

HB

484

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE MEMBERS:

REPRESENTATIVE NORMAN ROKEBERG, CHAIRMAN
REPRESENTATIVE JOHN COWDERY, VICE CHAIRMAN
REPRESENTATIVE BILL HUDSON
REPRESENTATIVE JOE RYAN
REPRESENTATIVE JERRY SANDERS
REPRESENTATIVE TOM BRICE
REPRESENTATIVE GENE KUBIJA
COMMITTEE AIDE, SHIRLEY ARMSTRONG
COMMITTEE SECRETARY, CATHY WOOD
COMMITTEE HEARING ROOM 17 STATE CAPITOL



INTERIM:
716 WEST 4TH AVENUE, SUITE 643
ANCHORAGE, AK 99501
PHONE: (907) 258-8191
FAX: (907) 258-2916

SESSION:
STATE CAPITOL, ROOM 24
JUNEAU, AK 99801-1182
PHONE: (907) 465-4954
FAX: (907) 465-2040

Labor and Commerce Committee

Sponsor Statement / Sectional

HB 484 – Unemployment Exemption For Amateur Sports Officials

HB 484 would exempt Alaska's amateur sports officials from unemployment tax liabilities. It would not relieve them from income tax liability. This measure is predicated upon the successful passage of corresponding federal language, now being pursued by Senator Ted Stevens.

Recreational, nonprofessional sports are a large and expanding component of our state's athletic and social life, and the role of amateur sports officials is vital to its continuation and development. The essential character of this avocation will be adversely impacted if tax pressures on modest stipends is not relieved. Most amateur officials provide their own transportation, uniforms, protective gear, and other costs, without reimbursement from those non-profit organization and recreational units of local government which hire them.

Further, without the modest relief provided by HB 349, we may likely see a decline in the availability of qualified amateur sports officials as they pick up other work, or worse, force increase in costs to the many non-profit organizations which sponsor amateur sporting events. An increase in costs could lead to unfortunate reductions in amateur sports programs.

The Alaska legislature once exempted amateur sports official from employment tax liabilities, however the exemption was lifted a year later under threat of losing federal funds at the Department of Labor. Federal law did not correspondingly provide for the exemption.

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE MEMBERS:

REPRESENTATIVE NORMAN ROKEBERG, CHAIRMAN
REPRESENTATIVE JOHN COWDERY, VICE CHAIRMAN
REPRESENTATIVE BILL HUDSON
REPRESENTATIVE JOE RYAN
REPRESENTATIVE JERRY SANDERS
REPRESENTATIVE TOM BRICE
REPRESENTATIVE GENE KUBINA
COMMITTEE AIDE, SHIRLEY ARMSTRONG
COMMITTEE SECRETARY, CATHY WOOD
COMMITTEE HEARING ROOM 17 STATE CAPITOL



INTERIM:
716 WEST 4TH AVENUE, SUITE 640
ANCHORAGE, AK 99501
PHONE: (907) 258-8191
FAX: (907) 258-2916

SESSION:
STATE CAPITOL, ROOM 24
JUNEAU, AK 99801-1182
PHONE: (907) 465-4954
FAX: (907) 465-2040

Labor and Commerce Committee

SECTION 1 - adds amateur sports officials to the list of occupations exempted from unemployment liability under AS 23.20.526(a).

SECTION 2 - since the exact effective date is not known at this time, this reference states that HB 484 applies to officiating services performed after either possible effective date.

SECTION 3 - is the conditional language that provides for HB 484 tading effective only upon the passage of corresponding federal law. Senator Ted Stevens is currently working for passage of federal language this year.

SECTION 4 - is the effective date, indicating that the provisions of HB 484 apply whenever the federal law takes effect, and that can be one of the two identified possibilities.

House Bill 484 is supported by the Farthest North Umpires Assn., the Alaska School Activities Assn., and others. It is not opposed by the AFL-CIO, and the bill carries a zero fiscal note.

Anchorage Amateur Softball Umpires Association

P. O. Box 210501
Anchorage, Alaska
99521-0501



To: Representative Norm Rokeberg

April 1, 1998

From: Bob Walker, President
AASUA

Subj: Amateur Sports Officials

Dear Representative Rokeberg

On the advice of my fellow colleagues I'm writing you in the hope that you could introduce a piece of legislation in the House that will save all amateur sports officials here in Alaska and all amateur sports as well. In 1989 a bill sponsored by Rep Terry Martin was passed by the legislature (HB 147) recognizing amateur sports officials as independent contractors. This same law was promptly repealed in 1990 due to conflict with U.S. Dept of Labor law and the potential loss of millions of dollars in federal matching funds for unemployment insurance benefits. However no one bothered to tell the amateur sporting community of this minor little change. In 1991 we came under scrutiny for Workmen's Compensation requirements, not realizing all the while we were no longer covered by HB 117. We were successful in getting AS23.30.230(a) made into law in 1991 exempting us from Workmen's Comp.

What happened next was predictable. We along with all other amateur sports officials were told by our various non-profit officials groups that we were independent contractors and our taxes were our responsibility and were not entitled to unemployment or work comp benefits either. This relationship had gone that way for almost ten years until last summer in Fairbanks when a amateur umpire new to Alaska filed for unemployment at the end of the season based on perceived policy from their home state. Alaska Dept of Labor completed an investigation and based on the current law found Farthest North Umpires Association liable for the benefits. We all became painfully aware that we were not exempted by state law and that we could also be liable to the IRS for the same reasons.

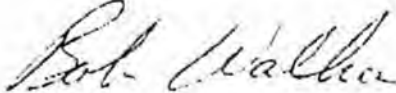
Where are we now? Farthest North Umpires case is under appeal with the Alaska Dept of Labor. Senator Ted Stevens will introduce legislation that would exempt us from the Federal Unemployment Tax Act (FUTA) and the jurisdiction of the U.S. Dept of Labor. We have a bill before the Senate (SB 319) asking that state law be changed to match the new change to federal law. Senator Loren Leman is hearing testimony on April 7th by the Senate Labor and Commerce Committee

Post-it Fax Note	7671	Date	4-1-98	# of pages	2 of 2
To	Rep Norm Rokeberg	From	Bob Walker		
Company	Alaska House	City	FAIRBANKS		
Phone #		Phone #	694-5713		
Fax #	465-2040	Fax #	694-5113		

What are the potential consequences of failure? This could very well fold amateur sports at all levels. High school, recreational you name it. That is why legislation was introduced in 1989. We that officiate amateur sports are not here for the money. We are here because we love the game and the people that play them, most of us are "old" players ourselves. We all have regular full time jobs: we all receive 1099's for our game fees and pay the taxes on the money we receive. An average softball umpire makes \$15.00 a game, then take administrative fees and that drops it to about \$13.00. Almost all the money we earn is used to buy uniforms go to officiating clinics and pay for travel. If the various associations have to take on the expense of unemployment, work comp, the IRS and the costs of that administration, game fees will drop to the point where amateur officials will have to pay to call games. If these costs rise, as significantly as they appear, sports officials will just not be found or the user groups, those same amateur athletes or their parents will be paying even higher costs to have officials to call their games. Either of these situations could severely impact all Alaska amateur athletic programs.

Please help us if you can. Please call if you have any questions or if I can help in any way possible.

Sincerely



Bob Walker, President
AASU.A. 691-5711