

Introduced: 1/30/68
Referred: Labor &
Management

1 IN THE SENATE

BY BEGICH

2 SENATE BILL NO. 269

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to preferential hiring of Alaskan
7 residents under the Alaska Industrial Incentive Act."

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

9 * Section 1. AS 43.25 is amended by adding a new section to read:

10 Sec. 43.25.055. EXTRACTING INDUSTRIES. (a) Notwithstanding any
11 other provisions in this chapter those industries commonly known as ex-
12 tracting industries shall meet the following provisions of this section
13 as a condition to qualifying for tax exemptions set out in this chapter:

14 (1) A person seeking tax exempt status under this chapter
15 shall set up and maintain an on-the-job training program approved by the
16 Department of Labor aimed at qualifying Alaskan residents presently
17 lacking in the requisite technical skills of the activity carried on.
18 This training program shall be geared so that Alaskan residents comprise
19 75 per cent of the employees at the end of the first year of tax ex-
20 emption. Alaskan residents shall comprise 85 per cent of the employees
21 at the end of the second year of tax exemption and 95 per cent at the
22 end of the third year of tax exemption.

23 (2) The department shall set up procedures to be followed by
24 the person seeking tax exempt status under this section and shall certi-
25 fy to the Department of Economic Development those persons qualifying
26 for exempt status. In no case may the Department of Economic Develop-
27 ment grant exempt status to a person coming under the provisions of
28 this section without first receiving certification from the department
29 nor continue the exempt status after revocation of certification by the

1 department.

2 (3) The department shall hold formal hearings for those per-
3 sons to whom it denies certification. The purpose of these hearings is
4 to hear evidence on the reasons for a person failing to qualify under
5 this section. The person denied certification must show by convincing
6 evidence that he is unable to comply with this section because

7 (A) the specific activity engaged in requires a greater
8 percentage of academically trained personnel than the guidelines for
9 resident hiring permits and these academically trained personnel are
10 not available within the state in great enough number to preclude
11 out-of-state recruiting; or

12 (B) even though the person applying for tax exempt status
13 has set up an on-the-job training program approved by the depart-
14 ment, he has been unable to meet the resident guideline require-
15 ments due to the inability of the local labor market to supply
16 enough personnel for training.

17 (4) A person certified for exempt status who subsequently
18 fails to comply with the training and hiring practices set out in this
19 section, upon a finding by the department of this failure, forfeits his
20 exempt status from the time of certification and is liable for taxes as
21 though the certification and exemption was never approved. However, if
22 the person seeking tax exempt status, within a reasonable time during
23 the first year of exemption, has made application to the department for
24 a hearing to show cause why he will be unable to comply with the train-
25 ing and hiring provisions of this section and the department determines
26 that the failure is excusable under this section then the department
27 shall permit a maximum of six months to comply with the training and
28 hiring practices before withdrawing certification and causing exemption
29 to lapse. Extensions of time for compliance shall be added on to the

1 overall time requirements in the second and third years so that a per-
2 son need not comply with the higher percentages until the expiration of
3 his extension plus the year allowed in this section.

4 (5) A person having certification revoked under (4) of this
5 section may apply to the department for a hearing to show cause for re-
6 certification within six months of the revocation.

7 (b) In this section

8 (1) "department" means the Department of Labor;

9 (2) "extracting industry" means an industry which depletes a
10 natural resource of the state where the resource being depleted is
11 an integral part of the activity carried on by industry.

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29