

**SB427**

SENATE FINANCE COMMITTEE REPORT

DATE: 3/23/92

FURTHER:

DATE TURNED INTO OFFICE: ~~4/27/92~~

The Finance Committee considered

SENATE BILL NO. 427

"An Act relating to products made in Alaska."

and recommends:

- replace with CS 5B 427 (FINANCE)
- or  adopt previous CS \_\_\_\_\_
- attaches amendment(s)

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

adopts \_\_\_\_\_ Letter of Intent

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

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes

~~DEPT: 1-1-0 GE/Program Receipts~~

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

DO PASS:

*Paul Duncan*  
*Al Adams*  
*Frank Shultz*  
*John Kelly*  
*Red Karchel*

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

1. *Red Karchel*  
Co-Chair: Signature/Recommendation

2. *Paul Duncan*  
Co-Chair: Signature/Recommendation

**FISCAL NOTE**

**STATE OF ALASKA  
1992 LEGISLATIVE SESSION**

**BILL NO. CSSB 427**

Revision Date: 4/27/92

Department Affected: Commerce & Econ. Dev.

Title: An Act relating to Products Made in  
Alaska

BRU: Economic Development

Sponsor: Sturgulewski/Pearce

Component: \_\_\_\_\_

Requestor: Senate Finance

COMPONENT SERIAL NO. 

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

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	15.0	15.0	15.0	15.0	15.0	15.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>

<b>CAPITAL</b>						
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<b>REVENUE FUND RESOURCE:</b>						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER GF Program						
FUND SOURCE: Receipts	15.0	15.0	15.0	15.0	15.0	15.0
<b>TOTAL</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

**ANALYSIS** (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Tom Lawson, Section Chief Phone: 465-2017

Division: Economic Development Date: \_\_\_\_\_

Approved by Commissioner: Glenn A. Olds *(Signature)*

Agency: Department of Commerce & Economic Development Date: \_\_\_\_\_

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legls. Ofc., and Impacted Agency(ies).

FISCAL NOTE - SB 427

ANALYSIS:

There are no personal services or travel costs associated with this bill.

Contractual for FY 93:

Printing: \$ 7,500

Cost of printing a one-year supply of tags and stickers:

Silver Hand Tags and Stickers	\$5,000
Made-In-Alaska Stickers	\$2,500

Brochures, Posters, Other Printed Materials: \$ 2,500

Marketing and Advertising: \$10,000

This will consist of advertising to inform the public of the program and to encourage the public to buy Alaskan products. May include print and TV ads, pamphlets, PSAs on radio and TV, etc.

Total for FY 93\* \$20,000

\*Note: The FY 92 Authorized includes \$5,000 for the Made-In-Alaska and Silver Hand programs. As a result, only \$15,000 is requested in this fiscal note. Permit application fees will generate general fund program receipts.

CS FOR SENATE BILL NO. 427 ~~(FINANCE)~~  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
 Referred:

Sponsor(s): SENATORS STURGULEWSKI, Pearce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to articles made in Alaska."

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

3 \* Section 1. AS 45.65.010 is amended to read:

4           Sec. 45.65.010. IDENTIFICATION SEALS AND EMBLEMS [SEAL FOR  
 5 HANDICRAFTS]. A person who makes an authentic Native [ARTICLE OF] handicraft in the  
 6 state may obtain an identification seal as specified in AS 45.65.030(a) [AS 45.65.030] to identify  
 7 the article. The identification seal may be affixed only to authentic Native handicrafts  
 8 [ARTICLES OF HANDICRAFT] made in the state.

9 \* Sec. 2. AS 45.65.010 is amended by adding a new subsection to read:

10           (b) A person may use an emblem described under AS 45.65.030(c) to identify an article  
 11 that is made in the state. The emblem may not be used to identify an article made outside the  
 12 state.

13 \* Sec. 3. AS 45.65.020 is amended to read:

14           Sec. 45.65.020. COMMISSIONER TO ADMINISTER [AS 45.65.010 - 45.65.070]. The

1 commissioner of commerce and economic development is responsible for the administration of  
2 AS 45.65.010 - 45.65.070, including

3 (1) subject to AS 45.65.030(a) [AS 45.65.030], the design, method of affixing,  
4 preparation, issuance, and control of identification seals [AND DOCUMENTS];

5 (2) the issuance of permits to agents to distribute the seals [AND DOCUMENTS];

6 (3) the supervision of the use of the seals and emblems [DOCUMENTS];

7 (4) subject to AS 45.65.030(c), the design, issuance, and control of emblems;

8 (5) the issuance of permits to agents to issue permits to use the emblems; and

9 (6) [(4)] the enforcement of [THE CIVIL AND CRIMINAL PROVISIONS OF]

10 AS 45.65.010 - 45.65.070.

11 \* Sec. 4. AS 45.65.030(a) is amended to read:

12 (a) The official authentic Native handicraft symbol is the silver hand symbol. It must  
13 [SHALL] bear the words: "Authentic Native Handicraft from Alaska", and include a blank line  
14 for the artist's name and the place of origin of the article. [IF SPACE PERMITS ON THE  
15 SEAL, OR, IF NOT, IN AN ACCOMPANYING DOCUMENT, IT SHALL ALSO STATE:  
16 "THIS SILVER HAND SYMBOL IS YOUR GUARANTEE THAT THIS IS A GENUINE  
17 ARTICLE, MADE IN ALASKA, HAND-CRAFTED AND FINISHED BY AN ALASKAN  
18 NATIVE ARTIST OR CRAFTSMAN. WHERE POSSIBLE, ONLY ALASKAN MATERIALS  
19 HAVE BEEN USED TO CREATE THIS ARTICLE, AND TO A GREAT EXTENT ONLY  
20 TRADITIONAL NATIVE METHODS HAVE BEEN USED."]

21 \* Sec. 5. AS 45.65.030 is amended by adding a new subsection to read:

22 (c) The official emblem for an article that is made in the state is a design approved by  
23 the commissioner under AS 45.65.020(4) that depicts a mother bear with a cub and states the  
24 words "Made in Alaska."

25 \* Sec. 6. AS 45.65.040 is ~~repealed and reenacted~~ to read:

26 Sec. 45.65.040. ~~IDENTIFICATION SEAL AND IDENTIFICATION SEAL AGENT~~

27 ~~PERMITS. (a) The identification seal authorized under AS 45.65.010(a) may only be used after~~  
28 ~~receiving a permit from the commissioner or from an agent who possesses a current permit under~~  
29 ~~(b) of this section.~~

30 (b) A resident of the state may apply to the commissioner for a permit as agent to issue  
31 ~~permits to use the identification seals described under AS 45.65.030(a) in the state. The~~

1 commissioner may examine or investigate an applicant to determine whether the applicant has  
2 sufficient knowledge of handicrafts, customs, and populace of the area in which the applicant  
3 resides to identify authentic Native handicraft, and may issue permits to qualified applicants. The  
4 permit may limit the authority of the agent to a certain geographic area or to a particular type  
5 of handicraft.

6 (c) The commissioner shall establish forms and fees for the applications and permits to  
7 be used or issued under this section, the period for which the permits ~~are valid,~~ and the  
8 ~~procedures for renewing~~ the permits.

9 (d) Before issuing a permit for an article under this section, the commissioner or the  
10 ~~identification seal agent~~ shall determine that the article is eligible for the ~~identification seal.~~

11 ~~(e) An identification seal agent may report alleged violations of AS 45.65.010 - 45.65.070~~  
12 ~~to the commissioner.~~

13 \* Sec. 7. AS 45.65 is amended by adding a new section to read:

14 Sec. 45.65.045. EMBLEM AND EMBLEM AGENT PERMITS. (a) The emblem  
15 authorized under AS 45.65.010(b) may not be used without receiving a permit from the  
16 commissioner or from an agent who possesses a current permit under (b) of this section.

17 (b) A resident of the state may apply to the commissioner for a permit to act as an agent  
18 to issue permits to use the emblem. An agent may report alleged violations of AS 45.65.010 -  
19 45.65.070 to the commissioner.

20 (c) The commissioner shall establish forms and fees for the applications and permits to  
21 be used or issued under this section, the period for which the permits are valid, and the  
22 procedures for renewing the permits.

23 (d) Before issuing a permit for an article under this section, the commissioner or the  
24 agent shall determine that the article is eligible for the emblem.

25 \* Sec. 8. AS 45.65.060 is amended to read:

26 Sec. 45.65.060. PENALTIES. (a) A person who knowingly or wilfully [ISSUES THE  
27 DOCUMENT FOR, OR] affixes or attaches the identification seal provided for in AS 45.65.010 -  
28 45.65.070 to an article, knowing that it is not an authentic Native [ARTICLE OF] handicraft,  
29 [OR AFFIXES OR ATTACHES THE INAPPROPRIATE SEAL, OR ISSUES THE  
30 INAPPROPRIATE DOCUMENT, UNDER AS 45.65.030,] is guilty of a class B misdemeanor  
31 [, AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000,

1 OR BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY BOTH].

2 (b) A person who knowingly or wilfully sells or offers for sale an article with the seal  
3 affixed or attached [AND ISSUES THE DOCUMENT, IF REQUIRED UNDER AS 45.65.030],  
4 knowing that the article is not an authentic Native [ARTICLE OF] handicraft [, OR  
5 KNOWINGLY OR WILFULLY SELLS OR OFFERS FOR SALE AN ARTICLE WITH THE  
6 INAPPROPRIATE SEAL OR DOCUMENT AS PROVIDED IN AS 45.65.030], is guilty of a  
7 class B misdemeanor [, AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT  
8 MORE THAN \$1,000, OR BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR  
9 BY BOTH].

10 (c) A person who knowingly or wilfully alters, changes, or counterfeits an identification  
11 seal or emblem [DOCUMENT] is guilty of a class B misdemeanor [, AND UPON  
12 CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000, OR BY  
13 IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY BOTH].

14 \* Sec. 9. AS 45.65.060 is amended by adding new subsections to read:

15 (d) A person who knowingly or wilfully sells or offers for sale an article that is not made  
16 in the state but that bears the emblem is guilty of a class B misdemeanor.

17 (e) A person who knowingly or wilfully uses the emblem for an article that is not made  
18 in the state is guilty of a class B misdemeanor.

19 (f) A person who has been issued a permit under AS 45.65.040 to issue ~~permits to use~~  
20 ~~the~~ identification seals described under AS 45.65.030(a) is guilty of a class B misdemeanor if the  
21 person knowingly or wilfully issues ~~a permit~~ for an article that is not an authentic Native  
22 handicraft.

23 (g) A person who has been issued a permit under AS 45.65.045 to issue permits to use  
24 the emblem, is guilty of a class B misdemeanor if the person knowingly or wilfully issues a  
25 permit for an article that is not made in the state.

26 \* Sec. 10. AS 45.65.070 is amended by adding a new paragraph to read:

27 (5) "emblem" means the emblem that is authorized under AS 45.65.010(b).

28 \* Sec. 11. AS 45.65.030(b), 45.65.050, and 45.65.070(1) are repealed.

SB 427: "An Act relating to Products Made in Alaska."

The department strongly supports the passage of this bill. It accomplishes three program objectives:

1. it gets the Made-In-Alaska program into statute;
2. it makes some minor changes in the existing Silver Hand statutes; and
3. it repeals the "Silver State" program which has been inactive since the establishment of the Made-In-Alaska program.

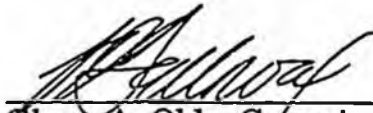
The purpose of both the Silver Hand and the Made-In-Alaska program is twofold:

1. to provide a way to identify Alaska products; and
2. to act as a marketing tool to encourage the purchase of such items, both in-state and for export.

The proposed legislation has been desired by the department for some time and will be a positive step in expanding the promotion of Alaskan products, arts and handicrafts.

At the present time, the Made-In-Alaska program has 1,401 certified logo users for over 4,000 different Alaska made products. The program has enthusiastic producer support and excellent public acceptance. The state support expressed by placing this program in statute will enhance public acceptance and will translate into an increased sales of Alaskan products. Having the program in statute will also afford greater protection against misuse of the logo by increasing the department's enforcement capabilities.

The Silver Hand program has proven an effective marketing tool for ethnic Native Alaskan arts and handicrafts. The changes recommended in the bill are basically housekeeping in nature and reflect present day regulatory climate and market conditions.

  
\_\_\_\_\_  
Glenn A. Olds, Commissioner

Date: 2-26-92

**MADE IN ALASKA/SILVER HAND FUNDING HISTORY  
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT**

**Gov.'s FY 93**

Made in Alaska/Silver Hand	5.0
Increment for in-state promotional programs	20.0

**FY 92**

Made in Alaska/Silver Hand	5.0
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**FY 91**

Made in Alaska	40.0
Silver hand	5.0

**FY 90**

Made in Alaska	40.0
Silver hand (reactivated)	5.0

**FY 89**

Designated grant to Make it Alaskan Inc. (for assistance on Made in Alaska Program)	25.0
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**Pre FY 89**

No funding appropriated. MIA program initiated in 1986. Minimal costs paid by Office of Enterprise.

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

FISCAL NOTE

No. 1  
Version: SB 427  
(S) Publish Date: 3-24-92

Revision Date: \_\_\_\_\_  
Title: An Act relating to Products Made in  
Alaska  
Sponsor: Sturgulewski/Pearce  
Requestor: Sturgulewski

Department Affected: Commerce & Econ. Dev.  
BRU: Economic Development  
Component: \_\_\_\_\_

COMPONENT SERIAL NO. 

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	35.0	35.0	36.5	38.0	39.5	41.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>35.0</b>	<b>35.0</b>	<b>36.5</b>	<b>38.0</b>	<b>39.5</b>	<b>41.0</b>

CAPITAL						
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REVENUE FUND RESOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	35.0	35.0	36.5	38.0	39.5	41.0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
<b>TOTAL</b>	<b>35.0</b>	<b>35.0</b>	<b>36.5</b>	<b>38.0</b>	<b>39.5</b>	<b>41.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: James E. Wiedeman, Development Specialist Phone: 563-2165  
 Division: Economic Development Date: 2/24/92  
 Approved by Commissioner: Glenn A. Olds *[Signature]*  
 Agency: Department of Commerce & Economic Development Date: 2-26-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OME/DBR, Gov. Legls. Ofc., and Impacted Agency(ies).  
 Page 1 of 2

FISCAL NOTE - SB 427

ANALYSIS:

There are no personal services or travel costs associated with this bill.

Contractual for FY 93:

Printing: \$ 7,500

Cost of printing a one-year supply of tags and stickers:

Silver Hand Tags and Stickers	\$5,000
Made-In-Alaska Stickers (FY 93, TF 95 and FY 97)	\$2,500

Brochures, Posters, Other Printed Materials: \$ 7,500

Marketing and Advertising: \$20,000

This will consist of advertising to inform the public of the program and to encourage the public to buy Alaskan products. May include print and TV ads, pamphlets, PSAs on radio and TV, etc.

Total for FY 93 \$35,000

The funding levels in Contractual for FY 95 through FY 98 reflect anticipated cost increases in general.

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

No. 2  
Bill Version: CSSA 427 (d+c)

(S) Publish Date: 3-23-92

Revision Date: 3/17/92

Department Affected: Commerce & Econ. Dev.

Title: An Act relating to Products Made in  
Alaska

BRU: Economic Development

Component: \_\_\_\_\_

Sponsor: Sturgulewski/Pearce

Requestor: Pearce

COMPONENT SERIAL NO. 

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	10.0	35.0	36.5	38.0	39.5	41.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>10.0</b>	<b>35.0</b>	<b>36.5</b>	<b>38.0</b>	<b>39.5</b>	<b>41.0</b>
<b>CAPITAL</b>						

REVENUE FUND RESOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	10.0	35.0	36.5	38.0	39.5	41.0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
<b>TOTAL</b>	<b>10.0</b>	<b>35.0</b>	<b>36.5</b>	<b>38.0</b>	<b>39.5</b>	<b>41.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS (Attach a separate page if necessary.)  
SEE ATTACHED

Prepared By: Tom Lawson, Section Chief Phone: 465-2017

Division: Economic Development Date: \_\_\_\_\_

Approved by Commissioner: Glenn A. Olds 

Agency: Department of Commerce & Economic Development Date: 3.17.92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legls. Ofc., and Impacted Agency(ies).

FISCAL NOTE - SB 427

ANALYSIS:

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Brochures, Posters, Other Printed Materials: \$ 7,500

Marketing and Advertising: \$20,000

This will consist of advertising to inform the public of the program and to encourage the public to buy Alaskan products. May include print and TV ads, pamphlets, PSAs on radio and TV, etc.

Total for FY 93\* \$35,000

The funding levels in Contractual for FY 95 through FY 98 reflect anticipated cost increases in general.

\*Note: The FY 93 Governor's Budget Request includes \$25,000 for the Made-In-Alaska and Silver Hand programs. As a result, only \$10,000 is requested in FY 93 via this fiscal note.