

HOUSE BILL NO. 249

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES TAYLOR, Gonzales

Introduced: 4/2/91

Referred: House Special Committee on International Trade and Tourism, Labor & Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a small business export trading consortium; and providing for an
2 effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 14.40 is amended by adding new sections to read:

5 **ARTICLE 7. SMALL BUSINESS EXPORT TRADING CONSORTIUM.**

6 **Sec. 14.40.821. CONSORTIUM ESTABLISHED.** The small business export trading
7 consortium is established in the World Trade Center Alaska of the University of Alaska
8 Anchorage.

9 **Sec. 14.40.823. CONSORTIUM STAFF.** The World Trade Center Alaska shall staff the
10 consortium with a director and other personnel necessary to carry out the responsibilities of the
11 consortium.

12 **Sec. 14.40.827. INTERNATIONAL TRADE ASSISTANCE.** The consortium shall assist
13 small businesses to

14 (1) obtain debt or equity financing for international trade purposes, construct

1 competent international trade proposals, and assess federal guarantee or insurance programs that
2 underwrite exporting risk;

3 (2) evaluate the international marketplace by developing marketing materials and
4 assessing and selecting targeted markets;

5 (3) find international customers by conducting international market research,
6 evaluating distribution systems, selecting and assisting in identification of or negotiations with
7 foreign agents, distributors, retailers, and by promoting products and services by attending trade
8 shows abroad;

9 (4) determine how to design products, services, guarantees, and after sales service
10 requirements that can compete effectively in a foreign market;

11 (5) design a competitive strategy for the business products in targeted markets and
12 methods of minimizing commercial and political risks;

13 (6) secure specific assistance outside the consortium's field of expertise by
14 referrals to other public or private organizations;

15 (7) obtain information on organizing cooperative export networks and foreign
16 sales corporations, and information on organizing export trading companies from the export trade
17 office established under 15 U.S.C. 4001 - 4021 (Export Trading Company Act of 1982).

18 Sec. 14.40.829. ELIGIBILITY AND CONSORTIUM GOAL. (a) Only a business that
19 has a gross annual revenue of less than \$25,000,000 at the time the marketing agreement is
20 entered into with the consortium and has no experience or limited experience in exporting its
21 products and services is eligible for grants and assistance under AS 14.40.821 - 14.40.867.

22 (b) Notwithstanding (a) of this section, the consortium shall distribute, to the extent
23 possible, 90 percent of the grants and assistance made under AS 14.40.821 - 14.40.867 each year
24 to businesses that have a gross annual revenue of \$5,000,000 or less.

25 Sec. 14.40.831. GRANTS. The consortium shall make annual grants from the fund
26 established under AS 14.40.853 to small businesses to

27 (1) send employees to courses of instruction related to international trade and
28 market development; and

29 (2) attend one trade show a year.

30 Sec. 14.40.833. APPLICATION FOR ASSISTANCE. A business may apply for grants
31 and assistance under AS 14.40.821 - 14.40.867 by submitting an application to the consortium

1 on the forms and with the information required by the consortium.

2 Sec. 14.40.837. **MARKETING AGREEMENTS.** (a) Before providing grants and
3 assistance to a business under AS 14.40.821 - 14.40.867, the consortium shall enter into a written
4 marketing agreement with the business.

5 (b) A marketing agreement must be for a term of three years. An agreement may not
6 be renewed unless there are compelling reasons for the renewal. An agreement may not be
7 renewed for more than two additional years or more than one time.

8 (c) A marketing agreement must include mutual performance clauses that if not met will
9 be grounds for releasing the consortium or the business without penalty from the agreement.

10 (d) A marketing agreement must require the consortium to immediately release a business
11 from the agreement without penalty, if

12 (1) the business decides to use a private international trade management service
13 and produces a valid signed contract with a private international trade management service; or

14 (2) the director of the consortium determines that there are compelling reasons
15 to release the business from the provisions of the agreement.

16 (e) A marketing agreement must require the business to provide the consortium with
17 complete information on its activities and financial situation during the term of the agreement.

18 (f) In this section, "penalty" does not include an obligation to pay fees incurred under
19 AS 14.40.839 before release from the agreement.

20 Sec. 14.40.839. **FEES.** The consortium shall charge a business with whom it contracts
21 under AS 14.40.837 fees for providing the assistance. The fees shall be calculated on the
22 international sales made by the business. The consortium may not require a business to pay a
23 fee until after the sale on which the fee is based is completed.

24 Sec. 14.40.841. **INTERAGENCY CONSULTATION.** (a) The Department of Revenue
25 and the Department of Labor shall provide the consortium with information from their files that
26 relates to the performance of the businesses receiving grants and assistance under AS 14.40.821 -
27 14.40.867 in increasing tax revenue to the state, increasing gross sales revenue and volume of
28 products and services destined for foreign clients, and in creating new jobs for residents of the
29 state.

30 (b) If the data is available from existing data bases, the assistance and information
31 provided under (a) of this section must include the data necessary for the consortium to complete

1 the report required under AS 14.40.857.

2 (c) The Department of Revenue and the Department of Labor shall assist the consortium
3 to design a methodology that is appropriate for assessing the costs and benefits of the consortium
4 necessary to produce the report required under AS 14.40.857.

5 Sec. 14.40.843. CONFIDENTIALITY. (a) Information generated and released to the
6 consortium from the files of the Department of Revenue and the Department of Labor under
7 AS 14.40.841 shall be kept confidential by the consortium and the Word Trade Center Alaska
8 of the University of Alaska Anchorage.

9 (b) A person who intentionally violates (a) of this section is guilty of a class A
10 misdemeanor.

11 Sec. 14.40.847. SOLICITATION OF FUNDS. The consortium shall solicit and accept
12 grants, contributions, and other financial assistance from the federal government, federal agencies,
13 and other public or private sources to carry out its responsibilities.

14 Sec. 14.40.851. PROHIBITED ACTIVITIES. The consortium may not

15 (1) provide counseling or assistance under any circumstances for the importation
16 of foreign goods or services into the United States;

17 (2) assume ownership of or take title to the goods or other assets of its clients;
18 or

19 (3) provide loans or make loan guarantees.

20 Sec. 14.40.853. FUND ESTABLISHED. The small business export trading consortium
21 fund is created as an account in the general fund and shall be used to make grants and provide
22 assistance under AS 14.40.821 - 14.40.867 to small businesses to develop international markets
23 for their products and services.

24 Sec. 14.40.857. BIENNIAL REPORT. On or before the 15th day of the first regular
25 session of each legislature, the consortium shall submit to the governor and to the legislature a
26 report that assesses the costs and benefits of the consortium to the state.

27 Sec. 14.40.861. REGULATIONS. The consortium shall adopt regulations under
28 AS 44.62 (Administrative Procedure Act) to implement AS 14.40.821 - 14.40.867.

29 Sec. 14.40.867. DEFINITIONS. In AS 14.40.821 - 14.40.867,

30 (1) "consortium" means the small business export trading consortium established
31 under AS 14.40.821;

1 (2) "small business" means a business that is eligible under AS 14.40.829(a) for
2 grants and assistance under AS 14.40.821 - 14.40.867.

3 * Sec. 2. AS 23.20.110(a) is amended to read:

4 (a) Except as provided in (h), [AND] (i), and (l) of this section, the department shall
5 hold information obtained from an employing unit or individual in the course of administering
6 this chapter and determinations as to the benefit rights of an individual confidential and may not
7 disclose them or open them to public inspection in a manner that [WHICH] reveals the identity
8 of the individual or employing unit. A claimant or the legal representative of the claimant is
9 entitled to information from the records of the department to the extent necessary for the proper
10 presentation of the claim in a proceeding under this chapter. Subject to restrictions that
11 [WHICH] the department prescribes by regulation, the information may be made available to an
12 agency of this state or another state or federal agency charged with the administration of an
13 unemployment compensation law or the maintenance of a system of public employment offices,
14 or, for the purposes of the Federal Unemployment Tax Act, to the Internal Revenue Service of
15 the United States, or, for tax purposes, to the Department of Revenue. Information obtained in
16 connection with the administration of the employment service may be made available to persons
17 or agencies for purposes appropriate to the operation of a public employment service.

18 * Sec. 3. AS 23.20.110 is amended by adding a new subsection to read:

19 (l) The department may release information obtained in the course of administering this
20 chapter to the small business export trading consortium under AS 14.40.841.

21 * Sec. 4. AS 43.05.230(a) is amended to read:

22 (a) It is unlawful for a current or former officer, employee, or agent of the state to
23 divulge the amount of income or the particulars set out or disclosed in a report or return made
24 under this title, except

25 (1) in connection with official investigations or proceedings of the department,
26 whether judicial or administrative, involving taxes due under this title;

27 (2) in connection with official investigations or proceedings of the child support
28 enforcement agency, whether judicial or administrative, involving child support obligations
29 imposed or imposable under AS 25 or AS 47;

30 (3) as provided in AS 38.05.036 pertaining to audit functions; [AND]

31 (4) as provided in AS 14.40.821 - 14.40.867 relating to the small business

1 export trading consortium; and

2 (5) as otherwise provided in this section.

3 * Sec. 5. This Act takes effect July 1, 1991.