

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

1 IN THE SENATE

BY THE RULES COMMITTEE

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 Tax Credit Act;
8 and providing for an effective date."

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

10 * Section 1. AS 43.26 is amended by adding a new section to read:

11 Sec. 43.26.095. EXTRACTING INDUSTRIES. (a) Notwithstanding any
12 other provisions in this chapter those industries which use a natural
13 resource of this state shall meet the following provisions of this sec-
14 tion as a condition to qualifying for tax exemptions set out in this
15 chapter:

16 (1) A person seeking tax exempt status under this chapter
17 shall set up and maintain an on-the-job training program approved by the
18 Department of Labor aimed at qualifying Alaskan residents presently
19 lacking in the requisite technical skills of the activity carried on.
20 This training program shall be geared so that Alaskan residents comprise
21 50 per cent of the employees at the end of the first year of tax ex-
22 emption. Alaskan residents shall comprise 60 per cent of the employees
23 at the end of the second year of tax exemption and 70 per cent at the
24 end of the third year of tax exemption.

25 (2) The department shall set up procedures to be followed by
26 the person seeking tax exempt status under this section and shall certi-
27 fy to the Department of Economic Development those persons qualifying
28 for exempt status. In no case may the Department of Economic Develop-
29 ment grant exempt status to a person coming under the provisions of

1 this section without first receiving certification from the department
2 nor continue the exempt status after revocation of certification by the
3 department.

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

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

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

19 (4) A person certified for exempt status who subsequently
20 fails to comply with the training and hiring practices set out in this
21 section, upon a finding by the department of this failure, forfeits his
22 exempt status. However, if the person seeking tax exempt status,
23 within a reasonable time during the first year of exemption, has made
24 application to the department for a hearing to show cause why he will
25 be unable to comply with the training and hiring provisions of this
26 section and the department determines that the failure is excusable
27 under this section then the department shall permit a maximum of six
28 months to comply with the training and hiring practices before with-
29 drawing certification and causing exemption to lapse. Extensions of

1 time for compliance shall be added on to the overall time requirements
2 in the second and third years so that a person need not comply with
3 the higher percentages until the expiration of his extension plus the
4 year allowed in this section.

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

8 (b) In this section

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

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

13 (c) Any person holding a tax exemption granted prior to the
14 effective date of this Act shall not be subject to the provisions
15 hereof.

16 * Sec. 2. This Act takes effect upon the passage and approval of Senate
17 Bill No. 409.