

HOUSE  
COMMITTEE REPORT

(11)

Date referred: 4/1/86

FURTHER REFERRALS:

DATE: 4-11-86

The FINANCE Committee has considered HB 544

"An Act prohibiting the use of certain business names and establishing remedies and penalties for violations."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 544 (7in)  same title
- new title

and recommends DO PASS

further referral to the \_\_\_\_\_ Committee

and attaches:

- letter of intent
- first fiscal note
- new fiscal note 2 dated 4/9/86 (8.3) 4/9/86 (4.1)
- zero fiscal note 4/9/86 - 1 ea.

SIGNING DO PASS:

Robert P. Gable

Sam C. ...

Mike ...

Ronald ...

...

Fat ...

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SIGNING OTHER RECOMMENDATIONS:

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Robert P. Gable  
Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 4/09/86

**REQUEST**

Bill/Resolution No: CSHB 544 (JUD)  
 Title: An Act prohibiting the use of certain business names and establishing remedies and penalties for violations  
 Sponsor: Phillips  
 Requestor: Judiciary  
 Date of Request: February 28, 1986

**FISCAL DETAIL**

Agency Affected: Revenue  
 BRU: Public Services  
 Components: Public Services Operating

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	5.3	5.6	5.8	6.1	6.4
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	3.0	0	0	0	0
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS/CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	<b>8.3</b>	<b>5.6</b>	<b>5.8</b>	<b>6.1</b>	<b>6.4</b>

CAPITAL	-	-	-	-	-	-
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REVENUE	-	-	-	-	-	-
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-	8.3	5.6	5.8	6.1	6.4
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

**POSITIONS:**

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

**ANALYSIS:** Attach a separate page if necessary

Prepared by: *Sally Smith*  
 Division: Public Services

Phone: 465-2392  
 Date: April 9, 1986

Approved by: *Shary H. Yndulak*  
 Commissioner: Revenue

Date: 4/9/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management & Budget
- Impacted Agency(ies)

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 544

Assumptions:

1. The provisions of CSHB 544 will not be applied retroactively.
2. The implementaion of CSHB 544 will begin with calendar year 1987
3. Available at Service Centers and by mail.
4. All appeal hearings will be held in Juneau.
5. Current staff levels are sufficient to carry out the provisions of CSHB 544.

Program Summary

The Public Services Division of the Department of Revenue currently examines approximately 74,000 Business License applications on an annual basis. Of these 74,000, about 21,000 are new applications. Anniversary date submission of business licenses, coupled with biennial filing requirements, eliminates the requirement for additional staff. However, another computer terminal will help eliminate backlog problems.

Appeal hearings are to be conducted exclusively in Juneau. We estimate approximately 35 hearings per annum at a cost of 150 per hearing.

Note:

No data processing or associated costs are required by the Department of Revenue if the Department of Commerce and Economic Development stores their four occupational licensing files on the Department of Administration's IBM computer. All related files--Department of Revenue's Business License files, Department of Commerce and Economic Development's Corporation and Occupational Licensing files--would be on the IBM computer and directly accessible from Juneau, Anchorage and Fairbanks.

Two possible impacts of passage involve a delay in issuance of business licenses of one to three weeks and the possibility of large numbers of appeals based on firms or individuals who disagree with the Department's findings.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: CSHB 544 (JUD)  
 Title: An Act prohibiting the use of  
 certain business names and establishing  
 remedies and penalties for violations.  
 Sponsor: Phillips  
 Requester: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Commerce & Economic Development  
 BRU: Banking, Securities and  
 Corporations  
 Components: \_\_\_\_\_

**EXPENDITURES / REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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**FUNDING: (Thousands of dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

**ANALYSIS:** Attach a separate page if necessary.

See attached analysis.

Prepared by: JoAnn Schultz *JoAnn Schultz*  
 Division: Banking, Securities and Corporations  
 Approved by Commissioner: *Norm S. Hornsby*  
 Agency: Commerce and Economic Development

Phone: 465-2570  
 Date: April 9, 1986  
 Date: April 9, 1986

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 544 (Jud)

The initial fiscal note submitted March 3, 1986 provided for Wang terminals to allow the Corporations Section to access the business license files of the Department of Revenue and the licensing files of the Division of Occupational Licensing. The information accessed would have been on-line and current.

The attached fiscal note is based on the assumption that the Division of Occupational Licensing will put its files on the IBM mainframe once a week. The Department of Revenue also puts its business license file on the IBM mainframe on a weekly basis. With all the files residing on the IBM mainframe, the Corporations Section will be able to access the information utilizing its existing IBM terminals.

The cost to accomplish the purpose of HB 544 has been decreased. However, the timeliness of reply and accuracy of information has been sacrificed. The information which will be accessed will be at least a week old, other than the Corporations Section files, which are on-line. The amount of time involved in searching three files for the same or deceptively similar names will also be increased. It is estimated a single search could take a minimum of ten to fifteen minutes. The time involved would make it impractical to continue allowing name availability searches by telephone. An increase in error rate is also predictable for the same reasons.

The fiscal note does not reflect any cost for an appeal process provided for in Section 10.50.030(b). The assumption has been made that the Director of the Division of Banking, Securities, and Corporations will conduct an informal review of the denial and issue a decision.

JS/ss0201Z  
040986a

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: CSHB 544 (JUD)  
 Title: An Act relating to business licenses and the use of business names;  
 Sponsor: Rep. Phillips  
 Requester: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Commerce & Economic Dev.  
 BRU: Occupational Licensing  
 Components: \_\_\_\_\_

**EXPENDITURES / REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		-0-	-0-	-0-	-0-	-0-
CONTRACTUAL		4.1	3.9	3.9	3.9	3.9
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>4.1</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>

CAPITAL						
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REVENUE		-0-	-0-	-0-	-0-	-0-
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**FUNDING: (Thousands of dollars)**

GENERAL FUND		4.1	3.9	3.9	3.9	3.9
FEDERAL FUNDS						
OTHEP						
<b>TOTAL</b>		<b>4.1</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>

**POSITIONS:**

FULLTIME		-0-	-0-	-0-	-0-	-0-
PARTTIME						
TEMPORARY						

**ANALYSIS:** Attach a separate page if necessary.

The bill amends Alaska Statutes 08., AS 10., and AS 43., to prohibit businesses from using deceptively similar names once a name is already used by an entity licensed or registered under one of the three statutes mentioned.

\*Business licensing files as well as the Corporations files are stored on the

Prepared by: Jennifer Strickler, Management Analyst Phone: 465-2144  
 Division: Occupational Licensing Date: 4-9-86

Approved by Commissioner: John H. Tomlin Date: 4-9-86  
 Agency: Commerce and Economic Development

**Distribution (by Agency preparing fiscal note):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 544 (JUD.)

IBM Mainframe. The Occupational Licensing files are currently stored on a Wang VS 80 System. Since the bill prohibits use of deceptively similar names, it would be necessary for the Business Licensing Section in the Department of Revenue, the Corporations Section in the Department of Commerce & Economic Development, and the Division of Occupational Licensing in the same agency, to have access to each of the three files in order to carry out the intent of the legislation.

After extensive consideration of all possible networking options, the least expensive method discovered is to place all relevant Occupational Licensing files on the IBM mainframe for access by the Department of Revenue, Business Licensing, and the Corporations Section of the Department of Commerce & Economic Development.

The expenditures listed will allow four IBM lines to be purchased and attached to the department's Wang VS 100. Installment costs in the first year will total \$.2. The remaining \$3.9 consists of monthly charges of \$82.00 per month for each line, to attach and use the IBM system.

Programming would be accomplished in-house by available personnel therefore programming costs would be absorbed in the agency's operating budget. In addition, staff would need to be trained to do the searches for "deceptively similar" names consistent with whatever procedures are developed in common by the three agencies. Hearings may be prompted by divisions against applicants' use of names, especially because rational people may well disagree on what constitutes deceptive similarity. The division currently plans to absorb these costs.

### Additional Comments

Even if the bill is funded, carrying out the intent of the legislation in preventing deceptively similar names from being used will be an exceptionally slow process, and will result in delays in our licensing process. Each inquiry must be made to three different files, and because of the concern for deceptive similarity, each inquiry would need to be made as many times as there would be potentially similar names. For example, a proposed business name such as Southeast Alaska Trucking would have to be checked by making multiple inquiries to each of the three files under names such as those below:

- South East Trucking
- Southeast Trucking
- S E Trucking
- S E Alaska Trucking
- S E AK Trucking
- S E Alaskan Trucking

and so on. This amounts to an extensive manual search of each file as no software exists which can do the search for deceptive similarity. We estimate between 10 - 30 minutes for each review of the files, if the review is to be effective, especially since there has been no uniformity of data entry amongst the three agencies, resulting in a variety of abbreviations and other spellings.

It is important to note that this proposed networking plan is not foolproof. There will be delays between the time the public makes phone inquiries and are actually issued licenses, and business license and occupational licensing files will be updated on approximately a weekly basis. Thus, licenses

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 544 (JUD.)

under deceptively similar names may be mistakenly issued. To ensure that this cannot occur, a joint interactive data base would have to be developed for use by the three agencies at considerable expense.

Original sponsor: Phillips

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 544 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to business licenses and the use of  
7 business names."

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

9 \* Section 1. AS 08.02 is amended by adding a new section to read:

10 Sec. 08.02.030. DENIAL OF LICENSE FOR USE OF CERTAIN NAMES. (a)

11 Unless the similarity arises solely from the use of the legal name of  
12 a natural person who is the applicant for the license or involved in  
13 the operation of the applicant if the applicant is not a natural  
14 person, the department or a board listed in AS 08.01.010 may not issue  
15 a license to a person whose business name is the same as, or decep-  
16 tively similar to

17 (1) the name of a corporation incorporated under the laws  
18 of the state;

19 (2) the name under which a foreign corporation has been  
20 authorized to transact business in the state;

21 (3) a name reserved or registered under AS 10; or

22 (4) the name of a licensee under AS 43.70.

23 (b) A person who knowingly does business under a name that is  
24 not available to the person under (a) of this section is guilty of a  
25 violation.

26 \* Sec. 2. AS 10.05.021(a) is repealed and reenacted to read:

27 (a) The corporate name must contain the word "corporation,"  
28 "company," "incorporated" or "limited," or an abbreviation of one of  
29 these words. The corporate name may not contain a word or phrase that

1 indicates or implies that the corporation is organized for a purpose  
2 other than the purpose contained in the articles of incorporation, and  
3 must be available to the corporation under AS 10.50.010.

4 \* Sec. 3. AS 10.05.033 is repealed and re enacted to read:

5 Sec. 10.05.033. REGISTRATION OF CORPORATE NAME. A corporation  
6 organized and existing under the laws of a state or territory of the  
7 United States may register its corporate name if the name is available  
8 to the corporation under AS 10.50.010.

9 \* Sec. 4. AS 10.05.519(c) is amended to read:

10 (c) When a corporation has given cause for involuntary dissolu-  
11 tion and has failed to correct the neglect, omission or delinquency as  
12 provided in this section, the commissioner shall dissolve the corpora-  
13 tion by issuing a certificate of involuntary dissolution containing a  
14 statement that the corporation has been dissolved, the date, and the  
15 reason for which it was dissolved. The original certificate of disso-  
16 lution shall be placed in the department files and a copy of it mailed  
17 to the corporation at its registered office or in care of one of its  
18 principal officers or directors, at the last known address of the  
19 officer or director, as shown by the records of the commissioner.  
20 Upon the issuance of the certificate of involuntary dissolution, the  
21 existence of the corporation shall cease, except as otherwise provided  
22 in this section, and its name shall be available to and may be adopted  
23 by another person [CORPORATION] no less than six months after the  
24 dissolution.

25 \* Sec. 5. AS 10.05.519(d) is amended to read:

26 (d) A corporation dissolved by the commissioner under the pro-  
27 visions of this section may be reinstated by the commissioner at any  
28 time within two years from the date of the certificate of involuntary  
29 dissolution whenever it is established to the satisfaction of the

commissioner that in fact there was no cause for the dissolution, or whenever the neglect or delinquency resulting in dissolution has been corrected and payment made of double the amount delinquent along with the amount the corporation would have paid had it not been dissolved during the two-year period. Reinstatement may not be authorized if the name of the corporation to be reinstated is not available to the corporation under AS 10.50.010 [THE SAME OR A DECEPTIVELY SIMILAR CORPORATE, RESERVED OR REGISTERED NAME IS CURRENTLY ON FILE WITH THE COMMISSIONER], unless the corporation being reinstated contemporaneously amends its articles of incorporation to change its name to a name that is available under AS 10.50.010 [CONFORM WITH THE PROVISIONS OF THIS CHAPTER].

\* Sec. 5. AS 10.25.606 is amended to read:

Sec. 10.25.606. CORPORATE NAME OF FOREIGN CORPORATION. A certificate of authority may not be issued to a foreign corporation unless the corporate name of the corporation

(1) contains the word "corporation," "company," "incorporated," or "limited," or an abbreviation of one of these words, or, for use in the state, adds at the end of its name one of these words or an abbreviation of one of them;

(2) does not contain a word or phrase that [VFICU] indicates or implies that it is organized for a purpose other than the purpose contained in its articles of incorporation or that it is authorized or empowered to conduct the business of banking or insurance;

(3) is available to the foreign corporation under AS 10.50.010 [NOT THE SAME AS, OR DECEPTIVELY SIMILAR TO, THE NAME OF A DOMESTIC CORPORATION EXISTING UNDER THE LAWS OF THE STATE OR A FOREIGN CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THE STATE, OR A NAME

THE EXCLUSIVE RIGHT TO WHICH IS RESERVED IN THE MANNER PROVIDED IN THIS TITLE, OR THE NAME OF A CORPORATION WHICH HAS IN EFFECT A REGISTRATION OF ITS NAME AS PROVIDED IN THIS CHAPTER).

\* Sec. 7. AS 10.05.607 is amended to read:

Sec. 10.05.607. ASSUMED CORPORATE NAME. When a foreign corporation, applying for a certificate of authority, has a name that is not available under AS 10.50.010 [THE SAME AS OR DECEPTIVELY SIMILAR TO THAT OF A CORPORATION REGISTERED UNDER THIS CHAPTER], it shall

(1) select a name under which it elects to do business in the state; and

(2) clearly identify on all advertising, contracts and other legal documents its true corporate name as well as its assumed name.

\* Sec. 8. AS 10.20.021 is repealed and reenacted to read:

Sec. 10.20.021. CORPORATE NAME. The corporate name may not

(1) contain a word or phrase that indicates or implies that the corporation is organized for a purpose other than one or more of the purposes contained in the corporation's articles of incorporation;

(2) be a name that is prohibited to the corporation under AS 10.50.010.

\* Sec. 9. AS 10.20.470 is repealed and reenacted to read:

Sec. 10.20.470. CORPORATE NAME OF FOREIGN CORPORATION. A certificate of authority may not be issued to a foreign corporation unless the corporate name of the corporation

(1) does not contain a word or phrase which indicates or implies that it is organized for any purpose other than the purpose contained in its articles of incorporation;

(2) is available to the corporation under AS 10.50.010.

\* Sec. 10. AS 10.20.471 is amended to read:

Sec. 10.20.471. ASSUMED CORPORATE NAME. When a foreign corporation, applying for a certificate of authority, has a name that is not available under AS 10.50.010 (THE SAME AS OR DECEPTIVELY SIMILAR TO THAT OF A CORPORATION OPERATING UNDER THIS CHAPTER), it shall

(1) select a name under which it elects to do business in the state;

(2) clearly identify on all advertising, contracts and other legal documents its true corporate name as well as its assumed name.

\* Sec. 11. AS 10.35.020 is repealed and reenacted to read:

Sec. 10.35.020. APPLICATION TO RESERVE NAME. Reservation of a business name is made by filing an application with the commissioner. Upon finding that the name is available for business use, the commissioner shall reserve it for the exclusive use of the applicant for a period of 120 days. A name is not available to the applicant if the applicant's name gives the impression that the business is incorporated or the name is prohibited by AS 10.50.010.

\* Sec. 12. AS 10.35.040 is amended to read:

Sec. 10.35.040. REGISTRATION OF NAME. (a) A person conducting a business may register its name if the name is available to the person under AS 10.50.010 (NOT THE SAME AS, OR DECEPTIVELY SIMILAR TO, THE NAME OF A DOMESTIC CORPORATION OR A FOREIGN CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THE STATE, OR A NAME RESERVED OR REGISTERED UNDER THIS TITLE).

(b) Registration of the name gives the exclusive right to the use of the name and the person who has registered the name may enjoin the use of the same name or a deceptively similar name and has a cause of action for damages against a person (ANYONE) who uses the same name or a deceptively similar name.

\* Sec. 13. AS 10 is amended by adding a new chapter to read:

CHAPTER 50. BUSINESS NAMES.

Sec. 10.50.010. DENIAL OF CERTIFICATE OR AUTHORIZATION. Unless the similarity arises solely from the use of the legal name of a natural person who is the applicant or involved in the operation of the applicant if the applicant is not a natural person, the department may not issue a certificate of incorporation or an authorization to transact business in the state, or reserve or register a corporate or business name under this title, for a person whose proposed corporate name is the same as, or deceptively similar to

(1) the name of a corporation incorporated under the laws of the state;

(2) the name under which a foreign corporation has been authorized to transact business in the state;

(3) the name of the holder of a license issued by the department under AS 03.01.010 or by a board listed in AS 03.01.010;

(4) a name reserved or registered under this title; or

(5) the name of a licensee under AS 43.70.

Sec. 10.50.020. REVIEW OF DENIAL. (a) If the department denies a certificate of incorporation or an authorization to transact business in the state or declines to reserve or register a name, the applicant may appeal the department's action by filing a notice of appeal with the department within 30 days of the denial.

(b) The department shall establish by regulation the procedures for an appeal under (a) of this section.

Sec. 10.50.030. PENALTY. A person who knowingly does business under a name that is not available to the person under AS 10.50.010 is guilty of a violation.

Sec. 10.50.040. DEFINITION. In this chapter, "department" means

the Department of Commerce and Economic Development.

\* Sec. 14. AS 43.05.230 is amended by adding a new subsection to read:

(b) The department may release information received or collected by the department under AS 43.70 that is related to the legal or business names of licensees to the Department of Commerce and Economic Development for use in carrying out its statutory responsibilities.

\* Sec. 15. AS 43.70.020(a) is amended to read:

(a) For the privilege of engaging in a business in the state, a person shall first apply, on [UPON] forms prescribed by the commissioner of revenue, and obtain a license, and pay the license fee provided for in AS 43.70.030. A license issued to a firm for a particular line of business covers all its operations in the state in the line of business regardless of the number of its establishments. A license issued under this subsection must include

- (1) the name and address of the licensee;
- (2) the line of business to be conducted; AND
- (3) the year in which the license is issued; and
- (4) the business name of the licensee.

\* Sec. 16. AS 43.70.020(b) is repealed and reworded to read:

(b) A license issued under this section is valid for two years after the date of issuance, unless the licensee also holds a license issued by the Department of Commerce and Economic Development under AS 98.01.010 or by a board listed in AS 98.01.010, in which case the license issued under this section is valid for the same length of time as the other license. A licensee under this section shall apply for renewal of the license and pay the renewal fee before the date the license expires.

\* Sec. 17. AS 43.70.020 is amended by adding a new subsection to read:

(c) Unless the similarity arises solely from the use of the

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legal name of a natural person who is the applicant for the license or involved in the operation of the applicant if the applicant is not a natural person, the department may not issue a license under this section to a person whose legal or business name is the same as, or deceptively similar to

(1) the name of a domestic corporation in the state;

(2) the name under which a foreign corporation has been authorized to transact business in the state;

(3) the name of the holder of a license issued by the Department of Commerce and Economic Development under AS 08.01.010 or by a board listed in AS 08.01.010;

(4) a name reserved or registered under AS 10; or

(5) the name of a licensee under this chapter.

\* Sec. 18. AS 43.70 is amended by adding a new section to read:

43.70.025. REVIEW OF DENIAL OF BUSINESS LICENSE. (a) If the commissioner denies a person a business license under AS 43.70.020(a), the person may appeal the denial by filing a notice of appeal with the commissioner within 30 days of the denial.

(b) The commissioner shall establish by regulation the procedures for an appeal under (a) of this section.

\* Sec. 19. AS 43.70.030(a) is amended to read:

(a) The license fee for each business is \$25 for each year of the period for which the license is issued or portion of a year. The renewal fee is the same amount as the license fee.

\* Sec. 20. AS 43.70.020(c) and 43.70.030(d) are repealed.

\* Sec. 21. (a) AS 08.01.030(a), added by sec. 1 of this Act, does not apply to the renewal of a license that is otherwise eligible for renewal, and that was issued by the Department of Commerce and Economic Development under AS 08.01.010, or by a board listed under AS 08.01.010, before the

effective date of this Act.

(b) AS 10.35.040(a), as amended by sec. 12 of this Act, does not apply to the renewal under AS 10.35.070 of a business name registration in existence on the date this Act takes effect.

(c) AS 43.70.020(e), added by sec. 17 of this Act, does not apply to the renewal of a business license that was issued or renewed for 1986 and that is otherwise eligible for renewal.

\* Sec. 22. The Department of Revenue shall establish procedures for the transition from the issuance of business licenses under AS 43.70 on an annual, calendar-year basis to the basis established by AS 43.70.020(b), as amended by sec. 16 of this Act.

Bannister ✓

A M E N D M E N T

Offered in the HOUSE

TO: CSHB 544(Jud)

Szymanski  
By ~~\_\_\_\_\_~~

Page 9, following line 7, add a new bill section to read:

"\* Sec. 22. The Department of Revenue shall establish procedures for the transition from the issuance of business licenses under AS 43.70 on an annual, calendar-year basis to the basis established by AS 43.70.020(b), as amended by sec. 16 of this Act."

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 3, 1986

SUBJECT: Sectional analysis of CSHB 544 (Jud)  
TO: Representative Randy Phillips  
FROM: Theresa L. Bannister *TB*  
Legislative Counsel

Section 1 prohibits the Department of Commerce and Economic Development or a board listed under AS 08.01.010 from issuing an occupational license to an applicant whose name is the same as, or deceptively similar to the names of certain other persons or entities, unless the applicant's name meets certain other criteria. Establishes a penalty for a person's knowing business use of a name that is unavailable to the person.

Section 2 requires the name of a corporation to be available to the corporation under Sec. 10.50.010 of sec. 13 of this bill.

Section 3 allows a corporation to register its name if the name is available to it under Sec. 10.50.010 of sec. 13 of this bill.

Section 4 makes the name of an involuntarily dissolved corporation available to another person.

Section 5 prohibits reinstatement of an involuntarily dissolved corporation if its name is not available to the corporation under Sec. 10.50.010 of sec. 13 of this bill, unless the corporation changes its name to one that is available.

Section 6 prohibits the issuance of a certificate of authority to a foreign corporation whose name is not available under Sec. 10.50.010 of sec. 13 of this bill.

Section 7 requires a foreign corporation to select another name if its name is not available to it under Sec. 10.50.010 of sec. 13 of this bill.

Section 8 requires the name of a nonprofit corporation to be available to the corporation under Sec. 10.50.010 of sec. 13 of this bill.

Section 9 prohibits the issuance of a certificate of authority to a nonprofit foreign corporation whose name is not available to the corporation under Sec. 10.50.010 of sec. 13 of this bill.

Section 10 requires a nonprofit foreign corporation to select an assumed name for doing business in the state if its name is not available under Sec. 10.50.010 of sec. 13 of this bill.

Section 11 prevents an applicant from reserving a business name that is not available to the applicant under Sec. 10.50.020 in sec. 13 of this bill.

Section 12 allows a person to register a business name if the name is available under Sec. 10.50.020 in sec. 13 of this bill.

Sec. 10.50.010 of sec. 13 prohibits the department of Commerce and Economic Development from issuing under AS 10 a certificate of incorporation or an authorization to transact business in the state, or from reserving or registering a name under AS 10, if the name of the applicant is the same as or deceptively similar to the names of certain other persons or entities, unless the applicant's name meets certain other criteria.

Sec. 10.50.020 of sec. 13 provides a right of review for a person who has been denied a certificate or authorization, or the reservation or registration of a name, under Sec. 10.50.010. Directs the department to establish by regulation the procedures for the review.

Sec. 10.50.030 of sec. 13 establishes a penalty for a person's knowing business use of a name that is not available to the person under Sec. 10.50.010.

Sec. 10.50.200 of sec. 13 defines "department" for the new chapter.

Representative Phillips  
Page 3  
April 3, 1986

Section 14 allows the department of Revenue to release certain information on the legal or business names of holders of business licenses to the Department of Commerce and Economic Development.

Section 15 requires a business license to include the business name of the applicant.

Section 16 makes a business license good for two years from the date it is issued, except that the business license of a person who is licensed by the Department of Commerce under AS 08.01.010 or by a board listed in AS 08.01.010, is valid for the same length of time as the occupational license. Requires licensee to renew before the license expires.

Section 17 prohibits the Department of Revenue from issuing a business license to an applicant whose name is the same or deceptively similar to the names of certain other persons or entities, unless the applicant's name meets certain other criteria.

Section 18 provides a right of review for a person whose application for a business license has been denied for non-availability of the name. Directs the commissioner to establish by regulation procedures for the review.

Section 19 states that the business license fee is payable for each year or portion of a year for which the license is issued. Clarifies that renewal fee is the same as the initial fee.

Section 20 repeals certain business license subsections.

Section 21(a) makes the name restrictions established by sec. 7 of this bill inapplicable to the renewal of certain occupational licenses.

Section 21(b) makes the name restrictions established by sec. 12 of this bill inapplicable to the renewal of certain business name registrations.

Section 21(c) makes the business license name prohibition added by sec. 17 of this bill inapplicable to certain business licenses issued or renewed for 1986.

TLB:mkr  
m4/065

# NORTHLAND ENTERPRISES

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February 11, 1986

Randy Phillips  
State Representative  
P.O. Box V  
Juneau, AK 99811

Dear Randy,

Please accept my apology in the delay of my response to you regarding HB 544.

I have reviewed the bill as you have requested, and do indeed feel that it will perform exactly what is needed. Without belaboring the details of difficulty backgrounding our experiences, I will summarize as follows;

To date, I have been forced three times to contest other persons or businesses use of our registered and licensed business name "Northland Enterprises". To reiterate, in each case our discovery of their infringement was incidental.

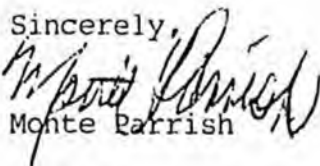
Threats of litigation seem to have had varying degrees of effect in dissuading those companies. One even held a legally issued business license with the same name as our company, another was intent on obtaining a license and ignoring us until we demonstrated that it would constitute an infringement on our registration of the name (as no Alaska law prohibits duplicate licensing).

We had the surprise and misfortune of being considered an associate of one of those companies by their different creditors, for which we were threatened with being penalized for their many delinquencies. As a result, I fear our company suffering consequential implications (which I have no doubt has occurred) if and when these or other companies default and/or otherwise cause an infraction on the reputation we are trying to earn.

I am convinced that this type of situation will plague other Alaskan businesses in the future if left unchecked.

I am very appreciative of your assistance to the business community by the proposal of HB 544 to close a loophole in business ethics that presently allows duplicate business names and licenses.

Sincerely,

  
Monte Parrish

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**Box 3528, Eagle River, Alaska 99577. (907) 688-9700**

# EM

EQUIPMENT MANAGEMENT  
**IN WASHINGTON**

By EPHRAIM KAHN  
Washington Editor

## **Minority contracting fraud probes being stressed by Department of Transportation**

Secretary Elizabeth Hanford Dole of the Department of Transportation has told Inspector General Joseph P. Welsch to "mount an offensive against minority fronts with the same determination and vigor that have assured our success in efforts against bid-rigging." The Inspector General is working in conjunction with the Department of Justice. Sec. Dole recently told the National Minority Supplier Development Council that she expects significant results in the investigation and prosecution of minority fronts.

In fiscal 1985, disadvantaged businesses received over \$1.7 billion from Federal Highway Administration and Urban Mass Transit Administration projects. Both these agencies are actively supporting investigations of possible fraud. The probes will be directed toward prosecuting non-disadvantaged prime contractors who are abusing the program.

Inspector General Welsch said "some schemes involve the voluntary participation of minority 'fronts,' while some involve participation by legitimate disadvantaged businesses who are used as

'brokers' for 'pass-through' subcontracts to non-disadvantaged firms. Others use the name of disadvantaged businesses without their knowledge or consent. The number of schemes and variations is limited only by the ingenuity of the operator."

He added that criminal violations have included false statements, false claims, perjury, mail fraud, wire fraud, conspiracy, antitrust violations, extortion, and others. "Because of the potential for abuses in this multi-billion dollar program, the Fraud Section of the Criminal Division, the Department of Justice, is taking measures to insure that all substantive criminal violations receive full prosecutive consideration," Welsch added. He requests anyone with knowledge of fraud in this program to call the toll-free Hotline at 800-424-9071 (755-1855 in the Washington, D.C. area). Callers may be anonymous and may request that their identity be protected.

## **Improved prompt pay laws will be sought by coalition this year**

The Coalition for State Prompt Pay, a group of 26 trade associations including several in the construction industry, will try to persuade the nine states that don't have prompt pay laws to pass them in 1986 and to convince the legislatures of 41 states that have these laws to improve them.

At this point, 41 states and the District of Columbia have laws that require government agencies to pay contractors promptly or to pay interest penalties when payment is late. Six states (Missouri, New Mexico, North Dakota, Ohio, Tennessee, and Texas) and the District of Columbia adopted new prompt pay laws in 1985. In addition, California, Florida, Hawaii, Minnesota, Montana, and Virginia enacted strengthening amendments to their existing prompt pay laws.

The federal prompt pay law, which requires that contractors be paid within 30 days and that interest be paid on overdue amounts, was passed in 1982. The state laws are similar to the federal law. The Coalition reports that enactment of the federal law resulted in a substantial increase in the number of on-time payments to contractors.

Coalition director Kenton Pattie noted that Congress recently has held hearings on improving the federal prompt pay law, and that the construc-

tion industry has expressed particular concern about lateness in progress payments. Some federal agencies fail to pay interest on progress payments, and they also fail to make progress payments on time, contending that the prompt pay law does not apply to payments made in advance of completion of the contract.

The construction industry is trying to get that changed. Pattie said the Coalition—which has at least 15 construction-related associations in its membership—will try to have the federal statute amended in 1986 to state clearly that progress payments are subject to the prompt payment act and that they should be made within the 30 days prescribed for paying other bills. Pattie notes, however, that some people have said this would be bad—or at least a mixed blessing—for construction because agencies might decide to slow payments that they are now making in less than 30 days, as well as progress payments, timing them to arrive on or about the thirtieth day. This could result in delaying payments to those contractors who have been getting their money before the day that interest payments would start to accrue.

(Continued on page 10)

## NAME AVAILABILITY PROCEDURE GUIDELINES

A name availability search or check is performed for all new names and all changes of names for corporations and other legal entities registered with the division. By law, a name cannot be accepted that is the same as or deceptively similar to one of record. Mail availabilities have priority over everything else in the Information Center, except phone inquiries. Procedures will not cover every situation. The ultimate test of "deceptive similarity" is: will the general public be confused, either intentionally or unintentionally, about the new applicant and names on files. The guidelines for "deceptive similarity" are listed below. The process is essentially the same for all legal entities. The general guidelines are covered in Paragraphs A to Y.

ALL OPINIONS REGARDING NAME AVAILABILITY ARE MERELY ADVISORY AND ARE NOT FINAL, UNLESS AND UNTIL A PROPER LEGAL INSTRUMENT EMPLOYING THE NAME HAS BEEN STAMPED FILED BY OUR OFFICE.

A PRELIMINARY NAME AVAILABILITY SEARCH BY TELEPHONE IS NOT A GUARANTY: IT IS NOT A RESERVATION. IT IS A QUICK SEARCH, AND ALL TESTS FOR NAME AVAILABILITY (INCLUDING THE SAME AS, DECEPTIVELY SIMILAR, REVERSALS, ABBREVIATIONS, PHONETIC COMPARISON, ETC.) ARE NOT ACCOMPLISHED IN A BRIEF TELEPHONE INQUIRY. THEREFORE, THE CUSTOMER SHOULD BE ADVISED AS FOLLOWS: "THIS DOES NOT RESERVE THE NAME. IT WILL BE CHECKED AGAIN WHEN THE DOCUMENTS AND FEES ARE RECEIVED IN OUR OFFICE. YOU SHOULD NOT USE THE NAME UNTIL YOU RECEIVE YOUR COPY STAMPED FILED."

In determining name availability, proposed corporate names are not compared to trademarks registered in Alaska.

A. Every check results in one of the following decisions:

1. Name is available;
2. Name is available with consent of the entity having a similar name;
3. Name is available with additional terminology;
4. Name is not available; or
5. Name is available with the addition of one or more words and consent of the entity on file.

B. Same Name:

The same name cannot be accepted.

C. Word Endings:

Each word of the name should be examined for different word endings. The following tests are used to determine if a name is deceptively similar to another of record.

D. Noise words:

1. "Noise" words, such as "of," "for," "in," "an," "and," "the," "to," "too" and "at," are not considered descriptive words and should be ignored. Institute of Health...also check Institute for Health. These are considered identical names.

ABC Company	Johnson-Harris, Inc.
AB and C Company	Johnson and Haris, Inc.
A and BC Company	
AB Company	Alaska-Hawaii
A and B Company	Alaska and Hawaii

2. "A" is considered.

"A" is considered when it is at the beginning of a name. "A" is often used by a business entity to get its name listed first in the Yellow Pages, e.g., "A-Creative Coachworks," "A Design & Builders." Therefore, when checking a name, e.g., "A-Cut Above," check under "A" as a word, as well as under the word "Cut" and "Kut."

E. Abbreviations:

1. Check abbreviations if applicable:

Brothers Bros.	Builders Bldrs.	Junior Jr.	Los Angeles L.A.
Management Mgt.	Manufacturing Mfg.	Metropolitan Metro	Mister Mr.
Mount or Mountain Mt.		Alaska AK	Plumbing Plbg.
Robert Robt.	Saint St.	Television TV	United States U.S.
William Wm.			

F. Acronyms/Initials:

1. Check acronyms as separate names. Only one, not both, are acceptable. Case law in other states sets forth that a business may have only one name per business.

EXAMPLE: "International Customer Exchange (ICE)." We would accept "International Customer Exchange" or ICE," if available, but both cannot be the corporate name.

2. Initials.

Initials that either spell a word or can be pronounced as a word are checked as a word and are considered identical, i.e., "F.I.T.T.E.R.S." and "Fitters."

G. Hyphenated Words:

Hyphenated words, two words or one word, i.e., "Tri-City," "Tri City" and "TriCity" are considered identical and are filed as one word.

H. Spaces and Special Characters:

1. Spaces and special characters, periods, commas, apostrophes, etc., are not considered.
2. Capitalization is ignored, e.g., "JOHN'S TOWING" is considered the same as "John's Towing."

I. Corporate Endings/Special Corporate Words:

1. Corp., Inc., Ltd.

Common corporate endings are considered synonymous and are not considered when checking name availability. One of these must appear in a corporate name:

Corporation or Corp.  
Company or Co.  
Incorporated or Inc.  
Limited or Ltd.

2. The corporate name may not contain the word "city," "borough" or "village" or otherwise imply that the corporation is a municipality.

3. Special Corporate Provisions

- a. Professional corporations require "Corporation" or "Incorporated" or the abbreviation "Corp." and "Inc." or the words "A Professional Corporation" in their corporate name.
- b. The word "Cooperative" or "COOP" or "CO-OP" can only be used in the name of a cooperative corporation.

EXCEPTION: The word "COOP" can be used in a name such as "Chicken Coop Tavern."

J. Reverse Name:

1. Names should be reversed and checked backward, such as:

Bill-Marr	Harris-Johnson Company
Bil-Mar	Johnson-Harris Company
Mar-Bil	
Bill-Mar	

Host of America	Paris-Boutique
American Hosts	Botique of Paris

Alaska Fishermen's Association  
Association of Fishermen of Alaska

EXCEPTION: Initials do not need to be reversed:  
A and B Company is available against  
B and A Company

2. All names should be checked forward, backward and for combinations, such as:

Alaska Fishermen's Association  
Alaska Association of Fishermen  
Fishermen's Association of Alaska  
Association of Fishermen of Alaska  
Association of Alaska Fishermen  
Associated Fishermen of Alaska  
Fishermen's Association, Alaska Chapter

K. Personal Names:

A personal name by itself is allowed with a corporate designation if the name is available.

L. First names, initials and nicknames:

1. The following names are available against each other:

- a. "James Smith Construction Company" is available against "Smith Construction Company."
- b. "Jim Smith Construction Company" is available against the above two names with consent from "James Smith Construction Co."
- c. "J. Smith Construction Company" is available against the above names with consent of "James Smith Construction Co." and "Jim Smith Construction Co."
- d. "J. A. Smith Construction Company" is available against all the above.

2. The following names should be checked against each other:

- a. "Don" and "Donald."
- b. "Doug" and "Douglas."

The above are short forms of specific words. "Don" may be considered an abbreviation of "Donald."

3. In general, the first two words of a proposed name cannot be identical without consent. "Anchorage Service & Supply, Inc." needs consent from "Anchorage Service, Inc."

M. Words Requiring Other Boards' or Commissions' Approval:

Certain words cannot be filed without referring the registrant to other boards, i.e., Certified Accountant, Architect, Bank Trust, Savings Bank, Engineer, Underwriter, Bonding Company.

1. Accounting Any of the following words, or abbreviations, used in a name must be referred to the Board of Accountancy for clearance. Check their availability and refer the customer to the Board of Accountancy.

Certified Accountant, A.A.  
Chartered Accountant, C.A.  
Enrolled Accountant, E.A.  
Licensed Accountant, L.A.  
Registered Accountant, R.A.  
Public Accountant, P.A.  
Certified Public Accountant, CPA

2. Architect, Architecture, Engineer, Engineering and Land Surveyors. These terms cannot be used without the approval of the Board of Architect, Engineers and Land Surveyors. If a corporation is using such term, it must be filed as a professional corporation.

3. Banking Division Referrals. The following names cannot be used unless they have been cleared by the Banking Division. If names include these terms, check the name and refer the customer to the Banking Division. "Trust" may be used if the entity is a business trust.

bank	bankers	banking	Premium Finance. Co.
savings bank	savings	trust	trustee
trusteed	trust company	loan company	savings & loan

4. Insurance Agencies. The following words cannot be used by Insurance Agencies:

adviser	advisers	bonding company
Broker or brokers	brokerage	counselor or counselors
consultant	consultants	exchange
insurance company	insurance group	insuror
reciprocal	underwriter	

The terms "Company," "Inc.," "Corp." or "Corporation" will be accepted in a name availability check, provided it is preceded by descriptive words, i.e., "Insurance Service Company." The words "Insurance Company" without intervening descriptive words will not be accepted.

If any questions arise concerning names used in the above terms, refer the customer or name to the Division of Insurance.

5. Water Districts. If a proposed name includes the term "Water District" or "Water Company," the Public Utilities Commission must be contacted prior to filing.

N. Government Implication

The name cannot be similar to a governmental entity, e.g., "Franklin's Bureau of Investigation," or "Childrens Services, Inc." would not be acceptable.

O. Abusive Words:

Abusive words are not accepted.

P. Foreign Language Words:

Since we do not have the skill to translate foreign language words to their English equivalent, we do not normally cross check them except when a word or term is widely used or known.

EXAMPLE: "De" and "Del," rather than "of," may be used in some Spanish names.

Martinez de Mexico...Martinez of Mexico

Asociacion...Association

Usually a foreign language title is distinctive enough and we need not be too concerned to determine its English counterpart.

Q. Contracted Words, Coined Words and Coined Phrases:

1. Use special care when checking contracted words and "coined" words or phrases. Contracted words or terms may be a contraction or a combination of two or more words, i.e., "Comptrol" may be a contraction of "Computer" and "Control," as may be

"Compcn." In these instances, "Comptrol" and "Compcn" may require the consent of "Computer Control" or may need additional descriptive terminology.

The original or first corporation to use a contracted or coined word is sometimes jealous and protective of his "invented" word and may attempt to prevent others using the word. Therefore, it is wise to be cautious when checking these names.

Each name must be approved or disapproved on an individual basis and any questionable names should be approved by a supervisor. The more frequently a word is used, the less unique it becomes and additional names would probably be approved more readily. However, if there are only one or two corporations on file which use an unusual or contracted word, consent may be required.

For its first four letters, "Xerox" may have used "xero," a combining form meaning dry, added "x" and "invested" a now very well-known word. Anyone else wishing to use "Xerox" in their corporate name would probably need consent.

R. Key, Descriptive, Nondescriptive and Generic Words:

1. Each word in a corporate title must be checked. Some words in the title may have more weight or meaning than others, but the name should always be considered as a whole.
  - a. The first word in a title is usually considered a "key" word. For example, in "Pacific Company," "Pacific" is the key word. In "Pacific Communications Company," "Pacific" is the first key word and "Communications" is the second and descriptive key word. "Company" is merely an ending or nondescriptive word. In "Pacific Communications Enterprises Company," the words "Pacific" and "Communications" are still the key words in the titles and "Enterprises" merely adds verbage to the name. Therefore, if we have "Pacific Communications Company" on file and someone wanted the proposed name "Pacific Communications Enterprises," we would not accept the name without consent because "Enterprises" does not further qualify the title.

EXCEPTION: If we have many corporations with the same beginning, i.e., "Pacific Communications Associates," "Pacific Communications Development Company," "Pacific Communications Radio Co.," "Pacific Communications Industries," etc.

- b. Descriptive words may sometimes be nondescriptive words and nondescriptive words may sometimes be considered "key" or descriptive words.

We would not accept "Pacific Communications Enterprises" against "Pacific Communications Company," but would find no conflict between "Pacific Enterprises" and "Pacific Company." In "Pacific Enterprises," the word "Enterprises" becomes a major or "key" word in the title. We would not accept "Pacific Communications Enterprises" against "Pacific Communications Associates," but would accept "Pacific Enterprises" against "Pacific Associates." In these instances, you remove the descriptive qualifying word "Communications" and "upgrade" the nondescriptive words "Enterprises" and "Associates" to "key" words.

2. In name checks, we consider generic words similar to nondescriptive. They differ because of their more frequent use. They include common words such as "United," "General" and "Universal"; geographical words such as "Northwest"; type of business words as "Computer" and "Marketing"; and numbers such as "First" are generic and cannot, by themselves, be protected.

The name must be considered as a whole. The removal or addition of a word may change the context of the name as a whole.

#### S. Adjectives:

Sometimes a title may have a qualifying or descriptive word that is not necessarily a "key" word, but, rather, acts as an adjective, describing a specific type and sometimes preceded by a descriptive key word.

EXAMPLE: "Northwest Investment Company" or "Northwest Diversified Investment Company." The word "Diversified" in the second title describes a certain type of investment.

"Northwest Investment Company" or "Northwest Land Investment Company," again, the word "Land" in the second title describes the type of investment. In each of the above instances, the basic key words are the same: "Northwest Investment." In each case, consent should be required, especially if the type of investment Northwest Investment Company is making is unknown.

Sometimes the addition of an adjective may change the title so that it would not require consent; or two titles may have the same key words but different adjectives.

EXAMPLE: "Arrowhead Money Management, Inc." or "Arrowhead Property Management, Inc."

In the above instance, the meaning is different, making each name distinctive enough to allow both titles.

T. Checking the Name as a Whole:

Always consider the name as a whole, even though certain words are or are not normally available against each other. Placing them in con-  
text changes the condition of the words.

This is one of the most important aspects in checking corporate names...DO NOT TAKE A WORD OUT OF CONTEXT.

EXAMPLE: WRONG: Is "associates" available against "enterprises"?

RIGHT: Is "Martin Plumbing Associates" available against  
"Martin Plumbing Enterprises"? (No or with consent)

RIGHT: Is "Martin Associates, Inc." available against  
"Martin Enterprises, Inc."? (Yes, it is)

U. Two-Name Check:

Insure that the applicant is not attempting to file two distinct names as one, i.e., "Lakeside Hotel and Roundup Room Lounge." Under certain conditions two names may be accepted, however, only the first name is protected. The applicant is informed that the name is filed alphabetically and is not cross-referenced.

V. Places:

In checking names followed by a city or location, it may require the consent of the other entity, if one is on file, i.e., "Bootleggers of Bend" or "Bootleggers, Inc."

W. Nationally Known and Generally Known Words:

1. Franchises

Many corporations have franchised operations, i.e., "Culligan Soft-Water"; "Coca-Cola"; "McDonalds"; "Kentucky Fried Chicken," etc.

Normally a consent is required from the "parent" corporation. If the parent corporation is on file, always require additional terminology from the new applicant in addition to the consent from parent corporation. Check with the supervisor to determine whether consent should be required.

2. Nationally Known and Generally Known Words: Applicants submitting names that appear similar to nationally known names should be warned of possible infringement of Federal Trade Names or Service Marks.

EXAMPLES: "Leggs Panti's," "Smith Bros. Pharmacy," or "Martinizing" would be acceptable under Alaska law, however, the applicant should be aware of potential infringement. These areas require management approval.

X. Fewer Words:

A name with fewer words or a shortened form of a name is generally not accepted without consent or additional terminology in front of a name. For example, if "Wasilla Interior Design" is on file and "Wasilla Design" is requested, additional terminology or consent may be required. Check with the supervisor.

Y. Synonymous Words and Combined Terms:

Check words with similar meanings or terms which have become accepted through usage as "belonging" together. This will not make the request "unavailable," but may require consent.

Airline	Auto
Airways	Automobile
	Car
Builders	Drug Store
Construction	Pharmacy
Contractors	RX Pharmacy
General Contractors	Prescription Pharmacy
General Construction	
Home Builders	
Farm	Gas
Ranch	Oil
	Petroleum
Mail	Mart
Postal	Market
Maintenance	Productions
Building Maintenance	Picture
Janitorial	Film
	Motion Pictures
Tennis Club	Title
Swim and Tennis Club	Title Insurance
	Escrow and Title
Trucking	Van and Storage
Transport	Van Lines
	Transfer and Storage
	Moving

You may not always feel a conflict exists between many of the above. It depends many times on the context in which the word is used, the position of the word in the title and other words used in the title that may require consent.

EXAMPLE: Consent must be obtained from existing corporation "Quality Title Service" for a new name "Escrow and Title Service." However, we would probably accept "Title Service Company" and "Escrow and Title Service Company" together.

HB 544: "An Act prohibiting the use of certain business names and establishing remedies and penalties for violations."

The Department of Commerce and Economic Development supports the concept of duplicate name avoidance of HB 544. It is the understanding of the department that the intent of HB 544 is to avoid the issuance of a business license under a name which is the same as or deceptively similar to a name already licensed.

Currently, agencies which license do so independently of each other in many respects. For example, businesses do not apply for all needed licenses at the same point in time; licensing in one agency is not necessarily conditional on licensing in another agency; and there is a lack of statutory authority to enforce prohibitions related to the use of similar names. For these reasons, the department feels it would be necessary to develop an interactive, common data base to ensure that the same or deceptively similar names are not licensed.

Statutory authority will need to be granted to the Department of Commerce and Economic Development to allow the administrators of Title 10 and Title 8 to deny an application based on a business license application under Title 43 and conversely granting authority to the Department of Revenue under Title 10.

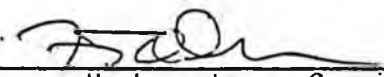
Corporation's files are now maintained on the IBM mainframe. The Division of Occupational Licensing and the Department of Revenue Business License Section maintain their files on a Wang system. It will be necessary to seek a uniform data base to accomplish the goal of avoiding the acceptance of filings which are the same or deceptively similar.

The department does, however, have concerns with Sections 1, 2, and 3 of HB 544, as originally drafted, which authorized the Commissioner of the Department of Commerce and Economic Development to seek injunctive relief. To seek such an injunction is presently in, and presumably would continue to be vested in, the person who has registered a corporate name (AS 10.05.034) or who has registered a business name (AS 10.35.040). If the department is granted injunctive authority under HB 544 to enjoin a person from doing business under the same or deceptively similar name, it would only be able to address conflicts which are a result of a filing under Title 10. Disputes resulting from business name conflicts have traditionally been settled through private litigation. States have generally refrained from intervening in such private business concerns.

It is noted that the Corporations Section has on file approximately 25,000 names, while the Department of Revenue has approximately 65,000 business names on file and the Division of Occupational Licensing has approximately 26,000 names.

The department would propose an amendment to Title 8, the Central Licensing Act, which would provide a means of reducing the instances of the use of the same or deceptively similar name. The proposed amendment is attached.

The department also suggests that Title 10 be clarified by amendment to provide specific private rights of action to a person who is granted a Certificate of Incorporation or a Certificate of Authority. Currently, injunctive relief may be sought by a person who has registered a corporate name under AS 10.05.034 or who has registered a business name under AS 10.35.040. No similar specific authority exists for corporations formed under Title 10. Suggested amendments to Title 10 are attached.

  
\_\_\_\_\_  
Loren H. Lounsbury, Commissioner  
Department of Commerce & Economic  
Development

3/3/86  
\_\_\_\_\_  
Date

BILL SHEFFIELD, GOVERNOR

**DEPARTMENT OF COMMERCE &  
ECONOMIC DEVELOPMENT**

*DIVISION OF BANKING, SECURITIES & CORPORATIONS*

POUCH D  
JUNEAU, ALASKA 99811

*Banking & Securities (907) 465-2521  
Corporations Section (907) 465-2530*

ANCHORAGE

*Corporation Information (907) 563-2163*

March 11, 1986

The Honorable Randy Phillips  
State House of Representatives  
P.O. Box V  
Juneau, AK 99811

Dear Representative Phillips:

Re: Suggested Changes Required to Statutes  
to Facilitate the Intent of HB 544

In an effort to determine what statutory changes would be required to facilitate the intent of HB 544, an interdepartmental meeting was held March 4, 1986. In attendance were Sally Smith and Dan Anderson, Public Services Division, Department of Revenue; Nancy Dunn, Division of Occupational Licensing; and JoAnn Schultz, Corporations Section, Department of Commerce and Economic Development.

The following areas of concern have been identified as requiring statutory amendments if an effective effort is to be made to avoid duplicity of names.

Title 43 is administered by the Department of Revenue, Title 10 by the Corporations Section, and Title 8 by the Division of Occupational Licensing, Department of Commerce and Economic Development.

**CONFIDENTIALITY**

Title 43 would require a change to the provisions which state that the information on the business license is available to the public, but that a portion of the information contained in the application is confidential.

Title 10, no confidentiality problem. All information is public.

Title 8, no confidentiality problem. All computer-accessed information is public in nature.

Honorable Randy Phillips

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March 11, 1986

#### AUTHORITY TO DENY

Title 43 would require amendment to provide authority to deny an application based on a filing under Titles 8, 10, and 43.

Title 10 would require amendment to provide authority to deny an application based on a filing under Titles 8 and 43. The Corporations Section currently has statutory authority to deny an application based on filings within its own files.

Title 8 would require amendment to provide authority to deny an application based on a filing under Titles 8, 10, and 43. Currently, Occupational Licensing denies applications on the basis of "deceptively similar" names only through 12 AAC 21.030, in the case of construction contractors who are sole proprietors or partnerships. Otherwise, an application can be denied only because it is incomplete based on statutes and regulations, not because of any check for "deceptive similarity" in names.

#### APPEAL PROCESS

If an application is denied, an appeal process should be provided for in all the titles. Consideration may be given to a consolidated appeal process established in one of the Departments.

For budgetary purposes, the Corporations Section would prefer the appeal process to be modeled after AS 10.05.789, which provides for the superior court to try the matter de novo. AS 10.20.655 and .670 also provide for appeal process for nonprofits. AS 10.35, business names, has no appeal provision.

Revenue would suggest an appeal procedure similar to the Gaming appeals provisions of 15 AAC.

No amendments are necessary in Title 8. All Occupational Licensing statutes under AS 08.01 makes reference to AS 44.62, the Administrative Procedure Act. An appeal process in any of the licensing areas is subject to AS 44.62.370.

#### RENEWAL DATE

To lessen the impact during the business license renewal period, the Department of Revenue would suggest amending AS 43.70 to provide for renewal on the anniversary date. Thus, allowing time to review applications for duplicity of name.

Corporations Section is not impacted by renewal dates. Its filings are fairly consistent throughout the year--an average of 213 corporations registering per month and 172 names being registered or reserved per month. These figures do not take into consideration the number of rejections based on unavailability of the name submitted.

No amendments are necessary under Title 8. Licenses are subject to annual, biennial, or quadriennial license renewals as specified in the individual licensing statutes, and are renewed on a date set by the department. Because of the volume of renewals to be processed, a specific renewal date allows processing to be handled more efficiently.

#### DISTINGUISHABLE ON THE RECORD

It is suggested that consideration be given to the use of a standard of "distinguishable upon the record" rather than "deceptively similar" upon which to base rejection of an application. Enclosed is an excerpt from the Model Business Corporation Act which discusses "distinguishable upon the record."

The last suggestion is not required to accomplish the intent of HB 544. However, the other recommendations are required before any effective effort may be made to avoid duplicity of names.

#### OTHER CONSIDERATIONS

1. It has come to our attention that the City Cab, Inc. cab drivers are all licensed individually under the business name of City Cab, Inc. There may be other instances where a corporation or business has the individuals involved in the business licensed individually under the same business name.
2. Alaska is a very large state. Is there potential for conflict if there is a business name used in a different locality? Many communities may have an Uptown Cafe or Downtown Cafe, a Frontier Bar, an Alaska Tavern, etc.
3. Currently, the Corporations Section is able to respond by telephone on the availability of a name. If it is necessary to search 70,000 records rather than 25,000 using different files, it may become necessary to eliminate this service to the public. Revenue would encounter a similar situation.

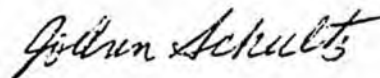
Honorable Randy Phillips

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March 11, 1986

In conclusion, upon completion of the sponsor substitute for HB 544, we would be pleased to review the bill prior to its hearing in House Judiciary.

Sincerely,



JoAnn Schultz  
Supervisor  
Corporations Section

JS/ss0158Z  
031186b

Introduced: 2/5/86  
Referred: Labor & Commerce  
Judiciary and Finance

1 IN THE HOUSE

BY PHILLIPS

2

HOUSE BILL NO. 544

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act prohibiting the use of certain business names  
7 and establishing remedies and penalties for viola-  
8 tions."

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

10 \* Section 1. AS 10.05.034 is amended by adding new subsections to read:

11 (b) When the commissioner has reason to believe that a person is  
12 doing business under a name that is the same as, or deceptively simi-  
13 lar to, the name of a domestic corporation or a foreign corporation  
14 authorized to transact business in the state, or a name reserved or  
15 registered under this title, the commissioner may bring an action in  
16 the name of the state to enjoin the person from doing business under  
17 the name.

18 (c) Before bringing an action under (b) of this section, the  
19 commissioner shall give the person written notice of the intention to  
20 seek an injunction unless the person stops doing business under the  
21 name within 15 days after receiving the notice.

22 (d) A person who knowingly does business under a name that is  
23 the same as, or deceptively similar to, the name of a domestic corpo-  
24 ration or a foreign corporation authorized to transact business in the  
25 state, or a name reserved or registered under this title, is guilty of  
26 a violation.

27 \* Sec. 2. AS 10.20.021 is amended by adding new subsections to read:

28 (b) When the commissioner has reason to believe that a person is  
29 doing business under a name that is prohibited by (a)(2) of this

1 section, the commissioner may bring an action in the name of the state  
2 to enjoin the person from doing business under the name.

3 (c) Before bringing an action under (b) of this section, the  
4 commissioner shall give the person written notice of the intention to  
5 seek an injunction unless the person stops doing business under the  
6 prohibited name within 15 days after receiving the notice,

7 (d) A person who knowingly does business under a name that is  
8 prohibited by (a)(2) of this section is guilty of a violation.

9 \* Sec. 3. AS 10.35.040 is amended by adding new subsections to read:

10 (b) The commissioner may bring an action in the name of the  
11 state to enjoin a person from doing business under a name that has  
12 been reserved for the exclusive use of another person under this  
13 chapter.

14 (c) Before bringing an action under (b) of this section, the  
15 commissioner shall give the person who is wrongfully doing business  
16 under the reserved name written notice of the intention to seek an  
17 injunction unless the person stops doing business under the reserved  
18 name within 15 days after receiving the notice.

19 (d) A person who knowingly does business under a name that has  
20 been reserved for the exclusive use of another person under this  
21 chapter is guilty of a violation.

22 \* Sec. 4. AS 43.70.020(a) is amended to read:

23 (a) For the privilege of engaging in a business in the state, a  
24 person shall first apply, on [UPON] forms prescribed by the commis-  
25 sioner of revenue, and obtain a license, and pay the license fee  
26 provided for in AS 43.70.030. A license issued to a firm for a  
27 particular line of business covers all its operations in the state in  
28 the line of business regardless of the number of its establishments.  
29 A license issued under this subsection must [SHALL] include

- 1 (1) name and address of the licensee;
- 2 (2) the line of business to be conducted; [AND]
- 3 (3) the year for which the license is issued; and
- 4 (4) the business name of the licensee.

5 \* Sec. 5. AS 43.70.020 is amended by adding new subsections to read:

6 (e) The department may not issue a license to an applicant whose  
7 business name is the same as, or deceptively similar to, the business  
8 name of another person licensed under this section, unless the simi-  
9 larity arises solely from the use of the applicant's legal name in the  
10 business name.

11 (f) In this section, the name assumed by a foreign corporation  
12 under AS 10.05.607 or AS 10.20.471 is the business name of the foreign  
13 corporation.

Offered: 4/1/86  
Referred: Finance

Original sponsor: Phillips

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE  
2 CS FOR HOUSE BILL NO. 544 (Judiciary)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to business licenses and the use of  
7 business names."

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

9 \* Section 1. AS 08 02 is amended by adding a new section to read:

10 Sec. 08.02.030. DENIAL OF LICENSE FOR USE OF CERTAIN NAMES. (a)

11 Unless the similarity arises solely from the use of the legal name of  
12 a natural person who is the applicant for the license or involved in  
13 the operation of the applicant if the applicant is not a natural  
14 person, the department or a board listed in AS 08.01.010 may not issue  
15 a license to a person whose business name is the same as, or decep-  
16 tively similar to

17 (1) the name of a corporation incorporated under the laws  
18 of the state;

19 (2) the name under which a foreign corporation has been  
20 authorized to transact business in the state;

21 (3) a name reserved or registered under AS 10; or

22 (4) the name of a licensee under AS 43.70.

23 (b) A person who knowingly does business under a name that is  
24 not available to the person under (a) of this section is guilty of a  
25 violation.

26 \* Sec. 2. AS 10.05.021(a) is repealed and reenacted to read:

27 (a) The corporate name must contain the word "corporation,"  
28 "company," "incorporated" or "limited," or an abbreviation of one of  
29 these words. The corporate name may not contain a word or phrase that

1 indicates or implies that the corporation is organized for a purpose  
2 other than the purpose contained in the articles of incorporation, and  
3 must be available to the corporation under AS 10.50.010.

4 \* Sec. 3. AS 10.05.033 is repealed and reenacted to read:

5 Sec. 10.05.033. REGISTRATION OF CORPORATE NAME. A corporation  
6 organized and existing under the laws of a state or territory of the  
7 United States may register its corporate name if the name is available  
8 to the corporation under AS 10.50.010.

9 \* Sec. 4. AS 10.05.519(c) is amended to read:

10 (c) When a corporation has given cause for involuntary dissolu-  
11 tion and has failed to correct the neglect, omission or delinquency as  
12 provided in this section, the commissioner shall dissolve the corpora-  
13 tion by issuing a certificate of involuntary dissolution containing a  
14 statement that the corporation has been dissolved, the date, and the  
15 reason for which it was dissolved. The original certificate of disso-  
16 lution shall be placed in the department files and a copy of it mailed  
17 to the corporation at its registered office or in care of one of its  
18 principal officers or directors, at the last known address of the  
19 officer or director, as shown by the records of the commissioner.  
20 Upon the issuance of the certificate of involuntary dissolution, the  
21 existence of the corporation shall cease, except as otherwise provided  
22 in this section, and its name shall be available to and may be adopted  
23 by another person [CORPORATION] no less than six months after the  
24 dissolution.

25 \* Sec. 5. AS 10.05.519(d) is amended to read:

26 (d) A corporation dissolved by the commissioner under the pro-  
27 visions of this section may be reinstated by the commissioner at any  
28 time within two years from the date of the certificate of involuntary  
29 dissolution whenever it is established to the satisfaction of the

1 commissioner that in fact there was no cause for the dissolution, or  
2 whenever the neglect or delinquency resulting in dissolution has been  
3 corrected and payment made of double the amount delinquent along with  
4 the amount the corporation would have paid had it not been dissolved  
5 during the two-year period. Reinstatement may not be authorized if  
6 the name of the corporation to be reinstated is not available to the  
7 corporation under AS 10.50.010 [THE SAME OR A DECEPTIVELY SIMILAR  
8 CORPORATE, RESERVED OR REGISTERED NAME IS CURRENTLY ON FILE WITH THE  
9 COMMISSIONER], unless the corporation being reinstated contemporane-  
10 ously amends its articles of incorporation to change its name to a  
11 name that is available under AS 10.50.010 [CONFORM WITH THE PROVISIONS  
12 OF THIS CHAPTER].

13 \* Sec. 6. AS 10.05.606 is amended to read:

14 Sec. 10.05.606. CORPORATE NAME OF FOREIGN CORPORATION. A certi-  
15 ficate of authority may not be issued to a foreign corporation unless  
16 the corporate name of the corporation

17 (1) contains the word "corporation," "company," "incor-  
18 porated," or "limited," or an abbreviation of one of these words, or,  
19 for use in the state, adds at the end of its name one of these words  
20 or an abbreviation of one of them;

21 (2) does not contain a word or phrase that [WHICH] indi-  
22 cates or implies that it is organized for a purpose other than the  
23 purpose contained in its articles of incorporations or that it is  
24 authorized or empowered to conduct the business of banking or insur-  
25 ance;

26 (3) is available to the foreign corporation under AS 10.-  
27 50.010 [NOT THE SAME AS, OR DECEPTIVELY SIMILAR TO, THE NAME OF A  
28 DOMESTIC CORPORATION EXISTING UNDER THE LAWS OF THE STATE OR A FOREIGN  
29 CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THE STATE, OR A NAME

1 THE EXCLUSIVE RIGHT TO WHICH IS RESERVED IN THE MANNER PROVIDED IN  
2 THIS TITLE, OR THE NAME OF A CORPORATION WHICH HAS IN EFFECT A REGIS-  
3 TRATION OF ITS NAME AS PROVIDED IN THIS CHAPTER].

4 \* Sec. 7. AS 10.05.607 is amended to read:

5 Sec. 10.05.607. ASSUMED CORPORATE NAME. When a foreign corpora-  
6 tion, applying for a certificate of authority, has a name that is not  
7 available under AS 10.50.010 [THE SAME AS OR DECEPTIVELY SIMILAR TO  
8 THAT OF A CORPORATION REGISTERED UNDER THIS CHAPTER], it shall

9 (1) select a name under which it elects to do business in  
10 the state; and

11 (2) clearly identify on all advertising, contracts and  
12 other legal documents its true corporate name as well as its assumed  
13 name.

14 \* Sec. 8. AS 10.20.021 is repealed and reenacted to read:

15 Sec. 10.20.021. CORPORATE NAME. The corporate name may not

16 (1) contain a word or phrase that indicates or implies that  
17 the corporation is organized for a purpose other than one or more of  
18 the purposes contained in the corporation's articles of incorporation;

19 (2) be a name that is prohibited to the corporation under  
20 AS 10.50.010.

21 \* Sec. 9. AS 10.20.470 is repealed and reenacted to read:

22 Sec. 10.20.470. CORPORATE NAME OF FOREIGN CORPORATION. A certi-  
23 ficate of authority may not be issued to a foreign corporation unless  
24 the corporate name of the corporation

25 (1) does not contain a word or phrase which indicates or  
26 implies that it is organized for any purpose other than the purpose  
27 contained in its articles of incorporation;

28 (2) is available to the corporation under AS 10.50.010.

29 \* Sec. 10. AS 10.20.471 is amended to read:

1           Sec. 10.20.471. ASSUMED CORPORATE NAME. When a foreign corpora-  
2           tion, applying for a certificate of authority, has a name that is not  
3           available under AS 10.50.010 [THE SAME AS OR DECEPTIVELY SIMILAR TO  
4           THAT OF A CORPORATION OPERATING UNDER THIS CHAPTER], it shall

5                   (1) select a name under which it elects to do business in  
6           the state;

7                   (2) clearly identify on all advertising, contracts and  
8           other legal documents its true corporate name as well as its assumed  
9           name.

10       \* Sec. 11. AS 10.35.020 is repealed and reenacted to read:

11           Sec. 10.35.020. APPLICATION TO RESERVE NAME. Reservation of a  
12           business name is made by filing an application with the commissioner.  
13           Upon finding that the name is available for business use, the commis-  
14           sioner shall reserve it for the exclusive use of the applicant for a  
15           period of 120 days. A name is not available to the applicant if the  
16           applicant's name gives the impression that the business is incorporat-  
17           ed or the name is prohibited by AS 10.50.010.

18       \* Sec. 12. AS 10.35.040 is amended to read:

19           Sec. 10.35.040. REGISTRATION OF NAME. (a) A person conducting a  
20           business may register its name if the name is available to the person  
21           under AS 10.50.010 [NOT THE SAME AS, OR DECEPTIVELY SIMILAR TO, THE  
22           NAME OF A DOMESTIC CORPORATION OR A FOREIGN CORPORATION AUTHORIZED TO  
23           TRANSACT BUSINESS IN THE STATE, OR A NAME RESERVED OR REGISTERED UNDER  
24           THIS TITLE].

25                   (b) Registration of the name gives the exclusive right to the  
26           use of the name and the person who has registered the name may enjoin  
27           the use of the same name or a deceptively similar name and has a cause  
28           of action for damages against a person [ANYONE] who uses the same name  
29           or a deceptively similar name.

1 \* Sec. 13. AS 10 is amended by adding a new chapter to read:

2 CHAPTER 50. BUSINESS NAMES.

3 Sec. 10.50.010. DENIAL OF CERTIFICATE OR AUTHORIZATION. Unless  
4 the similarity arises solely from the use of the legal name of a  
5 natural person who is the applicant or involved in the operation of  
6 the applicant if the applicant is not a natural person, the department  
7 may not issue a certificate of incorporation or an authorization to  
8 transact business in the state, or reserve or register a corporate or  
9 business name under this title, for a person whose proposed corporate  
10 name is the same as, or deceptively similar to

11 (1) the name of a corporation incorporated under the laws  
12 of the state;

13 (2) the name under which a foreign corporation has been  
14 authorized to transact business in the state;

15 (3) the name of the holder of a license issued by the  
16 department under AS 08.01.010 or by a board listed in AS 08.01.010;

17 (4) a name reserved or registered under this title; or

18 (5) the name of a licensee under AS 43.70.

19 Sec. 10.50.020. REVIEW OF DENIAL. (a) If the department denies  
20 a certificate of incorporation or an authorization to transact busi-  
21 ness in the state or declines to reserve or register a name, the  
22 applicant may appeal the department's action by filing a notice of  
23 appeal with the department within 30 days of the denial.

24 (b) The department shall establish by regulation the procedures  
25 for an appeal under (a) of this section.

26 Sec. 10.50.030. PENALTY. A person who knowingly does business  
27 under a name that is not available to the person under AS 10.50.010 is  
28 guilty of a violation.

29 Sec. 10.50.200. DEFINITION. In this chapter, "department" means

1 the Department of Commerce and Economic Development.

2 \* Sec. 14. AS 43.05.230 is amended by adding a new subsection to read:

3 (h) The department may release information received or collected  
4 by the department under AS 43.70 that is related to the legal or  
5 business names of licensees to the Department of Commerce and Economic  
6 Development for use in carrying out its statutory responsibilities.

7 \* Sec. 15. AS 43.70.020(a) is amended to read:

8 (a) For the privilege of engaging in a business in the state, a  
9 person shall first apply, on [UPON] forms prescribed by the commis-  
10 sioner of revenue, and obtain a license, and pay the license fee  
11 provided for in AS 43.70.030. A license issued to a firm for a par-  
12 ticular line of business covers all its operations in the state in the  
13 line of business regardless of the number of its establishments. A  
14 license issued under this subsection must [SHALL] include

- 15 (1) the name and address of the licensee;
- 16 (2) the line of business to be conducted; [AND]
- 17 (3) the year for which the license is issued; and
- 18 (4) the business name of the licensee.

19 \* Sec. 16. AS 43.70.020(b) is repealed and reenacted to read:

20 (b) A license issued under this section is valid for two years  
21 after the date of issuance, unless the licensee also holds a license  
22 issued by the Department of Commerce and Economic Development under  
23 AS 08.01.010 or by a board listed in AS 08.01.010, in which case the  
24 license issued under this section is valid for the same length of time  
25 as the other license. A licensee under this section shall apply for  
26 renewal of the license and pay the renewal fee before the date the  
27 license expires.

28 \* Sec. 17. AS 43.70.020 is amended by adding a new subsection to read:

29 (e) Unless the similarity arises solely from the use of the

1 legal name of a natural person who is the applicant for the license or  
2 involved in the operation of the applicant if the applicant is not a  
3 natural person, the department may not issue a license under this  
4 section to a person whose legal or business name is the same as, or  
5 deceptively similar to

6 (1) the name of a domestic corporation in the state;

7 (2) the name under which a foreign corporation has been  
8 authorized to transact business in the state;

9 (3) the name of the holder of a license issued by the  
10 Department of Commerce and Economic Development under AS 08.01.010 or  
11 by a board listed in AS 08.01.010;

12 (4) a name reserved or registered under AS 10; or

13 (5) the name of a licensee under this chapter.

14 \* Sec. 18. AS 43.70 is amended by adding a new section to read:

15 Sec. 43.70.025. REVIEW OF DENIAL OF BUSINESS LICENSE. (a) If  
16 the commissioner denies a person a business license under AS 43.70.-  
17 020(e), the person may appeal the denial by filing a notice of appeal  
18 with the commissioner within 30 days of the denial.

19 (b) The commissioner shall establish by regulation the proce-  
20 dures for an appeal under (a) of this section.

21 \* Sec. 19. AS 43.70.030(a) is amended to read:

22 (a) The license fee for each business is \$25 for each year of  
23 the period for which the license is issued or portion of a year. The  
24 renewal fee is the same amount as the license fee.

25 \* Sec. 20. AS 43.70.020(c) and 43.70.030(d) are repealed.

26 \* Sec. 21. (a) AS 08.02.030(u), added by sec. 1 of this Act, does not  
27 apply to the renewal of a license that is otherwise eligible for renewal,  
28 and that was issued by the Department of Commerce and Economic Development  
29 under AS 08.01.010, or by a board listed under AS 08.01.010, before the

1 effective date of this Act.

2 (b) AS 10.35.040(a), as amended by sec. 12 of this Act, does not  
3 apply to the renewal under AS 10.35.070 of a business name registration in  
4 existence on the date this Act takes effect.

5 (c) AS 43.70.020(e), added by sec. 17 of this Act, does not apply to  
6 the renewal of a business license that was issued or renewed for 1986 and  
7 that is otherwise eligible for renewal.