

CS FOR SENATE BILL NO. 365(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/21/94

Referred: Rules

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act enacting, amending, and repealing laws providing for state agency
2 functions and services related to transportation and capital improvement planning,
3 workers' compensation, motor vehicles and motor vehicle insurance, police
4 protection service areas established subject to voter approval in unified
5 municipalities for services provided by the Department of Public Safety, medical
6 care for prisoners, state building leases, and review and approval of water and
7 sewer systems, for the purpose of reducing state government expenditures; and
8 providing for an effective date."

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

10 * Section 1. AS 19.10.140 is amended to read:

11 Sec. 19.10.140. LONG-RANGE PROGRAM FOR HIGHWAY
12 CONSTRUCTION [AND MAINTENANCE]. The [GOVERNOR SHALL REQUIRE

1 THE] department shall [TO] establish a continuing, long-range program for highway
2 construction [AND MAINTENANCE]. The program must annually project proposed
3 construction [AND MAINTENANCE] of highways in a priority format for not less
4 than the next succeeding five years. A statement of the program shall be submitted
5 by the governor to the legislature annually [, AND THE LONG-RANGE PROGRAM
6 SHALL INCLUDE IN DETAIL THE PROGRAM PREPARED UNDER
7 AS 19.10.150].

8 * Sec. 2. AS 19.10.150 is amended to read:

9 Sec. 19.10.150. CONSTRUCTION PROGRAM. Before February 2 of each
10 year, the department shall prepare a statement showing what construction work has
11 been requested and proposed and may be undertaken by the department during the
12 following construction season. The statement must set out [FORTH A GENERAL
13 ITEMIZATION OF] the estimated cost for each project and the total estimates of all
14 projects. [THE DEPARTMENT SHALL ADOPT A CONSTRUCTION PROGRAM
15 WHICH MUST INCLUDE THE PROJECTS TO BE UNDERTAKEN BY IT
16 DURING THE FOLLOWING CONSTRUCTION SEASON AND MUST ESTABLISH
17 PROJECT PRIORITIES.] The department may increase, decrease, amend, or revise
18 the construction program from time to time as circumstances warrant.

19 * Sec. 3. AS 19.10.160 is amended to read:

20 Sec. 19.10.160. STANDARD DRAWINGS [PLANS] AND
21 SPECIFICATIONS. The department may [SHALL] prepare and adopt uniform
22 standard drawings [PLANS] and specifications for the establishment and [,]
23 construction [, AND MAINTENANCE] of highways in the state. The department may
24 amend the drawings [PLANS] and specifications as it considers advisable. [THE
25 STANDARDS MUST CONFORM AS CLOSELY AS PRACTICABLE TO THOSE
26 ADOPTED BY THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND
27 TRANSPORTATION OFFICIALS.]

28 * Sec. 4. AS 23.30.041(e) is amended to read:

29 (e) An employee shall be eligible for benefits under this section upon the
30 employee's written request and by having a physician predict that the employee will
31 have permanent physical capacities that are less than the physical demands of the

1 employee's job as described in the United States Department of Labor's "Selected
2 Characteristics of Occupations Defined in the Revised Dictionary of Occupational
3 Titles" for

4 (1) the employee's job at the time of injury; or

5 (2) other jobs that exist in the labor market that the employee has held
6 or received training for within 10 years before the injury or that the employee has held
7 following the injury for a period long enough to obtain the skills to compete in the
8 labor market, according to specific vocational preparation codes as described in the
9 United States Department of Labor's "Selected Characteristics of Occupations Defined
10 in the Revised Dictionary of Occupational Titles."

11 * Sec. 5. AS 23.30.095(k) is amended to read:

12 (k) In the event of a medical dispute regarding determinations of causation,
13 medical stability, ability to enter a reemployment plan, degree of impairment,
14 functional capacity, the amount and efficacy of the continuance of or necessity of
15 treatment, or compensability between the employee's attending physician and the
16 employer's independent medical evaluation, a second independent medical evaluation
17 shall be conducted by a physician or physicians selected by the board or its designee
18 from a list established and maintained by the board and its designee. The cost of the
19 examination and medical report shall be paid by the employer. The report of the
20 independent medical examiner shall be furnished to the board and to the parties within
21 14 days after the examination is concluded. A person may not seek damages from an
22 independent medical examiner caused by the rendering of an opinion or providing
23 testimony under this subsection, except in the event of fraud or gross incompetence.

24 * Sec. 6. AS 23.30.190(b) is amended to read:

25 (b) All determinations of the existence and degree of permanent impairment
26 shall be made strictly and solely under the whole person determination as set out in
27 the current edition of the American Medical Association Guides to the Evaluation of
28 Permanent Impairment at the time of the impairment rating, except that an
29 impairment rating may not be rounded to the next five percent. The board shall adopt
30 a supplementary recognized schedule for injuries that cannot be rated by use of the
31 American Medical Association Guides.

1 * Sec. 7. AS 28.05.061(c) is amended to read:

2 (c) The commissioner and officers and employees of the department designated
3 by the commissioner shall, upon request, prepare under the seal of the department and
4 deliver, unless otherwise prohibited by law, a certified copy of any record of the
5 department maintained under this title or regulations adopted under this title, charging
6 a fee for each certified copy. A certified copy, or an electronic record certified by
7 the department, is admissible in a proceeding in a court in the same manner as the
8 original document.

9 * Sec. 8. AS 28.05.121 is amended to read:

10 Sec. 28.05.121. GIVING OF NOTICE. When the department is authorized or
11 required to give notice under this title or regulations adopted under this title, unless a
12 different method of giving notice is otherwise expressly provided, notice shall be given
13 by a qualified person, either by personal delivery to the person to be notified or by
14 first class [REGISTERED OR CERTIFIED] mail, [RETURN RECEIPT
15 REQUESTED,] addressed to the person at the address of the person as shown in the
16 electronic records of the department. The giving of notice by mail is considered
17 complete upon placing the notice in a United States Post Office receptacle, with
18 appropriate postage [THE RETURN OF THE RECEIPT OR UPON RETURN OF
19 THE NOTICE AS UNDELIVERABLE, REFUSED, OR UNCLAIMED]. Proof of the
20 giving of notice in either manner may be made by the affidavit of the person giving
21 the notice by personal delivery or by mail, naming the person to whom the notice was
22 given and specifying the time, place, and manner of giving the notice.

23 * Sec. 9. AS 28.05.141(b) is amended to read:

24 (b) A hearing ordered under (a) of this section shall be held telephonically at
25 a time and date set by [AT THE OFFICE OF] the department, except that if the
26 department determines that an in-person hearing is necessary to determine factual
27 issues, the department may order that the hearing be conducted in person at a
28 place, time, and date set by the department [NEAREST TO THE RESIDENCE OF
29 THE PERSON REQUESTING THE HEARING UNLESS THE DEPARTMENT AND
30 THE PERSON AGREE THAT THE HEARING IS TO BE HELD ELSEWHERE].
31 The department may [SHALL] grant a hearing delay only if the person shows, to the

1 satisfaction of the department, [PRESENTS] good cause for the delay that is beyond
2 the control of the person. If a person fails to appear for the hearing at the time and
3 place stated by the department and if a hearing delay has not been granted, the
4 person's failure to appear is considered a waiver of the hearing and the department
5 may take appropriate action with respect to the person.

6 * Sec. 10. AS 28.10.031(b) is amended to read:

7 (b) A licensed vehicle dealer may issue to the purchaser of a vehicle sold by
8 the dealer a temporary permit to drive the vehicle. A permit is effective for a period
9 not to exceed 60 [30] days. The commissioner shall adopt regulations governing the
10 issuance of permits under this section.

11 * Sec. 11. AS 28.10.108(c) is amended to read:

12 (c) A vehicle subject to registration [AND NOT DESCRIBED IN (b) OF THIS
13 SECTION] shall have its initial registration, and may have its annual registration,
14 renewed in the month of initial registration in the state, subject to the provisions of (f)
15 of this section.

16 * Sec. 12. AS 28.15.166(e) is amended to read:

17 (e) The [NOTWITHSTANDING AS 28.05.141(b), THE] hearing under this
18 section shall be held telephonically at a time and date set by [AT THE OFFICE OF]
19 the department, except that if the department determines that an in-person hearing
20 is necessary to determine factual issues, the department may order that the
21 hearing be conducted in person at a place, time, and date set by the department
22 [NEAREST TO THE RESIDENCE OF THE PERSON REQUESTING THE
23 HEARING UNLESS

24 (1) A DISTRICT COURT JUDGE OR A MAGISTRATE HAS BEEN
25 DESIGNATED AS A HEARING OFFICER IN THE MATTER BY THE
26 COMMISSIONER; OR

27 (2) THE DEPARTMENT AND THE PERSON AGREE THAT THE
28 HEARING IS TO BE HELD ELSEWHERE].

29 * Sec. 13. AS 28.15.166(f) is amended to read:

30 (f) A review under this section shall be held before a hearing officer
31 designated by the commissioner. [UPON THE CONSENT OF THE

1 ADMINISTRATIVE DIRECTOR OF THE STATE COURT SYSTEM, THE
2 COMMISSIONER MAY DESIGNATE A DISTRICT COURT JUDGE OR A
3 MAGISTRATE TO SERVE AS THE HEARING OFFICER.] The hearing officer shall
4 have authority to

- 5 (1) administer oaths and affirmations;
- 6 (2) examine witnesses and take testimony;
- 7 (3) receive relevant evidence;
- 8 (4) issue subpoenas, take depositions, or cause depositions or
9 interrogatories to be taken;
- 10 (5) regulate the course and conduct of the hearing;
- 11 (6) make a final ruling on the issue.

12 * Sec. 14. AS 28.20.050(a) is amended to read:

13 (a) The provisions of this chapter requiring deposit of security and suspension
14 for failure to deposit security apply to the driver and owner of a vehicle subject to
15 registration under the laws of this state that is involved in any manner in an accident
16 in this state resulting in bodily injury to or death of a person or damage to the property
17 of any one person exceeding \$1,000 [~~\$500~~].

18 * Sec. 15. AS 28.20.050(e) is amended to read:

19 (e) A peace officer investigating an accident that results in bodily injury to or
20 the death of a person or damage to the property of a person exceeding \$1,000 [~~\$500~~]
21 shall inform persons involved in the accident in writing of the requirements of this
22 chapter as they apply to suspension of an operator's license or driving privileges.

23 * Sec. 16. AS 28.20.100(c) is amended to read:

24 (c) If the department evaluates the injuries or damage to a minor in an amount
25 not more than \$1,000 [~~\$500~~], the department may accept, for the purposes of this
26 chapter only, evidence of a release from liability executed by a natural or legal
27 guardian on behalf of the minor without court approval.

28 * Sec. 17. AS 28.20.230(a) is amended to read:

29 (a) The provisions of this chapter requiring the deposit of proof of financial
30 responsibility for the future apply to persons who are convicted of or forfeit bail for
31 certain offenses under motor vehicle laws or who, by ownership or operation of a

1 vehicle of a type subject to registration under AS 28.10, are involved in an accident
2 in this state that results in bodily injury or death of a person or damage to the property
3 of any one person exceeding \$1,000 [\$500].

4 * Sec. 18. AS 28.20.260(a) is amended to read:

5 (a) Upon receipt by the department of the report of an accident resulting in
6 bodily injury or death, or property damage to any one person exceeding \$1,000 [\$500],
7 the department shall suspend the license of the driver of a motor vehicle involved in
8 the accident unless the driver or owner

9 (1) has previously furnished or immediately furnishes security required
10 by this chapter, or is excepted from furnishing security under AS 28.20.060; [,] and

11 (2) maintains proof of financial responsibility for three years following
12 the accident.

13 * Sec. 19. AS 28.22.021 is amended to read:

14 Sec. 28.22.021. REQUIREMENT OF PROOF OF MOTOR VEHICLE
15 LIABILITY INSURANCE. The owner or operator of a motor vehicle required to have
16 motor vehicle liability insurance that complies with this chapter or a certificate of
17 self-insurance that complies with AS 28.20.400, shall show proof of this insurance
18 when that person is involved in an accident that results in bodily injury to or death of
19 a person, or damage to the property of a person exceeding \$1,000 [\$500].

20 * Sec. 20. AS 28.22.041(a) is amended to read:

21 (a) If [EXCEPT AS PROVIDED IN (h) OF THIS SECTION, IF] a person
22 fails to provide proof required under AS 28.22.021 and 28.22.031, the department shall
23 suspend the driver's license of that person for the following periods:

24 (1) not less than 90 days if, within the preceding 10 years, the person
25 has not had a driver's license suspended for violation of AS 28.22.011 or former
26 AS 28.22.200;

27 (2) not less than one year if, within the preceding 10 years, the person
28 has had a driver's license suspended one or more times for violation of AS 28.22.011
29 or former AS 28.22.200.

30 * Sec. 21. AS 28.35.080(a) is amended to read:

31 (a) The driver of a vehicle involved in an accident resulting in bodily injury

1 to or death of a person or total property damage to an apparent extent of \$1,000 [\$500]
2 or more shall immediately by the quickest means of communication give notice of the
3 accident to the local police department if the accident occurs within a municipality,
4 otherwise to the Department of Public Safety.

5 * **Sec. 22.** AS 28.35.080(b) is amended to read:

6 (b) The driver of a vehicle involved in an accident resulting in bodily injury
7 to or death of a person or total property damage to an apparent extent of \$1,000 [\$500]
8 or more shall, within 10 days after the accident, forward a written report of the
9 accident to the Department of Public Safety and to the local police department if the
10 accident occurs within a municipality. A report is not required under this subsection
11 if the accident is investigated by a peace officer.

12 * **Sec. 23.** AS 29.10.200 is amended by adding a new paragraph to read:

13 (53) AS 29.35.495 (police protection service areas)

14 * **Sec. 24.** AS 29.35 is amended by adding a new section to article 7 to read:

15 Sec. 29.35.495. POLICE PROTECTION SERVICE AREAS. (a) The
16 residents of an area in a unified municipality may file a petition with the municipal
17 clerk for formation of a police protection service area for services to be provided by
18 the Department of Public Safety if the area is

19 (1) contiguous; and

20 (2) includes at least 50 residents or three percent of the municipal
21 population, whichever is greater.

22 (b) The petition form shall be supplied by the clerk at the request of a voter.
23 The petition must describe the boundaries of the proposed service area and the
24 additional police protection services to be provided by the Department of Public Safety
25 in the area. It shall be signed by a number of voters residing in the proposed service
26 area equal to at least 10 percent of the number of residents in the area who voted in
27 the last regular election.

28 (c) Upon receipt of a petition that meets the requirements of (a) of this section,
29 the municipal clerk shall submit the petition to the commissioner of public safety.
30 Within 30 days after receipt of the petition the commissioner shall notify the clerk of
31 what the estimated total cost of providing the services in the proposed service area

1 each month will be for a three-year period. The estimate shall be based on the direct
2 costs of troopers to be assigned to the area. If a trooper is expected to routinely cover
3 an area larger than the proposed service area, the cost of that trooper shall be prorated
4 proportionally to the amount of duty time spent within the service area. In addition
5 to the direct costs of troopers, the estimate shall include an amount to cover
6 administrative costs incurred by the department not to exceed 15 percent of the direct
7 costs. The sum of the direct costs and administrative costs equals the estimated total
8 cost for purposes of this section.

9 (d) Upon receipt by the clerk of the estimated total cost prepared by the
10 commissioner of public safety under (c) of this section, during the next regular or
11 special election held in the unified municipality the question of forming the proposed
12 police protection service area and of levying assessments to cover that estimated total
13 cost, plus costs of collection incurred by the municipality not to exceed four percent
14 of the estimated total cost, shall be placed before the voters residing in the proposed
15 service area. If the question is approved by a majority of those voting on the question,
16 the service area is formed and the commissioner of public safety shall provide the
17 additional services in that area.

18 (e) The governing body shall levy assessments in the service area to finance
19 the additional police protection services in an amount equal to the estimated total cost
20 provided by the commissioner of public safety plus the amount for administrative or
21 other costs incurred by the unified municipality approved by the voters. Payments
22 shall be made to the commissioner within 60 days of receipt of assessments by the
23 municipality. The municipality may retain from assessments the amount levied for
24 administrative or other costs incurred by the municipality.

25 (f) At least once every three years an election shall be held by the unified
26 municipality in a police protection service area formed under this section on the
27 question of continuation of the service area. The commissioner of public safety shall
28 submit a revised notice of the estimated total cost of providing the services during the
29 next three years prepared in accordance with (c) of this section for inclusion with the
30 question, and the municipality shall indicate the amount for costs of collection incurred
31 by the municipality not to exceed four percent of the revised estimated total cost. If

1 the question is not approved by a majority of the residents voting on the question, the
2 service area is dissolved 120 days after certification of the election. If the question is
3 approved, the rate of assessments shall be adjusted accordingly by the municipality.

4 (g) This section applies to unified municipalities, but not to other home rule
5 or general law municipalities.

6 * Sec. 25. AS 33.30.011 is amended to read:

7 Sec. 33.30.011. DUTIES OF COMMISSIONER. The commissioner shall

8 (1) establish, maintain, operate, and control correctional facilities
9 suitable for the custody, care, and discipline of persons charged or convicted of
10 offenses against the state or held under authority of state law;

11 (2) classify prisoners;

12 (3) for persons committed to the custody of the commissioner, establish
13 programs, including furlough programs that are reasonably calculated to

14 (A) protect the public;

15 (B) maintain health;

16 (C) create or improve occupational skills;

17 (D) enhance educational qualifications;

18 (E) support court-ordered restitution; and

19 (F) otherwise provide for the rehabilitation and reformation of
20 prisoners, facilitating their reintegration into society;

21 (4) provide necessary medical services for prisoners in state
22 correctional facilities or to fulfill duties under AS 33.30.071 [WHO ARE
23 COMMITTED BY A COURT TO THE CUSTODY OF THE COMMISSIONER],
24 including examinations for communicable and infectious diseases, if a physician or
25 other health care provider, exercising ordinary skill and care at the time of
26 observation, concludes that

27 (A) a prisoner exhibits symptoms of a serious disease or
28 injury that is curable or may be substantially alleviated; and

29 (B) the potential for harm to the prisoner by reason of delay
30 or denial of care is substantial;

31 (5) provide necessary psychological or psychiatric treatment if a

1 physician or other health care provider, exercising ordinary skill and care at the time
2 of observation, concludes that

3 (A) a prisoner exhibits symptoms of a serious disease or injury
4 that is curable or may be substantially alleviated; and

5 (B) the potential for harm to the prisoner by reason of delay or
6 denial of care is substantial; and

7 (6) establish minimum standards for sex offender treatment programs
8 offered to persons who are committed to the custody of the commissioner.

9 * Sec. 26. AS 36.30 is amended by adding a new section to read:

10 Sec. 36.30.085. LEASE EXTENSIONS AUTHORIZED. (a) Notwithstanding
11 AS 36.30.080, the department may extend for up to a maximum of 10 years a real
12 property lease that is entered into under this chapter or was entered into under former
13 AS 37.05.220 - 37.05.280 and that is in existence as of June 30, 1994 if a minimum
14 cost savings of

15 (1) 10 percent can be achieved on the rent due under the lease; or

16 (2) five percent can be achieved on the rent due under the lease and the
17 lessor agrees to make modifications to the leased real property to bring the real
18 property into compliance with the requirements of 42 U.S.C. 12101 - 12213
19 (Americans with Disabilities Act of 1990).

20 (b) The cost savings under (a) of this section shall be calculated on the
21 remaining term of the lease and any renewals, including extensions allowed under (a)
22 of this section.

23 (c) In accordance with AS 36.30.005, the Board of Regents may extend leases
24 for the University of Alaska to the same extent as the department under this section.

25 (d) In accordance with AS 36.30.030, the court system may extend leases for
26 the court system to the same extent as the department under this section.

27 * Sec. 27. AS 36.30.320(a) is amended to read:

28 (a) A procurement for (1) supplies, services, or construction that does not
29 exceed an aggregate dollar amount of \$25,000, or (2) lease of space that does not
30 exceed 2,500 square feet with a monthly lease amount that does not exceed \$5,000,
31 may be made in accordance with regulations adopted by the commissioner for small

1 procurements.

2 * Sec. 28. AS 37.07.040 is amended to read:

3 Sec. 37.07.040. OFFICE OF MANAGEMENT AND BUDGET. The Alaska
4 office of management and budget shall

5 (1) assist the governor in the preparation and explanation of the
6 proposed comprehensive program and financial plan, including the coordination and
7 analysis of state agency goals and objectives, plans, and budget requests;

8 (2) prepare for submission to the governor an annually updated
9 [SIX-YEAR] capital improvements program in fiscal year format covering the
10 current fiscal year plus three succeeding fiscal years and the proposed capital
11 improvements budget for the coming fiscal year, the latter to include individual project
12 justification with documentation of estimated project cost;

13 (3) develop procedures to produce the information needed for effective
14 policy decision making, including procedures to provide for the dissemination of
15 information about plans, programs, and budget requests to be included in the annual
16 budget and opportunity for public review and comment during the period of budget
17 preparation;

18 (4) assist state agencies in their statement of goals and objectives,
19 preparation of plans, budget requests, and reporting of program performance; all
20 documents forwarded by the office to a state agency containing instructions for the
21 preparation of program plans and budget requests and the reporting of program
22 performance are public information after the date they are forwarded;

23 (5) administer its responsibilities under the program execution
24 provisions of this chapter so that the policy decisions and budget determinations of the
25 governor and the legislature are implemented;

26 (6) provide the legislative finance division with the budget information
27 it may request;

28 (7) provide the legislative finance division with an advance copy of the
29 governor's budget workbooks by the first Monday in January of each year, except that
30 following a gubernatorial election year the advance copy shall be provided by the
31 second Monday in January;

1 (8) prepare the proposed capital improvements budget for the coming
2 fiscal year evaluating both state and local requests from the standpoint of need, equity,
3 and priorities of the jurisdiction; other factors such as project amounts, population,
4 local financial match, federal funds being used for local match, municipality or
5 unincorporated community acceptance of the facility, and all associated costs of the
6 facility may be considered.

7 * Sec. 29. AS 37.07.060 is amended by adding a new subsection to read:

8 (c) The reporting requirements of (b)(3) of this section are modified with
9 respect to the Department of Transportation and Public Facilities. The governor's
10 report must contain, for that department, the governor's construction program for the
11 succeeding construction season, budget recommendations for the succeeding fiscal
12 year, and capital improvements construction program for the succeeding six fiscal
13 years, which must include

14 (1) a general description of each project and the source of financing for
15 the project; and

16 (2) the information required by (b)(3)(B) - (H) of this section.

17 * Sec. 30. AS 44.42.050(a) is amended to read:

18 (a) The commissioner shall develop annually a comprehensive, intermodal,
19 long-range transportation priority list and plan for the state consistent with
20 applicable federal laws. [IN DEVELOPING AND REVISING THE STATE PLAN,
21 THE COMMISSIONER SHALL CONSIDER MEANS AND COSTS OF
22 IMPROVING EXISTING MODES AND FACILITIES, STATE AND FEDERAL
23 SUBSIDIES, AND THE COSTS AND BENEFITS OF NEW TRANSPORTATION
24 MODES AND FACILITIES. THE COMMISSIONER SHALL ALSO CONSIDER
25 THE RECOMMENDATION OF THE ALASKA TRANSPORTATION PLANNING
26 COUNCIL.] The plan shall be submitted to the governor for review and approval and
27 submitted by the governor to the legislature.

28 * Sec. 31. AS 44.42.050(b) is amended to read:

29 (b) In developing and revising the plan, the commissioner shall seek public
30 review and evaluation consistent with applicable federal statutes and regulations
31 and by any reasonable means and may

1 (1) consult and cooperate with officials and representatives of the
2 federal government, other governments, interstate commissions and authorities, local
3 agencies and authorities, interested corporations and other organizations concerning
4 problems affecting transportation in the state; and

5 (2) request from an agency or other unit of the state government or of
6 a political subdivision of it, or from a public authority, the assistance and data that
7 may be necessary to enable the commissioner to carry out responsibilities under this
8 section; every such entity shall provide the assistance and data requested.

9 * Sec. 32. AS 46.03 is amended by adding a new section to read:

10 Sec. 46.03.026. ON-SITE WATER AND SEWER SYSTEM CERTIFICATION
11 AND AUDIT PROGRAM. (a) Notwithstanding any provision of this chapter to the
12 contrary, for bank loans for homes in this state, the department may establish, by
13 regulation, a program to delegate the review and certification of on-site drinking water
14 and sewer systems. Under standards adopted by the department by regulation, the
15 department may delegate the review and certification to engineers who are registered
16 under AS 08.48.

17 (b) If the department establishes a program under (a) of this section, the
18 department shall establish an audit system for the department to monitor and review
19 a statistically significant number of systems certified under that program. An audit
20 must determine compliance with departmental standards for design, installation, and
21 operation in effect at the time of the certification.

22 (c) If the department establishes a program under (a) of this section, the
23 department shall, by regulation, establish fees for services sufficient to make the
24 program self-supporting.

25 * Sec. 33. AS 46.03.720 is amended by adding a new subsection to read:

26 (d) Notwithstanding (a) of this section, department review and approval of
27 plans is not required for the functions specified in (a) of this section if

28 (1) the sewerage system or treatment works, or a part of either, is
29 located in a community or major military facility that has the power or legal authority
30 to review and approve sewerage system or treatment works plans;

31 (2) the community or major military facility has established ordinances

1 or other law to regulate domestic sewerage that the department has determined are
2 substantially equivalent to department standards in effect at the time of the
3 determination;

4 (3) the community or major military facility has employed an engineer
5 registered under AS 08.48 who will review and approve domestic sewerage plans
6 under those ordinances or other law;

7 (4) the community or major military facility commits adequate funding
8 or other resources to administer plan review and approvals under this subsection; and

9 (5) the department and the community or major military facility have
10 entered into an agreement under this subsection for delegation of the review and
11 approval of plans under the standards described in this subsection.

12 * Sec. 34. AS 28.10.108(b) and AS 28.22.041(h) are repealed.

13 * Sec. 35. TRANSITION. Notwithstanding sec. 37 of this Act, an agency of the state that
14 has regulation adoption authority or that is authorized by this Act to adopt regulations, may
15 proceed to adopt regulations necessary to implement that agency's respective provisions in this
16 Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
17 before July 1, 1994.

18 * Sec. 36. Section 35 of this Act takes effect immediately under AS 01.10.070(c).

19 * Sec. 37. Except as provided in sec. 36 of this Act, this Act takes effect July 1, 1994.