

**HOUSE BILL NO. 435**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVE ROKEBERG**

**Introduced: 2/18/98**

**Referred: Labor and Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the consumer price index; and providing for an effective  
2 date."

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

4 \* **Section 1.** AS 01.10.060 is amended by adding a new paragraph to read:

5 (15) "consumer price index" means the Consumer Price Indexes, All  
6 Items Indexes, All Urban Consumers, U.S. City Average, compiled by the Bureau of  
7 Labor Statistics, United States Department of Labor.

8 \* **Sec. 2.** AS 09.38.115(a) is amended to read:

9 (a) The dollar amounts in this chapter change, as provided in this section,  
10 according to and to the extent of changes in the consumer price index [CONSUMER  
11 PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE ANCHORAGE  
12 METROPOLITAN AREA COMPILED BY THE BUREAU OF LABOR STATISTICS,  
13 UNITED STATES DEPARTMENT OF LABOR] (the index). The index for January  
14 of 1982 is the reference base index.

1 \* **Sec. 3.** AS 09.55.548(a) is amended to read:

2 (a) Damages shall be awarded in accordance with principles of the common  
3 law. The fact finder in a malpractice action shall render any award for damages by  
4 category of loss. The court may enter a judgment that future damages be paid in  
5 whole or in part by periodic payments rather than by a lump-sum payment; the  
6 judgment must include, if necessary, other provisions to assure that funds are available  
7 as periodic payments become due. Insurance from an authorized insurer as defined in  
8 AS 21.90.900 is sufficient assurance that funds will be available. Any part of the  
9 award that is paid on a periodic basis shall be adjusted annually according to changes  
10 in the consumer price index [IN THE COMMUNITY WHERE THE CLAIMANT  
11 RESIDES]. In this subsection, "future damages" includes damages for future medical  
12 treatment, care or custody, loss of future earnings, or loss of bodily function of the  
13 claimant.

14 \* **Sec. 4.** AS 14.25.143(f) is amended to read:

15 (f) **Notwithstanding the definition of consumer price index in AS 01.10.060,**  
16 **for an employee who first became a member of the system before the effective**  
17 **date of this Act, an** [AN] increase in benefit payments under this section is effective  
18 July 1 of each year and is based on the percentage increase in the consumer price  
19 index for urban wage earners and clerical workers for Anchorage, Alaska, during the  
20 previous calendar year as determined by the United States Department of Labor,  
21 Bureau of Labor Statistics. **For an employee first hired in the system on or after**  
22 **the effective date of this Act, an increase in benefit payments under this section**  
23 **is effective July 1 of each year and is based on the percentage increase in the**  
24 **consumer price index.**

25 \* **Sec. 5.** AS 14.56.330(b) is amended to read:

26 (b) State money granted to a library under AS 14.56.300 - 14.56.340 may not  
27 be used to supplant local money equal to local expenditures for that library in fiscal  
28 year 1980, as adjusted annually by the commissioner to conform approximately to  
29 changes in the [UNITED STATES DEPARTMENT OF LABOR BUREAU OF  
30 LABOR STATISTICS] consumer price index [FOR ANCHORAGE, ALASKA]. A  
31 library that uses state money to supplant local money forfeits eligibility for grants

1 under AS 14.56.300 - 14.56.340 for two years.

2 \* **Sec. 6.** AS 18.20.340 is amended to read:

3 **Sec. 18.20.340. Civil fines.** In accordance with regulations adopted by the  
4 department under AS 44.62.010 - 44.62.300, the department may assess and collect,  
5 with interest, a civil fine of up to \$10,000 a day for each day a nursing facility is or  
6 was out of compliance with any of the federal or state statutes or regulations listed in  
7 AS 18.20.310. The department shall annually increase the maximum amount of the  
8 civil fine authorized in this section by a percentage equal to the percentage of increase  
9 in [ALL ITEMS OF] the consumer price index [CONSUMER PRICE INDEX FOR  
10 ALL URBAN CONSUMERS FOR ANCHORAGE, ALASKA]. Each day upon which  
11 the same or a substantially similar noncompliance occurs is a separate violation subject  
12 to the assessment of a separate civil fine. A civil fine assessed under this section is  
13 not reimbursable under AS 47.07 or AS 47.25.120 - 47.25.300. The department shall  
14 deduct the amount of a civil fine from reimbursement due or to be due the nursing  
15 facility under AS 47.07 or AS 47.25.120 - 47.25.300. The department may also use  
16 any remedy available under law to pursue collection of an unpaid fine.

17 \* **Sec. 7.** AS 21.42.365(b) is amended to read:

18 (b) The benefits described in (a) of this section shall be adjusted January 1,  
19 1999, by the director and every three years thereafter to correspond with the change  
20 in the medical care component of the consumer price index [FOR ALL URBAN  
21 CONSUMERS FOR THE ANCHORAGE METROPOLITAN AREA COMPILED BY  
22 THE BUREAU OF LABOR STATISTICS, UNITED STATES DEPARTMENT OF  
23 LABOR]. The base year for the first adjustment shall be calendar year 1996.

24 \* **Sec. 8.** AS 21.55.120(a) is amended to read:

25 (a) A state plan other than a Medicare supplement plan may require  
26 deductibles of \$200 a person, \$500 a person, or \$1,000 a person. The amount of the  
27 deductible may not be greater when a service is rendered on an outpatient basis than  
28 when that service is offered on an inpatient basis. Expenses incurred during the last  
29 three months of a calendar year and actually applied to an individual's deductible for  
30 that year shall also be applied to that individual's deductible in the following calendar  
31 year. The \$200 maximum, the \$500 maximum, and the \$1,000 maximum may be

1 adjusted yearly to correspond with the change in the **consumer price index**  
 2 [MEDICAL CARE COMPONENT OF THE CONSUMER PRICE INDEX], as  
 3 adjusted by the director. The base year for the computation shall be the first full  
 4 calendar year of operation of the association.

5 \* **Sec. 9.** AS 21.55.120(c) is amended to read:

6 (c) Except as provided in (e) of this section, the sum of the deductible and  
 7 copayments required in any calendar year under a plan may not exceed a maximum  
 8 limit of \$2,000 per covered individual. Covered expenses incurred after the applicable  
 9 maximum limit has been reached shall be paid at the rate of 100 percent of usual,  
 10 customary, reasonable, or prevailing charges, except that expenses incurred for  
 11 treatment of mental and nervous conditions shall be paid at the rate of 50 percent. The  
 12 \$2,000 maximum shall be adjusted yearly to correspond with the change in the  
 13 **consumer price index** [MEDICAL CARE COMPONENT OF THE CONSUMER  
 14 PRICE INDEX] as adjusted by the director.

15 \* **Sec. 10.** AS 26.05.260(b) is amended to read:

16 (b) Members of the Alaska National Guard and Alaska Naval Militia are  
 17 entitled to receive, for each day of active service under AS 26.05.070, pay and  
 18 allowances equal to those provided by federal laws and regulations for members of  
 19 equivalent grades of the United States armed forces. However, a member may not  
 20 receive less than \$65 a [PER] day for active service performed during the fiscal year  
 21 ending June 30, 1982. For fiscal years beginning after June 30, 1982, the minimum  
 22 payment of \$65 shall be increased one percent for each percent increase in the  
 23 consumer price index [OF ANCHORAGE, ALASKA, AS DETERMINED BY THE  
 24 UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR  
 25 STATISTICS], not to exceed an annual increase of 10 percent. The increase, if any,  
 26 takes effect not more than 30 days after the release of the consumer price index. The  
 27 consumer price index that is published immediately after July 1, 1981, is the reference  
 28 base index.

29 \* **Sec. 11.** AS 34.08.820(a) is amended to read:

30 (a) **Notwithstanding the definition of consumer price index in**  
 31 **AS 01.10.060, for planned communities created before the effective date of this**

1 Act, the [THE] dollar amounts specified in AS 34.08.030 and 34.08.510(b)(7) change  
2 under (b) and (c) of this section, according to and to the extent of changes in the  
3 Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City  
4 Average, All Items 1967 equal 100, compiled by the Bureau of Labor Statistics, United  
5 States Department of Labor, (the "Index"). The Index for December, 1979, which was  
6 230, is the Reference Base Index. **For planned communities created on or after the**  
7 **effective date of this Act, the change under this section is based on the consumer**  
8 **price index as defined in AS 01.10.060.**

9 \* **Sec. 12.** AS 37.05.540(b) is amended to read:

10 (b) Except for appropriations to the permanent fund or for Alaska permanent  
11 fund dividends, appropriations to the budget reserve fund, appropriations of revenue  
12 bond proceeds, appropriations required to pay the principal and interest on general  
13 obligation bonds, and appropriations of money received from a nonstate source in trust  
14 for a specific purpose, including revenue of a public enterprise or public corporation  
15 of the state that issues revenue bonds, appropriations from the mental health trust  
16 settlement income account (AS 37.14.036), and appropriations made to the mental  
17 health trust fund (AS 37.14.031), appropriations from the treasury made in a fiscal year  
18 may not exceed appropriations made in the preceding fiscal year by more than five  
19 percent plus the change in population and inflation since the beginning of the  
20 preceding fiscal year. For purposes of applying this limit, an appropriation is  
21 considered to be made in the fiscal year in which it is enacted and a reappropriation  
22 remains attributed to the fiscal year in which the original appropriation is enacted. The  
23 determination of the change in population for purposes of this subsection shall be  
24 based on an annual estimate of population by the Department of Labor. The  
25 determination of the change in inflation for purposes of this subsection shall be based  
26 on the **consumer price index** [CONSUMER PRICE INDEX FOR ALL URBAN  
27 CONSUMERS FOR ANCHORAGE PREPARED BY THE UNITED STATES  
28 BUREAU OF LABOR STATISTICS]. The amount of money received by the state  
29 that is subject to the appropriation limit includes the balance in the general fund  
30 carried forward from the preceding fiscal year.

31 \* **Sec. 13.** AS 37.13.145(c) is amended to read:

1 (c) After the transfer under (b) of this section, the corporation shall transfer  
 2 from the earnings reserve account to the principal of the fund an amount sufficient to  
 3 offset the effect of inflation on **the** principal of the fund during that fiscal year. The  
 4 corporation shall calculate the amount to transfer to the principal under this subsection  
 5 by

6 (1) computing the average of the monthly **consumer price index**  
 7 [UNITED STATES CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS]  
 8 for each of the two previous calendar years;

9 (2) computing the percentage change between the first and second  
 10 calendar year average; and

11 (3) applying that rate to the value of the principal of the fund on the  
 12 last day of the fiscal year just ended.

13 \* **Sec. 14.** AS 38.05.211(d) is amended to read:

14 (d) **Notwithstanding the definition of consumer price index in**  
 15 **AS 01.10.060, for mining claims, leasehold locations, and mining leases first**  
 16 **acquired from the state before the effective date of this Act, the** [THE] rental  
 17 amount established under this section shall be revised by the commissioner as provided  
 18 in this section based on changes in the Consumer Price Index for all urban consumers,  
 19 Anchorage Metropolitan Area (Semi-Annual Average), compiled by the Bureau of  
 20 Labor Statistics, United States Department of Labor, as revised, rebased, or replaced  
 21 by that bureau. The reference base index is the index for January - June 1989, as  
 22 revised or rebased by that bureau. The rental amount shall be increased or decreased,  
 23 as appropriate, by an amount equal to the change in the index described in this  
 24 subsection rounded to the nearest whole \$5 unit. The commissioner shall calculate the  
 25 change in the rental amount each 10 years and, if the rental amount must be revised,  
 26 shall adopt a regulation establishing the revised rental amount. A revised rental  
 27 amount applies to a rental payment if the regulation establishing the revised rental  
 28 amount took effect at least 90 days before the date the rental payment is due. **For**  
 29 **mining claims, leasehold locations, and mining leases first acquired from the state**  
 30 **on or after the effective date of this section, a revision of the rental amount under**  
 31 **this Act shall be based on changes in the consumer price index as that term is**

1 **defined in AS 01.10.060, and the reference base index is the index for 1998.**

2 \* **Sec. 15.** AS 38.05.321(h) is amended to read:

3 (h) The value of the right to construct housing determined under (e) of this  
4 section shall be adjusted to correspond with the change in the consumer price index  
5 [FOR ALL URBAN CONSUMERS FOR THE ANCHORAGE METROPOLITAN  
6 AREA COMPILED BY THE BUREAU OF LABOR STATISTICS, UNITED STATES  
7 DEPARTMENT OF LABOR]. The base year for the computation shall be the  
8 calendar year in which the process of conveyance of state land authorized by (a) of  
9 this section is initiated under this section.

10 \* **Sec. 16.** AS 39.27.011(e) is amended to read:

11 (e) Effective July 1, 1996, the amounts set out in the salary schedule contained  
12 in (a) of this section are increased by the lesser of

13 (1) 1.5 percent; or

14 (2) one-half of the percentage increase in the [UNITED STATES  
15 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS,] consumer price  
16 index [FOR ALL URBAN CONSUMERS FOR ANCHORAGE, ALASKA,] from the  
17 second half of 1994 to the second half of 1995.

18 \* **Sec. 17.** AS 39.27.011(f) is amended to read:

19 (f) Effective July 1, 1997, the amounts set out in the salary schedule contained  
20 in (a) of this section, as increased under (e) of this section, are increased by the lesser  
21 of

22 (1) 1.5 percent; or

23 (2) one-half of the percentage increase in the [UNITED STATES  
24 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS,] consumer price  
25 index [FOR ALL URBAN CONSUMERS FOR ANCHORAGE, ALASKA,] from the  
26 second half of 1995 to the second half of 1996.

27 \* **Sec. 18.** AS 39.27.011(g) is amended to read:

28 (g) Effective July 1, 1998, the amounts set out in the salary schedule contained  
29 in (a) of this section, as increased under (e) and (f) of this section, are increased by  
30 the lesser of

31 (1) 1.5 percent; or

1 (2) one-half of the percentage increase in the [UNITED STATES  
2 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS,] consumer price  
3 index [FOR ALL URBAN CONSUMERS FOR ANCHORAGE, ALASKA,] from the  
4 second half of 1996 to the second half of 1997.

5 \* **Sec. 19.** AS 39.35.475(f) is amended to read:

6 (f) **Notwithstanding the definition of consumer price index in AS 01.10.060,**  
7 **for an employee who first became a member of the system before the effective**  
8 **date of this Act, an** [AN] increase in benefit payments under this section is effective  
9 July 1 of each year and is based on the percentage increase in the consumer price  
10 index for urban wage earners and clerical workers for Anchorage, Alaska, during the  
11 previous calendar year as determined by the United States Department of Labor,  
12 Bureau of Labor Statistics. **For an employee first hired in the system on or after**  
13 **the effective date of this Act, an increase in benefit payments under this section**  
14 **is effective July 1 of each year and is based on the percentage increase in the**  
15 **consumer price index.**

16 \* **Sec. 20.** AS 46.04.045(a) is amended to read:

17 (a) **Notwithstanding the definition of consumer price index in**  
18 **AS 01.10.060, for a person who submitted a proof of responsibility before the**  
19 **effective date of this Act, the** [THE] dollar amounts in AS 46.04.040 change, as  
20 provided in this section, according to and to the extent of changes in the Consumer  
21 Price Index for all urban consumers for the Anchorage metropolitan area compiled by  
22 the Bureau of Labor Statistics, United States Department of Labor (the index). The  
23 index for January 1990 is the reference base index. **For a person who submits a**  
24 **proof of responsibility on or after the effective date of this Act, the change**  
25 **provided in this section is based on the consumer price index as that term is**  
26 **defined in AS 01.10.060, and the reference base index is the index for December**  
27 **1998.**

28 \* **Sec. 21.** AS 21.55.120(d) is repealed.

29 \* **Sec. 22.** APPLICABILITY. (a) AS 09.55.548(a), as amended by sec. 3 of this Act,  
30 applies only to damage awards made on or after the effective date of this Act.

31 (b) AS 21.42.365(b), as amended by sec. 7 of this Act, applies, with respect to

1 hospital and medical service corporations under AS 21.87.340, only to contracts of service  
2 corporations entered into on or after the effective date of this Act.

3 (c) AS 38.05.321(h), as amended by sec. 15 of this Act, applies only to landowners  
4 who obtain patents on or after the effective date of this Act under a homestead entry permit  
5 issued under AS 38.09.

6 \* **Sec. 23.** This Act takes effect January 1, 1999.