

CS FOR HOUSE BILL NO. 40(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/26/99

Referred: Labor and Commerce. Finance

Sponsor(s): REPRESENTATIVES KOHRING, Cowdery, Austerman, Therriault, Harris, Mulder

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 Commerce and Rural
4 Development; transferring some of the duties of the Department of Commerce and
5 Economic Development and the Department of Community and Regional Affairs
6 to other existing agencies; eliminating the Department of Commerce and Economic
7 Development and the Department of Community and Regional Affairs; relating to
8 the Department of Commerce and Rural Development and the commissioner of
9 commerce and rural development; establishing in the Office of the Governor the
10 position of rural affairs advocate; adjusting the membership of certain multi-
11 member bodies to reflect the transfer of duties among departments and the
12 elimination of departments; creating the office of international trade and relating**

1 to its duties; and providing for an effective date."

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

3 * Section 1. AS 08.40.190(b) is amended to read:

4 (b) AS 08.40.005 - 08.40.200 do not apply to a person engaged in

5 (1) the manufacture, maintenance, or repair of electrical apparatus or
6 equipment;

7 (2) electrical work, the cost of which does not exceed \$5,000, involving
8 residences or small commercial establishments in communities that

9 (A) have a population of under 500 according to the latest
10 available federal or state census or other census approved by the Department of
11 Commerce and Rural Development [COMMUNITY AND REGIONAL
12 AFFAIRS]; or

13 (B) are over 50 miles by air or water transportation from the
14 business place of an electrical administrator licensed under AS 08.40.010 -
15 08.40.200;

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

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

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

26 (6) the operation, maintenance, and repair of telephone, telegraph, and
27 intercommunication facilities;

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

30 (8) the maintenance or repair of diesel electric engines installed on heavy

1 construction equipment, either in a shop or on a job site;

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

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

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

11 * **Sec. 2.** AS 08.40.390(b) is amended to read:

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

13 (1) the manufacture or repair of mechanical apparatus or equipment;

14 (2) mechanical work, the cost of which does not exceed \$50,000,
15 involving residences or small commercial establishments in communities that

16 (A) have a population of under 5,000 according to the latest
17 available federal or state census or other census approved by the Department of
18 **Commerce and Rural Development** [COMMUNITY AND REGIONAL
19 AFFAIRS]; or

20 (B) are over 50 miles by air or water transportation from the
21 business place of a mechanical administrator licensed under AS 08.40.210 -
22 08.40.490;

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

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

27 (5) mechanical maintenance or repair work if the work is performed by
28 the person as an employee of an owner or tenant of commercial property as part of the
29 employee's work duties with respect to the property but is not offered or performed as
30 a service to the public;

31 (6) design, installation, maintenance, or repair of fire extinguishing
32 systems.

1 * **Sec. 3.** AS 09.25.110(e) is amended to read:

2 (e) Notwithstanding other provisions of this section to the contrary, the Bureau
 3 of Vital Statistics **and** [,] the library archives in the Department of Education [, AND
 4 THE DIVISION OF BANKING, SECURITIES, AND CORPORATIONS IN THE
 5 DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT] may continue
 6 to charge the same fees that they **were** [ARE] charging on September 25, 1990, for
 7 performing record searches, and may increase the fees as necessary to recover agency
 8 expenses on the same basis that **was** [IS] used by the agency immediately before
 9 September 25, 1990. **Notwithstanding other provisions of this section to the**
 10 **contrary, the division of banking, securities, and corporations in the Department**
 11 **of Commerce and Rural Development may continue to charge the same fees that**
 12 **the former Department of Commerce and Economic Development was charging on**
 13 **the effective date of this bill section for performing record searches and may**
 14 **increase the fees as necessary to recover agency expenses on the same basis that**
 15 **was used by the former Department of Commerce and Economic Development**
 16 **immediately before the effective date of this bill section.**

17 * **Sec. 4.** AS 09.65.170(c)(2) is amended to read:

18 (2) "regional development organization" has the meaning given in
 19 **AS 44.33.895** [AS 44.47.900].

20 * **Sec. 5.** AS 14.08.031(a) is amended to read:

21 (a) The Department of **Commerce and Rural Development** [COMMUNITY
 22 AND REGIONAL AFFAIRS] in consultation with the Department of Education and
 23 local communities shall divide the unorganized borough into educational service areas
 24 using the boundaries or sub-boundaries of the regional corporations established under
 25 the Alaska Native Claims Settlement Act, unless by referendum a community votes to
 26 merge with another community contiguous to it but within the boundaries or sub-
 27 boundaries of another regional corporation.

28 * **Sec. 6.** AS 14.08.051(a) is amended to read:

29 (a) The commissioner in consultation with the Department of **Commerce and**
 30 **Rural Development** [COMMUNITY AND REGIONAL AFFAIRS] and the local
 31 communities may divide a regional educational attendance area into sections only for the
 32 purpose of nominating and electing regional school board members. If the voters in a

1 regional educational attendance area favor election of regional school board members by
 2 sections under (b) of this section, the commissioner in consultation with the Department
 3 of **Commerce and Rural Development** [COMMUNITY AND REGIONAL AFFAIRS]
 4 and the local communities shall divide the regional educational attendance area into
 5 sections for the purpose of nominating and electing regional school board members. If
 6 a regional educational attendance area is divided into sections, each school board
 7 member shall represent, as nearly as practicable, an equal number of persons. The basis
 8 for the division of a regional educational attendance area into sections shall be the total
 9 population of the area as reported in the most recent decennial federal census. If the
 10 census is five years old or older, then other reliable population data, including but not
 11 limited to population estimates based on public school enrollments, public utility
 12 connections, registered voters, or certified employment payrolls, shall be used as the
 13 basis for the division of the area into sections. Each section within a regional
 14 educational attendance area shall consist of compact, contiguous territory and, as far as
 15 practicable, each section shall contain an integrated socioeconomic, linguistically and
 16 culturally homogeneous area. In the division of the regional school and attendance area
 17 into sections, consideration shall be given to the transportation and communication
 18 network to facilitate the administration of education and communication between
 19 communities that comprise the area. Whenever possible, municipalities, other
 20 governmental or regional corporate entities, drainage basins, and other identifiable
 21 geographic features shall be used in describing the boundaries of the sections.

22 * **Sec. 7.** AS 14.17.410(b) is amended to read:

23 (b) Public school funding consists of state aid, a required local contribution, and
 24 eligible federal impact aid determined as follows:

25 (1) state aid equals basic need minus a required local contribution and
 26 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum
 27 obtained under (D) of this paragraph, multiplied by the base student allocation set out
 28 in AS 14.17.470; district adjusted ADM is calculated as follows:

29 (A) the ADM of each school in the district is calculated by
 30 applying the school size factor to the student count as set out in AS 14.17.450;

31 (B) the number obtained under (A) of this paragraph is multiplied
 32 by the district cost factor described in AS 14.17.460;

1 (C) the ADMs of each school in a district, as adjusted according
 2 to (A) and (B) of this paragraph, are added; the sum is then multiplied by the
 3 special needs factor set out in AS 14.17.420(a)(1);

4 (D) the number obtained for intensive services under
 5 AS 14.17.420(a)(2) and the number obtained for correspondence study under
 6 AS 14.17.430 are added to the number obtained under (C) of this paragraph;

7 (2) the required local contribution of a city or borough school district is
 8 the equivalent of a four mill tax levy on the full and true value of the taxable real and
 9 personal property in the district as of January 1 of the second preceding fiscal year, as
 10 determined by the Department of Commerce and Rural Development [COMMUNITY
 11 AND REGIONAL AFFAIRS] under AS 14.17.510 and AS 29.45.110, not to exceed 45
 12 percent of a district's basic need for the preceding fiscal year as determined under (1)
 13 of this subsection.

14 * **Sec. 8.** AS 14.17.410(c) is amended to read:

15 (c) In addition to the local contribution required under (b)(2) of this section, a
 16 city or borough school district in a fiscal year may make a local contribution of not
 17 more than the greater of

18 (1) the equivalent of a two mill tax levy on the full and true value of the
 19 taxable real and personal property in the district as of January 1 of the second preceding
 20 fiscal year, as determined by the Department of Commerce and Rural Development
 21 [COMMUNITY AND REGIONAL AFFAIRS] under AS 14.17.510 and AS 29.45.110;
 22 or

23 (2) 23 percent of the district's basic need for the fiscal year under (b)(1)
 24 of this section.

25 * **Sec. 9.** AS 14.17.410(e) is amended to read:

26 (e) If a city or borough school district is established after July 1, 1998, for the
 27 first three fiscal years in which the city or borough school district operates schools, local
 28 contributions may be less than the amount that would otherwise be required under (b)(2)
 29 of this section, except that

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

32 (A) the local contributions, excluding federal impact aid, for the

1 previous fiscal year; or

2 (B) the sum of 10 percent of the district's eligible federal impact
3 aid for that year and the equivalent of a two mill tax levy on the full and true
4 value of the taxable real and personal property in the city or borough school
5 district as of January 1 of the second preceding fiscal year, as determined by the
6 Department of **Commerce and Rural Development** [COMMUNITY AND
7 REGIONAL AFFAIRS] under AS 14.17.510 and AS 29.45.110; and

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

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

12 (B) the sum of 10 percent of the district's eligible federal impact
13 aid for that year and the equivalent of a three mill tax levy on the full and true
14 value of the taxable real and personal property in the district as of January 1 of
15 the second preceding fiscal year, as determined by the Department of **Commerce**
16 **and Rural Development** [COMMUNITY AND REGIONAL AFFAIRS] under
17 AS 14.17.510 and AS 29.45.110.

18 * **Sec. 10.** AS 14.17.490(b) is amended to read:

19 (b) A city or borough school district is not eligible for additional funding
20 authorized under (a) of this section unless, during the fiscal year in which the district
21 receives funding under (a) of this section, the district received a local contribution
22 equal to at least the equivalent of a four mill tax levy on the full and true value of the
23 taxable real and personal property in the district as of January 1 of the second
24 preceding fiscal year as determined by the Department of **Commerce and Rural**
25 **Development** [COMMUNITY AND REGIONAL AFFAIRS] under AS 14.17.510 and
26 AS 29.45.110.

27 * **Sec. 11.** AS 14.17.510(a) is amended to read:

28 (a) To determine the amount of required local contribution under
29 AS 14.17.410(b)(2) and to aid the department and the legislature in planning, the
30 Department of **Commerce and Rural Development** [COMMUNITY AND
31 REGIONAL AFFAIRS], in consultation with the assessor for each district in a city or
32 borough, shall determine the full and true value of the taxable real and personal

1 property in each district in a city or borough. If there is no local assessor or current
 2 local assessment for a city or borough school district, then the Department of
 3 **Commerce and Rural Development** [COMMUNITY AND REGIONAL AFFAIRS]
 4 shall make the determination of full and true value from information available. In
 5 making the determination, the Department of **Commerce and Rural Development**
 6 [COMMUNITY AND REGIONAL AFFAIRS] shall be guided by AS 29.45.110. The
 7 determination of full and true value shall be made by October 1 and sent by certified
 8 mail, return receipt requested, on or before that date to the president of the school
 9 board in each city or borough school district. Duplicate copies shall be sent to the
 10 commissioner. The governing body of a city or borough that is a school district may
 11 obtain judicial review of the determination. The superior court may modify the
 12 determination of the Department of **Commerce and Rural Development**
 13 [COMMUNITY AND REGIONAL AFFAIRS] only upon a finding of abuse of
 14 discretion or upon a finding that there is no substantial evidence to support the
 15 determination.

16 * **Sec. 12.** AS 15.07.055(a) is amended to read:

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

18 (1) the administrative component of the Department of Administration
 19 that administers motor vehicle and driver's license laws;

20 (2) divisions of the Department of Health and Social Services that
 21 provide public assistance through the food stamp program, Medicaid program, Special
 22 Supplemental Food Program for Women, Infants, and Children (WIC), and Alaska
 23 temporary assistance program;

24 (3) the division of the Department of **Commerce and Rural**
 25 **Development** [COMMUNITY AND REGIONAL AFFAIRS] that is responsible for
 26 municipal and regional assistance programs; and

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

29 * **Sec. 13.** AS 15.13.010(a) is amended to read:

30 (a) This chapter applies

31 (1) in every election for governor, lieutenant governor, a member of the
 32 state legislature, a delegate to a constitutional convention, or judge seeking electoral

1 confirmation;

2 (2) to every candidate for election to a municipal office in a municipality
 3 with a population of more than 1,000 inhabitants according to the latest United States
 4 census figures or estimates of population certified as correct for administrative purposes
 5 by the Department of **Commerce and Rural Development** [COMMUNITY AND
 6 REGIONAL AFFAIRS] unless the municipality has exempted itself from the provisions
 7 of this chapter; a municipality may exempt its elected municipal officers from the
 8 requirements of this chapter if a majority of the voters voting on the question at a
 9 regular election, as defined by AS 29.71.800(20), or a special municipality-wide election
 10 called for that purpose, votes to exempt its elected municipal officers from the
 11 requirements of this chapter; the question of exemption from the requirements of this
 12 chapter may be submitted by the governing body by ordinance or by initiative election.

13 * **Sec. 14.** AS 18.26.030(a) is amended to read:

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

16 (1) the commissioner of revenue, who shall also chair the board;

17 (2) the commissioner of health and social services;

18 (3) the commissioner of **commerce and rural development**
 19 [COMMUNITY AND REGIONAL AFFAIRS];

20 (4) four public members, appointed by the governor.

21 * **Sec. 15.** AS 18.56.030(a) is amended to read:

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

23 (1) the commissioner of revenue;

24 (2) the commissioner of **commerce and rural development**
 25 [COMMUNITY AND REGIONAL AFFAIRS];

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

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

28 (A) one member with expertise or experience in finances or real
 29 estate;

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

32 (C) one member who has expertise or experience in residential

1 energy efficient home-building or weatherization; and

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

4 * **Sec. 16.** AS 18.56.097 is amended to read:

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

19 * **Sec. 17.** AS 18.70.081 is amended to read:

20 **Sec. 18.70.081. Approval of fire protection systems.** Before October 30 of
21 each year the Department of Public Safety shall prepare and make available a list of
22 approved fire protection systems to [THE DEPARTMENT OF COMMUNITY AND
23 REGIONAL AFFAIRS,] the Department of Commerce and **Rural** [ECONOMIC]
24 Development [,] and the public.

25 * **Sec. 18.** AS 19.30.131(a) is amended to read:

26 (a) During each fiscal year the commissioner shall allocate sums appropriated
27 or otherwise designated for expenditure upon local service roads for that fiscal year
28 among the five allocation districts in the following manner: one-half in the ratio that the
29 area of each allocation district bears to the total area of the state and one-half in the ratio
30 that the population of each allocation district bears to the total population of the state
31 as shown by the latest available federal or state census or other census approved by the
32 Department of **Commerce and Rural Development** [COMMUNITY AND REGIONAL

1 AFFAIRS].

2 * **Sec. 19.** AS 19.30.131(b) is amended to read:

3 (b) The commissioner shall also further allocate the sums in each allocation
4 district to the boroughs and unified municipalities within each allocation district in the
5 following manner: one-half in the ratio that the area of each organized borough or
6 unified municipality (excluding salt water areas) within that district bears to the total
7 area of the allocation district and one-half in the ratio that the population of each
8 organized borough area or each unified municipality within that district bears to the total
9 population of the allocation district as shown by the latest available federal or state
10 census or other census approved by the Department of **Commerce and Rural**
11 **Development** [COMMUNITY AND REGIONAL AFFAIRS].

12 * **Sec. 20.** AS 19.30.131(c) is amended to read:

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

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

18 (2) one-half in the ratio that the population of each home rule city bears
19 to the total population of the organized borough as shown by the latest available federal
20 or state census or other census approved by the Department of **Commerce and Rural**
21 **Development** [COMMUNITY AND REGIONAL AFFAIRS].

22 * **Sec. 21.** AS 23.05 is amended by adding a new section to read:

23 **Sec. 23.05.065. Fees for publications, research data, and other services.** The
24 commissioner may establish by regulation and the department may charge reasonable
25 fees for department publications, research data, and other centralized administrative
26 services to cover the cost of reproduction, printing, mailing, distribution, and other
27 centralized administrative services.

28 * **Sec. 22.** AS 23.05 is amended by adding new sections to read:

29 **Article 6. Business Incentive Training Program.**

30 **Sec. 23.05.400. Business incentive training program established.** (a) There
31 is established in the department the business incentive training program. The incentive
32 program shall be administered as a supplement to the Job Training Partnership Act (P.L.

1 No. 97-300).

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

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

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

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

19 **Sec. 23.05.420. Business incentive training plan.** (a) A private industry
20 council shall adopt a business incentive training plan for the service delivery area. The
21 plan must extend for two years to coincide with the term for the Job Training
22 Partnership Act (P.L. 97-300) and must contain

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

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

27 (3) procedures for identifying and selecting participants;

28 (4) performance goals established in accordance with standards under
29 AS 23.05.480;

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

31 (6) the budget for two program years and any proposed expenditures for
32 the succeeding two program years in as much detail as required by the grant

1 administrator designated under AS 23.05.440.

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

6 **Sec. 23.05.430. Review and approval of business incentive training plan.**

7 The business incentive training plan shall be published and made available for review
8 and comment as an attachment to the job training plan as set out in 29 U.S.C. 1515.

9 The business incentive training plan is subject to review and approval by the governor.

10 **Sec. 23.05.440. Business incentive training grants.** (a) Each private industry

11 council shall designate an administrative entity to be the grant recipient and
12 administrator for the region. An employer may apply to the grant administrator for a
13 business incentive grant if the employer is a private for-profit or nonprofit corporation,
14 partnership, or sole proprietor business. The grant administrator shall review
15 applications and award grants.

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

24 (c) A business incentive training grant shall be used to recruit and train eligible
25 employees for newly created permanent or permanent seasonal positions or to enable
26 existing employees to acquire the skills necessary to qualify the employee to implement
27 new technologies. A business incentive training grant may be used for occupations for
28 which there is a demand in the area served or in another area to which the participant
29 is willing to relocate and for emerging technologies in the state. In selecting recruiting
30 and training programs, the private industry councils and the grant administrators may
31 consider whether the occupation in which recruiting or training is sought is in a sector
32 of the economy that has a high potential for sustained demand or growth.

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

6 (1) have been unemployed and

7 (A) receiving unemployment insurance benefits; or

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

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

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

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

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

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

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

22 (B) has insufficient qualifying wages because of limited job
 23 opportunities; or

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

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

1 participants.

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

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

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

10 (i) An employer at whose request a participant is offered training shall fulfill the
11 obligation to offer a successful participant in the business incentive training program a
12 position or promotion, as applicable. A participant is considered successful if the
13 participant satisfactorily completes the training program in which the participant was
14 enrolled.

15 **Sec. 23.05.450. Compensation for participants.** (a) A trainee may not receive
16 a payment for training activities in which the trainee fails to participate.

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

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

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

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

28 (3) the prevailing rate of wages under AS 36.05 or 40 U.S.C. 276a -
29 276a-5, if applicable.

30 (d) Allowances, earnings, and payments to individuals participating in programs
31 under the business incentive training program may not be considered as income in
32 determining eligibility for and the amount of income transfer and in-kind aid furnished

1 under a state program based on need, other than programs under the Social Security Act.

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

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

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

11 **Sec. 23.05.460. Reporting and record keeping.** (a) A grant administrator shall
12 maintain records of each participant's enrollment in a business incentive training
13 program in sufficient detail to demonstrate compliance with AS 23.05.400 - 23.05.510.

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

15 (c) The council shall, no later than February 1 of each year, prepare a report
16 concerning the incentive program and notify the legislature that the report is available.

17 **Sec. 23.05.470. Allowable costs.** (a) To be allowable, a cost must be necessary
18 and reasonable for proper and efficient administration of the program. The following
19 costs are not allowable:

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

22 (2) entertainment costs; and

23 (3) insurance policies offering protection against debts established by the
24 federal government.

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

27 **Sec. 23.05.480. Performance standards.** (a) The basic measure of
28 performance for training programs under AS 23.05.400 - 23.05.510 is the increase in
29 jobs in the area and in employment and earnings for participants resulting from
30 participation in the program. In order to determine whether these standards are
31 achieved, the governor shall adopt standards based on appropriate factors.

32 (b) The governor shall provide technical assistance to programs that do not meet

1 performance criteria. If a program fails to meet performance standards for two
2 consecutive years, the governor shall withdraw unencumbered funds from the program.

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

5 **Sec. 23.05.490. Limitation on certain costs.** No more than 15 percent of the
6 money available to a service delivery area for a fiscal year may be expended for the cost
7 of administration. For purposes of this section, costs of program support, including
8 counseling, that are directly related to the provision of education or training to
9 participants may not be counted as part of the cost of administration.

10 **Sec. 23.05.500. Selection of service providers.** (a) The primary consideration
11 in selecting agencies or organizations to deliver services within a service delivery area
12 is the effectiveness of the agency or organization in delivering comparable or related
13 services based on demonstrated performance, in terms of the likelihood of meeting
14 performance goals, cost, quality of training, and characteristics of participants. In
15 complying with this subsection, proper consideration shall be given to community based
16 organizations as service providers.

17 (b) Appropriate education agencies in the service delivery area shall be given
18 the opportunity to provide educational services, unless the grant administrator determines
19 that alternative agencies or organizations would be more effective or would have greater
20 potential to enhance the participants' continued occupational and career growth.

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

24 **Sec. 23.05.510. Definitions.** In 23.05.400 - 23.05.510,

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

27 (2) "incentive program" means the business incentive training program
28 established under AS 23.05.400;

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

31 * **Sec. 23.** AS 23.15.645(b) is amended to read:

32 (b) When a grant is awarded to the council, the department shall annually

1 provide to the council a priority list of targeted projects or services, based on
 2 unemployment statistics, unemployment insurance claims, occupational and industrial
 3 projections, availability of other training and employment programs, and other relevant
 4 data. The department shall also provide annually to the council a priority list of criteria
 5 for eligibility to maximize services to those people most in need of training under
 6 AS 23.15.620 - 23.15.660. In developing the priority list for targeted projects and
 7 services, the department shall solicit comments from the [DEPARTMENT OF
 8 COMMUNITY AND REGIONAL AFFAIRS,] Department of Education, Department
 9 of Commerce and **Rural** [ECONOMIC] Development, University of Alaska, organized
 10 labor, the council, and the administrative entities of the substate service delivery areas
 11 established for the council. The department shall give preference to projects and
 12 services that train individuals in industries identified in the resident hire report required
 13 under AS 36.10.130 as employing a disproportionate percentage of nonresident
 14 individuals.

15 * **Sec. 24.** AS 24.08.035(e) is amended to read:

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

28 * **Sec. 25.** AS 26.23.071(b) is amended to read:

29 (b) The commission consists of the commissioners of **commerce and rural**
 30 **development** [COMMUNITY AND REGIONAL AFFAIRS], environmental
 31 conservation, fish and game, health and social services, labor, natural resources, public
 32 safety, and transportation and public facilities, or the designees of the commissioners,

1 the adjutant general of the Department of Military and Veterans' Affairs or a designee,
 2 and seven members of the public appointed by the governor, two of whom must be
 3 members of a local emergency planning committee for an emergency planning district
 4 that is predominantly rural in character and two of whom must be members of a local
 5 emergency planning committee for an emergency planning district that is predominantly
 6 urban in character. Two of the other three members of the public who are appointed to
 7 the commission must be members of the governing body of, or the mayor of, a political
 8 subdivision that has a local emergency planning committee or a person who, in the
 9 opinion of the governor, is otherwise appropriate to represent the political subdivision.
 10 The United States Department of Defense - Alaska Command, the Federal Emergency
 11 Management Agency, the United States Environmental Protection Agency, and the
 12 United States Coast Guard may each appoint a representative to serve on the commission
 13 in an ex-officio, nonvoting capacity. To the extent practicable, the commission must
 14 include members with expertise in the emergency response field.

15 * **Sec. 26.** AS 28.01.010(b) is amended to read:

16 (b) A municipality may adopt by reference all or a part of this title and
 17 regulations adopted under this title, and may request and shall receive from the
 18 Department of **Commerce and Rural Development** [COMMUNITY AND REGIONAL
 19 AFFAIRS] and, as appropriate, either the Department of Administration or the
 20 Department of Public Safety, assistance in the drafting of model ordinances for adoption
 21 by reference. Notwithstanding (a) of this section, a municipality may enact necessary
 22 ordinances to meet specific local requirements.

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

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

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

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

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

4 * **Sec. 28.** AS 29.60.120(d) is amended to read:

5 (d) Before money may be distributed under this section, the commissioner of
 6 health and social services shall certify to the commissioner of **commerce and rural**
 7 **development** [COMMUNITY AND REGIONAL AFFAIRS] that any accumulation of
 8 assets by nonprofit corporations or other recipients under this section is dedicated
 9 irrevocably to a public purpose.

10 * **Sec. 29.** AS 29.60.370(a) is amended to read:

11 (a) The amount allocated to the per capita account in the safe communities
 12 program shall be distributed to each municipality on the basis of population. Population
 13 for the purpose of this section shall be as certified by the commissioner of **commerce**
 14 **and rural development** [COMMUNITY AND REGIONAL AFFAIRS]. In determining
 15 the population of a borough, the population of all cities in the borough shall be deducted
 16 from the total population of the borough.

17 * **Sec. 30.** AS 29.60.599(9) is amended to read:

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

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

25 (B) has

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

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

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

1 * **Sec. 31.** AS 29.60.620(b) is amended to read:

2 (b) For purposes of (a) of this section, population shall be determined by the
3 Department of **Commerce and Rural Development** [COMMUNITY AND REGIONAL
4 AFFAIRS] based on the latest figures of the United States Bureau of the Census or other
5 reliable population data. If a city within a borough has an approved grant for a service
6 to be provided on an areawide basis, the allocation under (a) of this section shall be
7 based on the population of the borough.

8 * **Sec. 32.** AS 29.60.650(2) is amended to read:

9 (2) "municipality" means a (A) city whose population is over 20,000; (B)
10 unified municipality whose population is over 100,000; or (C) second class borough
11 whose population is over 65,000; population for purposes of this paragraph shall be
12 determined by the Department of **Commerce and Rural Development** [COMMUNITY
13 AND REGIONAL AFFAIRS].

14 * **Sec. 33.** 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 **Commerce and Rural Development** [COMMUNITY AND
18 REGIONAL AFFAIRS] shall review the selection and recommend approval or
19 disapproval of it. The director may disapprove a selection only upon a finding that the
20 public interest in retaining state ownership of the land outweighs the municipality's
21 interest in obtaining the land. If the director determines that the public interest in land
22 selected in satisfaction of an entitlement under AS 29.65.010(a)(13) can be adequately
23 protected by issuing a patent that is subject to stipulations, conditions, or covenants,
24 and if the municipality agrees to accept the land subject to those stipulations,
25 conditions, or covenants, the director may approve a selection that would otherwise be
26 disapproved and may issue the patent with the stipulations, conditions, or covenants
27 agreed to by the municipality. A patent shall be issued to the municipality for land
28 selected in satisfaction of a general grant land entitlement vested under AS 29.65.010 -
29 29.65.030 within three months after approval by the director of a plat of survey.

30 * **Sec. 34.** AS 29.65.050(d) is amended to read:

31 (d) Before disapproving a selection, the director shall notify the municipality in
32 writing of the decision and set out reasons for it. The municipality may submit a written

1 response within 30 days after receipt of the notice. Within 30 days after the period for
 2 responding has expired, the director shall affirm, modify, or reverse the decision and
 3 supply the municipality with written notice of that action. If the selection is
 4 disapproved, the municipality may file notice of an appeal with the director. The appeal
 5 shall be heard under procedures adopted by regulation of the Department of Natural
 6 Resources. Before reaching a decision on an appeal the Department of Natural
 7 Resources shall request the Department of **Commerce and Rural Development**
 8 [COMMUNITY AND REGIONAL AFFAIRS] to review the matter and submit a
 9 recommendation. After reviewing the recommendation, a decision on the appeal shall
 10 be submitted by the Department of Natural Resources to the municipality in writing
 11 within 30 days after the notice of appeal was filed with the director. A municipality
 12 may appeal an adverse decision to the superior court under AS 44.62.560 - 44.62.570.

13 * **Sec. 35.** AS 29.65.060(f) is amended to read:

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

19 * **Sec. 36.** AS 29.65.120 is amended to read:

20 **Sec. 29.65.120. Regulations.** The commissioner of natural resources may, after
 21 consultation with the Department of **Commerce and Rural Development**
 22 [COMMUNITY AND REGIONAL AFFAIRS], adopt regulations in accordance with
 23 AS 44.62 (Administrative Procedure Act) necessary to carry out the purposes of this
 24 chapter.

25 * **Sec. 37.** AS 29.71.800(5) is amended to read:

26 (5) "commissioner" means the commissioner of **commerce and rural**
 27 **development** [COMMUNITY AND REGIONAL AFFAIRS];

28 * **Sec. 38.** AS 29.71.800(8) is amended to read:

29 (8) "department" means the Department of **Commerce and Rural**
 30 **Development** [COMMUNITY AND REGIONAL AFFAIRS];

31 * **Sec. 39.** AS 30.13.010(a) is amended to read:

32 (a) The residents of each area of the state within the boundaries of a regional

1 housing authority established under AS 18.55.996 **that** [WHICH] is located in whole or
 2 in part in the unorganized borough of the state may create a public body corporate and
 3 politic under the name and style of the "Resource Development Authority" with all or
 4 any significant part of the name of the region of the state inserted. The boundaries of
 5 the authority created shall be coterminous with the portion of the applicable regional
 6 housing authority that lies in the unorganized borough. Creation of an authority is
 7 initiated by a petition filed with the Department of **Commerce and Rural Development**
 8 [COMMUNITY AND REGIONAL AFFAIRS] and a statement submitted to the
 9 governor. The petition must include the proposed name of the authority, its boundaries,
 10 and a statement of the facilities proposed to be provided by the authority. The petition
 11 must be signed by 15 percent of the total number of residents in the portion of the
 12 applicable regional housing authority that lies in the unorganized borough who cast votes
 13 in the preceding general election. The Department of **Commerce and Rural**
 14 **Development** [COMMUNITY AND REGIONAL AFFAIRS] shall review petitions for
 15 content and signatures. If the department determines that the petition is adequate, it
 16 shall transmit the petition to the director of elections.

17 * **Sec. 40.** AS 36.30.850(b)(11) is amended to read:

18 (11) agreements with providers of services under **AS 44.29.300**
 19 [AS 44.47.250]; AS 47.07; AS 47.08; AS 47.10; 47.17; AS 47.24; and AS 47.27,
 20 including contractors under AS 47.27.050;

21 * **Sec. 41.** AS 36.30.850(b)(30) is amended to read:

22 (30) contracts entered into with a regional development organization; in
 23 this paragraph, "regional development organization" has the meaning given in
 24 **AS 44.33.895** [AS 44.47.900];

25 * **Sec. 42.** AS 37.05.317 is amended to read:

26 **Sec. 37.05.317. Grants to unincorporated communities.** (a) When an amount
 27 is appropriated or allocated as a grant under this section to an unincorporated
 28 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 **Commerce and Rural Development** [COMMUNITY
 31 AND REGIONAL AFFAIRS] shall notify the governing body of the unincorporated
 32 community, if any, that a grant is available.

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

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

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

21 * **Sec. 43.** AS 37.05.530(c) is amended to read:

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

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

4 * **Sec. 44.** 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 **Commerce and Rural**
 8 **Development** [COMMUNITY AND REGIONAL AFFAIRS] under AS 29.60.020.

9 * **Sec. 45.** 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. 46.** AS 37.06.020(l) is amended to read:

13 (l) In this section, unless specified otherwise, "department" means the
 14 Department of **Commerce and Rural Development** [COMMUNITY AND REGIONAL
 15 AFFAIRS].

16 * **Sec. 47.** AS 37.06.030(c) is amended to read:

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

21 * **Sec. 48.** AS 37.06.080 is amended to read:

22 **Sec. 37.06.080. Adoption of regulations.** The Department of Administration
 23 for grants under AS 37.06.010 and the Department of **Commerce and Rural**
 24 **Development** [COMMUNITY AND REGIONAL AFFAIRS] for grants under
 25 AS 37.06.020

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

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

1 this chapter.

2 * **Sec. 49.** AS 38.06.025(a) is amended to read:

3 (a) The board consists of the commissioner of commerce and **rural**
4 [ECONOMIC] development; the commissioner of **revenue** [COMMUNITY AND
5 REGIONAL AFFAIRS]; the commissioner of natural resources, who is a nonvoting
6 member; and five public members.

7 * **Sec. 50.** AS 39.20 is amended by adding a new section to read:

8 **Sec. 39.20.085. Salary of rural affairs advocate.** The monthly salary of the
9 rural affairs advocate appointed under AS 44.19.012 is equal to Step E, Range 28, of
10 the salary schedule in AS 39.27.011(a) for Juneau, Alaska.

11 * **Sec. 51.** AS 39.50.200(b)(18) is amended to read:

12 (18) Local Boundary Commission (**AS 44.33.810** [AS 44.47.565]);

13 * **Sec. 52.** AS 39.52.170(c) is amended to read:

14 (c) The head of a principal executive department of the state may not accept
15 employment for compensation outside the agency that the executive head serves. **The**
16 **rural affairs advocate may not accept employment for compensation outside the**
17 **Office of the Governor.**

18 * **Sec. 53.** AS 39.52.180(d) is amended to read:

19 (d) A former governor, lieutenant governor, **rural affairs advocate**, or head
20 of a principal department in the executive branch may not engage in activity as a
21 lobbyist under AS 24.45 for a period of one year after leaving service as the governor,
22 lieutenant governor, **rural affairs advocate**, or department head, as appropriate. This
23 subsection does not prohibit service as a volunteer lobbyist described in
24 AS 24.45.161(a)(1) or a representational lobbyist as defined under regulations of the
25 Alaska Public Offices Commission.

26 * **Sec. 54.** AS 41.15.180(a) is amended to read:

27 (a) When the commissioner of **commerce and rural development**
28 [COMMUNITY AND REGIONAL AFFAIRS] receives national forest income under 16
29 U.S.C. 500, the commissioner shall immediately pay to each organized borough in which
30 national forest land is located a share of the income from that forest; an organized
31 borough's share of income from a national forest shall be proportional to the area of the
32 national forest located within its boundaries.

1 * **Sec. 55.** AS 41.15.180(b) is amended to read:

2 (b) There is created as a separate account in the general fund the unorganized
3 borough national forest receipts fund. The fund consists of national forest income
4 received by the Department of **Commerce and Rural Development** [COMMUNITY
5 AND REGIONAL AFFAIRS] under 16 U.S.C. 500 for the percentage of a national
6 forest located within the unorganized borough. Seventy-five percent of the fund shall
7 be allocated for public schools and 25 percent for public roads.

8 * **Sec. 56.** AS 41.15.180(f) is amended to read:

9 (f) For the purpose of making distributions from the fund, the commissioner of
10 **commerce and rural development** [COMMUNITY AND REGIONAL AFFAIRS] shall
11 consult with the commissioner of education, for purposes of determining the number of
12 children in average daily membership in the public schools affected by this section, and
13 the commissioner of transportation and public facilities, to determine the total number
14 of road miles in the unorganized borough affected by this section.

15 * **Sec. 57.** AS 41.15.180(g) is amended to read:

16 (g) An organized borough, home rule city, first class city, second class city,
17 regional educational attendance area, or a municipality organized under federal law that
18 receives a national forest income payment or distribution under 16 U.S.C. 500 or this
19 section shall annually report and account to the commissioner of **commerce and rural**
20 **development** [COMMUNITY AND REGIONAL AFFAIRS] its use of the payment or
21 distribution for the purposes provided in (a) - (e) of this section. The commissioner of
22 **commerce and rural development** [COMMUNITY AND REGIONAL AFFAIRS] may
23 not distribute national forest income under this section to an entity in the unorganized
24 borough that has previously failed to report and account as required under this
25 subsection.

26 * **Sec. 58.** 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 commerce and **rural** [ECONOMIC]
30 development, the director of management and budget, or the designees of the
31 commissioners or the director, and four public members.

32 * **Sec. 59.** AS 42.45.060(c) is amended to read:

1 (c) The commissioner of **commerce and rural development** [COMMUNITY
2 AND REGIONAL AFFAIRS] serves as chair of the committee. The committee may
3 elect other officers as necessary. A majority of the members of the committee constitute
4 a quorum and may exercise the powers of the committee.

5 * **Sec. 60.** AS 42.45.990(1) is amended to read:

6 (1) "department" means the Department of **Commerce and Rural**
7 **Development** [COMMUNITY AND REGIONAL AFFAIRS];

8 * **Sec. 61.** AS 43.75.137 is amended to read:

9 **Sec. 43.75.137. Additional refund.** To the extent that appropriations are
10 available for the purpose, and notwithstanding the requirement of AS 37.07.080(e) that
11 approval of the office of management and budget is required, an amount equal to 50
12 percent of the tax revenue that is collected under this chapter from fisheries businesses
13 and is not subject to division with a municipality under AS 43.75.130 shall be
14 transmitted each fiscal year, without the approval of the office of management and
15 budget, by the department to the department of **Commerce and Rural Development**
16 [COMMUNITY AND REGIONAL AFFAIRS] for disbursal to eligible municipalities
17 under AS 29.60.450.

18 * **Sec. 62.** AS 43.77.040(b) is amended to read:

19 (b) A taxpayer who makes a contribution that qualifies for the credit authorized
20 by (a) of this section must apply to obtain the credit. The taxpayer shall apply to the
21 department in the manner provided by the department by regulation, and shall provide
22 to the commissioner all information relating to the contribution that may be required by
23 the department. Upon receipt of a complete application, the department, in consultation
24 with the Department of **Commerce and Rural Development** [COMMUNITY AND
25 REGIONAL AFFAIRS], shall approve or disapprove the application for the credit within
26 60 days.

27 * **Sec. 63.** AS 43.77.060(d) is amended to read:

28 (d) To the extent that appropriations are available for the purpose, and
29 notwithstanding the requirement of AS 37.07.080(e) that approval of the office of
30 management and budget is required, an amount equal to 50 percent of the tax revenue
31 that is collected under this chapter and is not subject to division with a municipality
32 under (a) - (c) of this section shall be transmitted each fiscal year, without the approval

1 of the office of management and budget, by the department to the Department of
 2 **Commerce and Rural Development** [COMMUNITY AND REGIONAL AFFAIRS] for
 3 disbursal to eligible municipalities under AS 29.60.450.

4 * **Sec. 64.** AS 44.19.010 is amended to read:

5 **Sec. 44.19.010. Office of the Governor.** The Office of the Governor includes
 6 the lieutenant governor, the budget officer, **the rural affairs advocate**, and the staff
 7 that the governor finds necessary to administer the executive powers of the state.

8 * **Sec. 65.** AS 44.19 is amended by adding a new section to read:

9 **Sec. 44.19.012. Rural affairs advocate.** (a) The governor shall appoint a
 10 rural affairs advocate whose duties are to

11 (1) advise the governor and the heads of each principal executive
 12 department about the role of rural governments;

13 (2) monitor and advance recommendations about proposed policy
 14 changes that would affect rural governments and rural affairs;

15 (3) monitor and advance recommendations about delivery of
 16 government services to rural areas, including services relating to public safety, justice,
 17 economic development, natural resource management, education, and public health;

18 (4) assist in coordinating efforts of state agencies in providing services
 19 to and in the rural areas of the state;

20 (5) advocate within state government for maximization of local
 21 autonomy and local control; and

22 (6) encourage respect for differing aspirations, traditions, and cultures
 23 in the state.

24 (b) The rural affairs advocate may not employ staff or adopt regulations.

25 * **Sec. 66.** AS 44.19.145(a) is amended to read:

26 (a) The office shall

27 (1) provide technical assistance to the governor and the legislature in
 28 identifying long range goals and objectives for the state and its political subdivisions;

29 (2) prepare and maintain a state comprehensive development plan;

30 (3) provide information and assistance to state agencies to aid in
 31 governmental coordination and unity in the preparation of agency plans and programs;

32 (4) review planning within state government as may be necessary for

1 receipt of federal, state, or other funds;

2 (5) participate with other countries, provinces, states, or subdivisions of
3 them in international or interstate planning, and assist the state's local governments,
4 governmental conferences, and councils in planning and coordinating their activities;

5 (6) encourage educational and research programs that further state
6 planning and development, and provide administrative and technical services for them;

7 (7) publish [SUCH] statistical information or other documentary material
8 **that** [AS] will further the provisions and intent of AS 44.19.141 - 44.19.152;

9 (8) assist the governor and the Department of **Commerce and Rural**
10 **Development** [COMMUNITY AND REGIONAL AFFAIRS] in coordinating state
11 agency activities that have an effect on the solution of local and regional development
12 problems;

13 (9) serve as a clearinghouse for information, data, and other materials
14 that may be helpful or necessary to federal, state, or local governmental agencies in
15 discharging their respective responsibilities or in obtaining federal or state financial or
16 technical assistance;

17 (10) review all proposals for the location of capital improvements by any
18 state agency and advise and make recommendations concerning location of these capital
19 improvements;

20 (11) render, on behalf of the state, all federal consistency determinations
21 and certifications authorized by 16 U.S.C. 1456 (Sec. 307, Coastal Zone Management
22 Act of 1972), and each conclusive state consistency determination when a project
23 requires a permit, lease, or authorization from two or more state resource agencies.

24 * **Sec. 67.** 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 comprised
28 of at least three names from each region, nominated by the municipalities of each
29 region; the nominees shall be the mayor or member of the assembly or council of a
30 municipality; one public member shall be appointed from each of the following general
31 regions:

32 (A) northwest Alaska, including, generally, the area of the North

1 Slope Borough and the Northwest Arctic regional educational attendance area;

2 (B) Bering Straits, including, generally, the area of the Bering
3 Straits regional educational attendance area;

4 (C) southwest Alaska, including, generally, the area within the
5 Lower Yukon, Lower Kuskokwim, Southwest, and Lake and [&] Peninsula
6 regional educational attendance areas and the Bristol Bay Borough;

7 (D) Kodiak-Aleutians, including the area of the Kodiak Island
8 Borough and the Aleutian, Adak and Pribilof regional educational attendance
9 areas;

10 (E) Upper Cook Inlet, including the Municipality of Anchorage
11 and the Matanuska-Susitna Borough;

12 (F) Lower Cook Inlet, including, generally, the area within the
13 Kenai Peninsula Borough;

14 (G) Prince William Sound, including, generally, the area east of
15 the Kenai Peninsula Borough to 141 W. longitude;

16 (H) northern Southeast Alaska, including the area southeast of
17 141 W. longitude and north of 57 N. latitude, including the entirety of the City
18 and Borough of Sitka; and

19 (I) southern Southeast Alaska, including that portion of
20 southeastern Alaska not contained within the area described in (H) of this
21 paragraph;

22 (2) each of the following:

23 (A) the director of the office of management and budget;

24 (B) the commissioner of commerce and rural [ECONOMIC]
25 development;

26 (C) [THE COMMISSIONER OF COMMUNITY AND
27 REGIONAL AFFAIRS;

28 (D)] the commissioner of environmental conservation;

29 ~~(D)~~ [(E)] the commissioner of fish and game;

30 ~~(E)~~ [(F)] the commissioner of natural resources; and

31 ~~(F)~~ [(G)] the commissioner of transportation and public
32 facilities.

1 * **Sec. 68.** AS 44.19.155(d) is amended to read:

2 (d) Each member of the council shall select one person to serve as a permanent
3 alternate at meetings of the council. If a member of the council is unable to attend, the
4 member shall advise the alternate who may attend and act in the place of the member.
5 The alternate for a public member appointed under (a)(1) of this section shall, at the
6 time of the alternate's designation and throughout the period of service as a permanent
7 alternate, be the mayor or member of the assembly or council of a municipality within
8 the region from which the permanent member is appointed. The alternate for the
9 director of the office of management and budget, serving under (a)(2)(A) of this section,
10 shall be the director's designee within that office. The alternate for a designated member
11 serving under (a)(2)(B) - (F) [(a)(2)(B) - (G)] of this section shall be a deputy
12 commissioner of the department or the director of a division in the department. The
13 names of alternates shall be filed with the council.

14 * **Sec. 69.** AS 44.19.620(a) is amended to read:

15 (a) The Alaska Human Resource Investment Council is established in the Office
16 of the Governor. The council consists of the following voting members, not to exceed
17 26:

18 (1) the lieutenant governor or the lieutenant governor's designee;

19 (2) the commissioners of commerce and **rural** [ECONOMIC]
20 development, [COMMUNITY AND REGIONAL AFFAIRS,] education, health and
21 social services, and labor, or each respective commissioner's designee;

22 (3) one representative from the University of Alaska;

23 (4) four additional representatives of education, with one from local
24 public education, one from secondary vocational education, one from a postsecondary
25 vocational education institution, and one from adult basic education;

26 (5) four representatives of business and industry, with at least one
27 representative from the private industry councils appointed under 29 U.S.C. 1512 and
28 subject to reconstitution under 29 U.S.C. 1515;

29 (6) four representatives of organized labor that the governor shall appoint
30 from lists of nominees submitted by recognized state labor organizations; the governor
31 may reject a list submitted under this paragraph and request that another list be
32 submitted;

1 (7) at least one representative from an organization representing
2 employment and training needs of Alaska Natives;

3 (8) at least one representative of a community-based service organization;

4 (9) at least one representative who has personal or professional
5 experience with developmental disabilities; and

6 (10) at least one and up to four additional members of the private sector
7 to ensure a private sector majority and regional and local representation on the council.

8 * **Sec. 70.** AS 44.19.626(f) is amended to read:

9 (f) The following training programs are subject to the provisions of (d) and (e)
10 of this section:

11 (1) in the Department of **Commerce and Rural Development**
12 [COMMUNITY AND REGIONAL AFFAIRS] or operated by the department:

13 (A) One Stop Career Center;

14 (B) Job Training Partnership Act programs, assisting
15 communities in moving toward a self-sustainable economy and providing
16 training, **coordinated with the Department of Health and Social Services;**

17 (C) state training and employment program (AS 23.15.620),
18 providing training and employment services for people who are unemployed or
19 likely to become unemployed, fostering new jobs, and increasing training
20 opportunities for workers severely affected by fluctuations in the state economy
21 or adversely affected by technology advances in the workplace, **coordinated**
22 **with the Department of Labor;**

23 (2) in the Department of Education or operated by the department, the
24 non-public-school portions of the following programs:

25 (A) employment-related adult basic education;

26 (B) School-to-Work;

27 (C) vocational education and Tech Prep;

28 (D) Alaska Career Information System;

29 (E) high school completion project;

30 (F) Kotzebue Technical Center;

31 (G) Alaska Vocational Technical Center;

32 (3) in the Department of Health and Social Services:

1 (A) employment training services operated as part of the Alaska
2 Temporary Assistance Program (ATAP);

3 **(B) Job Training Partnership Act programs under 29 U.S.C.**
4 **1501 - 1792b;**

5 (4) in the Department of Labor:

6 (A) unemployment insurance grants provided under the federal
7 training relocation assistance program;

8 (B) Alaska works programs, assisting with the welfare-to-work
9 program;

10 (C) state training **and** employment program, coordinated with
11 the Department of **Commerce** [COMMUNITY] and **Rural Development**
12 [REGIONAL AFFAIRS].

13 * **Sec. 71.** AS 44.19.626(g) is amended to read:

14 (g) The council shall assess the programs listed in this subsection and make
15 recommendations to the legislature in its report required under (b)(9) of this section
16 about whether to include one or more of these programs under the requirements of (f)
17 of this section:

18 (1) in the Department of **Commerce and Rural Development**
19 [COMMUNITY AND REGIONAL AFFAIRS] or operated by the department:

20 (A) local government assistance training and development,
21 including the rural utility business advisory program;

22 (B) energy operations, providing training in management and
23 administration of electric utilities and bulk fuel storage systems;

24 (2) in the Department of Corrections:

25 (A) Correctional Academy, training individuals applying for a
26 correctional officer position;

27 (B) inmate programs, providing vocational technical training and
28 education courses for inmates preparing to be released from a correctional
29 facility;

30 (C) correctional industries program, providing inmates with jobs
31 while they are incarcerated;

- 1 (3) in the Department of Environmental Conservation:
- 2 (A) remote maintenance worker program, providing training and
- 3 technical assistance to communities to keep drinking water and sewage disposal
- 4 systems running, and providing on-the-job training to local operators;
- 5 (B) water and wastewater operator training and assistance;
- 6 (C) federal drinking water operator training and certification;
- 7 (4) in the Department of Military and Veterans' Affairs: educational
- 8 benefits for members of the Alaska National Guard and the Alaska Naval Militia;
- 9 (5) in the Department of Public Safety:
- 10 (A) fire service training to maintain emergency training skills
- 11 for existing fire fighter staff and volunteers and individuals interested in
- 12 becoming fire fighters;
- 13 (B) Public Safety Training Academy, training trooper recruits;
- 14 (6) in the Department of Transportation and Public Facilities:
- 15 (A) engineer-in-training program, providing on-the-job training
- 16 for apprentice engineers to enable them to gain the experience necessary to be
- 17 certified;
- 18 (B) statewide transportation improvement program, offered by
- 19 the United States National Highway Institute;
- 20 (C) local technical assistance program, transferring technical
- 21 expertise to local governments;
- 22 (D) Native technical assistance program, transferring technical
- 23 expertise to Native governments;
- 24 (E) border technology exchange program, to coordinate highway
- 25 issues with the Yukon Territory;
- 26 (7) in the Department of Education: vocational rehabilitation client
- 27 services and special work projects;
- 28 (8) in the Department of Labor: employment services, including job
- 29 development, assisting individuals in finding employment, and assisting employed
- 30 individuals in finding other employment;
- 31 (9) in the Department of Administration: Alaska Professional

1 Development Institute, providing continuing education and training for employed
2 workers.

3 * **Sec. 72.** AS 44.19 is amended by adding a new section to read:

4 **Article 13. Office of International Trade.**

5 **Sec. 44.19.630. International trade.** (a) The office of international trade is
6 established in the office of the governor. The purpose of the office is to foster the
7 growth of trade between Alaska and foreign countries.

8 (b) The governor shall maintain foreign offices, including offices located in
9 Tokyo, Japan, and Seoul, Republic of Korea. The foreign offices shall serve as outlets
10 for information related to economic development, resources, and trade and as contact
11 points for government and private industry of Alaska and for the Pacific Rim nations of
12 Asia and other foreign countries to promote and maintain trade between the state and
13 those countries.

14 (c) The governor shall staff the foreign offices with persons the governor selects
15 based on their experience, training, and linguistic ability. The governor shall solicit
16 ideas from the legislature regarding desirable staff qualifications and its
17 recommendations of persons to staff the foreign offices. The governor may hire
18 additional personnel as necessary.

19 (d) The governor shall direct all state agencies, and request the federal
20 government and private industry, to provide the office with necessary reports, brochures,
21 and information requested by the office.

22 (e) The governor shall prepare a report annually on the activities and
23 accomplishments of the office under this section and notify the legislature that the report
24 is available.

25 (f) The expenses of operating the office's activities under this section, including
26 its foreign offices, shall be included in appropriations made to the governor.

27 (g) Employees of the office, including personnel in its foreign offices, are in the
28 partially exempt service.

29 (h) In this section, "office" means the office of international trade.

30 * **Sec. 73.** AS 44.21.200(a) is amended to read:

31 (a) The Alaska Commission on Aging is established in the Department of
32 Administration. The members of the commission include

- 1 (1) the commissioner of administration or the commissioner's designee;
- 2 (2) the commissioner of commerce and rural development
- 3 [COMMUNITY AND REGIONAL AFFAIRS] or the commissioner's designee;
- 4 (3) the commissioner of health and social services or the commissioner's
- 5 designee;
- 6 (4) the chair of the Pioneers' Homes Advisory Board under
- 7 AS 44.21.120; and
- 8 (5) seven persons selected on the basis of their knowledge and
- 9 demonstrated interest in the concerns of older Alaskans, appointed by the governor in
- 10 accordance with (b) of this section.

11 * **Sec. 74.** AS 44.29.020 is amended by adding a new subsection to read:

12 (c) The Department of Health and Social Services shall operate the head start

13 funding program governed by 42 U.S.C. 9835.

14 * **Sec. 75.** AS 44.29 is amended by adding new sections to read:

15 **Article 4. Day Care Assistance; Child Care Grants.**

16 **Sec. 44.29.300. Powers and duties.** (a) The department shall

17 (1) implement and administer a program to assist in providing day care

18 for the children of low and moderate income families according to the requirements of

19 AS 44.29.300 - 44.29.339;

20 (2) establish standards of eligibility for day care benefits;

21 (3) contract for the care of children of eligible families;

22 (4) establish procedures to periodically review the needs of families

23 receiving day care benefits;

24 (5) provide notification to the local government body of the request for

25 a contract with a day care facility.

26 (b) The department may

27 (1) adopt regulations necessary for the performance of its duties under

28 AS 44.29.300 - 44.29.339;

29 (2) contract with other entities to perform duties of the department under

30 AS 44.29.300 - 44.29.339 within an area specified by the department; within an area,

31 the department shall give higher priority to contracting with municipalities than with

32 other organizations.

1 **Sec. 44.29.305. Administrative costs of program contractors.** To defray
2 administrative expenses, a contractor under AS 44.29.300(b) may only retain \$1,000 or
3 12 percent, whichever is greater, of the day care assistance program funds it receives
4 from the department under the contract.

5 **Sec. 44.29.310. Conditions of receipt of benefits.** Benefits may be paid for the
6 care of children of a low or moderate income family only if a parent or guardian,
7 because of the day care, is freed to work or to seek work or to attend school. Benefits
8 may not be paid for the care of children of a family where one parent or guardian is not
9 working, actively seeking work, or attending school and is physically and mentally
10 capable of caring for the children.

11 **Sec. 44.29.315. Eligibility of families for benefits.** The department shall
12 determine the eligibility of families for day care benefits on the basis of the following
13 factors:

14 (1) income of the family including salary, alimony, child support,
15 retirement benefits, social security, and any other source of income;

16 (2) number of children in the family;

17 (3) whether there is one parent or guardian solely responsible for the care
18 of the family.

19 **Sec. 44.29.320. Contributions by parent or guardian.** The department shall
20 develop a sliding fee scale based on the factors listed in AS 44.29.315 for purposes of
21 determining the amount to be contributed by the parent or guardian for child care. The
22 contribution of the parent or guardian shall be paid to the day care facility.

23 **Sec. 44.29.325. Placement; payment by state.** (a) Parents or guardians shall
24 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. 44.29.330. Child care grant program.** (a) A child care grant program
28 is established in the department to provide state assistance in the operation of child care
29 facilities. The department shall provide grants for the operation of child care facilities,
30 including private nonprofit child care facilities. Participation in the program is optional.

31 (b) To qualify for a grant under (a) or (d) of this section, the child care facility
32 must

1 (1) be currently licensed under AS 47.35 and applicable municipal
2 licensing requirements;

3 (2) participate in the day care assistance program under AS 44.29.300 -
4 44.29.339; and

5 (3) provide care under a payment system as provided in (g) of this
6 section.

7 (c) A grant under (a) of this section may not exceed \$50 per month for each
8 child the child care facility cares for, or for each full-time equivalent, as determined by
9 the department. The grant shall be adjusted on a geographic basis by the same factor
10 as funding for a school district is adjusted under AS 14.17.460.

11 (d) In addition to the grants provided in (a) of this section, the department may,
12 subject to appropriations for that purpose, provide by grant or contract for the education
13 and training of child care employees or administrators. To receive a grant or contract
14 under this subsection or to participate in a training program under this subsection, the
15 child care facility must meet all the requirements of (b) of this section.

16 (e) An application for a grant under this section shall be made in the form
17 established by the department.

18 (f) A grant under (a) of this section shall be made monthly or quarterly and shall
19 be based on the monthly average daily full-time equivalent enrollment in the child care
20 facility. If the method of payment for the grant is other than monthly, it shall be at the
21 request of the child care facility with the approval of the department. Based on criteria
22 established by the department, the department may make quarterly advance payments.

23 (g) Each child care facility receiving a grant under (a) or (d) of this section shall
24 assure that at least 15 percent or one of its child care spaces receiving subsidy under this
25 section, whichever is greater, will be made available, if requested, to children eligible
26 for day care assistance under AS 44.29.300 - 44.29.339, whose parents or guardians wish
27 to pay for care based on attendance only.

28 (h) The commissioner shall, in consultation with interested child care providers
29 and parents, adopt regulations to carry out the purposes of this section.

30 **Sec. 44.29.339. Definitions.** In AS 44.29.300 - 44.29.339,

31 (1) "child" means a person below 13 years of age, or a minor who has
32 a developmental disability;

1 (2) "child care facility" means an establishment licensed under AS 47.35
 2 including but not limited to day care centers, family day care homes, and schools for
 3 preschool age children, which provides care for children not related by blood, marriage,
 4 or legal adoption to the owner, operator, or manager of the facility;

5 (3) "day care" means the care, supervision, and guidance of a child or
 6 children unaccompanied by a parent or legal guardian on a regular basis for periods of
 7 less than 24 hours a day;

8 (4) "day care facility" means a center or home licensed in accordance
 9 with the provisions of AS 47.35 or recognized by the federal government for the care
 10 of children;

11 (5) "department" means the Department of Health and Social Services;

12 (6) "developmental disability" means a disability under which a person
 13 is incapable of self-care, as verified by a physician or licensed or certified psychologist
 14 who has examined the person.

15 **Article 5. Child Care Facility Revolving Loan Fund.**

16 **Sec. 44.29.350. Child care facility revolving loan fund.** (a) There is created
 17 in the Department of Health and Social Services the child care facility revolving loan
 18 fund to carry out the purposes of AS 44.29.350 - 44.29.389. Except as provided in (b)
 19 and (c) of this section, the fund may not be used for any other purpose.

20 (b) The department may use money in the fund for costs of administering
 21 AS 44.29.350 - 44.29.389.

22 (c) On June 30 of each fiscal year, the unexpended and unobligated cash balance
 23 of the fund that is attributable to loans owned by the fund lapses into the general fund.

24 **Sec. 44.29.355. Special account established.** (a) There is established as a
 25 special account within the child care facility revolving loan fund the foreclosure expense
 26 account. This account is established as a reserve from fund equity.

27 (b) The commissioner of health and social services may expend money credited
 28 to the foreclosure expense account when necessary to protect the state's security interest
 29 in collateral on loans made under AS 44.29.360 or to defray expenses incurred during
 30 foreclosure proceedings after a default by an obligor.

31 **Sec. 44.29.360. Powers and duties of the department in administering the**
 32 **fund.** (a) The department may

1 (1) make loans for the construction, renovation, and equipping of child
2 care facilities, including private nonprofit child care facilities;

3 (2) adopt regulations necessary to carry out the provisions of
4 AS 44.29.350 - 44.29.389, including regulations to establish reasonable fees for services
5 provided and charges for collecting the fee; and

6 (3) collect the fees and charges established under this subsection.

7 (b) The department shall

8 (1) develop eligibility standards for loans to child care facilities;

9 (2) adopt guidelines for the determination of loan terms.

10 **Sec. 44.29.365. Loan terms.** (a) A loan to a child care facility under
11 AS 44.29.350 - 44.29.389 may not exceed \$50,000.

12 (b) The rate of interest charged shall be seven percent a year on the unpaid
13 balance of the loan.

14 (c) The duration for repayment of a loan may not exceed 20 years.

15 (d) All principal and interest payments, and any money chargeable to principal
16 or interest that is collected through liquidation by foreclosure or other process on loans
17 made under AS 44.29.350 - 44.29.389, shall be paid into the child care facility revolving
18 loan fund.

19 (e) If a child care facility ceases operation, any loan to the facility from the fund
20 is due on the date the facility ceases operation.

21 **Sec. 44.29.370. Eligibility for loans.** A child care facility is eligible for a loan
22 under AS 44.29.350 - 44.29.389 if the applicant

23 (1) submits to the department a plan for the use of the loan funds that
24 is approved by the commissioner; and

25 (2) meets additional eligibility standards established by the department
26 under AS 44.29.360(b)(1).

27 **Sec. 44.29.375. Sale or transfer of mortgages and notes.** The commissioner
28 of health and social services may sell or transfer at par value or at a premium to a bank
29 or other private purchaser for cash or other consideration the mortgages and notes held
30 by the department as security for loans made under AS 44.29.350 - 44.29.389.

31 **Sec. 44.29.380. Disposal of property acquired by default or foreclosure.** The
32 department shall dispose of property acquired through default or foreclosure of a loan

1 made under AS 44.29.350 - 44.29.389. Disposal shall be made in a manner that serves
 2 the best interests of the state and may include the amortization of payments over a
 3 period of years.

4 **Sec. 44.29.389. Definitions.** In AS 44.29.350 - 44.29.389,

5 (1) "child care facility" means an establishment the principal purpose of
 6 which is to provide care for children not related by blood, marriage, or legal adoption,
 7 including but not limited to day care centers, family day care homes, and schools for
 8 preschool age children;

9 (2) "department" means the Department of Health and Social Services.

10 * **Sec. 76.** AS 44.31.020 is amended to read:

11 **Sec. 44.31.020. Duties of department.** The Department of Labor shall

12 (1) enforce the laws, and adopt regulations under them concerning
 13 employer-employee relationships, including the safety, hours of work, wages, and
 14 conditions of workers, including children;

15 (2) accumulate, analyze, and report labor statistics;

16 (3) operate systems of workers' compensation and unemployment
 17 insurance; and

18 (4) gather data reflecting the cost of living in the various election
 19 districts of the state upon request of the director of personnel under AS 39.27.030; **and**

20 **(5) operate the federally funded employment and training programs**
 21 **under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act).**

22 * **Sec. 77.** AS 44.33.010 is amended to read:

23 **Sec. 44.33.010. Commissioner of commerce and rural [ECONOMIC]**
 24 **development.** The principal executive officer of the Department of Commerce and
 25 **Rural [ECONOMIC] Development** is the commissioner of commerce and **rural**
 26 **[ECONOMIC] development. Whenever a statute provides that the commissioner is**
 27 **a member of a board, council, or other similar entity, the commissioner may**
 28 **designate another person to act in the commissioner's place.**

29 * **Sec. 78.** AS 44.33 is amended by adding a new section to read:

30 **Sec. 44.33.015. Establishment of divisions; directors.** (a) The following
 31 divisions are created within the department:

32 (1) the division of rural affairs;

- 1 (2) the division of statewide development;
 2 (3) the division of occupational licensing;
 3 (4) the division of investments;
 4 (5) the division of insurance;
 5 (6) the division of banking, securities, and corporations; and
 6 (7) the division of administration.

7 (b) Each division designated in this section is under the administrative control
 8 of the commissioner and under the supervision of a director who may be appointed by
 9 the commissioner.

10 (c) The governor and the commissioner may not create a division within the
 11 department that is not authorized under (a) of this section.

12 * **Sec. 79.** AS 44.33.020 is amended to read:

13 **Sec. 44.33.020. Duties of department.** The Department of Commerce and
 14 **Rural** [ECONOMIC] Development shall

15 (1) administer the state programs relating to commerce, enforce the laws
 16 relating to these programs, and adopt regulations under these laws;

17 (2) register corporations;

18 (3) collect corporation franchise taxes;

19 (4) enforce state laws regulating public utilities and other public service
 20 enterprises, banking and securities, insurance, and other businesses and enterprises
 21 touched with a public interest;

22 (5) make veterans' loans;

23 (6) [REPEALED

24 (7)] promote and develop civil aviation;

25 ~~(7)~~ [(8)] furnish the budgeting, clerical, and administrative services for
 26 regulatory agencies and professional and occupational licensing boards not otherwise
 27 provided for;

28 ~~(8)~~ [(9)] REPEALED

29 (10) REPEALED

30 (11) REPEALED

31 (12)] conduct studies, enter into contracts and agreements, and make
 32 surveys relating to the economic development of the state and, when appropriate,

1 assemble, analyze, and disseminate the findings obtained;

2 (9) [(13)] provide factual information and technical assistance for
3 potential industrial and commercial investors;

4 (10) [(14)] receive gifts, grants, and other aid that facilitate the powers
5 and duties of the department from agencies and instrumentalities of the United States or
6 other public or private sources;

7 (11) [(15)] establish and activate programs to achieve balanced economic
8 development in the state and advise the governor on economic development policy
9 matters;

10 (12) [(16)] formulate a continuing program for basic economic
11 development and for the necessary promotion, planning and research that will advance
12 the economic development of the state;

13 (13) [(17)] cooperate with private, governmental, and other public
14 institutions and agencies in the execution of economic development programs;

15 (14) [(18)] review the programs and annual reports of other departments
16 and agencies as they are related to economic development and prepare an annual report
17 on the economic growth of the state;

18 (15) [(19)] administer the economic development programs of the state;

19 (16) [(20)] perform all other duties and powers necessary or proper in
20 relation to economic development and planning for the state;

21 (17) [(21)] request tourism-related businesses in the state to provide data
22 regarding occupancy levels, traffic flow and gross receipts and to participate in visitor
23 surveys conducted by the department; data collected under this paragraph that [WHICH]
24 discloses the particulars of an individual business is not a matter of public record and
25 shall be kept confidential; however, this restriction does not prevent the department from
26 using the data to formulate tourism economic impact information including expenditure
27 patterns, tax receipts and fees, employment and income attributable to tourism, and other
28 information considered relevant to the planning, evaluation and policy direction of
29 tourism in the state;

30 (18) [(22)] REPEALED

31 (23) REPEALED

32 (24)] provide administrative and budgetary services to the real estate

1 commission under as 08.88 as requested by the commission;

2 (19) [(25) REPEALED

3 (26) REPEALED

4 (27) REPEALED

5 (28)] sell at cost, to the extent possible, publications and promotional
6 materials developed by the department;

7 (20) [(29)] as delegated by the governor, administer under 16 U.S.C.
8 1856 the internal waters foreign processing permit procedures and collect related fees;

9 (21) [(30)] administer state laws relating to the issuance of business
10 licenses;

11 (22) comply with AS 15.07.055 to serve as a voter registration agency
12 to the extent required by state and federal law, including 42 U.S.C. 1973gg
13 (National Voter Registration Act of 1993);

14 [(31) REPEALED

15 (32) REPEALED

16 (33) FOSTER THE GROWTH OF INTERNATIONAL TRADE
17 WITHIN THE STATE AND ADMINISTER ALASKA FOREIGN OFFICES].

18 * **Sec. 80.** AS 44.33.020 is amended by adding a new subsection to read:

19 (b) The department shall

20 (1) advise and assist local governments;

21 (2) serve as staff for the Local Boundary Commission;

22 (3) conduct studies and carry out experimental and pilot projects for the
23 purpose of developing solutions to community and regional problems;

24 (4) promote cooperative solutions to problems affecting more than one
25 community or region, including joint service agreements, regional compacts, and other
26 forms of cooperation;

27 (5) serve as a clearinghouse for information useful in solution of
28 community and regional problems, and channel to the appropriate authority requests for
29 information and services;

30 (6) advise and assist community and regional governments on matters
31 of finance, including but not limited to bond marketing and procurement of federal
32 funds;

1 (7) prepare suggested guidelines relating to the content of notice of bond
2 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 regional
13 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) advise and assist municipalities on procedures of assessment,
21 valuation, and taxation, and notify municipalities of major errors in those procedures;

22 (15) apply for, receive, and use funds from federal and other sources,
23 public or private, for use in carrying out the powers and duties of the department;

24 (16) request and utilize the resources of other agencies of state
25 government in carrying out the purposes of this chapter to the extent such utilization is
26 more efficient than maintaining departmental staff, reimbursing the other agencies when
27 appropriate;

28 (17) carry out the powers and duties assigned it under AS 42.45;

29 (18) administer state and, as appropriate, federal programs for revenue
30 sharing, grants, and other forms of financial assistance to community and regional
31 governments; and

32 (19) carry out other functions and duties, consistent with law, necessary

1 or appropriate to accomplish the purpose of this chapter.

2 * **Sec. 81.** AS 44.33 is amended by adding new sections to article 1 to read:

3 **Sec. 44.33.112. Fees for publications, research data, and other services.** The
4 commissioner may establish by regulation and the department may charge reasonable
5 fees for department publications, research data, and other centralized administrative
6 services to cover the cost of reproduction, printing, mailing, distribution, and other
7 centralized administrative services.

8 **Sec. 44.33.115. Exxon Valdez oil spill unincorporated rural community**
9 **grant fund.** There is created in the department the Exxon Valdez oil spill
10 unincorporated rural community grant fund. The fund consists of money appropriated
11 to the fund from the Exxon Valdez oil spill restoration fund, the Alyeska settlement
12 fund, and other sources. Appropriations to the fund do not lapse unless otherwise
13 provided by the legislature in the bill making the appropriation to the fund. The
14 department may use the fund to make grants to unincorporated rural communities in the
15 area affected by the Exxon Valdez oil spill for capital projects for purposes of restoring,
16 replacing, or enhancing subsistence resources or services or other services damaged or
17 lost as the result of the Exxon Valdez oil spill. In this section,

18 (1) "Alyeska settlement fund" means the trust fund established in the
19 state treasury for the purpose of receiving, holding, and disbursing the settlement
20 proceeds received by the state under the Agreement and Consent Decree in re: The
21 Exxon Valdez, United States District Court, District of Alaska, Case No. A92-175 Civil,
22 decree entered November 25, 1992;

23 (2) "Exxon Valdez oil spill restoration fund" means the fund established
24 by the Department of Revenue to implement the judgment entered by the United States
25 District Court for Alaska in the criminal case United States of America v. Exxon
26 Shipping Company and Exxon Corporation, No. A90-015 CR.

27 **Sec. 44.33.118. Definitions.** In AS 44.33.010 - 44.33.118,

28 (1) "commissioner" means the commissioner of commerce and rural
29 development;

30 (2) "department" means the Department of Commerce and Rural
31 Development.

32 * **Sec. 82.** AS 44.33 is amended by adding new sections to read:

1 **Article 7A. Rural Development.**

2 **Sec. 44.33.740. Powers and duties.** To promote development of rural areas of
3 the state, the department is authorized to

4 (1) investigate social and economic conditions of rural areas to determine
5 the need to expand economic opportunities and improve living conditions;

6 (2) formulate a coordinated program to broaden and diversify the
7 economic base of rural areas;

8 (3) coordinate administration of emergency relief, surplus food
9 distribution, or other public assistance programs, except the regular relief and assistance
10 programs of the federal government in rural areas;

11 (4) formulate and conduct a program of construction of basic facilities
12 to improve health, welfare, and economic security and provide employment and income
13 in the rural areas;

14 (5) promote training and educational programs designed to expand
15 employment opportunities for residents of rural areas;

16 (6) enter into agreements with other state agencies and departments to
17 provide for the distribution in rural communities of surplus electrical power from state-
18 owned power sources located in those communities and to expend funds for this
19 purpose;

20 (7) make grants to communities for bulk fuel storage facilities;

21 (8) cooperate with the Department of Environmental Conservation and
22 other agencies to provide technical assistance to communities in the installation,
23 operation, and management of bulk fuel storage facilities.

24 **Sec. 44.33.745. Limitations.** A program of the department under AS 44.33.740
25 in a rural area may not exceed \$100,000 in cost a year.

26 **Sec. 44.33.750. Bulk fuel storage facilities grant fund.** (a) There is
27 established in the department the bulk fuel storage facilities grant fund. Grants may be
28 made by the department from this fund to a community to acquire and install community
29 bulk storage facilities.

30 (b) Grants made under this section for the acquisition and installation of a bulk
31 fuel storage facility may not exceed \$100,000 per community.

32 (c) If the governing body of two or more communities determine that their fuel

1 requirements may be served by a single bulk fuel storage facility, the communities may
 2 jointly apply for grants to acquire and install a single bulk fuel storage facility. When
 3 communities apply jointly under this subsection, the limitation in (b) of this section is
 4 multiplied by the number of communities that submit the joint application.

5 (d) Before a grant is made under this section, the city council or, if the
 6 community is not incorporated, a reasonable representative body in the community shall
 7 agree in writing to maintain and operate the bulk storage facility to be constructed with
 8 the proceeds of the grant.

9 **Sec. 44.33.755. Land conveyed in trust.** (a) The commissioner

10 (1) shall accept, administer, and dispose of land conveyed to the state
 11 in trust by village corporations under 43 U.S.C. 1613(c)(3) (Sec. 14(c)(3) of the Alaska
 12 Native Claims Settlement Act) for the purposes specified in that section;

13 (2) may, with the concurrence of an appropriate village entity recognized
 14 by the commissioner under (b) of this section or, in the absence of an appropriate village
 15 entity, under procedures prescribed by regulations of the commissioner, accept,
 16 administer, and dispose of land conveyed in trust by a state or federal agency and by the
 17 dissolution of a municipality under AS 29.06.450 - 29.06.530.

18 (b) Transfer of land by sale, lease, right-of-way, easement, or permit, including
 19 transfer of surface resources, may be made by the commissioner only after approval of
 20 an appropriate village entity such as the traditional council, a village meeting, or a
 21 village referendum. This approval shall be by resolution filed with the department.

22 (c) Within one complete state fiscal year after the incorporation of a
 23 municipality in the village or of a municipality that includes all or part of the village,
 24 land acquired under this section shall be conveyed without cost to the municipality, and
 25 the municipality shall succeed to all the entrusted interest in the land.

26 (d) Separate accounts shall be maintained in the name of each village for the
 27 land, including the revenue from the land, acquired from each village corporation under
 28 this section.

29 (e) Upon the conveyance of land to a municipality under this section, the
 30 commissioner shall account to the municipality for all profits including interest generated
 31 from the land. The municipality may then request the governor to submit a request to
 32 the legislature for an appropriation for the amount due the municipality.

1 (f) Title to or an interest in land acquired by the department under this section
2 may not be acquired by adverse possession or prescription. Notwithstanding (a) - (e)
3 of this section, on the dissolution of a municipality under AS 29.06.450 - 29.06.530,
4 unimproved land that was owned by the municipality on the date of its dissolution and
5 received by the municipality from the state under a municipal land grant entitlement
6 program is transferred to the commissioner of natural resources.

7 (g) For the purposes of this section, "municipality" includes only first and
8 second class cities incorporated under the laws of the state.

9 **Sec. 44.33.760. Loan information officers.** (a) The department may provide
10 itinerant loan information officers to serve persons who reside outside the major
11 population centers of the state.

12 (b) The loan information officers shall be trained, to the extent that the
13 department considers necessary, in a program administered by the department and
14 approved by the Alaska Housing Finance Corporation, the Alaska Industrial
15 Development and Export Authority, and the principal departments of the executive
16 branch that administer loan programs.

17 (c) A majority of the loan information officers shall be persons who are
18 conversant in Alaska Native languages that are spoken by a significant number of Alaska
19 Natives. The department shall provide brochures and other printed materials, written in
20 easily understandable English and in the Alaska Native languages that are spoken by a
21 significant number of Alaska Natives, for distribution by the loan information officers.
22 The brochures and printed materials must explain the purposes of the various state loan
23 programs, the minimum qualifications under the programs, the method for obtaining
24 assistance in the completion of applications for the programs, and other information the
25 department determines will improve the access of persons in rural areas to the state's
26 loan programs.

27 (d) The department shall coordinate its efforts under this section with local
28 financial institutions and community groups to determine the proper itinerary and travel
29 schedule of the loan information officers and to provide adequate notice to persons in
30 rural areas of the itinerary and travel schedule of the loan information officers.

31 (e) The department shall assign the loan information officers to rural areas based
32 on the current and potential future demands for loans in those areas and shall establish

1 offices for the loan information officers in rural areas if the department determines it is
 2 necessary to provide familiarity with the area served by the loan information officers and
 3 to reduce travel costs.

4 **Sec. 44.33.765. Rural development initiative fund.** (a) The rural development
 5 initiative fund is created in the department. Unless provided otherwise in the
 6 appropriation act, an appropriation to the fund is retained in the fund for use under
 7 AS 44.33.765 - 44.33.775 and does not lapse at the end of a fiscal year. Each year the
 8 commissioner shall request an appropriation to the fund of interest and other income
 9 earned on loans or investments of the fund. Money in the fund may be appropriated for
 10 costs of administering AS 44.33.765 - 44.33.775.

11 (b) The commissioner may place money from the fund into a special reserve
 12 account as necessary. The commissioner may use money in the account to protect the
 13 state's security interest in collateral on loans made from the fund, to protect the state's
 14 interests in investments made from the fund, or to defray expenses incurred during
 15 foreclosure or other legal proceedings involving loans or investments made from the
 16 fund.

17 (c) The commissioner may use money from the fund to provide for loan
 18 information officers under AS 44.33.760.

19 **Sec. 44.33.770. Rural development loans.** (a) The department may use money
 20 from the rural development initiative fund to make a loan of up to \$100,000 to a person,
 21 or a loan of up to \$200,000 to two or more persons, to be used for working capital,
 22 equipment, construction, or other commercial purposes by a business located in a
 23 community with a population of 5,000 or less. A person who has received a loan under
 24 this subsection may not be granted another loan until after the original loan is entirely
 25 repaid.

26 (b) The department shall require collateral for each loan made under this section
 27 and shall require that a reasonable amount of money from other nonstate sources be
 28 committed for use on any project or enterprise for which money from a loan will be
 29 used. The department by regulation may establish other conditions for loans. The
 30 department shall by regulation establish rates of interest that are not less than six percent
 31 a year and terms of repayment for loans made under this section.

32 **Sec. 44.33.775. Disposal of property acquired by default or foreclosure.** The

1 department shall dispose of property acquired through default or foreclosure of a loan
 2 made from the rural development initiative fund. Disposal shall be made in a manner
 3 that serves the best interests of the state, and may include the amortization of payments
 4 over a period of years. The commissioner shall request an appropriation to the fund of
 5 proceeds from disposal of property under this section.

6 **Sec. 44.33.780. Definitions.** In AS 44.33.740 - 44.33.780,

7 (1) "commissioner" means the commissioner of commerce and rural
 8 development;

9 (2) "department" means the Department of Commerce and Rural
 10 Development.

11 **Article 7B. Planning Assistance.**

12 **Sec. 44.33.781. Planning assistance for development and maintenance of**
 13 **district coastal management programs.** (a) The department shall conduct a program
 14 of research, training, and technical assistance to coastal resource districts necessary for
 15 the development and implementation of district coastal management programs under
 16 AS 46.40. The technical assistance shall include the direct granting to the coastal
 17 resource districts of a portion of any funds received by the state from the federal coastal
 18 zone management program, in amounts to be individually determined for each coastal
 19 resource district by the commissioner of commerce and rural development. State
 20 agencies shall assist the department in carrying out the purposes of this section.

21 **Sec. 44.33.782. Planning assistance to platting authorities.** To facilitate
 22 planning in municipalities that exercise planning and zoning authority, the department
 23 may provide planning assistance, including but not limited to surveys, land use studies,
 24 urban renewal plans, technical services, model acts that include regulations designed to
 25 encourage development and use of energy systems not dependent on oil or gas, and other
 26 planning work to a city, borough, or other platting authority. In an area under the
 27 jurisdiction, for planning purposes, of a city, borough, or other platting authority, the
 28 department may not perform the planning work except at the request or with the consent
 29 of the local authority.

30 **Sec. 44.33.784. Assistance by cities and platting authorities.** A city or
 31 platting authority may make funds under its control available to the department for the
 32 purposes of obtaining planning work or planning assistance, or both, for its area. The

1 department may contract for, accept, and expend the funds for urban planning for the
2 local jurisdiction.

3 **Sec. 44.33.786. Land use planning and state facility procurement plan.** The
4 department shall make recommendations to the Department of Transportation and Public
5 Facilities and to appropriate program agencies concerning the effect upon the
6 comprehensive plan or other land use plans or proposals of municipalities and
7 unincorporated communities with respect to the facility procurement plan required to be
8 prepared in accordance with AS 35.10.170.

9 **Sec. 44.33.788. Other planning powers.** The department may accept and
10 expend grants from the federal government and other public or private sources, may
11 contract with reference to them, and may enter into contracts and exercise all other
12 powers necessary to carry out AS 44.33.781 - 44.33.788.

13 **Sec. 44.33.790. Definition.** In AS 44.33.782 - 44.33.790, "department" means
14 the Department of Commerce and Rural Development.

15 * **Sec. 83.** AS 44.33 is amended by adding new sections to read:

16 **Article 8A. Local Boundary Commission.**

17 **Sec. 44.33.810. Local Boundary Commission.** There is in the Department of
18 Commerce and Rural Development a Local Boundary Commission. The Local
19 Boundary Commission consists of five members appointed by the governor for
20 overlapping five-year terms. One member shall be appointed from each of the four
21 judicial districts described in AS 22.10.010 and one member shall be appointed from the
22 state at large. The member appointed from the state at large is the chair of the
23 commission.

24 **Sec. 44.33.812. Powers and duties.** (a) The Local Boundary Commission shall
25 (1) make studies of local government boundary problems;
26 (2) adopt regulations providing standards and procedures for municipal
27 incorporation, annexation, detachment, merger, consolidation, reclassification, and
28 dissolution;
29 (3) consider a local government boundary change requested of it by the
30 legislature, the commissioner of commerce and rural development, or a political
31 subdivision of the state; and
32 (4) develop standards and procedures for the extension of services and

1 ordinances of incorporated cities into contiguous areas for limited purposes upon
 2 majority approval of the voters of the contiguous area to be annexed and prepare
 3 transition schedules and prorated tax mill levies as well as standards for participation by
 4 voters of these contiguous areas in the affairs of the incorporated cities furnishing
 5 services.

6 (b) The Local Boundary Commission may

7 (1) conduct meetings and hearings to consider local government
 8 boundary changes and other matters related to local government boundary changes,
 9 including extensions of services by incorporated cities into contiguous areas and matters
 10 related to extension of services; and

11 (2) present to the legislature during the first 10 days of a regular session
 12 proposed local government boundary changes, including gradual extension of services
 13 of incorporated cities into contiguous areas upon a majority approval of the voters of the
 14 contiguous area to be annexed and transition schedules providing for total assimilation
 15 of the contiguous area and its full participation in the affairs of the incorporated city
 16 within a period not to exceed five years.

17 **Sec. 44.33.814. Meetings and hearings.** The chair of the commission or the
 18 commissioner of commerce and rural development with the consent of the chair may call
 19 a meeting or hearing of the Local Boundary Commission. All meetings and hearings
 20 shall be public.

21 **Sec. 44.33.816. Minutes and records.** The Local Boundary Commission shall
 22 keep minutes of all meetings and hearings. If the proceedings are transcribed, minutes
 23 shall be made from the transcription. The minutes are a public record. All votes taken
 24 by the commission shall be entered in the minutes.

25 **Sec. 44.33.818. Notice of public hearings.** Public notice of a hearing of the
 26 Local Boundary Commission shall be given in the area in which the hearing is to be
 27 held at least 15 days before the date of the hearing. The notice of the hearing must
 28 include the time, date, place, and subject of the hearing. The commissioner of
 29 commerce and rural development shall give notice of the hearing at least three times in
 30 the press, through other news media, or by posting in a public place, whichever is most
 31 feasible.

32 **Sec. 44.33.820. Quorum.** Three members of the commission constitute a

1 quorum for the conduct of business at a meeting. Two members constitute a quorum
2 for the conduct of business at a hearing.

3 **Sec. 44.33.822. Boundary change.** A majority of the membership of the Local
4 Boundary Commission must vote in favor of a proposed boundary change before it may
5 be presented to the legislature.

6 **Sec. 44.33.824. Expenses.** Members of the Local Boundary Commission
7 receive no pay but are entitled to the travel expenses and per diem authorized for
8 members of boards and commissions under AS 39.20.180.

9 **Sec. 44.33.826. Hearings on boundary changes.** A local government boundary
10 change may not be proposed to the legislature unless a hearing on the change has been
11 held in or in the near vicinity of the area affected by the change.

12 **Sec. 44.33.828. When boundary change takes effect.** When a local
13 government boundary change is proposed to the legislature during the first 10 days of
14 any regular session, the change becomes effective 45 days after presentation or at the
15 end of the session, whichever is earlier, unless disapproved by a resolution concurred
16 in by a majority of the members of each house.

17 **Article 8B. Borough Feasibility Studies.**

18 **Sec. 44.33.840. Borough feasibility studies.** The commissioner may contract
19 for studies of the feasibility of establishing boroughs in the unorganized borough. A
20 study may be conducted under this section only if

21 (1) appropriations are available for that purpose; and

22 (2) the study is requested by a person residing in the area to be studied
23 or by a city located in the area to be studied.

24 **Sec. 44.33.842. Requests for studies.** A request for a study of the feasibility
25 of establishing a borough in the unorganized borough shall be submitted to the
26 commissioner in writing and must include

27 (1) a description of the boundaries of the area of the proposed study; and

28 (2) an indication of local interest in the proposed study consisting of
29 either

30 (A) a petition requesting the study containing the signatures and
31 addresses of five percent of the voters residing in the area of the proposed study
32 based on the number of voters who voted in the area in the last statewide

1 election; or

2 (B) resolutions requesting the study adopted by the governing
3 bodies of at least five percent of the cities within the area of the proposed study.

4 **Sec. 44.33.844. Boundaries.** The boundaries of an area studied shall conform
5 to the boundaries indicated in the request for the study under AS 44.33.842 unless the
6 commissioner, after a public hearing held in the area of the proposed study, determines
7 that the boundaries should be altered. In determining the boundaries of an area to be
8 studied, the commissioner shall consider

9 (1) the standards applicable to the incorporation of boroughs under
10 AS 29.05.031;

11 (2) boundaries of regional corporations established under 43 U.S.C. 1606;

12 (3) census divisions of the state used for the 1980 census;

13 (4) boundaries of the regional educational attendance areas established
14 under AS 14.08.031; and

15 (5) boundaries of coastal resource service areas organized under
16 AS 46.40.110 - 46.40.210.

17 **Sec. 44.33.846. Contracts.** (a) The commissioner shall contract for a study of
18 the feasibility of establishing a borough in the unorganized borough by following the
19 procedures under AS 36.30 (State Procurement Code). The commissioner shall include
20 terms in the contract that provide for

21 (1) public participation in the preparation of the study;

22 (2) completion of the study not later than June 30 of the third year after
23 the year the contract is executed.

24 (b) A study under this section must include

25 (1) a recommendation for or against incorporation of a borough
26 containing all or part of the area studied;

27 (2) an evaluation of the economic development potential of the area
28 studied;

29 (3) an evaluation of capital facility needs of the area studied;

30 (4) an evaluation of demographic, social, and environmental factors
31 affecting the area studied;

32 (5) an evaluation of the relationships among regional educational

1 attendance areas, coastal resource service areas, and other regional entities responsible
2 for providing services in the area studied;

3 (6) an evaluation of the relationships between the existing cities within
4 the area studied and regional entities responsible for providing services in the area; and

5 (7) specific recommendations for

6 (A) organization of a home rule or general law borough
7 government if one is recommended;

8 (B) changes in organization of cities in the area studied; or

9 (C) the improvement of the delivery of services to the public by
10 the state in the area studied.

11 **Sec. 44.33.849. Definition.** In AS 44.33.840 - 44.33.849, "commissioner"
12 means the commissioner of commerce and rural development.

13 **Article 8C. Alaska Regional Economic Assistance Program.**

14 **Sec. 44.33.895. Alaska regional economic assistance program.** (a) The
15 department shall

16 (1) encourage the formation of regional development organizations by
17 providing assistance in forming organizations to interested individuals, including
18 information on how to qualify and apply for regional development grants and federal
19 funding under 42 U.S.C. 3121 - 3246 (Public Works and Economic Development Act
20 of 1965), as amended;

21 (2) assist an interested individual in establishing boundaries for a
22 proposed organization to ensure that the region

23 (A) is of sufficient geographic size and contains a large enough
24 population to form an economically viable unit with shared interests, resources,
25 traditions, and goals;

26 (B) contains at least one municipality that serves as a regional
27 center; and

28 (C) contains the entire area of each municipality included in the
29 region;

30 (3) gather information about regional economic issues, international
31 trade, and tourism from organizations;

32 (4) serve as liaison between organizations and other state agencies and

1 encourage other agencies to make resources available to help accomplish goals of the
2 organizations;

3 (5) assist each organization to

4 (A) provide services designed to encourage economic
5 development to local communities and businesses;

6 (B) collect and distribute economic information relevant to the
7 region;

8 (C) participate in state marketing campaigns and join state trade
9 missions that are relevant to the region; and

10 (D) develop and implement strategies to attract new industry,
11 expand international trade opportunities, and encourage tourism within the
12 region.

13 (b) Subject to (c) of this section, the department may make regional
14 development grants to organizations for projects the department determines will be of
15 value in encouraging economic development. During a fiscal year, the department may
16 make no more than 15 grants and may only make grants to one organization from a
17 particular region. An organization that is designated an economic development district
18 under 42 U.S.C. 3171 qualifies for grants under this subsection. The department shall
19 by regulation adopt procedures for applying for regional development grants, including
20 application deadlines. The department may by regulation establish additional grant
21 eligibility requirements.

22 (c) To qualify for a grant, a regional development organization must match the
23 grant by providing an amount of money from nonstate sources. The department shall
24 establish by regulation a formula that determines the amount of the match required under
25 this subsection based on the capability of each organization to generate money from
26 nonstate sources. The amount of match required may not exceed the amount of grant
27 money and may not be less than 20 percent of the grant. The total amount of grant
28 money provided to an organization during a fiscal year may not exceed \$100,000.

29 (d) There is established in the department the regional development fund
30 consisting of appropriations to the fund. Money from the fund may be used only for
31 regional development grants.

32 (e) In this section,

1 (1) "department" means the Department of Commerce and Rural
2 Development;

3 (2) "regional development organization" or "organization" means a
4 nonprofit organization or nonprofit corporation formed to encourage economic
5 development within a particular region of the state that includes the entire area of each
6 municipality within that region and that has a board of directors that represents the
7 region's economic, political, and social interests.

8 * **Sec. 84.** AS 44.85.030 is amended to read:

9 **Sec. 44.85.030. Membership and vacancies.** The bond bank authority consists
10 of the following five directors: the commissioner of revenue, the commissioner of
11 commerce and rural development [COMMUNITY AND REGIONAL AFFAIRS], who
12 shall each be a director ex officio with voting privileges, and three directors appointed
13 by the governor. The appointment of each director other than the commissioner of
14 revenue and the commissioner of commerce and rural development [COMMUNITY
15 AND REGIONAL AFFAIRS] is subject to confirmation by the legislature. The three
16 directors appointed by the governor serve at the governor's pleasure for four-year terms.
17 They must be residents of the state and qualified voters at the time of appointment and
18 shall comply with the requirements of AS 39.50 (conflict of interest). Each director
19 shall hold office for the term of appointment and until a successor has been appointed
20 and qualified. A director is eligible for reappointment. A vacancy in a directorship
21 occurring other than by expiration of term shall be filled in the same manner as the
22 original appointment but for the unexpired term only. Each director before entering
23 upon the duties of office shall take and subscribe to an oath to perform the duties
24 faithfully, impartially, and justly to the best of the director's ability. A record of the
25 oath shall be filed in the office of the governor.

26 * **Sec. 85.** AS 44.85.320(b) is amended to read:

27 (b) Before declaring the principal of notes or bonds due and payable, the trustee
28 must first give 30 days' notice in writing to the governor, the bond bank authority, the
29 commissioner of commerce and rural development [COMMUNITY AND REGIONAL
30 AFFAIRS], and the attorney general of the state.

31 * **Sec. 86.** AS 46.03.900(33) is amended to read:

32 (33) "village" means a place within the unorganized borough or within

1 a borough as to a power, function, or service that is not exercised or provided by the
2 borough on an areawide or nonareawide basis that

3 (A) has irrevocably waived, in a form approved by the
4 Department of Law, any claim of sovereign immunity that might arise under this
5 chapter; and

6 (B) has

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

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

11 (iii) a council recognized by the commissioner of
12 **commerce and rural development** [COMMUNITY AND REGIONAL
13 AFFAIRS] under regulations adopted by the Department of **Commerce**
14 **and Rural Development** [COMMUNITY AND REGIONAL AFFAIRS]
15 to determine and give official recognition of village entities under
16 **AS 44.33.755(b)** [AS 44.47.150(b)];

17 * **Sec. 87.** AS 46.04.900(22) is amended to read:

18 (22) "village" means a place within the unorganized borough or within
19 a borough as to a power, function, or service that is not exercised or provided by the
20 borough on an areawide or nonareawide basis that

21 (A) has irrevocably waived, in a form approved by the
22 Department of Law, any claim of sovereign immunity that might arise under this
23 chapter; and

24 (B) has

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

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

29 (iii) a council recognized by the commissioner of
30 **commerce and rural development** [COMMUNITY AND REGIONAL
31 AFFAIRS] under regulations adopted by the Department of **Commerce**
32 **and Rural Development** [COMMUNITY AND REGIONAL AFFAIRS]

1 to determine and give official recognition of village entities under
 2 AS 44.33.755(b) [AS 44.47.150(b)];

3 * **Sec. 88.** AS 46.08.040(a) is amended to read:

4 (a) In addition to money in the response account of the fund that is transferred
 5 to the commissioner of commerce and rural development [COMMUNITY AND
 6 REGIONAL AFFAIRS] to make grants under AS 29.60.510 and to pay for impact
 7 assessments under AS 29.60.560, the commissioner of environmental conservation may
 8 use money

9 (1) from the response account in the fund

10 (A) when authorized by AS 46.08.045, to investigate and evaluate
 11 the release or threatened release of oil or a hazardous substance, and contain,
 12 clean up, and take other necessary action, such as monitoring and assessing, to
 13 address a release or threatened release of oil or a hazardous substance that poses
 14 an imminent and substantial threat to the public health or welfare, or to the
 15 environment;

16 (B) to provide matching funds in the event of a release of oil or
 17 a hazardous substance for which use of the response account is authorized by
 18 AS 46.08.045 for participation

19 (i) in federal oil discharge cleanup activities; and

20 (ii) under 42 U.S.C. 9601 - 9657 (Comprehensive
 21 Environmental Response, Compensation, and Liability Act of 1980); and

22 (C) to recover the costs to the state, a municipality, a village, or
 23 a school district of a containment and cleanup resulting from the release or the
 24 threatened release of oil or a hazardous substance for which money was
 25 expended from the response account;

26 (2) from the prevention account in the fund to

27 (A) investigate and evaluate the release or threatened release of
 28 oil or a hazardous substance, except a release described in AS 46.08.045(a), and
 29 contain, clean up, and take other necessary action, such as monitoring and
 30 assessing, to address a release or threatened release of oil or a hazardous
 31 substance, except a release described in AS 46.08.045(a);

32 (B) pay all costs incurred

1 (i) to establish and maintain the oil and hazardous
2 substance response office;

3 (ii) under agreements entered into under AS 46.04.090 or
4 AS 46.09.040;

5 (iii) to review oil discharge prevention and contingency
6 plans submitted under AS 46.04.030;

7 (iv) to conduct training, response exercises, inspections,
8 and tests, in order to verify equipment inventories and ability to prevent
9 and respond to oil and hazardous substance release emergencies, and to
10 undertake other activities intended to verify or establish the preparedness
11 of the state, a municipality, or a party required by AS 46.04.030 to have
12 an approved contingency plan to act in accordance with that plan; and

13 (v) to verify or establish proof of financial responsibility
14 required by AS 46.04.040;

15 (C) pay, when presented with appropriate documentation by the
16 Department of Military and Veterans' Affairs, the expenses incurred by the
17 Department of Military and Veterans' Affairs for Alaska State Emergency
18 Response Commission activities, including staff support, when the activities and
19 staff support relate to oil or hazardous substances, and for the costs of being
20 prepared for responding to a request by the department for support in response
21 and restoration, but not including the costs of maintaining the response corps and
22 the emergency response depots under AS 26.23.045;

23 (D) pay all costs incurred to acquire, repair, or improve an asset
24 having an anticipated life of more than one year and that is acquired, repaired,
25 or improved as a preparedness measure by which the state may respond to,
26 recover from, reduce, or eliminate the effects of a release or threatened release
27 of oil or a hazardous substance;

28 (E) pay the costs, if approved by the commissioner, that were
29 incurred by local emergency planning committees to carry out the duties assigned
30 them by AS 46.13.080;

31 (F) provide matching funds in the event of the release of oil or
32 a hazardous substance, except a release of oil for the containment and cleanup

1 of which use of the response account is authorized by AS 46.08.045, for
2 participation

3 (i) in federal oil discharge cleanup activities; and

4 (ii) under 42 U.S.C. 9601 - 9657 (Comprehensive
5 Environmental Response, Compensation, and Liability Act of 1980);

6 (G) pay or reimburse the storage tank assistance fund established
7 in AS 46.03.410 for expenditures from that fund authorized by AS 46.03.410(b);

8 (H) transfer to the Department of **Commerce and Rural**
9 **Development** [COMMUNITY AND REGIONAL AFFAIRS] for payment by the
10 commissioner of **commerce and rural development** [COMMUNITY AND
11 REGIONAL AFFAIRS] of

12 (i) municipal impact grants when authorized under
13 AS 29.60.510(b)(2);

14 (ii) assessments of the social and economic effects of the
15 release of oil or hazardous substances as required by AS 29.60.560 when,
16 in the judgment of the commissioner, the release of oil or a hazardous
17 substance is not one that is described in AS 46.08.045; and

18 (iii) grants to repair, improve, or replace fuel storage
19 facilities under the bulk fuel system emergency repair and upgrade
20 program;

21 (I) recover the costs to the state, a municipality, a village, or a
22 school district of a containment and cleanup resulting from the release or
23 threatened release of oil or a hazardous substance for which money was
24 expended from the prevention account;

25 (J) prepare, review, and revise

26 (i) the state's master oil and hazardous substance
27 discharge prevention and contingency plan required by AS 46.04.200;
28 and

29 (ii) a regional master oil and hazardous substance
30 discharge prevention and contingency plan required by AS 46.04.210;
31 and

32 (K) restore the environment by addressing the effects of an oil

1 or hazardous substance release.

2 * **Sec. 89.** AS 46.08.900(16) is amended to read:

3 (16) "village" means a place within the unorganized borough or within
4 a borough if the power, function, or service for which a grant application under
5 AS 29.60.510 is submitted is not exercised or provided by the borough on an areawide
6 or nonareawide basis at the time the grant application is submitted that

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

10 (B) has

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

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

15 (iii) a council recognized by the commissioner of
16 **commerce and rural development** [COMMUNITY AND REGIONAL
17 AFFAIRS] under regulations adopted by the Department of **Commerce**
18 **and Rural Development** [COMMUNITY AND REGIONAL AFFAIRS]
19 to determine and give official recognition of village entities under
20 **AS 44.33.755(b)** [AS 44.47.150(b)].

21 * **Sec. 90.** AS 46.40.120(b) is amended to read:

22 (b) The commissioner of **commerce and rural development** [THE
23 DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] may, after public
24 hearings held in the area affected, consolidate two or more regional educational
25 attendance areas as a single coastal resource service area

26 (1) if a substantial portion of the coastal area contains land and water
27 area owned by the federal government over which it exercises exclusive jurisdiction or
28 land held in trust by the federal government for Alaska Natives over which the state
29 would not exercise control as to use; or

30 (2) if, after giving due consideration to the standards applicable to
31 incorporation of borough governments and the likelihood that a borough will be
32 incorporated within the area, the commissioner determines that the functions to be

1 performed under this chapter could be undertaken more efficiently through the
 2 combination of two or more regional educational attendance areas as a single coastal
 3 resource service area.

4 * **Sec. 91.** AS 46.40.120(d) is amended to read:

5 (d) For purposes of coastal zone management only, the commissioner of
 6 **commerce and rural development** [COMMUNITY AND REGIONAL AFFAIRS] may,
 7 after public hearings held in the regional educational attendance area affected, divide an
 8 existing regional educational attendance area into no more than three coastal resource
 9 service areas according to geographic, cultural, economic, environmental, or other
 10 features relevant to coastal management planning. However,

11 (1) each coastal resource service area formed by dividing an existing
 12 regional educational attendance area must contain at least one first class city or home
 13 rule city;

14 (2) a city within a coastal resource service area formed by dividing an
 15 existing regional educational attendance area may not elect to exclude itself from the
 16 coastal resource service area; and

17 (3) a coastal resource service area formed before June 1, 1980, may not
 18 be divided for coastal management planning purposes.

19 * **Sec. 92.** AS 46.40.140(c) is amended to read:

20 (c) The commissioner of **commerce and rural development** [COMMUNITY
 21 AND REGIONAL AFFAIRS], after consultation with residents of a coastal resource
 22 service area, may divide a service area into sections only for the purpose of nominating
 23 and electing board members. Division of a service area into sections for the purpose of
 24 nomination and election shall be in accordance with the provisions of AS 14.08.051(a).
 25 Division may be proposed in the petition submitted under AS 46.40.130(a)(1), in the
 26 resolution submitted under AS 46.40.130(a)(2), at the direction of the council under
 27 AS 46.40.130(a)(3), or may be proposed at any time by the members of the coastal
 28 resource service area board. If proposed by the board, the division of the service area
 29 into sections is subject to approval of a majority of the qualified voters voting on the
 30 question in the coastal resource service area at the next regular election or at a special
 31 election called for that purpose and, if approved, takes effect at the next regular election
 32 of members of the coastal resource service area board.

1 * **Sec. 93.** AS 46.40.170(a) is amended to read:

2 (a) If residents of a coastal resource service area reject organization of the
3 service area at an election called for the purpose and the council finds, after public
4 hearing, that major economic development activity has occurred or will occur within the
5 service area, the council may direct the Department of **Commerce and Rural**
6 **Development** [COMMUNITY AND REGIONAL AFFAIRS] to prepare and recommend
7 for consideration by the council and for submission to the legislature a district coastal
8 management program for the service area.

9 * **Sec. 94.** AS 46.40.170(b) is amended to read:

10 (b) At the request of the council, the Department of **Commerce and Rural**
11 **Development** [COMMUNITY AND REGIONAL AFFAIRS] shall complete the district
12 coastal management program in accordance with this chapter and the guidelines and
13 standards adopted by the council for a coastal resource service area **that** [WHICH] has
14 been organized but **that** [WHICH] has failed to make substantial progress in the
15 preparation of an approvable district coastal management program within 18 months of
16 certification of the results of an organization election or **that** [WHICH] has not
17 submitted for approval to the council a program within 30 months of certification of the
18 results of its organization election. Preparation of the program shall be conducted in
19 consultation with the coastal resource service area and shall, to the maximum extent
20 consistent with this chapter, reflect the expressed concerns of the residents of the service
21 area.

22 * **Sec. 95.** AS 46.40.180(a) is amended to read:

23 (a) Before adoption by a coastal resource service area board, or by the
24 Department of **Commerce and Rural Development** [COMMUNITY AND REGIONAL
25 AFFAIRS] under AS 46.40.170, a district coastal management program shall be
26 submitted for review to each city or village within the coastal resource service area. The
27 council of a city or traditional village council shall consider the program submitted for
28 review. Within 60 days of submission, the council of a city or traditional village council
29 shall either approve the program or enter objections to all or any portion of the program.

30 * **Sec. 96.** AS 46.40.180(d) is amended to read:

31 (d) For purposes of this section, "village" means an unincorporated community
32 where at least 25 persons reside as a social unit as determined by the Department of

1 **Commerce and Rural Development** [COMMUNITY AND REGIONAL AFFAIRS].

2 * **Sec. 97.** AS 46.40.190(a) is amended to read:

3 (a) A city within the coastal area **that** [WHICH] is not part of a coastal resource
4 service area shall be included for purposes of this chapter within an adjacent coastal
5 resource service area unless its governing body, by resolution adopted by a majority of
6 its membership, chooses to exclude the city from an adjacent coastal resource service
7 area and a copy of the resolution is filed with the commissioner of **commerce and rural**
8 **development** [COMMUNITY AND REGIONAL AFFAIRS].

9 * **Sec. 98.** AS 46.40.210(2) is amended to read:

10 (2) "coastal resource district" means each of the following **that**
11 [WHICH] contains a portion of the coastal area of the state:

12 (A) unified municipalities;

13 (B) organized boroughs of any class **that** [WHICH] exercise
14 planning and zoning authority;

15 (C) home rule and first class cities of the unorganized borough
16 or within boroughs **that** [WHICH] do not exercise planning and zoning
17 authority;

18 (D) second class cities of the unorganized borough, or within
19 boroughs **that** [WHICH] do not exercise planning and zoning authority, **that**
20 [WHICH] have established a planning commission, and **that** [WHICH], in the
21 opinion of the commissioner of **commerce and rural development**
22 [COMMUNITY AND REGIONAL AFFAIRS], have the capability of preparing
23 and implementing a comprehensive district coastal management program under
24 AS 46.40.030;

25 (E) coastal resource service areas established and organized under
26 AS 29.03.020 and AS 46.40.110 - 46.40.180;

27 * **Sec. 99.** AS 46.40.210(5) is amended to read:

28 (5) "department" means the Department of **Commerce and Rural**
29 **Development** [COMMUNITY AND REGIONAL AFFAIRS];

30 * **Sec. 100.** AS 47.05.030(a) is amended to read:

31 (a) Except as provided in (b) of this section and for purposes directly connected
32 with the administration of general assistance, adult public assistance, the day care

1 assistance program authorized under AS 44.29.300 - 44.29.339 [AS 44.47.250 -
 2 44.47.310], or the Alaska temporary assistance program, and in accordance with the
 3 regulations of the department, a person may not solicit, disclose, receive, make use of,
 4 or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or
 5 names of, or information concerning, persons applying for or receiving the assistance
 6 directly or indirectly derived from the records, papers, files, or communications of the
 7 department or subdivisions or agencies of the department, or acquired in the course of
 8 the performance of official duties.

9 * **Sec. 101.** AS 47.18.010(c) is amended to read:

10 (c) The Department of Education, the Department of **Commerce and Rural**
 11 **Development** [COMMUNITY AND REGIONAL AFFAIRS], and the Department of
 12 Labor shall assist the department in developing the plan required under (a) of this
 13 section. In addition, through appropriate means, the department shall solicit advice from
 14 teens, parents, educators, school administrators, taxpayers, civic groups, community
 15 organizations, Native organizations, officials of local governments, religious institutions,
 16 and other concerned persons about how state programs can be coordinated and operated
 17 in a manner that will enhance their effectiveness and efficiency in addressing the many
 18 needs associated with adolescent parenting, the prevention of adolescent pregnancies, and
 19 the provision of adolescent peer counseling.

20 * **Sec. 102.** AS 47.27.060 is amended to read:

21 **Sec. 47.27.060. Job development.** The department may establish cooperative
 22 agreements with the Department of Labor, [DEPARTMENT OF COMMUNITY AND
 23 REGIONAL AFFAIRS,] Department of Education, and Department of Commerce
 24 [COMMUNITY] and **Rural** [ECONOMIC] Development, and with other public or
 25 private sector organizations for the purpose of developing job, training, and educational
 26 opportunities for families eligible for assistance under this chapter.

27 * **Sec. 103.** AS 47.27.900(2) is amended to read:

28 (2) "child care assistance" means payments made by the Department of
 29 Health and Social Services [OR THE DEPARTMENT OF COMMUNITY AND
 30 REGIONAL AFFAIRS] to Alaska temporary assistance program participant families or
 31 to providers for the care of children of the participant families;

32 * **Sec. 104.** AS 47.80.090 is amended to read:

1 **Sec. 47.80.090. Responsibilities.** The council shall

2 (1) serve as a forum by which issues and benefits regarding current and
3 potential services to disabled and gifted persons may be discussed by consumer, public,
4 private, professional, and lay interests;

5 (2) advocate the needs of disabled and gifted persons before the
6 executive and legislative branches of the state government and before the public;

7 (3) advise the executive and legislative branches of the state government
8 and the private sector on programs and policies pertaining to current and potential
9 services to disabled or gifted persons and their families;

10 (4) submit periodic reports to the commissioner of health and social
11 services, the commissioner of education, and to other appropriate departments, on the
12 effects of current federal and state programs regarding services to disabled or gifted
13 persons; these reports must include program performance reports to the governor, the
14 federal government, and to state agencies as required under 20 U.S.C. 1482 and 42
15 U.S.C. 6024;

16 (5) in conjunction with the Departments of Health and Social Services
17 and Education, develop, prepare, adopt, periodically review, and revise as necessary an
18 annual state plan prescribing programs that meet the needs of persons with
19 developmental disabilities as required under 42 U.S.C. 6022;

20 (6) review and comment to commissioners of state departments on all
21 state plans and proposed regulations relating to programs for persons who are
22 experiencing disabilities before the adoption of a plan or regulation; for this purpose, the
23 appropriate departments shall submit the plans and proposed regulations to the council;

24 (7) recommend the priorities and specifications for the use of funds
25 received by the state under 20 U.S.C. 1471 - 1485 and 42 U.S.C. 6000 - 6083;

26 (8) submit annually to the commissioner of health and social services,
27 the commissioner of education, and the commissioner of **commerce and rural**
28 **development** [COMMUNITY AND REGIONAL AFFAIRS] a proposed
29 interdepartmental program budget for services to disabled or gifted persons that includes,
30 insofar as possible, projected revenues and expenditures for programs implemented by
31 state agencies, local governmental agencies, and private organizations; the
32 interdepartmental program budget is an informational supplement to the regular annual

1 budgetary submissions of the departments to the Office of the Governor;

2 (9) provide information and guidance for the development of appropriate
3 special educational programs and services for exceptional children as defined in
4 AS 14.30.350;

5 (10) monitor and evaluate budgets or other implementation plans and
6 programs for disabled and gifted persons to assure nonduplication of services and
7 encourage efficient and coordinated use of federal, state, and private resources in the
8 provision of services; members of the council, with the approval of the council, have
9 access to information in the possession of state agencies subject to disclosure restrictions
10 imposed by state or federal confidentiality or privacy laws;

11 (11) perform other duties required under applicable federal laws or
12 AS 14.30.231 and as the governor may assign; [AND]

13 (12) govern the special education service agency and may hire personnel
14 necessary to operate the agency; **and** [.]

15 (13) provide to the Alaska Mental Health Trust Authority for its review
16 and consideration recommendations concerning the integrated comprehensive mental
17 health program for the people of the state who are described in AS 47.30.056(b)(2) and
18 the use of the money in the mental health trust income account in a manner consistent
19 with regulations adopted under AS 47.30.031.

20 * **Sec. 105.** AS 47.90.040 is amended to read:

21 **Sec. 47.90.040. Consultation and coordination.** The commissioner shall
22 consult and cooperate with the Department of Health and Social Services; the
23 Department of Education, including the division of vocational rehabilitation; the
24 University of Alaska, community colleges, and other colleges as appropriate; [THE
25 DEPARTMENT OF LABOR, INCLUDING THE DIVISION OF EMPLOYMENT
26 SECURITY;] and other persons or agencies that the commissioner considers appropriate
27 in the implementation of this chapter.

28 * **Sec. 106.** AS 47.90.070(1) is amended to read:

29 (1) "commissioner" means the commissioner of **labor** [COMMUNITY
30 AND REGIONAL AFFAIRS];

31 * **Sec. 107. REPEALER.** AS 39.25.120(c)(21); AS 44.17.005(17); AS 44.33.240, 44.33.242,
32 44.33.245, 44.33.255, 44.33.260, 44.33.270, 44.33.272, 44.33.275, 44.33.800; and AS 44.47 are

1 repealed.

2 * **Sec. 108.** REPEALER. AS 44.33.895, added by sec. 83 of this Act, is repealed July 1,
3 2000.

4 * **Sec. 109.** TRANSITIONAL PROVISIONS. (a) Litigation, hearings, investigations, and
5 other proceedings pending under a law repealed or amended by this Act, or in connection with
6 functions transferred by this Act, continue in effect and may be completed notwithstanding a
7 transfer or repeal provided for in this Act.

8 (b) Regulations in effect on June 30, 1999, that were adopted to implement a function
9 that is transferred by this Act remain in effect and shall be enforced by the agency to which the
10 function is transferred under this Act until amended by the agency to which the function is
11 transferred.

12 (c) Wherever in Alaska Statutes affected by this Act there is a reference to regulations
13 adopted under a section of law and there are no regulations adopted under that section because
14 previous regulations adopted under another section are being enforced under (b) of this section,
15 the reference shall be construed to refer to the previously adopted regulations until they are
16 amended by the new agency.

17 (d) Contracts, rights, liabilities, and obligations created by or under a law repealed or
18 amended by this Act, and in effect on June 30, 1999, remain in effect notwithstanding this Act's
19 taking effect.

20 (e) Records, equipment, appropriations, and other property of an agency of the state
21 whose functions are transferred under this Act shall be transferred to implement the provisions
22 of this Act.

23 * **Sec. 110.** DIVISION OF TOURISM CONVERTED TO OFFICE. The duties of the
24 division of tourism, Department of Commerce and Economic Development, and the duties of
25 the director of that division, are transferred, respectively, to the office of tourism, in the
26 Department of Commerce and Rural Development, and to the manager of that office. This
27 section applies to duties existing on June 30, 1999, and to duties that are created after
28 June 30, 1999, under legislation passed during the Twenty-First Alaska State Legislature that
29 becomes law.

30 * **Sec. 111.** REVISOR'S INSTRUCTION. (a) Wherever in the Alaska Statutes and the
31 Alaska Administrative Code the terms "Department of Commerce and Economic Development"
32 and "commissioner of commerce and economic development" are used, they shall be read,

1 respectively, as "Department of Commerce and Rural Development" and "commissioner of
2 commerce and rural development" when to do so would be consistent with the changes made
3 by this Act.

4 (b) Wherever in the Alaska Statutes and the Alaska Administrative Code the terms
5 "division of tourism" and "director of tourism" are used, they shall be read, respectively, as
6 "office of tourism" and "manager of tourism" when to do so would be consistent with sec. 110
7 of this Act.

8 (c) Wherever in the Alaska Statutes and the Alaska Administrative Code the terms
9 "division of international trade" and "director of international trade" are used, they shall be read,
10 respectively, as "office of international trade" and "manager of international trade" when to do
11 so would be consistent with secs. 72 and 107 of this Act.

12 (d) Under AS 01.05.031, the revisor of statutes shall implement this section in the
13 statutes and, under AS 44.62.125(b)(6), the regulations attorney shall implement this section in
14 the administrative code.

15 * **Sec. 112.** This Act takes effect July 1, 1999.