

HB

418

HFIN

FILE

HB 418 >

Amendment # 1

Adopted

Subject: DCED suggested amendments to CSHB 418 (L&C)

Date: Thu, 23 Mar 2000 15:13:19 -0900

From: Jeff Bush <Jeff_Bush@dced.state.ak.us>

Organization: State of Alaska

To: Michael A Tibbles <mike_tibbles@legis.state.ak.us>

CC: Janet S Seitz <janet_seitz@legis.state.ak.us>,
Tom W Lawson <tom_lawson@dced.state.ak.us>

Here are three suggested changes to the current version of HB 418. The first change merely adds two other insurance premium taxes to the list of taxes collected by the Division of Insurance that are not to be considered as statutory designated PR under the bill; I believe these must have been omitted from the current bill by mistake. The second amendment would add ASMI to the bill. The third recommended amendment gives the bill an immediate effective date, which would mean that if the Division of Occupational Licensing's requested supplemental appropriation takes effect after the effective date of this act, that appropriation would be subject to the provisions of this bill and would not be made from the unrestricted general fund.

Our suggested amendments:

1. Add the following additional exemptions, page 1 line 9: AS 21.33.061 and AS 21.66.110.


2. Add the following to Section 1, page 1, after line 11:

(Z) receipts from the seafood marketing assessment (AS 16.51.120), the salmon marketing tax (43.76.110), and other receipts of the Alaska Seafood Marketing Institute.

3. Change Section 2, page 1, line 12, to have an immediate effective date.

We have redrafted a new Draft Fiscal Note for the ASMI amendment, which is attached and I will have delivered to you ASAP. We are also still interested in including Banking, Securities and Corporations in this bill, if the problems associated with the accounting for their receipts can be worked out. We understand that Legislative Finance was working on language to accomplish this, and we would be happy to review and comment on any such proposal.

--
Jeffrey W. Bush
Deputy Commissioner
Department of Community and Economic Development
State of Alaska
P.O. Box 110800
Juneau, AK 99801
Phone: (907)465-2500; Fax: (907)465-5442

 HB418ASMI.xls	Name: HB418ASMI.xls Type: Excel File (application/msexcel) Encoding: base64
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FISCAL NOTE

STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Economic Development
 Title An Act relating to program receipts... BRU Insurance
 Component Insurance
 Sponsor Rep. Rokeberg
 Requester House L & C Component No. 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	\$0.00	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(4,364.5)					
1037 GF/Mental Health						
Other (Specify Type) Designated P.R.	4,364.5					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

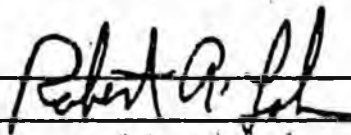
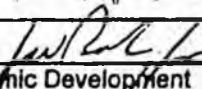
Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 418 would add Insurance fees to the designated program receipts category in the budget under AS 37.05.146(b)(4). Therefore, in FY 01 the Fund Source 1005 would be reduced by \$4,364.5 and the designated program receipts would be increased by the same amount.

Prepared by: Robert A. Lohr  Phone 269-7900
 Division Insurance Date/Time 2/25/00 5:07 PM
 Approved by Commissioner Deborah B. Sedwick  Date 2/26/00
 Agency Community & Economic Development

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FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. CSHB 418 (L&C)

Revision Date/Time (Note if correction)	<u>20-Mar-00</u>	Dept. Affected	<u>Administration</u>
Title	<u>Designation of Pioneers' Homes Receipts</u>	BRU	<u>Alaska Longevity Programs</u>
as Statutory Program Receipts		Component	<u>Pioneers' Homes</u>
Sponsor	<u>Labor & Commerce</u>		
Requester	<u>(H) FIN</u>	Component No.	<u>1950</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(12,715.0)	(12,932.8)	(12,932.8)	(12,932.8)	(12,932.8)	(12,932.8)
1037 GF/Mental Health						
Other (Specify Type)	12,715.0	12,932.8	12,932.8	12,932.8	12,932.8	12,932.8
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

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

House Bill 418 will change the designation of receipts collected by the Pioneers' Homes from general fund to statutory designated program receipts. The change will allow the portion of the PHs budget that is funded through receipts to be considered separately from the States General Fund budget.

Pioneers' Home receipts are collected from residents for rent and for charges for certain supplies used by residents. The Pioneers' Homes Advisory Board recommended that the Pioneers' Homes move to a rental rate schedule that would cover the full cost of care by FY 2003. The first rate increase went into effect July 1, 1996. Similar increases have occurred each year and will continue annually until the final one on July 1, 2002. Collections are expected to stabilize at approximately \$13.0 million based on current projections of a residents ability to pay. Many residents will be unable to pay the full cost of care. The result is stablized collections and the need for continued General Fund support.

Prepared by:	<u>James Kohn, Director</u>	Phone	<u>465-2159</u>
Division	<u>AK Longevity Programs</u>	Date/Time	
Approved by	Commissioner – <u>Robert Poe, Jr.</u>	Date	<u>3/21/00</u>
Agency	<u>Dept. of Administration</u>		

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Tony Knowles, Governor

Alaska

**Department of Community
and Economic Development**

Division of Occupational Licensing

P.O. Box 110806, Juneau, AK 99811-0806

Telephone: (907) 465-2534 • Fax: (907) 465-2974 • Text Telephone: (907) 465-5437

Email: License@dced.state.ak.us • Website: www.dced.state.ak.us/occ/

March 24, 2000

Representative Norm Rokeberg
State Capitol
Juneau, AK 99801

Dear Representative Rokeberg:

The Division of Occupational Licensing strongly supports House Bill 418.

Categorizing occupational license fees as designated program receipts will more accurately reflect their role in the budget. Alaska Statute 08.01.065 mandates that the fees from each occupation approximately equal the cost of regulating the occupation. Occupational licensing expenditures do not affect the budget gap.

It will still be necessary for the legislature to authorize expenditure of license fees in the state budget bill. The legislature and the governor will be able to judge appropriation requests on their own merits separate from budget gap issues.

There have been numerous instances in recent years when professionals and their licensing boards have requested increased services and willingness to pay, but the division has not had sufficient expenditure authority to provide the service. A few examples of requested services are:

- ◆ Investigations of public complaints against professionals, particularly professionals who are not in healthcare occupations.
- ◆ Legal representation to prosecute cases of professional incompetence, advise boards and review regulations
- ◆ Newsletters to inform license holders of enforcement actions, board actions and licensing information
- ◆ Copies of new regulations governing professions sent to the affected license holders
- ◆ Increased access to information and license application via the internet
- ◆ Alaska representation in national licensing organizations
- ◆ Participation in the nursing Colleagues in Caring project
- ◆ Training of board members
- ◆ Faster license processing

Thank you for sponsoring HB 418.

Sincerely,



Catherine Reardon

"Promoting a healthy economy and strong communities"

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: March 1, 2000

FURTHER REFERRALS:

Date of Committee Action: 3/24/00

The FINANCE Committee considered:

HB 418

HOUSE BILL NO. 418

INSURANCE AND OCCUPATIONAL LICENSE FEES

"An Act relating to program receipts collected by the division of insurance and to program receipts collected by the Department of Community and Economic Development for occupational licenses; and providing for an effective date."

recommends it be replaced with the following committee substitute CSHB 418 (FIN) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) CED fiscal note(s) CED 3-1-00

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Tom Therriault</i>	Therriault	X			
<i>Edon Muelder</i>	Mulder	X			
<i>Tom Bunde</i>	Bunde	-			
<i>Ben Grussendorf</i>	Grussendorf				X
<i>George E. Moses</i>	Moses	X			
<i>Larry L. Davis</i>	DAVIS			X	
<i>Tom Foster</i>	Foster	X			

CHAIR'S SIGNATURE

Tom Therriault *Edon Muelder*

FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. CSHB 418 (L&C)

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Econ Dev
 Title An act relating to program receipts collected... BRU AK Seafood Marketing Institute
 Component AK Seafood Marketing Institute
 Sponsor House Labor & Commerce
 Requester House Finance Component No. 393

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(7,017.3)					
1037 GF/Mental Health						
Other (Specify Design PR)	7,017.3					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

ASMI receives 2 major types of program receipts. The seafood marketing assessment (AS 16.51.120) is a voluntary assessment levied on seafood processors, based on the value of seafood products produced in Alaska. The salmon marketing tax (AS 43.76.110) is a tax based on production that is deposited in the General Fund by the Department of Revenue, which the legislature can appropriate to ASMI for the purpose of supporting the institute's domestic salmon marketing program. ASMI also collects a small amount of miscellaneous program receipts from other sources, such as publication sales and third party travel reimbursement.

Prepared by: Jeffrey W. Bush, Deputy Commissioner Phone 465-2587
 Division Commissioner's Office Date/Time 3/23/00 3:11 PM
 Approved by Commissioner Deborah B. Sedwick Date _____
 Agency Community & Economic Development

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FISCAL NOTE

STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Econ. Dev.
 Title An Act relating to program receipts collected..... BRU Occupational Licensing
 Component Occupational Licensing
 Sponsor House Labor & Commerce
 Requester House Labor & Commerce Component Serial No. 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(5,021.5)					
1037 GF/Mental Health						
Other DPR	5,021.5					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 418 identifies occupational licensing receipts collected under AS 08.01.065 as designated program receipts. This fiscal note identifies the portion of the division's FY 2001 budget (Governor's Request) moving from General Fund Program Receipts to Designated Program Receipts. GF/PR funding will remain for the Business Licensing Program (\$520.0) and the Athletic Commission (\$7.4).

Prepared by Jennifer Strickler, Administrative Manager Phone 465-2144
 Division Occupational Licensing Date/Time 2/28/2000 1:58 PM
 Approved by Commissioner Deborah B. Sedwick Date 2/28/00
 Agency Community & Economic Development

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1-LS1500V
Utermohle
3/24/00

CS FOR HOUSE BILL NO. 418(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act designating certain receipts as program receipts, appropriations of which
2 are not made from the unrestricted general fund; and providing for an effective
3 date."

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

5 * **Section 1.** AS 37.05.146(b)(4) is amended by adding new subparagraphs to read:

6 (X) receipts of the Department of Community and Economic
7 Development under AS 08.01.065(a), (c), and (f);

8 (Y) receipts of the Alaska Seafood Marketing Institute.

9 * **Sec. 2.** This Act takes effect July 1, 2000.

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 418(FIN), Draft Version "I"

- 1 Page 1, line 8, following "Institute":
- 2 Insert ", including the seafood marketing assessment under AS 16.51.120 - 16.51.170,
- 3 the salmon marketing tax under AS 43.76.110 - 43.76.130, and other receipts under
- 4 AS 16.51"

Subject: Expenditure Authority for Revenues with Dept of Commerce Division of Occupational Licensing

Date: Wed, 22 Mar 2000 19:00:41 -0800

From: "John R. DeLapp" <jrdelapp@alaska.net>

To: <Representative_Norman_Rokeberg@legis.state.ak.us>

Dear Representative Rokeberg:

I strongly support your bill to separate revenues generated by the Division of Occupational Licensing through licensing fees from general fund monies. I also believe that the bill is quite timely in that it would enable the Board of Nursing to assume responsibility for Alaska Colleagues in Caring, paying the associated costs with revenues generated by license fees.

Alaska Colleagues in Caring (ACIC) is a consortium of agencies and facilities concerned about the adequacy of the Alaska Nursing Workforce. The Alaska Board of Nursing is one of the members of the ACIC Consortium. Originally this project was partially funded by a grant from the Robert Wood Johnson Foundation; the remainder of the funding came from donations from consortium members. Last year, the Alaska Board of Nursing agreed to assume responsibility for the project; unfortunately, that decision came too late for it to get into the FY 00 budget. However, the project was in the budget submitted to the Legislature for consideration this year. As you know, the budget submitted by Governor Knowles is not being considered by the Legislature; instead, the FY 00 budget, which did not contain the spending authority increment for ACIC, is being used as the starting point for the FY 01 budget.

ACIC exists to identify concerns regarding the nursing workforce; to that end, project staff have gathered and analyzed descriptive data about Alaska RNs and LPNs have surveyed employers regarding their needs for nurses. Analyses of those data have confirmed that Alaska - like the rest of the country - is experiencing a current nursing shortage that is likely to worsen as the current nursing workforce (which has a mean age in the mid-40s) retires. Additional activities of ACIC include developing strategies for addressing workforce shortage issues and developing models for trending and predicting future workforce needs.

I would reiterate that funding of ACIC by the Board of Nursing would be completely covered by revenues generated from licensing fees. Therefore, what is needed is exactly what your bill addresses - authority to expend the funds that are generated by those fees.

I am sending a similar message to every member of the House Finance Committee. If you require additional information regarding this matter, please do not hesitate to contact me. I can be reached during the day at 907-786-4571.

Thank you for submitting this bill - my best wishes for its passage.

Sincerely,

Tina D. DeLapp, EdD, RN

13101 Elmora Rd
Anchorage AK
99516

RECEIVED
MAR 23 2000

ALASKA STATE LEGISLATURE

HOUSE LABOR AND COMMERCE COMMITTEE

Representative Norman Rokeberg, Chairman
Representative Andrew Halcro, Vice-Chairman
Representative John Harris
Representative Lisa Murkowski
Representative Jerry Sanders
Representative Tom Brice
Representative Sharon Cissna



State Capitol
Juneau, AK 99801-1182
Telephone: (907) 465-4954
Fax: (907) 465-2040

SPONSOR STATEMENT COMMITTEE SUBSTITUTE HOUSE BILL 418 (L&C)

An Act designating certain receipts as program receipts, appropriations of which are not made from the unrestricted general fund; and providing for an effective date.

House Bill 418 will add the following to AS 37.05.146(b)(4): (1) Pioneers' Home care and support receipts collected under AS 47.55.030; (2) receipts of insurance program under AS 21, excluding taxes collected; and (3) receipt of Occupational Licensing fees.

Subsection (X) of HB 418 adds Pioneers' Home care and support services to the program receipts category under (b).

Subsection (Y) of HB 418 adds receipts of the insurance programs which are not taxes to the program receipts category. The Division of Insurance is fundamentally self-sustaining as a result of fees collected. It also generates substantial revenue to the State from Insurance Premium Taxes.

Subsection (Z) of HB 418 adds licensing fees received by the Division of Occupational Licensing to the program receipts category. Fees collected by this Division include licensing fees, examination fees, renewal fees, etc. By legislative mandate the Division of Occupational Licensing is a self-sustaining agency - charging the licensees for the cost of each board or commission and the work of the Division's staff. We are at a point now, in our budgetary process, where the Division and its Boards and Commissions are being held back because of the budget gap. The Division, even when it has increased spending funded by license fees, does not add to the budget gap because these expenditures are taken care of by fees not by general funds. The Division is now facing a situation where licensees would like to receive extra services from their respective Board or Commission but cannot do so because of our budgetary process. Moving these funds into a place where they are accounted for separately would assist with this problem. The Committee is aware of several examples where a Board or Commission has the funding to do an activity but cannot accomplish this because of the budgetary process. For example, the Board of Nursing would like to get involved with an outreach program but cannot do so because of budgetary restrictions. The Board of Registration of Architects, Engineers, Land Surveyors and Landscape Architects would like to publish a newsletter and send members to more national events but, even though the funds are present, cannot do so.

HB 418 would help of these state agencies meet their customer services goals and live up to the expectation of the customers who pay the fees to run the programs.

Your support is appreciated.

Prepared by Representative Norman Rokeberg, Chairman
House Labor & Commerce Committee

ED1:02/24/00

Tony Knowles, Governor

Alaska Department of Community and Economic Development

Division of Occupational Licensing

P.O. Box 110806, Juneau, AK 99811-0806

Telephone: (907) 465-2534 • Fax: (907) 465-2974 • Text Telephone: (907) 465-5437

Email: License@dced.state.ak.us • Website: www.dced.state.ak.us/occ/

February 16, 2000

Representative Norman Rokeberg
State Capitol
Juneau, AK 99801

RECEIVED
FEB 17 2000

Dear Representative Rokeberg,

I greatly appreciate your interest in solving the problems created by our current occupational licensing budget system.

As you know, all occupational licensing boards, commissions and programs are required by AS 08.01.065 to pay their own regulatory costs through license fees. The expenditures of the Division of Occupational Licensing do not contribute to the budget gap. Reductions in the division's budget deny licensees services they desire, but budget cuts do not help balance the overall state budget. Division budget cuts result in the division holding excess fee revenue that we are not permitted to spend, and this surplus rolls forward to the next fiscal year. We frustrate licensees, their professional associations and boards.

Occupational license fees would appropriately be considered designated program receipts. Categorizing license fees as designated program receipts would allow the legislature to judge requests for additional services on their merits. Division expenditures would still be authorized in the budget bill, but budget caps established for the purpose of reducing the budget gap would not limit occupational licensing.

Under AS 37.05.146(b), designated program receipts are, "accounted for separately, and appropriations from these program receipts are not made from the unrestricted general fund." The division requests the following amendment to include occupational licensing fees in the list of designated program receipts.

AS 37.05.146(b)(4) is amended by adding a new subparagraph to read:

(X) receipts from fees established under AS 08.01.065

Thank you for your consideration of this proposal.

Sincerely,



Catherine Reardon
Director

"Promoting a healthy economy and strong communities"



**ALASKA STATE
HOMEBUILDERS ASSOCIATION**

RECEIVED
MAR 20 2000

Representative Norm Rokeberg
State Capital
Juneau, Alaska 99801

March 19, 2000

Dear Representative Rokeberg,

The Alaska State Home Builders Association would like to offer our support to House Bill 418 "An act designating certain receipts as program receipts, ...".

It has been the goal of our Association to achieve certain things from the Division of Occupational Licensing such as increased enforcement of unlicensed contractors, and a board of contractors, among others. The question of how we would pay for these additional services has always been of issue in these times of budget cutting. While we understand that the cost of additional services would be passed along to the licensees (us) we also understand the Legislature's desire to reduce the general fund. HB 418 would remove the Division of Occupational Licensing from the general fund budget process and move them to designated program receipts. Division expenditures will still be approved by the Legislature and would allow the Legislature to judge the request for additional expenditures on it's own merits.

The passage of HB 418 will help the Division of Occupational Licensing meet the needs and goals of the customers who pay the fees to run the program. We encourage you to pass this legislation.

Sincerely,

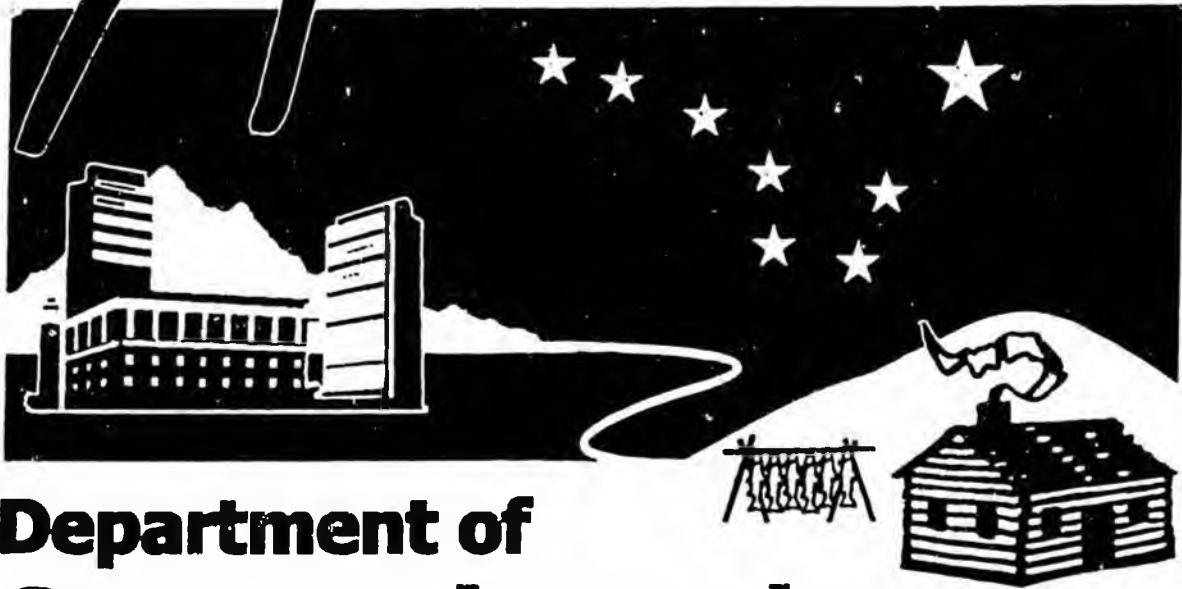
Alan Wilson, President
Alaska State Home Builders Association

cc: Catherine Reardon
Director, Division of Occupational Licensing



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(907) 522-3931 • FAX (907) 522-3757

Alaska



**Department of
Community and
Economic Development**

**OCCUPATIONAL
LICENSING**

Deborah B. Sedwick, Commissioner
Catherine Reardon, Director
February 2000

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Mission	
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BRU/Component: Occupational Licensing

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Manager: Catherine Reardon, Director

Tel: (907) 465-2538 Fax: (907) 465-2974 E-mail: Catherine_Reardon@commerce.state.ak.us

Component Mission

To ensure that competent professional and commercial services are available to Alaska consumers by regulating entry into occupations and enforcing performance standards.

Component Services Provided

OCCUPATIONAL LICENSING: Administer the following 36 occupational licensing programs:
Licensing Boards assisted by the Division:

- Architects, Engineers and Land Surveyors
- Athletic Commission
- Barbers and Hairdressers
- Certified Direct-Entry Midwives
- Certified Real Estate Appraisers
- Chiropractic Examiners
- Clinical Social Workers
- Dental Examiners
- Dispensing Opticians
- Marine Pilots
- Marital and Family Therapy
- Medical
- Nursing
- Optometry
- Pharmacy
- Physical and Occupational Therapy
- Professional Counselors
- Psychologist and Psychological Associate Examiners
- Public Accountancy
- Real Estate Commission
- Veterinary Examiners

Licensing Programs administered directly by the Division:

- Acupuncture
- Audiologists
- Big Game Guides and Transporters
- Collection Agencies
- Concert Promoters
- Construction Contractors
- Dietitians
- Electrical and Mechanical Administrators
- Geologists
- Hearing Aid Dealers
- Morticians
- Naturopaths
- Nursing Home Administrators
- Nutritionists
- Underground Storage Tank Workers

1.

Perform the following functions for over 130 occupations within the 36 programs listed above:

- Distributes application forms for initial licensure and renewal by mail and internet
- Responds to questions from applicants, other states and non-governmental organizations regarding Alaska's licensing laws
- Reviews applications to determine if qualifications have been met
- Determines whether applicants are in arrears on child support or student loan repayment
- Verifies Alaska licenses for the licensing agencies of other states
- Writes and/or administers professional examinations
- Investigates complaints of incompetent or illegal activity by professionals
- Prepares formal accusations against licensees when investigations reveal evidence of violations of licensing laws
- Presents the legal case against licensees charged with violations
- Negotiates settlements with licensees whom the division believes violated the law
- Reports disciplinary actions taken against Alaska licensees to national databanks
- Organizes licensing board meetings
- Assists licensing boards in writing regulations
- Represents the state in appeals of license denials, lawsuits and appeals of disciplinary actions
- Provides public lists of licensees on CD-ROM, paper, and through internet search of the computer databases

BUSINESS LICENSING: License approximately 77,000 businesses to engage in commerce in Alaska. At the start of FY2000, 1,738 businesses had tobacco endorsements attached to their licenses permitting retail sale of tobacco products.

To administer the Business Licensing Program, the division:

- Distributes application forms for initial licensure and renewal by mail and internet
- Reviews applications for completeness and legal sufficiency
- Collects \$50 for each two-year license and \$25 for each endorsement permitting retail sale of tobacco products
- Classifies businesses according to their primary activities
- Issues licenses at service counters in Juneau, Fairbanks and Anchorage
- Issues and renews licenses via the internet
- Researches the licensing history of Alaska businesses
- Works to bring unlicensed businesses into voluntary compliance with the law
- Suspends tobacco sales endorsements of businesses convicted of selling tobacco to minors
- Provides public lists of licensed businesses on CD-ROM, paper and through internet search of the computer database

Component Goals and Strategies for FY2001

- 1) Allow qualified individuals to work in their chosen fields: earning a living, creating new businesses and providing the skilled workforce necessary for state development
 - Make licensing information easy to obtain and understand
 - Issue licenses correctly and promptly
 - Remove unnecessary barriers to licensure
 - Keep license fees as low as possible while meeting the division's legal responsibilities
- 2) Protect public health and welfare by safeguarding the quality of services provided by Alaska's licensed professionals
 - Investigate allegations of violations of licensing laws thoroughly and promptly
 - Sanction licensees who violate the law in an appropriate manner
 - Provide licensing boards with resources necessary to regulate effectively

2.

Key Component Issues for FY2000 – 2001

INSUFFICIENT LEGAL RESOURCES:

Limited attorney services reduce the division's ability to protect public health and welfare. All of the essential activities of the division and licensing boards depend on legal assistance from the Department of Law, which is purchased through a budgeted RSA. Enforcement of licensing laws and minimum standards of competence is seriously weakened by the insufficient number of attorneys assigned to occupational licensing. Few, if any, cases of unlicensed activity have been prosecuted in the past five years. Citizen complaints against professionals must often be closed after investigation due to a lack of legal resources to follow through with formal charges. Legal review of regulations adopted by boards is delayed for many months and board requests for legal advice cannot be satisfied. Increased expenditure authority is necessary for the division to obtain more legal services.

PUBLIC RECORD REQUESTS:

An Attorney General's opinion stating that division files related to investigations of occupational license holders may be public documents has resulted in extremely time consuming reviews of voluminous investigative files. Witnesses' rights to privacy and public rights to government records must be weighed for each document in a file. The division expects the number of public record requests to increase dramatically, as employers and parties to lawsuits become aware that investigative information is available. The division is having difficulty responding to the public record workload and other division activities are adversely affected.

ESCALATING ENFORCEMENT COSTS:

The cost of investigating and disciplining license holders accused of violating licensing laws continues to rise, as the process becomes more formal and litigious. Costs include investigators, expert witnesses, attorneys from the Department of Law and hearing officers. Enforcement costs are paid through license fees. One full-blown case can double fees for small programs and discourage disciplinary action against licensees.

VOLATILITY OF FEES:

AS08.01.065(c) mandates that the department set license fees for each occupation at a level which approximately equals the cost of regulating the occupation. The enforcement costs mentioned above make fees very volatile. A 1997 legislative audit directed the division to set fees incorporating professions' surpluses and deficits from prior years. The audit also recommended strictly applying the fee law and requiring each of the division's 130 professions to pay their own costs rather than accounting at the board/program level. The result of a strict legal interpretation would be even greater variation in fees for small professions. Due to Alaska's small population, many professions have fewer than 100 members to share costs.

NEED FOR STRONG AND CONSISTENT LAWS:

Alaska's licensing laws have gray areas and inconsistencies, which contribute to legal costs and difficulty protecting the public. A comprehensive update of the laws would assist enforcement.

BOARD TRAVEL LIMITATIONS

If licensing board travel expenditures are kept within the budgeted amount, meetings outside of Anchorage, representation of Alaska interests before national organizations, statewide licensing examinations and other important board activities will be limited. The division's 21 licensing boards conduct over 50 in-person meetings each year and numerous teleconferences. In addition, each board is permitted to send one representative to a single national conference. The cost of this essential travel has exceeded the budgeted amount for several years and the travel budget has been supplemented with roll-forward expenditure authority. Supplementation of the board travel budget will not be possible in FY2000-01 without increased expenditure authorization.

Major Component Accomplishments for FY1999

BUSINESS LICENSING:

- Instituted a new business classification system, improving the quality of information about the number and types of businesses in Alaska. The conversion to the new classification system will be completed in FY00.
- Expanded business license information available through the Internet. The list of businesses can now be searched by activity type, location, name and license number.
- Began on-line business licensing program. Customers will be able to obtain business licenses through the Internet in FY00.

3.

- Re-wrote and simplified all business license regulations.

OCCUPATIONAL LICENSING:

- Created licensing programs for Dietitians, Nutritionists, Manicurists, Landscape Architects, Professional Counselors, Master and Baccalaureate Social Workers in response to new state laws.
- Began reporting disciplinary actions taken against Alaska health care professionals to the federal Health Care Integrity and Protection Databank.
- Created a marine pilot performance evaluation system based on simulation of Alaska ports, through a contract with RTM STAR Center. This is the first simulator-based evaluation system for pilots in the nation.
- Wrote Alaska's first regulations governing certified nurse aides.
- Created a new system for inspection of dental x-ray equipment.
- Increased information about licensed professionals available through the Internet.

Statutory and Regulatory Authority

The Division of Occupational Licensing operates under the following authorities:

AS 08.01	CENTRALIZED LICENSING
AS 08.02	Miscellaneous Provisions
AS 08.03	Termination, Continuation and Reestablishment of Regulatory Boards
AS 08.04	Board of Public Accountancy
AS 08.13	Board of Barbers and Hairdressers
AS 08.20	Board of Chiropractic Examiners
AS 08.29	Board of Professional Counselors
AS 08.36	Board of Dental Examiners
AS 08.48	State Board of Registration for Architects, Engineers and Land Surveyors
AS 08.62	Board of Marine Pilots
AS 08.63	Board of Marital and Family Therapy
AS 08.64	State Medical Board
AS 08.65	Board of Certified Direct Entry Midwives
AS 08.68	Board of Nursing
AS 08.71	Board of Dispensing Opticians
AS 08.72	Board of Examiners in Optometry
AS 08.80	Board of Pharmacy
AS 08.84	State Physical Therapy and Occupational Therapy Board
AS 08.86	Board of Psychologist and Psychological Associate Examiners
AS 08.87	Board of Certified Real Estate Appraisers
AS 08.88	Real Estate Commission
AS 08.95	Board of Clinical Social Work Examiners
AS 08.98	Board of Veterinary Examiners
AS 08.06	Regulation of acupuncturists
AS 08.11	Regulation of audiologists
AS 08.24	Regulation of collection agencies
AS 08.92	Regulation of concert promoters
AS 08.18	Regulation of construction contractors
AS 08.38	Regulation of dietitians and nutritionists
AS 08.40	Regulation of electrical and mechanical administrators
AS 08.54	Regulation of guide-outfitters
AS 08.42	Regulation of morticians
AS 08.45	Regulation of the practice of naturopathy
AS 08.70	Regulation of nursing home administrators
AS 08.02.011	Regulation of professional geologists
AS 08.55	Regulation of hearing aid dealers
AS 43.70	Regulation of Business Licenses
AS 05.05; 05.10	Athletic Commission
AS 46.03.375	Certification of Storage Tank Workers

4.

AS 08.02.025 .Student Loan Default Program
AS 25.27.244 Child Support Enforcement Program
AS 44.62 Administrative Procedure Act
AS 44.33.020 Department of Community & Economic Development

Federal Laws:

42 CFR 431, 433 Nurse Aide Registry
and 493
42 CFR 442 and 45 Nursing Home Administrators
12 U.S.C. 3308 Real Estate Appraiser

State Regulations:

12 AAC 02 - 12 AAC 75 Administrative Regulations
12 AAC 12 Business Licensing Regulations
18 AAC 78 Underground Storage Tank Workers

5.

Occupational Licensing

Proposed Changes in Levels of Service for FY2001

Summary of Budget Changes

From FY2000 Authorized to FY2001 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2000 Authorized	5,052.9	0.0	466.4	5,519.3
Proposed budget increases:				
-Legal Services	0.0	0.0	200.0	200.0
-Travel to National Meetings	0.0	0.0	50.0	50.0
-Colleagues in Caring Project	0.0	0.0	140.0	140.0
-Architects, Engineers and Land Surveyors Licensing	0.0	0.0	106.0	106.0
FY2001 Governor	5,052.9	0.0	962.4	6,015.3

6.

Department of Commerce and Economic Development
 Final FY 2000 Centralized Management and Administrative Support
 Cost Allocation (1)

	Commissioner's Office Centralized Management Support			Administrative Services Centralized Administrative Support		
	FY2000 Cost Allocation	% of ACAP	ACAP Maximum	FY2000 Cost Allocation	% of ACAP	ACAP Maximum
Banking, Securities and Corporations	20.5	48.0%	42.8	67.0	43.0%	155.9
Insurance	85.1	100.0%	85.1	200.2	100.0%	200.2
Occupational Licensing	108.8	100.0%	108.8	272.0	100.0%	272.0
AK Public Utilities Commission	41.6	100.0%	41.6	65.4	100.0%	65.4
Trade and Development	46.1	48.0%	96.1	32.8	43.0%	76.3
Tourism	27.4	48.0%	57.1	28.9	43.0%	67.3
AK Tourism Marketing Council	1.5	48.0%	3.2	9.8	43.0%	22.9
Investments	36.1	48.0%	75.3	34.7	43.0%	80.7
AK Seafood Marketing Institute	7.7	48.0%	16.1	42.4	43.0%	98.6
AK Science and Technology Foundation	3.1	48.0%	6.5	19.6	43.0%	45.6
AK Aerospace Development Corporation	2.4	48.0%	5.0	3.9	43.0%	9.0
AK Industrial Development & Export Authority	18.2	48.0%	38.0	15.3	43.0%	35.6
	398.7		575.6	792.1		1,129.5

(1) Based on the FY1997 Administrative Cost Allocation Plan (ACAP).

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Alaska



**Department of
Community and
Economic Development**

INSURANCE

Deborah B. Sedwick, Commissioner
Robert Lohr, Director
February 2000

Insurance Operations

Manager: Robert A. Lohr, Director

Tel: (907) 269-7900 Fax: (907) 269-7910 E-mail: Bob_Lohr@dced.state.ak.us

Component Mission

The mission of the Division of Insurance is to (1) protect and serve the state by developing, interpreting, and enforcing the insurance statutes; (2) protect and educate the consumer, and (3) enhance the insurance business environment.

The division's unique contribution is that it is solely responsible for regulation of all aspects of insurance in Alaska.

Component Services Provided

Consumer Service Section - Investigates and resolves individual consumer complaints. Answers questions regarding insurance in general and specific policy provisions that are filed with the division. Publishes the Alaska Consumer Insurance Guide and various other consumer brochures and pamphlets.

Financial Examination Section - Reviews solvency of insurers doing business in this state. Admits new companies wishing to do business in Alaska. Restricts companies that are a hazard to Alaska consumers due to financial standing or noncompliance with Alaska law. Maintains current information on insurers and related entities eligible to operate in Alaska. Maintains surplus lines white list (approved list) for the benefit of Alaska consumers. Examines domestic insurance company's financial records in order to verify that the company is complying with Alaska financial statutes and that the annual financial statement information is reasonably accurate. Performs premium trust examination of producer licensees to verify trust accounts and compliance with Alaska law. Compiles information from all division sections for the division's Annual Report. Collects premium taxes and fees from insurance companies and other entities subject to tax or fees.

Market Examination Section - Performs market conduct examinations and investigations on insurance companies or producer licensees to ensure: insurance quality and compliance with Alaska's insurance law, and that the Alaskan consumer is treated fairly in the insurance marketplace.

Filing Review Section - Reviews the rates and policy forms used by insurers in providing insurance coverage for Alaskans. Prepares consumer education materials such as the Automobile and Homeowners Rating Examples booklets, the Medicare Supplement Insurance Rate Guide, and the Workers' Compensation Rating Guide.

Law Enforcement Section - Investigates violations of Title 21, referring the civil/administrative cases to the Assistant Attorney General's Office and the criminal cases to the District Attorney's Office. Criminal cases are referred to the Office of Special Prosecutions and Appeals, the U.S. District Attorney's Office or the Federal Bureau of Investigation. Researches and prepares documentation for administrative hearings at which the Assistant Attorney General and paralegal

assistant represent the division. Performs background investigations on prospective licensees and renewing licensees.

Licensing Section - Assists and provides information to licensees for obtaining statutory required licenses, issue licenses, and maintain licensee records while identifying statutory or regulatory needs with emphasis on public protection. Responsible for reviewing the qualifications and trustworthiness of people seeking to market insurance products in Alaska. Oversees and administers required Continuing Education for producers.

Actuaries - Participate in the solvency review of domestic insurers, drafting insurance laws and regulations, and collecting and analyzing data to aid in developing more effective regulation of insurance in Alaska. Assist in the reviewing of complex rate and form filings submitted by insurance companies to ensure that the rates charged are adequate but not excessive, and are properly supported and actuarially sound.

Component Goals and Strategies for FY2001

To protect the Alaska insurance consumer.

- Monitor the ability of companies licensed to do business in this state to pay claims by reviewing their financial statements, ratios and other reports.
- Assist consumers in resolving their insurance problems.
- Examine domestic insurers to assure their solvency and compliance with Alaska laws.
- Examine insurers market activities to assure their compliance with Alaska's fair trade practices.
- Monitor developing trends through the country to prevent adverse results to Alaskans.
- Admit qualified insurance companies to provide a competitive market place for solvent insurers.
- Review forms and policies sold in this state to assure they are not ambiguous or misleading and are in compliance with Alaska's laws.
- Review rates charged for property and casualty coverage to assure they are adequate but not excessive and are not unfairly discriminatory.
- Assure that licensees selling insurance in this state are trustworthy and knowledgeable about the products they sell.
- Investigate fraudulent insurance activities and take appropriate administrative action or refer for criminal proceedings.
- Increase consumer awareness and knowledge about insurance.
- Examine licensees to assure the compliance with premium handling, Alaska's fair trade practices and Alaska laws.

To foster the domestic Alaska insurance industry.

- Assure that the domestic companies have access to technical information necessary to compete in the market.
- Maintain a fair and equitable insurance market for Alaskan companies by recommending appropriate legislation and adopting necessary regulations.

Key Component Issues for FY2000 – 2001

- Review of Alaska domestic insurance companies for Y2K preparation.
- Streamline the licensing process and expand on our search and reporting capabilities as a management tool to enhance our internal efficiency.
- Gain access to the National Association of Insurance Commissioners (NAIC) database systems that include the following: Producer Database (PDB), a nationwide database; Complaints Database System (CDS), which records and retrieves complaint information on companies and producers; Special Activities Database (SAD) which records confidential information on ongoing investigations of persons and companies in insurance; Regulatory Information Retrieval System (RIRS) which records actions taken by state divisions of insurance against companies and producers; and System for Electronic Rate and Form Filing (SERFF) which receives and communicates regarding company policy from filings and company rate filings using electronic communication. Alaska is now only minimally able to utilize these regulatory tools.
- Ensure solvency and maintain proper trust activities.

Major Component Accomplishments for FY1999

- Completed reviews of the financial reporting, statutory financial compliance, and adequacy of reserves held by Sunderland Marine Mutual Insurance Company (US Branch) (6/99), Industrial Indemnity Company of Alaska (2/99), and Umialik Insurance Company (9/99).
- Collected \$28,402,033.0 in premium taxes and fees.
- Obtained liquidation order and began procedure for orderly closure of a company's business (LICA), which was not complying with state statute on filing required documents and removed records from out of state.
- Approved 26 new insurance companies in FY 99 to operate in the Alaska insurance market.
- Suspended 21 Alaska certificates of authority held by insurance companies and revoked two Alaska certificates of authority due to hazardous financial condition.
- Audited 100% of tax filings received.
- Completed reviews of the adequacy of reserves held by Alaska National Insurance Company and ARECA Insurance Exchange as part of triennial financial examinations of these insurers.
- Implemented a continuing education audit program for licensees required to meet a biennial 24 continuing education credit hours requirement.
- Performed 76 continuing education audits.
- Increased consumer awareness activities through an outreach program, reaching as many Alaska residents as possible and providing them with information and resources for knowledgeable management of their insurance affairs.
- Issued 2,299 new licenses and renewed 2,545 licenses.
- Opened 562 consumer complaint investigations and closed 556.
- Opened 51 civil/criminal investigations, closed 44 civil/criminal investigations, with 3 investigations leading to criminal convictions.

Statutory and Regulatory Authority

Alaska Statute Title 21

Alaska Administrative Code 3 AAC 21 to 31

Insurance Operations

Resource Summary

All dollars in thousands

	FY1999 Actuals	FY2000 Authorized	FY2001 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,641.9	2,993.9	2,972.1
72000 Travel	123.4	187.5	187.5
73000 Contractual	1,075.0	1,110.4	1,110.4
74000 Supplies	52.6	59.2	59.2
75000 Equipment	11.4	13.5	35.3
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,904.3	4,364.5	4,364.5
Funding Sources:			
1005 General Fund/Program Receipts	3,904.3	4,364.5	4,364.5
Funding Totals	3,904.3	4,364.5	4,364.5

Estimated Revenue Collections

Description	Master Revenue Account	FY1999 Actuals	FY2000 Authorized	FY2000 Cash Estimate	FY2001 Governor
Unrestricted Revenues					
Unrestricted General Fund	68515	28,397.4	28,223.4	28,397.5	28,352.0
Unrestricted Total		28,397.4	28,223.4	28,397.5	28,352.0
Restricted Revenues					
General Fund Program Receipts	51060	4,234.9	4,364.5	4,364.5	4,364.5
Restricted Total		4,234.9	4,364.5	4,364.5	4,364.5
Total Estimated Revenues		32,632.3	32,587.9	32,762.0	32,716.5

Insurance Operations

Proposed Changes in Levels of Service for FY2001

- Make improvements to the database interface for ease of use/functionality;
- Establish and maintain connectivity to national databases with National Association of Insurance Commissioners; and
- Develop interactive databases (the ability to manipulate data accessed through webpages).

Summary of Budget Changes

From FY2000 Authorized to FY2001 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2000 Authorized	4,364.5	0.0	0.0	4,364.5
Adjustments which will continue current level of service:				
FY2001 Governor	4,364.5	0.0	0.0	4,364.5

Insurance Operations

Personal Services Information

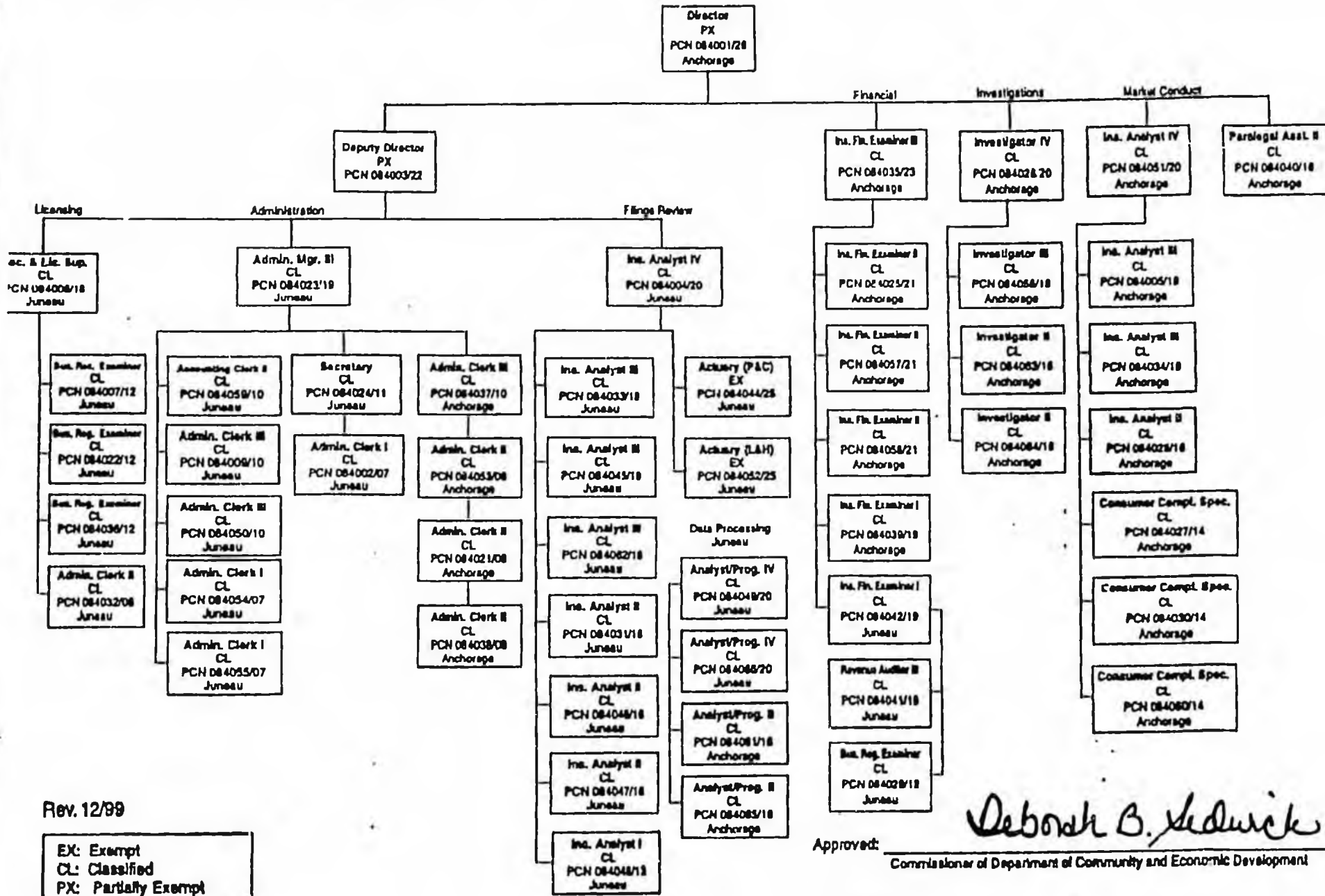
	Authorized Positions		Personal Services Costs	
	FY2000 Authorized	FY2001 Governor		
Full-time	52	53	Annual Salaries	2,340,124
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	755,773
			Less 4.00% Vacancy Factor	(123,836)
			Lump Sum Premium Pay	0
Totals	52	53	Total Personal Services	2,972,061

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk II	0	0	1	0	1
Actuary	0	0	2	0	2
Administrative Clerk I	0	0	3	0	3
Administrative Clerk II	3	0	1	0	4
Administrative Clerk III	1	0	2	0	3
Administrative Manager III	0	0	1	0	1
Analyst/Programmer II	0	0	2	0	2
Analyst/Programmer IV	0	0	2	0	2
Business Reg Examiner	0	0	4	0	4
Consmr Complt Spec/Ins	3	0	0	0	3
Dep Dir Insurance	1	0	0	0	1
Division Director	0	0	1	0	1
Ins Analyst I, Rates	0	0	1	0	1
Ins Analyst II, Market	1	0	2	0	3
Ins Analyst II, Rates	0	0	1	0	1
Ins Analyst III, Markt	2	0	2	0	4
Ins Analyst III, Rates	0	0	1	0	1
Ins Financial Exam I	1	0	1	0	2
Ins Financial Exam II	3	0	0	0	3
Ins Financial Exam III	1	0	0	0	1
Insurance Analyst IV	1	0	1	0	2
Investigator II	1	0	1	0	2
Investigator III	1	0	0	0	1
Investigator IV	1	0	0	0	1
Paralegal Asst II	1	0	0	0	1
Records & Licensing Spvr	0	0	1	0	1
Revenue Auditor III	0	0	1	0	1
Secretary	0	0	1	0	1
Totals	21	0	32	0	53

DIVISION OF INSURANCE

FY 2001
 State of Alaska
 Department of Community and Economic Development



Rev. 12/99

EX: Exempt
 CL: Classified
 PX: Partially Exempt

Deborah B. Sedwick

Approved: _____
 Commissioner of Department of Community and Economic Development

Effective Date: _____

Title 37. Public Finance.

Chapter

- 05. Fiscal Procedures Act (§§ 37.05.146 — 37.05.540)
- 06. Capital Project Matching Grant Programs (§§ 37.06.010 — 37.06.080)
- 13. Alaska Permanent Fund and Corporation (§ 37.13.120)
- 14. Trust Funds (§§ 37.14.120, 37.14.225)
- 15. Bonding (§§ 37.15.110 — 37.15.410)
- 17. Business Development Programs (§§ 37.17.010, 37.17.090)
- 23. Investment Pools for Public Entities (§ 37.23.050)

Chapter 05. Fiscal Procedures Act.

Article

- 2. Uniform Accounting (§§ 37.05.146, 37.05.210)
- 5. Administration of Grants (§§ 37.05.315 — 37.05.317)
- 6. Special Funds (§§ 37.05.530, 37.05.540)

Article 2. Uniform Accounting.

Section

146. Definition of program receipts and non-general fund program receipts

Section

210. Fiscal reporting and statistics

Sec. 37.05.146. Definition of program receipts and non-general fund program receipts. (a) In AS 37.05.142 — 37.05.146 and AS 37.07.080, "program receipts" means fees, charges, income earned on assets, and other state money received by a state agency in connection with the performance of its functions. Unless otherwise provided in this section, program receipts are accounted for within, and appropriated from, the general fund of the state.

(b) The program receipts listed in this subsection are accounted for separately, and appropriations from these program receipts are not made from the unrestricted general fund:

- (1) federal receipts;
- (2) University of Alaska receipts (AS 14.40.491);
- (3) designated program receipts; in this paragraph, "designated program receipts" means money received by the state from a source other than the state or federal government that is restricted to a specific use by the terms of a gift, grant, bequest, or contract;
- (4) receipts of the following:
 - (A) highway working capital fund (AS 44.68.210);
 - (B) correctional industries fund (AS 33.32.020);
 - (C) loan funds;
 - (D) international airport revenue fund (AS 37.15.430);
 - (E) corporate receipts earned or managed by a public corporation of the state;
 - (F) fish and game fund (AS 16.05.100);
 - (G) school fund (AS 43.50.140);
 - (H) training and building fund (AS 23.20.130);
 - (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and former AS 39.37);
 - (J) permanent fund (art. IX, sec. 15, Alaska Constitution);

- (K) public school trust fund (AS 37.14.110);
 - (L) second injury fund (AS 23.30.040);
 - (M) fishermen's fund (AS 23.35.060);
 - (N) FICA administration fund (AS 39.30.050);
 - (O) receipts of the employee benefits program established under AS 39.30.150 — 39.30.180;
 - (P) receipts of the deferred compensation program established under AS 39.45;
 - (Q) clean air protection fund (AS 46.14.260);
 - (R) receipts of the group insurance programs established under AS 39.30.090;
 - (S) mental health trust fund (AS 37.14.031);
 - (T) Alaska children's trust (AS 37.14.200);
 - (U) commercial fisheries test fishing operations (AS 16.05.050(a)(15));
 - (V) Regulatory Commission of Alaska under AS 42.05 and AS 42.06;
 - (W) Alaska Oil and Gas Conservation Commission under AS 31.05.
- (5) receipts of or from the trust established by AS 37.14.400 — 37.14.450, except reimbursements described in AS 37.14.410. (§ 1 ch 36 SLA 1990; am § 8 ch 14 SLA 1991; am § 5 ch 66 SLA 1991; am § 8 ch 88 SLA 1991; am § 11 ch 31 SLA 1992; am § 3 ch 1 FSSLA 1992; am § 115 ch 4 FSSLA 1992; am § 64 ch 63 SLA 1993; am § 10 ch 74 SLA 1993; am § 31 ch 32 SLA 1997; am § 4 ch 59 SLA 1997; am § 3 ch 25 SLA 1999; am § 3 ch 34 SLA 1999)

Revisor's notes. — In 1999, in (4)(u) of this section, "AS 16.05.050(a)(15)" was substituted for "AS 16.05.050(15)" to reflect the 1999 addition of AS 16.05.050(b).

Effect of amendments. — The first 1999 amend-

ment, effective July 1, 1999, substituted "Regulatory Commission of Alaska" for "Alaska Public Utilities Commission" in subparagraph (b)(4)(V).

The second 1999 amendment, effective July 1, 1999, added subparagraph (b)(4)(W).

Sec. 37.05.210. Fiscal reporting and statistics. (a) The Department of Administration shall

(1) file with the governor and with the legislative auditor before December 16 a report of the financial transactions of the preceding fiscal year and of the financial condition of the state as of the end of that year, prepared in accordance with generally accepted accounting principles and audited by the legislative auditor in accordance with generally accepted audit standards, with comments and supplementary data that the Department of Administration considers necessary; this report shall be printed for the information of the legislature and the public;

(2) compile statistics necessary for the budget and other statistics required by the governor;

(3) file a travel and compensation report with the legislature by January 31 of each year containing detailed information for the previous calendar year of the salaries, per diem, travel expenses, relocation expenses, and any additional allowances for

(A) the governor, the lieutenant governor, and the chiefs of staff of the governor and lieutenant governor;

(B) the president and vice-president of the University of Alaska and the chancellors of the individual campuses of the university;

(C) the commissioners or other executive heads of the principal departments in the executive branch of state government, and the deputy commissioners and division directors in those departments; and

(D) the executive heads of public corporations created by law, including the Alaska Railroad Corporation.

(b) By January 21 of each year, the University of Alaska and each public corporation shall provide the information related to salaries, per diem, travel expenses, relocation expenses, and any additional allowances to the Department of Administration in the form and manner prescribed by the department. (§ 8 art III ch 82 SLA 1955; am § 5 ch 186

47.55.030(b) except to satisfy an indebtedness incurred under AS 47.55.070. The department may not evict a person from the Pioneers' Home if the income and assets of the person are insufficient to pay the monthly rate set under AS 47.55.030(b) and the person is otherwise in compliance with requirements under this chapter.

(c) At the end of each month the payments made under (b) of this section shall be transmitted to the commissioner of revenue. The Department of Administration may pay to a resident without funds the sum of \$100 per month.

(d) *[Repealed, § 28 ch 90 SLA 1991.]*

(e) Notwithstanding AS 47.55.070 and (b) of this section, a resident whose income and assets are insufficient to pay the monthly rate set under AS 47.55.030(b) qualifies for payment assistance if the resident is otherwise in compliance with requirements under this chapter. The amount of payment assistance shall equal the amount needed, when added to other income and assets of the resident, to pay the monthly rate set under AS 47.55.030(b). Payment assistance received by a resident is a debt to the state. In determining the amount of payment assistance for which a resident qualifies, the following income and assets of a Pioneers' Home resident shall be disregarded:

(1) income from any source in an amount equal to at least \$100 per month as established by regulation of the Department of Administration;

(2) the following assets received under 43 U.S.C. 1601 — 1629e (Alaska Native Claims Settlement Act):

(A) cash dividends and other income equal to at least \$2,000 as established by regulation of the Department of Administration;

(B) stock;

(C) noncash dividends from stock; and

(D) land;

(3) a permanent fund dividend issued under AS 43.23;

(4) veterans' benefits paid under 38 U.S.C. 1114;

(5) compensation to volunteers under the federal retired and senior volunteers (42 U.S.C. 5001), foster grandparents (42 U.S.C. 5011), and senior companion (42 U.S.C. 5013) programs made in accordance with 42 U.S.C. 5044(f);

(6) federal World War II restitution payments made under 50 U.S.C. 1989b-4 and c-5;

(7) payments under AS 18.67 (crime victim compensation);

(8) an amount determined by regulation of the Department of Administration sufficient for burial expenses of the resident, the resident's spouse, and dependents of the resident;

(9) real property being used as the primary residence of the resident's spouse or a dependent of the resident;

(10) other real or personal property equal to at least a total value of \$5,000 as established by regulation of the Department of Administration. (§ 51-2-13 ACLA 1949; am § 1 ch 158 SLA 1955; am § 1 ch 118 SLA 1957; am § 1 ch 89 SLA 1961; am § 1 ch 63 SLA 1965; am E.O. No. 30 (1968); am §§ 1, 2 ch 7 SLA 1971; am § 3 ch 11 SLA 1979; am §§ 1, 2 ch 155 SLA 1984; am § 2 ch 35 SLA 1990; am § 28 ch 90 SLA 1991; am § 1 ch 90 SLA 1996; am § 1 ch 101 SLA 1997)

Revisor's notes. — Formerly AS 47.25.020. Renumbered in 1990.

Effect of amendments. — The 1991 amendment, effective July 3, 1991, repealed subsection (d).

The 1996 amendment, effective June 21, 1996, added the last sentence in subsection (b).

The 1997 amendment, effective July 2, 1997, added subsection (e).

Sec. 47.55.030. Admission on payment. (a) A person eligible for admission under AS 47.55.020 may on application be admitted to the home upon the person's agreement to pay to the state each month an amount the Department of Administration considers sufficient to compensate the state for the cost of care and support of the person at the

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(b) The Department of Administration shall adopt regulations establishing a monthly rate for the compensation a resident is to be charged under (a) of this section. The rate charged need not fully compensate the state for the cost of care and support. The commissioner of administration shall review the rate each year.

(c) The Department of Administration shall provide to all residents of the Pioneers' Home written notice of any proposed change in the rate charged for care and support of persons at the home. Notice under this section shall be given not less than 60 days before a change is adopted. The notice must include the time, date, and place of a hearing to be held by the Department of Administration under (d) of this section. The department may not change the rate charged more than once in a fiscal year.

(d) Not less than 30 days before a proposed rate change is adopted, the Department of Administration shall conduct a hearing at which interested persons shall be given the opportunity to submit written or oral testimony, statements, arguments or contentions relating to the proposed rate change. The department shall consider all relevant matter presented to it before adopting a rate change.

(e) [Repealed, § 28 ch 90 SLA 1991.] (§ 51-2-14 ACLA 1949; am § 2 ch 89 SLA 1961; am E.O. No. 30 (1968); am § 3 ch 155 SLA 1984; am § 94 ch 138 SLA 1986; am § 3 ch 35 SLA 1990; am § 28 ch 90 SLA 1991)

Revisor's notes. — Formerly AS 47.25.030. Re-numbered in 1990.

Effect of amendments. — The 1991 amendment, effective July 3, 1991, repealed subsection (e).

Sec. 47.55.035. Exception to admission criteria. An applicant for admission to the home who has been a resident of the state for 30 years and is otherwise qualified for admission under AS 47.55.020 may not be disqualified for admission because of absence from the state if the commissioner of administration determines the absence was reasonable and admission is consistent with the intent of AS 47.55.010 — 47.55.100. (§ 2 ch 89 SLA 1978; am § 5 ch 35 SLA 1990)

Revisor's notes. — Formerly AS 47.25.035. Re-numbered in 1990.

Sec. 47.55.040. Transfer of mentally ill residents to another institution. A person regularly admitted into the home who is found to be insane may be transferred to an institution provided for the care and custody of insane persons for the state in the manner provided by law for the admission of other persons to the institution. (§ 51-2-15 ACLA 1949)

Revisor's notes. — Formerly AS 47.25.040. Re-numbered in 1990.

Sec. 47.55.050. Maintenance funds. The legislature shall each session appropriate the necessary funds for the maintenance of the home to be expended by the Department of Administration, and that department may receive funds, donations and bequests from private individuals, societies or organizations, and funds from the federal government for the support and maintenance of the home. (§ 51-2-16 ACLA 1949; am E.O. No. 30 (1968))

Revisor's notes. — Formerly AS 47.25.050. Re-numbered in 1990.

Sec. 47.55.060. Trust fund. Unless otherwise provided by the donor, money bequeathed to the Alaska Pioneers' Home constitutes a special trust fund. Unless otherwise provided by the donor, interest from the special trust fund is under the control and at the disposal of the Department of Administration, and expenditure from it is limited to the

Sec. 21.09.205. Quarterly statement. (a) The director may require an insurer to file quarterly financial statements. If required, the statements must follow for a given quarter the reporting format specified in the quarterly financial statement blank form and instructions most recently approved by the National Association of Insurance Commissioners.

(b) A quarterly financial statement, if required, is due 60 days after the end of the quarter to which it applies.

(c) An insurer shall pay to the division \$100 for each day the insurer fails to file the quarterly statement in the form required or within the time established in (b) of this section.

(d) In addition to the requirements of (a) of this section, an authorized insurer shall file its quarterly statement with the National Association of Insurance Commissioners on electronic media acceptable to the association by the due date established by the association, and shall pay the applicable filing fee. The director may waive the filing requirement if the insurer only transacts business in this state and only accepts risks relative to a subject resident, located, or to be performed in this state. An insurer that fails to comply with this subsection is subject to the penalties specified in (c) of this section, calculated from the filing and fee due date established by the National Association of Insurance Commissioners. (§ 19 ch 50 SLA 1990; am § 13 ch 62 SLA 1995)

Effect of amendments. — The 1995 amendment, effective July 1, 1995, added subsection (d).

Sec. 21.09.210. Tax. (a) Each authorized insurer, and each formerly authorized insurer with respect to premiums received while an authorized insurer in this state, shall file with the director, on or before March 1 in each year, a report of all insurance business written or contracted in the state, with proper proportionate allocation of premium for the property, subjects, or risks in the state insured under policies or contracts covering property, subjects, or risks located or resident in more than one state, during the preceding year ending December 31. The report must show

(1) the amounts paid policyholders on losses;

(2) the total direct premium income including policy membership and other fees, premiums paid by application of dividends, refunds, savings coupon, and similar returns or credits to payment of premiums for new or additional or extended or renewed insurance, charges for payment of premium in installments, and all other consideration for insurance from all kinds and classes of insurance whether designated a premium or otherwise;

(3) the amounts paid policyholders as returned premiums;

(4) the amounts paid policyholders as dividends.

(b) Each insurer, and each formerly authorized insurer with respect to premiums received while an authorized insurer in this state, shall pay a tax on the total direct premium income received during the year ending on the preceding December 31 and paid for the insurance of property or risks resident or located in the state, other than wet marine and transportation insurance, after deducting from the total direct premium income the applicable cancellations, returned premiums, the unabsorbed portion of any deposit premium, all policy dividends, unabsorbed premiums refunded to policyholders, refunds, savings, savings coupons, and other similar returns paid or credited to policyholders with respect to their policies. Deductions may not be made of cash surrender value of policies. Considerations received on annuity contracts are not included in the direct premium income and are not subject to tax. The tax shall be paid to the director at least annually but not more often than once each quarter on the dates specified by the director. The method of payment must be by the electronic or other payment method specified by the director. Except as provided under (m) of this section, the tax is computed at the rate of

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(1) for domestic and foreign insurers, except hospital and medical service corporations, 2.7 percent;

(2) for hospital and medical service corporations, six percent of their gross premiums less claims paid.

(c) *[Repealed, § 48 ch 29 SLA 1987.]*

(d) An authorized insurer shall, with respect to all wet marine and transportation contracts written in this state during the preceding calendar year, pay to the director a tax of three-quarters of one percent on its gross underwriting profit. The director shall specify the dates that payment is due and the electronic or other method by which payment is to be made. The gross underwriting profit is computed by deducting, from the net premiums on wet marine and transportation insurance contracts, the net losses paid during the calendar year under the contracts. In the case of an insurer issuing participating contracts, the gross underwriting profit may not include, for computation of the tax prescribed by this section, the amounts refunded or paid as participation dividends by the insurers to the holders of the contracts. In this subsection,

(1) "net losses" means gross losses less salvage and recoveries on reinsurance ceded;

(2) "net premiums" means gross premiums less all return premiums and premiums for reinsurance.

(e) Payment to the director by an insurer of the tax upon its premiums required by this section shall be in lieu of all other taxes imposed by the state upon premiums, franchise, privilege, or other taxes measured by income of the insurer commencing with the taxable year beginning January 1, 1967.

(f) The state hereby pre-empts the field of imposing excise, privilege, franchise, income, license, permit, registration, and similar taxes, licenses, and fees upon insurers and their general agents, agents, and representatives as such; and on the intangible property of insurers or agents; and all political subdivisions of agencies in the state, including home rule boroughs or cities, are prohibited from imposing or levying upon insurers, or upon their general agents, agents, and representatives as such, any tax, license, or fee. However, this subsection shall not be construed as prohibiting the imposition by political subdivisions of taxes upon real and tangible personal property of insurers and their general agents, agents, and representatives.

(g) The director may suspend or revoke the certificate of authority of an insurer that fails to pay its taxes as required under this section.

(h) The provisions of this section do not apply to title insurance companies. A premium tax on title insurance companies shall be levied in accordance with the provisions of AS 21.66.110.

(i) Premiums paid by the state for insurance policies and contracts purchased under the provisions of AS 39.30 are exempt from taxation under this section. An insurer may not include the tax imposed under this section in a premium charged on an insurance policy or contract purchased by the state under the provisions of AS 39.30. An insurer may claim the exemption on forms provided by the division of insurance.

(j) The provisions of AS 21.89.070 apply to a taxpayer who is required to pay a tax due under this section.

(k) If, within three years after the date the tax under this section was due, an insurer discovers a mistake or misinterpretation that resulted in an overpayment of the tax in an amount exceeding \$250 in any one calendar year, the insurer may make a written request to the director for a refund. If the director determines a valid mistake or misinterpretation has occurred, the director shall refund to the insurer the amount of the excess tax by granting, at the director's discretion, a monetary refund or premium tax credit. A premium tax credit shall be used in the next calendar year to the extent possible and any unused credit shall be paid as a monetary refund. A premium tax credit may not reduce the payable tax, calculated without use of the credit, to less than zero.

(l) A premium tax credit granted under (k) of this section may not carry over as an attribute in a transaction under AS 21.69.610, 21.69.620, AS 21.78, or a similar transaction entered into by a foreign insurer.

(m) The tax imposed under this section shall be computed at the rate of

(1) 2.7 percent for a policy of life insurance with a policy year premium up to \$100,000; and

(2) one-tenth of a percent for a policy of life insurance for the policy year premium exceeding \$100,000.

(n) In this section, "premium tax credit" means an amount that an insurer may use as an offset against a premium tax payment. (§ 1 ch 120 SLA 1966; am § 29 ch 137 SLA 1982; am § 1 ch 118 SLA 1986; am § 41 ch 14 SLA 1987; am §§ 1, 48 ch 29 SLA 1987; am § 1 ch 23 SLA 1988; am §§ 16 — 18 ch 67 SLA 1992; am § 1 ch 21 SLA 1994; am § 14 ch 62 SLA 1995; am §§ 6, 7 ch 81 SLA 1997; am §§ 1, 2 ch 131 SLA 1998)

Revisor's notes. — Subsection (m) was enacted as (n). Relettered in 1998, at which time former subsection (m) was relettered as (n) and an internal reference in subsection (b) was conformed.

Effect of amendments. — The 1992 amendment, effective July 1, 1992, substituted "on or before March 1" for "before March 2" in subsection (a) and for "before April 1" in subsections (b) and (d); made punctuation changes in subsection (a); and in subsection (d) added the definitions at the end, deleting similar language from the introductory paragraph, and made a stylistic change.

The 1994 amendment, effective May 6, 1994, added subsection (j).

The 1995 amendment, effective July 1, 1995, added subsections (k), (l), and (n) (formerly (m)).

The 1997 amendment, effective January 1, 1998, rewrote the last two sentences in the introductory

language in subsection (b); and, in subsection (d), deleted "on or before March 1 of each year," following "the preceding calendar year," and added the second sentence; and made minor stylistic changes.

The 1998 amendment, effective June 26, 1998, in subsection (b) added "Except as provided under (m) of this section," at the beginning of the last sentence in the introductory language and made minor stylistic changes; and added subsection (m).

Editor's notes. — Section 2, ch. 118, SLA 1986 provides that the tax rates in (b) of this section, as amended by § 1, ch. 118, SLA 1986, apply "to the tax due by April 1, 1987 for the tax year beginning January 1, 1986 and to the tax due for subsequent tax years."

Section 2, ch. 23, SLA 1989, provides that the 1989 amendment to (i) of this section is retroactive to January 1, 1989.

NOTES TO DECISIONS

Constitutionality. — Subsection (b), prior to the 1986 amendment of this section, violated the equal protection clauses of both the Alaska and federal constitutions because it imposed a higher tax on foreign insurance companies than on domestic insurance companies, a discrimination which lacked any legitimate state purpose. *Principal Mut. Life Ins. Co. v. State, Div. of Ins., 780 P.2d 1023 (Alaska 1989).*

The purpose of excluding "insurance businesses" from the coverage of AS 43.70.030(a) of the Alaska Business License Act by virtue of the definition in AS 43.70.110(1) is apparently to avoid taxing these businesses twice, since insurers are subject to a premiums tax imposed by this section. *Northern Adjusters, Inc. v. Department of Revenue, 627 P.2d 205 (Alaska 1981).*

Secs. 21.09.220 — 21.09.240. Resident agent's counter signature; exception; affidavit requirement. [Repealed, § 2 ch 41 SLA 1984.]

Sec. 21.09.245. Required notice. (a) If an insurer intends to change the insurer's name, domicile, or other information provided on the certificate of authority, the insurer shall file a notice of the change with the director within 30 days before or after the intended change takes effect.

(b) If an insurer changes the insurer's articles of incorporation, bylaws, business address, phone number, or other information maintained by the director, the insurer shall file a notice of the change with the director not later than 90 days after the effective date of the change.

(c) Failure by an insurer to provide notification required by this section may result in a civil penalty of up to \$1,000 and, additionally, a civil penalty of up to \$50 for each day that the information is withheld from the director. (§ 8 ch 81 SLA 1997)

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(c) In case of a failure of any person to comply with the director's order under (a) of this section, the superior court, on application of the director, may issue an order requiring the production of the records and information sought by the director.

(d) This section does not apply to life insurance, health insurance, or annuity contracts. (§ 1 ch 234 SLA 1968; am §§ 12, 13, 26 ch 117 SLA 1984; am § 105 ch 67 SLA 1992; am § 23 ch 56 SLA 1996)

Effect of amendments. — The 1992 amendment, effective July 1, 1992, added "and other information required by the director" to the end of subsection (a) and made related and punctuation changes. The 1996 amendment, effective September 9, 1996, substituted "health" for "disability" in subsection (d).

Sec. 21.33.050. Exemptions from service of process provisions. [Repealed, § 2 ch 234 SLA 1968.]

Sec. 21.33.051. Reporting of unauthorized insurance. [Repealed, § 26 ch 117 SLA 1984.]

Sec. 21.33.055. Unauthorized insurance premium tax. (a) Except as to premiums on lawfully procured surplus lines insurance exported under AS 21.34 and premiums on independently procured insurance on which a tax has been paid under AS 21.33.061, every nonadmitted insurer shall pay to the director on or before March 1 following the calendar year in which the insurance was so effectuated, continued, or renewed a premium-receipts tax of three percent of gross premiums charged for the insurance other than wet marine and transportation insurance and a premium-receipts tax of three-fourths of one percent of gross premiums charged for the wet marine and transportation insurance on subjects resident, located, or to be performed in this state. The insurance on subjects resident, located, or to be performed in this state procured through negotiations or an application, in whole or in part occurring or made in or from in or out of this state, or for which premiums in whole or in part are remitted directly or indirectly from in or out of this state, shall be considered to be insurance procured or continued or renewed in this state. The term "premium" includes all premiums, membership fees, assessments, dues, and any other consideration for insurance. The tax is in lieu of all taxes and fire department dues. On default of a nonadmitted insurer in the payment of the tax, the insured shall pay the tax within 30 days of written notice from the director of the default by the nonadmitted insurer. If the tax prescribed by this section is not paid by the nonadmitted insurer within the time stated or by the insured within the time stated after notice of default by the nonadmitted insurer, the tax may be increased by

- (1) a late payment fee of \$1,000 or 10 percent of the tax due, whichever is greater;
- (2) interest at the rate of one percent a month or part of a month from the date the payment was originally due to the date paid; and
- (3) a penalty not to exceed \$100 a day or 25 percent of the tax due, whichever is greater, from the date the payment was due to the date paid.

(b) In determining the amount of premiums taxable in this state, all premiums written, procured, or received in this state shall be considered written on property or a subject located or resident in this state, except premiums that are properly allocated or apportioned and reported as taxable premiums of another state. In determining the amount of gross premiums taxable in this state covering a subject resident, located, or to be performed both inside and outside the state, the tax due shall be computed on that portion of the policy premium that is attributable to the subject resident, located, or to be performed in this state and that relates to the kind of insurance being placed as determined by reference to an allocation schedule as follows:

- (i) if a policy covers more than one classification,
 - (A) for any portion of the coverage identified by a classification on the allocation schedule, the tax shall be computed by using the allocation schedule for the corresponding portion of the premium;

(B) for any portion of the coverage not identified by a classification on the allocation schedule, the tax shall be computed by using an alternative equitable method of allocation for the property or subject;

(C) for any portion of the coverage where the premium is indivisible, the tax shall be computed by using the method of allocation that pertains to the classification describing the predominant coverage.

(2) if the information provided is insufficient to substantiate the method of allocation used or if the director determines that the method is incorrect, the director shall determine the equitable and appropriate amount of tax due to the state as follows:

(A) by use of the allocation schedule where the subject is appropriately identified in the schedule;

(B) where the allocation schedule does not identify a classification appropriate to the coverage, the director may give acceptance by significant weight to documented evidence of the underwriting bases and other criteria used by the insurer or may give consideration to other available information to the extent it is sufficient and relevant, including the percentage of the insured's physical assets in this state, the percentage of the insured's sales in this state, the percentage of income or resources derived from this state, and the amount of premium tax paid to another jurisdiction for the policy.

(c) This section does not apply to insurance of risks of the state, a political subdivision of the state, or to insurance of aircraft regularly engaged in interstate or foreign commerce. (§ 1 ch 234 SLA 1968; am § 14 ch 117 SLA 1984; am §§ 106 — 108 ch 67 SLA 1992)

Effect of amendments. — The 1992 amendment, effective July 1, 1992, in subsection (a), inserted "exported under AS 21.34," substituted "on or before March 1" for "April 1," and substituted "wet marine

and transportation" for "marine" twice in the first sentence and rewrote the last two sentences, adding new paragraphs (1) and (2); rewrote subsection (b); and added subsection (c).

Sec. 21.33.060. Defense of action by unauthorized insurer. [Repealed, § 2 ch 234 SLA 1968.]

Sec. 21.33.061. Independently procured insurance; premium tax. (a) Every insured who procures or causes to be procured or continues or renews insurance with a nonadmitted insurer, or an insured or self-insurer who so procures or continues excess loss, catastrophe or other insurance, upon a subject of insurance resident, located, or to be performed in this state, other than insurance lawfully procured through a surplus lines broker under AS 21.34 shall, within 30 days after the date the insurance was procured, continued, or renewed, file a report with the director in writing and in a form prescribed by the director. The report must show the name and address of the insured, name and address of the insurer, the subject of the insurance, a general description of the coverage, the amount of premium currently charged, and additional pertinent information required by the director.

(b) Insurance in a nonadmitted insurer of a subject of insurance resident, located, or to be performed in this state procured through negotiations or an application, in whole or in part occurring or made in or from in or out of this state, or for which premiums in whole or in part are remitted directly or indirectly from in or out of this state, is considered to be insurance procured or continued or renewed in this state within the intent of (a) of this section.

(c) There is levied upon the obligation, chose in action, or right represented by the premium charged for the insurance, a premium receipts tax of three per cent of gross premiums charged for the insurance other than wet marine and transportation insurance, and a premium receipts tax of three-fourths of one percent of gross premiums charged for the wet marine and transportation insurance. The term "premium" includes all premiums, membership fees, assessments, dues, and any other consideration for insurance. The tax is in lieu of all taxes and fire department dues. The insured shall, on or before

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Sec. 21.34.150. Records of surplus lines broker. [Repealed. § 223 ch 67 SLA 1992.]

Sec. 21.34.170. Monthly reports, summary of exported business. (a) A surplus lines broker shall file with the director on or before the end of each month, on forms prescribed by the director, a verified report in duplicate of all surplus lines insurance, by type of insurance as required to be reported in the annual statement that must be filed with the director by admitted insurers. The report must include all surplus lines insurance transactions during the preceding calendar month showing the aggregate gross premiums written, the aggregate return premiums, the amount of aggregate tax remitted to this state, and the amount of aggregate tax remitted to each other state for which an allocation is made under AS 21.34.150.

(b) Instead of the report required under (a) of this section, the director may order that evidence of insurance be filed with surplus lines association and that the association file periodic reports regarding insurance transactions to the director. (§ 21 ch 117 SLA 1984; am § 132 ch 67 SLA 1992)

Effect of amendments. — The 1992 amendment, effective July 1, 1992, rewrote this section.

Sec. 21.34.180. Surplus lines tax. (a) Gross premiums charged, less any return premium, for surplus lines insurance are subject to a premium receipts tax as outlined in AS 21.09.210, which shall be collected by the surplus lines broker as specified by the director, in addition to the full amount of the gross premium charged by the insurer for the insurance. The tax on any portion of the premium unearned at termination of insurance having been credited by the state to the surplus lines broker shall be returned to the policy holder directly by the surplus lines broker or through the producing broker, if any. The surplus lines broker may not absorb the tax or any part of it, and may not rebate for any reason the tax or any part of it.

(b) The surplus lines tax is due on the date specified by the director and may be paid by electronic or other means as specified by the director. The tax shall be reported on forms prescribed by the director or, upon the director's order, paid to and reported on forms prescribed by the surplus lines association.

(c) If a surplus lines policy procured through a surplus lines broker covers risks or exposures only partially located or to be performed in this state, the tax payable shall be computed on the portions of the premium properly attributable to the risks or exposures located or to be performed in this state as follows:

(1) if the risk insured is real or personal property, the percentage of the entire tax that is due to this state is the same as the percentage of the entire risk that is located in this state, computed on the same basis as was employed to calculate the insurable value of the risk;

(2) if the risk insured is business operations, general liability, or employee benefits, the percentage of the entire tax that is due to this state is the same as the percentage of the insured business operations or employees that are located in this state.

(d) This section does not apply to insurance of risks of state government or its political subdivision, to an agency of state government or its political subdivision, or to insurance of aircraft regularly engaged in interstate or foreign commerce.

(e) If a multi-state risk has a portion of that risk located within this state, the surplus lines broker shall remit payment of taxes collected in this state in accordance with the provisions of (c) of this section. (§ 21 ch 117 SLA 1984; am § 29 ch 81 SLA 1997)

Effect of amendments. — The 1997 amendment, effective January 1, 1998, rewrote subsection (b).

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it regulates under this title, may by regulation establish criteria for issuing a temporary courtesy license to nonresidents who enter the state so that, on a temporary basis, they may practice the occupation regulated by the board or the department.

(b) The regulations adopted under (a) of this section may include limitations relating to the

- (1) duration of the license's validity;
- (2) scope of practice allowed under the license; and
- (3) other matters considered important by the board or the department. (§ 2 ch 126 SLA 1990)

Revisor's notes. — Formerly AS 08.02.030. Re-numbered in 1998.

Sec. 08.01.065. Establishment of fees. (a) Except for business licenses, the department shall adopt regulations that establish the amount and manner of payment of application fees, examination fees, license fees, registration fees, permit fees, investigation fees, and all other fees as appropriate for the occupations covered by this chapter.

(b) *[Repealed, § 4 ch 34 SLA 1992.]*

(c) Except as provided in (f) of this section, the department shall establish fee levels under (a) of this section so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation. The department shall annually review each fee level to determine whether the regulatory costs of each occupation are approximately equal to fee collections related to that occupation. If the review indicates that an occupation's fee collections and regulatory costs are not approximately equal, the department shall calculate fee adjustments and adopt regulations under (a) of this section to implement the adjustments. In January of each year, the department shall report on all fee levels and revisions for the previous year under this subsection to the office of management and budget. If a board regulates an occupation covered by this chapter, the department shall consider the board's recommendations concerning the occupation's fee levels and regulatory costs before revising fee schedules to comply with this subsection. In this subsection, "regulatory costs" means costs of the department that are attributable to regulation of an occupation plus

- (1) all expenses of the board that regulates the occupation if the board regulates only one occupation;
- (2) the expenses of a board that are attributable to the occupation if the board regulates more than one occupation.

(d) The license fee for a business license is set by AS 43.70.030(a). The department shall adopt regulations that establish the manner of payment of the license fee.

(e) *[Repealed, § 28 ch 90 SLA 1991.]*

(f) Notwithstanding (c) of this section, the department shall establish fee levels under (a) of this section so that the total amount of fees collected by the State Board of Registration for Architects, Engineers, and Land Surveyors approximately equals the total regulatory costs of the department and the board for all occupations regulated by the board. The department shall set the fee levels for the issuance and renewal of a certificate of registration issued under AS 08.48.211 so that the fee levels are the same for all occupations regulated by the board. (§ 2 ch 37 SLA 1985; am § 4 ch 138 SLA 1986; am § 3 ch 74 SLA 1987; am § 1 ch 87 SLA 1987; am § 5 ch 94 SLA 1987; am § 3 ch 45 SLA 1988; am § 14 ch 85 SLA 1988; am § 28 ch 90 SLA 1991; am §§ 2, 4 ch 34 SLA 1992; am § 1 ch 2 FSSLA 1992; am §§ 1, 2 ch 47 SLA 1998)

Revisor's notes. — Both § 2, ch. 34, SLA 1992 and § 1, ch. 2, FSSLA 1992 made identical amendments to (c) of this section. The latter was given effect because it had the earlier effective date.

Cross references. — For limitation on fees set by regulation, see AS 37.10.050(a); for accounting for and disposition of fees, see AS 37.05.142 and 37.05.144.

Effect of amendments. — The 1998 amendment,

effective August 20, 1998, is in (f) of this section, at the end of the section, and added subsection (f).

Sec. 08.01.070. Act following duties in addition to the following:

- (1) take minutes at each meeting;
- (2) hold a minimum of one meeting each month;
- (3) hold at least one meeting each month;
- (4) request, through regulations;

- (5) prepare and give notice of each meeting;
- (6) set minimum qualifications for members;
- (7) forward a draft of the minutes after the proceedings;
- (8) forward results of each examination is given;
- (9) notify the department of each meeting and other matters;
- (10) submit before the department stating the reasons therefor. (AS 08.01.070, 1966; am § 6 ch 94 SLA 1992)

Applied in *Vick v. Board of Professional Engineers*, 90 (Alaska 1981).

Sec. 08.01.075. In addition to the disciplinary actions:

- (1) permanently revoke a license;
- (2) suspend a license;
- (3) censure or reprimand a licensee;
- (4) impose limitations on a licensee;
- (5) require a licensee to complete the education, training, or continuing education;
- (6) impose probation on a licensee.

(7) impose probation on a licensee related to the group or organization.

(8) impose a civil penalty on a licensee.

(b) A board may impose a sanction are removed from the board.

(c) A board may impose a sanction before a final hearing. A clear and immediate hearing before the order of suspension or appeal of a summary suspension.

(d) A board may impose a sanction if it finds that the applicant is not qualified to practice the profession.

(e) A board may impose a sanction returned unless the applicant is not qualified and the licensee is not qualified.

(f) A board shall explain a sanction in an order imposing the sanction.

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effective August 20, 1998, added "Except as provided
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and added subsection (f).

Sec. 08.01.070. Administrative duties of boards. Each board shall perform the following duties in addition to those provided in its respective law:

- (1) take minutes and records of all proceedings;
- (2) hold a minimum of one meeting each year;
- (3) hold at least one examination each year;
- (4) request, through the department, investigation of violations of its laws and regulations;
- (5) prepare and grade board examinations;
- (6) set minimum qualifications for applicants for examination and license;
- (7) forward a draft of the minutes of proceedings to the department within 20 days after the proceedings;
- (8) forward results of board examinations to the department within 20 days after the examination is given;
- (9) notify the department of meeting dates and agenda items at least 15 days before meetings and other proceedings are held;
- (10) submit before the end of the fiscal year an annual performance report to the department stating the board's accomplishments, activities, and needs. (§ 1 ch 59 SLA 1966; am § 6 ch 94 SLA 1987)

NOTES TO DECISIONS

Applied in *Vick v. Board of Elec. Exmrs.*, 626 P.2d 90 (Alaska 1981).

Sec. 08.01.075. Disciplinary powers of boards. (a) A board may take the following disciplinary actions, singly or in combination:

- (1) permanently revoke a license;
- (2) suspend a license for a specified period;
- (3) censure or reprimand a licensee;
- (4) impose limitations or conditions on the professional practice of a licensee;
- (5) require a licensee to submit to peer review;
- (6) impose requirements for remedial professional education to correct deficiencies in the education, training, and skill of the licensee;
- (7) impose probation requiring a licensee to report regularly to the board on matters related to the grounds for probation;
- (8) impose a civil fine not to exceed \$5,000.

(b) A board may withdraw probationary status if the deficiencies that required the sanction are remedied.

(c) A board may summarily suspend a licensee from the practice of the profession before a final hearing is held or during an appeal if the board finds that the licensee poses a clear and immediate danger to the public health and safety. A person is entitled to a hearing before the board to appeal the summary suspension within seven days after the order of suspension is issued. A person may appeal an adverse decision of the board on an appeal of a summary suspension to a court of competent jurisdiction.

(d) A board may reinstate a suspended or revoked license if, after a hearing, the board finds that the applicant is able to practice the profession with skill and safety.

(e) A board may accept the voluntary surrender of a license. A license may not be returned unless the board determines that the licensee is competent to resume practice and the licensee pays the appropriate renewal fee.

(f) A board shall seek consistency in the application of disciplinary sanctions. A board shall explain a significant departure from prior decisions involving similar facts in the order imposing the sanction. (§ 7 ch 94 SLA 1987)