

**CS FOR HOUSE BILL NO. 415(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/25/96

Referred: Health, Education and Social Services, Resources, Finance

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

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act streamlining the functions of state government, including authorizing the  
2 commissioner of fish and game to award grants for certain resource activities;  
3 allowing agents selling fish and game licenses and tags to retain certain  
4 compensation; relating to payments of insurance taxes and fees; relating to time  
5 limits on state warrants; amending calculations of terminal leave payments for  
6 a state officer or employee; authorizing the Department of Health and Social  
7 Services to award grants for certain services for developmentally delayed or  
8 disabled children; relating to rabies control and administration of flour and  
9 bread standards by the Department of Environmental Conservation; repealing the  
10 Athletic Commission, the regulation of boxing and wrestling, the certification of  
11 professional geologists, and the Water Resources Board; relating to the time  
12 limitation on payment of state warrants; repealing certain filing statements and

1 bonds for enforcement and collection of certain taxes and relating to service on  
2 nonresident taxpayers; and providing for an effective date."

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

4 \* **Section 1.** AS 16.05 is amended by adding a new section to read:

5           Sec. 16.05.085. GRANT AUTHORITY. The commissioner may award grants  
6 for protecting, maintaining, improving, or extending fish, game, or aquatic plant  
7 resources of the state, including making those resources available to the public. The  
8 commissioner may adopt regulations to interpret or implement this section. In order  
9 to recover all or part of the department's costs of administering the grants, the  
10 commissioner may charge a fee to grant applicants and may retain up to 10 percent  
11 of a grant award.

12 \* **Sec. 2.** AS 16.05.390 (a) is amended to read:

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

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

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

19 \* **Sec. 3.** AS 16.05.390(b) is amended to read:

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

25 \* **Sec. 4.** AS 16.05.390(g) is amended to read:

26           (g) The commissioner may assess a penalty against an agent who does not  
27 transmit proceeds within the time allowed under (f) of this section. The penalty is  
28 equal to one and one-half percent of the amount of proceeds due. The penalty may  
29 be assessed for each month or portion of a month that the proceeds are delinquent.

30 [A PENALTY UNDER THIS SUBSECTION SHALL BE WITHHELD FROM THE

1 AGENT'S COMPENSATION UNDER (a)(2) OF THIS SECTION.]

2 \* **Sec. 5.** AS 21.09.210(b) is amended to read:

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

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

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

22 \* **Sec. 6.** AS 21.09.210(d) is amended to read:

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

1 this section, the amounts refunded or paid as participation dividends by the insurers  
2 to the holders of the contracts. In this subsection,

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

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

7 \* **Sec. 7.** AS 21.34.180(b) is amended to read:

8 (b) The surplus lines tax [IS DUE ON THE SECOND DAY OF MARCH  
9 FOLLOWING THE CALENDAR YEAR IN WHICH THE PREMIUM IS WRITTEN.  
10 THE TAX] shall be paid **by the electronic or other method and on the due dates**  
11 **specified by the director. The tax shall be** [TO AND] reported on forms prescribed  
12 by the director, or upon the director's order paid to and reported on forms prescribed  
13 by the surplus lines association.

14 \* **Sec. 8.** AS 21.34.190(a) is amended to read:

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

19 \* **Sec. 9.** AS 21.66.110(a) is amended to read:

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

27 \* **Sec. 10.** AS 37.05.180 is repealed and reenacted to read:

28 Sec. 37.05.180. TIME LIMITATION ON PAYMENT OF WARRANTS. A  
29 warrant upon the state treasury may not be paid unless presented to the Department of  
30 Revenue within one year after the date of its issuance. Money that was not paid  
31 because a warrant for its payment was not timely presented may not be transferred to

1 another fund except as otherwise specifically provided by law.

2 \* **Sec. 11.** AS 39.20.250(a) is amended to read:

3 (a) Terminal leave for unused personal leave shall be allowed upon separation  
4 from service. The payment equals the personal leave balance at the time of  
5 separation multiplied by the officer's or employee's annualized hourly rate of pay  
6 [COMPENSATION THAT THE OFFICER OR EMPLOYEE WOULD HAVE  
7 RECEIVED IF THE OFFICER OR EMPLOYEE HAD REMAINED IN THE  
8 SERVICE UNTIL THE EXPIRATION OF THE PERIOD OF UNUSED PERSONAL  
9 LEAVE]. A payment of terminal leave to an employee shall be made as a lump sum  
10 payment [OR IN INSTALLMENTS OVER A PERIOD OF TIME, AS THE  
11 EMPLOYEE ELECTS].

12 \* **Sec. 12.** AS 43.10.170(b) is amended to read:

13 (b) The service of process shall be made by leaving a copy with the  
14 commissioner of commerce and economic development. If legal action is instituted  
15 against the nonresident taxpayer, the commissioner of commerce and economic  
16 development shall immediately notify the nonresident by sending a copy of the process  
17 by registered letter to the [POST OFFICE ADDRESS STATED IN THE AFFIDAVIT  
18 ON FILE WITH THE COMMISSIONER OF REVENUE, OR, IF NO ADDRESS IS  
19 STATED IN THE AFFIDAVIT, TO THE] last known address of the taxpayer.

20 \* **Sec. 13.** AS 47.20 is amended by adding a new section to read:

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

23 \* **Sec. 14.** AS 47.20.110(a) is amended to read:

24 (a) The department shall adopt regulations necessary to implement this chapter,  
25 including regulations

26 (1) for personnel development, including preservice and in-service  
27 training programs for providers of early intervention services;

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

31 (3) that ensure that services are provided to children and their families

1 in a timely manner pending the resolution of disputes among public agencies or service  
2 providers;

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

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

10 \* **Sec. 15.** AS 03.05.070; AS 17.07.010, 17.07.020, 17.07.030, 17.07.040, 17.07.050,  
11 17.07.060, 17.07.070, 17.07.080, 17.07.090, 17.07.100, 17.07.200, and AS 39.20.250(b) are  
12 repealed.

13 \* **Sec. 16.** AS 05.05.010, 05.05.020, 05.05.030, 05.05.040; AS 05.10.010, 05.10.020,  
14 05.10.030, 05.10.040, 05.10.050, 05.10.060, 05.10.070, 05.10.080, 05.10.090, 05.10.100,  
15 05.10.110, 05.10.120, 05.10.130, 05.10.140, 05.10.150, 05.10.160, 05.10.170; AS 08.01.010(3),  
16 08.01.010(32); AS 08.02.011; AS 46.15.190, 46.15.200, 46.15.210, 46.15.220, 46.15.230, and  
17 46.15.240 are repealed.

18 \* **Sec. 17.** AS 16.05.390(c), 16.05.390(d); AS 43.10.160, 43.10.180, 43.10.190, and  
19 43.10.200 are repealed.

20 \* **Sec. 18.** TRANSITION: PAYMENT AND REPORTING FOR TAXES ON  
21 INSURANCE PREMIUMS FOR CALENDAR YEAR 1996. Notwithstanding the amendments  
22 made by secs. 5 - 9 of this Act, payment of and reporting for fees and taxes for calendar year  
23 1996 as required under AS 21.09.210(b), 21.09.210(d), AS 21.34.180(b), 21.34.190(a), and  
24 AS 21.66.110(a) as those statutes read on the day before the effective date of secs. 5 - 9 of  
25 this Act shall be made as required under those statutes, and regulations adopted under those  
26 statutes, as they read on the day before the effective date of secs. 5 - 9 of this Act.

27 \* **Sec. 19.** TRANSITION: REGULATIONS. Notwithstanding secs. 22 and 23 of this Act,  
28 the state agencies affected by this Act may adopt, amend, or repeal regulations as necessary  
29 to implement this Act. A regulation change takes effect under AS 44.62 (Administrative  
30 Procedure Act), but not before the effective date of the appropriate section in this Act.

31 \* **Sec. 20.** APPLICABILITY. The provisions of AS 37.05.180, as repealed and reenacted

1 by sec. 10 of this Act, apply to a state warrant issued on or after the effective date of sec. 10  
2 of this Act.

3 \* **Sec. 21.** Sections 11, 15, and 19 of this Act take effect immediately under  
4 AS 01.10.070(c).

5 \* **Sec. 22.** Sections 1, 10, 13, 14, 16, and 20 of this Act take effect July 1, 1996.

6 \* **Sec. 23.** Sections 2 - 9, 12, 17, and 18 of this Act take effect January 1, 1997.