenai Peninsula Borough;

15 (G) Prince William Sound, including, generally, the area east
16 of the Kenai Peninsula Borough to 141 W. longitude;

17 (H) northern Southeast Alaska, including the area southeast of
18 141 W. longitude and north of 57 N. latitude, including the entirety of the City
19 and Borough of Sitka; and

20 (I) southern Southeast Alaska, including that portion of
21 southeastern Alaska not contained within the area described in (H) of this
22 paragraph;

23 (2) each of the following:

24 (A) the director of the office of management and budget;

25 (B) the commissioner of community [COMMERCE] and
26 economic development;

27 (C) [THE COMMISSIONER OF COMMUNITY AND
28 REGIONAL AFFAIRS];

29 (D)] the commissioner of environmental conservation;

30 ~~(D)~~ [(E)] the commissioner of fish and game;

31 ~~(E)~~ [(F)] the commissioner of natural resources; and

1 There is created in the department the community legal assistance grant fund. From
2 legislative appropriations to the fund, the department shall make grants to eligible
3 communities and regions for the purpose of enabling them to obtain legal assistance.

4 Sec. 44.21.480. ELIGIBILITY. First and second class cities and
5 unincorporated villages, and regional associations of those communities, may apply to
6 the department for a grant under AS 44.21.475. Grants shall be made only to those
7 communities or regions that would otherwise be unable to obtain legal assistance. A
8 regional or village corporation formed under 43 U.S.C. 1601 - 1608 (Alaska Native
9 Claims Settlement Act) is not eligible for a grant under AS 44.21.475.

10 Sec. 44.21.485. GRANTS. Grants made under AS 44.21.475 shall be used for
11 a single legal project and not for the provision of general legal counsel. The
12 department shall assure that the grant is spent for necessary legal assistance and that
13 appropriate accounting procedures are maintained. Grants may not exceed \$20,000.

14 Sec. 44.21.490. REGULATIONS. The department shall adopt regulations to
15 carry out the purposes of AS 44.21.475 - 44.21.499.

16 Sec. 44.21.499. DEFINITIONS. In AS 44.21.475 - 44.21.499,

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

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

19 * **Sec. 263.** AS 44.25.020 is amended to read:

20 Sec. 44.25.020. DUTIES OF DEPARTMENT. The Department of Revenue
21 shall

22 (1) enforce the tax laws of the state;

23 (2) collect, account for, have custody of, invest, and manage all state
24 funds and all revenues of the state except revenues incidental to a program of licensing
25 and regulation carried on by another state department and funds managed and invested
26 by the Alaska State Pension Investment Board;

27 (3) register cattle brands;

28 (4) supply necessary clerical and administrative services for the
29 Alcoholic Beverage Control Board;

30 (5) invest and manage the balance of the power development fund in
31 accordance with AS 44.83.386;

1 (6) in accordance with the policies established by the board of trustees
2 of the Alaska State Pension Investment Board, collect, account for, have custody of,
3 invest, and manage the state funds for which the board is responsible;

4 (7) administer the surety bond program for licensure as a fish processor
5 or primary fish buyer;

6 **(8) register corporations;**

7 **(9) collect corporation franchise taxes;**

8 **(10) enforce state laws regulating public utilities and other public**
9 **service enterprises, banking and securities, insurance, and other businesses and**
10 **enterprises touched with a public interest.**

11 * **Sec. 264.** AS 44.25.020 is amended by adding a new subsection to read:

12 (b) The Department of Revenue may

13 (1) administer state and, as appropriate, federal programs for revenue
14 sharing, grants, and other forms of financial assistance to community and regional
15 governments; and

16 (2) advise and assist municipalities on procedures of assessment,
17 valuation, and taxation, and notify municipalities of major errors in those procedures.

18 * **Sec. 265.** AS 44.27.020 is amended to read:

19 Sec. 44.27.020. DUTIES OF DEPARTMENT. The Department of Education
20 shall

21 (1) administer the state's program of education at the elementary,
22 secondary, and adult levels, including, but not limited to, programs of vocational
23 education and training, vocational rehabilitation, library services, correspondence
24 courses, and adult basic education, but not including degree programs of postsecondary
25 education;

26 (2) administer the historical library;

27 (3) plan, finance, and operate related school and educational activities
28 and facilities;

29 **(4) operate the head start funding program governed by 42 U.S.C.**
30 **9835.**

31 * **Sec. 266.** AS 44.31.020 is amended to read:

1 Sec. 44.31.020. DUTIES OF DEPARTMENT. The Department of Labor shall

2 (1) enforce the laws, and adopt regulations under them concerning
3 employer-employee relationships, including the safety, hours of work, wages, and
4 conditions of workers, including children;

5 (2) accumulate, analyze, and report labor statistics;

6 (3) operate systems of workers' compensation and unemployment
7 insurance; and

8 (4) gather data reflecting the cost of living in the various election
9 districts of the state upon request of the director of personnel under AS 39.27.030 -
10 39.27.040;

11 **(5) furnish the budgeting, clerical, and administrative services for**
12 **regulatory agencies and professional and occupational licensing boards not**
13 **otherwise provided for;**

14 **(6) provide administrative and budgetary services to the Real**
15 **Estate Commission under AS 08.88 as requested by the commission;**

16 **(7) administer state laws relating to the issuance of business**
17 **licenses; and**

18 **(8) operate the federally funded employment and training programs**
19 **under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act).**

20 * **Sec. 267.** AS 44.33.010 is amended to read:

21 Sec. 44.33.010. COMMISSIONER OF **COMMUNITY** [COMMERCE] AND
22 ECONOMIC DEVELOPMENT. The principal executive officer of the Department of
23 **Community** [COMMERCE] and Economic Development is the commissioner of
24 **community** [COMMERCE] and economic development.

25 * **Sec. 268.** AS 44.33.020 is amended to read:

26 Sec. 44.33.020. DUTIES OF DEPARTMENT. The Department of
27 **Community** [COMMERCE] and Economic Development shall

28 (1) administer the state programs relating to commerce, enforce the
29 laws relating to these programs, and adopt regulations under these laws;

30 (2) [REGISTER CORPORATIONS;

31 (3) COLLECT CORPORATION FRANCHISE TAXES;

1 (4) ENFORCE STATE LAWS REGULATING PUBLIC UTILITIES
2 AND OTHER PUBLIC SERVICE ENTERPRISES, BANKING AND SECURITIES,
3 INSURANCE, AND OTHER BUSINESSES AND ENTERPRISES TOUCHED WITH
4 A PUBLIC INTEREST;

5 (5)] make veterans' loans;

6 (3) [(6) INSPECT WEIGHTS AND MEASURES;

7 (7)] promote and develop civil aviation;

8 (4) [(8) FURNISH THE BUDGETING, CLERICAL, AND
9 ADMINISTRATIVE SERVICES FOR REGULATORY AGENCIES AND
10 PROFESSIONAL AND OCCUPATIONAL LICENSING BOARDS NOT
11 OTHERWISE PROVIDED FOR;

12 (9) REPEALED

13 (10) REPEALED

14 (11) REPEALED

15 (12)] conduct studies, enter into contracts and agreements, and make
16 surveys relating to the economic development of the state and, when appropriate,
17 assemble, analyze, and disseminate the findings obtained;

18 (5) [(13)] provide factual information and technical assistance for
19 potential industrial and commercial investors;

20 (6) [(14)] receive gifts, grants, and other aid that facilitate the powers
21 and duties of the department from agencies and instrumentalities of the United States
22 or other public or private sources;

23 (7) [(15)] establish and activate programs to achieve balanced
24 economic development in the state and advise the governor on economic development
25 policy matters;

26 (8) [(16)] formulate a continuing program for basic economic
27 development and for the necessary promotion, planning and research that will advance
28 the economic development of the state;

29 (9) [(17)] cooperate with private, governmental, and other public
30 institutions and agencies in the execution of economic development programs;

31 (10) [(18)] review the programs and annual reports of other

1 departments and agencies as they are related to economic development and prepare an
2 annual report on the economic growth of the state;

3 (11) [(19)] administer the economic development programs of the
4 state;

5 (12) [(20)] perform all other duties and powers necessary or proper in
6 relation to economic development and planning for the state;

7 (13) [(21)] request tourism-related businesses in the state to provide
8 data regarding occupancy levels, traffic flow, and gross receipts and to participate in
9 visitor surveys conducted by the department; data collected under this paragraph that
10 [WHICH] discloses the particulars of an individual business is not a matter of public
11 record and shall be kept confidential; however, this restriction does not prevent the
12 department from using the data to formulate tourism economic impact information
13 including expenditure patterns, tax receipts and fees, employment and income
14 attributable to tourism, and other information considered relevant to the planning,
15 evaluation, and policy direction of tourism in the state;

16 (14) [(22)] REPEALED

17 (23) REPEALED

18 (24) PROVIDE ADMINISTRATIVE AND BUDGETARY SERVICES
19 TO THE REAL ESTATE COMMISSION UNDER AS 08.88 AS REQUESTED BY
20 THE COMMISSION;

21 (25) OPERATE MOTOR VEHICLE WEIGHING STATIONS, ISSUE
22 SPECIAL WRITTEN PERMITS AUTHORIZING THE OPERATION OF
23 OVERWEIGHT AND OVERSIZE VEHICLES, ESTABLISH FEES FOR THE
24 OVERWEIGHT AND OVERSIZE VEHICLE SPECIAL PERMITS, ENFORCE THE
25 SIZE, WEIGHT, AND LOAD LIMITATIONS ADOPTED BY THE DEPARTMENT
26 OF TRANSPORTATION AND PUBLIC FACILITIES UNDER AS 19.10.060, AND
27 ESTABLISH REGULATIONS RELATING TO PILOT CAR SERVICES AND THE
28 ENFORCEMENT OF THE SIZE, WEIGHT, AND LOAD LIMITATIONS ADOPTED
29 UNDER AS 19.10.060;

30 (26) REPEALED

31 (27) IMPLEMENT THE SAFETY AND FINANCIAL

1 RESPONSIBILITY REQUIREMENTS FOR AIR CARRIERS UNDER AS 42.30.200 -
2 42.30.380;

3 (28)] sell at cost, to the extent possible, publications and promotional
4 materials developed by the department;

5 (15) [(29)] as delegated by the governor, administer under 16 U.S.C.
6 1856 the internal waters foreign processing permit procedures and collect related fees;

7 (16) [(30) ADMINISTER STATE LAWS RELATING TO THE
8 ISSUANCE OF BUSINESS LICENSES;

9 (31) REPEALED

10 (32)] administer the neighborhood revitalization and development
11 program under AS 44.33.436 - 44.33.438;

12 (17) [(33)] foster the growth of international trade within the state and
13 administer Alaska foreign offices; **and**

14 (18) **comply with AS 15.07.055 to serve as a voter registration**
15 **agency to the extent required by state and federal law, including 42 U.S.C. 1973gg**
16 **(National Voter Registration Act of 1993).**

17 * **Sec. 269.** AS 44.33.020 is amended by adding a new subsection to read:

18 (b) The department may

19 (1) advise and assist local governments;

20 (2) serve as staff for the Local Boundary Commission;

21 (3) conduct studies and carry out experimental and pilot projects for the
22 purpose of developing solutions to community and regional problems;

23 (4) promote cooperative solutions to problems affecting more than one
24 community or region, including joint service agreements, regional compacts, and other
25 forms of cooperation;

26 (5) serve as a clearinghouse for information useful in solution of
27 community and regional problems, and channel to the appropriate authority requests
28 for information and services;

29 (6) advise and assist community and regional governments on matters
30 of finance, including but not limited to bond marketing and procurement of federal
31 funds;

1 (7) prepare suggested guidelines relating to the content of notice of
2 bond sale advertisements, prospectuses, and other bonding matters issued by local
3 governments;

4 (8) administer state funds appropriated for the benefit of unorganized
5 regions within the state, allowing for maximum participation by local advisory councils
6 and similar bodies;

7 (9) carry out those administrative functions in the unorganized borough
8 that the legislature may prescribe;

9 (10) study existing and proposed laws and state activities that affect
10 community and regional affairs and submit to the governor recommended changes in
11 those laws and activities;

12 (11) coordinate activities of the state that affect community and
13 regional affairs;

14 (12) assist in the development of new communities and serve as the
15 agent of the state for purposes of participation in federal programs relating to new
16 communities;

17 (13) supervise planning, management, and other activities required for
18 local eligibility for financial aid under those federal and state programs that provide
19 assistance to community and regional governments;

20 (14) apply for, receive, and use funds from federal and other sources,
21 public or private, for use in carrying out the powers and duties of the department;

22 (15) request and utilize the resources of other agencies of state
23 government in carrying out the purposes of this chapter to the extent such utilization
24 is more efficient than maintaining departmental staff, reimbursing the other agencies
25 when appropriate;

26 (16) carry out the powers and duties assigned it under AS 42.45; and

27 (17) carry out other functions and duties, consistent with law, necessary
28 or appropriate to accomplish the purpose of this chapter.

29 * **Sec. 270.** AS 44.33.026(e)(1) is amended to read:

30 (1) "department" means the Department of Community [COMMERCE]
31 and Economic Development;

1 * **Sec. 271.** AS 44.33 is amended by adding new sections to read:

2 Sec. 44.33.035. FEES FOR PUBLICATIONS, RESEARCH DATA, AND
3 OTHER SERVICES. The commissioner may establish by regulation and the
4 department may charge reasonable fees for department publications, research data, and
5 other centralized administrative services to cover the cost of reproduction, printing,
6 mailing, distribution, and other centralized administrative services.

7 Sec. 44.33.090. DEFINITIONS. In AS 44.33.010 - 44.33.090,

8 (1) "commissioner" means the commissioner of community and
9 economic development;

10 (2) "department" means the Department of Community and Economic
11 Development.

12 * **Sec. 272.** AS 44.33.120(a) is amended to read:

13 (a) There is created in the Department of **Community** [COMMERCE] and
14 Economic Development the Alaska division of tourism. The director of tourism is
15 appointed by the commissioner of community [COMMERCE] and economic
16 development and serves at the pleasure of the commissioner.

17 * **Sec. 273.** AS 44.33.135(b) is amended to read:

18 (b) The commissioner of community [COMMERCE] and economic
19 development shall adopt regulations to carry out the provisions of this section.

20 * **Sec. 274.** AS 44.33.285 is amended to read:

21 Sec. 44.33.285. ACTION BY GOVERNOR. The governor may, upon
22 recommendation of the commissioner of community [COMMERCE] and economic
23 development, designate by proclamation an area as an area impacted by an economic
24 disaster. When an area is so designated, the legislature may appropriate money for
25 assistance grants and the governor may recommend in the governor's budget
26 submission that capital projects planned for the area be accelerated and that new
27 projects be funded for the area. The proclamation may provide that waivers of capital
28 projects requirements, as authorized in AS 44.33.300, become effective only to the
29 extent set out in the proclamation.

30 * **Sec. 275.** AS 44.33.310(2) is amended to read:

31 (2) "department" means the Department of **Community** [COMMERCE]

1 and Economic Development;

2 * **Sec. 276.** AS 44.33.438(1) is amended to read:

3 (1) "commissioner" means the commissioner of community
4 [COMMERCE] and economic development;

5 * **Sec. 277.** AS 44.33.438(3) is amended to read:

6 (3) "department" means the Department of Community [COMMERCE]
7 and Economic Development;

8 * **Sec. 278.** AS 44.33.501 is amended to read:

9 Sec. 44.33.501. PROGRAM OF COMPETITIONS. (a) The Department of
10 Community [COMMERCE] and Economic Development shall direct a continuing
11 program of competitions. The competitions shall be held each summer to select
12 outstanding examples of Alaskan Native arts and crafts.

13 (b) The Department of Community [COMMERCE] and Economic
14 Development, after consulting with a committee from the Alaska Native Brotherhood
15 and Sisterhood appointed by their councils from among the memberships of those
16 organizations, shall adopt regulations for the competitions, providing for, but not
17 limited to the following:

18 (1) eligibility requirements for entrants;

19 (2) categories for entry, such as basketwork, wood carving, pottery,
20 stone work, ivory work, painting, etc.;

21 (3) criterion for selecting category winners and grand prize winners;

22 (4) transportation and display of entries;

23 (5) prizes and awards for winning entrants that [WHICH] are restricted
24 to ribbons, cups, plaques, etc.;

25 (6) preparation of entry forms that

26 (A) give the name and mailing address of the entrant,

27 (B) show that each entry is the work of the entrant,

28 (C) give the minimum price that the entrant will accept for the
29 entry,

30 (D) provide the entrant with a choice of having the entry sold,
31 retained for display by the state, or returned to the entrant, and

1 (E) identify and describe the entry; and
2 (7) restricting the entrant from entering competitions in more than one
3 region.

4 * **Sec. 279.** AS 44.33.503 is amended to read:

5 Sec. 44.33.503. PLACE OF COMPETITION. The Department of **Community**
6 [COMMERCE] and Economic Development shall solicit invitations from the larger
7 communities in each of the regions for holding the regional competition. The
8 community in each region **that** [WHICH] offers the best facilities and the greatest
9 measure of cooperation for conducting the competition shall be selected as the location
10 of the regional competition.

11 * **Sec. 280.** AS 44.33.504 is amended to read:

12 Sec. 44.33.504. JUDGES. Judges at the regional competitions shall be selected
13 by the Department of **Community** [COMMERCE] and Economic Development and
14 composed of a panel of five, two of whom shall be selected from nominees of the
15 Alaska Native Brotherhood and Sisterhood and three of whom shall be selected by the
16 department on the basis of their knowledge and appreciation of Alaskan Native arts
17 and crafts and of art in general.

18 * **Sec. 281.** AS 44.33.506 is amended to read:

19 Sec. 44.33.506. OTHER DISPLAYS. The Department of **Community**
20 [COMMERCE] and Economic Development may display or authorize the display of
21 entries at places other than the regional competitions.

22 * **Sec. 282.** AS 44.33.507 is amended to read:

23 Sec. 44.33.507. GRANTS AND ASSISTANCE. The Department of
24 **Community** [COMMERCE] and Economic Development may accept grants of money
25 and other assistance from private persons or groups, from political subdivisions of the
26 state, or from others to conduct and promote annual competitions and displays.

27 * **Sec. 283.** AS 44.33.700 is amended to read:

28 Sec. 44.33.700. ALASKA TOURISM MARKETING COUNCIL
29 ESTABLISHED. The Alaska Tourism Marketing Council is established as a public
30 corporation of the state. It is an instrumentality of the state in the Department of
31 **Community** [COMMERCE] and Economic Development, but has a legal existence

1 independent of and separate from the state. Exercise by the council of the powers
2 conferred by AS 44.33.700 - 44.33.735 is an essential governmental function of the
3 state.

4 * **Sec. 284.** AS 44.33.705(a) is amended to read:

5 (a) Unless the commissioner contracts with a qualified trade association under
6 (b) of this section, the governing body of the council is a board of directors consisting
7 of the director of tourism, the commissioner of community [COMMERCE] and
8 economic development, and the commissioner of another principal executive
9 department designated by the governor.

10 * **Sec. 285.** AS 44.33.720(a) is amended to read:

11 (a) The council shall

12 (1) conduct a tourism marketing program designed to accomplish the
13 purposes of AS 44.33.700 - 44.33.735; the marketing program must include promotion
14 of the state as a destination and promotion of all forms of travel to the state, including
15 travel by air, highway, and water;

16 (2) prepare and implement plans for the promotion of Alaska tourism,
17 including necessary research;

18 (3) submit an annual report to the governor describing the activities of
19 the council and notify the legislature that the report is available;

20 (4) make available to all interested persons, including tourism
21 businesses, a quarterly report of the council's actions and activities;

22 (5) annually submit a proposed operating budget to the director, to be
23 used by the Department of Community [COMMERCE] and Economic Development
24 to prepare and submit the operating budget of the council under AS 44.33.725;

25 (6) provide advice, on the request of the director of tourism, on the
26 programs of the division;

27 (7) prepare a report by the 10th day of each regular session of the
28 legislature describing how the contractual money was spent in the first half of the year
29 and explaining the plan for expenditures during the second half of the year; the council
30 shall notify the legislature that the report is available;

31 (8) consider methods to fund tourism marketing using both public and

1 private assets; and

2 (9) consider methods of providing for the financial self-sufficiency of
3 the council.

4 * **Sec. 286.** AS 44.33.735(2) is amended to read:

5 (2) "commissioner" means the commissioner of community
6 [COMMERCE] and economic development;

7 * **Sec. 287.** AS 44.33 is amended by adding new sections to read:

8 **ARTICLE 8A. RURAL DEVELOPMENT.**

9 Sec. 44.33.740. **POWERS AND DUTIES.** To promote development of rural
10 areas of the state, the department is authorized to

11 (1) investigate social and economic conditions of rural areas to
12 determine the need to expand economic opportunities and improve living conditions;

13 (2) formulate a coordinated program to broaden and diversify the
14 economic base of rural areas;

15 (3) coordinate administration of emergency relief, surplus food
16 distribution, or other public assistance programs, except the regular relief and
17 assistance programs of the federal government in rural areas;

18 (4) formulate and conduct a program of construction of basic facilities
19 to improve health, welfare, and economic security and provide employment and
20 income in the rural areas;

21 (5) promote training and educational programs designed to expand
22 employment opportunities for residents of rural areas;

23 (6) enter into agreements with other state agencies and departments to
24 provide for the distribution in rural communities of surplus electrical power from state-
25 owned power sources located in those communities and to expend funds for this
26 purpose;

27 (7) make grants to communities for bulk fuel storage facilities;

28 (8) cooperate with the Department of Environmental Conservation and
29 other agencies to provide technical assistance to communities in the installation,
30 operation, and management of bulk fuel storage facilities.

31 Sec. 44.33.745. **LIMITATIONS.** A program of the department under

1 AS 44.33.740 in a rural area may not exceed \$100,000 in cost a year.

2 Sec. 44.33.750. BULK FUEL STORAGE FACILITIES GRANT FUND. (a)
3 There is established in the department the bulk fuel storage facilities grant fund.
4 Grants may be made by the department from this fund to a community to acquire and
5 install community bulk storage facilities.

6 (b) Grants made under this section for the acquisition and installation of a bulk
7 fuel storage facility may not exceed \$100,000 per community.

8 (c) If the governing body of two or more communities determine that their fuel
9 requirements may be served by a single bulk fuel storage facility, the communities
10 may jointly apply for grants to acquire and install a single bulk fuel storage facility.
11 When communities apply jointly under this subsection, the limitation in (b) of this
12 section is multiplied by the number of communities that submit the joint application.

13 (d) Before a grant is made under this section, the city council or, if the
14 community is not incorporated, a reasonable representative body in the community
15 shall agree in writing to maintain and operate the bulk storage facility to be
16 constructed with the proceeds of the grant.

17 Sec. 44.33.755. LAND CONVEYED IN TRUST. (a) The commissioner

18 (1) shall accept, administer, and dispose of land conveyed to the state
19 in trust by village corporations under 43 U.S.C. 1613(c)(3) (Sec. 14(c)(3) of the Alaska
20 Native Claims Settlement Act) for the purposes specified in that section;

21 (2) may, with the concurrence of an appropriate village entity
22 recognized by the commissioner under (b) of this section or, in the absence of an
23 appropriate village entity, under procedures prescribed by regulations of the
24 commissioner, accept, administer, and dispose of land conveyed in trust by a state or
25 federal agency and by the dissolution of a municipality under AS 29.06.450 -
26 29.06.530.

27 (b) Transfer of land by sale, lease, right-of-way, easement, or permit, including
28 transfer of surface resources, may be made by the commissioner only after approval
29 of an appropriate village entity such as the traditional council, a village meeting, or a
30 village referendum. This approval shall be by resolution filed with the department.

31 (c) Within one complete state fiscal year after the incorporation of a

1 municipality in the village or of a municipality that includes all or part of the village,
2 land acquired under this section shall be conveyed without cost to the municipality,
3 and the municipality shall succeed to all the entrusted interest in the land.

4 (d) Separate accounts shall be maintained in the name of each village for the
5 land, including the revenue from the land, acquired from each village corporation
6 under this section, and every two years within 90 days of the close of the second state
7 fiscal year a statement of the account for each municipality shall be prepared by the
8 commissioner and be made available to the village and to the public upon request.

9 (e) Upon the conveyance of land to a municipality under this section, the
10 commissioner shall account to the municipality for all profits including interest
11 generated from the land. The municipality may then request the governor to submit
12 a request to the legislature for an appropriation for the amount due the municipality.

13 (f) Title to or an interest in land acquired by the department under this section
14 may not be acquired by adverse possession or prescription. Notwithstanding (a) - (e)
15 of this section, on the dissolution of a municipality under AS 29.06.450 - 29.06.530,
16 unimproved land that was owned by the municipality on the date of its dissolution and
17 received by the municipality from the state under a municipal land grant entitlement
18 program is transferred to the commissioner of natural resources.

19 (g) For the purposes of this section, "municipality" includes only first and
20 second class cities incorporated under the laws of the state.

21 Sec. 44.33.760. LOAN INFORMATION OFFICERS. (a) The department
22 may provide itinerant loan information officers to serve persons who reside outside the
23 major population centers of the state.

24 (b) The loan information officers shall be trained, to the extent that the
25 department considers necessary, in a program administered by the department and
26 approved by the Alaska Housing Finance Corporation, the Alaska Industrial
27 Development and Export Authority, and the principal departments of the executive
28 branch that administer loan programs.

29 (c) A majority of the loan information officers shall be persons who are
30 conversant in Alaska Native languages that are spoken by a significant number of
31 Alaska Natives. The department shall provide brochures and other printed materials,

1 written in easily understandable English and in the Alaska Native languages that are
2 spoken by a significant number of Alaska Natives, for distribution by the loan
3 information officers. The brochures and printed materials must explain the purposes
4 of the various state loan programs, the minimum qualifications under the programs, the
5 method for obtaining assistance in the completion of applications for the programs, and
6 other information the department determines will improve the access of persons in
7 rural areas to the state's loan programs.

8 (d) The department shall coordinate its efforts under this section with local
9 financial institutions and community groups to determine the proper itinerary and travel
10 schedule of the loan information officers and to provide adequate notice to persons in
11 rural areas of the itinerary and travel schedule of the loan information officers.

12 (e) The department shall assign the loan information officers to rural areas
13 based on the current and potential future demands for loans in those areas and shall
14 establish offices for the loan information officers in rural areas if the department
15 determines it is necessary to provide familiarity with the area served by the loan
16 information officers and to reduce travel costs.

17 Sec. 44.33.765. RURAL DEVELOPMENT INITIATIVE FUND. (a) The
18 rural development initiative fund is created in the department. Unless provided
19 otherwise in the appropriation act, an appropriation to the fund is retained in the fund
20 for use under AS 44.33.765 - 44.33.775 and does not lapse at the end of a fiscal year.
21 Each year the commissioner shall request an appropriation to the fund of interest and
22 other income earned on loans or investments of the fund. Money in the fund may be
23 appropriated for costs of administering AS 44.33.765 - 44.33.775.

24 (b) The commissioner may place money from the fund into a special reserve
25 account as necessary. The commissioner may use money in the account to protect the
26 state's security interest in collateral on loans made from the fund, to protect the state's
27 interests in investments made from the fund, or to defray expenses incurred during
28 foreclosure or other legal proceedings involving loans or investments made from the
29 fund.

30 (c) The commissioner may use money from the fund to provide for loan
31 information officers under AS 44.33.760.

1 Sec. 44.33.770. RURAL DEVELOPMENT LOANS. (a) The department may
2 use money from the rural development initiative fund to make a loan of up to
3 \$100,000 to a person, or a loan of up to \$200,000 to two or more persons, to be used
4 for working capital, equipment, construction, or other commercial purposes by a
5 business located in a community with a population of 5,000 or less. A person who has
6 received a loan under this subsection may not be granted another loan until after the
7 original loan is entirely repaid.

8 (b) The department shall require collateral for each loan made under this
9 section and shall require that a reasonable amount of money from other nonstate
10 sources be committed for use on any project or enterprise for which money from a
11 loan will be used. The department by regulation may establish other conditions for
12 loans. The department shall by regulation establish rates of interest that are not less
13 than six percent a year and terms of repayment for loans made under this section.

14 Sec. 44.33.775. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
15 FORECLOSURE. The department shall dispose of property acquired through default
16 or foreclosure of a loan made from the rural development initiative fund. Disposal
17 shall be made in a manner that serves the best interests of the state, and may include
18 the amortization of payments over a period of years. The commissioner shall request
19 an appropriation to the fund of proceeds from disposal of property under this section.

20 Sec. 44.33.780. DEFINITIONS. In AS 44.33.740 - 44.33.780,

21 (1) "commissioner" means the commissioner of community and
22 economic development;

23 (2) "department" means the Department of Community and Economic
24 Development.

25 * **Sec. 288.** AS 44.33.800(a) is amended to read:

26 (a) There is established within the Department of Community [COMMERCE]
27 and Economic Development the division of international trade to foster the growth of
28 trade between Alaska and foreign countries.

29 * **Sec. 289.** AS 44.33.800(f) is amended to read:

30 (f) The expenses of operating the division of international trade and its foreign
31 offices shall be included in appropriations made to the Department of Community

1 [COMMERCE] and Economic Development.

2 * **Sec. 290.** AS 44.33 is amended by adding new sections to read:

3 ARTICLE 10. LOCAL BOUNDARY COMMISSION.

4 Sec. 44.33.810. LOCAL BOUNDARY COMMISSION. There is in the
5 Department of Community and Economic Development a local boundary commission.
6 The local boundary commission consists of five members appointed by the governor
7 for overlapping five-year terms. One member shall be appointed from each of the four
8 judicial districts described in AS 22.10.010 and one member shall be appointed from
9 the state at large. The member appointed from the state at large is the chair of the
10 commission.

11 Sec. 44.33.812. POWERS AND DUTIES. (a) The local boundary
12 commission shall

13 (1) make studies of local government boundary problems;

14 (2) adopt regulations providing standards and procedures for municipal
15 incorporation, annexation, detachment, merger, consolidation, reclassification, and
16 dissolution;

17 (3) consider a local government boundary change requested of it by the
18 legislature, the commissioner of community and economic development, or a political
19 subdivision of the state; and

20 (4) develop standards and procedures for the extension of services and
21 ordinances of incorporated cities into contiguous areas for limited purposes upon
22 majority approval of the voters of the contiguous area to be annexed and prepare
23 transition schedules and prorated tax mill levies as well as standards for participation
24 by voters of these contiguous areas in the affairs of the incorporated cities furnishing
25 services.

26 (b) The local boundary commission may

27 (1) conduct meetings and hearings to consider local government
28 boundary changes and other matters related to local government boundary changes,
29 including extensions of services by incorporated cities into contiguous areas and
30 matters related to extension of services; and

31 (2) present to the legislature during the first 10 days of a regular

1 session proposed local government boundary changes, including gradual extension of
2 services of incorporated cities into contiguous areas upon a majority approval of the
3 voters of the contiguous area to be annexed and transition schedules providing for total
4 assimilation of the contiguous area and its full participation in the affairs of the
5 incorporated city within a period not to exceed five years.

6 Sec. 44.33.814. MEETINGS AND HEARINGS. The chair of the commission
7 or the commissioner of community and economic development with the consent of the
8 chair may call a meeting or hearing of the local boundary commission. All meetings
9 and hearings shall be public.

10 Sec. 44.33.816. MINUTES AND RECORDS. The local boundary commission
11 shall keep minutes of all meetings and hearings. If the proceedings are transcribed,
12 minutes shall be made from the transcription. The minutes are a public record. All
13 votes taken by the commission shall be entered in the minutes.

14 Sec. 44.33.818. NOTICE OF PUBLIC HEARINGS. Public notice of a hearing
15 of the local boundary commission shall be given in the area in which the hearing is
16 to be held at least 15 days before the date of the hearing. The notice of the hearing
17 must include the time, date, place, and subject of the hearing. The commissioner of
18 community and economic development shall give notice of the hearing at least three
19 times in the press, through other news media, or by posting in a public place,
20 whichever is most feasible.

21 Sec. 44.33.820. QUORUM. Three members of the commission constitute a
22 quorum for the conduct of business at a meeting. Two members constitute a quorum
23 for the conduct of business at a hearing.

24 Sec. 44.33.822. BOUNDARY CHANGE. A majority of the membership of
25 the local boundary commission must vote in favor of a proposed boundary change
26 before it may be presented to the legislature.

27 Sec. 44.33.824. EXPENSES. Members of the local boundary commission
28 receive no pay but are entitled to the travel expenses and per diem authorized for
29 members of boards and commissions under AS 39.20.180.

30 Sec. 44.33.826. HEARINGS ON BOUNDARY CHANGES. A local
31 government boundary change may not be proposed to the legislature unless a hearing

1 on the change has been held in or in the near vicinity of the area affected by the
2 change.

3 Sec. 44.33.828. WHEN BOUNDARY CHANGE TAKES EFFECT. When a
4 local government boundary change is proposed to the legislature during the first 10
5 days of any regular session, the change becomes effective 45 days after presentation
6 or at the end of the session, whichever is earlier, unless disapproved by a resolution
7 concurred in by a majority of the members of each house.

8 ARTICLE 11. BOROUGH FEASIBILITY STUDIES.

9 Sec. 44.33.840. BOROUGH FEASIBILITY STUDIES. The commissioner
10 may contract for studies of the feasibility of establishing boroughs in the unorganized
11 borough. A study may be conducted under this section only if

12 (1) appropriations are available for that purpose; and

13 (2) the study is requested by a person residing in the area to be studied
14 or by a city located in the area to be studied.

15 Sec. 44.33.842. REQUESTS FOR STUDIES. A request for a study of the
16 feasibility of establishing a borough in the unorganized borough shall be submitted to
17 the commissioner in writing and must include

18 (1) a description of the boundaries of the area of the proposed study;

19 and

20 (2) an indication of local interest in the proposed study consisting of
21 either

22 (A) a petition requesting the study containing the signatures and
23 addresses of five percent of the voters residing in the area of the proposed
24 study based on the number of voters who voted in the area in the last statewide
25 election; or

26 (B) resolutions requesting the study adopted by the governing
27 bodies of at least five percent of the cities within the area of the proposed
28 study.

29 Sec. 44.33.844. BOUNDARIES. The boundaries of an area studied shall
30 conform to the boundaries indicated in the request for the study under AS 44.33.842
31 unless the commissioner, after a public hearing held in the area of the proposed study,

1 determines that the boundaries should be altered. In determining the boundaries of an
2 area to be studied, the commissioner shall consider

3 (1) the standards applicable to the incorporation of boroughs under
4 AS 29.05.031;

5 (2) boundaries of regional corporations established under 43 U.S.C.
6 1606;

7 (3) census divisions of the state used for the 1980 census;

8 (4) boundaries of the regional educational attendance areas established
9 under AS 14.08.031; and

10 (5) boundaries of coastal resource service areas organized under
11 AS 46.40.110 - 46.40.210.

12 Sec. 44.33.846. CONTRACTS. (a) The commissioner shall contract for a
13 study of the feasibility of establishing a borough in the unorganized borough by
14 following the procedures under AS 36.30 (State Procurement Code). The
15 commissioner shall include terms in the contract that provide for

16 (1) public participation in the preparation of the study;

17 (2) completion of the study not later than June 30 of the third year after
18 the year the contract is executed.

19 (b) A study under this section must include

20 (1) a recommendation for or against incorporation of a borough
21 containing all or part of the area studied;

22 (2) an evaluation of the economic development potential of the area
23 studied;

24 (3) an evaluation of capital facility needs of the area studied;

25 (4) an evaluation of demographic, social, and environmental factors
26 affecting the area studied;

27 (5) an evaluation of the relationships among regional educational
28 attendance areas, coastal resource service areas, and other regional entities responsible
29 for providing services in the area studied;

30 (6) an evaluation of the relationships between the existing cities within
31 the area studied and regional entities responsible for providing services in the area; and

- 1 (7) specific recommendations for
2 (A) organization of a home rule or general law borough
3 government if one is recommended;
4 (B) changes in organization of cities in the area studied; or
5 (C) the improvement of the delivery of services to the public
6 by the state in the area studied.

7 Sec. 44.33.849. DEFINITION. In AS 44.33.840 - 44.33.849, "commissioner"
8 means the commissioner of community and economic development.

9 * **Sec. 291.** AS 44.37.025(d) is amended to read:

10 (d) The department shall file with the commissioner of **community**
11 [COMMERCE] and economic development a copy of each conveyance recorded that
12 contains a statement that property is conveyed to a nonresident alien or for the benefit
13 of a nonresident alien.

14 * **Sec. 292.** AS 44.37 is amended by adding new sections to read:

15 ARTICLE 2. PLANNING ASSISTANCE.

16 Sec. 44.37.200. PLANNING ASSISTANCE TO PLATTING AUTHORITIES.

17 To facilitate planning in municipalities that exercise planning and zoning authority, the
18 department may provide planning assistance, including but not limited to surveys, land
19 use studies, urban renewal plans, technical services, model acts that include regulations
20 designed to encourage development and use of energy systems not dependent on oil
21 or gas, and other planning work to a city, borough, or other platting authority. In an
22 area under the jurisdiction, for planning purposes, of a city, borough, or other platting
23 authority, the department may not perform the planning work except at the request or
24 with the consent of the local authority.

25 Sec. 44.37.210. ASSISTANCE BY CITIES AND PLATTING AUTHORITIES.

26 A city or platting authority may make funds under its control available to the
27 department for the purposes of obtaining planning work or planning assistance, or both,
28 for its area. The department may contract for, accept, and expend the funds for urban
29 planning for the local jurisdiction.

30 Sec. 44.37.220. LAND USE PLANNING AND STATE FACILITY
31 PROCUREMENT PLAN. The department shall make recommendations to the

1 Department of Transportation and Public Facilities and to appropriate program agencies
2 concerning the effect upon the comprehensive plan or other land use plans or proposals
3 of municipalities and unincorporated communities with respect to the facility
4 procurement plan required to be prepared in accordance with AS 35.10.170 and
5 AS 44.42.055.

6 Sec. 44.37.230. PLANNING ASSISTANCE FOR DEVELOPMENT AND
7 MAINTENANCE OF DISTRICT COASTAL MANAGEMENT PROGRAMS. The
8 department shall conduct a program of research, training, and technical assistance to
9 coastal resource districts necessary for the development and implementation of district
10 coastal management programs under AS 46.40. The technical assistance shall include
11 the direct granting to the coastal resource districts of a portion of any funds received
12 by the state from the federal coastal zone management program, in amounts to be
13 individually determined for each coastal resource district by the commissioner. State
14 agencies shall assist the department in carrying out the purposes of this section.

15 Sec. 44.37.240. PLANNING POWERS OF AUTHORITY. The department
16 may accept and expend grants from the federal government and other public or private
17 sources, may contract with reference to them, and may enter into contracts and
18 exercise all other powers necessary to carry out AS 44.47.080 - 44.47.100.

19 ARTICLE 3. ALASKA MINERALS COMMISSION.

20 Sec. 44.37.431. ALASKA MINERALS COMMISSION ESTABLISHED. (a)
21 The Alaska Minerals Commission is established in the Department of Natural
22 Resources.

23 (b) The commission is composed of 11 members. The commission shall be
24 composed of individuals who have at least five years' experience in the various aspects
25 of the minerals industries in the state. The governor shall appoint five members of the
26 commission, one of whom must reside in a rural community. The president of the
27 senate shall appoint three members of the commission. The speaker of the house of
28 representatives shall appoint three members of the commission. Each member serves
29 at the pleasure of the appointing authority.

30 (c) The commission shall make recommendations to the governor and to the
31 legislature on ways to mitigate the constraints, including governmental constraints, on

1 development of minerals, including coal, in the state.

2 (d) The commission shall report its recommendations each year to the governor
3 during the first 10 days of the regular session of the legislature. The commission shall
4 notify the legislature that the report is available.

5 ARTICLE 4. GENERAL PROVISIONS.

6 Sec. 44.37.900. FEES FOR PUBLICATIONS, RESEARCH DATA, AND
7 OTHER SERVICES. The commissioner may establish by regulation and the
8 department may charge reasonable fees for department publications, research data, and
9 other centralized administrative services to cover the cost of reproduction, printing,
10 mailing, distribution, and other centralized administrative services.

11 Sec. 44.37.990. DEFINITIONS. In this chapter,

12 (1) "commissioner" means the commissioner of natural resources;

13 (2) "department" means the Department of Natural Resources.

14 * **Sec. 293.** AS 44.42.020(a) is amended to read:

15 (a) The department shall

16 (1) plan, design, construct, and maintain all state modes of
17 transportation and transportation facilities and all docks, floats, breakwaters, buildings,
18 and similar facilities;

19 (2) study existing transportation modes and facilities in the state to
20 determine how they might be improved or whether they should continue to be
21 maintained;

22 (3) study alternative means of improving transportation in the state with
23 regard to the economic costs of each alternative and its environmental and social
24 effects;

25 (4) develop a comprehensive, long-range intermodal transportation plan
26 for the state;

27 (5) study alternatives to existing modes of transportation in urban areas
28 and develop plans to improve urban transportation;

29 (6) cooperate and coordinate with and enter into agreements with
30 federal, state, and local government agencies and private organizations and persons in
31 exercising its powers and duties;

1 (7) manage, operate, and maintain state transportation facilities and all
2 docks, floats, breakwaters, and buildings, including all state highways, vessels,
3 railroads, pipelines, airports, and aviation facilities;

4 (8) study alternative means of transportation in the state, considering
5 the economic, social, and environmental effects of each alternative;

6 (9) coordinate and develop state and regional transportation systems,
7 considering deletions, additions, and the absence of alterations;

8 (10) develop facility program plans for transportation and state
9 buildings, docks, and breakwaters required to implement the duties set out in this
10 section, including but not limited to functional performance criteria and schedules for
11 completion;

12 (11) supervise and maintain all state automotive and mechanical
13 equipment, aircraft, and vessels, except vessels and aircraft used by the Department of
14 Fish and Game or the Department of Public Safety; for state vehicles maintained by
15 the department, the department shall annually evaluate the cost, efficiency, and
16 commercial availability of natural gas for automotive purposes, and the purpose for
17 which the vehicles are intended to be used, and convert or purchase vehicles to utilize
18 natural gas whenever practicable; the department may participate in joint ventures with
19 public or private partners that will foster the availability of natural gas for all
20 automotive fuel consumers;

21 (12) supervise aeronautics inside the state, under AS 02.10;

22 (13) complete and maintain a current inventory of public facilities,
23 including a projection of the serviceability of the facilities and projections of
24 replacements and additions to facilities needed to provide the level of services
25 programmed by the various user agencies, for municipalities with populations of less
26 than 12,000 and for unincorporated communities, and perform those duties on a
27 cooperative basis with larger municipalities;

28 (14) adopt energy performance standards for public facilities of the
29 state, the construction of which begins after July 1, 1980; the standards shall be based
30 on thermal and lighting energy standards established by the American Society of
31 Heating, Refrigeration and Air Conditioning Engineers as adapted for application in

1 high latitude, cold climate environs;

2 (15) provide planning assistance, including but not limited to energy
3 audits and related technical services, to school districts and regional educational
4 attendance areas to develop and implement

5 (A) standards for the design, construction, and operation of rural
6 educational facilities; and

7 (B) energy conservation measures for rural educational
8 facilities;

9 **(16) inspect weights and measures;**

10 **(17) operate motor vehicle weighing stations;**

11 **(18) issue special written permits authorizing the operation of**
12 **overweight and oversize vehicles and establish fees for the overweight and**
13 **oversize vehicle special permits;**

14 **(19) enforce the size, weight, and load limitations adopted under**
15 **AS 19.10.060; and**

16 **(20) establish regulations relating to pilot car services and the**
17 **enforcement of the size, weight, and load limitations adopted under AS 19.10.060.**

18 * **Sec. 294.** AS 44.42.055(d) is amended to read:

19 (d) In this section, "public facility"

20 (1) means a capital improvement within one of the categories described
21 in (b) of this section that is constructed

22 (A) for subsequent occupancy or operation by the state, a public
23 corporation of the state, the University of Alaska, a political subdivision, or a
24 regional educational attendance area;

25 (B) by a political subdivision or any private party with the
26 assistance of financial support provided by the state if funds appropriated or
27 paid by way of a grant or loan in advance of construction of the facility, or any
28 part of it, are 50 percent or more of the estimated costs of construction of the
29 facility;

30 (2) does not include projects constructed with the proceeds of one or
31 more loans issued by a loan program administered by the Department of **Community**

1 [COMMERCE] and Economic Development.

2 * **Sec. 295.** AS 44.62.330(a)(27) is amended to read:

3 (27) Department of Health and Social Services and Department of
4 Environmental Conservation under AS 17.20 (Alaska Food, Drug, and Cosmetic Act),
5 and Department of **Labor** [COMMERCE AND ECONOMIC DEVELOPMENT] in
6 connection with the licensing of embalmers and funeral directors under AS 08.42;

7 * **Sec. 296.** AS 44.62.330(a)(53) is amended to read:

8 (53) Department of **Labor** [COMMERCE AND ECONOMIC
9 DEVELOPMENT] concerning the licensing and regulation of audiologists under
10 AS 08.11;

11 * **Sec. 297.** AS 44.62.330(a)(54) is amended to read:

12 (54) Department of **Labor** [COMMERCE AND ECONOMIC
13 DEVELOPMENT] concerning the licensing and regulation of hearing aid dealers under
14 AS 08.55;

15 * **Sec. 298.** AS 44.81.010(b) is amended to read:

16 (b) For the purpose of the funding of the bank's operations, the board of
17 directors may issue nonvoting, preferred shares of stock in the bank and determine the
18 value of each share. The state, through appropriate agencies, may purchase the
19 nonvoting, preferred shares issued by the bank. Shares purchased by the state shall be
20 repurchased by the bank within 20 years after their purchase. If the bank fails to
21 repurchase the shares within 20 years, the commissioner of **revenue** [COMMERCE
22 AND ECONOMIC DEVELOPMENT] may dissolve the bank.

23 * **Sec. 299.** AS 44.81.050 is amended to read:

24 Sec. 44.81.050. MEMBERSHIP MEETINGS. Upon filing the articles of
25 incorporation, the board of directors, with the assistance of the commissioner of
26 **community** [COMMERCE] and economic development or the commissioner's
27 designee, may hold public meetings throughout the state for the purpose of explaining
28 to members of the commercial fishing and farming industries the functions of the bank
29 and to encourage membership in the bank.

30 * **Sec. 300.** AS 44.81.270(c) is amended to read:

31 (c) The state bank examiners shall perform an annual qualitative examination

1 and evaluation of the bank. The commissioner of revenue [COMMERCE AND
2 ECONOMIC DEVELOPMENT] shall assess the bank a fee established under
3 AS 06.01.010(b) for the actual expenses incurred by the Department of Revenue
4 [COMMERCE AND ECONOMIC DEVELOPMENT] in connection with the
5 examination. The examiners shall report to the board of directors on the examination.
6 The examiners shall prepare a summary report evaluating the bank's loan portfolio
7 quality on a statistical basis and addressing the appropriateness and effectiveness of
8 the bank's policies, practices, and management within the context of the bank's
9 statutory purposes. The examiners shall distribute copies of the summary report to the
10 bank, the legislature, and the governor.

11 * **Sec. 301.** AS 44.83.020 is amended to read:

12 Sec. 44.83.020. CREATION OF AUTHORITY. There is created the Alaska
13 Energy Authority. The authority is a public corporation of the state in the Department
14 of Community [COMMERCE] and Economic Development but with separate and
15 independent legal existence.

16 * **Sec. 302.** AS 44.85.030 is amended to read:

17 Sec. 44.85.030. MEMBERSHIP AND VACANCIES. The bond bank authority
18 consists of the following five directors: the commissioner of revenue, the commissioner
19 of community and economic development [REGIONAL AFFAIRS], who shall each
20 be a director ex officio with voting privileges, and three directors appointed by the
21 governor. The appointment of each director other than the commissioner of revenue
22 and the commissioner of community and economic development [REGIONAL
23 AFFAIRS] is subject to confirmation by the legislature. The three directors appointed
24 by the governor serve at the governor's pleasure for four-year terms. They must be
25 residents of the state and qualified voters at the time of appointment and shall comply
26 with the requirements of AS 39.50 (conflict of interest). Each director shall hold
27 office for the term of appointment and until a successor has been appointed and
28 qualified. A director is eligible for reappointment. A vacancy in a directorship
29 occurring other than by expiration of term shall be filled in the same manner as the
30 original appointment but for the unexpired term only. Each director before entering
31 upon the duties of office shall take and subscribe to an oath to perform the duties

1 faithfully, impartially, and justly to the best of the director's ability. A record of the
2 oath shall be filed in the office of the governor.

3 * **Sec. 303.** AS 44.85.320(b) is amended to read:

4 (b) Before declaring the principal of notes or bonds due and payable, the
5 trustee must first give 30 days' notice in writing to the governor, the bond bank
6 authority, the commissioner of community and **economic development** [REGIONAL
7 AFFAIRS], and the attorney general of the state.

8 * **Sec. 304.** AS 44.88.020 is amended to read:

9 Sec. 44.88.020. CREATION OF AUTHORITY. There is created the Alaska
10 Industrial Development and Export Authority. The authority is a public corporation
11 of the state and a body corporate and politic constituting a political subdivision within
12 the Department of **Community** [COMMERCE] and Economic Development, but with
13 separate and independent legal existence.

14 * **Sec. 305.** AS 44.88.030(a) is amended to read:

15 (a) The membership of the authority consists of

16 (1) the commissioner of revenue and the commissioner of **community**
17 [COMMERCE] and economic development;

18 (2) one other person appointed by the governor who serves as the head
19 of a principal department of the executive branch; and

20 (3) two public members appointed by the governor.

21 * **Sec. 306.** AS 45.50.040 is amended to read:

22 Sec. 45.50.040. FILING FEE. The application for registration shall be
23 accompanied by a filing fee of \$10 payable to the **department** [DEPARTMENT OF
24 COMMERCE AND ECONOMIC DEVELOPMENT].

25 * **Sec. 307.** AS 45.50.200(2) is amended to read:

26 (2) "commissioner" means the commissioner of **community**
27 [COMMERCE] and economic development;

28 * **Sec. 308.** AS 45.50.200(3) is amended to read:

29 (3) "department" means the Department of **Community** [COMMERCE]
30 and Economic Development;

31 * **Sec. 309.** AS 45.55.905(a) is amended to read:

1 (a) The Department of Revenue [COMMERCE AND ECONOMIC
2 DEVELOPMENT] shall administer this chapter.

3 * **Sec. 310.** AS 45.55.990(1) is amended to read:

4 (1) "administrator" means the commissioner of revenue [COMMERCE
5 AND ECONOMIC DEVELOPMENT] or a designee of the commissioner;

6 * **Sec. 311.** AS 45.57.090 is amended to read:

7 Sec. 45.57.090. CONSENT TO SERVICE OF PROCESS. A nonresident
8 offeror, except a foreign corporation that [WHICH] has complied with AS 10.05.597 -
9 10.05.696, who makes a takeover bid affecting an offeree company is considered to
10 have appointed the commissioner of revenue [COMMERCE AND ECONOMIC
11 DEVELOPMENT] as the offeror's agent upon whom may be served, in any matter
12 arising under this chapter, any process, notice, order, or demand except one issued by
13 the department. Service may be made on the commissioner or any of the
14 commissioner's staff at the commissioner's office. The commissioner shall send it by
15 registered or certified mail addressed to the offeror at the latest address on file and
16 keep a record of it. A process, notice, order or demand issued by the department shall
17 be served by being mailed by the commissioner or any of the commissioner's staff by
18 registered or certified mail addressed to the offeror at the latest address on file.

19 * **Sec. 312.** AS 45.57.110(2) is amended to read:

20 (2) "department" means the Department of Revenue [COMMERCE
21 AND ECONOMIC DEVELOPMENT];

22 * **Sec. 313.** AS 45.65.020 is amended to read:

23 Sec. 45.65.020. COMMISSIONER TO ADMINISTER. The commissioner of
24 community [COMMERCE] and economic development is responsible for the
25 administration of AS 45.65.010 - 45.65.070, including

26 (1) subject to AS 45.65.030(a), the design, method of affixing,
27 preparation, issuance, and control of identification seals;

28 (2) the issuance of permits to agents to distribute the seals;

29 (3) the supervision of the use of the seals and emblems;

30 (4) subject to AS 45.65.030(c), the design, issuance, and control of
31 emblems;

1 (5) the issuance of permits to agents to issue permits to use the
2 emblems; and

3 (6) the enforcement of AS 45.65.010 - 45.65.070.

4 * **Sec. 314.** AS 45.65.070(3) is amended to read:

5 (3) "commissioner" means the commissioner of community
6 [COMMERCE] and economic development;

7 * **Sec. 315.** AS 45.75.030 is amended to read:

8 Sec. 45.75.030. STATE DIRECTOR AND INSPECTORS OF WEIGHTS AND
9 MEASURES. The commissioner of transportation and public facilities
10 [COMMERCE AND ECONOMIC DEVELOPMENT] is ex officio state director of
11 weights and measures. The director may appoint state inspectors.

12 * **Sec. 316.** AS 45.75.050(b) is amended to read:

13 (b) The regulations may include

14 (1) standards of net weight, measure, or count, and reasonable standards
15 of fill, for a commodity in package form;

16 (2) rules governing the technical and reporting procedures to be
17 followed, and the report and record forms and marks of approval and rejection to be
18 used by inspectors of weights and measures in the discharge of their official duties;

19 (3) exemptions from the sealing or marking requirements of
20 AS 45.75.120 for weights and measures of a character or size that sealing or marking
21 would be inappropriate, impracticable, or damaging to the apparatus in question;

22 (4) for classes of weights and measures of a character that retesting is
23 unnecessary to continued accuracy, exemptions from the requirements of AS 45.75.070
24 and 45.75.080 for testing, and schedules fixing the frequency of required retests for
25 classes of devices exempted; and

26 (5) in the implementation of AS 44.42.020(a)(16) - (20)
27 [AS 44.33.020(25)], provisions governing the size, weight, and load limitations
28 established under AS 19.10.060; the issuance of permits for overweight and oversize
29 vehicles; and the operation of weigh stations.

30 * **Sec. 317.** AS 45.75.131(a) is amended to read:

31 (a) A peace officer or an employee of the Department of Transportation and

1 **Public Facilities** [COMMERCE AND ECONOMIC DEVELOPMENT] who is
2 authorized by the commissioner of **transportation and public facilities** [COMMERCE
3 AND ECONOMIC DEVELOPMENT] to enforce this chapter may issue a citation to
4 a person who

5 (1) violates a weight, size, or load limitation adopted by the Department
6 of Transportation and Public Facilities under AS 19.10.060;

7 (2) violates the terms of an overweight or oversize vehicle permit
8 issued under **AS 44.42.020(a)(18)** [AS 44.33.020(25)];

9 (3) violates a regulation adopted under AS 28.05.011(2) or under
10 **AS 44.42.020(a)(16) - (20)** [AS 44.33.020(25)] and AS 45.75.050(b)(5); or

11 (4) commits a violation identified under AS 45.75.380.

12 * **Sec. 318.** AS 45.75.131(d) is amended to read:

13 (d) The commissioner of public safety is responsible for the issuance of books
14 containing appropriate citations and shall maintain a record of each book and each
15 citation contained in it. The commissioner of public safety shall require and retain a
16 receipt for every book issued to an employee of the Department of **Transportation**
17 **and Public Facilities** [COMMERCE AND ECONOMIC DEVELOPMENT] designated
18 by the commissioner of **transportation and public facilities** [COMMERCE AND
19 ECONOMIC DEVELOPMENT] to provide investigative services to enforce provisions
20 of this chapter.

21 * **Sec. 319.** AS 45.75.380(a) is amended to read:

22 (a) A person commits a violation subject to the penalty specified in
23 AS 12.55.035(b)(5) if the person does one or more of the following acts:

24 (1) uses or has in possession for the purpose of using for a commercial
25 purpose specified in AS 45.75.080, sells, offers, or exposes for sale, or hire, or has in
26 possession for the purpose of selling or hiring, an incorrect weight or measure or a
27 device or instrument used to or calculated to falsify a weight or measure;

28 (2) uses or has in possession for current use, in buying or selling a
29 commodity or thing, or for hire or award, or in the computation of a basic charge or
30 payment for services rendered on the basis of weight or measurement, or in the
31 determination of weight or measurement when a charge is made for determination, a

1 weight or measure that has not been tested and sealed by the appropriate authority
2 within one year, unless

3 (A) the person gives written notice to the appropriate authority
4 to the effect that the weight or measure is available for examination, or is due
5 for reexamination, as the case may be;

6 (B) the person receives specific written permission to use the
7 weight or measure from the appropriate authority; or

8 (C) the weight or measure is exempt from sealing or annual
9 testing requirements by AS 45.75.080 or by a regulation adopted under
10 AS 45.75.050;

11 (3) disposes of a rejected or condemned weight or measure in a manner
12 contrary to law or regulation;

13 (4) removes from a weight or measure, contrary to law or regulation,
14 a tag, seal, or mark placed on it by the appropriate authority;

15 (5) sells or offers for sale less than the quantity the person represents
16 of a commodity, thing, or service;

17 (6) takes more than the quantity the person represents of a commodity,
18 thing, or service when, as buyer, the person furnished the weight or measure that the
19 seller used to determine the amount of the commodity, thing, or service;

20 (7) keeps for the purpose of sale, advertises, or offers for sale, or sells
21 a commodity, thing, or service in a condition or manner contrary to law or regulation;

22 (8) uses in retail trade, except in the preparation of packages put up in
23 advance of sale and of medical prescriptions, a weight or measure that is not so
24 positioned that a customer may accurately read, from a position that may reasonably
25 be assumed by a customer, its indications and observe the weighing or measuring
26 operation;

27 (9) hinders or obstructs the director, an inspector, a sealer, or a deputy
28 sealer in the performance of official duties under this chapter;

29 (10) violates a provision of an overweight or oversize vehicle permit
30 issued under AS 44.42.020(a)(18) [AS 44.33.020(25)];

31 (11) violates a weight, load, or size limitation established under

1 AS 19.10.060 or a regulation adopted under AS 19.05.020, AS 44.42.020(a)(16) - (20)
2 [AS 44.33.020(25)], or AS 45.75.050(b)(5);

3 (12) violates a provision of this chapter or a regulation adopted under
4 this chapter for which a specific penalty is not prescribed.

5 * **Sec. 320.** AS 45.77.010(b) is amended to read:

6 (b) With the approval of the commissioner of community [COMMERCE] and
7 economic development, any private corporation may apply as described in (a) of this
8 section, and, if the application is granted, may establish, operate, and maintain a
9 foreign trade zone.

10 * **Sec. 321.** AS 45.88.010(a) is amended to read:

11 (a) There is established in the Department of Community [COMMERCE] and
12 Economic Development the alternative energy revolving loan fund to carry out the
13 purposes of this chapter. Loans made under this chapter are to be used to develop
14 means of energy production utilizing energy sources other than fossil or nuclear fuel,
15 including, but not limited to, windmills, water and solar energy devices.

16 * **Sec. 322.** AS 45.88.015(b) is amended to read:

17 (b) The commissioner of community [COMMERCE] and economic
18 development may expend money credited to the foreclosure expense account when
19 necessary to protect the state's security interest in collateral on loans made under
20 AS 45.88.020 or to defray expenses incurred during foreclosure proceedings after a
21 default by an obligor.

22 * **Sec. 323.** AS 45.88.040(a) is amended to read:

23 (a) The commissioner may sell or transfer at par value or at a premium or
24 discount to any bank or other private purchaser for cash or other consideration the
25 mortgages and notes held by the Department of Community [COMMERCE] and
26 Economic Development as security for loans made under this chapter.

27 * **Sec. 324.** AS 45.88.050 is amended to read:

28 Sec. 45.88.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
29 FORECLOSURE. The Department of Community [COMMERCE] and Economic
30 Development shall dispose of property acquired through default or foreclosure of a
31 loan made under this chapter. Disposal shall be made in a manner that serves the best

1 interests of the state, and may include the amortization of payments over a period of
2 years.

3 * **Sec. 325.** AS 45.89.010(a) is amended to read:

4 (a) There is established in the Department of **Community** [COMMERCE] and
5 Economic Development the residential energy conservation fund to carry out the
6 purposes of this chapter. Loans and grants made under this chapter may be used to
7 purchase, construct, and install an energy conservation improvement in residential
8 buildings.

9 * **Sec. 326.** AS 45.89.500(1) is amended to read:

10 (1) "commissioner" means the commissioner of **community**
11 [COMMERCE] and economic development;

12 * **Sec. 327.** AS 45.89.500(2) is amended to read:

13 (2) "department" means the Department of **Community** [COMMERCE]
14 and Economic Development;

15 * **Sec. 328.** AS 45.90.010(a) is amended to read:

16 (a) There is created in the Department of **Community** [COMMERCE] and
17 Economic Development a tourism revolving fund. All principal and interest payments,
18 and money chargeable to principal or interest that is collected through liquidation by
19 foreclosure or other process on loans made under this chapter, shall be paid into the
20 tourism revolving fund.

21 * **Sec. 329.** AS 45.90.015(b) is amended to read:

22 (b) The commissioner of **community** [COMMERCE] and economic
23 development may expend money credited to the foreclosure expense account when
24 necessary to protect the state's security interest in collateral on loans made under
25 AS 45.90.020 or to defray expenses incurred during foreclosure proceedings after a
26 default by an obligor.

27 * **Sec. 330.** AS 45.90.020(b) is amended to read:

28 (b) The Department of **Community** [COMMERCE] and Economic
29 Development shall consult with the state division or department having jurisdiction
30 over tourism on regulations and procedures established under this chapter.

31 * **Sec. 331.** AS 45.90.040(a) is amended to read:

1 (a) The commissioner of community [COMMERCE] and economic
2 development may sell or transfer at par value or at a premium or discount to any bank
3 or other private purchaser for cash or other consideration the mortgages and notes held
4 by the Department of Community [COMMERCE] and Economic Development as
5 security for loans made under this chapter.

6 * **Sec. 332.** AS 45.90.050 is amended to read:

7 Sec. 45.90.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
8 FORECLOSURE. The Department of Community [COMMERCE] and Economic
9 Development shall dispose of property acquired through default or foreclosure of a
10 loan made under this chapter. Disposal shall be made in a manner that serves the best
11 interests of the state, and may include the amortization of payments over a period of
12 years.

13 * **Sec. 333.** AS 45.95.010(a) is amended to read:

14 (a) The Department of Community [COMMERCE] and Economic
15 Development shall formulate general policies and adopt regulations necessary to carry
16 out the provisions of this chapter, including regulations to establish fees for services
17 provided and charges for collecting the fees. The department may collect the fees and
18 collection charges established.

19 * **Sec. 334.** AS 45.95.040(a) is amended to read:

20 (a) The commissioner may sell or transfer at par value or at a premium or
21 discount to any bank or other private purchaser for cash or other consideration the
22 mortgages and notes held by the Department of Community [COMMERCE] and
23 Economic Development as security for loans made under this chapter.

24 * **Sec. 335.** AS 45.95.055 is amended to read:

25 Sec. 45.95.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
26 FORECLOSURE. The Department of Community [COMMERCE] and Economic
27 Development shall dispose of property acquired through default or foreclosure of a
28 loan made under this chapter. Disposal shall be made in a manner that serves the best
29 interests of the state, and may include the amortization of payments over a period of
30 years.

31 * **Sec. 336.** AS 45.95.070 is amended to read:

1 Sec. 45.95.070. ELIGIBILITY FOR LOANS. A person is eligible for a loan
2 under this chapter if

3 (1) the person can establish or demonstrate good character, capacity for
4 financial responsibility, ability to provide sufficient collateral and knowledge of Alaska
5 economic conditions;

6 (2) the person is a resident of the state; and

7 (3) in the judgment of the Department of Community [COMMERCE]
8 and Economic Development

9 (A) the business shows a definite potential for growth;

10 (B) the borrower will be able to repay the loan; and

11 (C) the loan will potentially create more jobs and provide
12 additional services in the community.

13 * **Sec. 337.** AS 45.95.080 is amended to read:

14 Sec. 45.95.080. DEFINITION. In this chapter, "commissioner" means the
15 commissioner of community [COMMERCE] and economic development.

16 * **Sec. 338.** AS 45.98.010(a) is amended to read:

17 (a) There is created in the Department of Community [COMMERCE] and
18 Economic Development a historical district revolving loan fund. All principal and
19 interest payments, and money chargeable to principal or interest that is collected
20 through liquidation by foreclosure or other process on loans made under this chapter,
21 shall be paid into the historical district revolving loan fund.

22 * **Sec. 339.** AS 45.98.015(b) is amended to read:

23 (b) The commissioner of community [COMMERCE] and economic
24 development may expend money credited to the foreclosure expense account when
25 necessary to protect the state's security interest in collateral on loans made under this
26 chapter, or to defray expenses incurred during foreclosure proceedings after a default
27 by an obligor.

28 * **Sec. 340.** AS 45.98.020 is amended to read:

29 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and
30 plan approval by a local historical district commission established under AS 29.55.010
31 or former AS 29.48.108 and the recommendation of a majority of the members of the

1 Alaska Historical Commission, the Department of Community [COMMERCE] and
2 Economic Development may make loans to a person, firm, business, or municipality
3 subject to applicable laws for the restoration, improvement, rehabilitation, or
4 maintenance of a structure that is

5 (1) within the boundaries of a historical district established under
6 AS 29.55.020 or former AS 29.48.110 and identified as important in state or national
7 history as provided for in AS 29.55.020(b) or former AS 29.48.110(b); or

8 (2) a building or structure within a historical district, that is suitable for
9 superficial modification so that it can conform to the period or motif of the
10 surrounding buildings or structures that are the reason for the area's designation as a
11 historical district.

12 * **Sec. 341.** AS 45.98.030 is amended to read:

13 Sec. 45.98.030. POWERS AND DUTIES OF THE DEPARTMENT. For
14 purposes of administering this chapter, the Department of Community [COMMERCE]
15 and Economic Development may

16 (1) prescribe the form and procedure for submitting loan applications
17 under this chapter;

18 (2) designate agents and delegate powers to them as is necessary;

19 (3) in consultation with the Alaska Historical Commission, adopt
20 regulations necessary to carry out its functions, including regulations for the process
21 of plan approval by the commission and regulations to establish reasonable fees for
22 services provided and charges for collecting the fees;

23 (4) establish amortization plans for the repayment of loans not to
24 exceed 30 years;

25 (5) collect the fees and collection charges established under this section.

26 * **Sec. 342.** AS 45.98.050(a) is amended to read:

27 (a) The commissioner of community [COMMERCE] and economic
28 development or a designee of the commissioner may sell or transfer at par value or at
29 a premium or discount to any bank or other private purchaser for cash or other
30 consideration the mortgages and notes held by the Department of Community
31 [COMMERCE] and Economic Development as security for loans made under this

1 chapter.

2 * **Sec. 343.** AS 45.98.055 is amended to read:

3 Sec. 45.98.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
4 FORECLOSURE. The Department of Community [COMMERCE] and Economic
5 Development shall dispose of property acquired through default or foreclosure of a
6 loan made under this chapter. Disposal shall be made in a manner that serves the best
7 interests of the state, and may include the amortization of payments over a period of
8 years.

9 * **Sec. 344.** AS 45.98.060 is amended to read:

10 Sec. 45.98.060. PENALTY PROVISION. After a project for which a loan is
11 granted is commenced, if the Department of Community [COMMERCE] and
12 Economic Development or a local historical district commission, in consultation with
13 the Alaska Historical Commission, determines that the project is inconsistent with the
14 guidelines or stipulations for construction, or otherwise fails to conform to the
15 requirements of the loan, the interest rate on the state's share of the loan shall be
16 increased to the highest rate of interest allowed at that time as provided in
17 AS 45.45.010. In addition, a penalty in the amount of two percent of the balance of
18 the loan shall be assessed by the Department of Community [COMMERCE] and
19 Economic Development.

20 * **Sec. 345.** AS 46.03.110(c) is amended to read:

21 (c) When the department receives an application, the commissioner shall
22 immediately send copies of the application to the commissioner of fish and game, the
23 commissioner of natural resources, the commissioner of community [COMMERCE]
24 and economic development, and the commissioner of health and social services.

25 * **Sec. 346.** AS 46.03.375(a) is amended to read:

26 (a) The department shall adopt regulations governing the certification of
27 persons who install, test, close, repair, or significantly change the configuration of
28 underground petroleum storage tanks and tank systems. The certification program
29 shall be administered by the division of occupational licensing, Department of Labor
30 [COMMERCE AND ECONOMIC DEVELOPMENT]. In consultation with the
31 Department of Environmental Conservation, the division shall make every reasonable

1 attempt to ensure that opportunities for obtaining certification under this section are
2 available throughout the state. The division shall organize presentation of national
3 training courses that are available in the state and assist residents of isolated
4 communities who request assistance in becoming certified. The division may contract
5 with the University of Alaska, a vocational technical school, or a regional nonprofit
6 organization to provide the education and testing necessary for certification.

7 * **Sec. 347.** AS 46.03.375(g)(2) is amended to read:

8 (2) "division" means the division of occupational licensing in the
9 Department of **Labor** [COMMERCE AND ECONOMIC DEVELOPMENT].

10 * **Sec. 348.** AS 46.03.900(32) is amended to read:

11 (32) "village" means a place within the unorganized borough or within
12 a borough as to a power, function, or service that is not exercised or provided by the
13 borough on an areawide or nonareawide basis that

14 (A) has irrevocably waived, in a form approved by the
15 Department of Law, any claim of sovereign immunity that might arise under
16 this chapter; and

17 (B) has

18 (i) a council organized under 25 U.S.C. 476 (sec. 16 of
19 the Indian Reorganization Act);

20 (ii) a traditional village council recognized by the United
21 States as eligible for federal aid to Indians; or

22 (iii) a council recognized by the commissioner of
23 community and **economic development** [REGIONAL AFFAIRS] under
24 regulations adopted by the Department of Community and **Economic**
25 **Development** [REGIONAL AFFAIRS] to determine and give official
26 recognition of village entities under **AS 44.33.755(b)** [AS 44.47.150(b)];

27 * **Sec. 349.** AS 46.04.040(e) is amended to read:

28 (e) Financial responsibility may be demonstrated by (1) self-insurance, (2)
29 insurance, (3) surety, (4) guarantee, (5) letter of credit approved by the department, or
30 (6) other proof of financial responsibility approved by the department, including proof
31 of financial responsibility provided by a group of insureds who have agreed to cover

1 pollution risks of members of the group under terms the department may prescribe.
2 An action brought under AS 46.03.758, 46.03.759, 46.03.760(a) or (d), 46.03.822, or
3 AS 46.04.030(g) may be brought in a state court directly against the insurer, the group,
4 or another person providing evidence of financial responsibility; however, the liability
5 under this section of a third-party insurer is limited to the type of risk assumed and the
6 amount of coverage specified in the proof of financial responsibility furnished to and
7 approved by the department. The applicant, and an insurer, surety, guarantor, person
8 furnishing an approved letter of credit, or other group or person providing proof of
9 financial responsibility approved by the department shall appoint an agent for service
10 of process in the state. For purposes of this subsection, an insurer, other than a group
11 of insureds whose agreement has been approved by the department, must either be
12 authorized by the Department of **Revenue** [COMMERCE AND ECONOMIC
13 DEVELOPMENT] to sell insurance in the state or be an unauthorized insurer listed
14 by the Department of **Revenue** [COMMERCE AND ECONOMIC DEVELOPMENT]
15 as not disapproved for use in the state. In this subsection, "third-party insurer" means
16 a third-party insurer, surety, guarantor, person furnishing a letter of credit, or other
17 group or person providing proof of financial responsibility on behalf of an applicant
18 under this section; "third-party insurer" does not include the applicant.

19 * **Sec. 350.** AS 46.04.900(22) is amended to read:

20 (22) "village" means a place within the unorganized borough or within
21 a borough as to a power, function, or service that is not exercised or provided by the
22 borough on an areawide or nonareawide basis that

23 (A) has irrevocably waived, in a form approved by the
24 Department of Law, any claim of sovereign immunity that might arise under
25 this chapter; and

26 (B) has

27 (i) a council organized under 25 U.S.C. 476 (sec. 16 of
28 the Indian Reorganization Act);

29 (ii) a traditional village council recognized by the United
30 States as eligible for federal aid to Indians; or

31 (iii) a council recognized by the commissioner of

1 community and economic development [REGIONAL AFFAIRS] under
2 regulations adopted by the Department of Community and Economic
3 Development [REGIONAL AFFAIRS] to determine and give official
4 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)];

5 * **Sec. 351.** AS 46.08.040(a) is amended to read:

6 (a) In addition to money in the response account of the fund that is transferred
7 to the commissioner of community and economic development [REGIONAL
8 AFFAIRS] to make grants under AS 29.60.510 and to pay for impact assessments
9 under AS 29.60.560, the commissioner of environmental conservation may use money

10 (1) from the response account in the fund

11 (A) when authorized by AS 46.08.045, to investigate and
12 evaluate the release or threatened release of oil or a hazardous substance, and
13 contain, clean up, and take other necessary action, such as monitoring and
14 assessing, to address a release or threatened release of oil or a hazardous
15 substance that poses an imminent and substantial threat to the public health or
16 welfare, or to the environment;

17 (B) to provide matching funds in the event of a release of oil
18 or a hazardous substance for which use of the response account is authorized
19 by AS 46.08.045 for participation

20 (i) in federal oil discharge cleanup activities; and

21 (ii) under 42 U.S.C. 9601 - 9657 (Comprehensive
22 Environmental Response, Compensation, and Liability Act of 1980);
23 and

24 (C) to recover the costs to the state, a municipality, a village,
25 or a school district of a containment and cleanup resulting from the release or
26 the threatened release of oil or a hazardous substance for which money was
27 expended from the response account;

28 (2) from the prevention account in the fund to

29 (A) investigate and evaluate the release or threatened release of
30 oil or a hazardous substance, except a release described in AS 46.08.045(a),
31 and contain, clean up, and take other necessary action, such as monitoring and

1 assessing, to address a release or threatened release of oil or a hazardous
2 substance, except a release described in AS 46.08.045(a);

3 (B) pay all costs incurred

4 (i) establish and maintain the oil and hazardous
5 substance response office;

6 (ii) under agreements entered into under AS 46.04.090
7 or AS 46.09.040;

8 (iii) review oil discharge prevention and contingency
9 plans submitted under AS 46.04.030;

10 (iv) conduct training, response exercises, inspections,
11 and tests, in order to verify equipment inventories and ability to prevent
12 and respond to oil and hazardous substance release emergencies, and to
13 undertake other activities intended to verify or establish the
14 preparedness of the state, a municipality, or a party required by
15 AS 46.04.030 to have an approved contingency plan to act in
16 accordance with that plan; and

17 (v) verify or establish proof of financial responsibility
18 required by AS 46.04.040;

19 (C) pay, when presented with appropriate documentation by the
20 Department of Military and Veterans' Affairs, the expenses incurred by the
21 Department of Military and Veterans' Affairs for Alaska State Emergency
22 Response Commission activities, including staff support, when the activities
23 and staff support relate to oil or hazardous substances, and for the costs of
24 being prepared for responding to a request by the department for support in
25 response and restoration, but not including the costs of maintaining the
26 response corps and the emergency response depots under AS 26.23.045;

27 (D) pay all costs incurred to acquire, repair, or improve an asset
28 having an anticipated life of more than one year and that is acquired, repaired,
29 or improved as a preparedness measure by which the state may respond to,
30 recover from, reduce, or eliminate the effects of a release or threatened release
31 of oil or a hazardous substance;

1 (E) pay the costs, if approved by the commissioner, that were
2 incurred by local emergency planning committees to carry out the duties
3 assigned them by AS 46.13.080;

4 (F) provide matching funds in the event of the release of oil or
5 a hazardous substance, except a release of oil for the containment and cleanup
6 of which use of the response account is authorized by AS 46.08.045, for
7 participation

8 (i) in federal oil discharge cleanup activities; and

9 (ii) under 42 U.S.C. 9601 - 9657 (Comprehensive
10 Environmental Response, Compensation, and Liability Act of 1980);

11 (G) pay or reimburse the storage tank assistance fund
12 established in AS 46.03.410 for expenditures from that fund authorized by
13 AS 46.03.410(b);

14 (H) transfer to the Department of Community and **Economic**
15 **Development** [REGIONAL AFFAIRS] for payment by the commissioner of
16 community and **economic development** [REGIONAL AFFAIRS] of

17 (i) municipal impact grants when authorized under
18 AS 29.60.510(b)(2);

19 (ii) assessments of the social and economic effects of the
20 release of oil or hazardous substances as required by AS 29.60.560
21 when, in the judgment of the commissioner, the release of oil or a
22 hazardous substance is not one that is described in AS 46.08.045; and

23 (iii) grants to repair, improve, or replace fuel storage
24 facilities under the bulk fuel system emergency repair and upgrade
25 program;

26 (I) recover the costs to the state, a municipality, a village, or a
27 school district of a containment and cleanup resulting from the release or
28 threatened release of oil or a hazardous substance for which money was
29 expended from the prevention account;

30 (J) prepare, review, and revise

31 (i) the state's master oil and hazardous substance

1 discharge prevention and contingency plan required by AS 46.04.200;
2 and

3 (ii) a regional master oil and hazardous substance
4 discharge prevention and contingency plan required by AS 46.04.210;
5 and

6 (K) restore the environment by addressing the effects of an oil
7 or hazardous substance release; [.]

8 (3) pay the expenses incurred by the Alaska division of emergency
9 services for the oil and hazardous substance response corps and the oil and hazardous
10 substance response depots when presented with appropriate documentation by the
11 division;

12 (4) provide matching funds for participation in federal oil discharge
13 cleanup activities and under 42 U.S.C. 9601 - 9657 (Comprehensive Environmental
14 Response, Compensation, and Liability Act of 1980);

15 (5) recover the costs to the state, a municipality, or a village of a
16 containment and cleanup resulting from the release or the threatened release of oil or
17 a hazardous substance;

18 (6) prepare, review, and revise

19 (A) the state's master oil and hazardous substance discharge
20 prevention and contingency plan required by AS 46.04.200; and

21 (B) a regional master oil and hazardous substance discharge
22 prevention and contingency plan required by AS 46.04.210; and

23 (7) restore the environment by addressing the effects of an oil or
24 hazardous substance release.

25 * **Sec. 352.** AS 46.08.900(16) is amended to read:

26 (16) "village" means a place within the unorganized borough or within
27 a borough if the power, function, or service for which a grant application under
28 AS 29.60.510 is submitted is not exercised or provided by the borough on an areawide
29 or nonareawide basis at the time the grant application is submitted that

30 (A) has irrevocably waived, in a form approved by the
31 Department of Law, any claim of sovereign immunity that might arise in

1 connection with the use of grant money under this chapter; and

2 (B) has

3 (i) a council organized under 25 U.S.C. 476 (sec. 16 of
4 the Indian Reorganization Act);

5 (ii) a traditional village council recognized by the United
6 States as eligible for federal aid to Indians; or

7 (iii) a council recognized by the commissioner of
8 community and **economic development** [REGIONAL AFFAIRS] under
9 regulations adopted by the Department of Community and **Economic**
10 **Development** [REGIONAL AFFAIRS] to determine and give official
11 recognition of village entities under **AS 44.33.755(b)** [AS 44.47.150(b)].

12 * **Sec. 353.** AS 46.11.900(2) is amended to read:

13 (2) "department" means the Department of **Community** [COMMERCE]
14 and Economic Development;

15 * **Sec. 354.** AS 46.40.120(b) is amended to read:

16 (b) The commissioner of **community and economic development** [THE
17 DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] may, after public
18 hearings held in the area affected, consolidate two or more regional educational
19 attendance areas as a single coastal resource service area

20 (1) if a substantial portion of the coastal area contains land and water
21 area owned by the federal government over which it exercises exclusive jurisdiction
22 or land held in trust by the federal government for Alaska Natives over which the state
23 would not exercise control as to use; or

24 (2) if, after giving due consideration to the standards applicable to
25 incorporation of borough governments and the likelihood that a borough will be
26 incorporated within the area, the commissioner determines that the functions to be
27 performed under this chapter could be undertaken more efficiently through the
28 combination of two or more regional educational attendance areas as a single coastal
29 resource service area.

30 * **Sec. 355.** AS 46.40.120(d) is amended to read:

31 (d) For purposes of coastal zone management only, the commissioner of

1 community and **economic development** [REGIONAL AFFAIRS] may, after public
2 hearings held in the regional educational attendance area affected, divide an existing
3 regional educational attendance area into no more than three coastal resource service
4 areas according to geographic, cultural, economic, environmental, or other features
5 relevant to coastal management planning. However,

6 (1) each coastal resource service area formed by dividing an existing
7 regional educational attendance area must contain at least one first class city or home
8 rule city;

9 (2) a city within a coastal resource service area formed by dividing an
10 existing regional educational attendance area may not elect to exclude itself from the
11 coastal resource service area; and

12 (3) a coastal resource service area formed before June 1, 1980, may not
13 be divided for coastal management planning purposes.

14 * **Sec. 356.** AS 46.40.140(c) is amended to read:

15 (c) The commissioner of community and **economic development** [REGIONAL
16 AFFAIRS], after consultation with residents of a coastal resource service area, may
17 divide a service area into sections only for the purpose of nominating and electing
18 board members. Division of a service area into sections for the purpose of nomination
19 and election shall be in accordance with the provisions of AS 14.08.051(a). Division
20 may be proposed in the petition submitted under AS 46.40.130(a)(1), in the resolution
21 submitted under AS 46.40.130(a)(2), at the direction of the council under
22 AS 46.40.130(a)(3), or may be proposed at any time by the members of the coastal
23 resource service area board. If proposed by the board, the division of the service area
24 into sections is subject to approval of a majority of the qualified voters voting on the
25 question in the coastal resource service area at the next regular election or at a special
26 election called for that purpose and, if approved, takes effect at the next regular
27 election of members of the coastal resource service area board.

28 * **Sec. 357.** AS 46.40.170(a) is amended to read:

29 (a) If residents of a coastal resource service area reject organization of the
30 service area at an election called for the purpose and the council finds, after public
31 hearing, that major economic development activity has occurred or will occur within

1 the service area, the council may direct the Department of Community and **Economic**
2 **Development** [REGIONAL AFFAIRS] to prepare and recommend for consideration
3 by the council and for submission to the legislature a district coastal management
4 program for the service area.

5 * **Sec. 358.** AS 46.40.170(b) is amended to read:

6 (b) At the request of the council, the Department of Community and **Economic**
7 **Development** [REGIONAL AFFAIRS] shall complete the district coastal management
8 program in accordance with this chapter and the guidelines and standards adopted by
9 the council for a coastal resource service area **that** [WHICH] has been organized but
10 **that** [WHICH] has failed to make substantial progress in the preparation of an
11 approvable district coastal management program within 18 months of certification of
12 the results of an organization election or **that** [WHICH] has not submitted for approval
13 to the council a program within 30 months of certification of the results of its
14 organization election. Preparation of the program shall be conducted in consultation
15 with the coastal resource service area and shall, to the maximum extent consistent with
16 this chapter, reflect the expressed concerns of the residents of the service area.

17 * **Sec. 359.** AS 46.40.180(a) is amended to read:

18 (a) Before adoption by a coastal resource service area board, or by the
19 Department of Community and **Economic Development** [REGIONAL AFFAIRS]
20 under AS 46.40.170, a district coastal management program shall be submitted for
21 review to each city or village within the coastal resource service area. The council of
22 a city or traditional village council shall consider the program submitted for review.
23 Within 60 days of submission, the council of a city or traditional village council shall
24 either approve the program or enter objections to all or any portion of the program.

25 * **Sec. 360.** AS 46.40.180(d) is amended to read:

26 (d) For purposes of this section, "village" means an unincorporated community
27 where at least 25 persons reside as a social unit as determined by the Department of
28 Community and **Economic Development** [REGIONAL AFFAIRS].

29 * **Sec. 361.** AS 46.40.190(a) is amended to read:

30 (a) A city within the coastal area **that** [WHICH] is not part of a coastal
31 resource service area shall be included for purposes of this chapter within an adjacent

1 coastal resource service area unless its governing body, by resolution adopted by a
2 majority of its membership, chooses to exclude the city from an adjacent coastal
3 resource service area and a copy of the resolution is filed with the commissioner of
4 community and **economic development** [REGIONAL AFFAIRS].

5 * **Sec. 362.** AS 46.40.210(2) is amended to read:

6 (2) "coastal resource district" means each of the following **that**
7 [WHICH] contains a portion of the coastal area of the state:

8 (A) unified municipalities;

9 (B) organized boroughs of any class **that** [WHICH] exercise
10 planning and zoning authority;

11 (C) home rule and first class cities of the unorganized borough
12 or within boroughs **that** [WHICH] do not exercise planning and zoning
13 authority;

14 (D) second class cities of the unorganized borough, or within
15 boroughs **that** [WHICH] do not exercise planning and zoning authority, **that**
16 [WHICH] have established a planning commission, and **that** [WHICH], in the
17 opinion of the commissioner of community and **economic development**
18 [REGIONAL AFFAIRS], have the capability of preparing and implementing
19 a comprehensive district coastal management program under AS 46.40.030;

20 (E) coastal resource service areas established and organized
21 under AS 29.03.020 and AS 46.40.110 - 46.40.180;

22 * **Sec. 363.** AS 46.40.210(5) is amended to read:

23 (5) "department" means the Department of Community and **Economic**
24 **Development** [REGIONAL AFFAIRS];

25 * **Sec. 364.** AS 47.05.030 is amended to read:

26 Sec. 47.05.030. MISUSE OF PUBLIC ASSISTANCE LISTS AND
27 RECORDS. Except for purposes directly connected with the administration of general
28 assistance, adult public assistance, the day care assistance program authorized under
29 **AS 47.35.910 - 47.35.950** [AS 44.47.250 - 44.47.310], or aid to families with
30 dependent children, and in accordance with the regulations of the department, a person
31 may not solicit, disclose, receive, make use of, or authorize, knowingly permit,

1 participate in, or acquiesce in the use of, a list of or names of, or information
2 concerning, persons applying for or receiving the assistance directly or indirectly
3 derived from the records, papers, files, or communications of the department or
4 subdivisions or agencies of the department, or acquired in the course of the
5 performance of official duties.

6 * **Sec. 365.** AS 47.08.020 is amended to read:

7 Sec. 47.08.020. CATASTROPHIC ILLNESS COMMITTEE. There is created
8 the Catastrophic Illness Committee, consisting of a medical review officer from the
9 Department of Health and Social Services, a member appointed by the governor who
10 has suffered a catastrophic illness, and a representative of the Department of **Revenue**
11 [COMMERCE AND ECONOMIC DEVELOPMENT] appointed by the governor.

12 * **Sec. 366.** AS 47.18.010(c) is amended to read:

13 (c) The Department of Education, the Department of Community and
14 **Economic Development** [REGIONAL AFFAIRS], and the Department of Labor shall
15 assist the department in developing the plan required under (a) of this section. In
16 addition, through appropriate means, the department shall solicit advice from teens,
17 parents, educators, school administrators, taxpayers, civic groups, community
18 organizations, Native organizations, officials of local governments, religious
19 institutions, and other concerned persons about how state programs can be coordinated
20 and operated in a manner that will enhance their effectiveness and efficiency in
21 addressing the many needs associated with adolescent parenting, the prevention of
22 adolescent pregnancies, and the provision of adolescent peer counseling.

23 * **Sec. 367.** AS 47.25.421(c) is amended to read:

24 (c) The department may carry out the program directly or through
25 arrangements or under contracts with administrative entities involved with 29 U.S.C.
26 1501 - 1792b (Job Training Partnership Act), as amended, with state and local
27 education agencies, and with other public agencies or private organizations, including
28 community-based organizations acceptable under federal regulations. The department
29 shall contract for services under the program when feasible and in the state's interest.
30 The department may adopt regulations to govern the operation of the program
31 components that are operated under contract by other entities. Whether the department

1 operates the program directly or through contract, the department shall coordinate the
2 program with programs operated in the state under the Job Training Partnership Act
3 and with other relevant employment, training, and education programs available in the
4 state, including programs operated by Indian or Native organizations that receive grants
5 from the federal government to operate their programs under 42 U.S.C. 682(i) and
6 programs operated or funded by the Alaska Human Resources Investment Council
7 established by AS 44.19.620 through a grant from the Department of Labor. The
8 department shall consult with the Department of Education, the Department of Labor,
9 and the Department of Community and **Economic Development** [REGIONAL
10 AFFAIRS] to promote coordination of the planning and delivery of services under the
11 program with programs operated by those departments.

12 * **Sec. 368.** AS 47.25.425(c) is amended to read:

13 (c) In consultation with the Department of Community and **Economic**
14 **Development** [REGIONAL AFFAIRS] and the Department of Labor, the department
15 may initiate development of innovative public work programs designed to meet federal
16 requirements related to work activity for a person in a family that receives assistance
17 on behalf of a dependent child who is dependent because of the unemployment of the
18 primary wage earner in a two-parent family.

19 * **Sec. 369.** AS 47.35.900 is amended to read:

20 Sec. 47.35.900. DEFINITIONS. In **AS 47.35.005 - 47.35.900** [THIS
21 CHAPTER],

22 (1) "administrator" means an individual who has general administrative
23 charge and oversight of a facility or agency;

24 (2) "agency" means a child placement agency;

25 (3) "child" means an individual under 18 years of age, and includes an
26 individual who is a relative of a care provider, administrator, or foster parent;

27 (4) "child care" means, care, supervision, and provision of
28 developmental opportunities, with or without compensation, to a child who does not
29 have a parent present;

30 (5) "child care facility" means a place where child care is regularly
31 provided for children under the age of 12 for periods of time that are less than 24

1 hours in duration unless nighttime care is authorized by the department;

2 (6) "child placement agency" means a person who arranges for
3 placement of a child

4 (A) in a foster home, residential child care facility, or adoptive
5 home; or

6 (B) for guardianship purposes;

7 (7) "department" means the Department of Health and Social Services;

8 (8) "facility" means the administration, program, and physical plant of
9 a foster home, child care facility, residential child care facility, or maternity home;

10 (9) "foster home" means a place where the adult head of household
11 provides 24-hour care on a continuing basis to one or more children who are apart
12 from their parents;

13 (10) "home study" means a written report of an investigation of the
14 prospective adoptive or foster parent or parents' ability to care for a child that has been
15 prepared in accordance with AS 25.23.100(f);

16 (11) "licensee" means a person to whom a license has been issued
17 under this chapter;

18 (12) "maternity home" means a place of residence whose primary
19 function, with or without compensation, is to give care to pregnant individuals,
20 regardless of age, before or after the individual gives birth, or that provides care, as
21 needed, to mothers and their newborn infants;

22 (13) "nonsecure attendant care setting" means an unlocked place that
23 is an alternative to an adult jail or other locked setting, where an employee, adult head
24 of household, or volunteer provides care for one or more children 10 years of age or
25 older who are under arrest and who are apart from their parents;

26 (14) "parent" means a birth or adoptive parent or a legal guardian;

27 (15) "recreational camp" means a place that provides recreational
28 opportunities to children who attend with the consent of their parent;

29 (16) "relative" means an individual who is related to another through
30 any of the following relationships, by blood, adoption, or marriage: parent,
31 grandparent, great grandparent, brother, sister, stepparent, stepsister, stepbrother,

1 cousin, aunt, uncle, great-aunt, great-uncle, or step-grandparent;

2 (17) "residential child care facility" means a place, staffed by
3 employees, where one or more children who are apart from their parents receive 24-
4 hour care on a continuing basis;

5 (18) "runaway minor" has the meaning given in AS 47.10.390;

6 (19) "shelter for runaway minors" or "shelter for runaways" means a
7 private residence whose legal occupant agrees to shelter, with or without compensation,
8 a runaway minor accepted into the residence, subject to the limitations imposed under
9 this chapter and AS 47.10.392 - 47.10.399.

10 * **Sec. 370.** AS 47.35 is amended by adding new sections to read:

11 **ARTICLE 2. DAY CARE ASSISTANCE; CHILD CARE GRANTS.**

12 **Sec. 47.35.910. DAY CARE POWERS AND DUTIES.** (a) The department
13 shall

14 (1) implement and administer a program to assist in providing day care
15 for the children of low and moderate income families according to the requirements
16 of AS 47.35.910 - 47.35.929;

17 (2) establish standards of eligibility for day care benefits;

18 (3) contract for the care of children of eligible families;

19 (4) establish procedures to periodically review the needs of families
20 receiving day care benefits;

21 (5) provide notification to the local government body of the request for
22 a contract with a day care facility.

23 (b) The department may

24 (1) adopt regulations necessary for the performance of its duties under
25 AS 47.35.910 - 47.35.929;

26 (2) contract with other entities to perform duties of the department
27 under AS 47.35.910 - 47.35.929 within an area specified by the department; within an
28 area, the department shall give higher priority to contracting with municipalities than
29 with other organizations.

30 **Sec. 47.35.912. ADMINISTRATIVE COSTS OF PROGRAM**
31 **CONTRACTORS.** To defray administrative expenses, a contractor under

1 AS 47.35.910(b) may only retain \$1,000 or 12 percent, whichever is greater, of the day
2 care assistance program funds it receives from the department under the contract.

3 Sec. 47.35.914. CONDITIONS OF RECEIPT OF BENEFITS. Benefits may
4 be paid for the care of children of a low or moderate income family only if a parent
5 or guardian, because of the day care, is freed to work or to seek work or to attend
6 school. Benefits may not be paid for the care of children of a family where one parent
7 or guardian is not working, actively seeking work, or attending school, and is
8 physically and mentally capable of caring for the children.

9 Sec. 47.35.916. ELIGIBILITY OF FAMILIES FOR BENEFITS. The
10 department shall determine the eligibility of families for day care benefits on the basis
11 of the following factors:

12 (1) net income of the family including salary, alimony, child support,
13 retirement benefits, social security, and any other source of income;

14 (2) number of children in the family;

15 (3) whether there is one parent or guardian solely responsible for the
16 care of the family;

17 (4) other factors found relevant by the department.

18 Sec. 47.35.918. CONTRIBUTIONS BY PARENT OR GUARDIAN. The
19 department shall develop a sliding fee scale based on the factors listed in AS 47.35.916
20 for purposes of determining the amount to be contributed by the parent or guardian for
21 child care. The contribution of the parent or guardian shall be paid to the day care
22 facility.

23 Sec. 47.35.920. PLACEMENT; PAYMENT BY STATE. (a) Parents or
24 guardians shall select the day care facility for the care of their children.

25 (b) Benefits shall be paid by the department directly to the municipality or
26 organization contracting with the day care facility.

27 Sec. 47.35.922. CHILD CARE GRANT PROGRAM. (a) A child care grant
28 program is established in the department to provide state assistance in the operation
29 of child care facilities. The department shall provide grants for the operation of child
30 care facilities, including private nonprofit child care facilities. Participation in the
31 program is optional.

1 (b) To qualify for a grant under (a) or (d) of this section, the child care facility
2 must

3 (1) be currently licensed under AS 47.35.005 - 47.35.900 and
4 applicable municipal licensing requirements;

5 (2) participate in the day care assistance program under AS 47.35.910 -
6 47.35.929; and

7 (3) provide care under a payment system as provided in (g) of this
8 section.

9 (c) A grant under (a) of this section may not exceed \$50 a month for each
10 child the child care facility cares for, or for each full-time equivalent, as determined
11 by the department. The grant shall be adjusted on a geographic basis by the same
12 percentages as instructional unit allotments are adjusted under AS 14.17.051.

13 (d) In addition to the grants provided in (a) of this section, the department
14 may, subject to appropriations for that purpose, provide by grant or contract for the
15 education and training of child care employees or administrators. To receive a grant
16 or contract under this subsection or to participate in a training program under this
17 subsection, the child care facility must meet all the requirements of (b) of this section.

18 (e) An application for a grant under this section shall be made in the form
19 established by the department.

20 (f) A grant under (a) of this section shall be made monthly or quarterly and
21 shall be based on the monthly average daily full-time equivalent enrollment in the
22 child care facility. If the method of payment for the grant is other than monthly, it
23 shall be at the request of the child care facility with the approval of the department.
24 Based on criteria established by the department, the department may make quarterly
25 advance payments.

26 (g) Each child care facility receiving a grant under (a) or (d) of this section
27 shall assure that at least 15 percent or one of its child care spaces receiving subsidy
28 under this section, whichever is greater, will be made available, if requested, to
29 children eligible for day care assistance under AS 47.35.910 - 47.35.929, whose
30 parents or guardians wish to pay for care based on attendance only.

31 (h) The commissioner shall, in consultation with interested child care providers

1 and parents, adopt regulations to carry out the purposes of this section.

2 Sec. 47.35.929. DEFINITIONS. In AS 47.35.910 - 47.35.929,

3 (1) "child" means a person below 13 years of age, or a minor who has
4 a developmental disability;

5 (2) "child care facility" means an establishment licensed under
6 AS 47.35.005 - 47.35.900 including but not limited to day care centers, family day
7 care homes, and schools for preschool age children, which provides care for children
8 not related by blood, marriage, or legal adoption to the owner, operator, or manager
9 of the facility;

10 (3) "day care" means the care, supervision, and guidance of a child or
11 children unaccompanied by a parent or legal guardian on a regular basis for periods
12 of less than 24 hours a day;

13 (4) "day care facility" means a center or home licensed in accordance
14 with the provisions of AS 47.35.005 - 47.35.900 or recognized by the federal
15 government for the care of children;

16 (5) "department" means the Department of Health and Social Services;

17 (6) "developmental disability" means a disability under which a person
18 is incapable of self-care, as verified by a physician or licensed or certified psychologist
19 who has examined the person.

20 ARTICLE 3. CHILD CARE FACILITY REVOLVING LOAN FUND.

21 Sec. 47.35.935. CHILD CARE FACILITY REVOLVING LOAN FUND. (a)

22 There is in the Department of Health and Social Services the child care facility
23 revolving loan fund to carry out the purposes of AS 47.35.935 - 47.35.949. Except
24 as provided in (b) and (c) of this section, the fund may not be used for any other
25 purpose.

26 (b) The department may use money in the fund for costs of administering
27 AS 47.35.935 - 47.35.949.

28 (c) On June 30 of each fiscal year the unexpended and unobligated cash
29 balance of the fund that is attributable to loans owned by the fund lapses into the
30 general fund.

31 Sec. 47.35.937. SPECIAL ACCOUNT ESTABLISHED. (a) There is

1 established as a special account within the child care facility revolving loan fund the
2 foreclosure expense account. This account is established as a reserve from fund
3 equity.

4 (b) The commissioner of health and social services may expend money
5 credited to the foreclosure expense account when necessary to protect the state's
6 security interest in collateral on loans made under AS 47.35.939 or to defray expenses
7 incurred during foreclosure proceedings after a default by an obligor.

8 Sec. 47.35.939. POWERS AND DUTIES OF THE DEPARTMENT IN
9 ADMINISTERING THE FUND. (a) The department may

10 (1) make loans for the construction, renovation, and equipping of child
11 care facilities, including private nonprofit child care facilities;

12 (2) adopt regulations necessary to carry out the provisions of
13 AS 47.35.935 - 47.35.949, including regulations to establish reasonable fees for
14 services provided and charges for collecting the fee; and

15 (3) collect the fees and charges established under this subsection.

16 (b) The department shall

17 (1) develop eligibility standards for loans to child care facilities;

18 (2) adopt guidelines for the determination of loan terms.

19 Sec. 47.35.941. LOAN TERMS. (a) A loan to a child care facility under
20 AS 47.35.935 - 47.35.949 may not exceed \$50,000.

21 (b) The rate of interest charged shall be seven percent a year on the unpaid
22 balance of the loan.

23 (c) The duration for repayment of a loan may not exceed 20 years.

24 (d) All principal and interest payments, and any money chargeable to principal
25 or interest that is collected through liquidation by foreclosure or other process on
26 loans made under AS 47.35.935 - 47.35.949, shall be paid into the child care facility
27 revolving loan fund.

28 (e) If a child care facility ceases operation, any loan to the facility from the
29 fund is due on the date the facility ceases operation.

30 Sec. 47.35.943. ELIGIBILITY FOR LOANS. A child care facility is eligible
31 for a loan under AS 47.35.935 - 47.35.949 if

1 (1) the applicant submits to the department a plan for the use of the
2 loan funds that is approved by the commissioner; and

3 (2) the applicant meets additional eligibility standards established by
4 the department under AS 47.35.939(b)(1).

5 Sec. 47.35.945. SALE OR TRANSFER OF MORTGAGES AND NOTES.
6 The commissioner of health and social services may sell or transfer at par value or at
7 a premium to a bank or other private purchaser for cash or other consideration the
8 mortgages and notes held by the department as security for loans made under
9 AS 47.35.935 - 47.35.949.

10 Sec. 47.35.947. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
11 FORECLOSURE. The department shall dispose of property acquired through default
12 or foreclosure of a loan made under AS 47.35.935 - 47.35.949. Disposal shall be
13 made in a manner that serves the best interests of the state, and may include the
14 amortization of payments over a period of years.

15 Sec. 47.35.949. DEFINITIONS. In AS 47.35.935 - 47.35.949,

16 (1) "child care facility" means an establishment the principal purpose
17 of which is to provide care for children not related by blood, marriage, or legal
18 adoption, including but not limited to day care centers, family day care homes, and
19 schools for preschool age children;

20 (2) "department" means the Department of Health and Social Services.

21 * **Sec. 371.** AS 47.80.090 is amended to read:

22 Sec. 47.80.090. RESPONSIBILITIES. The council shall

23 (1) serve as a forum by which issues and benefits regarding current and
24 potential services to disabled and gifted persons may be discussed by consumer, public,
25 private, professional, and lay interests;

26 (2) advocate the needs of disabled and gifted persons before the
27 executive and legislative branches of the state government and before the public;

28 (3) advise the executive and legislative branches of the state
29 government and the private sector on programs and policies pertaining to current and
30 potential services to disabled or gifted persons and their families;

31 (4) submit periodic reports to the commissioner of health and social

1 services, the commissioner of education, and to other appropriate departments, on the
2 effects of current federal and state programs regarding services to disabled or gifted
3 persons; these reports must include program performance reports to the governor, the
4 federal government, and to state agencies as required under 20 U.S.C. 1482 and 42
5 U.S.C. 6024;

6 (5) in conjunction with the Departments of Health and Social Services
7 and Education, develop, prepare, adopt, periodically review, and revise as necessary
8 an annual state plan prescribing programs that meet the needs of persons with
9 developmental disabilities as required under 42 U.S.C. 6022;

10 (6) review and comment to commissioners of state departments on all
11 state plans and proposed regulations relating to programs for persons who are
12 experiencing disabilities before the adoption of a plan or regulation; for this purpose,
13 the appropriate departments shall submit the plans and proposed regulations to the
14 council;

15 (7) recommend the priorities and specifications for the use of funds
16 received by the state under 20 U.S.C. 1471 - 1485 and 42 U.S.C. 6000 - 6083;

17 (8) submit annually to the commissioner of health and social services,
18 the commissioner of education, and the commissioner of community and **economic**
19 **development** [REGIONAL AFFAIRS] a proposed interdepartmental program budget
20 for services to disabled or gifted persons that includes, insofar as possible, projected
21 revenues and expenditures for programs implemented by state agencies, local
22 governmental agencies, and private organizations; the interdepartmental program
23 budget is an informational supplement to the regular annual budgetary submissions of
24 the departments to the Office of the Governor;

25 (9) provide information and guidance for the development of
26 appropriate special educational programs and services for exceptional children as
27 defined in AS 14.30.350;

28 (10) monitor and evaluate budgets or other implementation plans and
29 programs for disabled and gifted persons to assure nonduplication of services and
30 encourage efficient and coordinated use of federal, state, and private resources in the
31 provision of services; members of the council, with the approval of the council, have

1 access to information in the possession of state agencies subject to disclosure
2 restrictions imposed by state or federal confidentiality or privacy laws;

3 (11) perform other duties required under applicable federal laws or
4 AS 14.30.231 and as the governor may assign; [AND]

5 (12) govern the special education service agency and may hire
6 personnel necessary to operate the agency; **and** [.]

7 (13) provide to the Alaska Mental Health Trust Authority for its review
8 and consideration recommendations concerning the integrated comprehensive mental
9 health program for the people of the state who are described in AS 47.30.056(b)(2) and
10 the use of the money in the mental health trust income account in a manner consistent
11 with regulations adopted under AS 47.30.031.

12 * **Sec. 372.** AS 47.90.040 is amended to read:

13 Sec. 47.90.040. CONSULTATION AND COORDINATION. The
14 commissioner shall consult and cooperate with the Department of Health and Social
15 Services; the Department of Education, including the division of vocational
16 rehabilitation; the University of Alaska, community colleges, and other colleges as
17 appropriate; [THE DEPARTMENT OF LABOR, INCLUDING THE DIVISION OF
18 EMPLOYMENT SECURITY;] and other persons or agencies that the commissioner
19 considers appropriate in the implementation of this chapter.

20 * **Sec. 373.** AS 47.90.070(1) is amended to read:

21 (1) "commissioner" means the commissioner of **labor** [COMMUNITY
22 AND REGIONAL AFFAIRS];

23 * **Sec. 374.** Section 7(b), ch. 95, SLA 1989, as amended by sec. 13, ch. 61, SLA 1995, is
24 amended to read:

25 (b) If a grant is awarded to the council, the department shall annually provide
26 to the council a priority list of targeted projects or services, based on unemployment
27 statistics, unemployment insurance claims, occupational and industrial projections,
28 availability of other training and employment programs, and other relevant data. The
29 department shall also provide annually to the council a priority list of criteria for
30 eligibility to maximize services to those people most in need of training under this Act.
31 In developing the priority list for targeted projects and services, the department shall

1 solicit comments from the [DEPARTMENT OF COMMUNITY AND REGIONAL
2 AFFAIRS,] Department of Education, Department of **Community** [COMMERCE] and
3 Economic Development, University of Alaska, organized labor, the council, and the
4 administrative entities of the substate service delivery areas established for the council.

5 * **Sec. 375.** REPEALER. AS 29.71.800(5), 29.71.800(8); AS 44.17.005(17); AS 44.33.240,
6 44.33.242, 44.33.245, 44.33.255, 44.33.260, 44.33.270, 44.33.272, 44.33.275, and 44.33.431;
7 and AS 44.47 are repealed.

8 * **Sec. 376.** TRANSITIONAL PROVISIONS. (a) Litigation, hearings, investigations, and
9 other proceedings pending under a law repealed or amended by this Act, or in connection with
10 functions transferred by this Act, continue in effect and may be completed notwithstanding
11 a transfer or repeal provided for in this Act.

12 (b) Regulations in effect on June 30, 1997, that were adopted to implement a function
13 that is transferred by this Act remain in effect and shall be enforced by the agency to which
14 the function is transferred under this Act until amended by the agency to which the function
15 is transferred.

16 (c) Wherever in Alaska Statutes affected by this Act there is a reference to regulations
17 adopted under a section of law and there are no regulations adopted under that section because
18 previous regulations adopted under another section are being enforced under (b) of this
19 section, the reference shall be construed to refer to the previously adopted regulations until
20 they are amended by the new agency.

21 (d) Contracts, rights, liabilities, and obligations created by or under a law repealed or
22 amended by this Act, and in effect on June 30, 1997, remain in effect notwithstanding this
23 Act's taking effect.

24 (e) Records, equipment, appropriations, and other property of an agency of the state
25 whose functions are transferred under this Act shall be transferred to implement the provisions
26 of this Act.

27 * **Sec. 377.** This Act takes effect July 1, 1997.