

HB

406

SENATE FINANCE COMMITTEE REPORT

DATE: 4/24/90

DATE TURNED INTO OFFICE: 4/30/90

The Finance Committee considered CSHB 406 (Finance)

"An Act relating to the sale or transfer of consumer electrical products."

and recommended:

- replace with _____ CS _____
- or adopt SCS CS HB 406 (LFC)
- attached amendment(s)
- _____ letter of intent adopted

- same title
- new title
- technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):
Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

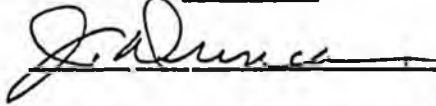
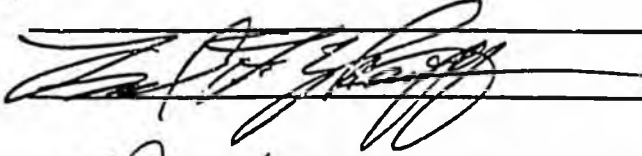

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) DO Law 1/30/90
DO Labor 2/23/90

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

 2. Rule (Relief) (DO PASS)

1. _____

Co-Chairs: Signatures and Recommendations

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to the sale, gift, or transfer for value of electrical products."
Sponsor: Repr. Cotten
Requestor: Repr. Cotten

Agency Affected: Department of Law
BRU: Consumer Protection
Components: Consumer Protection

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Prepared by: Richard I. Pegues Director Phone: 465-3672
Division: Administrative Services Date: January 30, 1990
Approved by Commissioner: Richard I. Pegues / FDK
Douglas B. Bailly, Attorney General Date: January 30, 1990
Agency: Department of Law

Distribution (by preparer):

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

) Changes in SCS CS HB 406 (L+C) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

Adopted

HS 406

This bill amends AS 45.45 by adding a new section (AS 45.45.910) that provides that a person may not, in the course of the person's business, sell, give away, or exchange for value an electrical product unless the electrical product is labeled or listed by an approved testing laboratory, in accordance with the minimum electrical standards established by AS 19.60.550.

The bill also provides that the consumer protection section of the Department of Law shall maintain a list of approved testing laboratories. Approved testing laboratory is defined as a laboratory that meets the requirements of the 1984 Standard Guide for Laboratory Accreditation Systems, ASTM E-944, published by the American Society for Testing and Materials.

A previous attempt by the U.S. Department of Labor, to adopt the ASTM E-944 standards, resulted in a lawsuit requiring the Department of Labor to certify 900+ testing laboratories, including many offshore testing firms. Because of the number of potential testing firms that could be certified under ASTM E-944 is so great, it would be nearly impossible for the consumer protection section to maintain a list of approved testing laboratories. The department believes that substitution of ANSI Z-34.1-1987, the American National Standard for Certification - Third Party Certification Program, published by the American National Standards Institute, in place of the ASTM E-944 standards, may eliminate most of this problem. Otherwise, it appears that simply keeping-up with the paperwork for the large number of potential approved testing laboratories could be extremely time consuming and expensive, without any real assurance that a product has been properly tested.

Lastly, the bill amends AS 45.50.471 by providing that violation of proposed AS 45.45.910 is an unlawful act under the state's Unfair Trade Practices and Consumer Protection Act. Approval of this provision will increase the number of unlawful acts specified under AS 45.50.471 from 28 to 29. The consumer protection section currently consists of one attorney, two paraprofessionals, and one and one-half secretaries, in sharp contrast to the three attorneys, seven paraprofessionals, and five secretaries who staffed the section prior to the FY87 budget crisis. Consequently, the section can only handle the most serious violations. The department therefore recommends adoption of the ANSI Z-34.1-1987 certification standards, in order to provide for a workable method of records-keeping and in order to avoid unnecessary cost.

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: SCS CS HB 406 (L+C) (b)
PUBLISH DATE: 4-24-90

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
Title: "An Act relating to the sale
or transfer of consumer electrical products." BRU: Labor Standards & Safety
Sponsor: Cotten Components: Mechanical Inspection
Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Note: there is no fiscal impact in FY 90

Prepared by: Tom Stuart, Director Phone: 465-2712
Division: Labor Standards & Safety Date: 2/23/90

Approved by Commissioner: Jim Sampson Date: 2/23/90
Agency: Department of Labor

Distribution (by preparer) :) Changes in SCS CS HB 406 (L+C)
Legislative Finance) have no fiscal impact. This
Legislative Sponsor) fiscal note is appropriate.
Requestor :) Projections of no fiscal impact
Office of Management and Budget :) would continue through 1996. age 1 of 1
Impacted Agency(ies)

Adopted

Original sponsor(s): REP. COTTEN

1 IN THE HOUSE BY THE LABOR & COMMERCE COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 406 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to the sale or transfer of consumer
7 electrical products."

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

9 * Section 1. AS 45.45 is amended by adding a new section to read:

10 Sec. 45.45.910. SALE OR TRANSFER OF CONSUMER ELECTRICAL PROD-
11 UCTS. (a) Unless exempted by the department under (d) of this sec-
12 tion, a person may not sell, offer to sell, or otherwise transfer in
13 the course of the person's business a consumer electrical product that
14 is manufactured after the effective date of this Act, unless the
15 product is clearly marked as being listed by an approved third-party
16 certification program.

17 (b) A person may not sell, offer to sell, or otherwise transfer
18 in the course of the person's business a consumer electrical product
19 that is manufactured before the effective date of this Act, unless the
20 product is clearly marked

21 (1) as being listed by an approved third-party certifica-
22 tion program; or

23 (2) with a warning label that complies with (e) of this
24 section.

25 (c) A person may not sell, offer to sell, or otherwise transfer
26 in the course of the person's business a consumer electrical product
27 that has been exempted under (d) of this section, unless the product
28 is clearly marked with a warning label that complies with (e) of this
29 section.

1 (d) If a consumer electrical product is a work of art or an item
2 that has an unusual application that makes approval by a third-party
3 certification program not reasonably available, the department shall
4 upon request exempt the item from (a) of this section. The department
5 shall establish by regulation guidelines to identify consumer electri-
6 cal products that qualify for an exemption under this section.

7 (e) The warning label required by this section must be a bright-
8 ly colored label that contains in simple, direct language a warning
9 that the electrical product is not listed by an approved third-party
10 certification program. The department shall adopt regulations estab-
11 lishing the exact content, color, design, and use of the warning
12 label.

13 (f) Unless a later version has been adopted by the Department of
14 Labor by regulation, a certification program must meet the require-
15 ments of ANSI Z-34.1 - 1987, American National Standards for Certi-
16 fication - Third-Party Certification Program, published by the Ameri-
17 can National Standards Institute, in order to qualify as an approved
18 third-party certification program under this section. The Department
19 of Labor may adopt by regulation later versions of the American Na-
20 tional Standards for Certification - Third-Party Certification Pro-
21 gram, as the standard for third-party certification programs under
22 this section. If the Department of Labor has adopted a later version,
23 a certification program must meet the requirements of the most recent
24 version adopted by the department in order to qualify as an approved
25 third-party certification program under this section.

26 (g) In this section,

27 (1) "approved third-party certification program" means a
28 program that qualifies under (f) of this section;

29 (2) "consumer electrical product" means an electrical

1 product that is marketed for and commonly purchased by the general
2 public and that is

3 (A) an assembled device that has an electrical circuit
4 that operates at 110 volts AC or higher, except for mechanical
5 attachments, including pump heads, pulleys, and fan blades, that
6 are used in the application of the device;

7 (B) a device that when assembled has an electrical
8 circuit that operates at 110 volts AC or higher; or

9 (C) an individual component part that is intended to
10 be part of an electrical circuit that operates at 110 volts AC or
11 higher;

12 (3) "department" means the Department of Labor.

13 * Sec. 2. AS 45.50.471(b) is amended by adding a new paragraph to read:

14 (29) violating AS 45.45.910(a), (b), or (c).