

HOUSE BILL NO. 405

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES KOTT, Hudson, Brown, Hoffman, Davies, Green

Introduced: 1/26/94

Referred: State Affairs, Judiciary

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing and relating to the Alaska Information Network Corporation;**
2 **relating to the Telecommunications Information Council; and relating to the state's**
3 **information industry; and providing for an effective date."**

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

5 *** Section 1. AS 44.21 is amended by adding new sections to read:**

6 **ARTICLE 9. ALASKA INFORMATION NETWORK CORPORATION.**

7 **Sec. 44.21.600. CREATION OF CORPORATION.** The Alaska Information
8 Network Corporation is created in the Department of Administration. The corporation
9 is a public corporation and an instrumentality of the state. The corporation is placed
10 within the Department of Administration for administrative purposes only and has a
11 separate and independent legal existence.

12 **Sec. 44.21.610. DUTIES AND POWERS OF THE CORPORATION.** (a) The
13 corporation shall

14 **(1) design, establish, operate, and maintain a state information network**

1 that enables

2 (A) the public and governmental entities, including schools and
3 libraries, to access the electronic public records of a state agency that the state
4 agency makes available to the corporation; and

5 (B) local government information providers, federal government
6 information providers, and private information providers to attach to the state
7 information network so that users of the state information network can access
8 the information provided by the local government, federal government, and
9 private information providers;

10 (2) provide universal, affordable access for all citizens of the state to
11 the state information network;

12 (3) protect the individual privacy of citizens when performing its other
13 duties under this subsection;

14 (4) to the extent feasible, operate in a self-sufficient manner;

15 (5) to the extent feasible, enable public and governmental entities using
16 the network to accomplish their duties in a more cost-effective and efficient manner;

17 (6) promote the development of private information services and
18 systems for the state information network; and

19 (7) encourage public and private efforts to develop information
20 networks and other information resources.

21 (b) The corporation may perform all acts necessary, convenient, or desirable
22 to carry out the powers and duties expressly granted or necessarily implied in
23 AS 44.21.600 - 44.21.695, including

24 (1) selling, leasing, renting, holding, maintaining, using, and operating
25 real and personal property;

26 (2) entering into contracts, including contracts with private persons,
27 contracts for professional advice and technical assistance, and contracts with private
28 information providers for the corporation to manage the access by state information
29 network users to the information services of the private information providers;

30 (3) applying for, receiving by purchase or gift, holding, administering,
31 complying with the conditions of, and disposing of patents, copyrights, inventions,

- 1 discoveries, and similar rights;
- 2 (4) stimulating and promoting cooperative ventures and research
- 3 projects;
- 4 (5) receiving, administering, and complying with the conditions of an
- 5 appropriation, a gift, a grant, or a donation of property, including money;
- 6 (6) suing and being sued;
- 7 (7) adopting a corporate seal; and
- 8 (8) adopting bylaws for the regulation of its affairs and the conduct of
- 9 its business and adopting policies in connection with the performance of its functions
- 10 and duties.

11 (c) The corporation shall carry out its duties and powers in a manner that is

12 consistent with the functions, telecommunications development authority, and

13 information development authority of the state agencies that are responsible for

14 (1) establishing standards, policies, and procedures for developing and

15 operating information networks; and

16 (2) establishing, operating, and managing information networks and

17 communications infrastructure.

18 Sec. 44.21.615. MANAGEMENT OF CORPORATION. (a) A board of

19 directors shall manage the corporation.

20 (b) The board of directors consists of seven voting members who are

21 (1) four public members appointed for staggered terms by the governor;

22 the public members must represent a broad and balanced cross section of education,

23 business, and other disciplines and professions relevant to the corporation, including

24 information technology, telecommunications, finance, commerce and trade, and library

25 and information science;

26 (2) the commissioner of administration;

27 (3) the president of the University of Alaska; and

28 (4) the director or other person having authority over state libraries.

29 (c) The board shall elect from its members a chair and other officers that it

30 determines are necessary for the board.

31 (d) The members of the board serve without compensation, but the members

1 appointed under (b)(1) of this section are entitled to the per diem and travel expenses
2 authorized for boards and commissions under AS 39.20.180 when carrying out their
3 duties under AS 44.21.600 - 44.21.695.

4 Sec. 44.21.620. EMPLOYMENT OF PERSONNEL. (a) The corporation shall
5 employ an executive director, who may not be a member of the board but who shall
6 be appointed by the board. The executive director serves at the pleasure of the board.

7 (b) The board may appoint other officers for the corporation.

8 (c) The executive director may hire employees for the corporation and, subject
9 to the approval of the board, contract for the services of professional and technical
10 advisors.

11 (d) The board shall prescribe the duties and compensation of corporation
12 personnel, including the executive director. The salary of the executive director may
13 not exceed the salary established for the deputy head of a principal executive
14 department under AS 39.20.080(b).

15 Sec. 44.21.625. EXEMPTION FROM PERSONNEL ACT. The employees of
16 the corporation, including the executive director and other officers of the corporation,
17 are exempt from AS 39.25.

18 Sec. 44.21.630. PATENTS, COPYRIGHTS, AND OTHER RIGHTS. A
19 patent, copyright, invention, discovery, or other similar right arising from the activities
20 of the corporation belongs to the corporation and is subject to the policies and
21 procedures adopted by the board by regulation.

22 Sec. 44.21.635. FEES. (a) Except as provided in (b) and (c) of this section,
23 the corporation may establish fees for access to and use of the state information
24 network and for other services provided by the corporation. The fees must be
25 consistent with AS 09.25.110 - 09.25.220.

26 (b) The fees for access to and use of the electronic public records of a state
27 agency may be established by the state agency providing the public records.

28 (c) The amount of the fees established under this section by the corporation
29 or another state agency is subject to review by the Telecommunications Information
30 Council for reasonableness and consistency with AS 09.25.110 - 09.25.220. If the
31 Telecommunications Information Council determines that a fee is unreasonably high,

1 the Telecommunications Information Council shall report its determination to the state
2 agency that established the fee and may direct the state agency to reduce or cancel the
3 fee.

4 Sec. 44.21.640. DURATION OF ACCESS. The period of time during which
5 a state agency or other information provider is to provide the corporation with access
6 to the electronic public records of the state agency or the electronic information of the
7 information provider shall be established by agreement between the corporation and
8 the information provider.

9 Sec. 44.21.645. ALASKA INFORMATION NETWORK FUND. The Alaska
10 Information Network Fund is established. The fund consists of money appropriated
11 to the fund and gifts or grants made to the corporation. The corporation may spend
12 the assets of the fund to carry out the powers and duties of the corporation.

13 Sec. 44.21.650. ADVISORY COUNCILS. (a) The board may establish one
14 or more advisory councils to serve from time to time to provide the corporation with
15 advice on issues identified by the corporation relating to the power and duties of the
16 corporation under AS 44.21.610. The corporation shall select the members of an
17 advisory council from the public sector, the information industry operating in the
18 private sector, or both.

19 (b) The members of an advisory council shall appoint a chair for the advisory
20 council.

21 (c) Members of an advisory council serve without compensation, but the
22 corporation shall reimburse them for the actual and necessary expenses they incur in
23 carrying out their duties as members of the advisory council.

24 Sec. 44.21.655. EFFECT ON EXISTING OBLIGATIONS. Placement of the
25 information of a state agency on the state information network does not relieve the
26 agency of the responsibility to provide public records to the public under AS 09.25.110
27 - 09.25.220 or to provide information to the state library distribution and data access
28 center under AS 14.56.090 - 14.56.180.

29 Sec. 44.21.660. REGULATIONS. The corporation may adopt regulations to
30 implement AS 44.21.600 - 44.21.695. Regulations adopted by the corporation under
31 this or another section of AS 44.21.600 - 44.21.695 shall be adopted under AS 44.62

1 (Administrative Procedure Act).

2 Sec. 44.21.665. ANNUAL REPORT. The corporation shall submit a complete
3 and detailed report of its activities to the governor and the legislature each year at least
4 20 days before the convening of the regular legislative session.

5 Sec. 44.21.670. PARTICIPATION BY STATE AGENCIES. A state agency
6 may provide its electronic public records to the corporation for the state information
7 network but is not required to do so.

8 Sec. 44.21.675. PARTICIPATION BY JUDICIAL BRANCH. The judicial
9 branch may participate in the state information network if the judicial branch consents
10 to the participation.

11 Sec. 44.21.680. UNIVERSITY ASSISTANCE. The University of Alaska
12 Anchorage shall provide, to the extent feasible, research and development support to
13 the corporation.

14 Sec. 44.21.695. DEFINITIONS. In AS 44.21.600 - 44.21.695,

15 (1) "board" means the board of directors established under
16 AS 44.62.615 for the corporation;

17 (2) "corporation" means the Alaska Information Network Corporation
18 established under AS 44.62.600;

19 (3) "electronic public records" means public records that are held by
20 a state agency in electronic form and that are open to inspection by the public under
21 AS 09.25.110 - 09.25.220;

22 (4) "information industry" means an industry designed to derive
23 economic benefit or to improve the public good through the brokerage, creation,
24 transmission, reception, or processing of information;

25 (5) "information network" means a system of human resources and
26 telecommunications and information processing hardware and software that enables
27 persons with terminals, microcomputers, or other systems to access electronic
28 information systems;

29 (6) "public records" has the meaning given in AS 09.25.220;

30 (7) "state agency" means a department, institution, board, commission,
31 division, authority, public corporation, council, committee, or other instrumentality of

1 the executive or legislative branch of state government, or, if the judicial branch elects
2 to participate under AS 44.21.675, of the judicial branch; "public agency" includes the
3 University of Alaska and the Alaska Railroad Corporation;

4 (8) "state information network" means the information network
5 established by the corporation under AS 44.21.600 - 44.21.695;

6 (9) "Telecommunications Information Council" means the
7 Telecommunications Information Council established by AS 44.19.502.

8 * Sec. 2. AS 09.25.115(g) is amended to read:

9 (g) Except as provided by AS 44.21.635, each [EACH] public agency shall
10 establish the fees for the electronic services and products provided under this section.
11 Except as provided by AS 44.21.635, the [THE] Telecommunications Information
12 Council may direct a public agency to reduce or cancel a fee [THE FEES]
13 established by the [A] public agency in the executive branch, except the fees of the
14 University of Alaska and the Alaska Railroad Corporation, if the council determines
15 that the fees are unreasonably high.

16 * Sec. 3. AS 09.25.220(5) is amended to read:

17 (5) "public agency" means a political subdivision, department,
18 institution, board, commission, division, authority, public corporation, council,
19 committee, or other instrumentality of the state or a municipality; "public agency"
20 includes the University of Alaska, the Alaska Information Network Corporation,
21 and the Alaska Railroad Corporation;

22 * Sec. 4. AS 39.25.110 is amended by adding a new paragraph to read:

23 (30) employees of the Alaska Information Network Corporation,
24 including the executive officer and other officers.

25 * Sec. 5. AS 44.19.504(d) is amended to read:

26 (d) This section does not prohibit a state agency from developing information
27 systems that are inconsistent with the guidelines established in (a) of this section if the
28 development is authorized by AS 44.21.600 - 44.21.695 or if the council gives
29 written authorization for the user agency to engage in the independent design,
30 development, management, or operation. The council may authorize independent
31 development only upon a showing of necessity. A description of authorization under

1 this subsection shall be included in the annual report required under this section.
2 Written authorization under this subsection is not required for intra-agency use of
3 microcomputers.

4 * Sec. 6. AS 44.19.504 is amended by adding a new subsection to read:

5 (f) Notwithstanding the other provisions of this section, the council may not
6 engage in the duties that are to be performed by the Alaska Information Network
7 Corporation under AS 44.21.610(a). The council shall coordinate the performance of
8 the council's powers and duties under this section with the performance of the Alaska
9 Information Network Corporation's duties under AS 44.21.600 - 44.21.695.

10 * Sec. 7. AS 44.21.670 is repealed and reenacted to read:

11 Sec. 44.21.670. PARTICIPATION BY STATE AGENCIES. A state agency
12 may provide its electronic public records to the corporation for the state information
13 network. A state agency shall provide its electronic public records to the corporation
14 for the state information network if the telecommunications information council
15 requires the state agency to do so after determining that the records would benefit the
16 public or other governmental entities and that providing the records would not be
17 unduly burdensome to the state agency.

18 * Sec. 8. AS 44.66.010(a) is amended by adding a new paragraph to read:

19 (20) Alaska Information Network Corporation (AS 44.21.600) --
20 June 30 five years after the effective date of this Act.

21 * Sec. 9. AS 44.99.100 is amended to read:

22 Sec. 44.99.100. DECLARATION OF STATE ECONOMIC DEVELOPMENT
23 POLICY. (a) To further the goals of a sound economy, stable employment, and a
24 desirable quality of life, the legislature declares that the state has a commitment to
25 foster the economy of Alaska through purposeful development of the state's abundant
26 natural resources and productive capacity. It is the legislature's intent that this
27 development

28 (1) offer long-term benefits and increased employment to Alaskans by
29 strengthening and diversifying the state's economic base and encouraging new
30 activities, including development of the information industry;

31 (2) provide opportunities for increased personal income or reduced

1 living costs by creating activity in economic sectors, including the information
2 industry sector;

3 (3) have a positive effect on the revenue needs and fiscal conditions of
4 the state and local communities;

5 (4) be undertaken after consideration of the social and economic views
6 of citizens impacted by the development, and only after adequate protection is assured
7 for Alaska's environment.

8 (b) To take advantage of investment opportunities afforded by Alaska's
9 abundant natural resources and productive capacity, the legislature finds that the state
10 should undertake activities that serve as a catalyst to responsible economic
11 development in the state for the benefit of its citizens. It is the policy of the state to

12 (1) develop and provide information to domestic and foreign investors
13 to use in evaluating project feasibility;

14 (2) with cooperation from investors, identify constraints to orderly and
15 beneficial economic development and work with government agencies to eliminate
16 unnecessary impediments to economic development;

17 (3) with cooperation from investors, identify constraints to economic
18 development that would impede the extraction, production, and transport of resources
19 to markets and manufactured products, and implement capital improvement or other
20 programs to resolve the deficiencies;

21 (4) provide a stable tax and regulatory climate that encourages
22 expansion of the state's economic base;

23 (5) encourage "value-added" processing in the state;

24 (6) improve the state's domestic and international competitive position
25 by offering economic incentives that support the constitutional mandates for utilization,
26 development and conservation of natural resources;

27 (7) develop the information industry of the state.

28 * Sec. 10. AS 44.99.100 is amended by adding a new subsection to read:

29 (c) In order to develop the information industry of the state, it is the policy of
30 the state to

31 (1) encourage the continued development and expansion of the

1 telecommunications infrastructure in the state in order to accommodate future growth
2 in the information industry;

3 (2) facilitate the development of new information industry business
4 ventures in order to provide increased employment opportunities for the residents of
5 the state;

6 (3) encourage the development of information services, including
7 financial data processing, products and services exchanges, telemarketing, and
8 teleconferencing;

9 (4) encourage the development of small businesses, including home and
10 cottage industry businesses, in the information field, including software development,
11 information systems and peripherals development, data conversion, data entry, and
12 computer programming services;

13 (5) encourage the development of educational and training opportunities
14 in the information industry in order to provide for upward mobility within the
15 information industry;

16 (6) encourage research activities, including legal research, in the
17 information industry;

18 (7) encourage greater cooperation between the public and private
19 sectors of the state to develop and maintain a well designed information industry;

20 (8) ensure that the development of new businesses in the information
21 industry is consistent with the social, economic, and physical needs and aspirations of
22 the state's residents;

23 (9) foster a recognition of the contribution of the information industry
24 to the state's economy;

25 (10) assist in the promotion of the state as a broker, creator, and
26 processor of information in the North Pacific area;

27 (11) establish a statewide information network that will serve as the
28 catalyst for establishing a viable information industry in the state; and

29 (12) support promotional activities to market the state's information
30 industry services.

31 * Sec. 11. TRANSITIONAL PROVISIONS. (a) For the purposes of the governor's

1 appointing the initial members of the board of directors of the Alaska Information Network
2 Corporation, established under sec. 1 of this Act, the board is considered a four-member board
3 under AS 39.05.055(2).

4 (b) The commissioner of administration shall serve as the chair of the board of
5 directors of the Alaska Information Network Corporation, established under sec. 1 of this Act,
6 until the board elects a chair from its members.

7 (c) The commissioner of administration and the board of directors of the Alaska
8 Information Network Corporation shall develop a plan for implementing the state electronic
9 information network required by AS 44.21.600 - 44.21.695, enacted by sec. 1 of this Act, and
10 shall report this plan to the legislature by March 15, 1995. The report must include

11 (1) the costs of designing, establishing, operating, and maintaining the
12 information network;

13 (2) an assessment of the demand and economic market for the state's public
14 records in selected subject areas; and

15 (3) other relevant issues identified by the commissioner and the board.

16 (d) The first annual report required by AS 44.21.665 shall be submitted by the Alaska
17 Information Network Corporation by 20 days before the convening of the second regular
18 session of the Nineteenth Alaska State Legislature.

19 * Sec. 12. Section 7 of this Act takes effect three years after the effective date of sec. 1
20 of this Act.