

HB

101

HB101

be a reasonable compromise between the competing considerations of providing a remedy to injured plaintiffs and providing a period of repose after which dissolved corporations may distribute remaining assets free of all claims and shareholders may receive them secure in the knowledge that they may not be reclaimed.

Directors must generally discharge or make provision for discharging all of the corporation's liabilities before distributing the remaining assets to the shareholders. See the Official Comment to section 14.06. But section 14.07 does not contemplate that liquidating distributions to shareholders will be deferred until all possible claims are barred under section 14.07. Many claims covered by this section are of a type for which provision may be made by the purchase of insurance or by the setting aside of a portion of the assets, thereby permitting prompt distributions in liquidation. Claimants, of course, may always have recourse to the remaining assets of the dissolved corporation. See section 14.07(d)(1). Further, where unexpected claims arise after distributions have been made to shareholders in liquidation, section 14.07(d)(2) authorizes recovery against the shareholders receiving the earlier distributions. The recovery, however, is limited to the smaller of the recipient shareholder's pro rata share of the claim or the total amount of assets received as liquidating distributions by the shareholder from the corporation. The provision ensures that claimants seeking to recover distributions from shareholders will try to recover from the entire class of shareholders rather than concentrating only on the larger shareholders and protects the limited liability of shareholders.

Subchapter B.

ADMINISTRATIVE DISSOLUTION

§ 14.20. GROUNDS FOR ADMINISTRATIVE DISSOLUTION

The secretary of state may commence a proceeding under section 14.21 to administratively dissolve a corporation if:

- (1) the corporation does not pay within 60 days after they are due any franchise taxes or penalties imposed by this Act or other law;
- (2) the corporation does not deliver its annual report to the secretary of state within 60 days after it is due;

- (3) the corporation is without a registered agent or registered office in this state for 60 days or more;
- (4) the corporation does not notify the secretary of state within 60 days that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued; or
- (5) the corporation's period of duration stated in its articles of incorporation expires.

CROSS-REFERENCES

- Annual report, see § 16.22.
- Appeal from administrative dissolution, see § 14.23.
- "Deliver" includes mail, see § 1.40.
- Duration of corporation, see § 3.02.
- Judicial dissolution, see §§ 14.30—14.33.
- Registered office and agent, see ch 5.
- Reinstatement following administrative dissolution, see § 14.22.
- Voluntary dissolution, see §§ 14.01 & 14.02.

OFFICIAL COMMENT

Involuntary dissolution in earlier versions of the Model Act required judicial order upon suit filed by the state attorney general. In the comment to section 95 of the 1969 Model Act, this decision was explained on the basis that the Model Act "provides for judicial review in protection of rights that might otherwise be lost." This position, however, was not generally accepted—in 1982 only three jurisdictions limited involuntary dissolution to judicial action—with all other jurisdictions permitting administrative dissolution for a variety of reasons, usually including a failure to pay franchise taxes and often including failure to file annual reports or otherwise comply with similar requirements of the corporation statutes. Some of these administrative dissolution statutes appear in the tax statutes rather than the corporation statutes of the states.

The experience in most states has been that administrative dissolution, or the threat thereof, is an effective enforcement mechanism for a variety of statutory obligations. Judicial dissolution is inappropriate for many of these violations because of its cost and the diversion of limited legal resources, particularly since most violations reflect the abandonment of the corporation by its owners.

The advantages of administrative dissolution in these circumstances are compelling: it not only reduces the number of records maintained by the secretary of state, but also avoids further wasteful attempts to compel compliance by the abandoned corporations and returns the corporate name promptly to the status of available names. Therefore, the revised Model Act includes, in sections 14.20 through 14.23, a model provision for the administrative dissolution of corporations in certain limited circumstances. These circumstances are set forth in section 14.20 and closely parallel provisions found in most state statutes on this subject.

§ 14.21. PROCEDURE FOR AND EFFECT OF ADMINISTRATIVE DISSOLUTION

- (a) If the secretary of state determines that one or more grounds exist under section 14.20 for dissolving a corporation, he shall serve the corporation with written notice of his determination under section 5.04.
- (b) If the corporation does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the secretary of state that each ground determined by the secretary of state does not exist within 60 days after service of the notice is perfected under section 5.04, the secretary of state shall administratively dissolve the corporation by signing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. The secretary of state shall file the original of the certificate and serve a copy on the corporation under section 5.04.
- (c) A corporation administratively dissolved continues its corporate existence but may not carry on any business except that necessary to wind up and liquidate its business and affairs under section 14.05 and notify claimants under sections 14.06 and 14.07.
- (d) The administrative dissolution of a corporation does not terminate the authority of its registered agent.

CROSS-REFERENCES

Appeal from denial of reinstatement, see § 14.23.
 Claims, see §§ 14.06 & 14.07.
 Deposit with state treasurer, see § 14.33.
 Effective date of service, see § 5.04.
 Reinstatement following administrative dissolution, see § 14.22.
 Winding up, see § 14.05.

OFFICIAL COMMENT

Many failures to comply with statutory requirements that may give rise to administrative dissolution under section 14.20 occur because of oversight or inadvertence by responsible corporate officers of corporations that are continuing in business. Such failures are usually corrected promptly when brought to the corporation's attention. Sections 14.21(a) and (b) therefore provide a mandatory notice by the secretary of state to each corporation subject to administrative dissolution and a 60-day grace period following the notice before the certificate of administrative dissolution may be filed.

In most instances, the issue whether the corporation is subject to administrative dissolution will not be controverted. If a corporation is administratively dissolved, it may petition the secretary of state for reinstatement under section 14.22 and, if this is denied, it may appeal to the courts under section 14.23.

§ 14.22. REINSTATEMENT FOLLOWING ADMINISTRATIVE DISSOLUTION

- (a) A corporation administratively dissolved under section 14.21 may apply to the secretary of state for reinstatement within two years after the effective date of dissolution. The application must:
 - (1) recite the name of the corporation and the effective date of its administrative dissolution;
 - (2) state that the ground or grounds for dissolution either did not exist or have been eliminated;
 - (3) state that the corporation's name satisfies the requirements of section 4.01; and
 - (4) contain a certificate from the [taxing authority] reciting that all taxes owed by the corporation have been paid.
- (b) If the secretary of state determines that the application contains the information required by subsection (a) and that the information is correct, he shall cancel the certificate of dissolution and prepare a certificate of reinstatement that recites his determination and the effective date of reinstatement, file the original of the certificate, and serve a copy on the corporation under section 5.04.
- (c) When the reinstatement is effective, it relates back to and takes effect as of the effective date of the administrative dissolution and the

corporation resumes carrying on its business as if the administrative dissolution had never occurred.

CROSS-REFERENCES

Appeal from denial of reinstatement, see § 14.23.
Corporate name generally, see ch. 4.
Effective date of administrative dissolution, see § 14.21.
Filing fees, see § 1.22.
Filing requirements, see § 1.20.
Grounds for administrative dissolution, see § 14.20.

OFFICIAL COMMENT

Section 14.22 provides a two-year period during which a corporation may seek reinstatement following administrative dissolution. This section may apply when a corporation through inadvertence or a failure to maintain a registered agent fails to receive or respond to the predissolution notice of default required by section 14.21. A corporation that is reinstated pursuant to this section resumes carrying on its business as before dissolution.

In order to be eligible for reinstatement, a corporation must comply with all statutory requirements at the time it seeks reinstatement. It must establish, for example, that all taxes have been paid and that its name is available when it files the application for reinstatement.

§ 14.23. APPEAL FROM DENIAL OF REINSTATEMENT

- (a) If the secretary of state denies a corporation's application for reinstatement following administrative dissolution, he shall serve the corporation under section 5.04 with a written notice that explains the reason or reasons for denial.
- (b) The corporation may appeal the denial of reinstatement to the [name or describe] court within 30 days after service of the notice of denial is perfected. The corporation appeals by petitioning the court to set aside the dissolution and attaching to the petition copies of the secretary of state's certificate of dissolution, the corporation's application for reinstatement, and the secretary of state's notice of denial.

if evidence is required. The award of the appraisers or of a majority of the appraisers, when confirmed by the court, is final and conclusive upon all parties. The court shall enter a decree that provides in the alternative for winding up and dissolution of the corporation unless payment is made for the shares within the time specified by the decree. If the purchasing parties do not make payment for the shares within the time specified, judgment shall be entered against the purchasing parties and the surety or sureties on the bond for the amount of the expenses, including attorney fees, of the moving parties. A shareholder aggrieved by the action of the court may appeal.

(d) If the purchasing parties desire to prevent the winding up and dissolution, they shall pay to the moving parties the value of their shares as provided under this section less an allowance for the costs of the appraisal as the court shall determine. In the case of an appeal, the purchasing parties shall pay to the moving parties the value of the shares and costs of appraisal as fixed on appeal. On receiving payment or the tender of payment as determined by the court, the moving parties shall transfer their shares to the purchasing parties.

(e) For the purposes of this section, "shareholder" includes a beneficial owner of shares who has entered into an agreement under AS 10.06.425(a).

Sec. 10.06.633. Involuntary dissolution by the commissioner: grounds, procedure, reinstatement.

(a) A corporation may be dissolved involuntarily by the commissioner if

(1) the corporation is delinquent six months in filing its biennial report or in paying its biennial corporation tax or a penalty;

(2) the corporation has failed for 30 days to appoint and maintain a registered agent in the state;

(3) the corporation has failed for 30 days after change of its registered office or registered agent to file in the office of the commissioner a statement of the change;

(4) the corporation has failed for two years to complete dissolution under a certificate of election under AS 10.06.608 to dissolve;

(5) a vacancy on the board of the corporation is not filled within six months or the next annual meeting, whichever occurs first;

(6) a misrepresentation of material facts has been made in the application, report, affidavit, or other document submitted under this chapter; or

(7) the corporation is 90 days delinquent in filing notice of change of an officer, director, alien affiliate, or five percent shareholder, as required by this chapter.

(b) A corporation may not be dissolved under this section unless the commissioner has given the corporation written notice of its delinquency, failure, or noncompliance by certified mail addressed to its registered office, registered agent, president, or secretary at the last known address as shown by the records of the commissioner. If the corporation fails, within 60 days after the notice is sent by certified mail, to contest the alleged neglect, omission, delinquency, or noncompliance by a written request for a hearing before the commissioner or fails to correct the asserted neglect, omission, delinquency, or noncompliance it may be dissolved under (d) of this section.

(c) If, following a hearing, the commissioner determines the presence of neglect, omission, delinquency, or noncompliance providing grounds for involuntary dissolution under this section, the corporation may appeal to the superior court by filing with the clerk of the court a notice of appeal setting out a copy of the notice given by the commissioner under (b) of this section together with a copy of a timely demand for a hearing by the corporation, and a copy of an affirmation by the commissioner of an intention to dissolve under (d) of this section. The matter shall be tried de novo by the superior court, and the court shall either sustain the commissioner or direct the commissioner to take action the court considers proper.

(d) If a corporation has given cause for involuntary dissolution and has failed to correct the neglect, omission, delinquency, or noncompliance as provided in this section, and there has been no order of the superior court, the commissioner shall dissolve the corporation by issuing a certificate of involuntary dissolution containing a statement that the corporation has been dissolved, the date, and the reason for

which it was dissolved. The original certificate of dissolution shall be placed in the department files and a copy of it mailed to the corporation at its registered office or in care of its registered agent, president, or secretary at the last known address, as shown by the records of the commissioner. Upon the issuance of the certificate of involuntary dissolution the existence of the corporation ceases, except as otherwise provided in this section, and its name shall be available to and may be adopted by another corporation no less than six months after the dissolution.

(e) A corporation dissolved under this section may be reinstated within two years from the date of the certificate of involuntary dissolution if it is established to the satisfaction of the commissioner that in fact there was no cause for the dissolution, or if the neglect, omission, delinquency, or noncompliance resulting in dissolution has been corrected and payment made of double the amount delinquent along with the amount the corporation would have paid had it not been dissolved during the two-year period. Reinstatement may not be authorized if the same or a deceptively similar corporate, reserved, or registered name is currently on file with the commissioner, unless the corporation being reinstated amends its articles of incorporation to change its name to conform with the provisions of this chapter.

(f) Nothing in this section relieves a corporation reinstated under this section from penalty or forfeiture of its powers in a case of failure to pay subsequently accruing licenses and taxes imposed by a law of the state.

(g) An action arising out of a contract assigned by a corporation dissolved under this section may be brought in the name of the assignee. The fact of assignment and of purchase by the plaintiff shall be set out in the complaint or other process. The defense may avail itself of any defense the defense might have availed itself of in a suit upon the claim by the corporation had it not been dissolved under this section.

(h) Service of process on a corporation dissolved under this section shall be made in the same manner prescribed by law as if the corporation had not been dissolved.

Sec. 10.06.635. Commissioner's authority to bring action for involuntary dissolution; grounds; relief. (a) In addition to other remedies provided by law, a corporation may be dissolved involuntarily by a decree of the superior court in an action filed by the commissioner when it is established that the corporation has

- (1) procured its certificate of incorporation through fraud;
- (2) continued to exceed or abuse the authority conferred upon it by law;
- (3) seriously violated a statute regulating corporations; or
- (4) violated a provision of law by an act or default that under the law is a ground for forfeiture of corporate existence.

(b) The court may order dissolution or other or partial relief as it considers just and expedient. The court also may appoint a receiver under AS 10.06.643 for winding up the affairs of the corporation or may order that the corporation be wound up by its board subject to the supervision of the court.

Sec. 10.06.638. Jurisdiction and process for commissioner's action. (a) An action for the involuntary dissolution of a corporation under AS 10.06.635 shall be commenced by the commissioner in the superior court.

(b) Summons shall issue and be served as in civil actions. If no registered agent or office is found to serve, the commissioner shall publish notice as in civil cases in a newspaper published in the judicial district where the registered office of the corporation is situated, containing a notice of the pendency of the action, the title of the court, the title of the action, and the date on or after which default may be entered. The commissioner may include in one notice the names of any number of corporations against which actions are pending in the same court.

(c) The commissioner shall mail a copy of the notice to an office of the corporation, if one is known, within 10 days after the first publication of the notice.

(d) Notice shall be published at least once each week for two successive weeks, and the first publication

Sec. 10.06.670. Distribution in money or in kind; installments. Distribution of assets may be made in money, in property, or in securities and either in installments or as a whole, if the distribution is done fairly and ratably and in conformity with the articles of incorporation and the rights of the shareholders, and shall be made as soon as reasonably consistent with the beneficial liquidation of the corporate assets.

Sec. 10.06.673. Plan of distribution; adoption; binding effect; notice; payment to dissenting shareholders; abandonment. (a) If a corporation in the process of winding up has both preferred and common shares outstanding, a plan of distribution of the shares, obligations, or securities of another corporation, or of the assets of the corporation, other than money, that is not in accordance with the liquidation rights of the preferred shares as specified in the articles of incorporation may be adopted if approved by the board and by approval of the outstanding shares of each class. The plan may provide that the distribution is in complete or partial satisfaction of the rights of the preferred shareholders upon distribution and liquidation of the assets.

(b) A plan of distribution approved under (a) of this section is binding upon the shareholders except as provided in (c) of this section. The board shall mail notice of the adoption of the plan within 20 days after its adoption to all holders of shares having a liquidation preference.

(c) Shareholders having a liquidation preference who dissent from the plan of distribution are entitled to be paid the amount of their liquidation preference in cash if they file written demand for payment with the corporation within 30 days after the date of mailing of the notice of the adoption of the plan of distribution unless the plan of distribution is abandoned. The demand shall state the number and class of the shares held of record by the shareholder for which the shareholder claims payment.

(d) If a demand for cash payment is filed under (c) of this section, the board in its discretion may abandon the plan without further approval by the outstanding shares and the shareholders shall be entitled to distribution according to their rights and liquidation preferences in the process of winding up.

Sec. 10.06.675. Recovery of amounts improperly distributed. (a) If a distribution of assets has been made in the process of winding up a corporation without a court order and without prior payment or adequate provision for payment of the debts and liabilities of the corporation, the amount improperly distributed to a shareholder may be recovered by the corporation. Shareholders who received an improper distribution may be joined as a party in the same action.

(b) Suit may be brought in the name of the corporation to enforce the liability under (a) of this section against a shareholder receiving an improper distribution by a creditor of the corporation, whether or not the creditor has reduced the claim of the creditor to judgment.

(c) A shareholder who satisfies a liability under this section has the right of ratable contribution from other distributees who are similarly liable. A shareholder who has been compelled to return to the corporation more than the shareholder's ratable share of the amount needed to pay the debts and liabilities of the corporation may require that the corporation recover from any or all of the other distributees the proportion of the amounts received by them by the improper distribution necessary to give contribution to shareholders held liable under this section and to make the distribution of the assets fair and ratable, according to the respective rights and preferences of the shares, after payment or adequate provision for payment of all the debts and liabilities of the corporation.

(d) In this section, "process of winding up" includes proceedings under AS 10.06.605 - 10.06.678 and other distributions of assets to shareholders made in contemplation of termination or abandonment of the corporate business.

Sec. 10.06.678. Continued existence of dissolved corporations; purposes; abatement of actions; distribution of omitted assets. (a) A corporation that is dissolved voluntarily or involuntarily continues to exist for the purpose of winding up its affairs, defending actions against it, and enabling it to collect and discharge obligations, dispose of and convey its property, and collect and divide its assets. A dissolved corporation does not continue to exist for the purpose of continuing business except so far as necessary for winding up the business.

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(b) An action or proceeding to which a corporation is a party does not abate by the dissolution of the corporation or by reason of proceedings for winding up and dissolution of the corporation. A corporation that is dissolved voluntarily or involuntarily may not commence a court action, except for a court action under AS 10.06.675.

(c) Assets inadvertently or otherwise omitted from the winding up continue as assets of the dissolved corporation for the benefit of persons entitled to the assets upon dissolution of the corporation and on realization the assets shall be distributed to the persons entitled.

(d) The directors of the corporation on the date of its dissolution or as determined under AS 10.06.663 shall exercise and enjoy the powers necessary to act under the terms of this section.

Article 10. Foreign Corporations.

Section

- 705. Admission of foreign corporation
- 710. Liability for transacting business without certificate of authority
- 713. Transacting business without certificate of authority as a bar to right to sue
- 715. Transacting business without certificate of authority not affecting contracts and right to defend action
- 718. Activities not constituting transacting business in this state
- 720. Corporate name of foreign corporation
- 723. Assumed corporate name
- 725. Change of name by foreign corporation
- 728. Application for certificate of authority
- 730. Contents of application
- 733. Execution and filing of application for certificate of authority
- 735. Effect of certificate of authority
- 738. Amended certificate of authority
- 740. Powers of foreign corporation
- 743. Revocation of certificate of authority
- 745. Limitation on revocation of certificate of authority
- 748. Issuance of certificate of revocation
- 750. Effect of certificate of revocation
- 753. Registered office and registered agent of foreign corporation
- 758. Change of registered office or registered agent of foreign corporation
- 760. Filing of statement of change
- 763. Service of process on foreign corporation
- 765. Service on commissioner
- 768. Records kept by commissioner
- 770. Procedure not exclusive
- 775. Organic change of foreign corporation
- 778. Withdrawal of foreign corporation
- 780. Contents of application for withdrawal
- 783. Form of application for withdrawal
- 785. Filing of application for withdrawal
- 788. Effect of certificate of withdrawal

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Sec. 10.06.705. Admission of foreign corporation. A foreign corporation may not transact business in this state until it has been issued a certificate of authority by the commissioner. A foreign corporation may not be issued a certificate of authority to transact business in this state that a corporation organized under this chapter is not permitted to transact. A foreign corporation may not be denied a certificate of authority because the laws of the state or country under which it is organized governing its organization and internal affairs differ from the laws of this state.

Public hearing on HB 101
3/3/99
Utilities Restructuring Committee

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HOUSE BILL NO. 101

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE MORGAN

Introduced: 2/19/99

Referred: House Special Committee on Utility Restructuring, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the reinstatement of corporations that are public utilities; and
2 providing for an effective date."

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

4 * Section 1. Reinstatement of public utility corporations. Notwithstanding
5 AS 10.06.633(e), a corporation that is a public utility, that has been involuntarily dissolved
6 by the commissioner under AS 10.06.633, and that has failed to apply for reinstatement during
7 the period established under AS 10.06.633(e) may be reinstated under AS 10.06.633(e) on or
8 before December 31, 1999. A reinstatement authorized under this section is retroactive to the
9 date of the involuntary dissolution, and the reinstated corporation and its shareholders have
10 all of the rights, privileges, liabilities, and obligations that would have applied to them if the
11 corporation had not been dissolved. If a corporation elects to seek reinstatement under this
12 section and if the corporation's previously used corporate name is no longer available for use
13 by the corporation, then, notwithstanding AS 10.06.502 - 10.06.510, an amendment to the
14 articles of incorporation changing the previously used corporate name may be adopted by

1 action of the corporation's board of directors alone. In this section, "public utility" has the
2 meaning given in AS 42.05.990.

3 * **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

Alaska State Legislature

SESSION

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Representative Carl M. Morgan, Jr. District 36

Sponsor Statement HB 101

**"An Act relating to the reinstatement of corporations that are public utilities;
and providing for an effective date"**

This legislation is a vehicle to allow the Alaska Department of Commerce and Economic Development the discretion to reinstate, as a corporation, a local exchange (telecommunications) company that serves several communities in western Alaska.

After reviewing the facts and circumstances surrounding the issue, I hope that you will agree that this measure warrants our attention and support. The following are the facts surrounding the involuntary dissolution of Bush-Tell.

Bush-Tell is a small, rural local exchange telephone company located in Aniak, Alaska, which provides local exchange telephone service to ten small villages in Western Alaska. Bush-Tell was incorporated on November 10, 1969 and has been providing telecommunications service since 1970. Mr. Harry "Eob" Colliver, Jr., the President and sole shareholder of Bush-Tell, recently contacted the Alaska Division of Banking, Securities & Corporations to find out about registering a "dba" and was informed that Bush-Tell was no longer registered as a corporation with the division. Bush-Tell had been involuntarily dissolved in 1993 for failing to file its biennial report and/or failing to pay its biennial corporate tax for the period ending December 31, 1992. Upon investigation, it was discovered that Bush-Tell's registered agent had failed to follow the proper statutory procedures for resigning as a registered agent and that his omissions resulted in the involuntary dissolution of Bush-Tell.

Bush-Tell's designated agent was a sole practitioner in Anchorage, Alaska who also served as Bush-Tell's general counsel. In the early 1980's, Bush-Tell hired another law firm to do its legal work but continued to retain the sole practitioner as its registered agent. The forms for Bush-Tell's biennial reports were sent to the registered agent and were filed by the registered agent up to and including the period ending December 31, 1990.

In 1991, the registered agent left the private practice of law, closed his office and left a forwarding address for his mail with the U.S. Postal Service. The registered agent did not inform the Alaska Division of Banking, Securities & Corporations that his address was changing or that he was resigning as Bush-Tell's registered agent. Alaska Statute 10.06.170(b) requires that, if a registered agent resigns, the registered must file a

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Sponsor Statement
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written notice with the commissioner setting out the latest address of the principal office of the corporation and the names, addresses and titles of the most recent officers of the corporation. The commission must then immediately mail a copy of the notice to the corporation at its principal office.

On July 12, 1993, the Alaska Division of Banking, Securities & Corporations sent a notice by certified mail to Bush-Tell, care of the registered agent, informing Bush-Tell that it had not filed its biennial report and/or tax for the period ending December 31, 1992 and that, if the biennial report and/or tax are not mailed by September 19, 1993, the Certificate of Involuntary Dissolution will be issued and the corporation will cease to exist as of September 20, 1993. This notice was returned to the Alaska Division Banking, Securities & Corporations because the register agent's forwarding notice had expired. On September 20, 1993, Bush-Tell was involuntarily dissolved.

Since the time of dissolution, and even after discovering the involuntary dissolution, Bush-Tell has observed all of the corporate procedures required by its Bylaws and Alaska law including holding regular board of directors meetings and paying corporate income tax.

I urge your support of HB 101.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 101

Revision Date/Time (Note if correction) _____ Dept. Affected Commerce & Econ. Dev.
 Title Corporate Public Utility Reinstatement BRU Banking, Securities and Corporations
 Component Banking, Securities and Corporations
 Sponsor Rep. Morgan
 Requester House URS Component Serial No. 1233

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
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 ()	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						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by Franklin T. Elder, Director Phone 465-2521
 Division Banking, Securities and Corporations Date/Time 3/1/99 3:58 PM
 Approved by Commissioner Deborah B. Sedwick Date 3/1/99
 Agency Commerce and Economic Development

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STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, AND CORPORATIONS

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HOUSE BILL NO. 101

REINSTATEMENT OF PUBLIC UTILITY CORPORATIONS

In reviewing HB 101, the Division of Banking, Securities and Corporations supports the language and intent of this bill. Indeed, the Division feels that it is in the best interest of the State of Alaska to continue to help keep entities active and in good standing with the State. Public utility corporations provide important public services to citizens of Alaska.

In the past, it has been the Division's policy to send statutorily required biennial reports to a corporation's, or an entity's, registered agent. Corporations complete the report and return it with any required taxes or fees to the Division. Receipt of these completed reports and fees by this Division determine the compliance of each entity. However, an episode occurred a couple of years ago in which a service company, who acts as registered agent for a large number of Alaska corporations, misplaced a large number of reports. Because of this episode, the Division changed policy and started sending these reports to the principal business address of each corporation. Unfortunately, not all corporations keep the Division apprised of their address changes. Therefore, for those reports that are returned as undeliverable by the U. S. Post Office, the Division resends the report to the registered agent. We have increased our diligence in working with corporations to avoid to the maximum extent possible inadvertent dissolving of businesses.

Alaska Telephone Association

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David Fauske
President

James Rowe
Executive Director

BY FACSIMILE

The Honorable Bill Hudson, Chairman
House Utility Restructuring Committee
State Capitol
Juneau, Alaska 99801

Re: H.B. 101

Dear Representative Hudson:

I am writing in support of H.B. 101, which is the reinstatement of public utility corporations. The Alaska Telephone Association supports this measure because of its importance to local telephone service provider Bush-Tell, Inc.

The current ownership and management of Bush-Tell, Inc. has been the same since its inception in 1969. Since that time the corporation has provided service, often in challenging conditions, to many small communities in western Alaska, including Aniak, Red Devil, Crooked Creek, Shageluk, Sleetmute and Stony River. This corporation has always done an outstanding job of providing reliable telecommunications services while being an integral part of the community and good corporate citizen.

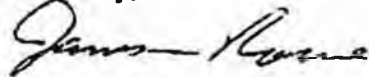
Through a set of unfortunate circumstances Bush-Tell, Inc. was involuntarily dissolved in 1993. Even after learning of the involuntary dissolution last summer, Bush-Tell continued to hold Board meetings, conduct business, pay all corporate income taxes, and conduct its affairs as if it had not been dissolved.

Upon discovering that it had been involuntarily dissolved, Bush-Tell, Inc. approached the Department of Commerce and learned that it would take an act of the Legislature to obtain reinstatement.

Given this unique set of circumstances and the excellent record that Bush-Tell, Inc. has in providing telephone service in rural Alaska, I hope that the Legislature recognizes the importance of Bush-Tell to its customers and quickly passes this legislation. The members of the Alaska Telephone Association believe that Bush-Tell, Inc. has in the past and will in the future provide a very necessary public service.

Thank you for your consideration.

Sincerely,



James Rowe



BUSH-TELL, INC.

Box 109 • Aniak, Alaska 99557 • (907) 876-4311

The Honorable Bill Hudson, Chairman
House Utility Restructuring Committee
State Capitol
Juneau, Alaska 99801

Re: H.B. 101

Dear Representative Hudson:

I am President and sole shareholder of Bush-Tell, a small, rural local exchange telephone company located in Aniak, Alaska. Bush-Tell, Inc. provides local exchange telephone service to ten small villages in Western Alaska.

I moved to Alaska in 1958 and worked as a technician providing maintenance and operations services to the White Alice Communications system from 1958 to 1978. I started Bush-Tell in 1969 and worked as both the full-time manager of Bush-Tell and as a technician on the White Alice Communications and have since devoted all of my time to managing Bush-Tell. I have lived in Aniak for approximately 39 years.

This year, I contacted the Alaska Division of Corporations to find out about registering as a "dba" and was informed that Bush-Tell was no longer registered as a corporation with the Alaska Division of Corporations. I further learned that Bush-Tell had been involuntarily dissolved in September 1993 for failing to file its biennial report and/or failing to pay its biennial corporate tax for the period ending December 31, 1992, that Bush-Tell's registered agent failed to follow the proper statutory procedures for resigning as a registered agent and that his omissions resulted in the involuntary dissolution of Bush-Tell in 1993. (The State did not send any notices to me informing me that Bush-Tell had not filed its biennial report and/or paid the biennial corporate tax for the period ending December 31, 1992 and that, if the biennial report and/or tax were not mailed by September 19, 1993, the certificate of Involuntary Dissolution would be issued and the corporation would cease to exist as of September 20, 1993.)

Since the time of dissolution, and even after discovering the involuntary dissolution, Bush-Tell has observed all of the corporate procedures required by its Bylaws and Alaska law including holding regular board of directors meetings and paying corporate income taxes.

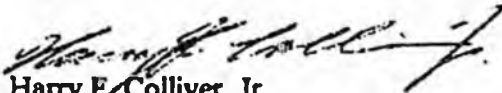
My company performs a necessary public service, especially for residents of rural Alaska. Telecommunications services are vital for emergencies, for businesses and for a full range of human and social needs. Bush-Tell, Inc. has provided an outstanding job in providing service in rural Alaska, and its corporate dissolution took place through no fault of mine or any of my

employees. Rather, the dissolution arose out of the neglect of a registered corporate agent.

Upon learning of Bush-Tell's involuntary dissolution, I sought reinstatement from the Alaska Department of Commerce. However, the Department of Commerce advised me that it was unable to reinstate Bush-Tell because too much time had passed and that a legislative enactment would be required. I understand that the Alaska Legislature has passed similar legislation in the past. Under the circumstance, I am hopeful that the Alaska Legislature would pass H.B. 101.

Thank you for consideration of this matter, which is extremely important to my customers and to me,

Sincerely,



Harry E. Colliver, Jr.
President, Bush-Tell, Inc.

Public hearing on HB 101
3/3/99
Utilities Restructuring Committee

Contents

HB 101 "reinstatement of corporations that are public utilities"

Sponsor statement by Rep. Morgan

Fiscal note

Comments by AK Telephone Assn.

Comments by Bush-Tell inc.

HOUSE BILL NO. 101

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE MORGAN

Introduced: 2/19/99

Referred: House Special Committee on Utility Restructuring, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the reinstatement of corporations that are public utilities; and
2 providing for an effective date."

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

4 * Section 1. Reinstatement of public utility corporations. Notwithstanding
5 AS 10.06.633(e), a corporation that is a public utility, that has been involuntarily dissolved
6 by the commissioner under AS 10.06.633, and that has failed to apply for reinstatement during
7 the period established under AS 10.06.633(e) may be reinstated under AS 10.06.633(e) on or
8 before December 31, 1999. A reinstatement authorized under this section is retroactive to the
9 date of the involuntary dissolution, and the reinstated corporation and its shareholders have
10 all of the rights, privileges, liabilities, and obligations that would have applied to them if the
11 corporation had not been dissolved. If a corporation elects to seek reinstatement under this
12 section and if the corporation's previously used corporate name is no longer available for use
13 by the corporation, then, notwithstanding AS 10.06.502 - 10.06.510, an amendment to the
14 articles of incorporation changing the previously used corporate name may be adopted by

1 action of the corporation's board of directors alone. In this section, "public utility" has the
2 meaning given in AS 42.05.990.

3 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Alaska State Legislature

SESSION

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Fax: 907-465-2197
Toll Free: 800-491-4527
E-mail: Representative_Carl_Morgan@legis.state.ak.us

MEMBER

Community & Regional Affairs Committee
Health, Education & Social Services Committee
House Resources Committee
Special Committee on Fisheries



INTERIM

P.O. Box 243
Aniak, Alaska 99557
Phone: 907-675-4413

Representative Carl M. Morgan, Jr. District 36

Sponsor Statement HB 101

**"An Act relating to the reinstatement of corporations that are public utilities;
and providing for an effective date"**

This legislation is a vehicle to allow the Alaska Department of Commerce and Economic Development the discretion to reinstate, as a corporation, a local exchange (telecommunications) company that serves several communities in western Alaska.

After reviewing the facts and circumstances surrounding the issue, I hope that you will agree that this measure warrants our attention and support. The following are the facts surrounding the involuntary dissolution of Bush-Tell.

Bush-Tell is a small, rural local exchange telephone company located in Aniak, Alaska, which provides local exchange telephone service to ten small villages in Western Alaska. Bush-Tell was incorporated on November 10, 1969 and has been providing telecommunications service since 1970. Mr. Harry "Bob" Colliver, Jr., the President and sole shareholder of Bush-Tell, recently contacted the Alaska Division of Banking, Securities & Corporations to find out about registering a "dba" and was informed that Bush-Tell was no longer registered as a corporation with the division. Bush-Tell had been involuntarily dissolved in 1993 for failing to file its biennial report and/or failing to pay its biennial corporate tax for the period ending December 31, 1992. Upon investigation, it was discovered that Bush-Tell's registered agent had failed to follow the proper statutory procedures for resigning as a registered agent and that his omissions resulted in the involuntary dissolution of Bush-Tell.

Bush-Tell's designated agent was a sole practitioner in Anchorage, Alaska who also served as Bush-Tell's general counsel. In the early 1980's, Bush-Tell hired another law firm to do its legal work but continued to retain the sole practitioner as its registered agent. The forms for Bush-Tell's biennial reports were sent to the registered agent and were filed by the registered agent up to and including the period ending December 31, 1990.

In 1991, the registered agent left the private practice of law, closed his office and left a forwarding address for his mail with the U.S. Postal Service. The registered agent did not inform the Alaska Division of Banking, Securities & Corporations that his address was changing or that he was resigning as Bush-Tell's registered agent. Alaska Statute 10.06.170(b) requires that, if a registered agent resigns, the registered must file a

Page Two
Sponsor Statement
HB 101

written notice with the commissioner setting out the latest address of the principal office of the corporation and the names, addresses and titles of the most recent officers of the corporation. The commission must then immediately mail a copy of the notice to the corporation at its principal office.

On July 12, 1993, the Alaska Division of Banking, Securities & Corporations sent a notice by certified mail to Bush-Tell, care of the registered agent, informing Bush-Tell that it had not filed its biennial report and/or tax for the period ending December 31, 1992 and that, if the biennial report and/or tax are not mailed by September 19, 1993, the Certificate of Involuntary Dissolution will be issued and the corporation will cease to exist as of September 20, 1993. This notice was returned to the Alaska Division Banking, Securities & Corporations because the register agent's forwarding notice had expired. On September 20, 1993, Bush-Tell was involuntarily dissolved.

Since the time of dissolution, and even after discovering the involuntary dissolution, Bush-Tell has observed all of the corporate procedures required by its Bylaws and Alaska law including holding regular board of directors meetings and paying corporate income tax.

I urge your support of HB 101.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 101

Revision Date/Time (Note if correction) _____ Dept. Affected Commerce & Econ. Dev.
 Title Corporate Public Utility Reinstatement BRU Banking, Securities and Corporations
 Component Banking, Securities and Corporations
 Sponsor Rep. Morgan
 Requester House URS Component Serial No. 1233

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by Franklin T. Elder, Director Phone 465-2521
 Division Banking, Securities and Corporations Date/Time 3/1/99 3:58 PM
 Approved by Commissioner Deborah B. Sedwick Date 3/1/99
 Agency Commerce and Economic Development

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STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, AND CORPORATIONS

TONY KNOWLES, GOVERNOR

333 Willoughby Avenue, 9th Floor
P.O. BOX 110808
JUNEAU, ALASKA 99811-0808
Corporation Section (907) 465-2530
Banking & Securities (907) 465-2521

ANCHORAGE

Corporation Information (907) 269-8140
TDD: (907) 465-5437

HOUSE BILL NO. 101

REINSTATEMENT OF PUBLIC UTILITY CORPORATIONS

In reviewing HB 101, the Division of Banking, Securities and Corporations supports the language and intent of this bill. Indeed, the Division feels that it is in the best interest of the State of Alaska to continue to help keep entities active and in good standing with the State. Public utility corporations provide important public services to citizens of Alaska.

In the past, it has been the Division's policy to send statutorily required biennial reports to a corporation's, or an entity's, registered agent. Corporations complete the report and return it with any required taxes or fees to the Division. Receipt of these completed reports and fees by this Division determine the compliance of each entity. However, an episode occurred a couple of years ago in which a service company, who acts as registered agent for a large number of Alaska corporations, misplaced a large number of reports. Because of this episode, the Division changed policy and started sending these reports to the principal business address of each corporation. Unfortunately, not all corporations keep the Division apprised of their address changes. Therefore, for those reports that are returned as undeliverable by the U. S. Post Office, the Division resends the report to the registered agent. We have increased our diligence in working with corporations to avoid to the maximum extent possible inadvertent dissolving of businesses.

Alaska Telephone Association

201 E. 56th, Suite 114
Anchorage, AK 99518
(907) 563-4000
FAX (907) 562-3776

David Fauske
President

James Rowe
Executive Director

BY FACSIMILE

The Honorable Bill Hudson, Chairman
House Utility Restructuring Committee
State Capitol
Juneau, Alaska 99801

Re: H.B. 101

Dear Representative Hudson:

I am writing in support of H.B. 101, which is the reinstatement of public utility corporations. The Alaska Telephone Association supports this measure because of its importance to local telephone service provider Bush-Tell, Inc.

The current ownership and management of Bush-Tell, Inc. has been the same since its inception in 1969. Since that time the corporation has provided service, often in challenging conditions, to many small communities in western Alaska, including Aniak, Red Devil, Crooked Creek, Shageluk, Sleetmute and Stony River. This corporation has always done an outstanding job of providing reliable telecommunications services while being an integral part of the community and good corporate citizen.

Through a set of unfortunate circumstances Bush-Tell, Inc. was involuntarily dissolved in 1993. Even after learning of the involuntary dissolution last summer, Bush-Tell continued to hold Board meetings, conduct business, pay all corporate income taxes, and conduct its affairs as if it had not been dissolved.

Upon discovering that it had been involuntarily dissolved, Bush-Tell, Inc. approached the Department of Commerce and learned that it would take an act of the Legislature to obtain reinstatement.

Given this unique set of circumstances and the excellent record that Bush-Tell, Inc. has in providing telephone service in rural Alaska, I hope that the Legislature recognizes the importance of Bush-Tell to its customers and quickly passes this legislation. The members of the Alaska Telephone Association believe that Bush-Tell, Inc. has in the past and will in the future provide a very necessary public service.

Thank you for your consideration.

Sincerely,



James Rowe



BUSH-TELL, INC.

Box 100 • Aniak, Alaska 99557 • (907) 875-4311

The Honorable Bill Hudson, Chairman
House Utility Restructuring Committee
State Capitol
Juneau, Alaska 99801

Re: H.B. 101

Dear Representative Hudson:

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I moved to Alaska in 1958 and worked as a technician providing maintenance and operations services to the White Alice Communications system from 1958 to 1978. I started Bush-Tell in 1969 and worked as both the full-time manager of Bush-Tell and as a technician on the White Alice Communications and have since devoted all of my time to managing Bush-Tell. I have lived in Aniak for approximately 39 years.

This year, I contacted the Alaska Division of Corporations to find out about registering as a "dba" and was informed that Bush-Tell was no longer registered as a corporation with the Alaska Division of Corporations. I further learned that Bush-Tell had been involuntarily dissolved in September 1993 for failing to file its biennial report and/or failing to pay its biennial corporate tax for the period ending December 31, 1992, that Bush-Tell's registered agent failed to follow the proper statutory procedures for resigning as a registered agent and that his omissions resulted in the involuntary dissolution of Bush-Tell in 1993. (The State did not send any notices to me informing me that Bush-Tell had not filed its biennial report and/or paid the biennial corporate tax for the period ending December 31, 1992 and that, if the biennial report and/or tax were not mailed by September 19, 1993, the certificate of Involuntary Dissolution would be issued and the corporation would cease to exist as of September 20, 1993.)

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employees. Rather, the dissolution arose out of the neglect of a registered corporate agent.

Upon learning of Bush-Tell's involuntary dissolution, I sought reinstatement from the Alaska Department of Commerce. However, the Department of Commerce advised me that it was unable to reinstate Bush-Tell because too much time had passed and that a legislative enactment would be required. I understand that the Alaska Legislature has passed similar legislation in the past. Under the circumstance, I am hopeful that the Alaska Legislature would pass H.B. 101.

Thank you for consideration of this matter, which is extremely important to my customers and to me,

Sincerely,


Harry E. Colliver, Jr.
President, Bush-Tell, Inc.



INTERIOR TELEPHONE CO., INC.

MUKLUK TELEPHONE CO., INC.

TelHAWAII, INC.

TELALASKA LONG DISTANCE, INC.

EYECOM, INC.

TELALASKANET

2121 Abbott Road
Anchorage, Alaska 99507
(907) 349-2400
Fax (907) 349-1858

March 1, 1999

MAR 2 1999

The Honorable Bill Hudson, Chairman
House Utility Restructuring Committee
State Capitol, Room 108
Juneau AK 99801

Via Facsimile: (907) 465-2273

Regarding: H.B. 101

Dear Representative Hudson:

I am writing in support of H.B. 101, a bill to reinstate public utility corporations. I am the President and Chairman of TelAlaska, Inc. which, through some of its subsidiaries, provides local telephone service in rural America. I support H.B. 101 because of its importance to Bush-Tell, Inc., another rural telephone company.

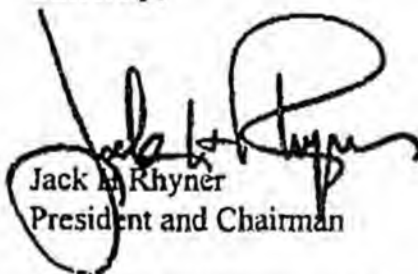
Bush-Tell, Inc. has done an outstanding job of providing rural local exchange service. However, through an unfortunate set of circumstances that were outside the control of Bush-Tell, Bush-Tell was apparently dissolved involuntarily in 1993. My understanding is that an act of the Legislature is now required to reinstate Bush-Tell.

Since the time of dissolution, and even after discovering the involuntary dissolution, I have been advised that Bush-Tell has observed all of the corporate procedures required by its Bylaws and Alaska law. This includes the holding of regular board of directors meetings and paying corporate income taxes.

Bush-Tell performs critical public functions, and has unfortunately been dissolved through a unique set of circumstances. TelAlaska, Inc. strongly supports the passage of H.B. 101, and I hope the Legislature will enact it.

Thank you for your consideration of H.B. 101.

Sincerely,



Jack A. Rhyner
President and Chairman

Attn: Walt Wilcox

Re: Corrected fees for reinstatement of Bush-Tel - HB101

A.	Pay biennial company tax for 1993-94	100.00
B.	Penalty for nonpayment of company tax 1993	25.00
C.	Penalty for nonpayment of company tax 1994	25.00
D.	Penalty for nonpayment of company tax 1995	25.00
E.	Penalty for non-filing of biennial report 1993	17.50 (10%)
F.	Pay biennial company tax for 1995-96	100.00
G.	Penalty for nonpayment of company tax 1995	25.00
H.	Penalty for nonpayment of company tax 1996	25.00
I.	Penalty for non-filing of biennial report 1995	15.00 (10%)
J.	Pay biennial company tax for 1997-1998	100.00
K.	Penalty for nonpayment of company tax 1997	25.00
L.	Penalty for nonpayment of company tax 1998	25.00
M.	Penalty for non-filing of biennial report 1997	17.50 (10%)
N.	Pay biennial company tax for 1999-2000	100.00
O.	Penalty for nonpayment of company tax 1999	25.00
P.	Penalty for non-filing of biennial report 1999	<u>12.50 (10%)</u>
	Total	662.50
	Penalty to reinstate (double fee)	<u>662.50</u>
	Total to reinstate	1325.00

The above totals are based on the following:

Company Involuntarily Dissolved on 9/28/98 (Reinstate after 1/1/00)

Pay fees totaling \$522.50:

A.	Pay biennial company tax for 1997-98	\$100.00
B.	Penalty for nonpayment of company tax 1997	\$25.00
C.	Penalty for nonpayment of company tax 1998	\$25.00
D.	Penalty for nonpayment of company tax 1999	\$25.00
E.	Penalty for non-filing of biennial report 1997	\$17.50
F.	Penalty to reinstate	\$192.50
G.	Pay biennial company tax for 1999-00	\$100.00
H.	Penalty for nonpayment of company tax 1999	\$25.00
I.	Penalty for non-filing of biennial report 1999	<u>\$12.50</u>
	TOTAL	<u>\$522.50*</u>

Public hearing on HB 101
3/3/99
Utilities Restructuring Committee

Contents

HB 101 "reinstatement of corporations that are public utilities"

Sponsor statement by Rep. Morgan

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Alaska State Legislature

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MEMBER

Community & Regional Affairs Committee
Health, Education & Social Services Committee
House Resources Committee
Special Committee on Fisheries



INTERIM

P.O. Box 243
Aniak, Alaska 99557
Phone: 907-675-4413

Representative Carl M. Morgan, Jr. District 36

Sponsor Statement HB 101

**"An Act relating to the reinstatement of corporations that are public utilities;
and providing for an effective date"**

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Bush-Tell is a small, rural local exchange telephone company located in Aniak, Alaska, which provides local exchange telephone service to ten small villages in Western Alaska. Bush-Tell was incorporated on November 10, 1969 and has been providing telecommunications service since 1970. Mr. Harry "Bob" Colliver, Jr., the President and sole shareholder of Bush-Tell, recently contacted the Alaska Division of Banking, Securities & Corporations to find out about registering a "dba" and was informed that Bush-Tell was no longer registered as a corporation with the division. Bush-Tell had been involuntarily dissolved in 1993 for failing to file its biennial report and/or failing to pay its biennial corporate tax for the period ending December 31, 1992. Upon investigation, it was discovered that Bush-Tell's registered agent had failed to follow the proper statutory procedures for resigning as a registered agent and that his omissions resulted in the involuntary dissolution of Bush-Tell.

Bush-Tell's designated agent was a sole practitioner in Anchorage, Alaska who also served as Bush-Tell's general counsel. In the early 1980's, Bush-Tell hired another law firm to do its legal work but continued to retain the sole practitioner as its registered agent. The forms for Bush-Tell's biennial reports were sent to the registered agent and were filed by the registered agent up to and including the period ending December 31, 1990.

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Page Two
Sponsor Statement
HB 101

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Since the time of dissolution, and even after discovering the involuntary dissolution, Bush-Tell has observed all of the corporate procedures required by its Bylaws and Alaska law including holding regular board of directors meetings and paying corporate income tax.

I urge your support of HB 101.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 101

Revision Date/Time (Note if correction) _____ Dept. Affected Commerce & Econ Dev
 Title Corporate Public Utility Reinstatement BRU Banking, Securities and Corporations
 Component Banking, Securities and Corporations
 Sponsor Rep. Morgan
 Requester House URS Component Serial No. 1233

Expenditures/Revenues (Thousands of Dollars)

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

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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
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by Franklin T. Elder, Director Phone 465-2521
 Division Banking, Securities and Corporations Date/Time 3/1/99 3:58 PM
 Approved by Commissioner Deborah B. Sedwick Date 2/1/99
 Agency Commerce and Economic Development

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STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, AND CORPORATIONS

TONY KNOWLES, GOVERNOR

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Banking & Securities (907) 465-2521

ANCHORAGE
Corporation Information (907) 269-8145
TDD: (907) 465-5437

HOUSE BILL NO. 101

REINSTATEMENT OF PUBLIC UTILITY CORPORATIONS

In reviewing HB 101, the Division of Banking, Securities and Corporations supports the language and intent of this bill. Indeed, the Division feels that it is in the best interest of the State of Alaska to continue to help keep entities active and in good standing with the State. Public utility corporations provide important public services to citizens of Alaska.

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Alaska Telephone Association

201 E. 56th, Suite 114
Anchorage, AK 99518
(907) 563-4000
FAX (907) 562-3776

David Fauske
President

James Rowe
Executive Director

BY FACSIMILE

The Honorable Bill Hudson, Chairman
House Utility Restructuring Committee
State Capitol
Juneau, Alaska 99801

Re: H.B. 101

Dear Representative Hudson:

I am writing in support of H.B. 101, which is the reinstatement of public utility corporations. The Alaska Telephone Association supports this measure because of its importance to local telephone service provider Bush-Tell, Inc.

The current ownership and management of Bush-Tell, Inc. has been the same since its inception in 1969. Since that time the corporation has provided service, often in challenging conditions, to many small communities in western Alaska, including Aniak, Red Devil, Crooked Creek, Shageluk, Sleetmute and Stony River. This corporation has always done an outstanding job of providing reliable telecommunications services while being an integral part of the community and good corporate citizen.

Through a set of unfortunate circumstances Bush-Tell, Inc. was involuntarily dissolved in 1993. Even after learning of the involuntary dissolution last summer, Bush-Tell continued to hold Board meetings, conduct business, pay all corporate income taxes, and conduct its affairs as if it had not been dissolved.

Upon discovering that it had been involuntarily dissolved, Bush-Tell, Inc. approached the Department of Commerce and learned that it would take an act of the Legislature to obtain reinstatement.

Given this unique set of circumstances and the excellent record that Bush-Tell, Inc. has in providing telephone service in rural Alaska, I hope that the Legislature recognizes the importance of Bush-Tell to its customers and quickly passes this legislation. The members of the Alaska Telephone Association believe that Bush-Tell, Inc. has in the past and will in the future provide a very necessary public service.

Thank you for your consideration.

Sincerely,



James Rowe



BUSH-TELL, INC.

Box 108 • Aniak, Alaska 99557 • (907) 875-4311

The Honorable Bill Hudson, Chairman
House Utility Restructuring Committee
State Capitol
Juneau, Alaska 99801

Re: H.B. 101

Dear Representative Hudson:

I am President and sole shareholder of Bush-Tell, a small, rural local exchange telephone company located in Aniak, Alaska. Bush-Tell, Inc. provides local exchange telephone service to ten small villages in Western Alaska.

I moved to Alaska in 1958 and worked as a technician providing maintenance and operations services to the White Alice Communications system from 1958 to 1978. I started Bush-Tell in 1969 and worked as both the full-time manager of Bush-Tell and as a technician on the White Alice Communications and have since devoted all of my time to managing Bush-Tell. I have lived in Aniak for approximately 39 years.

This year, I contacted the Alaska Division of Corporations to find out about registering as a "dba" and was informed that Bush-Tell was no longer registered as a corporation with the Alaska Division of Corporations. I further learned that Bush-Tell had been involuntarily dissolved in September 1993 for failing to file its biennial report and/or failing to pay its biennial corporate tax for the period ending December 31, 1992, that Bush-Tell's registered agent failed to follow the proper statutory procedures for resigning as a registered agent and that his omissions resulted in the involuntary dissolution of Bush-Tell in 1993. (The State did not send any notices to me informing me that Bush-Tell had not filed its biennial report and/or paid the biennial corporate tax for the period ending December 31, 1992 and that, if the biennial report and/or tax were not mailed by September 19, 1993, the certificate of Involuntary Dissolution would be issued and the corporation would cease to exist as of September 20, 1993.)

Since the time of dissolution, and even after discovering the involuntary dissolution, Bush-Tell has observed all of the corporate procedures required by its Bylaws and Alaska law including holding regular board of directors meetings and paying corporate income taxes.

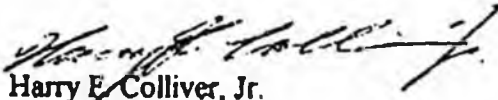
My company performs a necessary public service, especially for residents of rural Alaska. Telecommunications services are vital for emergencies, for businesses and for a full range of human and social needs. Bush-Tell, Inc. has provided an outstanding job in providing service in rural Alaska, and its corporate dissolution took place through no fault of mine or any of my

employees. Rather, the dissolution arose out of the neglect of a registered corporate agent.

Upon learning of Bush-Tell's involuntary dissolution, I sought reinstatement from the Alaska Department of Commerce. However, the Department of Commerce advised me that it was unable to reinstate Bush-Tell because too much time had passed and that a legislative enactment would be required. I understand that the Alaska Legislature has passed similar legislation in the past. Under the circumstance, I am hopeful that the Alaska Legislature would pass H.B. 101.

Thank you for consideration of this matter, which is extremely important to my customers and to me,

Sincerely,



Harry E. Colliver, Jr.
President, Bush-Tell, Inc.



INTERIOR TELEPHONE CO., INC.
MUKILTA TELEPHONE CO., INC.
TELHAWAII, INC.
TELALASKA LONG DISTANCE, INC.
ETECOM, INC.
TELALASKANET

2121 Abbott Road
Anchorage, Alaska 99507
(907) 349-2400
FAX (907) 349-1658

March 1, 1999

MAR 2 1999

The Honorable Bill Hudson, Chairman
House Utility Restructuring Committee
State Capitol, Room 108
Juneau AK 99801

Via Facsimile: (907) 465-2273

Regarding: H.B. 101

Dear Representative Hudson:

I am writing in support of H.B. 101, a bill to reinstate public utility corporations. I am the President and Chairman of TelAlaska, Inc. which, through some of its subsidiaries, provides local telephone service in rural America. I support H.B. 101 because of its importance to Bush-Tell, Inc., another rural telephone company.

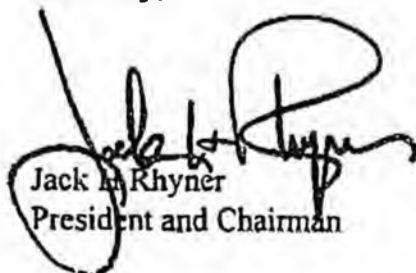
Bush-Tell, Inc. has done an outstanding job of providing rural local exchange service. However, through an unfortunate set of circumstances that were outside the control of Bush-Tell, Bush-Tell was apparently dissolved involuntarily in 1993. My understanding is that an act of the Legislature is now required to reinstate Bush-Tell.

Since the time of dissolution, and even after discovering the involuntary dissolution, I have been advised that Bush-Tell has observed all of the corporate procedures required by its Bylaws and Alaska law. This includes the holding of regular board of directors meetings and paying corporate income taxes.

Bush-Tell performs critical public functions, and has unfortunately been dissolved through a unique set of circumstances. TelAlaska, Inc. strongly supports the passage of H.B. 101, and I hope the Legislature will enact it.

Thank you for your consideration of H.B. 101.

Sincerely,



Jack A. Rhyner
President and Chairman

Attn: Walt Wilcox

Re: Corrected fees for reinstatement of Bush-Tel - HB101

A.	Pay biennial company tax for 1993-94	100.00
B.	Penalty for nonpayment of company tax 1993	25.00
C.	Penalty for nonpayment of company tax 1994	25.00
D.	Penalty for nonpayment of company tax 1995	25.00
E.	Penalty for non-filing of biennial report 1993	17.50 (10%)
F.	Pay biennial company tax for 1995-96	100.00
G.	Penalty for nonpayment of company tax 1995	25.00
H.	Penalty for nonpayment of company tax 1996	25.00
I.	Penalty for non-filing of biennial report 1995	15.00 (10%)
J.	Pay biennial company tax for 1997-1998	100.00
K.	Penalty for nonpayment of company tax 1997	25.00
L.	Penalty for nonpayment of company tax 1998	25.00
M.	Penalty for non-filing of biennial report 1997	17.50 (10%)
N.	Pay biennial company tax for 1999-2000	100.00
O.	Penalty for nonpayment of company tax 1999	25.00
P.	Penalty for non-filing of biennial report 1999	<u>12.50 (10%)</u>
	Total	662.50
	Penalty to reinstate (double fee)	<u>662.50</u>
	Total to reinstate	1325.00

The above totals are based on the following:

Company Involuntarily Dissolved on 9/28/98 (Reinstate after 1/1/00)

Pay fees totaling \$522.50:

A.	Pay biennial company tax for 1997-98	\$100.00
B.	Penalty for nonpayment of company tax 1997	\$25.00
C.	Penalty for nonpayment of company tax 1998	\$25.00
D.	Penalty for nonpayment of company tax 1999	\$25.00
E.	Penalty for non-filing of biennial report 1997	\$17.50
F.	Penalty to reinstate	\$192.50
G.	Pay biennial company tax for 1999-00	\$100.00
H.	Penalty for nonpayment of company tax 1999	\$25.00
I.	Penalty for non-filing of biennial report 1999	<u>\$12.50</u>
	TOTAL	<u>\$522.50*</u>

Public hearing on HB 101
3/3/99
Utilities Restructuring Committee

Contents

HB 101 "reinstatement of corporations that are public utilities"

Sponsor statement by Rep. Morgan

Fiscal note

Comments by AK Telephone Assn.

Comments by Bush-Tell inc.

HOUSE BILL NO. 101

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE MORGAN

Introduced: 2/19/99

Referred: House Special Committee on Utility Restructuring, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the reinstatement of corporations that are public utilities; and
2 providing for an effective date."

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

4 * Section 1. Reinstatement of public utility corporations. Notwithstanding
5 AS 10.06.633(e), a corporation that is a public utility, that has been involuntarily dissolved
6 by the commissioner under AS 10.06.633, and that has failed to apply for reinstatement during
7 the period established under AS 10.06.633(e) may be reinstated under AS 10.06.633(e) on or
8 before December 31, 1999. A reinstatement authorized under this section is retroactive to the
9 date of the involuntary dissolution, and the reinstated corporation and its shareholders have
10 all of the rights, privileges, liabilities, and obligations that would have applied to them if the
11 corporation had not been dissolved. If a corporation elects to seek reinstatement under this
12 section and if the corporation's previously used corporate name is no longer available for use
13 by the corporation, then, notwithstanding AS 10.06.502 - 10.06.510, an amendment to the
14 articles of incorporation changing the previously used corporate name may be adopted by

1 action of the corporation's board of directors alone. In this section, "public utility" has the
2 meaning given in AS 42.05.990.

3 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Alaska State Legislature

SESSION

State Capitol Building, Suite 409
Juneau, Alaska 99801-1182
Phone: 907-465-4527
Fax: 907-465-2197
Toll Free: 800-491-4527
E-mail: Representative_Carl_Morgan@legis.state.ak.us

MEMBER

Community & Regional Affairs Committee
Health, Education & Social Services Committee
House Resources Committee
Special Committee on Fisheries



INTERIM

P.O. Box 243
Aniak, Alaska 99557
Phone: 907-675-4413

Representative Carl M. Morgan, Jr. District 36

Sponsor Statement HB 101

**"An Act relating to the reinstatement of corporations that are public utilities;
and providing for an effective date"**

This legislation is a vehicle to allow the Alaska Department of Commerce and Economic Development the discretion to reinstate, as a corporation, a local exchange (telecommunications) company that serves several communities in western Alaska.

After reviewing the facts and circumstances surrounding the issue, I hope that you will agree that this measure warrants our attention and support. The following are the facts surrounding the involuntary dissolution of Bush-Tell.

Bush-Tell is a small, rural local exchange telephone company located in Aniak, Alaska, which provides local exchange telephone service to ten small villages in Western Alaska. Bush-Tell was incorporated on November 10, 1969 and has been providing telecommunications service since 1970. Mr. Harry "Bob" Colliver, Jr., the President and sole shareholder of Bush-Tell, recently contacted the Alaska Division of Banking, Securities & Corporations to find out about registering a "dba" and was informed that Bush-Tell was no longer registered as a corporation with the division. Bush-Tell had been involuntarily dissolved in 1993 for failing to file its biennial report and/or failing to pay its biennial corporate tax for the period ending December 31, 1992. Upon investigation, it was discovered that Bush-Tell's registered agent had failed to follow the proper statutory procedures for resigning as a registered agent and that his omissions resulted in the involuntary dissolution of Bush-Tell.

Bush-Tell's designated agent was a sole practitioner in Anchorage, Alaska who also served as Bush-Tell's general counsel. In the early 1980's, Bush-Tell hired another law firm to do its legal work but continued to retain the sole practitioner as its registered agent. The forms for Bush-Tell's biennial reports were sent to the registered agent and were filed by the registered agent up to and including the period ending December 31, 1990.

In 1991, the registered agent left the private practice of law, closed his office and left a forwarding address for his mail with the U.S. Postal Service. The registered agent did not inform the Alaska Division of Banking, Securities & Corporations that his address was changing or that he was resigning as Bush-Tell's registered agent. Alaska Statute 10.06.170(b) requires that, if a registered agent resigns, the registered must file a

Page Two
Sponsor Statement
HB 101

written notice with the commissioner setting out the latest address of the principal office of the corporation and the names, addresses and titles of the most recent officers of the corporation. The commission must then immediately mail a copy of the notice to the corporation at its principal office.

On July 12, 1993, the Alaska Division of Banking, Securities & Corporations sent a notice by certified mail to Bush-Tell, care of the registered agent, informing Bush-Tell that it had not filed its biennial report and/or tax for the period ending December 31, 1992 and that, if the biennial report and/or tax are not mailed by September 19, 1993, the Certificate of Involuntary Dissolution will be issued and the corporation will cease to exist as of September 20, 1993. This notice was returned to the Alaska Division Banking, Securities & Corporations because the register agent's forwarding notice had expired. On September 20, 1993, Bush-Tell was involuntarily dissolved.

Since the time of dissolution, and even after discovering the involuntary dissolution, Bush-Tell has observed all of the corporate procedures required by its Bylaws and Alaska law including holding regular board of directors meetings and paying corporate income tax.

I urge your support of HB 101.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 101

Revision Date/Time (Note if correction) _____ Dept. Affected Commerce & Econ. Dev.
 Title Corporate Public Utility Reinstatement BRU Banking, Securities and Corporations
 Component Banking, Securities and Corporations
 Sponsor Rep. Morgan
 Requester House URS Component Serial No. 1233

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
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						
-----------------------------	--	--	--	--	--	--

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						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by Franklin T. Elder, Director Phone 465-2521
 Division Banking, Securities and Corporations Date/Time 3/1/99 3:58 PM
 Approved by Commissioner Deborah B. Sedwick Date 2/1/99
 Agency Commerce and Economic Development

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STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, AND CORPORATIONS

TONY KNOWLES, GOVERNOR

333 Willoughby Avenue, 9th Floor
P.O. BOX 110808
JUNEAU, ALASKA 99811-0808
Corporation Section (907) 465-2530
Banking & Securities (907) 465-2521

ANCHORAGE

Corporation Information (907) 269-8140
TDD: (907) 465-5437

HOUSE BILL NO. 101

REINSTATEMENT OF PUBLIC UTILITY CORPORATIONS

In reviewing HB 101, the Division of Banking, Securities and Corporations supports the language and intent of this bill. Indeed, the Division feels that it is in the best interest of the State of Alaska to continue to help keep entities active and in good standing with the State. Public utility corporations provide important public services to citizens of Alaska.

In the past, it has been the Division's policy to send statutorily required biennial reports to a corporation's, or an entity's, registered agent. Corporations complete the report and return it with any required taxes or fees to the Division. Receipt of these completed reports and fees by this Division determine the compliance of each entity. However, an episode occurred a couple of years ago in which a service company, who acts as registered agent for a large number of Alaska corporations, misplaced a large number of reports. Because of this episode, the Division changed policy and started sending these reports to the principal business address of each corporation. Unfortunately, not all corporations keep the Division apprised of their address changes. Therefore, for those reports that are returned as undeliverable by the U. S. Post Office, the Division resends the report to the registered agent. We have increased our diligence in working with corporations to avoid to the maximum extent possible inadvertent dissolving of businesses.

Alaska Telephone Association

201 E. 56th, Suite 114
Anchorage, AK 99518
(907) 563-4000
FAX (907) 563-3776

David Fauske
President

James Rowe
Executive Director

BY FACSIMILE

The Honorable Bill Hudson, Chairman
House Utility Restructuring Committee
State Capitol
Juneau, Alaska 99801

Re: H.B. 101

Dear Representative Hudson:

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Through a set of unfortunate circumstances Bush-Tell, Inc. was involuntarily dissolved in 1993. Even after learning of the involuntary dissolution last summer, Bush-Tell continued to hold Board meetings, conduct business, pay all corporate income taxes, and conduct its affairs as if it had not been dissolved.

Upon discovering that it had been involuntarily dissolved, Bush-Tell, Inc. approached the Department of Commerce and learned that it would take an act of the Legislature to obtain reinstatement.

Given this unique set of circumstances and the excellent record that Bush-Tell, Inc. has in providing telephone service in rural Alaska, I hope that the Legislature recognizes the importance of Bush-Tell to its customers and quickly passes this legislation. The members of the Alaska Telephone Association believe that Bush-Tell, Inc. has in the past and will in the future provide a very necessary public service.

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James Rowe

**BUSH-TELL, INC.**

Box 109 • Aniak, Alaska 99557 • (907) 875-4311

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State Capitol
Juneau, Alaska 99801

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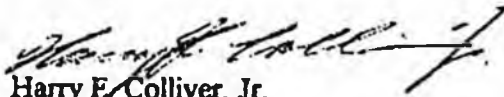
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Sincerely,



Harry F. Colliver, Jr.
President, Bush-Tell, Inc.