

HB

40

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

5/14/99

DATE: 5/10/99

FURTHER:

DATE TURNED
IN TO OFFICE: 5/14/99

Finance Committee considered CS FOR HOUSE BILL NO. 40(FIN) am
DEPT OF COMMERCE & RURAL DEVELOPMENT

and recommends:

- be replaced with 5 CS HB 40 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR# _____

SIGNING DO/PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Handwritten]</i>	✓		
<i>[Signature]</i>	✓	<i>[Handwritten]</i>	X		
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>Various</i>	<i>5/10/99</i>		<i>(3595)</i>

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

5/14/99 No: 3
 Bill Version: CSHB 40(FIN)
 (H) Publish Date: 5/5/99

**STATE OF ALASKA
 1999 LEGISLATIVE SESSION**

Revision Date 4/29/99 1:25 PM
 Title An Act combining parts of the Depts of Commerce &
 Economic Development and Community & Regional Affairs...
 Sponsor Rep. Kohring, et al
 Requester House Finance Committee

Dept. Affected Various
 BRU _____
 Component _____

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	(355.5)					
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(355.5)	***	***	***	***	***

CAPITAL EXPENDITURES	200.0	***				
-----------------------------	--------------	------------	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
1002 Federal Receipts	200.0					
1003 GF Match						
1004 GF	(555.5)					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	(355.5)	***	***	***	***	***

Estimate of any current year (FY99) cost:

POSITIONS

POSITIONS	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Full-time	-5	***	***	***	***	***
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The primary savings will be in the out years. This fiscal note shows the known personnel cost reductions during the initial implementation year. Further reductions are anticipated after all organizational changes are completed - those will be reflected in the FY2001 operating budget. This fiscal note notes initial capital implementation costs of \$200.0, a very minimal amount for some employee moves to bring units together and necessary changes to computer/telephone configurations; some more would be needed in the second year. Also included is a replacement of \$200.0 in GF with Federal Receipts in Rural Energy. Sec. 78(e) specifies that appropriations are to be transferred with the programs being relocated; all program funding is currently contained within the operating budget. The cost savings shown above are based on the following: A) There will be one fewer Commissioner and Executive Secretary positions. (-158.6); B) The vacant Administrative Services Director position (DCRA) will be deleted. (-116.9); C) Other administrative support costs will be reduced by downgrading or eliminating other positions (-80.0)

Prepared by Danith Watts Phone 465-2178
 Division Office of Management and Budget Date/Time 5/4/99 12:11 PM
 Approved by Annalee McConnell, Director Date 05/04/1999
 Agency Office of Management and Budget

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
COMMITTEE COPY For further distribution information, call the Governor's Legislative Off. at

SENATE FINANCE
COMMITTEE #
Amendment Number: 1
Bill Number: HB 40
Sponsor: Toranson Date: 5/11/99
Logged In By: Mindy

moved by Phillips
w/o obj. ADOPTED

II. Insert the following after Bill Section 76:

* **Sec. 77.** AS 47.80.300 is amended to read:

Sec. 47.80.300. Statewide independent living council. There is established the Statewide Independent Living Council. For budgetary purposes, the council is located in the Department of Labor and Workforce Development [EDUCATION]. The Department of Labor and Workforce Development [EDUCATION] shall provide reasonable and necessary professional and technical assistance when requested by the council.

III. Amend Bill Sec. 79 by deleting: "AS 44.29.020(a)(14)".

IV. Amend Bill Section 80 by adding: "AS 44.29.020(a)(14)".

V. Amend Bill Section 92 to read:

* **Sec. 92.** The amendment made to AS 14.35.020(b)(5) by sec. 6 of this Act, the amendment made to AS 14.42.015(a)(5) by section 12 of this Act, and secs. 3, 4, 7, 9 - 11, 13, 23, 25, 27, 28, 46, 51, 63, 73 - 76, and 87 of this Act take effect July 1, 2000.

SENATE FINANCE

COMMITTEE

Amendment Number: #2

Bill Number: ~~CS~~ CSHB40 (FIN)

Sponsor: ~~Torgerson~~ Date: 5/14/99

Logged In By: Mindu

1-LS0056(MA.5)

Lauterbach

5/13/99

A M E N D M E N T

not offered

OFFERED IN THE SENATE
TO: CSHB 40(FIN) am

By Senator Torgerson
By Request

1 Page 52, lines 18 - 23:

2 Delete:

3 "(a) A loan committee consisting of five [SEVEN] members is established.
4 The committee is composed of [THE COMMISSIONER OF COMMUNITY AND
5 REGIONAL AFFAIRS,] the commissioner of community [COMMERCE] and
6 economic development, the director of management and budget, or the designees of
7 the commissioner [COMMISSIONERS] or the director, and three [FOUR] public
8 members."

9 Insert:

10 "(a) A loan committee consisting of five [SEVEN] members is established.
11 The committee is composed of the executive director of the Alaska Industrial
12 Development and Export Authority [COMMISSIONER OF COMMUNITY AND
13 REGIONAL AFFAIRS, THE COMMISSIONER OF COMMERCE AND
14 ECONOMIC DEVELOPMENT], the director of management and budget, or the
15 designees of the executive director [COMMISSIONERS] or the director, and three
16 [FOUR] public members.

17 * Sec. 48. AS 42.45.060(c) is amended to read:

18 (c) The executive director of the Alaska Industrial Development and
19 Export Authority [COMMISSIONER OF COMMUNITY AND REGIONAL
20 AFFAIRS] serves as chair of the committee. The committee may elect other officers
21 as necessary. A majority of the members of the committee constitute a quorum and
22 may exercise the powers of the committee.

23 * Sec. 49. AS 42.45.990 is amended by adding a new paragraph to read:

24 (6) "authority" means the Alaska Industrial Development and Export
25 Authority."

1 Renumber the following bill sections accordingly.

2 Page 58, line 13:

3 Delete all material.

4 Renumber the following paragraphs accordingly.

5 Page 77, following line 22:

6 Insert a new bill section to read:

7 **** Sec. 66. AS 44.88.070 is amended to read:**

8 **Sec. 44.88.070. Purpose of the authority.** The purpose of the authority is
9 to promote, develop, and advance the general prosperity and economic welfare of the
10 people of Alaska, to relieve problems of unemployment, and to create additional
11 employment by

12 (1) providing various means of financing and means of facilitating the
13 financing, in cooperation with federal, state, and private institutions, of industrial,
14 manufacturing, export, small business, and business enterprises and the other facilities
15 referred to in AS 44.88.010(a) in the state;

16 (2) owning and operating the enterprises and other facilities described
17 in AS 44.88.172;

18 (3) fostering the expansion of exports of Alaska goods, services, and
19 raw materials;

20 (4) cooperating and acting in conjunction with other organizations,
21 public and private, the objects of which are the promotion and advancement of export
22 trade activities in the state;

23 (5) establishing a source of funding credit guarantees and insurance,
24 not otherwise available, to support export development;

25 (6) providing and cooperating or participating with federal, state, and
26 private institutions to provide actual and potential Alaska exporters, particularly small-
27 and medium-sized exporters, with financial assistance in support of export
28 transactions;

29 (7) carrying out the powers and duties assigned to it under

1 AS 42.45."

2 Renumber the following bill sections accordingly.

3 Page 83, line 3, following "42.45.030":

4 Insert ", 42.45.990(1)"

5 Page 84, line 27, following "REFERENCES.":

6 Insert "(a)"

7 Page 85, line 10:

8 Delete all material.

9 Renumber the following paragraphs of the subsection accordingly.

10 Page 85, following line 15:

11 Insert a new subsection to read:

12 "(b) The revisor of statutes shall change references to "department" to read
13 "authority" in the following statutes: AS 42.45.010, 42.45.020, 42.45.040, 42.45.050,
14 42.45.060, 42.45.100, 42.45.110, 42.45.120, 42.45.140, 42.45.160, 42.45.170, 42.45.180,
15 42.45.200, 42.45.250, 42.45.400, and 42.45.410."

16 Renumber internal references to bill sections in accordance with this amendment. Below are
17 all internal bill section references in this bill:

18 Page 83, line 13

19 Page 85, lines 17, 21, 24, 25, 26, 28, 30, and 31

20 Page 86, lines 1 and 2

May 14, 1999

SENATE FINANCE
COMMITTEE

Amendment Number: #3
Bill Number: HB 40
Sponsor: Adams Date: 5/14/99
Logged In By: Mindy

PROPOSED AMENDMENT TO CSHB 40(FIN) AM:

Sec. 54. AS 44.33.020(11) is amended to read:

(11) if directed by the governor to do so, adopt regulations that authorize the state to participate in the administration of the western Alaska community development quota program to the extent, and in the manner, authorized by Congress, the U. S. Secretary of Commerce, and the North Pacific Fishery Management Council.

*moved by Adams
object Torgerson
3y-5n FAILED*

SENATE FINANCE
COMMITTEE # 4
Amendment Number: # 4 1-LS0056\MA.6
Bill Number: CS HB 40 (FIN) am Lauterbach
Sponsor: Green Date: 5/14/98 5/14/99
Logged In By: Battani

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSHB 40(FIN) am

moved BY SENATOR GREEN
obj. Adams, Tengerson
4y-4m FAILED

- 1 Page 25, following line 22:
- 2 Insert new bill sections to read:
- 3 ** Sec. 14. AS 18.62 is amended by adding a new section to read:
- 4 **Sec. 18.62.090. Definition.** In this chapter, "department" means the
- 5 Department of Community and Economic Development.
- 6 * Sec. 15. AS 18.63.030 is amended to read:
- 7 **Sec. 18.63.030. Fee.** The department [COMMISSIONER] shall establish the
- 8 triennial fee for a hazardous painting certificate by regulation. The fee must reflect
- 9 the department's approximate costs or projected costs for the hazardous painting
- 10 certification program.
- 11 * Sec. 16. AS 18.63.100(1) is amended to read:
- 12 (1) "department" means the Department of Community and Economic
- 13 Development [LABOR];"
- 14
- 15 Renumber the following bill sections accordingly.

- 16 Renumber internal references to bill sections in accordance with this amendment. Below are
- 17 all internal bill section references in this bill:

- 18 Page 83, line 13
- 19 Page 85, lines 17, 21, 24, 25, 26, 28, 30, and 31
- 20 Page 86, lines 1 and 2

SENATE FINANCE
COMMITTEE

Amendment Number: #5 1-LS0056WA.7
Bill Number: CSHB 40 (FIN) am Lauterbach ✓
Sponsor: Green Date: 5/14/99 5/14/99
Logged In By: J. Saltares

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSHB 40(FIN) am

moved BY SENATOR GREEN
object Adams
3y-5m FAILED

1 Page 25, lines 23 - 28:

2 Delete all material.

3 Insert new bill sections to read:

4 *** Sec. 14.** AS 18.60 is amended by adding a new section to article 3 to read:

5 **Sec. 18.60.399. Definition.** In AS 18.60.180 - 18.60.399, unless the context
6 otherwise requires, "division" means the division of safety inspections, Department of
7 Public Safety.

8 *** Sec. 15.** AS 18.60 is amended by adding a new section to article 4 to read:

9 **Sec. 18.60.465. Definition.** In AS 18.60.400 - 18.60.465, unless the context
10 otherwise requires, "division" means the division of safety inspections, Department of
11 Public Safety.

12 *** Sec. 16.** AS 18.60.580 is amended to read:

13 **Sec. 18.60.580. Minimum electrical standards.** After the American National
14 Standards Institute approves a new, published edition of the National Electrical Code
15 or a new, published edition of the National Electrical Safety Code, the division of
16 safety inspections, Department of Public Safety, [LABOR] may, by regulation, adopt
17 the most recent codes to constitute the minimum electrical safety standards of the state.

18 *** Sec. 17.** AS 18.60.660 is amended by adding a new paragraph to read:

19 (5) "division" means the division of safety inspections, Department of
20 Public Safety.

21 *** Sec. 18.** AS 18.60.740(4) is amended to read:

22 (4) "inspector" means a qualified inspector employed by, designated by,
23 or under contract to the division [DEPARTMENT OF LABOR].

24 *** Sec. 19.** AS 18.60.740 is amended by adding a new paragraph to read:

25 (5) "division" means the division of safety inspections, Department of

1 Public Safety.

2 * **Sec. 20.** AS 18.60 is amended by adding a new section to article 10 to read:

3 **Sec. 18.60.825. Definition.** In AS 18.60.800 - 18.60.825, "division" means the
4 division of safety inspections, Department of Public Safety.

5 * **Sec. 21.** AS 18.70.081 is amended to read:

6 **Sec. 18.70.081. Approval of fire protection systems.** Before October 30 of
7 each year, the division of safety inspections, Department of Public Safety, shall prepare
8 and make available a list of approved fire protection systems to [THE DEPARTMENT
9 OF COMMUNITY AND REGIONAL AFFAIRS,] the Department of Community
10 [COMMERCE] and Economic Development [,] and the public."

11 Renumber the following bill sections accordingly.

12 Page 77, following line 17:

13 Insert a new bill section to read:

14 ** **Sec. 70.** AS 44.41 is amended by adding a new section to read:

15 **Sec. 44.41.023. Division of safety inspections.** There is established in the
16 Department of Public Safety a division of safety inspections. The Alaska Safety
17 Advisory Council and the position of state fire marshall are included within the
18 division. The division shall perform the duties of the Department of Public Safety
19 that are specified for the

20 (1) state fire marshall; and

21 (2) division of safety inspections under AS 18.60, AS 18.70.081, and

22 AS 45.45.910."

23 Renumber the following bill sections accordingly.

24 Page 77, following line 22:

25 Insert new bill sections to read:

26 ** **Sec. 72.** AS 45.45.910(a) is amended to read:

27 (a) Unless exempted by the division [DEPARTMENT] under (d) of this
28 section, a person may not sell, offer to sell, or otherwise transfer in the course of the

1 person's business a consumer electrical product that is manufactured after August 14,
2 1990, unless the product is clearly marked as being listed by an approved third-party
3 certification program.

4 * **Sec. 73.** AS 45.45.910(d) is amended to read:

5 (d) If a consumer electrical product is a work of art or an item that has an
6 unusual application that makes approval by a third-party certification program not
7 reasonably available, the division [DEPARTMENT] shall upon request exempt the
8 item from (a) of this section. The division [DEPARTMENT] shall establish by
9 regulation guidelines to identify consumer electrical products that qualify for an
10 exemption under this section.

11 * **Sec. 74.** AS 45.45.910(e) is amended to read:

12 (e) The warning label required by this section must be a brightly colored label
13 that contains in simple, direct language a warning that the electrical product is not
14 listed by an approved third-party certification program. The division
15 [DEPARTMENT] shall adopt regulations establishing the exact content, color, design,
16 and use of the warning label.

17 * **Sec. 75.** AS 45.45.910(f) is amended to read:

18 (f) Unless a later version has been adopted by the division [DEPARTMENT]
19 by regulation, a certification program must meet the requirements of ANSI Z-34.1 -
20 1987, American National Standards for Certification - Third-Party Certification
21 Program, published by the American National Standards Institute, in order to qualify
22 as an approved third-party certification program under this section. The division
23 [DEPARTMENT] may adopt by regulation later versions of the American National
24 Standards for Certification - Third-Party Certification Program, as the standard for
25 third-party certification programs under this section. If the division [DEPARTMENT]
26 has adopted a later version, a certification program must meet the requirements of the
27 most recent version adopted by the division [DEPARTMENT] in order to qualify as
28 an approved third-party certification program under this section.

29 * **Sec. 76.** AS 45.45.910(g) is amended by adding a new paragraph to read:

30 (4) "division" means the division of safety inspections, Department of
31 Public Safety."

1 Renumber the following bill sections accordingly.

2 Page 83, line 2, following "REPEALER.":

3 Insert "AS 18.60.660(1), 18.60.660(2), 18.60.740(2), 18.60.740(3);"

4 Page 83, line 11, following "44.47.998;":

5 Insert "AS 45.45.910(g)(3);"

6 Page 84, following line 25:

7 Insert a new bill section to read:

8 **"* Sec. 99. TRANSFERS FROM DEPARTMENT OF LABOR TO DIVISION OF**
9 **SAFETY INSPECTIONS, DEPARTMENT OF PUBLIC SAFETY.** The revisor of statutes
10 shall change references to the "Department of Labor" and "commissioner of labor" to read
11 "division" in the following statutes: AS 18.60.190(a), 18.60.200, 18.60.210(a)(9)(A),
12 18.60.210(c), 18.60.220, 18.60.230, 18.60.240, 18.60.270(a), 18.60.280, 18.60.290, 18.60.300(a),
13 18.60.310, 18.60.315, 18.60.320(a)(4), 18.60.340, 18.60.350, 18.60.360(a), 18.60.360(c),
14 18.60.370, 18.60.395(a), 18.60.420, 18.60.440, 18.60.800(a), 18.60.800(b), and 18.60.820."

15 Renumber the following bill sections accordingly.

16 Renumber internal references to bill sections in accordance with this amendment. Below are
17 all internal bill section references in this bill:

18 Page 83, line 13

19 Page 85, lines 17, 21, 24, 25, 26, 28, 30, and 31

20 Page 86, lines 1 and 2

SENATE FINANCE
COMMITTEE

Amendment Number: #6 1-LS0056MA.8
Bill Number: CSHB 40(FIN) am Lauterbach ✓
Sponsor: Green Date: 5/14/99 5/14/99
Logged In By: J. Salton

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSHB 40(FIN) am

moved BY SENATOR GREEN

obj. Adams

27-6 n FAILED

1 Page 26, following line 3:

2 Insert a new bill section to read:

3 **** Sec. 16.** AS 23.05.360(a) is amended to read:

4 (a) There is established within the Department of Law [LABOR] the Alaska
5 labor relations agency. The agency is comprised of six members appointed by the
6 governor and confirmed by the legislature. The term of office of a member is three
7 years. Members serve staggered terms in accordance with AS 39.05.055. A vacancy
8 in an unexpired term shall be filled by appointment by the governor for the remainder
9 of the term. The agency must include two members with a background in
10 management, two members with a background in labor, and two members from the
11 general public. All members must have relevant experience in labor relations
12 matters."

13 Renumber the following bill sections accordingly.

14 Renumber internal references to bill sections in accordance with this amendment. Below are
15 all internal bill section references in this bill:

16 Page 83, line 13

17 Page 85, lines 17, 21, 24, 25, 26, 28, 30, and 31

18 Page 86, lines 1 and 2

N SENATE FINANCE
 COMMITTEE # 7
 Amendment Number:
 Bill Number: CS HB 40(FIN) am
 Sponsor: Torgerson Date: 5/14/99
 Logged In By: J. K. Hain

AMENDMENT

OFFERED IN THE SENATE
 TO: CSHB 40(FIN) am

moved by Parnell
 w/o obj. ADOPTED

1 Page 52, lines 18 - 23:

2 Delete:

3 "(a) A loan committee consisting of five [SEVEN] members is established.
 4 The committee is composed of [THE COMMISSIONER OF COMMUNITY AND
 5 REGIONAL AFFAIRS,] the commissioner of community [COMMERCE] and
 6 economic development, the director of management and budget, or the
 7 designees of the commissioner [COMMISSIONERS] or the director, and three.
 8 [FOUR] public members."

9 Insert:

10 "(a) A loan committee consisting of five [SEVEN] members is established.
 11 The committee is composed of the executive director of the Alaska Energy
 12 Authority [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS, THE
 13 COMMISSIONER OF COMMERCE AND ECONOMIC DEVELOPMENT], the
 14 director of management and budget, or the designees or the executive director
 15 [COMMISSIONERS] or the director, and three [FOUR] public members.

16 * Sec. 48. AS 42.45.080(c) is amended to read:

17 (c) The executive director of the Alaska Energy Authority
 18 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS] serves as chair
 19 of the committee. The committee may elect other officers as necessary. A
 20 majority of the members of the committee constitute a quorum and may exercise
 21 the powers of the committee.

22 * Sec. 49. AS 42.45.990 is amended by adding a new paragraph to read:

23 (6) "authority means the Alaska Energy Authority."

24 Renumber the following bill sections accordingly.

25 Page 58, line 13:

26 Delete all material.

27 Renumber the following paragraphs accordingly,

28 Page 77, following line 22:

29 Insert two new bill sections to read:

30 * Sec. 66. AS 44.83.070 is amended to read:

1 **Sec. 44.83.070. Purpose of the authority.** The purpose of the authority
2 is to promote, develop, and advance the general prosperity and economic
3 welfare of the people of the state by providing a means of financing and
4 operating power projects and facilities that recover and use waste energy and by
5 carrying out the powers and duties assigned to it under AS 42.45.

6 * Sec. 67. AS 44.83.080 is amended to read:

7 **Sec. 44.83.080. Powers of the authority.** In furtherance of its corporate
8 purposes, the authority has the following powers in addition to its other powers:

- 9 (1) to sue and be sued;
- 10 (2) to have a seal and alter it at pleasure;
- 11 (3) to make and alter bylaws for its organization and internal management;
- 12 (4) to adopt regulations governing the exercise of its corporate powers;
- 13 (5) to improve, equip, operate, and maintain power projects;
- 14 (6) to issue bonds to carry out any of its corporate purposes and powers,
15 including the establishment or increase of reserves to secure or to pay the bonds
16 or interest on them, and the payment of all other costs or expenses of the
17 authority incident to and necessary or convenient to carry out its corporate
18 purposes and powers;
- 19 (7) to sell, lease as lessor or lessee, exchange, donate, convey, or encumber
20 in any manner by mortgage or by creation of any other security interest, real or
21 personal property owned by it, or in which it has an interest, when, in the
22 judgment of the authority, the action is in furtherance of its corporate purposes;
- 23 (8) to accept gifts, grants, or loans from, and enter into contracts or other
24 transactions regarding them, with any person;
- 25 (9) to deposit or invest its funds, subject to agreements with bondholders;
- 26 (10) to enter into contracts with the United States or any person and, subject
27 to the laws of the United States and subject to concurrence of the legislature,
28 with a foreign country or its agencies, for the financing, operation, and
29 maintenance of all or any part of a power project, either inside or outside the
30 state, and for the sale or transmission of power from a project or any right to the
31 capacity of it or for the security of any bonds of the authority issued or to be
32 issued for the project;
- 33 (11) to enter into contracts with any person and with the United States, and,
34 subject to the laws of the United States and subject to the concurrence of the

1 legislature, with a foreign country or its agencies for the purchase, sale,
2 exchange, transmission, or use of power from a project, or any right to the
3 capacity of it;

4 (12) to apply to the appropriate agencies of the state, the United States, and to
5 a foreign country and any other proper agency for the permits, licenses, or
6 approvals as may be necessary, and to maintain and operate power projects in
7 accordance with the licenses or permits, and to obtain, hold, and use the licenses
8 and permits in the same manner as any other person or operating unit;

9 (13) to enter into contracts or agreements with respect to the exercise of any
10 of its powers, and do all things necessary or convenient to carry out its corporate
11 purposes and exercise the powers granted in this chapter;

12 (14) to recommend to the legislature

13 (A) the pledge of the credit of the state to guarantee repayment of all or any
14 portion of revenue bonds issued to assist in construction of power projects;

15 (B) an appropriation from the general fund

16 (i) for debt service on bonds or other project purposes; or

17 (ii) to reduce the amount of debt financing for the project.

18 (15) to carry out the powers and duties assigned to it under AS 42.45.

19 Renumber the following bill sections accordingly.

20 Page 83, line 3, following "42.45.030":

21 Insert ", 42.45.990(1)"

22 Page 84, line 27, following "REFERENCES.":

23 Insert "(a)"

24 Page 85, line 10:

25 Delete all material.

26 Renumber the following paragraphs of subsection accordingly.

27 Page 85, following line 15:

28 Insert a new subsection to read:

29 "(b) The revisor of statutes shall change references to "department" to
30 read "authority" in the following statutes: AS 42.45.010, 42.45.020, 42.45.040,
31 42.45.050, 42.45.060, 42.45.100, 42.45.110, 42.45.120, 42.45.140, 42.45.160,
32 42.45.170, 42.45.180, 42.45.200, 42.45.250, 42.45.400, and 42.45.410."

33 Renumber internal references to bill sections in accordance with this amendment.

34 Below are all internal bill section references in this bill:

- 1 Page 83, line 13
- 2 Page 85, lines 17, 21, 24, 25, 26, 28, 30, and 31
- 3 Page 86, lines 1 and 2

moved by Wilken
object Target Sec 1 -
WITHDRAWN
w/o obj. ADOPTED

SENATE FINANCE COMMITTEE

AMENDMENT No. # 8

By WILKEN

To: SEC 53 SENATE BILL No. HB 40

To: _____ SENATE BILL No. _____

Page 56

SEC 44.33.010 LINE 15-21

EXEMPT ALASKA RAILROAD
CORPORATION.

SENATE FINANCE

COMMITTEE

Amendment Number: #9
Bill Number: CS HB 40 (FIN) am
Sponsor: Torgerson Date: 5/14/99
Logged In By: Aboltani

I-LS0056MA.4
Lauterbach -
5/11/99

AMENDMENT

OFFERED IN THE SENATE

TO: CSHB 40(FIN) am

By Senator Torgerson

By Request

*moved by Parnell
w/o obj. ADOPTED*

1 Page 83, line 4:

2 Delete "AS 44.29.020(a)(14);"

3 Page 83, line 13, following "44.19.627;":

4 Insert "AS 44.29.020(a)(14);"

5

6 Page 86, line 1, following "Act,":

7 Insert "the amendment made to AS 44.27.020(3) and (4) by sec. 51 of this Act,"

8 Page 86, line 2, following "63,":

9 Insert "73 - 76,"

*called in by
Tommy G...
10:05 pm*

moved Leman
obj. Adams, Wilkerson
FAILED

Amendment

SENATE FINANCE
COMMITTEE #10
Amendment Number: #10
Bill Number: CSHB40(FIN)am
Sponsor: Leman Date: 5/14/99
Logged In By: J. Gottlieb

to: CSHB40(Fin)am

sen. leman moved to rescind
sen. wilkerson subject
4y - in RESCINDED
5y - (Leman, Phillips, Donley,
Annell, Torgerson)
3n - (Wilkerson, Adams, Kelly)
(Green - absent)
ADOPTED

Throughout the bill:

Delete "Department of Education and Child Development"

Replace with "Department of Education"

SENATE FINANCE
COMMITTEE
Amendment Number: _____
Bill Number: _____
Sponsor: _____ Date: _____
Logged In By: _____

AMENDMENT

OFFERED IN SENATE FINANCE COMMITTEE
TO: SCS HB 40 (FIN) am

BY: SENATOR LEMAN

Conceptual Amendment to replace the "Department of Education and Child Development" with the "Department of Education and Children's Services" wherever it appears in the bill.

1-LS0056N
Lauterbach ✓
5/11/99

SENATE CS FOR CS FOR HOUSE BILL NO. 40()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES KOHRING, Cowdery, Austerman, Therriault, Harris, Mulder

A BILL

FOR AN ACT ENTITLED

1 "An Act merging certain departments in the executive branch of state
2 government; changing the names of certain departments in the executive branch
3 of state government; transferring duties among departments and offices in the
4 executive branch of state government; providing that certain discretionary duties
5 formerly performed by the Department of Community and Regional Affairs are
6 mandatory in the department to which those duties are transferred; relating to
7 the licensing of child care facilities; relating to the division of vocational
8 rehabilitation; relating to the Alaska Human Resource Investment Council;
9 adjusting the membership of certain multi-member bodies; providing that a
10 certain commissioner may designate department employees to serve in the
11 commissioner's place on a board, council, or similar entity; providing for advice
12 to be given by a department head to the governor and other commissioners on

1 the delivery of government services to rural areas and providing for
2 recommendations to be made to the governor and other commissioners by that
3 same commissioner about policy changes that would affect rural governments and
4 rural affairs; relating to the federal community development quota program;
5 eliminating references to the division of tourism; eliminating a reference to
6 manpower training programs; eliminating references to the director and deputy
7 director of international trade; eliminating the requirement for a local advisory
8 committee for consideration of rural electrification loans; and providing for an
9 effective date."

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

11 * Section 1. AS 03.05.011 is amended to read:

12 Sec. 03.05.011. Powers and duties of commissioner of natural resources
13 [ENVIRONMENTAL CONSERVATION]. (a) To carry out the requirements of
14 this title, the commissioner of natural resources [ENVIRONMENTAL
15 CONSERVATION] may issue orders, regulations, permits, quarantines, and embargoes
16 relating to

17 (1) examination and inspection of premises containing products,
18 articles, and commodities carrying pests;

19 (2) establishment of quarantines for eradication of pests and diseases
20 in livestock;

21 (3) tests and analyses that may be made and hearings that may be held
22 to determine whether the commissioner will issue a stop order or quarantine;

23 (4) meat or poultry offered or sold to or by a wholesaler;

24 (5) standards of sanitation and handling methods for all phases of
25 slaughtering and processing meat and poultry;

26 (6) labeling and grading of milk and milk products and standards
27 of sanitation for dairies offering to the public or selling milk or milk products to
28 at least the minimum of current recommendations of the United States Public

1 **Health Service pasteurized milk ordinance as it may periodically be revised:**

2 (7) cooperation with federal and other state agencies;

3 (8) [(5)] regulation of fur farming; for purposes of this paragraph, "fur
4 farming" means the raising of and caring for animals for the purpose of marketing
5 their fur, or **the** animals themselves for breeding stock.

6 (b) The commissioner [OF ENVIRONMENTAL CONSERVATION] shall
7 regulate the farming of elk in a manner similar to the manner in which the
8 commissioner regulates domestic animals and livestock, to the extent that is
9 appropriate.

10 * Sec. 2. AS 03.05 is amended by adding a new section to read:

11 **Sec. 03.05.022. Registration of pesticides and broadcast chemicals.** The
12 department may require the registration of pesticides and broadcast chemicals offered
13 for sale or placed in commerce for use in the state. In this section, "broadcast
14 chemicals" and "pesticides" have the meanings given them in AS 46.03.900.

15 * Sec. 3. AS 03.05.090 is amended to read:

16 **Sec. 03.05.090. Penalty for violation.** A person who violates a provision of
17 this chapter or a regulation, order, or quarantine made under authority of this chapter,
18 or violates a provision of a permit issued under this chapter, or sells seeds failing to
19 meet the labeling requirements, standards, and tests provided for by regulation of the
20 commissioner [OF NATURAL RESOURCES OR THE COMMISSIONER OF
21 ENVIRONMENTAL CONSERVATION] is guilty of a class A misdemeanor for each
22 offense.

23 * Sec. 4. AS 03.45.050 is amended to read:

24 **Sec. 03.45.050. Inspection, quarantine, or destruction of livestock.**
25 Domestic animals and poultry in the state are subject to inspection and test for all
26 diseases [,] and to quarantine, slaughter, or destruction when found to be infected with
27 or suffering from any contagious disease by an inspector of the Animal Disease
28 Eradication Branch, United States Department of Agriculture, or by a qualified
29 inspector authorized by the commissioner [OF ENVIRONMENTAL
30 CONSERVATION] to make inspections and tests of animals. Inspections and tests
31 of animals kept for dairy purposes by dairies that offer their products to the public in

1 the state [,] and inspection and tests of animals kept for private dairy purposes if [,
2 PROVIDED] they are readily accessible [,] shall be made at least once every year, if
3 possible, and all animals not readily accessible for inspection shall be inspected before
4 they are brought into a community where other animals used for dairy purposes are
5 kept. The commissioner may make arrangements with the Animal Disease Eradication
6 Branch, United States Department of Agriculture, for these inspections and tests. In
7 the event that arrangements cannot be made with the Animal Disease Eradication
8 Branch, the commissioner may employ inspectors. Inspections shall be carried on in
9 cooperation with the Animal Disease Eradication Branch and in accordance with its
10 regulations.

11 * Sec. 5. AS 03.45.060(c) is amended to read:

12 (c) If the inspector determines that the animal should be slaughtered or
13 destroyed, the inspector may condemn and have the animal slaughtered or destroyed
14 in the manner the inspector determines. Reimbursement may be allowed for the
15 slaughter or destruction of dairy cattle only. In such case, the inspector and the owner
16 shall appraise the dairy cattle at a fair valuation without regard to the disease. Where
17 they cannot agree as to the value of the animal, the owner and inspector may select
18 a disinterested third party to aid in the appraisal. Where they cannot agree on the
19 selection of a third party, a peace officer in the judicial district where the inspection
20 is made may designate a third disinterested party to act with the inspector and owner
21 to determine the value of the animal. The amount realized from the sale of the carcass
22 of the slaughtered animal shall be paid to the owner of the animal, and the inspector
23 shall certify to the commissioner [OF ENVIRONMENTAL CONSERVATION] the
24 name and address of the owner, the date the animal was condemned, the appraised
25 value of the animal, together with the net sum realized from the salvage of the animal
26 [THEREOF,] or that [WHICH] could have been realized.

27 * Sec. 6. AS 03.45.070 is amended to read:

28 **Sec. 03.45.070. Compensation to owners of dairy cattle destroyed; records**
29 **to be kept.** The commissioner [OF ENVIRONMENTAL CONSERVATION] may
30 enter into cooperative agreements with the United States Department of Agriculture for
31 controlling diseases among dairy cattle and may match federal indemnity payments for

1 livestock slaughtered thereunder [,] from any funds available. The commissioner shall
2 keep a record of all payments made, with a copy of the inspector's certification of
3 appraised value and salvage value.

4 * Sec. 7. AS 03.45.080 is amended to read:

5 **Sec. 03.45.080. Record and payment of value of destroyed dairy cattle.**

6 The Department of Administration shall keep a record of the appraised value of all
7 dairy cattle slaughtered or destroyed and of the salvage value of the dairy cattle
8 [THEREOF], stating the date when the animal was slaughtered or destroyed and the
9 name of the inspector who ordered the animal slaughtered or destroyed. The
10 Department of Administration, with the approval of the department [DEPARTMENT
11 OF ENVIRONMENTAL CONSERVATION], shall pay the owner of the animal
12 slaughtered or destroyed two-thirds of the difference between the appraised value and
13 the salvage value of the animal slaughtered or destroyed. The appraised valuation of
14 each slaughtered animal may not exceed \$175 in the first judicial district and not more
15 than \$200 in the second and third judicial districts and not more than \$250 in the
16 fourth judicial district. Payment may not be made if at the time of inspection, test, or
17 destruction, the animal was upon the premises of any person to which it had been sold,
18 shipped, or delivered for the purpose of being slaughtered. Payment may not be made
19 unless the owner has complied with all lawful quarantine regulations.

20 * Sec. 8. AS 03.53.010(b) is amended to read:

21 (b) The following persons are authorized to enforce the provisions of this
22 section:

23 (1) the commissioner [OF ENVIRONMENTAL CONSERVATION];

24 (2) a state employee authorized by the commissioner [OF
25 ENVIRONMENTAL CONSERVATION].

26 * Sec. 9. AS 09.25.110(e) is amended to read:

27 (e) Notwithstanding other provisions of this section to the contrary, the Bureau
28 of Vital Statistics and [,] the library archives in the Department of Education and
29 Child Development [, AND THE DIVISION OF BANKING, SECURITIES, AND
30 CORPORATIONS IN THE DEPARTMENT OF COMMERCE AND ECONOMIC
31 DEVELOPMENT] may continue to charge the same fees that they were [ARE]

1 charging on September 25, 1990, for performing record searches, and may increase the
2 fees as necessary to recover agency expenses on the same basis that was [IS] used by
3 the agency immediately before September 25, 1990. Notwithstanding other
4 provisions of this section to the contrary, the division of banking, securities, and
5 corporations in the Department of Community and Economic Development may
6 continue to charge the same fees that the former Department of Commerce and
7 Economic Development was charging on the effective date of this bill section for
8 performing record searches and may increase the fees as necessary to recover
9 agency expenses on the same basis that was used by the former Department of
10 Commerce and Economic Development immediately before the effective date of
11 this bill section.

12 * Sec. 10. AS 09.65.170(c)(2) is amended to read:

13 (2) "regional development organization" has the meaning given in
14 AS 44.33.895 [AS 44.47.900].

15 * Sec. 11. AS 11.61.195(a) is amended to read:

16 (a) A person commits the crime of misconduct involving weapons in the
17 second degree if the person knowingly

18 (1) possesses a firearm during the commission of an offense under
19 AS 11.71.010 - 11.71.040;

20 (2) violates AS 11.61.200(a)(1) and is within the grounds of or on a
21 parking lot immediately adjacent to

22 (A) a public or private preschool, elementary, junior high, or
23 secondary school without the permission of the chief administrative officer of
24 the school or district or the designee of the chief administrative officer; or

25 (B) a center, other than a private residence, licensed under
26 AS 14.37, AS 47.33, or AS 47.35 or recognized by the federal government for
27 the care of children; or

28 (3) discharges a firearm at or in the direction of

29 (A) a building with reckless disregard for a risk of physical
30 injury to a person; or

31 (B) a dwelling.

1 * Sec. 12. AS 11.61.220(a) is amended to read:

2 (a) A person commits the crime of misconduct involving weapons in the fifth
3 degree if the person

4 (1) knowingly possesses a deadly weapon, other than an ordinary
5 pocket knife or a defensive weapon, that is concealed on the person;

6 (2) knowingly possesses a loaded firearm on the person in any place
7 where intoxicating liquor is sold for consumption on the premises;

8 (3) being an unemancipated minor under 16 years of age, possesses a
9 firearm without the consent of a parent or guardian of the minor;

10 (4) knowingly possesses a firearm

11 (A) within the grounds of or on a parking lot immediately
12 adjacent to a center, other than a private residence, licensed under AS 14.37,
13 AS 47.33, or AS 47.35 or recognized by the federal government for the care
14 of children; or

15 (B) within a

16 (i) courtroom or office of the Alaska Court System; or

17 (ii) courthouse that is occupied only by the Alaska Court
18 System and other justice-related agencies;

19 (C) within a domestic violence or sexual assault shelter that
20 receives funding from the state; or

21 (5) possesses or transports a switchblade or a gravity knife.

22 * Sec. 13. AS 14.20.165 is amended to read:

23 **Sec. 14.20.165. Restoration of tenure rights.** A teacher who held tenure
24 rights and who was retired due to disability under AS 14.25.130, but whose disability
25 (1) has been removed, and the removal of that disability is certified by a competent
26 physician following a physical or mental examination, or (2) has been compensated for
27 by rehabilitation or other appropriate restorative education or training, and that
28 rehabilitation or restoration to health has been certified by the division of vocational
29 rehabilitation of the Department of Labor and Workforce Development
30 [DEPARTMENT], shall be restored to full tenure rights in the district from which the
31 teacher was retired, at such time as an opening for which the teacher is qualified

1 becomes available.

2 * Sec. 14. AS 14.35.020(b) is amended to read:

3 (b) When required by any of the Acts described in AS 14.35.010, the board
4 shall

5 (1) prepare, submit, and supervise the administration of the plans for
6 vocational education [AND VOCATIONAL REHABILITATION];

7 (2) select a state director of vocational education;

8 (3) establish the minimum qualifications for teachers, supervisors, or
9 directors;

10 (4) determine the prorated basis on which money shall be available for
11 the salary and necessary travel expenses of the state director of vocational education;

12 (5) consider the advice of the Alaska Human Resource Investment
13 Council established by AS 23.15.550 [AS 44.19.620] regarding employment training
14 needs and advise that council in the development of vocational education programs.

15 * Sec. 15. AS 14 is amended by adding a new chapter to read:

16 **Chapter 37. Licensure of Child Care Facilities.**

17 **Sec. 14.37.005. Purpose; applicability.** (a) The purpose of this chapter is
18 to establish and maintain standard levels for services offered to children in child care
19 facilities. The legislature recognizes the responsibility of parents to select and monitor
20 caregivers for their children in order to ensure a reasonably safe and developmentally
21 appropriate child care environment. The child care licensing procedures in this chapter
22 are intended to reduce predictable risk of harm to children and to provide support
23 services to those providing child care services.

24 (b) This chapter and regulations adopted under this chapter apply to facilities

25 (1) for which licensure is required by or under AS 14.37.015; or

26 (2) that are exempt under AS 14.37.015 from licensure but for which
27 a license is issued under AS 14.37.015(c).

28 **Sec. 14.37.010. Powers of department.** (a) The department may

29 (1) license and supervise child care facilities;

30 (2) investigate applicants, licensees, and persons that the department
31 reasonably believes are operating a facility without a license or certification in

1 violation of this chapter;

2 (3) adopt regulations to implement the provisions of this chapter,
3 including regulations establishing certification and licensure procedures, standards, and
4 fees; establishing requirements for operation of facilities licensed under this chapter;
5 and distinguishing between types of child care facilities;

6 (4) enter into agreements with private entities, municipalities, or
7 individuals to investigate and make recommendations to the department for the
8 licensing and supervision of child care facilities under procedures and standards of
9 operation established by the department.

10 (b) The department shall, within 90 days after receiving a written request that
11 it do so, delegate its powers relating to child care facilities under this chapter to a
12 municipality that has adopted an ordinance providing for child care licensing under
13 home rule powers under AS 29.10.010 or as authorized under AS 29.35.200 -
14 29.35.210. A municipality to which these powers have been delegated may adopt, by
15 ordinance, additional requirements for child care facilities operating within its
16 boundaries if the requirements meet or exceed the requirements adopted by the
17 department.

18 **Sec. 14.37.015. License required; exemptions.** (a) A person may not operate
19 a child care facility without a license issued under this chapter unless that facility is
20 exempt from licensure. The following facilities are exempt:

21 (1) a facility in which child care is regularly provided and each child's
22 parent is on the premises within reasonable proximity and accessibility to the child;

23 (2) a facility located on a United States Department of Defense or
24 United States Coast Guard installation that is located on federal property;

25 (3) a recreational program that children are allowed to attend and in
26 which the program assumes no responsibility for care of the children;

27 (4) a daytime therapeutic program of supervised, educational, and
28 rehabilitative services for children with special needs or behavioral problems;

29 (5) a program that is primarily educational and that

30 (A) is certified as a pre-elementary school under department
31 regulations adopted under AS 14.07.020;

1 (B) serves children three years of age or older and is exempt
2 from the department pre-elementary school regulations; or

3 (C) is operated as a headstart preschool that is required to meet
4 the standards established under 42 U.S.C. 9836a:

5 (6) a temporary facility providing care for less than five continuous
6 weeks;

7 (7) a facility regularly providing child care to four or fewer children
8 unrelated to the caregiver;

9 (8) a facility in which the caregiver is a relative of all of the children.

10 (b) In addition to facilities that, under this section, are exempt from licensure,
11 the department, by regulation, may provide for additional exemptions that the
12 department considers appropriate.

13 (c) A person may apply for a license for a facility that is exempt from
14 licensure under this section. The department may issue a license to an applicant under
15 this subsection if the applicant meets the requirements of this chapter and regulations
16 adopted under this chapter.

17 **Sec. 14.37.017. Application for license.** (a) Application for a license to
18 operate a child care facility must be made to the department on a form provided by
19 the department and must be accompanied by all applicable fees established by the
20 department under AS 14.37.010(a)(3).

21 (b) An application submitted under this section must contain at least the
22 following information:

23 (1) the name and address of the applicant and, if the applicant is a
24 corporation, partnership, association, or another form of organization, the name,
25 address, and title of each individual who has an ownership or management interest in
26 the facility; if the applicant is an individual, the application must include the name,
27 age, and driver's license number, if any, of each member of the individual's
28 household;

29 (2) the name, physical location, and mailing address of the facility for
30 which the license is sought;

31 (3) the name and address of the administrator of the facility, if any;

1 (4) evidence that the administrator is an adult with sufficient
2 experience, training, or education to fulfill the duties of an administrator;

3 (5) a release for the administrator and for each other person who is 16
4 years of age or older, as specified by the department by regulation, who will have
5 contact with individuals served by the facility authorizing the department to review all
6 federal, state, and municipal criminal justice information, whether of this state, of a
7 municipality of this state, or of another jurisdiction, medical records, licensing records,
8 and protective services records, identified in regulations adopted under this chapter,
9 that are relevant to the person who is the subject of the release;

10 (6) the number of individuals that will be served in the facility;

11 (7) the type of facility for which the license is sought;

12 (8) copies of all inspection reports and approvals required by state fire
13 prevention and environmental health and safety authorities for operation of the facility,
14 including any variances granted by these authorities;

15 (9) a plan of operation, as required by the department by regulation;

16 (10) a staffing plan that describes the number of people who will work
17 at the facility, staff qualifications, a description of each person's responsibilities, and
18 a supervision schedule for the children in care that meets the requirements established
19 by the department by regulation;

20 (11) evidence that the applicant has completed orientation or training
21 required by the department by regulation; and

22 (12) other information required by the department, by regulation, in
23 order to monitor compliance with this chapter and regulations adopted under this
24 chapter.

25 **Sec. 14.37.020. Provisional license; biennial license.** (a) The department
26 shall issue a provisional license to a new facility that applies under AS 14.37.017 if,
27 after inspection and investigation, the department determines that the application and
28 plan of operation for the facility meet the requirements of this chapter and regulations
29 adopted under this chapter. A provisional license is valid for a period not to exceed
30 one year. The department may extend a provisional license for one additional period
31 not to exceed one year.

1 (b) Before expiration of a provisional license issued under (a) of this section.
2 the department shall inspect and investigate the facility in order to determine whether
3 the facility is operating under the provisional license in compliance with this chapter
4 and applicable regulations.

5 (c) Before expiration of a provisional license, the department shall issue a
6 biennial license for the facility if (1) after inspection and investigation under (b) of this
7 section, the department finds that the facility is operating in compliance with and
8 meets the licensure requirements of this chapter and regulations adopted under this
9 chapter; (2) none of the grounds for revocation set out in AS 14.37.130(a)(2) exist; and
10 (3) all applicable fees have been paid. The department shall prepare a summary report
11 of its findings and recommendations for issuance of a biennial license.

12 (d) The issuance of a license by the department does not obligate the
13 department to support the facility financially.

14 **Sec. 14.37.025. Denial of license; right to appeal.** (a) If the department
15 denies an application for a license or decides not to issue a biennial license, the
16 department shall hand deliver to the prospective licensee, or mail to the prospective
17 licensee by certified mail, return receipt requested, a notice of denial of licensure. The
18 notice must contain a summary of the department's reasons for denial of the license
19 and a form for requesting a hearing under (b) of this section.

20 (b) A prospective licensee who was denied licensure may appeal the
21 department's decision by requesting a hearing, on the form provided by the
22 department, within 15 days after receipt of the notice of denial of licensure.

23 **Sec. 14.37.027. Variances.** (a) The department may grant to an applicant for
24 a license under this chapter, or to a licensee, a variance from a requirement of this
25 chapter or a regulation adopted under this chapter if that person submits to the
26 department, on a form provided by the department, a complete variance request as
27 required by this section. A variance may be granted if

28 (1) the applicant or licensee proposes an alternative means, acceptable
29 to the department, to satisfy the intent of the requirement for which the variance is
30 requested; and

31 (2) the health and safety of children is adequately protected.

- 1 (b) A request for a variance must contain the following information:
- 2 (1) the statute or regulation from which the variance is sought;
- 3 (2) the reasons why the variance is needed;
- 4 (3) the period of time for which the variance is requested;
- 5 (4) the proposed alternative means of satisfying the intent of the
- 6 requirement for which the variance is requested;
- 7 (5) a statement as to how the health and safety of children will be
- 8 protected during the period of the variance; and
- 9 (6) assurance that the conditions of the facility do not present an
- 10 imminent danger to the health or safety of individuals served by the facility.

11 (c) To evaluate a request for a variance, the department shall take one or more

12 of the following actions:

- 13 (1) investigate the statements in the request;
- 14 (2) inspect the facility;
- 15 (3) schedule a conference with the applicant or licensee regarding the
- 16 variance request.

17 (d) The department's decision approving or denying a variance must be in

18 writing, and the department shall provide a copy of the decision to the person

19 requesting the variance. If the department grants the variance, the decision must state

20 the term of and conditions of the variance.

21 (e) If an applicant or licensee violates a condition of a variance granted under

22 this section, the variance is terminated.

23 **Sec. 14.37.029. Content of license; posting.** (a) A license issued under this

24 chapter must state

- 25 (1) the period of time during which the license is in effect;
- 26 (2) the name of the facility;
- 27 (3) the type of facility;
- 28 (4) the name of the licensee;
- 29 (5) the location and mailing address of the facility;
- 30 (6) the number and age range of children that the facility may have in
- 31 care at any time;

- 1 (7) all conditions set by the department;
- 2 (8) variances approved by the department for the duration of the
- 3 license; and
- 4 (9) the address and phone number of the nearest department office that
- 5 is responsible for administering this chapter or of the department representative
- 6 responsible for evaluating that facility under AS 14.37.010(a)(4).

7 (b) A licensee shall post the license in a conspicuous place in the facility,

8 visible to individuals in care and their families and to facility staff. If the department

9 has approved a variance that is not stated on the license, the licensee shall post a copy

10 of the variance near the license.

11 **Sec. 14.37.033. Licenses not transferable.** A license may be issued under

12 this chapter only for the location and person named in the application. A license

13 issued under this chapter may not be transferred to another person or location.

14 **Sec. 14.37.037. Orientation and training.** The department, by regulation,

15 may require that an applicant or licensee complete orientation or training to assist that

16 person in operating under the license.

17 **Sec. 14.37.039. Records required.** (a) In accordance with regulations

18 adopted by the department, a licensee shall keep the records regarding each individual

19 in its care that are necessary to show compliance with this chapter and regulations

20 adopted under this chapter.

21 (b) The department's licensing records, with the names of all individuals in

22 care and parents of minors in care deleted to protect the confidentiality of those

23 individuals, are available for public inspection, except for

24 (1) material made confidential by state or federal statutes or regulations;

25 (2) material that is part of an uncompleted licensing or complaint

26 investigation;

27 (3) records that would deprive an applicant, licensee, or other person

28 of a fair and impartial hearing; and

29 (4) records for which the department determines that disclosure would

30 constitute an unwarranted invasion of personal privacy.

31 (c) A government agency that provides funding to a facility licensed under this

1 chapter may have access to that facility's records in order to conduct an audit.

2 **Sec. 14.37.043. Monitoring; investigation.** (a) By the first anniversary of
3 the effective date of a biennial license, including a renewed biennial license, the
4 licensee shall submit an annual self-monitoring report to the department. The
5 department shall specify, by regulation, the contents of the report.

6 (b) To encourage parents of children in child care facilities to become involved
7 in day-to-day monitoring of the care provided by the facilities, the department shall
8 require licensees to give to parents of children in child care in the licensee's facility
9 a summary of the regulatory requirements that apply to the facility and the
10 department's or department representative's telephone contact number for reporting a
11 concern regarding child care. The department also may provide notice of the
12 telephone contact numbers for reporting child care concerns.

13 (c) The department may conduct an investigation, including announced or
14 unannounced on-site inspections, for ongoing monitoring or to assist in its review of
15 an annual self-monitoring report.

16 **Sec. 14.37.045. Biennial license renewal.** (a) At least 90 days before the
17 expiration date of a biennial license, a licensee who wishes to remain licensed shall
18 submit, on a form provided by the department, an application for renewal of the
19 license and any associated variances.

20 (b) Before expiration of a biennial license, the department or its representative
21 shall inspect a facility that is the subject of a renewal application.

22 (c) The department shall renew a biennial license if the department finds that

23 (1) the licensee

24 (A) either is in compliance with this chapter and regulations
25 adopted under this chapter or is substantially in compliance and has
26 implemented a plan of correction, approved by the department, that is designed
27 to bring the facility into full compliance; and

28 (B) has maintained the facility in good repair and is in
29 compliance with all state fire safety and environmental health and safety code
30 requirements;

31 (2) the ground for revocation set out in AS 14.37.130(a)(2) does not

1 exist; and

2 (3) all applicable fees have been paid.

3 (d) If the licensee submits a renewal application within the time period
4 required by the department by regulation, but the department is unable to complete its
5 review before the expiration date of the biennial license, the license is automatically
6 extended for six months or until the department completes its review and either
7 approves or denies the application, whichever occurs first.

8 (e) If the department decides to approve an application for renewal, but finds
9 that the applicant is not in compliance with a provision of this chapter, a regulation
10 adopted under this chapter, or a condition on the license, the department, as a
11 condition on the renewed biennial license, shall require the applicant to correct any
12 violations and provide the department with verification of compliance.

13 (f) If the department denies an application for renewal, it shall provide the
14 applicant with a notice of denial of application. The notice must contain a written
15 statement of the reasons for denial and a form for requesting a hearing under (g) of
16 this section.

17 (g) An applicant whose application is denied may appeal the department's
18 decision, on the form provided by the department, by requesting a hearing within 15
19 days after receipt of the notice of denial of application.

20 **Sec. 14.37.047. Notice of changes.** (a) A licensee shall provide the
21 department with written notice of a change of mailing address at least 14 days before
22 the effective date of the change.

23 (b) A licensee shall notify the department within 24 hours after having
24 knowledge of a conviction or indictment, presentment, or charging by information or
25 complaint of an administrator, regular volunteer, staff person, or member of the
26 licensee's household for a violation of the following laws or the laws of another
27 jurisdiction with similar elements:

28 (1) offenses against the family and vulnerable adults under AS 11.51;

29 (2) perjury under AS 11.56.200;

30 (3) offenses included in the definition of "serious offense" under
31 AS 12.62.900.

1 (c) A licensee shall notify the department at least 20 days before the effective
2 date of a decision to relinquish the license.

3 (d) A licensee shall notify the department at least 20 days before the date on
4 which the licensee wishes to change the number of children in care or hours of
5 operation.

6 (e) A licensee shall notify the department no later than one day after signing
7 a contract for sale of the licensed facility.

8 (f) A licensee shall notify the department at least 30 days before the licensee
9 wishes to change the location of the facility.

10 **Sec. 14.37.105. Complaints.** (a) A person who believes that a provision of
11 this chapter, a regulation adopted under this chapter, or a condition of a license issued
12 under this chapter has been violated may file a verbal or written complaint with the
13 department.

14 (b) The department shall investigate all complaints filed under this section
15 unless the department reasonably concludes that the complaint is without merit.

16 (c) After an investigation under this section, the department shall prepare a
17 written report of investigation and shall mail a copy to the licensee or other person
18 who is the subject of the complaint, and to the complainant if requested. If the
19 department determines that a violation of this chapter, a regulation adopted under this
20 chapter, or a condition of a license issued under this chapter has occurred, the
21 department's report of investigation must contain the following:

22 (1) a description of the violation;

23 (2) a citation to the provision of this chapter or the regulation that has
24 been violated, if applicable; and

25 (3) either

26 (A) a date by which the violation must be corrected and a
27 verification of compliance submitted to the department; or

28 (B) a plan of correction.

29 (d) A licensee may submit to the department a written response regarding a
30 report of investigation relating to that facility. The department shall retain the written
31 response in the licensing file.

1 (e) A licensee may not take retaliatory action against a person who files a
2 complaint. A complainant against whom retaliatory action has been taken may recover
3 treble damages in a civil action upon a showing that the action was taken in retaliation
4 for the filing of a complaint.

5 **Sec. 14.37.110. Investigations; search warrants.** (a) An applicant for a
6 license, or a licensee, shall cooperate with the department for purposes of licensing
7 investigations, investigations relating to ongoing monitoring of the facility, or
8 investigations under AS 14.37.105 by

9 (1) permitting representatives of the department to inspect the facility,
10 review records, interview staff, and interview individuals in care; and

11 (2) providing to the department information and documentation
12 requested by the department to determine compliance with this chapter and regulations
13 adopted under this chapter.

14 (b) Following an investigation relating to ongoing monitoring of a facility or
15 relating to a facility that the department believes is operating without a license in
16 violation of this chapter, the department shall prepare and distribute a written report
17 of investigation as described in AS 14.37.105(c), and the facility may submit a
18 response as described in AS 14.37.105(d).

19 (c) The department may seek a search warrant to inspect a facility if

20 (1) the department has probable cause to believe that the facility is
21 operating without a license in violation of this chapter and the facility operator refuses
22 to allow an inspection by the department; or

23 (2) the licensee refuses to allow an inspection of the facility by the
24 department.

25 **Sec. 14.37.120. Enforcement action.** (a) During an investigation under this
26 chapter, the department may, by written notice, suspend operations of the facility if the
27 department has reasonable cause to believe that a violation is occurring that presents
28 an imminent danger to the health or safety of the individuals in care. A suspension
29 under this subsection continues for the time period set by the department and may
30 continue until the department issues a report of investigation under AS 14.37.105(c)
31 or 14.37.110(b).

1 (b) If, after an investigation under this chapter, the department has determined
2 that a violation of this chapter or a regulation adopted under this chapter has occurred
3 or a ground for revocation or nonrenewal set out in AS 14.37.130 exists, has issued
4 a report of investigation under AS 14.37.105(c) or 14.37.110(b), and has determined
5 that voluntary compliance or a plan of correction is not appropriate, the department
6 may take one or more of the following enforcement actions as the department
7 considers appropriate:

8 (1) delivery of a warning notice to the licensee or other person who is
9 the subject of the investigation;

10 (2) modification of the term of an existing license or reduction of the
11 number of children for whom care can be provided;

12 (3) suspension of operations of the facility for a period of time set by
13 the department;

14 (4) suspension of new enrollment in the facility for a period of time set
15 by the department;

16 (5) nonrenewal of the license;

17 (6) revocation of the license;

18 (7) issuance of an order requiring immediate closure of the facility;

19 (8) assessment of an administrative fine of up to \$500 for each day a
20 violation continues, not to exceed a total of \$5,000 for a violation.

21 (c) The department shall provide the licensee or other person who is the
22 subject of an investigation with written notice of the department's decision under (b)
23 of this section to take enforcement action. The notice must contain a form for
24 requesting a hearing under (d) of this section and must describe

25 (1) the condition, if any, in the facility that constitutes a violation of
26 this chapter or a regulation adopted under this chapter;

27 (2) each enforcement action that will be taken;

28 (3) the licensee's or other person's right to appeal the department's
29 decision to take an enforcement action described in (b)(2) - (8) of this section.

30 (d) A licensee or other person to whom a notice has been provided under (a)
31 or (c) of this section may appeal the department's decision to impose an enforcement

1 action described in (a) or (b)(2) - (8) of this section by filing a written request for a
2 hearing, on the form provided by the department, within 15 days after receipt of the
3 notice of enforcement action.

4 (e) Unless the violation that prompted enforcement action under (b) of this
5 section presents an imminent danger to the health or safety of the individuals in care,
6 an enforcement action described in a notice provided under (c) of this section may not
7 be imposed until

8 (1) the time period for requesting a hearing under (d) of this section has
9 passed without a hearing being requested; or

10 (2) the department makes a final decision following a hearing requested
11 under (d) of this section.

12 (f) If a hearing is requested under (d) of this section, the department's decision
13 following the hearing is a final administrative order.

14 (g) If a hearing is not requested under (d) of this section, the department's
15 notice of enforcement action constitutes a final administrative order, which the
16 department may seek the court's assistance in enforcing.

17 (h) A licensee whose license was revoked or not renewed under this section
18 may not reapply for licensure under this chapter until after the time period, if any, set
19 by the department in its final administrative order. If a time period is not set by the
20 department, the revocation or nonrenewal is permanent, and the former licensee may
21 not again apply for licensure under this chapter.

22 (i) Assessment of an administrative fine under this section does not preclude
23 imposition of a criminal penalty under AS 14.37.820.

24 **Sec. 14.37.130. Grounds for license revocation or nonrenewal.** (a) In
25 addition to the ground of violation of this chapter or a regulation adopted under this
26 chapter, the department may revoke or decline to renew a license issued under this
27 chapter on one or more of the following grounds:

28 (1) failure to submit a timely and complete renewal application;

29 (2) the indictment or charging by information or complaint, or a
30 criminal conviction within the last 10 years, of the licensee or administrator, member
31 of the licensee's household who is present in the facility at any time the facility is in

1 operation, regular volunteer, or staff person for

2 (A) a felony;

3 (B) a misdemeanor crime of assault, reckless endangerment,
4 contributing to the delinquency of a minor, or misconduct involving a
5 controlled substance; or

6 (C) the crime of perjury, as defined in AS 11 or the laws of
7 another jurisdiction;

8 (3) the conviction, indictment, presentment, or charging of the licensee
9 or an administrator, member of the licensee's household who is present in the facility
10 at any time the facility is in operation, regular volunteer, or staff person at any time
11 for a violation or attempted violation of an offense included in the definitions of
12 "serious offense" under AS 12.62.900;

13 (4) obtaining or attempting to obtain or retain a license under this
14 chapter by fraudulent means, misrepresentation, or by submitting false information;

15 (5) failure to correct a violation noted in a report of investigation
16 provided under AS 14.37.105(c) or 14.37.110(b);

17 (6) failure to comply with a final administrative order issued by the
18 department under AS 14.37.120.

19 (b) A licensee may voluntarily relinquish the license or withdraw an
20 application for renewal.

21 **Sec. 14.37.800. Administrative procedure.** The administrative adjudication
22 provisions of AS 44.62 (Administrative Procedure Act) apply to an appeal from a
23 department decision under this chapter relating to denial, involuntary conditioning, or
24 revocation of a license, suspension of operations or admissions, or assessment of an
25 administrative fine.

26 **Sec. 14.37.810. Immunity from liability.** (a) A person operating under
27 agreement with the department under AS 14.37.010(a)(4) is immune from civil liability
28 that might otherwise be incurred or imposed for acts or omissions that occurred during
29 the performance of the person's duties on behalf of the department if the person was
30 operating within the scope of the duties delegated to the person under the agreement.

31 (b) The department and its employees are not liable for civil damages as a

1 result of an act or omission in the licensing, monitoring, or supervision of a facility
2 licensed under this chapter. This subsection does not preclude liability for civil
3 damages as a result of gross negligence or reckless or intentional misconduct.

4 **Sec. 14.37.820. Penalty.** A person who violates a provision of this chapter
5 or a regulation adopted under this chapter is guilty of a class B misdemeanor.

6 **Sec. 14.37.900. Definitions.** In this chapter,

7 (1) "administrator" means an individual who has general administrative
8 charge and oversight of a facility;

9 (2) "child" means an individual under 18 years of age, and includes an
10 individual who is a relative of a care provider or administrator;

11 (3) "child care" means, care, supervision, and provision of
12 developmental opportunities, with or without compensation, to a child who does not
13 have a parent present;

14 (4) "child care facility" means a place where child care is regularly
15 provided for children under 12 years of age for periods of time that are less than 24
16 hours in duration unless nighttime care is authorized by the department;

17 (5) "criminal justice information" has the meaning given in
18 AS 12.62.900;

19 (6) "department" means the Department of Education and Child
20 Development;

21 (7) "facility" means the administration, program, and physical plant of
22 a child care facility;

23 (8) "licensee" means a person to whom a license has been issued under
24 this chapter;

25 (9) "parent" means a birth or adoptive parent or a legal guardian;

26 (10) "relative" means an individual who is related to another through
27 any of the following relationships, by blood, adoption, or marriage: parent,
28 grandparent, great grandparent, brother, sister, stepparent, stepsister, stepbrother,
29 cousin, aunt, uncle, great-aunt, great-uncle or step-grandparent;

30 (11) "serious offense" has the meaning given in AS 12.62.900.

31 * **Sec. 16.** AS 14 is amended by adding a new chapter to read:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

Chapter 38. Head Start, Child Care, and Day Care.

Article 1. Head Start.

Sec. 14.38.010. Operation of Head Start programs. The Department of Education and Child Development shall operate the head start funding program governed by 42 U.S.C. 9835.

Article 2. Day Care Assistance.

Sec. 14.38.100. Powers and duties. (a) The department shall

(1) implement and administer a program to assist in providing day care for the children of low and moderate income families according to the requirements of AS 14.38.100 - 14.38.199;

(2) establish standards of eligibility for day care benefits;

(3) contract for the care of children of eligible families;

(4) establish procedures to periodically review the needs of families receiving day care benefits;

(5) provide notification to the local government body of the request for a contract with a day care facility.

(b) The department may

(1) adopt regulations necessary for the performance of its duties under AS 14.38.100 - 14.38.199;

(2) contract with other entities to perform duties of the department under AS 14.38.100 - 14.38.199 within an area specified by the department; within an area, the department shall give higher priority to contracting with municipalities than with other organizations.

Sec. 14.38.110. Administrative costs of program contractors. To defray administrative expenses, a contractor under AS 14.38.100(b) may only retain \$1,000 or 12 percent, whichever is greater, of the day care assistance program funds it receives from the department under the contract.

Sec. 14.38.120. Conditions of receipt of benefits. Benefits may be paid for the care of children of a low or moderate income family only if a parent or guardian, because of the day care, is freed to work or to seek work or to attend school. Benefits may not be paid for the care of children of a family where one parent or guardian is

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

not working, actively seeking work, or attending school and is physically and mentally capable of caring for the children.

Sec. 14.38.130. Eligibility of families for benefits. The department shall determine the eligibility of families for day care benefits on the basis of the following factors:

- (1) income of the family including salary, alimony, child support, retirement benefits, social security, and any other source of income;
- (2) number of children in the family;
- (3) whether there is one parent or guardian solely responsible for the care of the family.

Sec. 14.38.140. Contributions by parent or guardian. The department shall develop a sliding fee scale based on the factors listed in AS 14.38.130 for purposes of determining the amount to be contributed by the parent or guardian for child care. The contribution of the parent or guardian shall be paid to the day care facility.

Sec. 14.38.150. Placement; payment by state. (a) Parents or guardians shall select the day care facility for the care of their children.

(b) Benefits shall be paid by the department directly to the municipality or organization contracting with the day care facility.

Article 3. Child Care Grants.

Sec. 14.38.160. Child care grant program. (a) A child care grant program is established in the department to provide state assistance in the operation of child care facilities. The department shall provide grants for the operation of child care facilities, including private nonprofit child care facilities. Participation in the program is optional.

(b) To qualify for a grant under (a) or (d) of this section, the child care facility must

- (1) be currently licensed under AS 47.35 and applicable municipal licensing requirements;
- (2) participate in the day care assistance program under AS 14.38.100 - 14.38.199; and
- (3) provide care under a payment system as provided in (g) of this

1 section.

2 (c) A grant under (a) of this section may not exceed \$50 per month for each
3 child the child care facility cares for, or for each full-time equivalent, as determined
4 by the department. The grant shall be adjusted on a geographic basis by the same
5 factor as funding for a school district is adjusted under AS 14.17.460.

6 (d) In addition to the grants provided in (a) of this section, the department
7 may, subject to appropriations for that purpose, provide by grant or contract for the
8 education and training of child care employees or administrators. To receive a grant
9 or contract under this subsection or to participate in a training program under this
10 subsection, the child care facility must meet all the requirements of (b) of this section.

11 (e) An application for a grant under this section shall be made in the form
12 established by the department.

13 (f) A grant under (a) of this section shall be made monthly or quarterly and
14 shall be based on the monthly average daily full-time equivalent enrollment in the
15 child care facility. If the method of payment for the grant is other than monthly, it
16 shall be at the request of the child care facility with the approval of the department.
17 Based on criteria established by the department, the department may make quarterly
18 advance payments.

19 (g) Each child care facility receiving a grant under (a) or (d) of this section
20 shall assure that at least 15 percent or one of its child care spaces receiving subsidy
21 under this section, whichever is greater, will be made available, if requested, to
22 children eligible for day care assistance under AS 14.38.100 - 14.38.199, whose
23 parents or guardians wish to pay for care based on attendance only.

24 (h) The State Board of Education shall, in consultation with interested child
25 care providers and parents, adopt regulations to carry out the purposes of this section.

26 **Sec. 14.38.199. Definitions.** In AS 14.38.100 - 14.38.199,

27 (1) "child" means a person below 13 years of age, or a minor who has
28 a developmental disability;

29 (2) "child care facility" means an establishment licensed under
30 AS 47.35 including but not limited to day care centers, family day care homes, and
31 schools for preschool age children, which provides care for children not related by

1 blood, marriage, or legal adoption to the owner, operator, or manager of the facility;

2 (3) "day care" means the care, supervision, and guidance of a child or
3 children unaccompanied by a parent or legal guardian on a regular basis for periods
4 of less than 24 hours a day;

5 (4) "day care facility" means a center or home licensed in accordance
6 with the provisions of AS 47.35 or recognized by the federal government for the care
7 of children;

8 (5) "department" means the Department of Education and Child
9 Development;

10 (6) "developmental disability" means a disability under which a person
11 is incapable of self-care, as verified by a physician or licensed or certified psychologist
12 who has examined the person.

13 * Sec. 17. AS 14.38.160(b) is amended to read:

14 (b) To qualify for a grant under (a) or (d) of this section, the child care facility
15 must

16 (1) be currently licensed under AS 14.37 [AS 47.35] and applicable
17 municipal licensing requirements;

18 (2) participate in the day care assistance program under AS 14.38.100 -
19 14.38.199; and

20 (3) provide care under a payment system as provided in (g) of this
21 section.

22 * Sec. 18. AS 14.38.199(2) is amended to read:

23 (2) "child care facility" means an establishment licensed under
24 AS 14.37 [AS 47.35] including but not limited to day care centers, family day care
25 homes, and schools for preschool age children, which provides care for children not
26 related by blood, marriage, or legal adoption to the owner, operator, or manager of the
27 facility;

28 * Sec. 19. AS 14.38.199(4) is amended to read:

29 (4) "day care facility" means a center or home licensed in accordance
30 with the provisions of AS 14.37 [AS 47.35] or recognized by the federal government
31 for the care of children;

1 * Sec. 20. AS 14.42.015(a) is amended to read:

2 (a) There is in the Department of Education and Child Development the
3 Alaska Commission on Postsecondary Education consisting of

4 (1) two members of the Board of Regents of the University of Alaska
5 designated by the members of that body;

6 (2) one person representing private higher education in the state
7 selected jointly by the Boards of Trustees of Alaska Pacific University and Sheldon
8 Jackson College from among their membership;

9 (3) one person representing the Department of Education and Child
10 Development selected by the state Board of Education;

11 (4) four persons broadly and equitably representative of the general
12 public appointed by the governor;

13 (5) one member of the Alaska Human Resource Investment Council
14 established by AS 23.15.550 [AS 44.19.620] designated by the members of that body;

15 (6) one person from the members of the local community college
16 advisory councils appointed by the governor;

17 (7) two members from the legislature, one of whom shall be appointed
18 by the president of the senate and one by the speaker of the house of representatives;

19 (8) one person appointed in accordance with (e) of this section who is
20 a full-time student as defined in AS 14.43.160;

21 (9) one administrator appointed by the governor from a proprietary
22 institution of postsecondary education that has an authorization to operate in the state
23 issued under AS 14.48.

24 * Sec. 21. AS 14.43.148(h)(1) is amended to read:

25 (1) "license"

26 (A) means, except as provided in (B) of this paragraph, a
27 license, certificate, permit, registration, or other authorization that, at the time
28 of issuance, will be valid for more than 150 days and that may be acquired
29 from a state agency to perform an occupation, including the following:

30 (i) license relating to boxing or wrestling under
31 AS 05.10;

- 1 (ii) authorization to perform an occupation regulated
2 under AS 08;
- 3 (iii) teacher certificate under AS 14.20;
- 4 (iv) authorization under AS 18.08 to perform emergency
5 medical services;
- 6 (v) asbestos worker certification under AS 18.31;
- 7 (vi) boiler operator's license under AS 18.60.395;
- 8 (vii) certificate of fitness under AS 18.62;
- 9 (viii) hazardous painting certification under AS 18.63;
- 10 (ix) certification as a municipal correctional,
11 correctional, probation, or parole officer under AS 18.65.245;
- 12 (x) security guard license under AS 18.65.400 -
13 18.65.490;
- 14 (xi) license relating to insurance under AS 21.27;
- 15 (xii) employment agency permit under AS 23.15.330 -
16 23.15.520;
- 17 (xiii) registration as a broker-dealer, agent, or investment
18 adviser under AS 45.55.030;
- 19 (xiv) certification as a pesticide applicator under
20 AS 46.03.320;
- 21 (xv) certification as a storage tank worker or contractor
22 under AS 46.03.375;
- 23 (xvi) certification as a water and wastewater works
24 operator under AS 46.30; and
- 25 (B) does not include
- 26 (i) a commercial fishing license under AS 16.05.480,
27 including a crewmember fishing license;
- 28 (ii) a vessel license issued under AS 16.05.490 or
29 16.05.530;
- 30 (iii) a license issued under AS 14.37 or AS 47.35;
- 31 (iv) a business license issued under AS 43.70;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

- (v) an entry permit or interim-use permit issued under AS 16.43; or
- (vi) a driver's license issued under AS 28.15;

* Sec. 22. AS 16.40.050(d) is amended to read:

(d) Elk imported, exported, or possessed for the purpose of elk farming are subject to the provisions of AS 03 and regulations adopted under AS 03 by the commissioner of natural resources [OR THE COMMISSIONER OF ENVIRONMENTAL CONSERVATION] for domestic animals and livestock [,] to the extent they are made applicable to elk by the commissioner of natural resources [COMMISSIONERS].

* Sec. 23. AS 17.20.005 is amended to read:

Sec. 17.20.005. Powers and duties of commissioner. To carry out the requirements of this chapter, the commissioner may issue orders, regulations, permits, quarantines, and embargoes relating to

(1) food offered to the public or sold, including

(A) inspection of meat, fish, poultry, and other food products;

however, the jurisdiction of the commissioner with respect to meat and poultry exists only when the meat or poultry is offered or sold by a retailer;

(B) standards of sanitation and handling methods for all retail phases of [SLAUGHTERING, PROCESSING.] storing, transporting, displaying, and selling; and

(C) labeling;

(2) control and eradication of pests;

(3) enforcement of hazard analysis critical control point programs for seafood processing that are developed in cooperation with appropriate industry representatives or, to the extent not inconsistent with this chapter or regulations adopted under the authority of this chapter, that are established by regulations of the United States Food and Drug Administration as they may periodically be revised;

(4) [LABELING AND GRADING OF MILK AND MILK PRODUCTS AND STANDARDS OF SANITATION FOR DAIRIES OFFERING TO THE PUBLIC

1 OR SELLING MILK OR MILK PRODUCTS TO AT LEAST THE MINIMUM OF
 2 CURRENT RECOMMENDATIONS OF THE UNITED STATES PUBLIC HEALTH
 3 SERVICE PASTEURIZED MILK ORDINANCE AS IT MAY PERIODICALLY BE
 4 REVISED;

5 (5)] standards and conditions for the operation and siting of aquatic
 6 farms and related hatcheries, including

7 (A) restrictions on the use of chemicals; and

8 (B) requirements to protect the public from contaminated
 9 aquatic farm products that pose a risk to health;

10 (5) [(6)] monitoring aquatic farms and aquatic farm products to ensure
 11 compliance with this chapter and, to the extent not inconsistent with this chapter or
 12 regulations adopted under the authority of this chapter, with the requirements of the
 13 national shellfish sanitation program manual of operations published by the United
 14 States Food and Drug Administration as it may periodically be revised;

15 (6) [(7)] tests and analyses that may be made and hearings that may be
 16 held to determine whether the commissioner will issue a stop order or quarantine;

17 (7) [(8)] transportation of, use of, disposal of, recalls of, or warnings
 18 concerning quarantined or embargoed items;

19 (8) [(9)] cooperation with federal and other state agencies.

20 * Sec. 24. AS 18.45.030 is amended to read:

21 **Sec. 18.45.030. Conduct of studies concerning changes in laws and**
 22 **regulations with a view to atomic industrial development.** Each of the following
 23 departments and agencies of the state are directed to initiate and to pursue continuing
 24 studies as to the need for changes in the laws and regulations administered by it that
 25 would arise from the presence within the state of special nuclear, by-product, and
 26 radioactive materials, from the operation of production or utilization facilities, and
 27 from the generation of radiation, and, on the basis of these studies, to make the
 28 recommendations for the enactment of laws or amendments to law administered by it,
 29 and the proposals for amendments to the regulations issued by it that it considers
 30 necessary:

31 (1) the Department of Health and Social Services particularly as to

1 hazards to the public health and safety;

2 (2) the division of safety inspections, Department of Public Safety,
3 [LABOR] particularly as to hazardous working conditions;

4 (3) the Department of Labor and Workforce Development particularly
5 as to the time and character of proof of claims of injuries and the extent of the
6 compensation allowable;

7 (4) the Department of Transportation and Public Facilities particularly
8 as to the transportation of special nuclear, by-product, and radioactive materials on
9 highways of the state;

10 (5) the Department of Transportation and Public Facilities particularly
11 as to the transportation of special nuclear, by-product, and radioactive materials by
12 common carriers not in interstate commerce and as to the participation by public
13 utilities subject to its jurisdiction in projects for the development of production or
14 utilization facilities for industrial or commercial use;

15 (6) the Department of Community [COMMERCE] and Economic
16 Development particularly as to the insurance of persons and property from hazards to
17 life and property resulting from atomic development;

18 (7) the Department of Fish and Game particularly as to the hazards to
19 the natural resources of the state, including wildlife, and as to the protection of rivers,
20 streams, and airspace from pollution;

21 (8) the Department of Natural Resources particularly as to the hazards
22 involved in the mining of radioactive minerals;

23 (9) departments and agencies the governor directs and for the purposes
24 specified by the governor, and other departments and agencies provided by law.

25 * Sec. 25. AS 18.60.055 is amended to read:

26 Sec. 18.60.055. Qualifications of safety inspectors [DIVISION OF LABOR
27 STANDARDS AND SAFETY]. [AS ESTABLISHED BY AS 23.10.075, THERE IS
28 IN THE DEPARTMENT A DIVISION OF LABOR STANDARDS AND SAFETY.]
29 Minimum qualifications shall be established by the division for employees of the
30 division [DEPARTMENT] acting as safety inspectors under AS 18.60.010 - 18.60.105.
31 These qualifications must include, as a minimum requirement, at least five years

1 general work experience in the field they are assigned to inspect. Training in safety
2 principles, codes, and standards may be substituted for work experience up to a
3 maximum of three years.

4 * Sec. 26. AS 18.60.096 is amended to read:

5 **Sec. 18.60.096. Imminent dangers.** (a) The director of the division of
6 safetv inspections [COMMISSIONER], or a designated agent as authorized by the
7 director [COMMISS' NER], may issue orders restraining a particular condition or
8 practice in any place of employment that constitutes a danger that could reasonably be
9 expected to immediately cause death or serious physical harm. The terms of an order
10 issued under this section may require steps to be taken as necessary to avoid, correct,
11 or remove the imminent danger and may prohibit the employment or presence of an
12 individual in locations or under conditions where imminent danger exists. The terms
13 of the order may allow the presence of individuals necessary to avoid, correct, or
14 remove the imminent danger.

15 (b) When and as soon as a representative of the division [DEPARTMENT]
16 concludes that conditions or practices described in (a) of this section exist in any place
17 of employment, the representative shall inform the affected employees and employer
18 of the danger and that the representative is recommending to the director of the
19 division of safetv inspections [COMMISSIONER], or a designated agent as authorized
20 by the director [COMMISSIONER], the issuance of a restraining order.

21 (c) The attorney general shall, when requested by the director of the division
22 of safetv inspections [COMMISSIONER], seek an injunction in superior court to
23 enforce a restraining order issued under this section.

24 (d) If the director of the division of safetv inspections [COMMISSIONER]
25 arbitrarily or capriciously fails to issue a restraining order under this section, an
26 employee who may be injured by reason of the failure, or the representative of the
27 affected employees, may bring an action against the director [COMMISSIONER] in
28 superior court to compel the director [COMMISSIONER] to issue a restraining order
29 and for further relief as may be appropriate.

30 * Sec. 27. AS 18.60.097 is amended to read:

31 **Sec. 18.60.097. Judicial review.** (a) A person affected by an order of the

1 OSHA Review Board under AS 18.60.093(c) or (e) or of the director of the division
2 of safetv inspections [COMMISSIONER] under AS 18.60.096 may obtain a review
3 of the order by filing a notice of appeal in the superior court as provided in Rule 45
4 of the Alaska Rules of Appellate Procedure.

5 (b) The division of safetv inspections [DEPARTMENT] may obtain review
6 of an order of the OSHA Review Board under AS 18.60.093(c) or (e) by filing a
7 notice of appeal in the superior court as provided in Rule 45 of the Alaska Rules of
8 Appellate Procedure.

9 (c) An order of the OSHA Review Board under AS 18.60.093(c) or (e) or of
10 the director of the division of safetv inspections [COMMISSIONER] under
11 AS 18.60.096 becomes final and is not subject to review by any court if a notice of
12 appeal is not filed with the superior court within the period provided for by the Alaska
13 Rules of Appellate Procedure.

14 (d) An employer seeking judicial review of an order of the OSHA Review
15 Board or of the director of the division of safetv inspections [COMMISSIONER]
16 must inform the affected employees of the fact that the employer is seeking judicial
17 review.

18 (e) The court shall review an order of the OSHA Review Board or of the
19 director of the division of safetv inspections [COMMISSIONER] on a substantial-
20 evidence basis.

21 * Sec. 28. AS 18.60.180 is amended to read:

22 **Sec. 18.60.180. Regulations.** The division of safetv inspections, Department
23 of Public Safetv, [LABOR] shall formulate definitions and regulations for the safe and
24 proper construction, installation, repair, use, and operation of boilers and for the safe and
25 proper construction, installation, and repair of unfired pressure vessels. The definitions
26 and regulations must be based upon and shall follow the generally accepted nationwide
27 engineering standards, formulae, and practices established for boiler and unfired pressure
28 vessel construction and safety. The division [DEPARTMENT OF LABOR] may adopt
29 the existing published codification of these definitions and regulations, known as the
30 Boiler Construction Code of the American Society of Mechanical Engineers, and may
31 adopt the amendments and interpretations made and published by that society. The
32 division [DEPARTMENT OF LABOR] shall adopt amendments and interpretations to

1 the code immediately upon their adoption by the American Society of Mechanical
2 Engineers so that the definitions and regulations at all times follow generally accepted
3 nationwide engineering standards.

4 * Sec. 29. AS 18.60 is amended by adding a new section to article 3 to read:

5 **Sec. 18.60.399. Definition.** In AS 18.60.180 - 18.60.399, unless the context
6 otherwise requires, "division" means the division of safety inspections, Department of
7 Public Safety.

8 * Sec. 30. AS 18.60 is amended by adding a new section to article 4 to read:

9 **Sec. 18.60.465. Definition.** In AS 18.60.400 - 18.60.465, unless the context
10 otherwise requires, "division" means the division of safety inspections, Department of
11 Public Safety.

12 * Sec. 31. AS 18.60.580 is amended to read:

13 **Sec. 18.60.580. Minimum electrical standards.** After the American National
14 Standards Institute approves a new, published edition of the National Electrical Code or
15 a new, published edition of the National Electrical Safety Code, the division of safety
16 inspections, Department of Public Safety, [LABOR] may, by regulation, adopt the most
17 recent codes to constitute the minimum electrical safety standards of the state.

18 * Sec. 32. AS 18.60.660 is amended by adding a new paragraph to read:

19 (5) "division" means the division of safety inspections, Department of
20 Public Safety.

21 * Sec. 33. AS 18.60.740(4) is amended to read:

22 (4) "inspector" means a qualified inspector employed by, designated by,
23 or under contract to the division [DEPARTMENT OF LABOR].

24 * Sec. 34. AS 18.60.740 is amended by adding a new paragraph to read:

25 (5) "division" means the division of safety inspections, Department of
26 Public Safety.

27 * Sec. 35. AS 18.60 is amended by adding a new section to article 10 to read:

28 **Sec. 18.60.825. Definition.** In AS 18.60.800 - 18.60.825, "division" means
29 the division of safety inspections, Department of Public Safety.

30 * Sec. 36. AS 18.60.830(a) is amended to read:

31 (a) There is established in the division of safety inspections, Department of
32 Public Safety, [LABOR] the Alaska Safety Advisory Council.

1 * Sec. 37. AS 18.60.830(e) is amended to read:

2 (e) The council shall elect a chair [CHAIRPERSON] and a secretary from
3 among its members, each to serve for a term not to exceed two years. The
4 commissioner of public safety [LABOR] or the designee of the commissioner of
5 public safety [LABOR] shall serve as the executive secretary of the council.

6 * Sec. 38. AS 18.62 is amended by adding a new section to read:

7 **Sec. 18.62.090. Definition.** In this chapter, "department" means the
8 Department of Community and Economic Development.

9 * Sec. 39. AS 18.70.081 is amended to read:

10 **Sec. 18.70.081. Approval of fire protection systems.** Before October 30 of
11 each year the division of safety inspections, Department of Public Safety, shall
12 prepare and make available a list of approved fire protection systems to [THE
13 DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS,] the Department
14 of Community [COMMERCE] and Economic Development [,] and the public.

15 * Sec. 40. AS 23.05 is amended by adding a new section to read:

16 **Sec. 23.05.065. Fees for publications, research data, and other services.**
17 The commissioner may establish by regulation and the department may charge
18 reasonable fees for department publications, research data, and other centralized
19 administrative services to cover the cost of reproduction, printing, mailing, distribution,
20 and other centralized administrative services.

21 * Sec. 41. AS 23.05.360(a) is amended to read:

22 (a) There is established within the Department of Administration [LABOR] the
23 Alaska labor relations agency. The agency is made up [COMPRISED] of six members
24 appointed by the governor and confirmed by the legislature. The term of office of a
25 member is three years. Members serve staggered terms in accordance with
26 AS 39.05.055. A vacancy in an unexpired term shall be filled by appointment by the
27 governor for the remainder of the term. The agency must include two members with a
28 background in management, two members with a background in labor, and two members
29 from the general public. All members must have relevant experience in labor relations
30 matters.

31 * Sec. 42. AS 23.05.370(a) is amended to read:

32 (a) The agency shall

- 1 (1) establish its own rules of procedure;
- 2 (2) exercise general supervision and direct the activities of staff assigned
3 to it by the Department of Administration [DEPARTMENT];
- 4 (3) prepare and submit to the governor an annual report on labor
5 relations problems it has encountered during the previous year, including
6 recommendations for legislative action; the agency shall notify the legislature that the
7 report is available;
- 8 (4) serve as the labor relations agency under AS 23.40.070 - 23.40.260
9 (Public Employment Relations Act) and carry out the functions specified in that Act; and
- 10 (5) serve as the railroad labor relations agency for the Alaska Railroad
11 under AS 42.40 (Alaska Railroad Corporation Act) and carry out the functions specified
12 in that Act.

13 * Sec. 43. AS 23.10.075 is amended to read:

14 **Sec. 23.10.075. Labor standards and safety division.** There is established in
15 the department the division of labor standards and safety. The director of the division
16 is responsible to the commissioner. The director shall administer [AS 18.60.010 -
17 18.60.105 AND] AS 23.10.050 - 23.10.150.

18 * Sec. 44. AS 23.15.010 is amended to read:

19 **Sec. 23.15.010. Administration of vocational rehabilitation [BOARD OF**
20 **VOCATIONAL REHABILITATION].** The commissioner shall [BOARD OF
21 EDUCATION WHICH ADMINISTERS THE PROGRAM OF VOCATIONAL
22 EDUCATION IS DESIGNATED AS THE BOARD OF VOCATIONAL
23 REHABILITATION TO] administer the vocational rehabilitation program.

24 * Sec. 45. AS 23.15.020 is amended to read:

25 **Sec. 23.15.020. Powers and duties of commissioner [BOARD].** (a) The
26 commissioner [BOARD] may cooperate with a federal agency, as provided and
27 required by federal law for vocational rehabilitation.

28 (b) The commissioner [BOARD] shall comply with the federal laws and the
29 conditions necessary to secure the full benefit of the federal vocational rehabilitation
30 laws, and shall do all things necessary to entitle the state to receive the benefits of the
31 federal laws.

32 (c) The commissioner [BOARD] may do all the things and adopt the

1 regulations that are necessary to carry out the federal laws and the purposes of
2 AS 23.15.010 - 23.15.210.

3 * Sec. 46. AS 23.15.030 is amended to read:

4 **Sec. 23.15.030. Appointment of administrative officers.** The commissioner
5 [BOARD] may appoint administrative officers [,] and delegate to them the authority
6 necessary to carry out AS 23.15.010 - 23.15.210.

7 * Sec. 47. AS 23.15.040 is amended to read:

8 **Sec. 23.15.040. Division of vocational rehabilitation established.** The
9 division of vocational rehabilitation is established under the commissioner [BOARD
10 OF VOCATIONAL REHABILITATION] to carry out AS 23.15.010 - 23.15.210.

11 * Sec. 48. AS 23.15.050 is amended to read:

12 **Sec. 23.15.050. Director of vocational rehabilitation.** The commissioner
13 [BOARD] shall appoint a director of the division of vocational rehabilitation. The
14 director has the administrative authority delegated by the commissioner [BOARD] and
15 necessary to carry out AS 23.15.010 - 23.15.210 and the regulations and policies
16 adopted by the commissioner [BOARD].

17 * Sec. 49. AS 23.15.060(a) is amended to read:

18 (a) The commissioner [BOARD ACTING THROUGH THE DIVISION OF
19 VOCATIONAL REHABILITATION] may enter into necessary agreements on behalf
20 of the state with the Secretary of Health and Human Services to carry out the
21 provisions of the federal Social Security Act, as amended, and as it is subsequently
22 amended, relating to the making of determinations of disability under Title II and Title
23 XVI of that Act.

24 * Sec. 50. AS 23.15.160 is amended to read:

25 **Sec. 23.15.160. Gift's.** The commissioner [BOARD] may accept a gift or
26 donation from a public or a private source that is offered unconditionally for carrying
27 out AS 23.15.010 - 23.15.210. The commissioner [BOARD] may accept a conditional
28 gift if, in the judgment of the agency, the conditions are proper and consistent with
29 AS 23.15.010 - 23.15.210.

30 * Sec. 51. AS 23.15 is amended by adding new sections to read:

31 **Article 3A. Alaska Human Resource Investment Council.**

1 **Sec. 23.15.550. Alaska Human Resource Investment Council.** (a) The
2 Alaska Human Resource Investment Council is established in the department. The
3 council consists of the following voting members, not to exceed 26:

4 (1) the lieutenant governor or the lieutenant governor's designee;

5 (2) the commissioners of community and economic development,
6 education and child development, health and social services, and labor and workforce
7 development, or each respective commissioner's designee;

8 (3) one representative from the University of Alaska;

9 (4) four additional representatives of education, with one from local
10 public education, one from secondary vocational education, one from a postsecondary
11 vocational education institution, and one from adult basic education;

12 (5) four representatives of business and industry, with at least one
13 representative from the private industry councils appointed under 29 U.S.C. 1512 and
14 subject to reconstitution under 29 U.S.C. 1515;

15 (6) four representatives of organized labor that the governor shall
16 appoint from lists of nominees submitted by recognized state labor organizations; the
17 governor may reject a list submitted under this paragraph and request that another list
18 be submitted;

19 (7) at least one representative from an organization representing
20 employment and training needs of Alaska Natives;

21 (8) at least one representative of a community based service
22 organization;

23 (9) at least one representative who has personal or professional
24 experience with developmental disabilities; and

25 (10) at least one and up to five additional members of the private sector
26 to ensure a private sector majority and regional and local representation on the council.

27 (b) Additional nonvoting members may be appointed to the council from
28 government or nongovernment entities.

29 (c) A member of the council under (a) of this section may appoint a designee
30 to serve in place of the member named in (a) of this section. The member shall
31 appoint the designee in writing.

1 **Sec. 23.15.555. Appointment and term of members.** (a) Members of the
2 Alaska Human Resource Investment Council other than those listed in
3 AS 23.15.550(a)(1) and (2) are appointed by the governor and serve at the pleasure of
4 the governor. The governor may appoint one person to fill two or more of the places
5 listed in AS 23.15.550(a) if the person is qualified in all of the areas the person
6 represents. A member appointed to fill more than one place under this subsection is
7 entitled to only one vote and may appoint only one designee to replace the member
8 in the event the member is unable to attend a meeting.

9 (b) The voting members of the council other than those listed in
10 AS 23.15.550(a)(1) and (2) serve for staggered four-year terms and may serve until a
11 successor is appointed. An appointment to fill a vacancy shall be made in the same
12 manner as the original appointment and for the balance of the unexpired term.

13 (c) The governor shall ensure that individuals appointed to the council have
14 sufficient expertise to effectively carry out the duties of the council. Expertise of the
15 council includes, where appropriate, knowledge of the long-term needs of individuals
16 preparing to enter the work force; the needs of local, state, and regional labor markets;
17 and the methods for evaluating the effectiveness of vocational training programs in
18 serving varying populations.

19 **Sec. 23.15.560. Compensation.** Members of the Alaska Human Resource
20 Investment Council listed in or appointed under AS 23.15.550(a), including a designee
21 of a member attending in place of the member, serve without compensation but are
22 entitled to per diem and travel expenses authorized by law for boards and commissions
23 under AS 39.20.180. Nonvoting members of the council appointed under
24 AS 23.15.550(b) serve without compensation and are not entitled to per diem and
25 travel expenses. A commissioner appointed under AS 23.15.550(a)(2) or the
26 commissioner's designee is entitled to per diem and travel expenses as a state
27 employee.

28 **Sec. 23.15.565. Officers.** The Alaska Human Resource Investment Council
29 shall elect a chair and a vice-chair from among the members listed in or appointed
30 under AS 23.15.550(a)(3). The chair and vice-chair serve in their positions at the
31 pleasure of the council.

1 **Sec. 23.15.570. Meetings, quorum, and committees.** (a) The Alaska Human
2 Resource Investment Council shall meet not more than three times in a calendar year
3 at the call of the chair to conduct its business. A majority of the members listed in
4 or appointed to the council under AS 23.15.550(a) constitutes a quorum.

5 (b) The council shall establish an executive committee and four permanent
6 standing committees as described in (c) - (g) of this section. The chair of a permanent
7 standing committee must be from the private sector. The council may establish
8 additional standing committees and special committees or subcommittees, not
9 necessarily consisting of council members, to advise and assist the council in carrying
10 out its functions assigned by federal or state statute. The permanent standing
11 committees are

- 12 (1) the assessment and evaluation committee;
- 13 (2) the policy and planning committee;
- 14 (3) the employment and placement committee; and
- 15 (4) the workforce readiness committee.

16 (c) The executive committee consists of the chair and vice-chair of the council,
17 the immediate past chair of the council, and the chairs of the four standing committees
18 described in (d) - (g) of this section. The executive committee has the duties and may
19 exercise the powers of the council between meetings of the council. The executive
20 committee shall

- 21 (1) report to the council in a timely fashion on actions taken on behalf
22 of the council; and
- 23 (2) supervise the affairs of the council between regular meetings of the
24 council.

25 (d) The assessment and evaluation committee shall

- 26 (1) assess and evaluate programs, initiatives, and the delivery of
27 services to help to ensure equitable distribution of quality education, training, and
28 employment services statewide, especially to rural areas and to programs serving
29 economically disadvantaged citizens;
- 30 (2) call for and monitor the workforce development system for
31 increased accountability in performance and continuous quality improvement along the

1 goals and strategies of the council's overall statewide strategic plan for workforce
2 development;

3 (3) use evaluation and performance measures to gauge customer
4 satisfaction within the workforce development system; and

5 (4) perform other duties assigned by the council.

6 (e) The policy and planning committee shall

7 (1) build policies regarding day-to-day operations and long-term
8 responsibilities of the council;

9 (2) work to increase awareness of the council and its mission
10 throughout the state;

11 (3) work with all other committees on a statewide strategic plan for
12 workforce development; and

13 (4) perform other duties assigned by the council.

14 (f) The employment and placement committee shall

15 (1) ensure the statewide strategic plan for workforce development
16 addresses

17 (A) customer needs at the local level;

18 (B) moving welfare recipients into the workforce;

19 (C) promoting the hiring of state residents in jobs that have
20 traditionally been filled by out-of-state workers;

21 (D) tailoring employment and training programs to suit state
22 business, industry, and economic development needs;

23 (2) monitor the coordination of service delivery to promote efficiency
24 and to prevent overlap of services among programs; and

25 (3) perform other duties assigned by the council.

26 (g) The workforce readiness committee shall

27 (1) provide oversight for training, education, and employment programs
28 to ensure the programs are delivering education and training that is relevant to local
29 market needs and the career goals of state residents;

30 (2) build partnerships between employers and quality workforce training
31 programs;

1 (3) work to connect the state public and private education systems with
2 business, government, and labor to ensure that state residents are receiving workforce
3 readiness skills throughout the education process; and

4 (4) perform other duties assigned by the council.

5 **Sec. 23.15.575. Council as state planning entity.** The Alaska Human
6 Resource Investment Council shall act as the lead state planning and coordinating
7 entity for state human resource programs administered under

8 (1) 29 U.S.C. 1501 - 1792b (Job Training Partnership Act);

9 (2) 20 U.S.C. 2301 - 2471 (Carl D. Perkins Vocational and Applied
10 Technology Education Act);

11 (3) 20 U.S.C. 1201 - 1213d (Adult Education Act);

12 (4) 29 U.S.C. 49 - 491-1 (Wagner - Peyser Act);

13 (5) 42 U.S.C. 681 - 687 (Job Opportunities and Basic Skills Training
14 Program) for needy families with children under the Social Security Act;

15 (6) the employment program established under 7 U.S.C. 2015(d)(4)
16 (Food Stamp Act of 1977);

17 (7) all federal programs designated as successors to the programs listed
18 in (1) - (6) of this section; and

19 (8) all state laws involving employment training, vocational education,
20 workforce development, and community service.

21 **Sec. 23.15.580. Functions of the council.** (a) As the lead state planning and
22 coordinating entity, the Alaska Human Resource Investment Council has responsibility,
23 to the extent authorized by federal and state law, for planning and coordinating federal,
24 state, and local efforts in human resource programs in this state related to employment
25 training, including the work activities of the Alaska temporary assistance program
26 under AS 47.27.

27 (b) The council shall

28 (1) facilitate the development of statewide policy for a coordinated and
29 effective employment training and education system in this state;

30 (2) identify the human resource investment needs in the state and
31 develop a plan to meet those needs;

1 (3) review the provision of services and the use of money and resources
2 by the human resource programs listed in AS 23.15.575;

3 (4) assume the duties and functions of the state councils described
4 under the laws relating to the federal human resource programs listed in AS 23.15.575;

5 (5) advise the governor, state and local agencies, and the University of
6 Alaska on the development of state and local standards and measures relating to
7 applicable human resource programs;

8 (6) submit, to the governor and the legislature, a biennial strategic plan
9 to accomplish the goals developed to meet human resource investment needs;

10 (7) monitor for the implementation and evaluate the effectiveness of the
11 strategic plan developed by the council;

12 (8) adopt regulations that set standards for the percentage of a grant
13 that may be used for administrative costs; the regulations must clearly identify and
14 distinguish between expenses that may be included in administrative costs and those
15 that may not be included in administrative costs; the percentage allowed for
16 administrative costs may not exceed the lesser of 15 percent or the amount permitted
17 under the requirements of a federal program, if applicable;

18 (9) report annually to the legislature, by the 30th day of the regular
19 legislative session, on the performance and evaluation of training programs in the state
20 subject to review under (f) of this section;

21 (10) identify ways for agencies operating programs subject to oversight
22 by the council to share resources, instructors, and curricula through collaboration with
23 other public and private entities to increase training opportunities and reduce costs; and

24 (11) adopt regulations under AS 44.62 (Administrative Procedure Act)
25 to carry out the purposes of AS 23.15.550 - 23.15.585.

26 (c) The council may receive money designated for human resource programs
27 and may disburse money, including grants, to human resource projects in accordance
28 with AS 37.07 (Executive Budget Act). The council may enter into partnership
29 agreements through appropriate administrative agencies with private industry training
30 entities within the state in order to facilitate the coordination of training opportunities.

31 (d) The council shall provide oversight for the planning and coordination of

1 employment-related education training programs operated by the state or operated
2 under contract with the state that are described in (f) of this section. The council shall
3 require a training program listed in (f) of this section to meet the requirements of this
4 subsection. The council shall, by regulation, establish appropriate penalties for
5 programs that fail to meet the requirements of this subsection. The council may
6 recommend to the legislature changes to enhance the effectiveness of the training
7 programs it oversees under this section. A training program described in (f) of this
8 section funded with money appropriated by the legislature must

9 (1) meet the standards adopted by the council concerning the
10 percentage of a grant that may be spent on administrative costs;

11 (2) be operated by an institution that holds a valid authorization to
12 operate issued under AS 14.48 by the Alaska Commission on Postsecondary Education
13 if the program is a postsecondary educational program operated by a postsecondary
14 educational institution subject to regulation under AS 14.48;

15 (3) provide to the Department of Labor and Workforce Development
16 the information required by the department for the preparation of the statistical
17 information necessary for the council to evaluate programs by the standards set out in
18 (e) of this section.

19 (e) The council shall develop standards that encourage agencies to contract for
20 training programs that maximize the program's class size. The council shall adopt
21 standards for the evaluation of training programs listed in (f) of this section with
22 regard to the following:

23 (1) the percent of former participants who have a job one year after
24 leaving the training program;

25 (2) the median wage of former participants seven to 12 months after
26 leaving the program;

27 (3) the percent of former participants who were employed after leaving
28 the training program who received training under the program that was related to their
29 jobs or somewhat related to their jobs seven to 12 months after leaving the training
30 program;

31 (4) the percent of former participants of a training program who

1 indicate that they were satisfied with or somewhat satisfied with the overall quality of
2 the training program;

3 (5) the percent of employers who indicate that they were satisfied with
4 the quality of the work of new employees who had recently completed the training
5 program.

6 (f) The following training programs are subject to the provisions of (d) and (e)
7 of this section:

8 (1) in the Department of Labor and Workforce Development or
9 operated by the department:

10 (A) One Stop Career Center;

11 (B) Job Training Partnership Act programs under 29 U.S.C.
12 1501 - 1792b, assisting communities in moving toward a self-sustainable
13 economy and providing training;

14 (C) state training and employment program (AS 23.15.620),
15 providing training and employment services for people who are unemployed or
16 likely to become unemployed, fostering new jobs, and increasing training
17 opportunities for workers severely affected by fluctuations in the state economy
18 or adversely affected by technology advances in the workplace;

19 (D) employment-related adult basic education;

20 (E) School-to-Work;

21 (F) employment training services operated as part of the Alaska
22 Temporary Assistance Program (ATAP);

23 (G) unemployment insurance grants provided under the federal
24 training relocation assistance program;

25 (H) Alaska works programs, assisting with the welfare-to-work
26 program;

27 (I) state training and employment program, coordinated with the
28 Department of Community and Economic Development;

29 (2) in the Department of Education and Child Development or operated
30 by the department, the non-public-school portions of the following programs:

31 (A) high school completion project;

- 1 (B) Kotzebue Technical Center;
2 (C) Alaska Vocational Technical Center;
3 (D) vocational education and Tech Prep;
4 (E) Alaska Career Information System.

5 (g) The council shall assess the programs listed in this subsection and make
6 recommendations to the legislature in its report required under (b)(9) of this section
7 about whether to include one or more of these programs under the requirements of (f)
8 of this section:

9 (1) in the Department of Community and Economic Development or
10 operated by the department:

11 (A) local government assistance training and development,
12 including the rural utility business advisory program;

13 (B) energy operations, providing training in management and
14 administration of electric utilities and bulk fuel storage systems;

15 (2) in the Department of Corrections:

16 (A) Correctional Academy, training individuals applying for a
17 correctional officer position;

18 (B) inmate programs, providing vocational technical training and
19 education courses for inmates preparing to be released from a correctional
20 facility;

21 (C) correctional industries program, providing inmates with jobs
22 while they are incarcerated;

23 (3) in the Department of Environmental Conservation:

24 (A) remote maintenance worker program, providing training and
25 technical assistance to communities to keep drinking water and sewage disposal
26 systems running, and providing on-the-job training to local operators;

27 (B) water and wastewater operator training and assistance;

28 (C) federal drinking water operator training and certification;

29 (4) in the Department of Military and Veterans' Affairs: educational
30 benefits for members of the Alaska National Guard and the Alaska Naval Militia;

31 (5) in the Department of Public Safety:

- 1 (A) fire service training to maintain emergency training skills
2 for existing fire fighter staff and volunteers and individuals interested in
3 becoming fire fighters;
- 4 (B) Public Safety Training Academy, training trooper recruits;
- 5 (6) in the Department of Transportation and Public Facilities:
- 6 (A) engineer-in-training program, providing on-the-job training
7 for apprentice engineers to enable them to gain the experience necessary to be
8 certified;
- 9 (B) statewide transportation improvement program, offered by
10 the United States National Highway Institute;
- 11 (C) local technical assistance program, transferring technical
12 expertise to local governments;
- 13 (D) Native technical assistance program, transferring technical
14 expertise to Native governments;
- 15 (E) border technology exchange program, to coordinate highway
16 issues with the Yukon Territory;
- 17 (7) in the Department of Labor and Workforce Development: vocational
18 rehabilitation client services and special work projects, employment services, including
19 job development, assisting individuals in finding employment, and assisting employed
20 individuals in finding other employment;
- 21 (8) in the Department of Administration: Alaska Professional
22 Development Institute, providing continuing education and training for employed
23 workers.
- 24 (h) The University of Alaska shall evaluate the performance of its training
25 programs using the standards set out in (e) of this section and shall provide a report
26 on the results to the council for inclusion in the council's annual report to the
27 legislature.
- 28 (i) The council shall review each program listed in (f) of this section to
29 determine whether it is in compliance with the standards set out in (d) and (e) of this
30 section. If the council finds that a program has failed to comply with the standards
31 set out in (d) and (e) of this section, it shall notify the program director of the failure.

1 If the program director fails to improve the performance of the program within a
2 reasonable time, the council shall notify the governor and the legislative budget and
3 audit committee that the program is out of compliance. A contract entered into by a
4 state agency relating to a training program set out in (f) of this section must contain
5 terms consistent with this section.

6 (j) A department that operates or contracts for a training program listed in (f)
7 of this section shall pay to the council a management assessment fee not to exceed .75
8 percent of the program's annual operating budget. The total amount received as
9 management assessment fees may not exceed the council's authorized budget for the
10 fiscal year. The council shall, by regulation, establish a method to determine annually
11 the amount of the management assessment fee. If the amount the council expects to
12 collect under this subsection exceeds the authorized budget of the council, the council
13 shall reduce the percentages set out in this subsection so that the total amount of the
14 fees collected approximately equals the authorized budget of the council for the fiscal
15 year. The council shall adopt regulations under AS 44.62 (Administrative Procedure
16 Act) necessary to administer this subsection.

17 (k) Upon the enactment of a new federal or state program relating to work
18 force development, the council shall

19 (1) advise the governor and the legislature on whether the council
20 should provide oversight for the new program under this section; and

21 (2) make recommendations necessary to streamline and coordinate state
22 efforts to meet the guidelines of the new program.

23 (l) For purposes of this section, "program"

24 (1) does not refer to the overall activities of an individual institution
25 or individual fields of study or courses that are not associated with programs for which
26 the council has oversight responsibility;

27 (2) may include a certificate or associate degree course or a course that
28 is not for credit, whether it is offered by a public or private institute or contracted for
29 by the private sector, so long as it is related to employment.

30 **Sec. 23.15.585. Administration.** (a) The governor shall appoint the executive
31 director for the Alaska Human Resource Investment Council. The department shall

1 provide professional, technical, and administrative staff for the Alaska Human
2 Resource Investment Council.

3 (b) Subject to legislative appropriations, and in accordance with AS 37.07
4 (Executive Budget Act), the council's budget is funded from programs for which the
5 council is the lead state planning and coordinating entity under AS 23.15.575.

6 * Sec. 52. AS 23.15.645(b) is amended to read:

7 (b) When a grant is awarded to the council, the department shall annually
8 provide to the council a priority list of targeted projects or services, based on
9 unemployment statistics, unemployment insurance claims, occupational and industrial
10 projections, availability of other training and employment programs, and other relevant
11 data. The department shall also provide annually to the council a priority list of
12 criteria for eligibility to maximize services to those people most in need of training
13 under AS 23.15.620 - 23.15.660. In developing the priority list for targeted projects
14 and services, the department shall solicit comments from the [DEPARTMENT OF
15 COMMUNITY AND REGIONAL AFFAIRS,] Department of Education and Child
16 Development, the [,] Department of Community [COMMERCE] and Economic
17 Development, the University of Alaska, organized labor, the council, and the
18 administrative entities of the substate service delivery areas established for the council.
19 The department shall give preference to projects and services that train individuals in
20 industries identified in the resident hire report required under AS 36.10.130 as
21 employing a disproportionate percentage of nonresident individuals.

22 * Sec. 53. AS 23.15.660(1) is amended to read:

23 (1) "council" means the Alaska Human Resource Investment Council
24 established in AS 23.15.550 [AS 44.19.620];

25 * Sec. 54. AS 23.15 is amended by adding new sections to read:

26 **Article 6. Business Incentive Training Program.**

27 **Sec. 23.15.700. Business incentive training program established.** (a) There
28 is established in the department the business incentive training program. The incentive
29 program shall be administered as a supplement to the Job Training Partnership Act
30 (P.L. No. 97-300).

31 (b) The purpose of the incentive program is to encourage private industry to

1 provide new job opportunities by offering assistance in training the new work force
2 and in retraining existing employees to implement new technologies.

3 **Sec. 23.15.710. Administration.** (a) The Alaska Human Resource Investment
4 Council shall oversee the incentive program. The service delivery areas established
5 under 29 U.S.C. 1511 and subject to redesignation under 29 U.S.C. 1515 shall be used
6 in the administration of the incentive program. The private industry councils appointed
7 under 29 U.S.C. 1512 and subject to reconstitution under 29 U.S.C. 1515 shall serve
8 as the private industry councils for the incentive program.

9 (b) The council shall divide appropriations for the incentive program equally
10 among the private industry councils. If a private industry council lacks sufficient
11 money to fund a proposal, the private industry council may apply to the council for
12 additional funding. The council may approve reallocation of money from one service
13 delivery area to another to fund a particular proposal if it finds that the reallocation
14 will best serve the purposes of the program.

15 (c) The council shall adopt regulations under AS 44.62 (Administrative
16 Procedure Act) to implement AS 23.15.700 - 23.15.810.

17 **Sec. 23.15.720. Business incentive training plan.** (a) A private industry
18 council shall adopt a business incentive training plan for the service delivery area. The
19 plan must extend for two years to coincide with the term for the Job Training
20 Partnership Act (P.L. 97-300) and must contain

21 (1) identification of the entity or entities that will administer the
22 incentive program and be the grant recipient for grants from the state;

23 (2) a description of the services to be provided, including the estimated
24 duration of service and the estimated training cost per participant;

25 (3) procedures for identifying and selecting participants;

26 (4) performance goals established in accordance with standards under
27 AS 23.15.780;

28 (5) procedures for awarding grants to businesses; and

29 (6) the budget for two program years and any proposed expenditures
30 for the succeeding two program years in as much detail as required by the grant
31 administrator designated under AS 23.15.740.

1 (b) If changes in labor market conditions, funding, or other factors require
2 substantial deviation from an approved business incentive training plan, the private
3 industry council and the appropriate elected municipal official or officials shall submit
4 a modification of the plan and the budget for review under AS 23.15.730.

5 **Sec. 23.15.730. Review and approval of business incentive training plan.**

6 The business incentive training plan shall be published and made available for review
7 and comment as an attachment to the job training plan as set out in 29 U.S.C. 1515.
8 The business incentive training plan is subject to review and approval by the governor.

9 **Sec. 23.15.740. Business incentive training grants.** (a) Each private industry
10 council shall designate an administrative entity to be the grant recipient and
11 administrator for the region. An employer may apply to the grant administrator for a
12 business incentive grant if the employer is a private for-profit or nonprofit corporation,
13 partnership, or sole proprietor business. The grant administrator shall review
14 applications and award grants.

15 (b) Each grant administrator is responsible for the allocation of funds and the
16 eligibility of those enrolled in its programs. The grant administrator is responsible for
17 taking action against its subcontractors, subgrantees, and other recipients to eliminate
18 abuses in the programs they are carrying out, and to prevent misuse of funds. If the
19 arrangement is included in an approved job training plan, a grant administrator may
20 delegate the responsibility for determining eligibility under reasonable safeguards,
21 including provisions for reimbursement of costs incurred because of erroneous
22 determinations made with insufficient care.

23 (c) A business incentive training grant shall be used to recruit and train eligible
24 employees for newly created permanent or permanent seasonal positions or to enable
25 existing employees to acquire the skills necessary to qualify the employee to
26 implement new technologies. A business incentive training grant may be used for
27 occupations for which there is a demand in the area served or in another area to which
28 the participant is willing to relocate and for emerging technologies in the state. In
29 selecting recruiting and training programs, the private industry councils and the grant
30 administrators may consider whether the occupation in which recruiting or training is
31 sought is in a sector of the economy that has a high potential for sustained demand or

1 growth.

2 (d) Only individuals eligible under the business incentive training plan and
3 residing in the service delivery area may be participants in employment and training
4 activities funded under the business incentive training program. To be eligible for
5 training or education services under AS 23.15.700 - 23.15.810, immediately before
6 beginning training or education under the program a person shall

7 (1) have been unemployed and

8 (A) receiving unemployment insurance benefits; or

9 (B) have exhausted the right to unemployment insurance
10 benefits within the past three years;

11 (2) be liable to be displaced from work within the next six months
12 because of

13 (A) reductions in overall employment within the business;

14 (B) elimination of the person's current job; or

15 (C) a change in the conditions of the employee's job requiring
16 that, to remain employed, the employee must have substantially different skills
17 that the employee does not now possess; or

18 (3) have worked in a position covered by AS 23.20 at any time during
19 the last three years and be ineligible for unemployment insurance benefits because the
20 person

21 (A) was working in a seasonal, temporary, part-time, or other
22 marginal employment;

23 (B) has insufficient qualifying wages because of limited job
24 opportunities; or

25 (C) is employed, but, because the person is underemployed, the
26 person needs employment assistance and training to obtain full employment.

27 (e) Payments to employers for on-the-job training of participants who
28 experience multiple barriers to employment or are eligible under the Job Training
29 Partnership Act (P.L. 97-300) may not average more than 80 percent of the wages paid
30 by the employer to the participant. Payments to employers for on-the-job training of
31 other participants may not average more than 50 percent of the wages paid by the

1 employer to participants. The payments shall be considered to be in compensation for
2 the extraordinary costs associated with training employees for new positions and the
3 lower productivity of the participants.

4 (f) A grant made under the business incentive training program may not be
5 used to duplicate facilities or services available in the area from federal, state, or local
6 sources unless the business incentive training plan establishes that services or facilities
7 under the program would be more effective or more likely to achieve performance
8 goals.

9 (g) A fee may not be charged for placing an individual in or referring an
10 individual to a training program under AS 23.15.700 - 23.15.810.

11 (h) A business incentive training grant may not be awarded to a program that
12 involves political activities.

13 (i) An employer at whose request a participant is offered training shall fulfill
14 the obligation to offer a successful participant in the business incentive training
15 program a position or promotion, as applicable. A participant is considered successful
16 if the participant satisfactorily completes the training program in which the participant
17 was enrolled.

18 **Sec. 23.15.750. Compensation for participants.** (a) A trainee may not
19 receive a payment for training activities in which the trainee fails to participate.

20 (b) An individual in on-the-job training shall be compensated by the employer
21 at the same rates, including periodic increases, as similarly situated employees or
22 trainees and in accordance with applicable law. However, an individual may not be
23 paid less than the state minimum wage under AS 23.10.065 whether or not the
24 individual is exempt under AS 23.10.055 or 23.10.070.

25 (c) An individual employed in activities authorized under the business
26 incentive training program other than on-the-job training shall be paid wages that are
27 not less than the highest of

28 (1) the state minimum wage under AS 23.10.065;

29 (2) the prevailing rate of pay for individuals employed in similar
30 occupations by the same employer; or

31 (3) the prevailing rate of wages under AS 36.05 or 40 U.S.C. 276a -

1 276a-5, if applicable.

2 (d) Allowances, earnings, and payments to individuals participating in
3 programs under the business incentive training program may not be considered as
4 income in determining eligibility for and the amount of income transfer and in-kind
5 aid furnished under a state program based on need, other than programs under the
6 Social Security Act.

7 (e) Conditions of employment and training must be appropriate and reasonable
8 in light of factors including the type of work, geographical region, and proficiency of
9 the participant.

10 (f) An individual employed in a subsidized job under the business incentive
11 training program shall be provided benefits and working conditions at the same level
12 and to the same extent as other employees working a similar length of time and doing
13 the same type of work.

14 (g) Money from a grant under the business incentive training program may not
15 be used for contributions on behalf of a participant to retirement systems or plans.

16 **Sec. 23.15.760. Reporting and record keeping.** (a) A grant administrator
17 shall maintain records of each participant's enrollment in a business incentive training
18 program in sufficient detail to demonstrate compliance with AS 23.15.700 - 23.15.810.

19 (b) The council shall adopt regulations concerning retention of records.

20 (c) The council shall, no later than February 1 of each year, prepare a report
21 concerning the incentive program and notify the legislature that the report is available.

22 **Sec. 23.15.770. Allowable costs.** (a) To be allowable, a cost must be
23 necessary and reasonable for proper and efficient administration of the program. The
24 following costs are not allowable:

25 (1) costs resulting from violations of or failure to comply with federal,
26 state, or local laws and regulations;

27 (2) entertainment costs; and

28 (3) insurance policies offering protection against debts established by
29 the federal government.

30 (b) Personal liability insurance for members of the private industry council is
31 an allowable cost.

1 **Sec. 23.15.780. Performance standards.** (a) The basic measure of
2 performance for training programs under AS 23.15.700 - 23.15.810 is the increase in
3 jobs in the area and in employment and earnings for participants resulting from
4 participation in the program. In order to determine whether these standards are
5 achieved, the governor shall adopt standards based on appropriate factors.

6 (b) The governor shall provide technical assistance to programs that do not
7 meet performance criteria. If a program fails to meet performance standards for two
8 consecutive years, the governor shall withdraw unencumbered funds from the program.

9 (c) An interested party who is harmed by a change made under this section is
10 entitled to a hearing under AS 44.62 (Administrative Procedure Act).

11 **Sec. 23.15.790. Limitation on certain costs.** No more than 15 percent of the
12 money available to a service delivery area for a fiscal year may be expended for the
13 cost of administration. For purposes of this section, costs of program support,
14 including counseling, that are directly related to the provision of education or training
15 to participants may not be counted as part of the cost of administration.

16 **Sec. 23.15.800. Selection of service providers.** (a) The primary
17 consideration in selecting agencies or organizations to deliver services within a service
18 delivery area is the effectiveness of the agency or organization in delivering
19 comparable or related services based on demonstrated performance, in terms of the
20 likelihood of meeting performance goals, cost, quality of training, and characteristics
21 of participants. In complying with this subsection, proper consideration shall be given
22 to community based organizations as service providers.

23 (b) Appropriate education agencies in the service delivery area shall be given
24 the opportunity to provide educational services, unless the grant administrator
25 determines that alternative agencies or organizations would be more effective or would
26 have greater potential to enhance the participants' continued occupational and career
27 growth.

28 (c) The grant administrator may not fund an occupational skills training
29 program unless the level of skills provided in the program is in accordance with
30 guidelines established by the private industry council.

31 **Sec. 23.15.810. Definitions.** In AS 23.15.700 - 23.15.810,

- 1 (1) "council" means the Alaska Human Resource Investment Council;
- 2 (2) "incentive program" means the business incentive training program
- 3 established under AS 23.15.700;
- 4 (3) "participant" means an individual receiving education or training,
- 5 including on-the-job training, under an incentive program grant.

6 * Sec. 55. AS 23.20.110(a) is amended to read:

7 (a) Except as provided in (h) and (i) of this section, the department shall hold

8 information obtained from an employing unit or individual in the course of

9 administering this chapter and determinations as to the benefit rights of an individual

10 confidential and may not disclose them or open them to public inspection in a manner

11 that reveals the identity of the individual or employing unit. A claimant or an

12 employing unit, or the legal representative of the claimant or the employing unit, is

13 entitled to information from the records of the department to the extent necessary to

14 properly present or protest a claim or determination under this chapter. Subject to

15 restrictions that the department prescribes by regulation, the information may be made

16 available to an agency of this state or another state or federal agency charged with the

17 administration of an unemployment compensation law or the maintenance of a system

18 of public employment offices, or, for the purposes of the Federal Unemployment Tax

19 Act, to the Internal Revenue Service of the United States, or, for tax purposes, to the

20 Department of Revenue. Information obtained in the course of administering this

21 chapter or in connection with the administration of the employment service may be

22 made available to persons or agencies for purposes appropriate to the operation of a

23 public employment service or the administration of employment and training programs

24 planned or coordinated by the Alaska Human Resource Investment Council under

25 AS 23.15.550 - 23.15.585 [AS 44.19.620 - 44.19.627].

26 * Sec. 56. AS 25.27.244(s)(2) is amended to read:

27 (2) "license"

28 (A) means, except as provided in (B) of this paragraph, a

29 license, certificate, permit, registration, or other authorization that, at the time

30 of issuance, will be valid for more than 150 days and that may be acquired

31 from a state agency to perform an occupation, including the following:

- 1 (i) license relating to boxing or wrestling under
2 AS 05.10;
- 3 (ii) authorization to perform an occupation regulated
4 under AS 08;
- 5 (iii) teacher certificate under AS 14.20;
- 6 (iv) authorization under AS 18.08 to perform emergency
7 medical services;
- 8 (v) asbestos worker certification under AS 18.31;
- 9 (vi) boiler operator's license under AS 18.60.395;
- 10 (vii) certificate of fitness under AS 18.62;
- 11 (viii) hazardous painting certification under AS 18.63;
- 12 (ix) security guard license under AS 18.65.400 -
13 18.65.490;
- 14 (x) license relating to insurance under AS 21.27;
- 15 (xi) employment agency permit under AS 23.15.330 -
16 23.15.520;
- 17 (xii) registration as a broker-dealer, agent, or investment
18 adviser under AS 45.55.030;
- 19 (xiii) certification as a pesticide applicator under
20 AS 46.03.320;
- 21 (xiv) certification as a storage tank worker or contractor
22 under AS 46.03.375;
- 23 (xv) certification as a water and wastewater works
24 operator under AS 46.30; and
- 25 (xvi) commercial crewmember fishing license under
26 AS 16.05.480 other than an entry permit or interim-use permit under
27 AS 16.43;
- 28 (B) does not include
- 29 (i) a vessel license issued under AS 16.05.490 or
30 16.05.530;
- 31 (ii) a license issued under AS 14.37 or AS 47.35;

- 1 (iii) a business license issued under AS 43.70;
 2 (iv) an entry permit or interim-use permit issued under
 3 AS 16.43; or
 4 (v) a driver's license issued under AS 28.15;

5 * Sec. 57. AS 29.06.040(c) is amended to read:

6 (c) In addition to the regulations governing annexation by local action adopted
 7 under AS 44.33.812 [AS 44.47.567], the Local Boundary Commission shall establish
 8 procedures for annexation and detachment of territory by municipalities by local
 9 action. The procedures established under this subsection must include a provision that

10 (1) a proposed annexation and detach. 'nt must be approved by a
 11 majority of votes on the question cast by voters resi. . the area proposed to be
 12 annexed or detached;

13 (2) municipally owned property adjoining the municipality may be
 14 annexed by ordinance without voter approval; and

15 (3) an area adjoining the municipality may be annexed by ordinance
 16 without an election if all property owners and voters in the area petition the governing
 17 body.

18 * Sec. 58. AS 29.60.599(9) is amended to read:

19 (9) "village" means a place within the unorganized borough or within
 20 a borough if the power, function, or service for which a grant application is submitted
 21 under AS 29.60.500 - 29.60.599 is not exercised or provided by the borough on an
 22 areawide or nonareawide basis at the time the grant application is submitted, that

23 (A) has irrevocably waived, in a form approved by the
 24 Department of Law, any claim of sovereign immunity that might arise in
 25 connection with the use of grant money under this chapter; and

26 (B) has

27 (i) a council organized under 25 U.S.C. 476 (sec. 16 of
 28 the Indian Reorganization Act);

29 (ii) a traditional village council recognized by the United
 30 States as eligible fo federal aid to Indians; or

31 (iii) a council recognized by the commissioner under

1 regulations adopted by the department to determine and give official
2 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)].

3 * Sec. 59. AS 29.6J.060(f) is amended to read:

4 (f) For purposes of determining the per capita entitlement under (a) of this
5 section, the population of a municipality shall be the population determined by the
6 former commissioner of community and regional affairs under former AS 43.18.010
7 for the program year beginning July 1, 1978, for a municipality whose entitlement was
8 determined under former AS 29.18.201 or 29.18.202.

9 * Sec. 60. AS 30.13.010(a) is amended to read:

10 (a) The residents of each area of the state within the boundaries of a regional
11 housing authority established under AS 18.55.996 that [WHICH] is located in whole
12 or in part in the unorganized borough of the state may create a public body corporate
13 and politic under the name and style of the "Resource Development Authority" with
14 all or any significant part of the name of the region of the state inserted. The
15 boundaries of the authority created shall be coterminous with the portion of the
16 applicable regional housing authority that lies in the unorganized borough. Creation
17 of an authority is initiated by a petition filed with the Department of Community and
18 Economic Development [REGIONAL AFFAIRS] and a statement submitted to the
19 governor. The petition must include the proposed name of the authority, its
20 boundaries, and a statement of the facilities proposed to be provided by the authority.
21 The petition must be signed by 15 percent of the total number of residents in the
22 portion of the applicable regional housing authority that lies in the unorganized
23 borough who cast votes in the preceding general election. The Department of
24 Community and Economic Development [REGIONAL AFFAIRS] shall review
25 petitions for content and signatures. If the department determines that the petition is
26 adequate, it shall transmit the petition to the director of elections.

27 * Sec. 61. AS 36.30.170(g) is amended to read:

28 (g) The division of vocational rehabilitation in the Department of Labor and
29 Workforce Development [EDUCATION] shall add to its current list of qualified
30 employment programs a list of individuals who qualify as persons with a disability
31 under (e) of this section and of persons who qualify under (f) of this section as

1 employers with 50 percent or more of their employees being persons with disabilities.
2 A person must be on this list at the time the bid is opened in order to qualify for a
3 preference under (e) or (f) of this section.

4 * Sec. 62. AS 36.30.850(b)(11) is amended to read:

5 (11) agreements with providers of services under AS 14.38.100
6 [AS 44.47.250]; AS 47.07; AS 47.08; AS 47.10; 47.17; AS 47.24; and AS 47.27,
7 including contractors under AS 47.27.050;

8 * Sec. 63. AS 36.30.850(b)(30) is amended to read:

9 (30) contracts entered into with a regional development organization;
10 in this paragraph, "regional development organization" has the meaning given in
11 AS 44.33.8 [AS 44.47.900];

12 * Sec. 64. AS 37.05.315(a) is amended to read:

13 (a) When an amount is appropriated or allocated as a grant to a municipality,
14 the Department of Community and Economic Development [ADMINISTRATION]
15 shall promptly notify the municipality of the availability of the grant. When the
16 Department of Community and Economic Development [ADMINISTRATION]
17 receives an agreement executed by the municipality that [WHICH] provides that the
18 municipality (1) will spend the grant for the purposes specified in the appropriation or
19 allocation; (2) will allow, on request, an audit by the state of the uses made of the
20 grant; and (3) assures that, to the extent consistent with the purpose of the
21 appropriation or allocation, the facilities and services provided with the grant will be
22 available for the use of the general public, the Department of Community and
23 Economic Development [ADMINISTRATION] shall pay the grant directly to the
24 municipality. The agreement executed by a municipality under this section shall be
25 on a form furnished by the Department of Community and Economic Development
26 [ADMINISTRATION] and shall be executed within 60 days after the effective date
27 of the appropriation or allocation.

28 * Sec. 65. AS 37.05.315(d) is amended to read:

29 (d) Not less than 20 percent of a grant shall be paid to a municipality within
30 10 days of the effective date of the agreement under (a) of this section. The remainder
31 of the grant shall be paid either in monthly installments equal to the amount of grant

1 money the municipality expended in the previous month or in a lump sum as
2 determined by the Department of Community and Economic Development
3 [ADMINISTRATION].

4 * Sec. 66. AS 37.06.010(j) is amended to read:

5 (j) In this section, unless specified otherwise, "department" means the
6 Department of Community and Economic Development [ADMINISTRATION].

7 * Sec. 67. AS 37.06.020(i) is amended to read:

8 (i) The limitations of AS 44.33.745 [AS 44.47.140] do not apply to a grant
9 made under this section.

10 * Sec. 68. AS 37.06.040 is amended to read:

11 **Sec. 37.06.040. Municipalities organized under federal law.** An entity
12 organized under federal law as an Indian reserve that existed before enactment of 43
13 U.S.C. 1618(a) and is continued in existence under that subsection is a municipality
14 for purposes of AS 37.06.010 - 37.06.090 and may not receive a grant under
15 AS 37.06.020. In addition to other eligibility requirements applicable to municipalities,
16 to qualify to receive a grant under AS 37.06.010, a municipality organized under
17 federal law as an Indian reserve shall form a community development corporation with
18 authority to determine how the grant money will be used. The corporation's charter
19 must require that the governing board of the corporation shall be elected at an annual
20 election open to all residents of the municipality who are registered and qualified to
21 vote in state elections. The Department of Community and Economic Development
22 [ADMINISTRATION] may distribute money for the municipality only to a corporation
23 organized in accordance with this section and only after the corporation has delivered
24 a written waiver of sovereign immunity from legal action by the state to recover all
25 or a portion of the money distributed under AS 37.06.010.

26 * Sec. 69. AS 37.06.080 is amended to read:

27 **Sec. 37.06.080. Adoption of regulations.** The Department of Community
28 and Economic Development [ADMINISTRATION FOR GRANTS UNDER
29 AS 37.06.010 AND THE DEPARTMENT OF COMMUNITY AND REGIONAL
30 AFFAIRS FOR GRANTS UNDER AS 37.06.020]

31 (1) may adopt regulations that impose additional requirements or

1 procedures to implement, interpret, make specific, or otherwise carry out the
2 [APPLICABLE] provisions of this chapter [FOR GRANTS ADMINISTERED BY
3 THE DEPARTMENT];

4 (2) shall adopt regulations providing for periodic audits of the use of
5 money for grants [ADMINISTERED BY THE DEPARTMENT] under this chapter,
6 including audit of the department's determination of the value of, and adequacy of the
7 verification of the actual use of, locally funded or contributed labor on projects funded
8 by a grant under this chapter.

9 * Sec. 70. AS 38.06.025(a) is amended to read:

10 (a) The board consists of the commissioner of community [COMMERCE] and
11 economic development; the commissioner of revenue [COMMUNITY AND
12 REGIONAL AFFAIRS]; the commissioner of natural resources, who is a nonvoting
13 member; and five public members.

14 * Sec. 71. AS 39.25.120(c)(15) is amended to read:

15 (15) [THE DEPUTY DIRECTOR OF THE DIVISION OF TOURISM
16 AND] the deputy director of the division of insurance in the Department of
17 Community [COMMERCE] and Economic Development;

18 * Sec. 72. AS 39.25.158(b) is amended to read:

19 (b) After an employee requests to return to work, the reemployment benefits
20 administrator of the division of workers' compensation or the director of vocational
21 rehabilitation in the Department of Labor and Workforce Development
22 [EDUCATION] shall review the request and certify that the employee is able to return
23 to work under (c), (d), (e), or (f) of this section, or defer certification until the
24 employee completes retraining under (f) of this section.

25 * Sec. 73. AS 39.50.200(b)(18) is amended to read:

26 (18) Local Boundary Commission (AS 44.33.810 [AS 44.47.565]):

27 * Sec. 74. AS 39.50.200(b)(55) is amended to read:

28 (55) Alaska Human Resource Investment Council (AS 23.15.550)
29 [(AS 44.19.620)].

30 * Sec. 75. AS 42.45.060(a) is amended to read:

31 (a) A loan committee consisting of five [SEVEN] members is established. The

1 committee is composed of [THE COMMISSIONER OF COMMUNITY AND
2 REGIONAL AFFAIRS,] the commissioner of community [COMMERCE] and
3 economic development, the director of management and budget, or the designees of
4 the commissioner [COMMISSIONERS] or the director, and three [FOUR] public
5 members.

6 * Sec. 76. AS 44.19.145(a) is amended to read:

7 (a) The office shall

8 (1) provide technical assistance to the governor and the legislature in
9 identifying long range goals and objectives for the state and its political subdivisions;

10 (2) prepare and maintain a state comprehensive development plan;

11 (3) provide information and assistance to state agencies to aid in
12 governmental coordination and unity in the preparation of agency plans and programs;

13 (4) review planning within state government as may be necessary for
14 receipt of federal, state, or other funds;

15 (5) participate with other countries, provinces, states, or subdivisions
16 of them in international or interstate planning, and assist the state's local governments.
17 governmental conferences, and councils in planning and coordinating their activities;

18 (6) encourage educational and research programs that further state
19 planning and development, and provide administrative and technical services for them;

20 (7) publish [SUCH] statistical information or other documentary
21 material that [AS] will further the provisions and intent of AS 44.19.141 - 44.19.152;

22 (8) assist the governor and the Department of Community and
23 Economic Development [REGIONAL AFFAIRS] in coordinating state agency
24 activities that have an effect on the solution of local and regional development
25 problems;

26 (9) serve as a clearinghouse for information, data, and other materials
27 that may be helpful or necessary to federal, state, or local governmental agencies in
28 discharging their respective responsibilities or in obtaining federal or state financial or
29 technical assistance;

30 (10) review all proposals for the location of capital improvements by
31 any state agency and advise and make recommendations concerning location of these

1 capital improvements;

2 (11) render, on behalf of the state, all federal consistency
3 determinations and certifications authorized by 16 U.S.C. 1456 (Sec. 307, Coastal Zone
4 Management Act of 1972), and each conclusive state consistency determination when
5 a project requires a permit, lease, or authorization from two or more state resource
6 agencies.

7 * Sec. 77. AS 44.19.155(a) is amended to read:

8 (a) There is created in the Office of the Governor the Alaska Coastal Policy
9 Council. The council consists of the following:

10 (1) nine public members appointed by the governor from a list
11 comprised of at least three names from each region, nominated by the municipalities
12 of each region; the nominees shall be the mayor or member of the assembly or council
13 of a municipality; one public member shall be appointed from each of the following
14 general regions:

15 (A) northwest Alaska, including, generally, the area of the North
16 Slope Borough and the Northwest Arctic borough [REGIONAL
17 EDUCATIONAL ATTENDANCE AREA];

18 (B) Bering Straits, including, generally, the area of the Bering
19 Straits regional educational attendance area;

20 (C) southwest Alaska, including, generally, the area within the
21 Lower Yukon, Lower Kuskokwim, and Southwest [, AND LAKE &
22 PENINSULA] regional educational attendance areas and the Lake and
23 Peninsula and Bristol Bay Boroughs [BOROUGH];

24 (D) Kodiak-Aleutians, including the area of the Kodiak Island
25 and Aleutian East Borough [BOROUGH] and the Aleutian, Adak and Pribilof
26 regional educational attendance areas;

27 (E) Upper Cook Inlet, including the Municipality of Anchorage
28 and the Matanuska-Susitna Borough;

29 (F) Lower Cook Inlet, including, generally, the area within the
30 Kenai Peninsula Borough;

31 (G) Prince William Sound, including, generally, the area east

1 of the Kenai Peninsula Borough to 141 W. longitude;

2 (H) northern Southeast Alaska, including the area southeast of
3 141 W. longitude and north of 57 N. latitude, including the entirety of the City
4 and Borough of Sitka; and

5 (I) southern Southeast Alaska, including that portion of
6 southeastern Alaska not contained within the area described in (H) of this
7 paragraph;

8 (2) each of the following:

9 (A) the director of the office of management and budget;

10 (B) the commissioner of community [COMMERCE] and
11 economic development;

12 (C) [THE COMMISSIONER OF COMMUNITY AND
13 REGIONAL AFFAIRS;

14 (D)] the commissioner of environmental conservation;

15 (D) [(E)] the commissioner of fish and game;

16 (E) [(F)] the commissioner of natural resources; and

17 (F) [(G)] the commissioner of transportation and public
18 facilities.

19 * Sec. 78. AS 44.19.155(d) is amended to read:

20 (d) Each member of the council shall select one person to serve as a
21 permanent alternate at meetings of the council. If a member of the council is unable
22 to attend, the member shall advise the alternate who may attend and act in the place
23 of the member. The alternate for a public member appointed under (a)(1) of this
24 section shall, at the time of the alternate's designation and throughout the period of
25 service as a permanent alternate, be the mayor or member of the assembly or council
26 of a municipality within the region from which the permanent member is appointed.
27 The alternate for the director of the office of management and budget, serving under
28 (a)(2)(A) of this section, shall be the director's designee within that office. The
29 alternate for a designated member serving under (a)(2)(B) - (F) [(a)(2)(B) - (G)] of this
30 section shall be a deputy commissioner of the department or the director of a division
31 in the department. The names of alternates shall be filed with the council.

1 * Sec. 79. AS 44.27.020 is amended to read:

2 **Sec. 44.27.020. Duties of department.** The Department of Education and
3 Child Development shall

4 (1) administer the state's program of education at the elementary,
5 secondary, and adult levels, including, but not limited to, programs of vocational
6 education and training, [VOCATIONAL REHABILITATION,] library services, and
7 correspondence courses [, AND ADULT BASIC EDUCATION], but not including
8 degree programs of postsecondary education;

9 (2) administer the historical library;

10 (3) plan, finance, and operate related school and educational activities
11 and facilities; and

12 (4) license and regulate child care facilities.

13 * Sec. 80. AS 44.31.020 is amended to read:

14 **Sec. 44.31.020. Duties of department.** The Department of Labor and
15 Workforce Development shall

16 (1) enforce the laws, and adopt regulations under them concerning
17 employer-employee relationships, including the [SAFETY,] hours of work, wages, and
18 conditions of workers, including children;

19 (2) accumulate, analyze, and report labor statistics;

20 (3) operate systems of workers' compensation and unemployment
21 insurance; and

22 (4) gather data reflecting the cost of living in the various election
23 districts of the state upon request of the director of personnel under AS 39.27.030; and

24 (5) operate the federally funded employment and training programs
25 under 29 U.S.C. 1501 - 1792 (Job Training Partnership Act);

26 (6) administer the state's program of adult basic education.

27 * Sec. 81. AS 44.33.010 is amended to read:

28 **Sec. 44.33.010. Commissioner of community [COMMERCE] and economic**
29 **development.** The principal executive officer of the Department of C omunity
30 [COMMERCE] and Economic Development is the commissioner of community
31 [COMMERCE] and economic development. Whenever a statute provides that the

1 commissioner is a member of a board, council, or other similar entity, the
2 commissioner may designate an employee of the department to act in the
3 commissioner's place.

4 * Sec. 82. AS 44.33.020 is repealed and reenacted to read:

5 **Sec. 44.33.020. Duties of department.** The Department of Community and
6 Economic Development shall

- 7 (1) advise and assist local governments;
- 8 (2) advise the governor and other commissioners on the delivery of
9 government services to rural areas, including services relating to public safety, justice,
10 economic development, natural resource management, education, and public health;
- 11 (3) make recommendations to the governor and other commissioners
12 about policy changes that would affect rural governments and rural affairs;
- 13 (4) serve as staff for the Local Boundary Commission;
- 14 (5) conduct studies and carry out experimental and pilot projects for the
15 purpose of developing solutions to community and regional problems;
- 16 (6) promote cooperative solutions to problems affecting more than one
17 community or region, including joint service agreements, regional compacts, and other
18 forms of cooperation;
- 19 (7) serve as a clearinghouse for information useful in solution of
20 community and regional problems, and channel to the appropriate authority requests
21 for information and services;
- 22 (8) advise and assist community and regional governments on matters
23 of finance, including but not limited to bond marketing and procurement of federal
24 funds;
- 25 (9) prepare suggested guidelines relating to the content of notice of
26 bond sale advertisements, prospectuses, and other bonding matters issued by local
27 governments;
- 28 (10) administer state funds appropriated for the benefit of unorganized
29 regions within the state, allowing for maximum participation by local advisory councils
30 and similar bodies;
- 31 (11) as assigned through a delegation by the governor, administer and

1 implement the state's role in the federal community development quota program
2 established under 16 U.S.C. 1855(i) or a successor federal program; the department
3 may adopt regulations under a delegation from the governor to implement duties under
4 this paragraph;

5 (12) carry out those administrative functions in the unorganized
6 borough that the legislature may prescribe;

7 (13) study existing and proposed laws and state activities that affect
8 community and regional affairs and submit to the governor recommended changes in
9 those laws and activities;

10 (14) coordinate activities of the state that affect community and
11 regional affairs;

12 (15) assist in the development of new communities and serve as the
13 agent of the state for purposes of participation in federal programs relating to new
14 communities;

15 (16) supervise planning, management, and other activities required for
16 local eligibility for financial aid under those federal and state programs that provide
17 assistance to community and regional governments;

18 (17) advise and assist municipalities on procedures of assessment,
19 valuation, and taxation, and notify municipalities of major errors in those procedures;

20 (18) apply for, receive, and use funds from federal and other sources,
21 public or private, for use in carrying out the powers and duties of the department;

22 (19) request and utilize the resources of other agencies of state
23 government in carrying out the purposes of this chapter to the extent such utilization
24 is more efficient than maintaining departmental staff, reimbursing the other agencies
25 when appropriate;

26 (20) carry out the powers and duties assigned it under AS 42.45;

27 (21) administer state and, as appropriate, federal programs for revenue
28 sharing, grants, and other forms of financial assistance to community and regional
29 governments;

30 (22) administer the state programs relating to commerce, enforce the
31 laws relating to these programs, and adopt regulations under these laws;

- 1 (23) register corporations;
- 2 (24) collect corporation franchise taxes;
- 3 (25) enforce state laws regulating public utilities and other public
4 service enterprises, banking and securities, insurance, and other businesses and
5 enterprises touched with a public interest;
- 6 (26) make veterans' loans;
- 7 (27) furnish the budgeting, clerical, and administrative services for
8 regulatory agencies and professional and occupational licensing boards not otherwise
9 provided for;
- 10 (28) conduct studies, enter into contracts and agreements, and make
11 surveys relating to the economic development of the state and, when appropriate,
12 assemble, analyze, and disseminate the findings obtained;
- 13 (29) provide factual information and technical assistance for potential
14 industrial and commercial investors;
- 15 (30) receive gifts, grants, and other aid that facilitate the powers and
16 duties of the department from agencies and instrumentalities of the United States or
17 other public or private sources;
- 18 (31) establish and activate programs to achieve balanced economic
19 development in the state and advise the governor on economic development policy
20 matters;
- 21 (32) formulate a continuing program for basic economic development
22 and for the necessary promotion, planning and research that will advance the economic
23 development of the state;
- 24 (33) cooperate with private, governmental, and other public institutions
25 and agencies in the execution of economic development programs;
- 26 (34) review the programs and annual reports of other departments and
27 agencies as they are related to economic development and prepare an annual report on
28 the economic growth of the state;
- 29 (35) administer the economic development programs of the state;
- 30 (36) perform all other duties and powers necessary or proper in relation
31 to economic development and planning for the state;

1 (37) request tourism-related businesses in the state to provide data
2 regarding occupancy levels, traffic flow and gross receipts and to participate in visitor
3 surveys conducted by the department; data collected under this paragraph that discloses
4 the particulars of an individual business is not a matter of public record and shall be
5 kept confidential; however, this restriction does not prevent the department from using
6 the data to formulate tourism economic impact information including expenditure
7 patterns, tax receipts and fees, employment and income attributable to tourism, and
8 other information considered relevant to the planning, evaluation and policy direction
9 of tourism in the state;

10 (38) provide administrative and budgetary services to the real estate
11 commission under AS 08.88 as requested by the commission;

12 (39) sell at cost, to the extent possible, publications and promotional
13 materials developed by the department;

14 (40) as delegated by the governor, administer under 16 U.S.C. 1856 the
15 internal waters foreign processing permit procedures and collect related fees;

16 (41) administer state laws relating to the issuance of business licenses;

17 (42) comply with AS 15.07.055 to serve as a voter registration agency
18 to the extent required by state and federal law, including 42 U.S.C. 1973gg (National
19 Voter Registration Act of 1993);

20 (43) foster the growth of international trade within the state and
21 administer Alaska foreign offices;

22 (44) carry out other functions and duties, consistent with law, necessary
23 or appropriate to accomplish the purpose of this chapter.

24 * Sec. 83. AS 44.33 is amended by adding new sections to article 1 to read:

25 **Sec. 44.33.112. Fees for publications, research data, and other services.**

26 The commissioner may establish by regulation and the department may charge
27 reasonable fees for department publications, research data, and other centralized
28 administrative services to cover the cost of reproduction, printing, mailing, distribution,
29 and other centralized administrative services.

30 **Sec. 44.33.115. Exxon Valdez oil spill unincorporated rural community**
31 **grant fund.** There is created in the department the Exxon Valdez oil spill

1 unincorporated rural community grant fund. The fund consists of money appropriated
2 to the fund from the Exxon Valdez oil spill restoration fund, the Alyeska settlement
3 fund, and other sources. Appropriations to the fund do not lapse unless otherwise
4 provided by the legislature in the bill making the appropriation to the fund. The
5 department may use the fund to make grants to unincorporated rural communities in
6 the area affected by the Exxon Valdez oil spill for capital projects for purposes of
7 restoring, replacing, or enhancing subsistence resources or services or other services
8 damaged or lost as the result of the Exxon Valdez oil spill. In this section,

9 (1) "Alyeska settlement fund" means the trust fund established in the
10 state treasury for the purpose of receiving, holding, and disbursing the settlement
11 proceeds received by the state under the Agreement and Consent Decree in re: The
12 Exxon Valdez, United States District Court, District of Alaska, Case No. A92-175
13 Civil, decree entered November 25, 1992;

14 (2) "Exxon Valdez oil spill restoration fund" means the fund established
15 by the Department of Revenue to implement the judgment entered by the United States
16 District Court for Alaska in the criminal case United States of America v. Exxon
17 Shipping Company and Exxon Corporation, No. A90-015 CR.

18 **Sec. 44.33.118. Definitions.** In AS 44.33.010 - 44.33.118,

19 (1) "commissioner" means the commissioner of community and
20 economic development;

21 (2) "department" means the Department of Community and Economic
22 Development.

23 * **Sec. 84.** AS 44.33.120(b) is amended to read:

24 (b) The Department of Community and Economic Development [ALASKA
25 DIVISION OF TOURISM] shall

26 (1) cooperate with the tourism marketing council and organizations in
27 the private sector for the promotion and development of tourism and conventions into
28 and within the state;

29 (2) coordinate with municipal, state, and federal agencies for the
30 development and promotion of tourism resources and conventions in the state;

31 (3) review and approve the procurement documents and procedures of

1 the tourism marketing council to ensure compliance with applicable laws and
2 regulations;

3 (4) promote and develop the state's tourist and convention industry by
4 any of the following:

5 (A) publicizing state attractions through such means as display
6 advertising in magazines and newspapers, advertising on radio and television
7 or other advertising media, publishing pamphlets, brochures and other graphic
8 and pictorial materials, or [BY] aiding and assisting representatives of the
9 media, to ensure greater coverage of the visitor attractions in the state;

10 (B) participation in travel shows;

11 (C) increasing the awareness of the citizens of the state at the
12 statewide, regional, and community level of the economic importance of the
13 visitor industry;

14 (D) assisting potential investors in creating new visitor facilities;

15 (E) administering programs of the state in which the state
16 provides matching funds for municipalities of the state or nonprofit
17 organizations that undertake the promotion of visitor travel to and the
18 development of visitor amenities in the state;

19 (F) administering visitor information centers;

20 (G) conducting research to evaluate the effectiveness of the
21 tourism marketing council's marketing programs;

22 (H) analyzing the effect on the state's visitor industry of state
23 land and resource development projects;

24 (I) organizing, administering, and evaluating demonstration
25 projects for the promotion of the state's visitor industry and the development
26 of new tourism destination markets; and

27 (J) administering grants under AS 44.33.135.

28 * Sec. 85. AS 44.33.135(a) is amended to read:

29 (a) A municipality, a nonprofit corporation formed under AS 10.20, or a bona
30 fide nonprofit civic, fraternal, or service organization may receive, as a grant, matching
31 money from the state for up to 50 percent of the costs of a program or project that the

1 commissioner of community and economic development [DIRECTOR OF
2 TOURISM] determines is consistent with the purposes of AS 44.33.119 and is likely
3 to promote or develop visitor travel, including

4 (1) the promotion of conventions;

5 (2) the construction, improvement, or operation of visitor destination
6 facilities and tourist attractions; and

7 (3) the development and preservation of attractions of historical,
8 contemporary, recreational, or cultural interest.

9 * Sec. 86. AS 44.33.705(a) is amended to read:

10 (a) Unless the commissioner contracts with a qualified trade association under
11 (b) of this section, the governing body of the council is a board of directors consisting
12 of [THE DIRECTOR OF TOURISM,] the commissioner of community
13 [COMMERCE] and economic development [,] and the commissioners
14 [COMMISSIONER] of two other [ANOTHER] principal executive departments
15 [DEPARTMENT] designated by the governor.

16 * Sec. 87. AS 44.33.705(c) is amended to read:

17 (c) If the commissioner contracts with a qualified trade association under (b)
18 of this section, the governing body of the council is a board of directors consisting of
19 21 members and subject to the following provisions:

20 (1) a board member shall

21 (A) be involved in a visitor or recreation industry business;

22 (B) have training in a field such as marketing;

23 (C) be an officer or a senior staff member of a local
24 government or nonprofit enterprise established to promote the visitor industry;
25 or

26 (D) have business or government experience that would
27 materially enhance the member's ability to contribute to the planning,
28 execution, or evaluation of a visitor industry promotional marketing campaign;

29 (2) the contract shall provide that the trade association may select up
30 to 10 board members; the governor may remove a member of the board selected under
31 this paragraph on the delivery by the governor to the board of a written statement

1 explaining the reasons for the removal;

2 (3) the commissioner of community and economic development
3 [DIRECTOR OF TOURISM] is a member of the board; the governor shall appoint 10
4 other board members; each board member appointed by the governor serves at the
5 pleasure of the governor; in making appointments to the board under this paragraph,
6 the governor shall ensure that the board, including members selected under (2) of this
7 subsection, is broadly representative of the different regions of the state and the
8 various sectors of the visitor industry;

9 (4) eleven members of the board constitute a quorum for the transaction
10 of business and the exercise of the powers and duties of the board, and any action by
11 the board requires 11 affirmative votes;

12 (5) the governor shall appoint a member of the board to serve as
13 presiding officer of the board; the board shall elect other necessary officers from
14 among its members annually;

15 (6) a board member may not participate or vote by proxy;

16 (7) the board shall meet at least four times a year at the call of the
17 presiding officer or upon the written request of seven members of the board;

18 (8) the members of the board appointed by the governor serve
19 staggered three-year terms, subject to continuation of the contract, and may be
20 reappointed;

21 (9) a person appointed to fill a vacancy on the board holds office for
22 the balance of the term of the person's predecessor;

23 (10) board members receive no salary for serving in that position, but
24 are entitled to per diem and travel expenses under AS 39.20.180, except as provided
25 in AS 44.33.733; the contract must provide that the trade association will reimburse
26 the council for per diem and travel expenses paid to those board members appointed
27 by the trade association; reimbursement under this paragraph does not qualify as a part
28 of the association's required contribution under (b) of this section;

29 (11) notwithstanding AS 39.52, a board member who is a member of
30 the qualified trade association that has contracted with the department under (b) of this
31 section may vote or take action on a matter that might benefit the trade association or

1 members of the trade association, including the issuance of contracts or the granting
2 of rights to the trade association, but shall disclose the person's membership in the
3 trade association before the vote or action; this paragraph may not be interpreted to
4 allow a board member or an immediate family member of a board member to receive,
5 apply for, be a party to, have a personal or financial interest in, or attempt to acquire
6 a grant or contract made by the council; in this paragraph, "immediate family member"
7 has the meaning given in AS 39.52.960.

8 * Sec. 88. AS 44.33.720(a) is amended to read:

9 (a) The council shall

10 (1) conduct a tourism marketing program designed to accomplish the
11 purposes of AS 44.33.700 - 44.33.735; the marketing program must include promotion
12 of the state as a destination and promotion of all forms of travel to the state, including
13 travel by air, highway, and water;

14 (2) prepare and implement plans for the promotion of Alaska tourism,
15 including necessary research;

16 (3) submit an annual report to the governor describing the activities of
17 the council and notify the legislature that the report is available;

18 (4) make available to all interested persons, including tourism
19 businesses, a quarterly report of the council's actions and activities;

20 (5) annually submit a proposed operating budget to the commissioner,
21 to be used by the Department of Community [COMMERCE] and Economic
22 Development to prepare and submit the operating budget of the council under
23 AS 44.33.725;

24 (6) provide advice, on the request of the commissioner of community
25 and economic development [DIRECTOR OF TOURISM], on the programs of the
26 Department of Community and Economic Development that relate to tourism
27 [DIVISION];

28 (7) prepare a report by the 10th day of each regular session of the
29 legislature, describing how the contractual money was spent in the first half of the year
30 and explaining the plan for expenditures during the second half of the year; the council
31 shall notify the legislature that the report is available;

1 (8) consider methods to fund tourism marketing using both public and
2 private assets; and

3 (9) consider methods of providing for the financial self-sufficiency of
4 the council.

5 * **Sec. 89.** AS 44.33 is amended by adding new sections to read:

6 **Article 7A. Rural Development.**

7 **Sec. 44.33.740. Powers and duties.** To promote development of rural areas
8 of the state, the department is authorized to

9 (1) investigate social and economic conditions of rural areas to
10 determine the need to expand economic opportunities and improve living conditions;

11 (2) formulate a coordinated program to broaden and diversify the
12 economic base of rural areas;

13 (3) coordinate administration of emergency relief, surplus food
14 distribution, or other public assistance programs, except the regular relief and
15 assistance programs of the federal government in rural areas;

16 (4) formulate and conduct a program of construction of basic facilities
17 to improve health, welfare, and economic security and provide employment and
18 income in the rural areas;

19 (5) promote training and educational programs designed to expand
20 employment opportunities for residents of rural areas;

21 (6) enter into agreements with other state agencies and departments to
22 provide for the distribution in rural communities of surplus electrical power from state-
23 owned power sources located in those communities and to expend funds for this
24 purpose;

25 (7) make grants to communities for bulk fuel storage facilities;

26 (8) cooperate with the Department of Environmental Conservation and
27 other agencies to provide technical assistance to communities in the installation,
28 operation, and management of bulk fuel storage facilities.

29 **Sec. 44.33.745. Limitations.** A program of the department under
30 AS 44.33.740 in a rural area may not exceed \$100,000 in cost a year.

31 **Sec. 44.33.750. Bulk fuel storage facilities grant fund.** (a) There is

1 established in the department the bulk fuel storage facilities grant fund. Grants may
2 be made by the department from this fund to a community to acquire and install
3 community bulk storage facilities.

4 (b) Grants made under this section for the acquisition and installation of a bulk
5 fuel storage facility may not exceed \$100,000 per community.

6 (c) If the governing body of two or more communities determine that their fuel
7 requirements may be served by a single bulk fuel storage facility, the communities
8 may jointly apply for grants to acquire and install a single bulk fuel storage facility.
9 When communities apply jointly under this subsection, the limitation in (b) of this
10 section is multiplied by the number of communities that submit the joint application.

11 (d) Before a grant is made under this section, the city council or, if the
12 community is not incorporated, a reasonable representative body in the community
13 shall agree in writing to maintain and operate the bulk storage facility to be
14 constructed with the proceeds of the grant.

15 **Sec. 44.33.755. Land conveyed in trust.** (a) The commissioner

16 (1) shall accept, administer, and dispose of land conveyed to the state
17 in trust by village corporations under 43 U.S.C. 1613(c)(3) (Sec. 14(c)(3) of the Alaska
18 Native Claims Settlement Act) for the purposes specified in that section;

19 (2) may, with the concurrence of an appropriate village entity
20 recognized by the commissioner under (b) of this section or, in the absence of an
21 appropriate village entity, under procedures prescribed by regulations of the
22 commissioner, accept, administer, and dispose of land conveyed in trust by a state or
23 federal agency and by the dissolution of a municipality under AS 29.06.450 -
24 29.06.530.

25 (b) Transfer of land by sale, lease, right-of-way, easement, or permit, including
26 transfer of surface resources, may be made by the commissioner only after approval
27 of an appropriate village entity such as the traditional council, a village meeting, or a
28 village referendum. This approval shall be by resolution filed with the department.

29 (c) Within one complete state fiscal year after the incorporation of a
30 municipality in the village or of a municipality that includes all or part of the village,
31 land acquired under this section shall be conveyed without cost to the municipality,

1 and the municipality shall succeed to all the entrusted interest in the land.

2 (d) Separate accounts shall be maintained in the name of each village for the
3 land, including the revenue from the land, acquired from each village corporation
4 under this section.

5 (e) Upon the conveyance of land to a municipality under this section, the
6 commissioner shall account to the municipality for all profits including interest
7 generated from the land. The municipality may then request the governor to submit
8 a request to the legislature for an appropriation for the amount due the municipality.

9 (f) Title to or an interest in land acquired by the department under this section
10 may not be acquired by adverse possession or prescription. Notwithstanding (a) - (e)
11 of this section, on the dissolution of a municipality under AS 29.06.450 - 29.06.530,
12 unimproved land that was owned by the municipality on the date of its dissolution and
13 received by the municipality from the state under a municipal land grant entitlement
14 program is transferred to the commissioner of natural resources.

15 (g) For the purposes of this section, "municipality" includes only first and
16 second class cities incorporated under the laws of the state.

17 **Sec. 44.33.760. Loan information officers.** (a) The department may provide
18 itinerant loan information officers to serve persons who reside outside the major
19 population centers of the state.

20 (b) The loan information officers shall be trained, to the extent that the
21 department considers necessary, in a program administered by the department and
22 approved by the Alaska Housing Finance Corporation, the Alaska Industrial
23 Development and Export Authority, and the principal departments of the executive
24 branch that administer loan programs.

25 (c) A majority of the loan information officers shall be persons who are
26 conversant in Alaska Native languages that are spoken by a significant number of
27 Alaska Natives. The department shall provide brochures and other printed materials,
28 written in easily understandable English and in the Alaska Native languages that are
29 spoken by a significant number of Alaska Natives, for distribution by the loan
30 information officers. The brochures and printed materials must explain the purposes
31 of the various state loan programs, the minimum qualifications under the programs, the

1 method for obtaining assistance in the completion of applications for the programs, and
2 other information the department determines will improve the access of persons in
3 rural areas to the state's loan programs.

4 (d) The department shall coordinate its efforts under this section with local
5 financial institutions and community groups to determine the proper itinerary and travel
6 schedule of the loan information officers and to provide adequate notice to persons in
7 rural areas of the itinerary and travel schedule of the loan information officers.

8 (e) The department shall assign the loan information officers to rural areas
9 based on the current and potential future demands for loans in those areas and shall
10 establish offices for the loan information officers in rural areas if the department
11 determines it is necessary to provide familiarity with the area served by the loan
12 information officers and to reduce travel costs.

13 **Sec. 44.33.765. Rural development initiative fund.** (a) The rural
14 development initiative fund is created in the department. Unless provided otherwise
15 in the appropriation act, an appropriation to the fund is retained in the fund for use
16 under AS 44.33.765 - 44.33.775 and does not lapse at the end of a fiscal year. Each
17 year the commissioner shall request an appropriation to the fund of interest and other
18 income earned on loans or investments of the fund. Money in the fund may be
19 appropriated for costs of administering AS 44.33.765 - 44.33.775.

20 (b) The commissioner may place money from the fund into a special reserve
21 account as necessary. The commissioner may use money in the account to protect the
22 state's security interest in collateral on loans made from the fund, to protect the state's
23 interests in investments made from the fund, or to defray expenses incurred during
24 foreclosure or other legal proceedings involving loans or investments made from the
25 fund.

26 (c) The commissioner may use money from the fund to provide for loan
27 information officers under AS 44.33.760.

28 **Sec. 44.33.770. Rural development loans.** (a) The department may use
29 money from the rural development initiative fund to make a loan of up to \$100,000
30 to a person, or a loan of up to \$200,000 to two or more persons, to be used for
31 working capital, equipment, construction, or other commercial purposes by a business

1 located in a community with a population of 5,000 or less. A person who has received
2 a loan under this subsection may not be granted another loan until after the original
3 loan is entirely repaid.

4 (b) The department shall require collateral for each loan made under this
5 section and shall require that a reasonable amount of money from other nonstate
6 sources be committed for use on any project or enterprise for which money from a
7 loan will be used. The department by regulation may establish other conditions for
8 loans. The department shall by regulation establish rates of interest that are not less
9 than six percent a year and terms of repayment for loans made under this section.

10 **Sec. 44.33.775. Disposal of property acquired by default or foreclosure.**

11 The department shall dispose of property acquired through default or foreclosure of a
12 loan made from the rural development initiative fund. Disposal shall be made in a
13 manner that serves the best interests of the state, and may include the amortization of
14 payments over a period of years. The commissioner shall request an appropriation to
15 the fund of proceeds from disposal of property under this section.

16 **Sec. 44.33.780. Definitions.** In AS 44.33.740 - 44.33.780,

17 (1) "commissioner" means the commissioner of community and
18 economic development;

19 (2) "department" means the Department of Community and Economic
20 Development.

21 **Article 7B. Planning Assistance.**

22 **Sec. 44.33.781. Planning assistance for development and maintenance of**
23 **district coastal management programs.** (a) The department shall conduct a program
24 of research, training, and technical assistance to coastal resource districts necessary for
25 the development and implementation of district coastal management programs under
26 AS 46.40. The technical assistance shall include the direct granting to the coastal
27 resource districts of a portion of any funds received by the state from the federal
28 coastal zone management program, in amounts to be individually determined for each
29 coastal resource district by the commissioner of community and economic
30 development. State agencies shall assist the department in carrying out the purposes
31 of this section.

1 **Sec. 44.33.782. Planning assistance to platting authorities.** To facilitate
2 planning in municipalities that exercise planning and zoning authority, the department
3 may provide planning assistance, including but not limited to surveys, land use studies,
4 urban renewal plans, technical services, model acts that include regulations designed
5 to encourage development and use of energy systems not dependent on oil or gas, and
6 other planning work to a city, borough, or other platting authority. In an area under
7 the jurisdiction, for planning purposes, of a city, borough, or other platting authority,
8 the department may not perform the planning work except at the request or with the
9 consent of the local authority.

10 **Sec. 44.33.784. Assistance by cities and platting authorities.** A city or
11 platting authority may make funds under its control available to the department for the
12 purposes of obtaining planning work or planning assistance, or both, for its area. The
13 department may contract for, accept, and expend the funds for urban planning for the
14 local jurisdiction.

15 **Sec. 44.33.786. Land use planning and state facility procurement plan.**
16 The department shall make recommendations to the Department of Transportation and
17 Public Facilities and to appropriate program agencies concerning the effect upon the
18 comprehensive plan or other land use plans or proposals of municipalities and
19 unincorporated communities with respect to the facility procurement plan required to
20 be prepared in accordance with AS 35.10.170.

21 **Sec. 44.33.788. Other planning powers.** The department may accept and
22 expend grants from the federal government and other public or private sources, may
23 contract with reference to them, and may enter into contracts and exercise all other
24 powers necessary to carry out AS 44.33.781 - 44.33.788.

25 **Sec. 44.33.790. Definition.** In AS 44.33.782 - 44.33.790, "department" means
26 the Department of Community and Economic Development.

27 * **Sec. 90.** AS 44.33 is amended by adding new sections to read:

28 **Article 8A. Local Boundary Commission.**

29 **Sec. 44.33.810. Local Boundary Commission.** There is in the Department
30 of Community and Economic Development a Local Boundary Commission. The Local
31 Boundary Commission consists of five members appointed by the governor for

1 overlapping five-year terms. One member shall be appointed from each of the four
2 judicial districts described in AS 22.10.010 and one member shall be appointed from
3 the state at large. The member appointed from the state at large is the chair of the
4 commission.

5 **Sec. 44.33.812. Powers and duties.** (a) The Local Boundary Commission
6 shall

7 (1) make studies of local government boundary problems;

8 (2) adopt regulations providing standards and procedures for municipal
9 incorporation, annexation, detachment, merger, consolidation, reclassification, and
10 dissolution;

11 (3) consider a local government boundary change requested of it by the
12 legislature, the commissioner of community and economic development, or a political
13 subdivision of the state; and

14 (4) develop standards and procedures for the extension of services and
15 ordinances of incorporated cities into contiguous areas for limited purposes upon
16 majority approval of the voters of the contiguous area to be annexed and prepare
17 transition schedules and prorated tax mill levies as well as standards for participation
18 by voters of these contiguous areas in the affairs of the incorporated cities furnishing
19 services.

20 (b) The Local Boundary Commission may

21 (1) conduct meetings and hearings to consider local government
22 boundary changes and other matters related to local government boundary changes,
23 including extensions of services by incorporated cities into contiguous areas and
24 matters related to extension of services; and

25 (2) present to the legislature during the first 10 days of a regular
26 session proposed local government boundary changes, including gradual extension of
27 services of incorporated cities into contiguous areas upon a majority approval of the
28 voters of the contiguous area to be annexed and transition schedules providing for total
29 assimilation of the contiguous area and its full participation in the affairs of the
30 incorporated city within a period not to exceed five years.

31 **Sec. 44.33.814. Meetings and hearings.** The chair of the commission or the

1 commissioner of community and economic development with the consent of the chair
2 may call a meeting or hearing of the Local Boundary Commission. All meetings and
3 hearings shall be public.

4 **Sec. 44.33.816. Minutes and records.** The Local Boundary Commission shall
5 keep minutes of all meetings and hearings. If the proceedings are transcribed, minutes
6 shall be made from the transcription. The minutes are a public record. All votes taken
7 by the commission shall be entered in the minutes.

8 **Sec. 44.33.818. Notice of public hearings.** Public notice of a hearing of the
9 Local Boundary Commission shall be given in the area in which the hearing is to be
10 held at least 15 days before the date of the hearing. The notice of the hearing must
11 include the time, date, place, and subject of the hearing. The commissioner of
12 community and economic development shall give notice of the hearing at least three
13 times in the press, through other news media, or by posting in a public place,
14 whichever is most feasible.

15 **Sec. 44.33.820. Quorum.** Three members of the commission constitute a
16 quorum for the conduct of business at a meeting. Two members constitute a quorum
17 for the conduct of business at a hearing.

18 **Sec. 44.33.822. Boundary change.** A majority of the membership of the
19 Local Boundary Commission must vote in favor of a proposed boundary change before
20 it may be presented to the legislature.

21 **Sec. 44.33.824. Expenses.** Members of the Local Boundary Commission
22 receive no pay but are entitled to the travel expenses and per diem authorized for
23 members of boards and commissions under AS 39.20.180.

24 **Sec. 44.33.826. Hearings on boundary changes.** A local government
25 boundary change may not be proposed to the legislature unless a hearing on the change
26 has been held in or in the near vicinity of the area affected by the change.

27 **Sec. 44.33.828. When boundary change takes effect.** When a local
28 government boundary change is proposed to the legislature during the first 10 days of
29 any regular session, the change becomes effective 45 days after presentation or at the
30 end of the session, whichever is earlier, unless disapproved by a resolution concurred
31 in by a majority of the members of each house.

1 **Article 8B. Borough Feasibility Studies.**

2 **Sec. 44.33.840. Borough feasibility studies.** The commissioner may contract
3 for studies of the feasibility of establishing boroughs in the unorganized borough. A
4 study may be conducted under this section only if

5 (1) appropriations are available for that purpose; and

6 (2) the study is requested by a person residing in the area to be studied
7 or by a city located in the area to be studied.

8 **Sec. 44.33.842. Requests for studies.** A request for a study of the feasibility
9 of establishing a borough in the unorganized borough shall be submitted to the
10 commissioner in writing and must include

11 (1) a description of the boundaries of the area of the proposed study;

12 and

13 (2) an indication of local interest in the proposed study consisting of
14 either

15 (A) a petition requesting the study containing the signatures and
16 addresses of five percent of the voters residing in the area of the proposed
17 study based on the number of voters who voted in the area in the last statewide
18 election; or

19 (B) resolutions requesting the study adopted by the governing
20 bodies of at least five percent of the cities within the area of the proposed
21 study.

22 **Sec. 44.33.844. Boundaries.** The boundaries of an area studied shall conform
23 to the boundaries indicated in the request for the study under AS 44.33.842 unless the
24 commissioner, after a public hearing held in the area of the proposed study, determines
25 that the boundaries should be altered. In determining the boundaries of an area to be
26 studied, the commissioner shall consider

27 (1) the standards applicable to the incorporation of boroughs under
28 AS 29.05.031;

29 (2) boundaries of regional corporations established under 43 U.S.C.
30 1606;

31 (3) census divisions of the state used for the 1980 census;

1 (4) boundaries of the regional educational attendance areas established
2 under AS 14.08.031; and

3 (5) boundaries of coastal resource service areas organized under
4 AS 46.40.110 - 46.40.210.

5 **Sec. 44.33.846. Contracts.** (a) The commissioner shall contract for a study
6 of the feasibility of establishing a borough in the unorganized borough by following
7 the procedures under AS 36.30 (State Procurement Code). The commissioner shall
8 include terms in the contract that provide for

9 (1) public participation in the preparation of the study;

10 (2) completion of the study not later than June 30 of the third year after
11 the year the contract is executed.

12 (b) A study under this section must include

13 (1) a recommendation for or against incorporation of a borough
14 containing all or part of the area studied;

15 (2) an evaluation of the economic development potential of the area
16 studied;

17 (3) an evaluation of capital facility needs of the area studied;

18 (4) an evaluation of demographic, social, and environmental factors
19 affecting the area studied;

20 (5) an evaluation of the relationships among regional educational
21 attendance areas, coastal resource service areas, and other regional entities responsible
22 for providing services in the area studied;

23 (6) an evaluation of the relationships between the existing cities within
24 the area studied and regional entities responsible for providing services in the area; and

25 (7) specific recommendations for

26 (A) organization of a home rule or general law borough
27 government if one is recommended;

28 (B) changes in organization of cities in the area studied; or

29 (C) the improvement of the delivery of services to the public
30 by the state in the area studied.

31 **Sec. 44.33.849. Definition.** In AS 44.33.840 - 44.33.849, "commissioner"

1 means the commissioner of community and economic development.

2 **Article 8C. Alaska Regional Economic Assistance Program.**

3 **Sec. 44.33.895. Alaska regional economic assistance program.** (a) The
4 department shall

5 (1) encourage the formation of regional development organizations by
6 providing assistance in forming organizations to interested individuals, including
7 information on how to qualify and apply for regional development grants and federal
8 funding under 42 U.S.C. 3121 - 3246 (Public Works and Economic Development Act
9 of 1965), as amended;

10 (2) assist an interested individual in establishing boundaries for a
11 proposed organization to ensure that the region

12 (A) is of sufficient geographic size and contains a large enough
13 population to form an economically viable unit with shared interests, resources,
14 traditions, and goals;

15 (B) contains at least one municipality that serves as a regional
16 center; and

17 (C) contains the entire area of each municipality included in the
18 region;

19 (3) gather information about regional economic issues, international
20 trade, and tourism from organizations;

21 (4) serve as liaison between organizations and other state agencies and
22 encourage other agencies to make resources available to help accomplish goals of the
23 organizations;

24 (5) assist each organization to

25 (A) provide services designed to encourage economic
26 development to local communities and businesses;

27 (B) collect and distribute economic information relevant to the
28 region;

29 (C) participate in state marketing campaigns and join state trade
30 missions that are relevant to the region; and

31 (D) develop and implement strategies to attract new industry,

1 expand international trade opportunities, and encourage tourism within the
2 region.

3 (b) Subject to (c) of this section, the department may make regional
4 development grants to organizations for projects the department determines will be of
5 value in encouraging economic development. During a fiscal year, the department may
6 make no more than 15 grants and may only make grants to one organization from a
7 particular region. An organization that is designated an economic development district
8 under 42 U.S.C. 3171 qualifies for grants under this subsection. The department shall
9 by regulation adopt procedures for applying for regional development grants, including
10 application deadlines. The department may by regulation establish additional grant
11 eligibility requirements.

12 (c) To qualify for a grant, a regional development organization must match the
13 grant by providing an amount of money from nonstate sources. The department shall
14 establish by regulation a formula that determines the amount of the match required
15 under this subsection based on the capability of each organization to generate money
16 from nonstate sources. The amount of match required may not exceed the amount of
17 grant money and may not be less than 20 percent of the grant. The total amount of
18 grant money provided to an organization during a fiscal year may not exceed
19 \$100,000.

20 (d) There is established in the department the regional development fund
21 consisting of appropriations to the fund. Money from the fund may be used only for
22 regional development grants.

23 (e) In this section,

24 (1) "department" means the Department of Community and Economic
25 Development;

26 (2) "regional development organization" or "organization" means a
27 nonprofit organization or nonprofit corporation formed to encourage economic
28 development within a particular region of the state that includes the entire area of each
29 municipality within that region and that has a board of directors that represents the
30 region's economic, political, and social interests.

31 * Sec. 91. AS 44.41 is amended by adding a new section to read:

1 **Sec. 44.41.023. Division of safety inspections.** There is established in the
2 Department of Public Safety a division of safety inspections. The Alaska Safety
3 Advisory Council and the position of state fire marshall are included within the
4 division. The division shall perform the duties of the Department of Public Safety that
5 are specified for the

6 (1) state fire marshall;

7 (2) Alaska Safety Advisory Council; and

8 (3) division of safety inspections under AS 18.60, AS 18.70.081, and
9 AS 45.45.910.

10 * **Sec. 92.** AS 44.46.025(a) is amended to read:

11 (a) The Department of Environmental Conservation may adopt regulations that
12 prescribe reasonable fees, and establish procedures for the collection of the fees, to
13 cover the applicable direct costs, not including travel, of inspections, permit
14 preparation and administration, plan review and approval, and other services provided
15 by the department relating to

16 (1) [AGRICULTURE AND ANIMALS UNDER AS 03.05:] food,
17 drugs, and cosmetics under AS 17.20; and public accommodations and facilities under
18 AS 18.35;

19 (2) certificates of inspection for motor vehicles under AS 46.14.400 or
20 46.14.510;

21 (3) sewerage system and treatment works and wastewater disposal
22 systems, and drinking water systems, under AS 46.03.720;

23 (4) [REPEALED

24 (5) REPEALED

25 (6)] water and wastewater operator training under AS 46.30;

26 (5) [(7)] control of solid waste facilities under AS 46.03.020(10) and
27 46.03.100;

28 (6) [(8)] certification of laboratories conducting environmental analyses
29 of public drinking water systems or of oil or hazardous substances [,] or conducting
30 other analyses required by the department;

31 (7) [(9)] certification of federal permits or authorizations under 33

1 U.S.C. 1341 (sec. 401, Clean Water Act).

2 * Sec. 93. AS 44.46.025(d) is amended to read:

3 (d) Notwithstanding (a) of this section, the department may not charge a fee
4 for inspection, permit preparation and administration, plan review and approval, or
5 other services provided by the department under [AS 03.05 OR] AS 44.46.020(5) to
6 a school. In this subsection, "school" means a public school or private school for
7 children of school age, as defined in AS 14.03.070, or a head start center that receives
8 federal financial assistance under 42 U.S.C. 9835.

9 * Sec. 94. AS 44.62.330(a)(24) is amended to read:

10 (24) Department of Health and Social Services and Department of
11 Education and Child Development, relating to denial, involuntary conditioning, or
12 revocation of a license issued under AS 14.37 or AS 47.35, or suspension of
13 operations or admissions or assessment of an administrative fine under AS 14.37 or
14 AS 47.35;

15 * Sec. 95. AS 45.45.910(a) is amended to read:

16 (a) Unless exempted by the division [DEPARTMENT] under (d) of this
17 section, a person may not sell, offer to sell, or otherwise transfer in the course of the
18 person's business a consumer electrical product that is manufactured after August 14,
19 1990, unless the product is clearly marked as being listed by an approved third-party
20 certification program.

21 * Sec. 96. AS 45.45.910(d) is amended to read:

22 (d) If a consumer electrical product is a work of art or an item that has an
23 unusual application that makes approval by a third-party certification program not
24 reasonably available, the division [DEPARTMENT] shall upon request exempt the
25 item from (a) of this section. The division [DEPARTMENT] shall establish by
26 regulation guidelines to identify consumer electrical products that qualify for an
27 exemption under this section.

28 * Sec. 97. AS 45.45.910(e) is amended to read:

29 (e) The warning label required by this section must be a brightly colored label
30 that contains in simple, direct language a warning that the electrical product is not
31 listed by an approved third-party certification program. The division

1 [DEPARTMENT] shall adopt regulations establishing the exact content, color, design,
2 and use of the warning label.

3 * Sec. 98. AS 45.45.910(f) is amended to read:

4 (f) Unless a later version has been adopted by the division [DEPARTMENT]
5 by regulation, a certification program must meet the requirements of ANSI Z-34.1 -
6 1987, American National Standards for Certification - Third-Party Certification
7 Program, published by the American National Standards Institute, in order to qualify
8 as an approved third-party certification program under this section. The division
9 [DEPARTMENT] may adopt by regulation later versions of the American National
10 Standards for Certification - Third-Party Certification Program, as the standard for
11 third-party certification programs under this section. If the division [DEPARTMENT]
12 has adopted a later version, a certification program must meet the requirements of the
13 most recent version adopted by the division [DEPARTMENT] in order to qualify as
14 an approved third-party certification program under this section.

15 * Sec. 99. AS 45.45.910(g) is amended by adding a new paragraph to read:

16 (4) "division" means the division of safety inspections, Department of
17 Public Safety.

18 * Sec. 100. AS 46.03.320(a) is amended to read:

19 (a) Except as provided in (c) of this section. the [THE] department may

20 (1) regulate the transportation, testing, inspection, packaging, labeling,
21 handling, and advertising of pesticides and broadcast chemicals offered for sale, or
22 placed in commerce for use in the state;

23 (2) regulate and supervise the distribution, application, or use of
24 pesticides and broadcast chemicals in any state project or program, or by a public
25 agency under the jurisdiction of the state;

26 (3) regulate or prohibit the use of pesticides and broadcast chemicals.

27 * Sec. 101. AS 46.03.320 is amended by adding a new subsection to read:

28 (c) Notwithstanding (a) of this section or any other law applicable to the
29 Department of Environmental Conservation, the sole state authority to require, and
30 charge a fee for, registration of a consumer protection and health benefit product, as
31 defined in AS 03.05.024, a restricted-use pesticide, or an agricultural pesticide lies with

1 the Department of Natural Resources.

2 * Sec. 102. AS 46.03.900(33) is amended to read:

3 (33) "village" means a place within the unorganized borough or within
4 a borough as to a power, function, or service that is not exercised or provided by the
5 borough on an areawide or nonareawide basis that

6 (A) has irrevocably waived, in a form approved by the
7 Department of Law, any claim of sovereign immunity that might arise under
8 this chapter; and

9 (B) has

10 (i) a council organized under 25 U.S.C. 476 (sec. 16 of
11 the Indian Reorganization Act);

12 (ii) a traditional village council recognized by the United
13 States as eligible for federal aid to Indians; or

14 (iii) a council recognized by the commissioner of
15 community and economic development [REGIONAL AFFAIRS] under
16 regulations adopted by the Department of Community and Economic
17 Development [REGIONAL AFFAIRS] to determine and give official
18 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)];

19 * Sec. 103. AS 46.04.900(22) is amended to read:

20 (22) "village" means a place within the unorganized borough or within
21 a borough as to a power, function, or service that is not exercised or provided by the
22 borough on an areawide or nonareawide basis that

23 (A) has irrevocably waived, in a form approved by the
24 Department of Law, any claim of sovereign immunity that might arise under
25 this chapter; and

26 (B) has

27 (i) a council organized under 25 U.S.C. 476 (sec. 16 of
28 the Indian Reorganization Act);

29 (ii) a traditional village council recognized by the United
30 States as eligible for federal aid to Indians; or

31 (iii) a council recognized by the commissioner of

1 community and economic development [REGIONAL AFFAIRS] under
2 regulations adopted by the Department of Community and Economic
3 Development [REGIONAL AFFAIRS] to determine and give official
4 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)];

5 * Sec. 104. AS 46.08.900(16) is amended to read:

6 (16) "village" means a place within the unorganized borough or within
7 a borough if the power, function, or service for which a grant application under
8 AS 29.60.510 is submitted is not exercised or provided by the borough on an areawide
9 or nonareawide basis at the time the grant application is submitted that

10 (A) has irrevocably waived, in a form approved by the
11 Department of Law, any claim of sovereign immunity that might arise in
12 connection with the use of grant money under this chapter; and

13 (B) has

14 (i) a council organized under 25 U.S.C. 476 (sec. 16 of
15 the Indian Reorganization Act);

16 (ii) a traditional village council recognized by the United
17 States as eligible for federal aid to Indians; or

18 (iii) a council recognized by the commissioner of
19 community and economic development [REGIONAL AFFAIRS] under
20 regulations adopted by the Department of Community and Economic
21 Development [REGIONAL AFFAIRS] to determine and give official
22 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)].

23 * Sec. 105. AS 46.40.170(b) is amended to read:

24 (b) At the request of the council, the Department of Community and Economic
25 Development [REGIONAL AFFAIRS] shall complete the district coastal management
26 program in accordance with this chapter and the guidelines and standards adopted by
27 the council for a coastal resource service area that [WHICH] has been organized but
28 that [WHICH] has failed to make substantial progress in the preparation of an
29 approvable district coastal management program within 18 months of certification of
30 the results of an organization election or that [WHICH] has not submitted for approval
31 to the council a program within 30 months of certification of the results of its

1 organization election. Preparation of the program shall be conducted in consultation
2 with the coastal resource service area and shall, to the maximum extent consistent with
3 this chapter, reflect the expressed concerns of the residents of the service area.

4 * Sec. 106. AS 46.40.190(a) is amended to read:

5 (a) A city within the coastal area that [WHICH] is not part of a coastal
6 resource service area shall be included for purposes of this chapter within an adjacent
7 coastal resource service area unless its governing body, by resolution adopted by a
8 majority of its membership, chooses to exclude the city from an adjacent coastal
9 resource service area and a copy of the resolution is filed with the commissioner of
10 community and economic development [REGIONAL AFFAIRS].

11 * Sec. 107. AS 46.40.210(2) is amended to read:

12 (2) "coastal resource district" means each of the following that
13 [WHICH] contains a portion of the coastal area of the state:

14 (A) unified municipalities;

15 (B) organized boroughs of any class that [WHICH] exercise
16 planning and zoning authority;

17 (C) home rule and first class cities of the unorganized borough
18 or within boroughs that [WHICH] do not exercise planning and zoning
19 authority;

20 (D) second class cities of the unorganized borough, or within
21 boroughs that [WHICH] do not exercise planning and zoning authority, that
22 [WHICH] have established a planning commission, and that [WHICH], in the
23 opinion of the commissioner of community and economic development
24 [REGIONAL AFFAIRS], have the capability of preparing and implementing
25 a comprehensive district coastal management program under AS 46.40.030;

26 (E) coastal resource service areas established and organized
27 under AS 29.03.020 and AS 46.40.110 - 46.40.180;

28 * Sec. 108. AS 47.05.030(a) is amended to read:

29 (a) Except as provided in (b) of this section and for purposes directly
30 connected with the administration of general assistance, adult public assistance, the day
31 care assistance program authorized under AS 14.38.100 - 14.38.199 [AS 44.47.250 -

1 44.47.010], or the Alaska temporary assistance program, and in accordance with the
2 regulations of the department, a person may not solicit, disclose, receive, make use of,
3 or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or
4 names of, or information concerning, persons applying for or receiving the assistance
5 directly or indirectly derived from the records, papers, files, or communications of the
6 department or subdivisions or agencies of the department, or acquired in the course of
7 the performance of official duties.

8 * Sec. 109. AS 47.27.060 is amended to read:

9 **Sec. 47.27.060. Job development.** The department may establish cooperative
10 agreements with the Department of Labor and Workforce Development,
11 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS,] Department of
12 Education and Child Development, and Department of Community [COMMERCE]
13 and Economic Development, and with other public or private sector organizations for
14 the purpose of developing job, training, and educational opportunities for families
15 eligible for assistance under this chapter.

16 * Sec. 110. AS 47.27.900(2) is amended to read:

17 (2) "child care assistance" means payments made by the Department
18 of Health and Social Services or the department of Education and Child
19 Development [COMMUNITY AND REGIONAL AFFAIRS] to Alaska temporary
20 assistance program participant families or to providers for the care of children of the
21 participant families;

22 * Sec. 111. AS 47.35.005(a) is amended to read:

23 (a) The purpose of this chapter is to establish and maintain standard levels for
24 services offered to children in [CHILD CARE FACILITIES,] foster homes [,] and
25 residential child care facilities; services offered by child placement agencies; and
26 services offered to pregnant individuals in maternity homes. [THE LEGISLATURE
27 RECOGNIZES THE RESPONSIBILITY OF PARENTS TO SELECT AND
28 MONITOR CAREGIVERS FOR THEIR CHILDREN IN ORDER TO ENSURE A
29 REASONABLY SAFE AND DEVELOPMENTALLY APPROPRIATE CHILD CARE
30 ENVIRONMENT.] The community care licensing procedures in this chapter are
31 intended to reduce predictable risk of harm to children and to provide support services

1 -to those providing child care or services.

2 * **Sec. 112.** AS 47.35.010(a) is amended to read:

3 (a) The department may

4 (1) license and supervise foster homes, [CHILD CARE FACILITIES,]
5 residential child care facilities, semi-secure residential child care facilities, secure
6 residential psychiatric treatment centers, child placement agencies, and maternity
7 homes;

8 (2) investigate applicants, licensees, and persons that the department
9 reasonably believes are operating a facility without a license in violation of this
10 chapter;

11 (3) adopt regulations to implement the provisions of this chapter,
12 including regulations establishing licensure and renewal procedures, standards, and
13 fees; establishing requirements for operation of facilities or agencies licensed under this
14 chapter; and distinguishing between types of [CHILD CARE] facilities;

15 (4) enter into agreements with private entities, municipalities, or
16 individuals to investigate and make recommendations to the department for the
17 licensing and supervision of foster homes, [CHILD CARE FACILITIES,] residential
18 child care facilities, semi-secure residential child care facilities, secure residential
19 psychiatric treatment centers, child placement agencies, and maternity homes under
20 procedures and standards of operation established by the department.

21 * **Sec. 113.** AS 47.35.017(a) is amended to read:

22 (a) Application for a license to operate a foster home, [CHILD CARE
23 FACILITY,] residential child care facility, semi-secure residential child care facility,
24 secure residential psychiatric treatment center, child placement agency, or maternity
25 home shall be made to the department on a form provided by the department and shall
26 be accompanied by any applicable fees established by the department under
27 AS 47.35.010(a)(3).

28 * **Sec. 114.** AS 47.35.900(10) is amended to read:

29 (10) "facility" means the administration, program, and physical plant
30 of a foster home, [CHILD CARE FACILITY,] residential child care facility, or
31 maternity home;

1 * **Sec. 115.** AS 47.90.040 is amended to read:

2 **Sec. 47.90.040. Consultation and coordination.** The commissioner shall
3 consult and cooperate with the Department of Health and Social Services; the
4 Department of Education and Child Development; [, INCLUDING] the director of
5 the division of vocational rehabilitation; the University of Alaska, community colleges,
6 and other colleges as appropriate; [THE DEPARTMENT OF LABOR, INCLUDING
7 THE DIVISION OF EMPLOYMENT SECURITY;] and other persons or agencies that
8 the commissioner considers appropriate in the implementation of this chapter.

9 * **Sec. 116.** AS 47.90.070(1) is amended to read:

10 (1) "commissioner" means the commissioner of labor and workforce
11 development [COMMUNITY AND REGIONAL AFFAIRS];

12 * **Sec. 117.** REPEALER. AS 03.05.020(b), 03.05.040(b), 03.05.050(b), 03.05.060(b),
13 03.05.080(b); AS 03.25.250; AS 03.58.070(1); AS 18.60.105(2), 18.60.105(3), 18.60.660(1),
14 18.60.660(2), 18.60.740(2), 18.60.740(3); AS 23.15.070, 23.15.210(4), 23.15.611, 23.15.614;
15 AS 23.20.130(d)(3); AS 39.25.120(c)(21); AS 42.45.020(b)(1), 42.45.030; AS 44.17.005(17);
16 AS 44.29.020(a)(14); AS 44.33.120(a); AS 44.47.010, 44.47.020, 44.47.050, 44.47.051,
17 44.47.055, 44.47.080, 44.47.090, 44.47.092, 44.47.095, 44.47.100, 44.47.130, 44.47.140,
18 44.47.145, 44.47.150, 44.47.155, 44.47.250, 44.47.260, 44.47.270, 44.47.280, 44.47.290,
19 44.47.300, 44.47.305, 44.47.310, 44.47.565, 44.47.567, 44.47.569, 44.47.571, 44.47.573,
20 44.47.575, 44.47.577, 44.47.579, 44.47.581, 44.47.583, 44.47.700, 44.47.710, 44.47.720,
21 44.47.730, 44.47.750, 44.47.752, 44.47.754, 44.47.756, 44.47.758, 44.47.760, 44.47.762,
22 44.47.764, 44.47.766, 44.47.768, 44.47.770, 44.47.772, 44.47.800, 44.47.810, 44.47.820,
23 44.47.900, 44.47.980, 44.47.998; AS 45.45.910(g)(3); and AS 45.90.020(b) are repealed.

24 * **Sec. 118.** REPEALER. AS 44.19.620, 44.19.621, 44.19.622, 44.19.623, 44.19.624,
25 44.19.625, 44.19.626, 44.19.627; AS 44.33.895, added by sec. 90 of this Act; and
26 AS 47.35.010(b), 47.35.015(a), 47.35.043(b), 47.35.900(4), 47.35.900(5) are repealed July 1,
27 2000.

28 * **Sec. 119.** TRANSITIONAL PROVISIONS. (a) Litigation, hearings, investigations, and
29 other proceedings pending under a law repealed or amended by this Act, or in connection with
30 functions transferred by this Act, continue in effect and may be completed notwithstanding
31 a transfer or repeal provided for in this Act.

1 (b) Certificates, orders, and regulations in effect immediately before the effective date
2 of a law affected by this Act that were issued or adopted under authority of a law amended
3 or repealed by this Act remain in effect for the term issued and shall be enforced by the
4 agency to which the function is transferred under this Act until revoked, vacated, or amended
5 by the agency to which the function is transferred.

6 (c) Wherever in Alaska Statutes affected by this Act there is a reference to regulations
7 adopted under a section of law and there are no regulations adopted under that section because
8 previous regulations adopted under another section are being enforced under (b) of this
9 section, the reference shall be construed to refer to the previously adopted regulations until
10 they are amended by the new agency.

11 (d) Contracts, rights, liabilities, and obligations created by or under a law repealed or
12 amended by this Act, and in effect on the day before the effective date of the repeal or
13 amendment, remain in effect notwithstanding this Act's taking effect.

14 (e) Records, equipment, appropriations, and other property of an agency of the state
15 whose functions are transferred under this Act shall be transferred to implement the provisions
16 of this Act.

17 * Sec. 120. REGULATIONS. A department affected by this Act may proceed to adopt
18 regulations to implement this Act. The regulations take effect under AS 44.62 (Administrative
19 Procedure Act) but not before the effective date of the corresponding enabling statute.

20 * Sec. 121. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF COMMERCE
21 AND ECONOMIC DEVELOPMENT. Wherever in the Alaska Statutes and the Alaska
22 Administrative Code the terms "Department of Commerce and Economic Development" and
23 "commissioner of commerce and economic development" are used, they shall be read,
24 respectively, as "Department of Community and Economic Development" and "commissioner
25 of community and economic development" when to do so would be consistent with the
26 changes made by this Act.

27 * Sec. 122. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF
28 EDUCATION. Wherever in the Alaska Statutes and the Alaska Administrative Code the
29 terms "Department of Education" and "commissioner of education" are used, they shall be
30 read, respectively, as "Department of Education and Child Development" and "commissioner
31 of education and child development" when to do so would be consistent with the changes

1 made by this Act.

2 * **Sec. 123. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF LABOR.**

3 Wherever in the Alaska Statutes and the Alaska Administrative Code the terms "Department
4 of Labor" and "commissioner of labor" are used, they shall be read, respectively, as
5 "Department of Labor and Workforce Development" and "commissioner of labor and
6 workforce development" when to do so would be consistent with the changes made by this
7 Act.

8 * **Sec. 124. TRANSFERS FROM DEPARTMENT OF LABOR TO DIVISION OF SAFETY**
9 **INSPECTIONS, DEPARTMENT OF PUBLIC SAFETY.** The revisor of statutes shall change
10 references to the "Department of Labor" and "commissioner of labor" to read "division" in the
11 following statutes:

12 (1) AS 18.60.020, 18.60.030, 18.60.040, 18.60.057, 18.60.058, 18.60.060,
13 18.60.067, 18.60.068, 18.60.075, 18.60.077, 18.60.080, 18.60.081, 18.60.083, 18.60.085,
14 18.60.087, 18.60.088, 18.60.089, 18.60.091, 18.60.093, 18.60.095, 18.60.098, 18.60.099;

15 (2) AS 18.60.190(a), 18.60.200, 18.60.210(a)(9)(A), 18.60.210(c), 18.60.220,
16 18.60.230, 18.60.240, 18.60.270(a), 18.60.280, 18.60.290, 18.60.300(a), 18.60.310, 18.60.315,
17 18.60.320(a)(4), 18.60.340, 18.60.350, 18.60.360(a), 18.60.360(c), 18.60.370, 18.60.395(a);

18 (3) AS 18.60.420, 18.60.440;

19 (4) AS 18.60.800(a), 18.60.800(b), 18.60.820.

20 * **Sec. 125. SPECIFIC INSTRUCTIONS TO REVISOR OF STATUTES CONCERNING**
21 **SPECIFIC REFERENCES.** The revisor of statutes shall change references to "community and
22 regional affairs" to read "community and economic development" in the following statutes:

23 (1) AS 08.40.190(b)(2)(A), 08.40.390(b)(2)(A);

24 (2) AS 14.08.031(a), 14.08.051(a); AS 14.17.410(b)(2), 14.17.410(c)(1),
25 14.17.410(e)(1)(B), 14.17.490(b), 14.17.510(a);

26 (3) AS 15.07.055(a)(3); AS 15.13.010(a)(2);

27 (4) AS 18.26.030(a)(3); AS 18.56.030(a)(2), 18.56.097;

28 (5) AS 19.30.131(a), 19.30.131(b), 19.30.131(c);

29 (6) AS 26.23.071(b);

30 (7) AS 28.01.010(b);

31 (8) AS 29.60.120(d), 29.60.370(a), 29.60.620(b), 29.60.650(2);

32 AS 29.65.050(c), 29.65.050(d), 29.65.120; AS 29.71.800(5), 29.71.800(8);

- 1 (9) AS 37.05.317, 37.05.530(c); AS 37.06.010(g), 37.06.020(l), 37.06.030(c);
2 (10) AS 41.15.180(a), 41.15.180(b), 41.15.180(f), 41.15.180(g);
3 (11) AS 42.45.060(c), 42.45.990(1);
4 (12) AS 43.75.137; AS 43.77.040(b), 43.77.060(d);
5 (13) AS 44.21.200(a)(2); AS 44.85.030, 44.85.320(b);
6 (14) AS 46.08.040(a); 46.40.120(b), 46.40.120(d), 46.40.140(c), 46.40.170(a),
7 46.40.180(a), 46.40.180(d), 46.40.210(5);
8 (15) AS 47.18.010(c); AS 47.80.090(8).

9 * **Sec. 126.** INSTRUCTIONS CONCERNING AS 25.27.244. Notwithstanding sec. 54,
10 ch. 132, SLA 1998, the amendment made to AS 25.27.244(s)(2) by sec. 56 of this Act shall
11 remain in effect on and after July 1, 2001, unless that amendment is repealed or amended by
12 a law enacted after the effective date of this bill section.

13 * **Sec. 127.** LOAN COMMITTEE UNDER AS 42.45.060. Notwithstanding
14 AS 42.45.060(a), as amended by sec. 75 of this Act, all public members on the loan
15 committee established under AS 42.45.060 whose terms have not expired by July 1, 1999,
16 may retain their positions on the committee until their terms expire.

17 * **Sec. 128.** IMPLEMENTATION OF SECTIONS 121 - 126 OF THIS ACT. Under
18 AS 01.05.031, the revisor of statutes shall implement secs. 121 - 126 in the statutes and, under
19 AS 44.62.125(b)(6), the regulations attorney shall implement sec. 121 - 126 in the
20 administrative code.

21 * **Sec. 129.** Except as provided in secs. 130 and 131 of this Act, this Act takes effect
22 July 1, 1999.

23 * **Sec. 130.** Section 120 of this Act takes effect immediately under AS 01.10.070(c).

24 * **Sec. 131.** The amendment made to AS 14.35.020(b)(5) by sec. 14 of this Act, the
25 amendment made to AS 14.42.015(a)(5) by sec. 20 of this Act, and secs. 11, 12, 15, 17 - 19,
26 21, 51, 53, 55, 56, 74, 94, and 126 of this Act take effect July 1, 2000.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

May 14, 1999

SUBJECT: Amendment MA.8 (Labor relations agency) (CSHB 40(FIN) am)

TO: Senator Lyda Green
Attn: Portia

FROM: Terri Lauterbach 
Legislative Counsel

Enclosed is the amendment you requested that would transfer the Alaska labor relations agency to the Department of Law.

Since the Department of Law litigates unfair labor practices and other suits that come before the Alaska labor relations agency, moving the agency to the Department of Law presents a situation where the Department of Law will either have to use "fire walls" to separate the labor relations agency from the rest of the Department of Law or will have to use outside counsel for suits involving the labor relations agency.

TML:glc
99-268.glc

Enclosure

**DIVISION OF ENERGY (DOE)
PROGRAM DESCRIPTION**

1. POWER COST EQUALIZATION, LOAN PROGRAMS AND OTHER STATUTORY FUNDS:

POWER COST EQUALIZATION (PCE) - AS 42.45.100. Core element to ensure the financial viability of centralized power production in rural communities, and therefore increase the standards of living through the availability of communications, lighting, and the operations of a variety of infrastructures, including water and sewer systems, incinerators, etc.

POWER PROJECT LOAN FUND - AS 42.45.010. Provides financing for development of power projects, conservation facilities, bulk fuel storage, transmission and distribution lines, or potable water supplies.

BULK FUEL REVOLVING LOAN FUND -AS 42.45.250. Provides financing to rural communities with a population of less than 2,000 for the bulk purchase of petroleum fuels.

RURAL ELECTRIFICATION REVOLVING LOAN FUND -AS 42.45.020. Provides financing to certified utilities to extend new electric service in areas they may serve.

FOUR DAM POOL TRANSFER FUND- AS 42.45.050. Fund holds a note payable by the Alaska Energy Authority/AIDEA for the long-term financing of the construction costs of the Four Dam Pool projects.

SOUTHEAST ENERGY FUND - AS 42.45.040. Provides for capital grants to the utilities participating in the power transmission intertie between the Swan Lake and Tye Lake hydroelectric projects.

POWER COST EQUALIZATION AND RURAL ELECTRIC CAPITALIZATION FUND (PCE & RECF) - AS 42.45.100. Fund balance provides for the Power Cost Equalization and for Utility Improvement Matching Grants programs.

NOTE: 19 AAC 96 and 19 AAC 97 regulate the loan and grant programs.

2. PLANNING:

ALTERNATIVE ENERGY DEVELOPMENT - AS 42.45.400. Provides for:

Planning, construction and financing assistance for alternatives to oil-fired systems (including renewable and alternative fuels, coal, wind, shallow gas deposits) and system enhancements (including waste heat recovery and village interties).

Bioenergy Program for Alaska: This federally-funded program promotes the use of wood waste and municipal solid waste for conversion to energy.

- State Energy Program and Rebuild America Program: Federally-funded programs to provide energy conservation audits in schools, hospitals and public facilities.

DIVISION OF ENERGY, Continued...

3. RURAL COORDINATION:

RURAL ELECTRIC UTILITY COORDINATION - AS 42.45.400. Assists rural stand-alone utilities with upgrades to energy systems; develops management plans towards the concept of consolidation in the form of cooperatives or regional utilities; assists communities to apply for federal funds for energy projects and, once funds are obtained, ensures that projects are developed in compliance with industry standards and national compliance codes.

RURAL ELECTRIC UTILITY TRAINING AND MANAGEMENT ASSISTANCE - AS 42.45.400. Provides for training of rural utility operators, utility managers and administrative staff. It includes the powerhouse operator training program funded by the State Training and Employment Program (STEP).

4. ENGINEERING:

BULK FUEL SYSTEM REPAIRS AND UPGRADES -AS 42.45.400. Provides for grants and contracts for the design and repair/upgrade of bulk fuel storage and handling facilities in rural Alaskan communities which are dependent on seasonal fuel delivery and long-term storage capacity. Includes an Environmental Protection Agency (EPA) demonstration grant for consolidation.

RURAL BULK FUEL TANK FARM PROGRAM - AS 42.45.400. Provides for assessment of tank farm conditions, emergency repairs, and comprehensive upgrade and consolidation of rural tank farm facilities.

UTILITY IMPROVEMENTS -AS 42.45.180. Provides matching funds (75-25) to rural electric utilities participating in the PCE program for projects that will reduce the cost of electric power.

ELECTRIC SERVICE EXTENSION FUND - AS 42.45.200. Provides matching funds (60-40) to electric utilities to extend new service to residential customers and small businesses, and for utility improvements.

5. ELECTRICAL EMERGENCIES & RURAL POWER SYSTEM UPGRADES PROGRAM:

ELECTRICAL EMERGENCIES PROGRAM - AS 42.45.400. Provides funds and technical assistance in electrical emergencies when a community has lost the ability to generate or transmit power to its customers and the condition is a threat to life, health and property in the community and may result in the freezing of water and sewer systems, closure of public facilities due to lack of light and heat, loss of communications, etc.

RURAL POWER SYSTEM UPGRADES - AS 42.45.400. Provides for: Capital improvements to eliminate life, health and safety hazards and to enhance efficiency. Technical assistance to assess system deficiencies and design solutions. Project evaluation, including engineering, environmental and economic analysis of power projects.

CIRCUIT RIDER PROGRAM - AS 42.45.400. Provides for contractual services to ensure reliable and efficient performance of electric systems in rural communities in the state. Specialized contractors perform scheduled/periodic visits to communities for plant inspections in coordination with the local operator.

(9) "rule" means a standard of general application or the amendment, supplement, revision, or repeal of a standard adopted by the corporation to implement, interpret, or make specific the law enforced or administered by it or to govern its procedure;

(10) "terms and conditions of employment" means the hours of employment, the compensation and fringe benefits, and the employer's personnel policies affecting the working conditions of the employees, but does not mean the general policies describing the function and purposes of an employer. (§ 2 ch 153 SLA 1984)

Revisor's notes. — The actual date of transfer under paragraph (5) of this section is January 6, 1985.

Sec. 42.40.990. Short title. This chapter may be referred to as the Alaska Railroad Corporation Act. (§ 2 ch 153 SLA 1984)

Chapter 45. Rural and Statewide Energy Programs.

Article

1. Power Assistance Programs (§§ 42.45.010 — 42.45.060)
2. Power Cost Equalization and Rural Electric Capitalization (§§ 42.45.100 — 42.45.190)
3. Electrical Service Extension Fund (§ 42.45.200)
4. Bulk Fuel Revolving Loan Fund (§ 42.45.250)
5. Joint Action Agencies (§ 42.45.300)
6. Miscellaneous Provisions (§§ 42.45.400, 42.45.410)
7. General Provisions (§ 42.45.990)

Cross references. — For legislative findings and intent in enacting this chapter, see § 1, ch. 18, SLA 1993 in the Temporary and Special Acts; for transitional provisions, see §§ 34, 35, and 38, ch. 18, SLA 1993 in the Temporary and Special Acts.

Article 1. Power Assistance Programs.

Section

10. Power project fund
20. Rural electrification revolving loan fund
30. Loan advisory committee

Section

40. Southeast energy fund
50. Four dam pool transfer fund
60. Approval by loan committee and legislature

Sec. 42.45.010. Power project fund. (a) The power project fund is established as a separate fund. The fund shall be distinct from any other money or funds of the department and includes only money appropriated by the legislature and money deposited under (g) of this section.

(b) Subject to AS 42.45.060, the department may make loans from the power project fund

(1) to electric utilities, regional electric authorities, municipalities, regional and village corporations, village councils, independent power producers, and nonprofit marketing cooperatives to pay the costs of

(A) reconnaissance studies, feasibility studies, license and permit applications, preconstruction engineering, and design of power projects;

(B) constructing, equipping, modifying, improving, and expanding small-scale power production facilities that are designed to produce less than 10 megawatts of power, conservation facilities, bulk fuel storage facilities, and transmission and distribution facilities, including energy production, transmission and distribution, and waste energy conservation facilities that depend on fossil fuel, wind power, tidal, geothermal, biomass, hydroelectric, solar, or other nonnuclear energy sources; and

(C) reconnaissance studies, preconstruction engineering, design, construction, equipping, modification, and expansion of potable water supply including surface storage and

groundwater source distribution systems;

(2) to a borrower

(A) the loan is e

(B) the party th regional electric au independent power

(C) the borrower arrangement for t comparable public

(c) Before maki regulation, specify

(1) standards fo with loans;

(2) standards re ciency of eligible p

(3) collateral or

(4) the terms ar

(5) criteria to c assistance necessa

(6) other releva

(d) A loan made and procedures es

(e) Repayment determines is feas

with the borrower fund to a borrowe:

if the borrower ha repay the loan. Ur

the project for whi to pay the loan, w

(f) Power proje restrictions:

(1) power proje revolving loan fur

from the power p:

(A) the term of

(B) the interes:

more than five pe (C) the grant o principal and int

(i) the date of

(ii) 10 years fr

(2) a loan for e

(A) may not be

(B) shall be gr:

les r of (i) a rate equa

for the 12 month: municipal bond ; Buyer; or

(ii) a rate dete financial feasibil

groundwater sources and transmission of water from surface storage to existing distribution systems;

(2) to a borrower for a power project if

(A) the loan is entered into under a leveraged lease financing arrangement;

(B) the party that will be responsible for the power project is an electric utility, regional electric authority, municipality, regional or village corporation, village council, dependent power producer, or nonprofit marketing cooperative; and

(C) the borrower seeking the loan demonstrates to the department that the financing arrangement for the power project will reduce project financing costs below costs of comparable public power projects.

(c) Before making a loan from the power project fund, the department shall, by regulation, specify

(1) standards for the eligibility of borrowers and the types of projects to be financed with loans;

(2) standards regarding the technical and economic viability and revenue self-sufficiency of eligible projects;

(3) collateral or other security required for loans;

(4) the terms and conditions of loans;

(5) criteria to establish financial feasibility and to measure the amount of state assistance necessary for particular projects to meet the financial feasibility criteria; and

(6) other relevant criteria, standards, or procedures.

(d) A loan made by the department shall be made according to the standards, criteria, and procedures established by regulation under this section.

(e) Repayment of the loans shall be secured in any manner that the department determines is feasible to assure prompt repayment under a loan agreement entered into with the borrower. The department may make an unsecured loan from the power project fund to a borrower regulated by the Alaska Public Utilities Commission under AS 42.05 if the borrower has a substantial history of repaying long-term loans and the capacity to repay the loan. Under a loan agreement, repayment may be deferred for 10 years or until the project for which the loan is made has achieved earnings from its operations sufficient to pay the loan, whichever is earlier.

(f) Power projects are subject to the following limitations on interest and specific restrictions:

(1) power projects for which loans are outstanding from the former water resources revolving loan fund (formerly AS 45.86) on July 13, 1978, may receive additional financing from the power project fund; if granted,

(A) the term of the additional financing may not exceed 50 years;

(B) the interest of the additional financing must be at a rate of not less than three or more than five percent a year on the unpaid balance;

(C) the grant of the additional financing must be conditioned on the repayment of loan principal and interest to begin on the earlier of

(i) the date of the start of commercial operation of the project; or

(ii) 10 years from the date the loan is granted;

(2) a loan for a power project

(A) may not be granted for a term that exceeds 50 years; and

(B) shall be granted at an interest rate that is not less than zero percent and that is the lesser of

(i) a rate equal to the percentage that is the average weekly yield of municipal bonds for the 12 months preceding the date of the loan, as determined by the department from municipal bond yield rates reported in the 30-year revenue index of the Weekly Bond Buyer; or

(ii) a rate determined by the department that allows the project to meet criteria of financial feasibility established under (c) of this section.

(g) Loan repayments and interest earned by loans from the power project fund shall be deposited in the power project fund unless an appropriation to fund the loan directs otherwise.

(h) The legislature may forgive the repayment of a loan made from the power project fund for a reconnaissance study or a feasibility study when the department finds that the power project for which the loan was made is not feasible.

(i) Money in the power project fund may be used by the legislature to make appropriations for costs of administering the fund. (§ 5 ch 18 SLA 1993)

Opinions of attorney general.—APPF loan may be made to Cordova Electric Cooperative (CEC) for the purpose of CEC using the loan funds to pay developer to develop a project which is specifically for CEC, and which CEC has already obligated itself to

purchase, once developer has made it capable of commercial operation. The loan funds were to be used for costs which are allowable under the PPF statutes, December 5, 1995, Op. Att'y Gen.

Sec. 42.45.020. Rural electrification revolving loan fund. (a) The rural electrification revolving loan fund is established in the department. The fund consists of

- (1) appropriations made to the fund; and
- (2) repayments of principal and interest on loans made under this section.

(b) Subject to AS 42.45.060, the department may make loans from the rural electrification revolving loan fund to electric utilities certified by the Alaska Public Utilities Commission. A loan from the fund may be made only for the purpose of extending new electric service into an area of the state that an electric utility may serve under a certificate of public convenience and necessity issued by the Alaska Public Utilities Commission. A loan may be made from the fund to an electric utility if the utility invests the money necessary to provide one pole, one span of line, one transformer, and one service drop for each consumer for whom immediate service would be provided by the extension of electric service. However, a loan may not be made from the fund unless

(1) the loan is recommended by a loan advisory committee appointed under AS 42.45.030; and

(2) the extension of electric service would provide immediate service to at least three consumers.

(c) A loan from the rural electrification revolving loan fund shall bear an annual rate of interest of two percent of the unpaid balance of the loan.

(d) When the department makes a loan under this section, the electric utility receiving the loan shall,

(1) in addition to the rates that it is authorized to charge, charge the consumers served by the electric service extended with the loan proceeds an amount sufficient to pay the interest costs of the loan;

(2) pay to the department annually an amount equal to

(A) interest of two percent on the unpaid balance of the loan; and

(B) payments on the unpaid balance of the principal of the loan for each new consumer served by the electric service extended with the loan proceeds; payments on the unpaid balance of the principal of the loan shall be made at a rate equal to the difference between the actual cost of making the service connection to the consumers and the minimum investment per consumer required of the utility before a loan is made under (b) of this section.

(e) The department shall

(1) adopt regulations necessary to carry out the provisions of this section; and

(2) administer the rural electrification revolving loan fund.

(3) [Repealed, § 19 ch 6 SLA 1998.]

(f) Money in the rural electrification revolving loan fund may be used by the legislature to make appropriations for costs of administering the fund.

(g) On June 30 of each fiscal year the unexpended and unobligated cash balance of the fund that is attributable to loans owned by the fund lapses into the general fund.

(h) In this section

(1) "consumer" means a person who requests electrical service from the department; the department shall determine whether the department shall provide electrical service to the facility if physical lines, and if the person requests service to each facility

(2) "facility" means

(3) "governmental entity" means a municipal government, a school board, a department, or otherwise, of the state. (§ 83 ch 21 SLA 1993)

Effect of amendment.—This section is effective August 8, 1995, and is amended to have available at the beginning and

Sec. 42.45.030. A rural electrification loan is established in the department. The department may appoint a local advisory committee to review an application and determine whether the application is disapproved. The department may determine that the application is likely to provide immediate service. In making that determination, the department shall consider

- (1) permanent
- (2) land use plan
- (3) access for
- (4) availability
- (5) the economic impact of the loan. (§ 5 ch 18 SLA 1993)

Sec. 42.45.04. A rural electrification revolving loan fund is established in the department as a separate fund. The department may use the power transfer projects for power projects. (§ 5 ch 18 SLA 1993)

Opinions of attorney general.—This section is not required in order to disburse the fund and the power transfer projects.

Sec. 42.45.05. A rural electrification revolving loan fund is established in the department. The department may use the power transfer projects for power projects. (§ 5 ch 18 SLA 1993)

(b) Subject to the provisions of this section, the department may use the power transfer projects for power projects.

(h) In this section,

(1) "consumer" means a person or a governmental agency, if the person or governmental agency requests and offers to pay for electrical service to a facility or part of a facility; the department shall consider a person who, or a governmental agency that, offers to pay for electrical service to several facilities to be a separate consumer for each facility, if each facility is physically separate from another facility, other than through electric service lines, and if the person or governmental agency requests and offers to pay for electrical service to each facility;

(2) "facility" means a structure capable of receiving and using electrical energy; and

(3) "governmental agency" includes, with respect to the state or federal government or a municipal government, a legislative body, board of regents, administrative body, board, commission, committee, subcommittee, authority, council, agency, public corporation, school board, department, division, bureau, or other subordinate unit, whether advisory or otherwise, of the state, federal, or municipal government. (§ 5 ch 18 SLA 1993; am § 83 ch 21 SLA 1995; am § 19 ch 6 SLA 1998)

Effect of amendments. — The 1995 amendment, effective August 8, 1995, in paragraph (e)(3), substituted "have available" for "submit to the legislature" at the beginning and added "; the department shall

notify the legislature that the report is available" at the end.

The 1998 amendment, effective June 28, 1998, repealed paragraph (e)(3).

Sec. 42.45.030. Loan advisory committee. When an application for a rural electrification loan is submitted to the department under AS 42.45.020, the department shall appoint a local advisory committee from persons residing in the area that the applicant utility is certified to serve. The loan advisory committee shall consider the loan application and shall recommend whether the loan application is to be approved or disapproved. The loan advisory committee may make a favorable recommendation only if it determines that development in the area of the proposed extension of electric service is likely to provide for full repayment of the loan under AS 42.45.020(d) within 10 years. In making that determination, the committee shall consider

- (1) permanence of the premises to be served by the extension;
- (2) land use patterns in the area;
- (3) access for the line that would be installed with loan proceeds;
- (4) availability of other utility service in the area; and
- (5) the economic feasibility of the extension of electric service with the proceeds of the loan. (§ 5 ch 18 SLA 1993)

Sec. 42.45.040. Southeast energy fund. The Southeast energy fund is established as a separate fund. The fund consists of money transferred to it under AS 42.45.050. The department may make grants from the Southeast energy fund to utilities participating in the power transmission intertie between the Swan Lake and Tyee Lake hydroelectric projects for power projects, for repayment of loans, and for payments on bonds. (§ 5 ch 18 SLA 1993)

Opinions of attorney general. — The department is not required to pursue annual appropriations in order to disburse moneys in the southeast energy fund and the power cost equalization and rural elec-

tric capitalization fund once the legislature has capitalized those funds. September 27, 1995 Op. Att'y Gen.

Sec. 42.45.050. Four dam pool transfer fund. (a) The four dam pool transfer fund is established in the department. The fund consists of repayments of principal and income that would have been deposited in the former power development revolving loan fund under former AS 44.83.500.

(b) Subject to appropriation, the department shall transfer the balance of the four dam pool transfer fund each month in accordance with this subsection. Subject to appropriation

(1) 40 percent of the balance in the four dam pool transfer fund shall be transferred to the power cost equalization and rural electric capitalization fund to be used for power cost equalization and rural electric projects;

(2) 40 percent of the balance in the four dam pool transfer fund shall be transferred to the Southeast energy fund to be used for power projects for utilities participating in the power transmission intertie between the Swan Lake and Tyee Lake hydroelectric projects; and

(3) 20 percent of the balance in the four dam pool transfer fund shall be transferred to the power project fund to be used for statewide utility projects. (§ 5 ch 18 SLA 1993)

Sec. 42.45.060. Approval by loan committee and legislature. (a) A loan committee consisting of seven members is established. The committee is composed of the commissioner of community and regional affairs, the commissioner of commerce and economic development, the director of management and budget, or the designees of the commissioners or the director, and four public members.

(b) The public members of the committee are appointed by and serve at the pleasure of the governor. Public members serve staggered four-year terms. Only one public member may be appointed from each judicial district described in AS 22.10.010. Public members of the committee serve without compensation but are entitled to travel and per diem as provided for members of boards and commissions under AS 39.20.180. A public member of the committee serves until a successor is appointed. An appointment to fill a vacancy among the public members on the committee is for the remainder of the unexpired term.

(c) The commissioner of community and regional affairs serves as chair of the committee. The committee may elect other officers as necessary. A majority of the members of the committee constitute a quorum and may exercise the powers of the committee.

(d) A meeting by an electronic medium as provided in this subsection has the same legal effect as a meeting in person. The committee may meet and transact business by an electronic medium if

(1) public notice of the time and locations where the meeting will be held by an electronic medium has been given in the same manner as if the meeting were held in a single location;

(2) participants and members of the public in attendance can hear and have the same right to participate in the meeting as if the meeting were conducted in person; and

(3) copies of pertinent reference materials, statutes, regulations, and audio-visual materials are reasonably available to participants and to the public.

(e) A member of the committee may not vote on a resolution of the committee relating to a lease or contract to be entered into by the department under this chapter if the member is a party to the lease or contract or has a direct ownership or equity interest in a firm, partnership, corporation, or association that is a party to the contract or lease. When abstaining from voting, the member must disclose the reason for the abstention. A member who is a member of an electric cooperative that is organized under or subject to AS 10.25 (Electric and Telephone Cooperative Act) may vote on a resolution relating to a contract or lease to which that cooperative is a party. The member shall disclose the cooperative membership at the time of voting. A resolution of the committee that is approved by a majority of the members present who are not barred from voting under this subsection is a valid action of the committee for all purposes.

(f) Except for loans from the bulk fuel revolving loan fund (AS 42.45.250), the department shall submit the loans that the department proposes to approve under this chapter to the committee for the committee's review. The department may not enter into a loan for an amount equal to or greater than \$500,000 unless the committee approves the loan or unless the loan has received legislative approval under (g) of this section. The

department may not enter into a loan 60 days after submission of the loan application if the committee notifies the department that the department may not enter into the loan.

(g) The department may not enter into a loan without legislative approval of the legislature. The legislature names the project subject to the loan. Projects subject to the loan are

(1) a project in which the department has received grants, and bonds, is

(2) a project for which the department has received SLA 1993

Article 2.]

Section

100. Power cost equalization fund

110. Entitlement to power

120. Notice to customers

130. Cost minimization

140. Customer petitions

Sec. 42.45.100. P

fund. (a) The power cost equalization fund is established as a separate

(1) equalizing power cost equalization fund. The fund is a separate fund of the cost per kilowatt-hour of the utility.

(2) to make grants to the utility.

(b) The fund shall be used for the following purposes:

(1) money appropriated to the fund to provide grants to the utility;

(2) interest earned on the fund.

(c) The fund is not subject to the provisions of AS 42.05.151.

Opinions of attorney general. The Public Utilities Commission may promulgate standards for the cost equalization program for generation efficiency. The standards shall be adopted by the commission to adopt these standards under AS 42.05.151, as long as the standards do not conflict with the Administrative Procedure Act as amended.

Sec. 42.45.110. E

calculate the amount of the power cost equalization fund under AS 42.45.100 — 42.45.110.

Alaska Public Utilities Commission shall calculate the amount of the power cost equalization fund for each utility subject to the power cost equalization program.

The commission shall calculate the amount of the power cost equalization fund for each utility subject to the power cost equalization program.

The commission shall calculate the amount of the power cost equalization fund for each utility subject to the power cost equalization program.

department may not enter into a loan for an amount less than \$500,000 for a period of 30 days after submission of the proposal to the committee. If, within the 30 days, the committee notifies the department that it intends to review a loan for less than \$500,000, the department may not enter into the loan unless it is approved by the committee.

(g) The department may not enter into a loan for a major project unless it has legislative approval of the project and the amount. An appropriation for the loan that names the project subject to this subsection constitutes approval under this subsection. Projects subject to legislative approval under this subsection include

(1) a project in which the cumulative state monetary involvement, through loans, grants, and bonds, is at least \$5,000,000; or

(2) a project for which a loan of more than \$5,000,000 has been requested. (§ 5 ch 18 SLA 1993)

Article 2. Power Cost Equalization and Rural Electric Capitalization.

Section

100. Power cost equalization and rural electric capitalization fund
 110. Entitlement to power cost equalization
 120. Notice to customers
 130. Cost minimization
 140. Customer petitions

Section

150. Definitions for AS 42.45.100 — 42.45.150
 160. Adjustments to power cost equalization
 170. Equalization assistance to unregulated utilities
 180. Grants for utility improvements
 190. Definition for AS 42.45.100 — 42.45.190

Sec. 42.45.100. Power cost equalization and rural electric capitalization fund. (a) The power cost equalization and rural electric capitalization fund is established as a separate fund for the purpose of

(1) equalizing power cost per kilowatt-hour statewide at a cost close to or equal to the mean of the cost per kilowatt-hour in Anchorage, Fairbanks, and Juneau by paying money from the fund to eligible electric utilities in the state; and

(2) to make grants to eligible utilities under AS 42.45.180 to improve the performance of the utility.

(b) The fund shall be administered by the department as a fund distinct from the other funds of the department. The fund is composed of

(1) money appropriated to provide power cost equalization to eligible electric utilities and to provide grants for utility improvements; and

(2) interest earned on those appropriations.

(c) The fund is not a dedicated fund. (§ 5 ch 18 SLA 1993)

Opinions of attorney general. — The Alaska Public Utilities Commission has the authority to promulgate standards for defining costs under the power cost equalization program (the article), and standards for generation efficiency. The commission is empowered to adopt these standards as regulations under AS 42.05.151, as long as the provisions of the Administrative Procedure Act are followed (decided under

former AS 44.83.162 — 44-83.165). May 16, 1988, Op. Att'y Gen.

The department is not required to pursue annual appropriations in order to disburse moneys in the southeast energy fund and the power cost equalization and rural electric capitalization fund once the legislature has capitalized those funds. September 27, 1995 Op. Att'y Gen.

Sec. 42.45.110. Entitlement to power cost equalization. (a) The costs used to calculate the amount of power cost equalization for all electric utilities eligible under AS 42.45.100 — 42.45.150 include all allowable costs, except return on equity, used by the Alaska Public Utilities Commission to determine the revenue requirement for electric utilities subject to rate regulation under AS 42.05. The costs used in determining the power cost equalization per kilowatt-hour shall exclude any other type of assistance that reduces the customer's costs of power on a kilowatt-hour basis and that is provided to the electric utility within 60 days before the commission determines the power cost equalization per kilowatt-hour of the electric utility. In calculating power cost equalization, the

commission may not consider validated costs or kilowatt-hour sales associated with a United States Department of Defense facility.

(b) An eligible electric utility is entitled to receive power cost equalization

(1) for sales of power to local community facilities, calculated in the aggregate for each community served by the electric utility, for actual consumption of not more than 70 kilowatt-hours per month for each resident of the community; the number of community residents shall be determined under AS 29.60.020; and

(2) for actual consumption of not more than 700 kilowatt-hours per month sold to each customer in all classes served by the electric utility except

(A) customers of the utility under (1) of this subsection; and

(B) customers that are state or federal offices or state or federal facilities other than public schools.

(c) The amount of power cost equalization provided per kilowatt-hour under subsection (b) of this section may not exceed 95 percent of the power costs, or the average rate per eligible kilowatt-hour sold, whichever is less, as determined by the commission. However,

(1) during the state fiscal year that began July 1, 1993, the power costs for which power cost equalization were paid to an electric utility were limited to minimum power costs of more than 9.5 cents per kilowatt-hour and less than 52.5 cents per kilowatt-hour;

(2) during each following state fiscal year, the commission shall adjust the power costs for which power cost equalization may be paid to an electric utility based on the weighted average retail residential rate in Anchorage, Fairbanks, and Juneau; and

(3) the power cost equalization per kilowatt-hour may be determined for a utility without historical kilowatt-hour sales data by using kilowatt-hours generated.

(d) An electric utility whose customers receive power cost equalization under AS 42.45.100 — 42.45.150 shall set out in its tariff the rates without the power cost equalization and the amount of power cost equalization per kilowatt-hour sold. The rate charged to the customer shall be the difference between the two amounts. Power cost equalization paid under AS 42.45.100 — 42.45.150 shall be used to reduce the cost of all power sold to local community facilities, in the aggregate, to the extent of 70 kilowatt-hours per month per resident of the community, and to reduce the cost of the first 700 kilowatt-hours per customer per month for all other classes served by the electric utility except state and federal offices and state and federal facilities other than public schools.

(e) The power cost equalization program shall be administered by the department based on a determination by the commission under (a) and (c) of this section of power cost equalization per kilowatt-hour for each eligible electric utility.

(f) The department may not deny an eligible electric utility power cost equalization because complete cost information is not available. The commission shall assist an eligible electric utility that is exempt from rate regulation under AS 42.05 to provide the cost information the commission considers necessary to comply with AS 42.45.100 — 42.45.150. Only power costs that are supportable may be considered in calculating power cost equalization. Each electric utility is responsible for keeping records that provide the information necessary to comply with AS 42.45.100 — 42.45.150 including records of monthly kilowatt-hour sales or generation, monthly fuel balances, fuel purchases, and monthly utility fuel consumption.

(g) The commission shall determine the cost of fuel for each eligible electric utility using the procedure for approving fuel cost rate adjustments of electric utilities subject to rate regulation under AS 42.05.

(h) Each electric utility receiving power cost equalization approved by the commission shall

(1) report monthly to the department within the time and in the form the department requires; and

(2) use operational equipment designed to meter individual utility customer power consumption and to determine and record the utility's overall fuel consumption.

(i) The department review and approve each eligible electric kilowatt-hour de kilowatt-hours e month to all cust the department (h) of this section to each electric u ch 9 SLA 1994)

Effect of amendr effective April 7, 1994 "department" in sub-

Sec. 42.45.12 equalization unc service customer received,

(1) the followi

For the current cost equalization reducing the hig Your total electr Less state equal Your charge

(2) a notice a; same informatio

Sec. 42.45.13 tion, each electri operating, and o with sound util equalization, th expenses. Each c implement cost-feasible alternat

(b) In this sec insulating meth equipment, and for energy conse

Effect of amend effective April 7, 1994 "department" in the

Sec. 42.45.14 ing power cost e utility that is su cost equalizatio utility to submit for power cost e

(i) The department shall review the report required under (h) of this section. After review and approval of the report, the department shall, subject to appropriation, pay to each eligible electric utility an amount equal to the power cost equalization per kilowatt-hour determined under (a) and (c) of this section, multiplied by the number of kilowatt-hours eligible for power cost equalization that were sold during the preceding month to all customers of the utility under (b) of this section. Payment shall be made by the department within 30 days after receipt from the utility of the report required under (h) of this section. If appropriations are insufficient for payment in full, the amount paid to each electric utility is reduced on a pro rata basis. (§ 5 ch 18 SLA 1993; am §§ 7 — 11 ch 9 SLA 1994)

Effect of amendments. — The 1994 amendment, effective April 7, 1994, substituted "commission" for "department" in subsections (c) and (e)-(h).

Editor's notes. — Under § 20, ch. 9, SLA 1994, the 1994 amendments to this section are retroactive to August 11, 1993.

Sec. 42.45.120. Notice to customers. If an electric utility receives power cost equalization under AS 42.45.100 — 42.45.150, the utility shall either give to its electric service customers eligible under this program, for each period for which the payment is received,

(1) the following notice:

NOTICE TO CUSTOMER

For the current billing period the utility will be paid under the State of Alaska's power cost equalization program (AS 42.45.100) to assist the utility and its customers in reducing the high cost of generation of electric energy.

Your total electrical service cost	\$.....
Less state equalization	\$.....
Your charge	\$.....; or

(2) a notice approved by the department that provides electric service customers the same information provided by the notice in (1) of this section. (§ 5 ch 18 SLA 1993)

Sec. 42.45.130. Cost minimization. (a) In order to qualify for power cost equalization, each electric utility shall make every reasonable effort to minimize administrative, operating, and overhead costs, including using the best available technology consistent with sound utility management practices. In reviewing applications for power cost equalization, the commission may require the elimination of unnecessary operating expenses. Each eligible electric utility shall cooperate with appropriate state agencies to implement cost-effective energy conservation measures and to plan for and implement feasible alternatives to diesel generation.

(b) In this section, "energy conservation measures" include weatherization and other insulating methods, utilization of waste heat, appropriate sizing of new generating equipment, and other programs of the state or federal government intended and available for energy conservation. (§ 5 ch 18, SLA 1993; am § 12 ch 9 SLA 1994)

Effect of amendments. — The 1994 amendment, effective April 7, 1994, substituted "commission" for "department" in the second sentence in subsection (a).

Editor's notes. — Under § 20, ch. 9, SLA 1994, the 1994 amendment to (a) of this section is retroactive to August 11, 1993.

Sec. 42.45.140. Customer petitions. If the department receives a petition requesting power cost equalization, signed by at least 25 percent of the customers of an electric utility that is subject to rate regulation under AS 42.05 and that has not applied for power cost equalization under AS 42.45.100 — 42.45.150, the department shall require the utility to submit a power cost equalization application. Upon a determination of eligibility for power cost equalization, the utility, as a part of its service, shall receive power cost

equalization and pass power cost equalization benefits to its customers under AS 42.45.100 — 42.45.150. (§ 5 ch 18 SLA 1993)

Sec. 42.45.150. Definitions for AS 42.45.100 — 42.45.150. In AS 42.45.100 — 42.45.150,

(1) "community facility" means a water and sewer facility, public outdoor lighting, charitable educational facility, or community building whose operations are not paid for by the state, the federal government, or private commercial interests;

(2) "eligible electric utility" or "electric utility" means a public, cooperative, or other corporation, company, individual, or association of individuals, and includes the lessees, trustees, or receivers appointed by a court, that

(A) owns, operates, manages, or controls a plant or system for the furnishing, by generation, transmission, or distribution, of electric service to the public for compensation;

(B) during calendar year 1983, had a residential consumption level of power eligible for power cost equalization under former AS 44.83 of less than 7,500 megawatt hours or had a residential consumption level of power eligible for power cost equalization under former AS 44.83 of less than 15,000 megawatt hours if the utility served two or more municipalities or unincorporated communities; and

(C) during calendar year 1984, used diesel fired generators to produce more than 75 percent of the electrical consumption of the utility; an electric utility that is a subsidiary of another electric utility is an "eligible electric utility" if the operations of the subsidiary, considered separately, meet the eligibility requirements of AS 42.45.100 — 42.45.150; if an electric utility did not receive power cost assistance in 1983 but is otherwise eligible for power cost equalization under AS 42.45.100 — 42.45.150, the utility is an "eligible electric utility";

(3) "power costs" means costs used in determining power cost equalization under AS 42.45.110(a) and (c). (§ 5 ch 18 SLA 1993)

Sec. 42.45.160. Adjustments to power cost equalization. (a) The commission may adjust the power cost equalization per kilowatt-hour, determined under AS 42.45.100 — 42.45.150, payable to an electric utility that is subject to rate regulation under AS 42.05 if the

(1) commission has approved a fuel cost rate adjustment caused by an increase or decrease in the electric utility's cost of fuel;

(2) commission has approved a permanent or interim rate increase or decrease that establishes a higher or lower power cost;

(3) department has discovered, in reviewing the monthly data submitted by the electric utility, discrepancies that require adjustment of the power cost equalization; or

(4) department determines that appropriations are insufficient to finance full payments to eligible electric utilities.

(b) An electric utility that is eligible to receive power cost equalization under this section and that receives power cost equalization per kilowatt-hour approved by the commission shall report monthly to the department within the time and in the form the department requires. An electric utility shall report

(1) the power cost equalization per kilowatt-hour approved by the commission;

(2) the total kilowatt-hours sold to each class of customer during the preceding month;

(3) the total kilowatt-hours eligible for power cost equalization under this section sold to each class of customer during the preceding month;

(4) the total kilowatt-hours generated during the preceding month, if available;

(5) any commission approved amendments to the schedule of rates in effect during the preceding month; and

(6) an increase in the commission's power cost equalization subsequent power cost equalization assistance

(c) The provision of power cost equalization assistance

Revisor's notes. substituted for "and" section to correct a n Effect of amendment effective April 7, 1993

Sec. 42.45.17 utility that is not under AS 42.05 power cost equalization assistance

(1) files with the commission power cost equalization per kilowatt-hour with AS 42.45.1

(2) reports monthly information required

(3) sets rates

(A) that conform to AS 42.45.150 by subsequent power cost equalization

(B) under which power cost assistance is applied as a condition of power cost assistance under AS 42.05

(4) allows a utility to apply for power cost assistance with this section

(5) furnishes power cost equalization as specified in AS 42.45.1

(b) An electric utility section shall report

(1) the power cost equalization

(2) the total kilowatt-hours

(3) the total kilowatt-hours

to each class of customer

(4) the total kilowatt-hours

(5) any amendments

(6) an increase in the commission's

the commission's power cost equalization subsequent power cost equalization

(c) An electric utility section may have power cost equalization

the commission's power cost equalization

(1) commission's power cost equalization

(2) commission's power cost equalization

(3) department's power cost equalization assistance to electric utility,

(4) department's power cost equalization assistance to eligible

(6) an increase or decrease in the current unit price of fuel from the base price used by the commission in determining power costs if the change is expected to result in a subsequent power cost equalization adjustment.

(c) The provisions of AS 42.45.100 — 42.45.150 relating to the determination of the amount of power cost equalization and payment of the equalization assistance apply to equalization assistance under this section. (§ 5 ch 18 SLA 1993; am § 13 ch 9 SLA 1994)

Revisor's notes. — In 1993, "department" was substituted for "authority" in (a)(3) and (4) of this section to correct a manifest error in ch. 18, SLA 1993.

Effect of amendments. — The 1994 amendment, effective April 7, 1994, in subsection (b), substituted

"commission" for "department" in the introductory language and in paragraphs (1), (5), and (6).

Editor's notes. — Under § 20, ch. 9, SLA 1994, the 1994 amendment to (b) of this section is retroactive to August 11, 1993.

Sec. 42.45.170. Equalization assistance to unregulated utilities. (a) An electric utility that is not subject to rate regulation by the Alaska Public Utilities Commission under AS 42.05 may receive power cost equalization if the utility is otherwise eligible for equalization assistance under AS 42.45.100 — 42.45.150 and if the utility

(1) files with the commission financial data necessary to determine the power cost equalization per kilowatt-hour as prescribed by the commission and that is in compliance with AS 42.45.100 — 42.45.150;

(2) reports monthly to the department, within the time and in the form required, the information required in (b) of this section;

(3) sets rates

(A) that consider the power cost equalization provided under AS 42.45.100 — 42.45.150 by subtracting from its revenue requirements for electric services the power cost equalization per kilowatt-hour that it is eligible to receive; and

(B) under which the power cost equalization provided in AS 42.45.060 — 42.45.110 is applied as a credit only against the cost of kilowatt-hours eligible for equalization assistance under AS 42.45.100 — 42.45.150 that are consumed by each customer in any month;

(4) allows audits that the commission determines are necessary to ensure compliance with this section; and

(5) furnishes its electric service customers eligible under this program a notice as specified in AS 42.45.120.

(b) An electric utility that is eligible to receive power cost equalization under this section shall report in accordance with (a)(2) of this section

(1) the power cost equalization per kilowatt-hour approved by the commission;

(2) the total kilowatt-hours sold to each class of customer during the preceding month;

(3) the total kilowatt-hours eligible for power cost equalization under this section sold to each class of customer during the preceding month;

(4) the total kilowatt-hours generated during the preceding month, if available;

(5) any amendments to the schedule of rates in effect during the preceding month; and

(6) an increase or decrease in the current unit price of fuel from the base price used by the commission in determining power costs if the change is expected to result in a subsequent equalization assistance level adjustment.

(c) An electric utility that is eligible to receive power cost equalization under this section may have its power cost equalization per kilowatt-hour determination changed by the commission if the

(1) commission has verified an increase or decrease in the electric utility's cost of fuel;

(2) commission has verified an increase in rates based on an increase in costs;

(3) department has discovered, in reviewing the monthly data submitted by the electric utility, discrepancies that require adjustment of the power cost equalization; or

(4) department determines that appropriations are insufficient to finance full payments to eligible electric utilities.

(d) The provisions of AS 42.45.100 — 42.45.150 relating to the determination of the amount of power cost equalization and payment of the equalization assistance apply to equalization assistance under this section.

(e) An application for power cost equalization by an electric utility that is eligible to receive power cost under this section does not extend the jurisdiction of the Alaska Public Utilities Commission beyond that established by AS 42.05. (§ 5 ch 18 SLA 1993; am §§ 14 — 16 ch 9 SLA 1994)

Effect of amendments. — The 1994 amendment, effective April 7, 1994, substituted "commission" for "department" in paragraphs (a)(1), (a)(4), (b)(1), and (b)(6); and, in subsection (c), substituted "commission" for "department" and deleted "department" following "if the" in the introductory language, and added "com-

mission" at the beginning of paragraphs (1) and (2) and "department" at the beginning of paragraphs (3) and (4).

Editor's notes. — Under § 20, ch. 9, SLA 1994, the 1994 amendments to this section are retroactive to August 11, 1993.

Sec. 42.45.180. Grants for utility improvements. (a) The department may make a grant from the fund for an eligible utility for a small power project that will reduce the cost of generating or transmitting power to the customers of the utility. The amount of the grant may not exceed 75 percent of the cost of the project. The department may not make a grant under this section unless the eligible utility has secured financing for 25 percent of the cost of the project from a source other than the power cost equalization and rural electric capitalization fund, as provided under (c) of this section.

(b) The department may not allocate more than three percent of the balance in the fund to grants under this section in a fiscal year.

(c) In determining whether an eligible utility has secured financing for 25 percent of the cost of the project from a source other than the power cost equalization and rural electric capitalization fund, the department shall accept solicited and unsolicited proposals for third party financing or for a joint venture between the utility and an entity from the private sector provided that the private sector participant has

(1) a valid state business license;

(2) a resolution or letter of agreement executed by the eligible utility agreeing to participation by the private sector participant;

(3) a business plan that illustrates how the proposed project will reduce the cost of generating or transmitting power to the customers of the utility.

(d) In this section,

(1) "eligible utility" has the meaning given in AS 42.45.150;

(2) "project" includes

(A) power generation systems;

(B) transmission systems;

(C) distribution systems;

(D) metering systems;

(E) energy store systems;

(F) energy conservation programs; and

(G) bulk fuel storage facilities;

(3) "small power project" means a new or modified project that will either generate, store, or conserve no more than 1.5 megawatts of power or provide a metering system, transmission system, distribution system, or bulk fuel storage facility that has an estimated cost of less than \$3,000,000. (§ 5 ch 18 SLA 1993)

Opinions of attorney general. — The department is not required to pursue annual appropriations in order to disburse moneys in the southeast energy fund and the power cost equalization and rural elec-

tric capitalization fund once the legislature has capitalized those funds. September 27, 1995 Op. Att'y Gen.

Sec. 42.45.180. "for established un

Section
200. Electrical se

Sec. 42.45.180. service extens consists only c

(b) The dep certificated elc 42.05.711, as extension of e served by an existing utiliti percent of the grant may not

(c) An elect connection fee construction.

(d) The dep (Act) to imple

(e) In this s necessity issu SLA 1993)

Section
250. Bulk fuel re

Sec. 42.45.180. fund is establ community, o body of the co bulk fuel purc

(b) Money i of administer

(c) The forc fuel revolving

(d) The de when necessa this section o by an obligor.

(e) Loans r year are not :

(1) may no

(2) shall be

(3) may no

Sec. 42.45.190. Definition for AS 42.45.100 — 42.45.190. In AS 42.45.100 — 42.45.190, "fund" means the power cost equalization and rural electric capitalization fund established under AS 42.45.100. (§ 5 ch 18 SLA 1993)

Article 3. Electrical Service Extension Fund.

Section

200. Electrical service extension fund established

Sec. 42.45.200. Electrical service extension fund established. (a) The electrical service extension fund is established as a separate fund in the department. The fund consists only of money appropriated to it by the legislature.

(b) The department may make grants from the electrical service extension fund to certificated electric utilities and to electric utilities exempt from certification under AS 42.05.711, as a first priority, to pay for costs of site preparation and construction for the extension of electrical service to private residences and small businesses not currently served by an electric utility and, as a second priority, for making improvements to existing utilities. The amount of a grant made under this section may not exceed 60 percent of the total cost of construction of the project. The costs considered in making a grant may not include costs of planning, feasibility studies, or design.

(c) An electric utility that has received a grant under this section may charge a connection fee for initial connection to the electrical service made available because of the construction. The connection fee for each residential or commercial structure shall conform to the line extension policy of the utility.

(d) The department shall adopt regulations under AS 44.62 (Administrative Procedure Act) to implement this section.

(e) In this section, "certificated" means holding a certificate of public convenience and necessity issued by the Alaska Public Utilities Commission under AS 42.05. (§ 5 ch 18 SLA 1993)

Article 4. Bulk Fuel Revolving Loan Fund.

Section

250. Bulk fuel revolving loan fund

Sec. 42.45.250. Bulk fuel revolving loan fund. (a) The bulk fuel revolving loan fund is established in the department to assist communities in purchasing bulk fuel. A community, or a private individual who has written endorsement from the governing body of the community, is eligible for a loan from the bulk fuel revolving loan fund for a bulk fuel purchase.

(b) Money in the fund may be used by the legislature to make appropriations for costs of administering this section.

(c) The foreclosure expense account is established as a special account within the bulk fuel revolving loan fund. This account is established as a reserve from fund equity.

(d) The department may spend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans made under this section or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

(e) Loans made from the bulk fuel revolving loan fund to one borrower in any fiscal year are not subject to AS 42.45.060 and

- (1) may not exceed \$100,000;
- (2) shall be repaid in one year or less; and
- (3) may not exceed 90 percent of the wholesale price of the fuel purchased.

(f) Interest may be charged on a loan made from the bulk fuel revolving loan fund. Interest shall be charged on a loan at a rate equal to the percentage of the average weekly yield of municipal bonds for the 12 months preceding the date of the loan, as determined by the department from municipal bond yield rates reported in the 30-year revenue index of the Weekly Bond Buyer. However, if the department finds that a community cannot afford to repay a portion of interest on a loan, and makes a determination in writing, the department may reduce or eliminate the interest rate applicable to the loan.

(g) Repayments of the principal, the interest, and the money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on a loan made under this section shall be paid into the bulk fuel revolving loan fund. The fund is not a dedicated fund.

(h) The department may contract for the administration of the bulk fuel loan program established in this section.

(i) The department shall dispose of property acquired through default or foreclosure of a loan made under this section. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years.

(j) The department may adopt regulations necessary to carry out the provisions of this section, including regulations to establish reasonable fees for services provided and charges for collecting the fees.

(k) The department may collect the fees and collection charges established under (i) of this section and shall deposit the money in the general fund.

(l) In this section,

(1) "bulk fuel storage facility" means a storage tank capable of holding at least 10,000 gallons of petroleum fuel; and

(2) "community" means an organized municipality or an unincorporated village that is a social unit, with a population of less than 2,000 people. (§ 5 ch 18 SLA 1993)

Article 5. Joint Action Agencies.

Section

300. Joint action agencies

Sec. 42.45.300. Joint action agencies. Two or more public utilities may form a joint action agency for the purpose of participation in the design, construction, operation, and maintenance of a generating or transmission facility and to secure financing for carrying out the design, construction, operation, and maintenance of the facility. A joint action agency may request the Alaska Industrial Development and Export Authority to issue revenue bonds for projects of the agency. A joint action agency has the powers of a public utility under AS 42.05. (§ 5 ch 18 SLA 1993)

Article 6. Miscellaneous Provisions.

Section

400. Assistance to rural utilities

410. Relationship with private sector

Sec. 42.45.400. Assistance to rural utilities. (a) The department shall provide technical assistance to rural utilities including catastrophe prevention programs and other training programs for utility projects. The department shall provide rural utilities with the technical assistance and training that the utilities need to improve the efficiency, safety, and reliability of their power systems and to prevent emergency situations from developing. At a minimum, the assistance and training must include information on

(1) reducing distribution line losses;

- (2) installation
 - (3) preventative
 - (4) safety ins
 - (5) installing
 - (6) improved
 - (7) improved
 - (8) coordinat
 - (b) In providi
- shall give priori
1993)

Sec. 42.45.4)
maximum exter.
into contracts w

Section
990. Definitions

Sec. 42.45.99

- (1) "departme
- (2) "feasibility
- (A) means a s
- of completing a
- (B) includes e
- a license applic
- Commission;
- (3) "power" in
- lighting, heating
- (4) "power pro
- related or neces
- interest in or a r
- for the purpose
- (A) electrical
- (B) waste ene
- (C) transmiss
- energy, includin
- (5) "reconnais
- electrical and th

- (2) installation of generators that are more fuel efficient;
 - (3) preventative maintenance programs;
 - (4) safety inspections;
 - (5) installing and maintaining waste heat systems;
 - (6) improved metering systems;
 - (7) improved management and administration; and
 - (8) coordinating regional activities, including circuit rider maintenance programs.
- (b) In providing rural utilities with technical assistance and training, the department shall give priority to contracting with the private sector for these services. (§ 5 ch 18 SLA 1993)

Sec. 42.45.410. Relationship with private sector. The department shall, to the maximum extent feasible, carry out its powers and duties under this chapter by entering into contracts with appropriate entities in the private sector. (§ 5 ch 18 SLA 1993)

Article 7. General Provisions.

Section 990. Definitions

Sec. 42.45.990. Definitions. In this chapter, unless the context otherwise requires,

(1) "department" means the Department of Community and Regional Affairs;

(2) "feasibility study"

(A) means a study conducted to establish the economic and environmental practicality of completing a proposed power project;

(B) includes engineering and design work to meet the requirements for submission of a license application for a proposed new project to the Federal Energy Regulatory Commission;

(3) "power" includes electrical energy generated, distributed, bought, or sold for lighting, heating, power, and every other useful purpose;

(4) "power project" or "project" means a plant, works, system, or facility, together with related or necessary facilities and appurtenances, including a divided or undivided interest in or a right to the capacity of a power project or project, that is used or is useful for the purpose of

(A) electrical or thermal energy production other than nuclear energy production;

(B) waste energy utilization and energy conservation; or

(C) transmission, purchase, sale, exchange, and interchange of electrical or thermal energy, including district heating or interties;

(5) "reconnaissance study" means a study conducted to assess the present and future electrical and thermal energy needs of an area. (§ 5 ch 18 SLA 1993)

HB 40

To: Senate Labor and Commerce Committee
State Capitol
Juneau, Alaska
Fax: 907 465-3805

Attention: Senator Lyda Green

From: Gerald Newton
315 Dunbar Ave.
Fairbanks, Alaska 99701
Tel: 907 452-5611
Fax: 907 452-5611 (call first)
email: nerc@mosquitonet.com

Subject: SB 40 and the transferring of Mechanical Inspectors from the Department of Labor to the Department of Public Safety

The State of Alaska electrical inspectors are responsible for enforcing compliance to the National Electrical Code (NEC.) The NEC is written by the National Fire Protection Association and has the purpose of "protecting persons and property from the hazards arising from the use of electricity." The NEC was originally written by insurance companies as a fire protection standard. The NEC has no work rules and is not a labor standard. It is a minimum standard for installation of electrical work to prevent electrical hazards, including fires, that would damage persons and property.

Presently, the Department of Labor and the Department of Public Safety are enforcing the NEC. The Department of Public Safety employs State Fire Marshals that perform plan reviews and field inspections at existing installations to the NEC. The Department of Labor employs electrical inspectors that perform electrical inspections at new commercial installations. Additionally, the Department of Public Safety, Fire Marshall's Office enforces NICET certification of personnel performing fire alarm system installations. The Department of Labor enforces the electrician's certificate of fitness license for electricians. It seems redundant to have two Departments performing parallel functions requiring two sets of regulations and administrators. In effect, the State of Alaska has two building departments where one would suffice.

It would make State government more cost effective and efficient by transferring the electrical inspectors, plumbing inspectors, boiler inspectors, and elevator inspectors to the Department of Public Safety and eliminating the Department of Labor, Labor Standards and Safety Division, Mechanical Inspection Section altogether.

There are several reasons for this:

1. The cost of managing and administering two independent inspection programs is more than that of one. The overall effect would be a substantial savings in the State Operating Budget without compromising Public Safety.
2. The Public would be better served by only having to deal with one inspection agency instead of two. The same people that do plan reviews would be performing the inspections to the same standards and regulations used for plan reviews.
3. The Department of Public Safety has better trained support personnel, more experience, and better equipped resources than the Department of Labor for enforcement of State laws.

This transfer would require some minor details to be worked out but, in the long run, would be a cost effective way to deal with declining state revenues and would be perceived by the public as downsizing State Government, because in real terms it is downsizing.

Yours truly,

Gerald Newton

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 373-1842
Fax - (907) 373-4729

Session:
State Capitol Building, Room 421
Juneau, Alaska 99801-1182
(907) 465-2186
Fax - (907) 465-3818

REPRESENTATIVE VIC KOHRING
DISTRICT 26

Date: May 11, 1999

To: Senate Finance Committee Members

Re: House Bill 40; Department of Community & Economic Development

Senators:

Please accept the enclosed documents as evidence for the May 11, 1999 hearing on House Bill 40.


House Bill 40 is substantially House Bill 400 heard last year in the House Labor & Commerce and Finance Committees. The enclosed documents from those hearings are the evidence used in passing the bill out of the committees. Therefore, these documents remain relevant to House Bil 40.

The bill was recently modified in House Finance. Enclosed are a chart and other documents showing the changes to the original HB 40.

Also enclosed are important three letters of support. One is from a former Deputy Commissioner of Department of Community & Regional Affairs; another is a former Commissioner of Department of Commerce & Economic Development. The third letter is from the owner and operator of a rural electric utility. These three professionals are knowledgeable about rural issues, including the importance of government assistance to communities.

Thank you for considering this bill.

Sincerely,


Vic Kohring
State Representative

PAUL FUHS

P.O. Box 20664
Juneau, Alaska 99802
(907) 790-3030
fuhs@ptialaska.net

March 17, 1999

Representative Vic Kohring
Alaska State Legislature

Dear Representative Kohring,

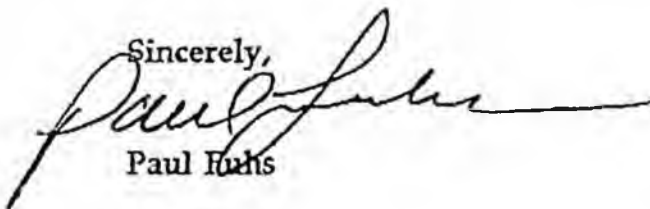
You have asked me to comment on your bill HB 40 as former Commissioner of Commerce and Economic Development. My comments will also relate to my recent experiences as an economic development consultant in rural and urban Alaska.

From my experience, I can tell you that there would be many advantages to combining the state's economic development programs. I don't know how much money you would save doing this, but you would certainly have a much more effective program. While I was in the Hickel administration, I heard many people, especially in rural Alaska, complain about being bounced back and forth between the various agencies and it confusing and frustrating for them. Given the fact that Alaska's economic development and international trade programs have been reduced to their bare minimums due to the need for budget cuts, it is even more imperative that they be coordinated for maximum advantage for Alaska's people.

I would urge you to contact and work with the Alaska Municipal League on issues they may have with HB40 concerning municipal programs in DCRA. I also understand that discussions are underway concerning the possibility of consolidating regulatory functions of Labor with Commerce also. I am not supporting one concept over the other, but I wish you well in finding funding and program efficiencies within the departments.

These comments are mine alone and do not reflect the position of any of my clients.

Sincerely,



Paul Fuhs

Representative Vic Kohring
 Alaska State Capitol, Room 421
 Juneau, Alaska 99801

Dear Representative Kohring:

I urge you to pass House Bill 400. Merging two departments that are involved in economic development throughout Alaska is a smart way to cut government. Having one department responsible for improving our economy will help all communities and businesses.

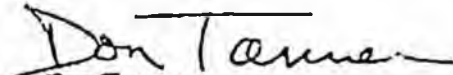
As a small businessman, providing service is important to my customers. I take every effort to minimize my overhead. State government should do the same. This merger bill is the first step in cutting unnecessary overhead.

As a former Deputy Commissioner for the Department of Community and Regional Affairs, I am aware of the economic problems faced in rural Alaska. This merger bill will increase efficiencies and greatly enhance economic growth in rural areas.

Being the Deputy Commissioner I also know that the two departments perform similar tasks. Only one commissioner and administration is needed for the activities of the two departments.

I encourage the Legislature to pass this bill. It will be good for rural Alaska, good for business, and good for the State budget.

Sincerely,


 Don Tanner

x

Tanana Power Company, Inc.

P O BOX 873509

WASILLA, ALASKA 99687

TELEPHONE 907-373-5599

OR (907) 366-7101

April 2, 1998

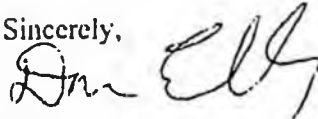
Representative Vic Kohring
State Capitol Building, Room 421
Juneau, Alaska 99801-1182

Representative Kohring:

Having operated a rural electrical utility for over 35 years and lived in rural Alaska for over 15 years, the need for a comprehensive approach to rural development has become very apparent. I support HB 400 because it promotes a unified and comprehensive system for rural development. The additional saving that would result from HB 400 is icing on the cake.

Thank you for time and effort.

Sincerely,



Don Eller

**CSHB 40(FIN)
Agency Programs by Department
Version "M"**

Labor & Workforce Development	Community & Economic Development	Education & Child Development
<p>(Currently in Dept. of Labor) Wage & hour Mechanical Inspection Unemployment Insurance Occupational Safety & Health Safety Advisory Council Fishermen's Fund Workers' Comp Labor Relations Agency Employment Services Work Services</p>	<p>(Currently in C&RA) Community Development Assistance Community & Economic Development National Forest Receipts Revenue Sharing Municipal Assistance Unincorporated Capital Matching Grants State Assessor Local Boundary Commission PCE Energy Operations Circuit Rider National Petroleum Reserve Program Statewide Assistance Renters' Equivalency Rebate</p>	<p>(Currently in Dept. of Education) Quality Schools Program K-12 Financial Assistance Vocational Technical Education State Owned Schools State Library and Museum Post Secondary Education Commission Teaching and Learning Support** Alaska State Council on the Arts</p>
<p>(Currently in DOE) Adult Basic Education Vocational Rehabilitation</p>	<p>(Currently in C&ED)</p>	<p>(Currently in C&RA) Head Start Child Care Pass II, III Day Care Assistance</p>
<p>(Currently in Community & Regional Affairs) Job Training Partnership Act State Training & Employment Program</p>	<p>Trade & Development Investments Tourism ATMC AIDEA ASTF ASMI AADC Banking, Securities & Corporations Insurance Occupational Licensing APUC</p>	<p>(Currently in H&SS) Licensing of Child Care Facilities***</p>
<p>(Currently in Governor's Office) Alaska Human Resource Investment Council*</p>	<p>(Currently in DOA) Capital Matching Grants (Incorporated) Municipal Grants</p>	

* AHRIC will transfer to L&WD at the completion of their 5 year planning cycle (July 1, 2000).

** Teaching and Learning Support includes Preschool Certification, Teacher Certification, Community Schools & Child Nutrition.

*** Licensing of child care facilities will transfer to Dept. of Education & Child Development July 1, 2000.

Changes to HB 40 made in House Finance Committee

A. Most noticeable are the changes made in the name of the Departments:

- ◆ Labor & Workforce Development
- ◆ Education & Child Development
- ◆ The new department is now named "Community & Economic Development"

B. Child Care Programs

One intent of the original HB 40 was to combine Child Care programs, into one department, HS&S. The Finance CS places the child care programs in DCRA and H&SS into the new Department of Education & Child Development. This change is consistent with the original intent of HB 40.

C. Job Training

One intent of the original HB 40 was to combine job training programs into the Department of Labor. The Finance CS expands this concept to move two job programs from the Department of Education into the new Department of Labor. Also, the Alaska Human Resource Investment Council will be moved from the governor's Office into the new Dept of Labor. These slight changes are consistent with the original intent of HB 40.

D. New Department of Community & Economic Development

The Finance Committee CS still combines the economic development activities with local government assistance programs, which was the focal point of the original merger bill.

One slight change was made to the new department. The bill now includes transfer of the Municipal Grants and the Capital Matching Grants programs from Dept of Administration to the new department.

E. Miscellaneous Changes

- ◆ References to the specific divisional structure were removed. The original intent of the divisional structure was to minimize upper management and to show that the consolidation of department functions would work. This change was negotiated with the Governor and provides the administration with flexibility to place programs where they can function best.
- ◆ The Rural Advocate position added in by the C&RA Committee was deleted at the request of the Governor. The Governor expressed concerns on how the Advocate would interact with the departments.

HB 40 Version M

Sectional Analysis

1. Transfers the fee authorization (existing authorization) to the renamed Dept of Education and the new Department of Community & Economic Development.
2. Renumbered statute
3. Renumbered statute
4. Renumbered statute
5. Tenure rights transferred to Dept of Labor & Workforce Development
6. A. Deletes Vocational Rehabilitation from Dept of Education
B. Changes statutory reference of Human Resource Investment Council in Education to Dept of Labor & Workforce Development
7. Transfers Child Care Facility Licensing to Dept of Education & Child Development
8. Transfers Head Start, Child Care and Day Care to Dept of Education & Child Development
9. Changes statutory reference from Health & Social Services to Dept of Education & Child Development
10. Changes statutory reference from Health & Social Services to Dept of Education & Child Development.
11. Changes statutory reference from Health & Social Services to Dept of Education & Child Development
12. A. Revises name of Dept of Education to newly named Dept of Education & Child Development
B. Change statutory reference of Human Resource Investment Council from the Governor's Office to the new Dept of Labor & Workforce Development
13. Adds a reference to day care facility licensure in the Dept of Education & Child Development
14. Adjusts reporting of fire protection systems to the new Department of Community & Economic Development

15. Provides fee authorization to the new Department of Labor & Workforce Development
16. Transfers the administration of the Vocational Rehabilitation from the Board of Education to the Commissioner of Labor & Workforce Development
17. Transfers the administrative powers for the Vocational Rehabilitation program from the Board of Education to the Commissioner of Labor & Workforce Development
18. Allows the Commissioner of Labor & Workforce Development to appoint administrative officers.
19. Establishes the Division of Vocational Rehabilitation in the new Dept of Labor & Workforce Development
20. Directs the Commissioner of Labor & Workforce Development to appoint a director for Division of Vocational Rehab.
21. Replaces the Board of Education with the Commissioner of Labor & Workforce Development for Vocational Rehab related items.
22. Replaces the Board of Education with the Commissioner of Labor & Workforce Development for Vocational Rehab related items.
23. Replaces the Board of Education with the Commissioner of Labor & Workforce Development for Vocational Rehab related items.
24. Transfers the Alaska Human Resource Council from the Governor's Office into the Dept of Labor & Workforce Development
25. Deletes the reference to the former DCRA and adds references to the new Dept of Community & Economic Development and the Dept of Education & Child Development.
26. Changes statutory reference for the Alaska Human Resource Council from the Governor's Office into the Dept of Labor & Workforce Development
27. Transfers the Business Incentive Training Program from DCRA to the Department of Labor & Workforce Development
28. Changes statutory reference for the Alaska Human Resource Council from the Governor's Office into the Dept of Labor & Workforce Development

29. Adds a reference to day care facility licensure in the Dept of Education & Child Development
30. Renumbering of statutes from DCRA to new Department of Community & Economic Development
31. Renumbering of statutes from DCRA to new Department of Community & Economic Development
32. Clarifies that per capita entitlements are calculated under the former DCRA method (to continue in new Dept of Community & Economic Development.
33. Changes name from former DCRA to new Dept
34. Change reference for the division of Vocational Rehab from Dept of Education to Dept of Labor & workforce Development
35. Changes reference for the Human Resource Investment Council from Governor's Office to the Dept of Labor & Workforce Development
36. Renumbering of statutes from DCRA to new Department of Community & Economic Development
37. Transfer of Municipal Grant administration from Dept of Administration to the new Dept of Community & Economic Development
38. Detail for the transfer of Municipal Grant administration from Dept of Administration to the new Dept of Community & Economic Development
39. Defines the department for the transfer of Municipal Grant administration from Dept of Administration to the new Dept of Community & Economic Development
40. Renumbering of statutes from DCRA to new Department of Community & Economic Development
41. Detail for the transfer of Municipal Grant administration from Dept of Administration to the new Dept of Community & Economic Development
42. Defines the department responsibilities for adoption of regulations for the transfer of Municipal Grant administration from Dept of Administration to the new Dept of Community & Economic Development
43. Revises the Alaska Royalty Oil & Gas Development Advisory Board to replace the deletion of one commissioner with the commissioner of Revenue.

44. Deletes reference to the Deputy Director of the Div. Of Tourism in the partially exempt employment statutes.
45. Revises a reference for the Vocational Rehab program from Dept of Education to Dept of Labor & Workforce Development
46. Renumbering of statutes from DCRA to new Department of Community & Economic Development
47. Changes reference for the Human Resource Investment Council from Governor's Office to the Dept of Labor & Workforce Development
48. Changes makeup of the Board for the Rural Electrification Revolving Loan Fund from 7 members to 5. It deletes one commissioner and one public member.
49. References a name change from the former DCRA to the new Dept of Community & Economic Development
50. Technical revisions to the Alaska Coastal Policy Council.
51. Reference change for the Alaska Coastal Policy Council
52. Revises the name of and duties of the Dept of Education & Child Development and deletes Vocational Rehab and Adult Basic Education from the duties of this department.
53. Revises the name of and duties of the Department of Labor & Workforce Development to include JT²A and State training programs.
54. Provides authority for the commissioner of the new Dept of Community & Economic Development appoint a department employee to act for the commissioner on boards and commissions.
55. Lists the duties of the new Department of Community & Economic Development
56. Transfers fee authorization and the Exxon Valdez oil spill unincorporated rural community fund program from DCRA to the new Department of Community & Economic Development, and defines the department and commissioner in these areas.
57. Replaces a reference to the Division of Tourism with the new Department of Community & Economic Development

58. Replaces a reference to the director of Tourism with the new Department of Community & Economic Development
59. Redefines the makeup of the Alaska Tourism Marketing Council.
60. Replaces a reference to the director of Tourism with the commissioner of the new Department of Community & Economic Development
61. Replaces a reference to the director of Tourism with the commissioner of the new Department of Community & Economic Development and replaces the reference to the division and director with reference to the new department and its commissioner.
62. Transfers the Rural Development programs currently in DCRA to the new Dept of Community & Economic Development
63. Transfers the Local Boundary Commission currently in DCRA to the new Dept of Community & Economic Development.
64. Adds in the Dept of Education & Child Development to the Administrative Adjudication statutes regarding child care facility licensing
65. Renumbering of statutes and renaming references from DCRA to new Department of Community & Economic Development
66. Renumbering of statutes and renaming references from DCRA to new Department of Community & Economic Development
67. Renumbering of statutes and renaming references from DCRA to new Department of Community & Economic Development
68. Renaming reference from DCRA to new Department of Community & Economic Development
69. Renaming reference from DCRA to new Department of Community & Economic Development
70. Renaming reference from DCRA to new Department of Community & Economic Development
71. Changes statute numbering from the Dept of Health & Social Services to the Dept of Education
72. Changes reference of former department names to new names of departments

73. Reflects transfer of child care assistance to Dept of Education & Child Development from DCRA
74. Deletes references to child care programs moved into Dept of Education & Child Development from the Dept of Health & Social Services
75. Deletes references to child care facility programs moved into Dept of Education & Child Development from the Dept of Health & Social Services
76. Deletes references to child care facility programs moved into Dept of Education & Child Development from the Dept of Health & Social Services
77. Deletes references to child care facility programs moved into Dept of Education & Child Development from the Dept of Health & Social Services
78. Transfers the Displaced Homemakers program from the former DCRA to Dept of Labor & Workforce Development and makes appropriate name changes
79. Identifies the commissioner of the Dept of Labor & Workforce Development to administer the Displaced homemakers program.
80. Repeals statutes for duties that have been transferred to other departments or are renumbered from DCRA into the new Dept of Community & Economic Development, effective July 1, 1999.
81. Repeals statutes for duties that have been transferred to other departments or are renumbered from DCRA into the new Dept of Community & Economic Development, effective July 1, 2000
82. Transitional provisions
83. Allows the departments to start rewriting regulations prior to the effective date of the bill.
84. Directs the revisor to make changes to the name of the former DCED to the new Dept of Community & Economic Development where ever it appears in statute.
85. Directs the revisor to make changes to the name of the former Dept of Education to the new Dept of Education & Childhood Development where ever it appears in statute.
86. Directs the revisor to make changes to the name of the former Dept of Labor to the new Dept of Labor & Workforce Development where ever it appears in statute.

87. Directs the revisor to make changes to the name of the former DCRA to the new Dept of Community & Economic Development where ever it appears in statute.
88. Deletes the July 1, 2001 sunset for the child care facility licensing exemption from AS 25.27.244, Adverse action against delinquent obligor's occupational license.
89. Allows the loan committee members for the Rural Electrification Revolving Loan Fund to continue their term beyond July 1, 1999
90. Allows the administrative code to reflect the statutory changes made in this bill.
91. Provides effective date of July 1, 1999 excepting sections 92 and 93.
92. Provides immediate effective date to allow departments to rewrite regulation immediately.
93. Provides for effective date of July 1, 2000 for:
 - ◆ Vocational Rehabilitation
 - ◆ Dept of Education Board membership for Human Resource Investment Council
 - ◆ Day Care Facility Licensing
 - ◆ Human Resource Investment Council transfer to Dept of Labor & Workforce

ALASKA STATE LEGISLATURE



Interim:

600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 575-1842
FAX -(907) 575-4729

State Capitol Building, Room 421
Juneau, Alaska 99801-1122
(907) 465-2111
FAX -(907) 465-3311

REPRESENTATIVE VIC KOHRING DISTRICT 26

Sponsor Statement for HB 40

Focusing on economic development while reducing the budget will result when two departments are merged into a new Department of Commerce and Rural Development. The proposed structure will ensure local government assistance continues, infrastructure planning is enhanced, and the State's economic development strategy and project funding is centralized.

The missions of the departments of Commerce and Economic Development and Community and Regional Affairs are similar, to promote economic development of Alaskan communities. Two separate management structures and goals result in a scattered development strategy. Having a unified development vision and funding resources under one department will better serve rural communities and Alaska as a whole.

Currently, the departments of Commerce and Economic Development and Community and Regional Affairs both have economic development programs; along with job training and child care programs. These non-development, non-commerce related programs will be moved to the departments of Labor and Health & Social Services, respectively. Under the new departments, these important programs can be integrated with existing programs in those departments while providing better service to Alaskans. This reorganization frees the new Department of Commerce and Rural Development to focus on economic development activities.

Alaska's fiscal crisis necessitates reengineering government. This merger will eliminate one commissioner's office but does not eliminate services. While creating budget savings, program delivery and economic development will be enhanced and streamlined in the new Department of Commerce and Rural Development.

ALASKA STATE LEGISLATURE

Interim:

600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 575-1842
Fax - (907) 575-4729



Session
State Capitol Building, Room 421
Juneau, Alaska 99801-1131
(907) 465-2136
Fax - (907) 465-5313

REPRESENTATIVE VIC KOHRING
DISTRICT 26

Date: March 15, 1999

To: House Community & Regional Affairs Committee

Re: House Bill 40; Proposed Department of Commerce & Rural Development

Committee Members:

Please accept the enclosed documents as evidence for the March 18, 1999 hearing on House Bill 40.

House Bill 40 is virtually identical to House Bill 400, heard last year in the Labor & Commerce and Finance Committees. These documents are the evidence that these committees used in passing the bill out of committee. Therefore, these documents are relevant to House Bill 40.

I am eager to present the bill to the committee later this week.

Sincerely,


Vic Kohring
State Representative

House Bill 40

DCRA/DCED Merger

Cost Savings

Commissioner Office Consolidation

Commissioner	110
Deputy Commissioner	110
Special Assistant	70
Executive Secretary	50
Administrative Clerk	<u>35</u>

Subtotal: 375

Administrative Services

Division Director	110
Administrative Manager	75
Internal Auditor	75
Program Budget Analyst	65
Administrative Assistant	45
Grant Administrator	<u>45</u>

Subtotal: 415

Division of Community & Regional Development

Director	105
----------	-----

Miscellaneous:

Travel	35
Contractual	30
Supplies	<u>10</u>

Subtotal: 75

TOTAL SAVINGS \$970,000

HB 40

Benefits to Rural Alaska

Effective economic development in rural Alaska is the goal of HB 40. Merging the two departments that provide economic development programs will benefit rural Alaska.

◆ Focus on Economic Development and Commerce

Programs unrelated to economic development and commerce activities will be transferred to other departments. The new department will be able to focus on economic development and commerce in rural areas and be more effective.

◆ Scoping and Planning

This merger unifies community scoping and planning assistance into one department. Expert staff in both departments will be joined under one management structure. With effective scoping and planning, successful economic development projects can be identified and matched with the community's resources and talents. Common sense says planning will be far more effective under one department.

◆ Infrastructure Construction

Once the community has identified development projects through scoping, infrastructure can be planned and constructed. The new department will assist the community in obtaining financing for the construction phase.

◆ Centralized Financial Assistance

Applying for funds can be a difficult and daunting task for small rural communities. The traditional approach of obtaining financing from public agencies has been the "shotgun" approach. This merger would centralize expert staff who knows details of funding programs and possibilities. One primary goal is to create a "one-stop financial assistance" for funding projects.

HB40
DEPARTMENT CONSOLIDATION
Streamlining Government Services

HIGHLIGHTS of Blank Senate CS:

- Transfer DEC ag/meat/poultry (not seafood) inspections to Division of Agriculture, DNR.
- Transfer functions of pesticides management from DEC to the Division of Agriculture, DNR.
- Combine OSHA and all safety inspection functions and safety code adoption authority with the Department of Public Safety's fire safety inspections office, thus creating one consolidated inspection division: "Division of Safety Inspections" in DPS.
- Transfer Safety Advisory Council to new consolidated "Division of Safety Inspections" in DPS.
- Consolidate licensing/certification duties of the Department of Labor, certificate of fitness (18.62), with the duties of Occupational Licensing in the Department of Community and Economic Development.
- Transfer Labor Relations Agency/Board to Department of Administration.

Streamlining Government
HB40

Labor & Workforce Development	Community & Economic Development	Department of Public Safety
<p>(Currently in DOL) Wage & Hour Employment Security Labor Statistics/Research Employment Services Work Services (to: Employment Services) Second Injury Fund Unemployment Insurance Workers' Comp Fishermans' Fund</p>	<p>(Currently in C&ED) APUC, AIDEA, AS TF, ASMI, AADC Banking, Securities & Corporations Occupational Licensing Div. of Insurance Investments Trade & Development</p>	<p>(Currently in DOL) **New Division of Safety Inspections (in DPS): Safety Advisory Council OSHA Mechanical Inspections</p>
<p>(Currently in C&RA) Job Training Partnership Act (to: Employment Services) Training & Employment (to: Employment Services)</p>	<p>(Currently in DOL) Mechanical Inspection Licensing (cert.of fit.18.62: to Occ. Lic.)</p>	<p>Department of Administration (Currently in DOL) Labor Relations Agency & Board</p>
<p>(Currently in DOE) Vocational Rehabilitation (to: Employment Services) Adult Basic Education (to: Employment Services)</p> <p>(Currently in Governor's Office/& HSS) Human Res. Invest. Council (to: Employment Services) Work Services (from ATAP) (to: Employment Services)</p>	<p>(Currently in C&RA) Renters' Equivalency Rebate Community & Rural Development Community Development Assistance National Forest Receipts State Assessor Local Boundry Commission PCE Energy Operations Circuit Rider Statewide Service Delivery NPR-A Program Statewide Assistance Muni. Assistance/Revenue Sharing ACMP</p>	<p>Education & Child Development (Currently in C&RA) Head Start Child Care Pass II, III Day Care Assistance</p> <p>(Currently in HSS) Child Care Licensing</p>
	<p>(Currently in DOA) Capital Matching Grants (Incorporated) Municipal Grants</p>	<p>Department of Natural Resources (Currently in DEC) Ag,Meat,Pouirly Inspections to Div. of Ag</p>

State of Alaska

Tony Knowles, Governor

Office of Management and Budget

PO Box 110020

Juneau AK 99811-0020

(907) 465-4660, fax 465-3008

To: Senate Finance Committee
Members

Date: May 13, 1999

From: Annalee McConnell *JK for AMC* Subject: HB 40
Director

The departments which would be affected by Senator Green's proposed CS for HB 40 (department consolidation) have prepared the attached impact statements, which detail the administration's concerns with the proposed changes.

If you have any questions, please call me or Jack Kreinheder in my office.

**Department of Labor
Impact Statements in Response to
Senate Finance CS to HB 40**

Date: 5/13/99

Prepared by: Remond Henderson, Director of ASD

Program Area:

Transfer Alaska Labor Relations Agency (ALRA) to Dept. of Administration (DOA)

Impact Analysis:

ALRA was created within the Department of Labor to give the ALRA autonomy and to avoid any appearance of impropriety. One of the Agency's predecessors, the Department of Administration's personnel board, was moved from the Department of Administration because there was a perceived conflict in having the personnel board in the same department as the State's labor relations agency that defends the State in public employee labor disputes.

Since its creation within the Department of Labor, ALRA has enjoyed complete independence in decision-making and administration over Alaska's public labor disputes. There have been no complaints, to our knowledge, by either management or labor that ALRA has some sort of bias because it is part of the Department of Labor. However, if ALRA were moved to DOA, the same concerns that were brought up before could again be raised. In short, it would not be prudent policy to have DOA Labor Relations who represents the State of Alaska in labor disputes, subject to the same supervision as ALRA who decides those disputes.

Program Area:

Transfer Division of Labor Standards & Safety functions to Dept. of Public Safety (DPS) & Dept. of Community & Economic Development (DCED)

Impact Analysis:

Transfer of the Occupational Safety & Health program to DPS is contrary to federal law, 29 CFR 1952.240, which states that the Alaska Occupational Safety & Health program is carried out under the auspice of the Alaska Department of Labor.

Certificate of Fitness licensing functions would no longer be performed by inspection personnel in outlying offices due to the split of Mechanical Inspection licensing and inspection staff between DCED and DPS. Also, without the crossover of these personnel the internal knowledge of proper licensing policies and procedures in the construction trades that currently exist will be lost. For these reasons, DCED and Labor currently share enforcement authority on construction related licenses.

The Alaska Safety Advisory Council functions relate to the promotion of employee safety to reduce accidental death and injury not the enforcement of public protection as is found in DPS. This council more appropriately should reside in Labor or the Department of Health & Social Services. Since it is already in Labor and successfully carries out its functions, no efficiencies are gained by relocating it.

DPS does not have the expertise, historical knowledge and program focus relating to occupational safety and health and mechanical/electrical inspection and enforcement. Also, this plan does not take into consideration the increased demand on DPS administrative services staff for oversight/processing of accounting, personnel, procurement, travel, data processing/programming and other support needs. It is unlikely DPS would be able to absorb the magnitude of this workload with their current infrastructure. In addition there are moving costs, republication of agency paperwork and publications, new space requirements, regulatory changes, reprogramming to segregate current computer programs, etc. (Note: previous plans to co-locate just the Mechanical Inspection Section and the Fire Marshal personnel exceeded \$250.0 in 1987 and was scrapped due to costs.)

This proposal will cost the state more money rather than less, it will reduce program productivity and it will confuse the public with all the changes that would be necessary in transferring the Labor programs to DPS or DCED.

Department of Public Safety
Impact Statement
HB 40
Streamlining Government Services

Bill proposes to:

- ✓ Combine OSHA and all safety inspection functions and safety code adoption authority with the Department of Public Safety's fire safety inspections office, thus creating one consolidated inspection division: "Division of Safety Inspections" in DPS.
- ✓ Transfer Safety Advisory Council to new consolidated "Division of Safety Inspections" in DPS.

Based in the information received from Labor, the functions proposed to be transferred involve 59 employees and 7 office locations throughout the state.

The impacts are as follows:

1. The functions in question are technical specialties that require substantial experience to manage effectively. The Department of Public Safety has "ZERO" experience in these areas. The Division of Motor Vehicles was much more aligned with DPS responsibilities and expertise yet this program was transferred to DOA to give it a level of focus not afforded in DPS. In all likelihood, if these Labor functions were transferred, they would be handled more like a Board or Commission than a line division. Public Safety does not have the unique management expertise in these technical fields to add value to the process. We're good at Police related kinds of things. We would be in a significant learning curve if the Labor programs were transferred.
2. Were these functions to be transferred to the Department of Public Safety, there would be no savings. Typically commissioners are appointed who have career experience in the disciplines their departments are responsible for. In Public Safety's case, Police experience is the primary driver which has almost nothing to do with the proposed functional transfer of Inspections and OSHA. The State Fire Marshal's Office has a nexus with law enforcement due to involvement with arson investigations. With respect to HB 40 recommendations, all Public Safety could be in the short term is an administrative place to house these other programs. The Department would be 100% dependent on the Director transferred from the Department of Labor to run these programs. The Department of Public Safety would provide direction based on general management principles as contrasted with years of accumulated technical knowledge contained in the Department of Labor.
3. If the consolidation is to proceed, the Department of Public Safety has no office space to house 59 new employees. Funding for office space and support costs would be required.

MEMORANDUM

STATE OF ALASKA

Office of the Governor
Office of Management and Budget

To: Michele Brown
Commissioner
Department of Environmental Conservation

Date: May 13, 1999

Phone: 465-4660

From: Annalee McConnell
Director

Subject: HB40 CS

IMPACT STATEMENT: PROPOSED CS for HB 40

The amendments before Senate Finance would affect two aspects of DEC:

- 1) Pesticide registration and
- 2) Meat, Poultry, and Milk processing and the associated activities relating to animal health

Pesticide Registration: DEC is statutorily required to regulate the use of pesticides and broadcast chemicals (primarily oil spill dispersants). As part of this, the department requires that pesticides sold in Alaska be registered with the state. Registration information is used in two ways: one, to fine-tune our certified applicator program and other educational efforts; second, and most importantly, to issue drinking water monitoring waivers for those pesticides that are not sold or used in the state. These waivers can save public water systems literally thousands of dollars each year.

The amendments to HB 40 would give DNR the sole authority to require the registration of pesticides and allow DNR to charge a fee for that registration. Regulation and permitting would remain with DEC.

Splitting the responsibility for pesticide management between two state agencies is not as efficient as the current system. Some registration decisions require subject matter knowledge. For example, the registration may include restrictions such as where the product can be used or the frequency of application. Special local needs are also considered. The fate of the pesticide in the environment, effects on groundwater, and its potential effects on public health and safety all must be considered in these cases. Because the regulatory staff in the pesticide program possess this knowledge, registration decisions may involve two state agencies rather than one, as is the current situation.

This appears to be a mechanism to raise revenues for agriculture. It's interesting therefore to note how small pesticide use is among those in agriculture in Alaska. Only 6% of the current 2,750 pesticide products registered for us in the state are agricultural products. Of the 14 types of applicator certifications we have, only one is for agriculture and less than 15% of the certified

applicators in the state are certified in this category. Finally, EPA specifies less than 5% of our required inspections be of agricultural use.

Meat, Poultry, and Milk Processing and Animal Health Functions: Under the proposed amendment, food safety issues would be split between two agencies. Meat, poultry, and milk processing would be the responsibility of DNR while all other foods would remain with DEC. This will increase the costs of food safety in the state.

Currently, food inspectors are shared between all the food programs. For example, there is a meat processing plant in Kodiak. The Kodiak-based inspector inspects that plant as well as all the seafood processors and other food service businesses in the area. By splitting food safety functions between two agencies, that type of synergy will be lost and state costs will increase.

Laboratory support is also shared between all the food programs. The Food Safety lab is certified by the USDA to conduct the needed testing of meat products and is also certified by FDA to do the same for milk products. There are no other labs in the state so certified.

The costs to industry will also increase. For example, many meat processors also process seafood. Several also have a retail store at the plant. We are currently able to send one inspector to such a facility to review all the food processing, including the retail store (not to mention any water or wastewater inspections that might be needed). Plant personnel accompany inspectors during the inspection, therefore any increased numbers of inspections result in increased costs to the plant.

Finally, splitting this aspect of food safety out from other food programs and moving it to the Division of Agriculture could increase the pressure on the ARLF. The dairy program is underfunded. There is only \$46.8 in general funds in this program (not counting the GF Match for the federal meat and poultry inspection grant). That is not enough to support the dairy program and the state-funded reindeer slaughter program (not to mention the animal health functions). We supplement the activities in these areas through other food and water program activities that are undertaken by these staff. This ability would be lost if the program moves to DNR.

The animal health functions that would move to DNR probably make sense to have in a division of agriculture. The difficulty in Alaska however is that there is not enough of this work to justify a full-time state veterinarian. The current state vet believes this represents a very small percentage of his time (less than 20% and going down each year). There is no budget for this work. Because the meat processing program requires the services of a veterinarian, we are able to employ a full-time state veterinarian using the federal grant and match for the meat program while still having the vet available for the small amount of animal health duties as necessary at no cost to those individuals who use this service.

Department of Commerce and Economic Development
Division of Occupational Licensing
**IMPACT OF TRANSFER OF CERTIFICATE OF FITNESS RESPONSIBILITY
FROM LABOR TO COMMUNITY AND ECONOMIC DEVELOPMENT**
In Work Draft N of SCS CSHB 40()

Section 38 of the work draft (page 35, lines 6-8) assigns responsibility for AS 18.62 to the new Department of Community and Economic Development.

AS 18.62 requires individuals employed in work subject to the state plumbing and electrical codes to obtain certificates of fitness. Issuance of certificates of fitness and enforcement of the certificate law are currently duties of the Office of Mechanical Inspection in the Department of Labor, Division of Labor Standards and Safety.

Transfer of the certificate of fitness program will require the Division of Occupational Licensing to regulate approximately 5,000 plumbers and electricians. The division will process application forms, collect fees, write and administer examinations, write regulations defining the "cause" for which a certificate may be canceled, respond to complaints against certificate holders and inspect to ensure work sites to ensure workers hold certificates.

Expertise

The Division of Occupational Licensing does not have employees with specific plumbing or electrical knowledge. Labor code inspectors have technical knowledge and familiarity with construction job sites. This background has enabled Labor to write certificate of fitness examinations and conduct training workshops for plumbers and electricians. The Division of Occupational Licensing would need comparably skilled employees to continue to provide the services and expertise Labor offers.

Overlap with Other Departments

The Department of Commerce and the Department of Labor currently share the responsibility to enforce the construction contractor licensing law under AS 08.18.116-117. Transfer of mechanical inspection responsibility to the Department of Public Safety may make continued Labor inspections for unlicensed contractors impractical. An amendment deleting Labor from AS 08.18 should be considered.

The reason for shared Labor/Commerce responsibility for contractor enforcement was that Labor had inspectors visiting job sites checking for certificates of fitness, OSHA violations, code compliance, etc. It made sense for Labor to check for contractor licenses in the same visit. With the transfer of most inspection duties to Public Safety, it does not appear Labor will be making regular visits to construction sites.

There is potential for public confusion and conflicting directives when two departments share responsibility for enforcing one law. This potential may increase if a third department, Public Safety, is also making construction site inspections.

In order to avoid overlap and maximize enforcement, Commerce and Labor currently have an agreement under which Labor assumes all construction contractor inspection and enforcement responsibility in exchange for an annual RSA from the Division of Occupational Licensing. The RSA also includes funds for Labor to check job sites for unlicensed electrical and mechanical administrators. The FY 2000 budget includes 200.0 for this RSA, funded with contractor and electrical and mechanical administrator license fees.

The draft bill may make it preferable for Labor to be released from unlicensed contractor enforcement responsibility and Commerce to spend the RSA funds directly on inspectors enforcing both contractor and certificate of fitness laws.

Conforming Technical Amendments are Needed

In order for the Division of Occupational Licensing to administer the certificate program, the program needs to be referenced in the Centralized Licensing statutes in AS 08.01 and the Administrative Procedures Act in AS 44.62.330, and the fees in AS 18.62.030 should be deleted.

◆ Centralized Licensing:

1. Add a new paragraph to AS 08.01.010 to read, "regulation of certificates of fitness under AS 18.62"

This amendment gives the division authority to apply consistent rules to all the occupations we license, specifically regarding application procedures, fee-setting, and citations.

2. Add a new subsection to AS 08.01.087 to read, "If there is no board for an occupation included in AS 08.01.010, the department has the powers regarding that occupation that are placed on the board in this chapter"

This amendment will allow the division to investigate and inspect certificate holders and take the disciplinary actions listed in AS 08.01.075. If the above general amendment is not made, specific amendments should be made to AS 08.01.087(a) and (b) to give the division authority to investigate and issue stop orders.

◆ Administrative Procedures Act:

3. Add a new paragraph to AS 44.62.330(a) to read, "concerning issuance and regulation of certificates of fitness under AS 18.62"

This amendment establishes that APA due process rules govern appeals of decisions made by the department regarding certificates of fitness.

◆ Fees for Certificates:

4. Delete AS 18.62.030 in its entirety.

This amendment will remove the specific fees from statute and allow the division to implement the self-sufficiency mandate in AS 08.01.065(c). Statutory fees for one occupation make it difficult for the division to ensure that no other occupation pays more than its share of division costs.

Fiscal Impact

It is difficult to accurately calculate costs without further discussions with the Department of Labor regarding the program. However, based on limited knowledge, the Division of Occupational Licensing estimates need for the following additional staff and budget:

- ◆ 3 licensing examiners (range 12) to process applications, answer questions and administer examinations.
- ◆ 2 inspectors/investigators (range 18) to respond to complaints against certificate holders and check for certificates at job sites.
- ◆ Funds for plumbing and electrical code training workshops for the public, if the legislature intends Commerce to assume this Labor activity.
- ◆ Travel funds for inspectors to visit sites outside Anchorage and Juneau.
- ◆ Contractual services funds for purchase or development of the exam, exam space rental, printing and communication costs
- ◆ Equipment for the new/transferred staff.
- ◆ Funds to assume Labor's share of unlicensed contractor enforcement responsibility and retention of the 200.0 Commerce RSA if Labor's responsibility for contractor enforcement is deleted from statute as mentioned above.

MEMORANDUM

STATE OF ALASKA

*Department of Administration
Office of the Commissioner*

To: Annalee McConnell
Director
Office of Management & Budget
Office of the Governor

Date: May 12, 1999

From: Bob Poe
Commissioner
Department of Administration

Phone: 465-2200

Subject: Consolidation amendments

This is in response to consolidation amendments relating to HB 40.

The Alaska Labor Relations Agency (ALRA) was originally located in the Department of Administration. In 1982 it was moved to the Department of Labor on the argument that, since ALRA decides issues that arise between the employer (in this case the State of Alaska) and labor unions, it was difficult for them to remain objective while housed in DOA since DOA represented the employer's interest. This single point has not changed. While a possible argument is that they are now housed in a Department that argues on behalf of labor, that department represents labor throughout the state, not just state bargaining units. DOA, on the other hand, does just represent the State of Alaska's interest when it comes to employer/represented-employee disputes. For this reason, we believe ALRA is better left in the Department of Labor.

SENATE FINANCE COMMITTEE

SIGN-IN

HB 40-DEPT OF COMMERCE & RURAL DEVELOPMENT

NAME: Annalee McConnell Subject/Bill No: HB 40
Co./Dept./Title: DMTB Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: ~~Dee Smith~~ Subject/Bill No: _____
Co./Dept./Title: DPS Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Don Ethelidge Subject/Bill No: HB 40
Co./Dept./Title: LABORERS Phone: 5863707
Address: 710 W 9TH ST FUM Zip: 99901

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions