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1 IN THE HOUSE

2 HOUSE BILL NO. 294

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to preferential hire of Alaskans;
7 and providing for an effective date."

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

9 * Section 1. AS 36.10 is amended by adding new sections to read:

10 Sec. 36.10.005. LEGISLATIVE FINDINGS. (a) The legislature
11 finds that

12 (1) because of its unique climate and its distance from the
13 contiguous states, the state has historically suffered from unique
14 social, seasonal, geographic, and economic conditions that result in
15 an unstable economy;

16 (2) the unstable economy is a hardship on the residents of
17 the state and is aggravated by the large numbers of seasonal and
18 transient nonresident workers;

19 (3) the rate of unemployment among residents of the state
20 is one of the highest in the nation;

21 (4) the state has one of the highest ratios of nonresident
22 to resident workers in the nation;

23 (5) the state has a compelling interest in reducing the
24 level of unemployment among its residents;

25 (6) the construction industry in the state accounts for a
26 substantial percentage of the available employment;

27 (7) construction workers receive a greater percentage of
28 all unemployment benefits paid by the state than is typical of other
29 states;

1 (8) historically, the rate of unemployment in the construc-
2 tion industry in the state is higher than the rate of unemployment in
3 other industries in the state;

4 (9) it is appropriate for the state to consider the welfare
5 of its residents when it funds construction activity;

6 (10) it is in the public interest for the state to allocate
7 public funds for capital projects in order to reduce unemployment
8 among its resident construction workers;

9 (11) in-migration of nonresident construction workers con-
10 tributes to or causes the high unemployment rate among resident con-
11 struction workers because nonresident workers compete with residents
12 for the limited number of available construction jobs;

13 (12) nonresident workers displace a substantial number of
14 qualified, available, and unemployed Alaska workers on jobs on state
15 funded public works projects;

16 (13) the state has a special interest in seeing that the
17 benefits of state construction spending accrue to its residents;

18 (14) the natural resources of land owned by the state belong
19 to the citizens of the state;

20 (15) Alaskans have chosen to use the majority of the roy-
21 alties derived from the state's natural resources to fund state gov-
22 ernment;

23 (16) the vast majority of the state's revenue is derived
24 from these royalties rather than from other forms of taxation;

25 (17) because the state has no personal income tax or sales
26 tax, nonresident workers use services provided by the state but do not
27 contribute fairly to the costs of those services; and

28 (18) Alaskans, more than the residents of other states,
29 suffer economically when nonresidents displace qualified residents

1 since resident workers contribute local taxes as well as their share
2 of the royalties from natural resources.

3 (b) The legislature further finds that

4 (1) the state and its political subdivisions, when acting
5 as a market participant in funding public works projects, should give
6 Alaska residents an employment preference to promote a more stable
7 economy;

8 (2) the state and its political subdivisions have a duty of
9 loyalty to their citizens and should fulfill this duty by giving resi-
10 dents preference for employment on public works projects they fund;

11 (3) there is a legitimate and compelling governmental
12 interest and that the public health and welfare will suffer if state
13 residents are not afforded employment preference in state-funded
14 construction-related work.

15 Sec. 36.10.006. STATEMENT OF PURPOSE. The legislature adopted
16 AS 36.10.010 in response to problems and concerns identified by the
17 findings of facts in AS 36.10.005 to

18 (1) ensure that qualified resident workers do not remain
19 unemployed while nonresident workers are employed on construction
20 projects funded by the state or a political subdivision of the state
21 if the purpose of the project includes reducing the unemployment of
22 residents;

23 (2) ensure that qualified resident workers do not remain
24 unemployed while nonresident workers are employed on construction
25 projects funded by the state or a political subdivision of the state;

26 (3) reduce the level of unemployment among residents of the
27 state.

28 Sec. 36.10.007. STATE POLICY. It is the policy of this state
29 that, to fulfill the duty of loyalty owed to its citizens and to

1 remedy social or economic problems, the state will grant an employment
2 preference to residents when the state is acting as a market partici-
3 pant.

4 * Sec. 2. Section 1 of this Act is retroactive to July 16, 1983.

5 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
6 10.070(c).