

SB

329

0-LS1505B
Bannister
3/23/98

CS FOR SENATE BILL NO. 329()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the regulation authority, exemptions, and definitions of the**
2 **Alaska Business License Act."**

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

4 *** Section 1. AS 16.10.265(d) is amended to read:**

5 (d) The commissioner of [COMMERCE AND ECONOMIC DEVELOPMENT
6 MAY SUSPEND OR REVOKE A BUSINESS LICENSE ISSUED UNDER
7 AS 43.70.020 AND THE COMMISSIONER OF] revenue may suspend or revoke a
8 license to engage in the business of processing or buying raw fish if the licensee or
9 an officer, director, or employee in a policy-making position of the licensee has been
10 convicted of three offenses under this section. Proceedings to suspend or revoke a
11 license are governed by AS 44.62 (Administrative Procedure Act).

12 *** Sec. 2. AS 43.70.090 is amended to read:**

13 **Sec. 43.70.090. Regulations.** The department may adopt regulations necessary
14 to implement [DETERMINE AND COLLECT THE FEES IMPOSED BY] this

1 chapter.

2 * Sec. 3. AS 43.70 is amended by adding a new section to read:

3 **Sec. 43.70.105. Exemptions.** This chapter does not apply to

4 (1) a fisheries business;

5 (2) the sale of liquor under a license issued under AS 04.11;

6 (3) an insurance business;

7 (4) a mining business;

8 (5) sales through coin-operated amusement and gaming machines;

9 (6) supplying services as an employee;

10 (7) furnishing goods or services by a person who does not represent to
11 be regularly engaged in furnishing goods or services;

12 (8) the activities of an investment club; in this paragraph,

13 (A) "investment club" means a group of individuals,
14 incorporated or otherwise organized, that engages primarily in investing in
15 securities, that does not sell investment services to another person, and the
16 primary purpose of which is educational;

17 (B) "security" has the meaning given in AS 45.55.990.

18 * Sec. 4. AS 43.70.110(1) is repealed and reenacted to read:

19 (1) "business" means engaging or offering to engage in a trade, a
20 profession, or an activity with the goal of receiving a financial benefit in exchange for
21 the provision of services or goods or other property;

Alaska State Legislature

Senate



Official Business

State Capitol
Juneau, AK. 99801-1182

Senate Labor & Commerce Committee

Sponsor Statement SB 329: Investors Corporations

The Senate Labor & Commerce Committee introduced Senate Bill 329: Investors Corporations, at the request of the Alaska Regional Council, National Association of Investors Corporation.

Current Alaska law defining "business" is so broad, that it is unclear whether nonprofit, educational organizations like investment clubs must apply for a business license. This bill amends AS 43.70.110 to exclude investment clubs members from the business license requirement.

There are over 108 investment clubs in Alaska, consisting of on average 15 individuals. These clubs are formed for the purpose of making group investments in a learning atmosphere. The monthly contributions are around \$10 to \$50 per month per student.

Investment clubs do not advertise, offer any product or service to the general public and do not have a place of business since they usually meet in members' homes.

No other state requires a business license fee, according to the National Association of Investors Corporation.

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