

Introduced: 1/23/76  
Referred: Labor & Management

BY THE RULES COMMITTEE BY RE-  
QUEST OF THE LEGISLATIVE COUNCIL  
SUBCOMMITTEE ON FISHERIES

1 IN THE HOUSE

2 CS HOUSE BILL NO. 639 (Jud.)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to security for the collection of  
7 wages."

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

9 \* Section 1. AS 16.10 is amended by adding new sections to read:

10 Sec. 16.10.290. SECURITY FOR COLLECTION OF WAGES. (a) A fish  
11 processor shall file with the commissioner of labor a surety bond run-  
12 ning to the State of Alaska conditioned upon the promise to pay all per-  
13 sons furnishing labor in that business, including employee benefits.  
14 The surety or sureties shall be satisfactory, in the determination of  
15 the commissioner of labor.

16 (b) The amount of the bond shall be \$10,000. In lieu of the surety  
17 bond the fish processor may file with the commissioner a cash deposit or  
18 other negotiable security acceptable to the commissioner in the amount  
19 specified for the bond.

20 (c) A person applying for a license as a fish processor shall file  
21 with the application a bond as specified in this section.

22 (d) A person having a claim against a fish processor may bring  
23 suit upon the bond in the superior court of the judicial district in  
24 which the work is done or in any judicial district in which jurisdiction  
25 may be obtained. A copy of the complaint shall be served by registered  
26 or certified mail upon the commissioner at the time suit is filed and  
27 the commissioner shall maintain a record, available for public inspection,  
28 of all suits commenced. The service shall constitute service on the  
29 surety and the commissioner shall transmit the complaint or a copy of it

1 to the surety within 72 hours after it has been received.

2 (e) If the surety on the bond desires to cancel the bond, he may  
3 do so by giving the commissioner of labor written notice of his inten-  
4 tion to cancel. The cancellation is effective 30 days after the notice  
5 is delivered to the commissioner.

6 (f) If a judgment is entered against the cash deposit, the commis-  
7 sioner, upon receipt of a certified copy of a final judgment, shall pay  
8 the judgment from the amount of the deposit.

9 Sec. 16.10.292. FILING EVIDENCE OF COMPLIANCE. A fish processor  
10 subject to secs. 290 - 296 of this chapter shall initially file evidence  
11 of his compliance with the bonding requirements of secs. 290 - 296 of  
12 this chapter, in the form prescribed by the commissioner.

13 Sec. 16.10.294. SUSPENSION AND REVOCATION OF LICENSE. (a) If a  
14 final judgment impairs the liability of the surety upon the bond or  
15 depletes the cash deposits so that there is not in effect the bond under-  
16 taking or cash deposit in the full amount prescribed in sec. 290 of this  
17 chapter, the license of the fish processor shall be suspended until the  
18 liability in the required amount, unimpaired by unsatisfied judgment  
19 claims, has been furnished.

20 (b) If a bonding company cancels its bond of a fish processor, the  
21 fish processor's license shall be revoked. He may again obtain a license  
22 by complying with the requirements of this chapter.

23 (c) If a licensed fish processor fails to fulfill his obligations  
24 as set out in sec. 290 of this chapter his license shall be suspended for  
25 a period of time the commissioner determines is appropriate. After three  
26 suspensions his license may be permanently revoked.

27 (d) Proceedings to suspend or revoke a license are governed by the  
28 Administrative Procedure Act (AS 44.62).

29 (e) If the commissioner determines that a fish processor is acting

1 in violation of secs. 290 - 296 of this chapter, he shall give written  
2 notice prohibiting further action by the person as a fish processor.  
3 The prohibition continues until the person has submitted evidence accept-  
4 able to the commissioner of labor showing that the violation has been  
5 corrected.

6 (f) A person affected by an order issued under this chapter may  
7 seek equitable relief preventing the commissioner of labor from en-  
8 forcing the order.

9 (g) In an action instituted in the superior court by the commis-  
10 sioner of labor or his representative, a person acting in the capacity  
11 of a fish processor in violation of this chapter may be enjoined from  
12 acting as a fish processor.

13 Sec. 16.10.296. DEFINITION. In secs. 290 - 296 of this chapter  
14 "fish processor" means a person engaging or attempting to engage in a  
15 business for which a license is required under AS 43.75.010 - 43.75.090.  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29