

ALASKA LEGISLATURE

1508

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

SB

124

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/95

FURTHER:

DATE TURNED INTO OFFICE: 4-25-95

The Finance Committee considered **SENATE BILL NO. 124**

"An Act relating to the human services community matching grant program; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- 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 change
- new: SCR^{*}

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steve King</i>	✓	<i>Roll 5 Roll</i>		✓	
<i>Bob Sharp</i>	✓	<i>Deputy Attorney General</i>	✓		
		<i>Paul F. Zierhoff</i>	✓		
<i>Co-Chair: Steve King</i>	✓				
<i>Co-Chair: Rick Halford</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

#1 DHSS	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's bill

#1 3128195
(S)CRA, FIN

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB124

Revision Date: _____
 Title: An Act relating to the human services
community matching grant and providing for effective date.
 Sponsor: Senator Miller
 Requestor: Senate (CRA)

Dept. Affected: Health and Social Services
 BRU: Family and Youth Services
 Component: DFYS Central Office
 COMPONENT SERIAL NO. 259
 See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact to the Department if this bill were to become law.

Prepared by: Kathy Tibbles, Acting Director
 Division: Family & Youth Services
 Approved by Commissioner: Karen Priddy, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-3191
 Date: 01/21/95
 Date: 3/22/95

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Alaska State Legislature

SENATOR

MIKE MILLER

Mailing Address

119 N. Cushman, Suite 101

Fairbanks, Alaska 99701

Ph (907) 488-0862

Fax (907) 488-4271



Senate

Write to Senator

State Capitol

Juneau, Alaska

99801-1482

Ph (907) 465-4976

Fax (907) 465-3883

Senate District Q

SPONSOR STATEMENT SB 124 - Human Services Community Matching Grants

by Senator Mike Miller

Senate Bill 124 would permanently set the local match rate for the Human Services Community Matching Grants Program at 30%.

The Human Services Community Matching Grants Program was created to assist municipalities in providing human services via local non-profit agencies. The statute was structured to increase the local match each year for three consecutive years beginning at 10%, increasing the next year to 30%, and leveling out on the third (FY96) and subsequent years at 50%. Unfortunately the 50% match will be extremely difficult, if not impossible for most local governments to accomplish due to declining municipal assistance & revenue sharing as well as reduced federal funds. In addition, non profits are struggling to obtain contributions at levels similar to those received in past years. It should also be noted that all other state/municipal matching grant programs require a 30% match.

This legislation is modeled after SB 368 from 1994 which received broad support and passed both the House (Y31-N5-E1-A3) and Senate (Y13-N3-E1-A3) but was later vetoed.

I appreciate the committee's consideration of SB 124 and urge your support.



Fairbanks North Star Borough

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1000

M

April 7, 1995

Senator Mike Miller
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Miller,

Thank you for your efforts in introducing SB 124, which maintains the local match for the Human Services Community Matching Grant at 30%.

Similar legislation was introduced last year by Senator Sharp and passed overwhelmingly by the Alaska Legislature. Unfortunately it was vetoed by Governor Hickel.

The Human Services Community Matching Grant Program is of vital importance to Fairbanks and your sponsorship of SB 124 is sincerely appreciated.

Sincerely,

Jim Sampson
Borough Mayor

Post-It® Fax Note	7671	Date	4/13/95
To	Teresa	From	Nanci B.
Co./Dept.	Sen. Miller	Co.	FNSB Clerks
Phone #		Phone #	
Fax #		Fax #	

By: Valerie Therrien
 Introduced: 04/13/95
 Adopted: 04/13/95

RESOLUTION NO. 95-031

A RESOLUTION BY THE FAIRBANKS NORTH STAR BOROUGH SUPPORTING
 PASSAGE OF SENATE BILL 124 OR SIMILAR LEGISLATION WHICH WOULD
 REDUCE THE LOCAL MATCH FOR THE HUMAN SERVICES COMMUNITY MATCH
 PROGRAM FROM 50 PERCENT TO 30 PERCENT

WHEREAS, in 1992 the legislature provided for a program entitled "Human Services Community Match", a program to assist a municipality to provide essential human services through private nonprofit agencies within the municipality. The program provided for a ten percent match the first year, a thirty percent match the second year and a fifty percent grant for all succeeding years; and

WHEREAS, the program is now in its third year and the required match will be fifty percent; and

WHEREAS, all other matching grant programs between the state and municipalities require a maximum of thirty percent match from the municipality; and

WHEREAS, with Federal mandates, State mandates, reduction in Municipal Assistance and Revenue Sharing, and reduced Federal funds, the municipalities entitled to the Human Services Community Grants will be hard-pressed to pay a 50 percent match. At the same time, the organizations and recipients are receiving less funds from all sources. Should the municipalities not be able to fund a 50 percent match, many of the services now offered and necessary, will cease to be provided; and

WHEREAS, a municipality, through its local advisory group is able to accurately determine the needs of a community much better than state officials, thus the local program saves the State thousands of dollars; and

WHEREAS, Senate Bill 124, "relating to the human services community matching grant program; and providing for an effective date", has been introduced in the Alaska State Senate.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly respectfully requests that the Alaska State Legislature adopt Senate Bill 124 or similar legislation and that Governor Tony Knowles approves the legislation.

BE IT FURTHER RESOLVED that the Assembly requests the Interior delegation to work with the Anchorage delegation to secure passage of this legislation which would reduce the matching requirement of the Human Services Community Match Program from 50 percent to 30 percent.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Tony Knowles, Governor, State of Alaska and all members of the Interior Delegation.

PASSED AND APPROVED THIS 13TH DAY OF APRIL, 1995.

Hank Bartos
Hank Bartos
Presiding Officer

ATTEST:

Maria Lisa Drexler CMCIAAE
Maria Lisa Drexler, CMCIAAE
Municipal Borough Clerk

Ayes: Chizmar, Logan, Hackenmiller, Parr, LaSota, St. John, Thermen, Kilgore and Bartos
Noes: None

Fax Transmittal Memo 7672

To SHARON
City SENATOR MILLER'S OFFICE

No of Pages 1 Date 4-20-95 Time 1:55 p.m.
From JANA STOVARSKY
Company CITY OF NORTH POLE
Location
Cost Charge

Fax # 465-3883 Telephone # 465-6892 FAX # 488-3002 Telephone # 484-2281
Original Delivery Return Color

By: Mayor Cunningham
Introduced: October 3, 1994

CITY OF NORTH POLE

RESOLUTION 94-14

A RESOLUTION IDENTIFYING AND PRIORITIZING
CAPITAL IMPROVEMENT REQUESTS FOR FY 1996 THROUGH THE
MUNICIPAL CAPITAL PROJECT MATCHING GRANT PROGRAM - AS 37.06

WHEREAS, the State of Alaska has created a municipal capital project matching grant program, AS 37.06.010, and

WHEREAS, the North Pole City Council has identified and prioritized capital improvement needs for the City of North Pole, and

WHEREAS, the proposed capital projects will improve public safety, will allow the city to plan expansion of its water and sewer systems, and will stimulate the local economy and provide employment opportunities, and

WHEREAS, the Municipal Capital Project Matching Grant Program requires participating municipalities to contribute matching funds equivalent to 15% of the amount of the project.

NOW THEREFORE BE IT RESOLVED that the North Pole City Council will contribute matching funds for the following capital improvement projects prioritized as follows:

1 Preliminary engineering - water and sewer expansion, North Star and Baker Subdivisions	\$102,000
2 North Pole Street Improvements, 1995/1996	\$5,000
3 Public Works/Utility Boom Truck Purchase	25,500
4 Fire Tanker Replacement	199,750
5 Public Safety Equipment Upgrade	17,000
TOTAL CAPITAL IMPROVEMENT PROJECT REQUEST	\$429,250

PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY OF NORTH POLE, ALASKA THIS 3rd DAY OF OCTOBER 1994

ATTEST



Lute M. Cunningham
MAYOR LUTE M. CUNNINGHAM
Jana Stovarsky
JANA STOVARSKY
CITY CLERK

History of Human Services Community Matching Grant

	State Funds	Local Funds	Combined	Notes
FY 1993				no local requirement
Anchorage	\$ 1,656,600	\$ -	\$ 1,656,600	appropriated individually
Fairbanks	300,700	0	300,700	
Total	<u>\$ 1,957,300</u>	<u>\$ -</u>	<u>\$ 1,957,300</u>	
FY 1994				10% match
Anchorage	\$ 1,467,975	\$ 146,798	\$ 1,614,773	proportioned by population
Fairbanks	489,325	48,932	538,257	(per statute)
Total	<u>\$ 1,957,300</u>	<u>\$ 195,730</u>	<u>\$ 2,153,030</u>	
FY 1995				30% match
Anchorage	\$ 1,348,400	\$ 404,520	\$ 1,752,920	appropriated individually; not
Fairbanks	421,200	127,260	548,460	by population
Total	<u>\$ 1,769,600</u>	<u>\$ 531,780</u>	<u>\$ 2,301,380</u>	
FY 1996 - Hickel				50%
Anchorage	not separated by community			would be proportioned
Fairbanks				by population (per statute)
Total	<u>\$ 1,150,200</u>	<u>\$ 1,150,200</u>	<u>\$ 2,300,400</u>	
FY 1996 - Knowles				50%
Anchorage	not yet announced - rumored to be higher			the rumor is that two individual
Fairbanks	than Hickel request			figures will be proposed, not relying
Total				on proportioning after budget passage

The Human Services Community Matching Grants program became effective with FY 1994. It requires allocation of funds as follows:

- AS29.60.620 (a) If the amount of money .. is not adequate..the money shall be allocated proportionately .. based on the relationship the population of each municipality bears to the total population of the qualified municipalities..
- (b) ..population shall be determined by the Dept. of Community & Regional Affairs..

Local match was not required prior to FY 94. Here is the definition of local match:

AS29.60.600 (b)(1)..other sources may include federal or municipal money or money from other private or public sources; in this paragraph "municipal money" includes money derived from appropriations, allocations, entitlements, grants or other payments from the state other than the state grant under this section but does not include locally contributed staff hours, material, equipment or other in-kind contributions..

In FY94, the local match was satisfied by using a United Way grant to one of the sub-grantees.

Linda C. Anderson
Government Consulting

MEMORANDUM

TO: Rep. Pete Kelly
Rep. Gene Therriault

DATE: 2/27/95

FROM: Linda Anderson, FNSB Lobbyist *LA*

RE: Legislation Request: Dept. of Health & Social Services; Human Services
Community Matching Grants

As you may recall, last year the Legislature passed a bill freezing the required amount of local match for Anchorage and Fairbanks's Health & Social Services block grants at 30% local and 70% state general funds. Current law requires the local match to increase to 50% in FY96. The FNSB would again like to request your assistance in passage of legislation to maintain the required local match amount at 30%.

Last June, the Governor vetoed the legislation even though it passed both bodies overwhelmingly and had no negative fiscal impact to the State. Although we are hoping to maintain the FY95 funding level through the Human Services Community Matching Grant Program BRU, the localities will be required to increase their portion significantly this year. In Fairbanks, it means finding an additional \$200,000 - \$300,000.

Municipal Assistance and Revenue Sharing funds have declined by over 50% since 1986 and demands on local government funds, not unlike state funds, are infinite. It is the goal of the FNSB to make the 30% match in order to secure the state funds to allow the community to receive needed social services through local providers. These funds are competitively awarded to local non-profits. This method of providing social services in the Borough has proven to be extremely cost effective. The Borough is seriously concerned about their ability to increase the local share by 20% in FY96.

Additionally, requiring the Borough to provide 50% of the state funds in order to receive any funding is inconsistent with requirements placed on all other BRU's in the Health & Social Services operating budget. The FNSB has made a significant effort to contribute local funds. In previous years, Anchorage and Fairbanks received "block grants" through their own BRU's with no match requirement. This transition has been made and the local commitment is there, however, if current law prevails and the 50% local match cannot be fully met, the community will receive none of the state funds. Further, Anchorage and Fairbanks now jointly participate in one BRU: Human Services Community Matching Grants. The 70/30 participation is also consistent with the capital budget Municipal Matching Grant Program which was implemented last session.

Thank you for responding at your earliest convenience. I am aware of the House legislation deadlines and would hope to have the bill introduced this week. I will be in Fairbanks at 474-9463 (fax 479-9113) through Friday. The FNSB will be meeting in a work session and this legislation will be discussed at that time.

Municipality
of
Anchorage



P.O. Box 196650
Anchorage, Alaska 99510-6650
Telephone: (907) 843-4431
Fax: (907) 843-4991

Rick Mystrom, Mayor

OFFICE OF THE MAYOR

April 24, 1995

Senator Rick Halford
Alaska State Legislature
Juneau, Alaska 99801-1182

Re: Senate Bill No. 124

Dear Senator Halford:

The Municipality of Anchorage supports Senate Bill 124.

From 1989 and 1992, local nonprofits in Anchorage experienced a series of cuts in the annual Social Services Block Grant Allocation from the State. Those cuts have put a severe strain on the Anchorage nonprofits human services system at a time when the demand for service, particularly in the homeless population, has increased dramatically. Furthermore, the persons served by these programs are generally those who can least afford to lose the services. They include low-income women, children, senior citizens and the homeless.

Senate Bill 124 will leave the local match at the same level as is currently required, allowing the local nonprofits to more effectively leverage their limited resources.

I urge your support of this important bill.

Sincerely,

A handwritten signature in black ink, appearing to read "RM", is written over a faint, larger version of the signature.

Rick Mystrom
Mayor

Alaska State Legislature

SENATOR

MIKE MILLER

Mailing Address:

119 N. Cushman, Suite 101

Barbanks, Alaska 99701

Ph: (907) 488-0852

Fax: (907) 488-4271



Senate

Write or Fax to:

State Capitol:

Juneau, Alaska

99801-1182

Ph: (907) 465-3976

Fax: (907) 465-3883

Senate District: 0

SPONSOR STATEMENT SB 124 - Human Services Community Matching Grants

by Senator Mike Miller

Senate Bill 124 would permanently set the local match rate for the Human Services Community Matching Grants Program at 30%.

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This legislation is modeled after SB 368 from 1994 which received broad support and passed both the House (Y31-N5-E1-A3) and Senate (Y13-N3-E1-A3) but was later vetoed.

I appreciate the committee's consideration of SB 124 and urge your support.



Official Business

Alaska State Legislature

SENATE

State Capitol
Juneau, Alaska 99801-1182
(907) 465-3701

April , 1993

MEMO TO FILE

TO: Finance Committee

BILL/RES. NO.: SENATE BILL NO. 124
"An Act relating to the human services community matching grant program; and providing for an effective date."

ATTENTION: Nancy, Joyce, Heidi
Senate Secretary's Office

This bill/resolution has not yet received a do pass recommendation.

Leave this note in the file.

Thank you.

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/10/95

FURTHER: Finance

John

Date of 5-Day Notice: 3/30/95
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/12/95

CRA Committee considered SB 124

Human services community matching grant program; efd.

Φ/504

and recommends:

- be replaced with _____ CS _____
- 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 <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>T. Kelly</i>	<input checked="" type="checkbox"/>		
		<i>John H. ...</i>	<input checked="" type="checkbox"/>		
CHAIR: <i>John ...</i>			<input checked="" type="checkbox"/>		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

<i>Head Start</i>	<i>7/22/95</i>	<input checked="" type="checkbox"/>	
<i>Success</i>			

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SB

130

HFIN

FILE

FINANCE COMMITTEE REPORT

(11)

Date Referred: May 4, 1995

FURTHER REFERRALS:

Date of Committee Action: 5/6/95

The FINANCE Committee considered:

CSSB 130(RLS)

CS FOR SENATE BILL NO. 130(RLS)

MARINE PILOTS

"An Act relating to marine pilots and the Board of Marine Pilots; extending the termination date of the Board of Marine Pilots; and providing for an effective date."

recommends it be replaced with the following committee substitute CSSB 130 (RLS) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____

fiscal note(s) DCED 4/19/94

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Richard J. Foster</i>	FOSTER	X			
<i>Mark Hanley</i>	Hanley	X			
<i>Alvin Mulder</i>	Mulder	X			
<i>Terry Martin</i>	Martin	X			
<i>Sean Pannell</i>	Pannell	X			
<i>Vic Kohnig</i>	Kohnig	X			
<i>Tom Grussendorf</i>	Grussendorf	X			
<i>Tom Brown</i>	Brown			X	
<i>Kelly</i>	Kelly	X			
<i>Gene Theriault</i>	Theriault	X			

CO-CHAIR'S SIGNATURE

Mark Hanley
Hanley

Richard J. Foster
FOSTER

FISCAL NOTE

CS for
BILL NO. SB 130 (Rules)

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: May 1, 1995

Department: Commerce and Economic Development

Title: An Act relating to manne pilots and the

BRU: Occupational Licensing

Board of Marine Pilots:....

Component: Operations

Sponsor: Senator Pearce

Requestor: Senator Pearce

COMPONENT SERIAL #: 1844

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	74.1	74.1	74.1	74.1	74.1	74.1
TRAVEL	24.7	24.7	24.7	24.7	24.7	24.7
CONTRACTUAL	62.7	137.7	62.7	62.7	62.7	62.7
SUPPLIES	0.6	0.6	0.6	0.6	0.6	0.6
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	162.1	237.1	162.1	162.1	162.1	162.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	6.6	382.2	6.6	307.2	6.6	307.2
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	162.1	137.7	162.1	162.1	162.1	162.1
1006 GF/MHTIA						
Other						
TOTAL	162.1	137.7	162.1	162.1	162.1	162.1

Estimate of any current year (FY 95) cost: \$ 0.0

POSITIONS

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SB 130 extends the Board of Marine Pilots to June 30, 1999 and make other amendments to the marine pilot act, AS 08.62. The costs and anticipated revenue shown above are included in the division's FY 98 operating budget request. A one time increment in the operating budget is reflected in the FY 97 column above. Fees would have to be reviewed prior to the next renewal in FY 97 to ensure full costs of the program are covered by licensing fees. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Admin. Officer
Division: Occupational Licensing

Phone: 465-2144
Date: May 1, 1995

Approved by Commissioner: William L. Hensley
Agency: Commerce and Economic Development

Date: May 1, 1995

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Senator Drue Pearce

May 1, 1995

Page 2

Section 6 of the bill adds a new section (AS 08.62.046) establishing the procedures for adoption of ~~new~~ and revised rates for pilotage services and for review and approval or disapproval of rates that are subject to objections from the maritime industry. The board shall provide copies of a schedule of rates to registered agents in the state.

Section 7 of the bill adds a new subsection to AS 08.62.050 to authorize the marine pilot coordinator to review applications for examination and licensure.

Section 8 of the bill amends AS 08.62.080(b) to allow marine pilots to be temporarily licensed for more than one pilotage region under certain limited situations when there is an actual or imminent shortage of pilots in a pilotage region.

Section 9 of the bill amends AS 08.62.090(b) to require the Department of Commerce and Economic Development to prescribe the form of, and information required in, applications for marine pilot licenses.

Section 10 of the bill amends AS 08.62.093(b) makes clarifying amendments to the requirements for a deputy marine pilot license and authorizes a person to obtain a deputy marine pilot license through four years of experience in an apprentice program.

Section 11 of the bill amends AS 08.62.093(d) to allow a deputy marine pilot to pilot vessels of up to 25,000 gross tons.

Section 12 of the bill amends AS 08.62.097(b) to allow, under certain limited situations, a deputy marine pilot to supervise the training of persons seeking a deputy marine pilot license.

Section 13 of the bill amends AS 08.62.120(a) to require that a licensed marine pilot be engaged in the provision of pilotage services during at least 120 days in a year in order to renew the license.

Section 14 of the bill amends AS 08.62.150(a) in order to conform with provisions relating to rates that were added by secs. 6 and 18 of the bill.

Section 15 of the bill amends AS 08.62.155(b) in order to provide that the board may fine a pilot organization for violating AS 08.62 and may suspend or revoke recognition of a pilot organization that no longer satisfies the requirements for recognition by the board.

Section 16 of the bill amends AS 08.62.165(a) to reduce the of situations in which the limitation on liability for damages caused by a marine pilot would not apply.

Section 17 of the bill amends AS 08.62.175(c) by amending the duties of pilot organizations.

Senator Drue Pearce

May 1, 1995

Page 3

Section 18 of the bill adds new subsections to AS 08.62.175 in order to allow pilot organizations ~~to~~ enter into agreements for the provision of pilotage services with representatives of a vessel and to require a pilot organization to dispatch a licensed pilot when requested by the representative of a vessel.

Section 19 of the bill amends AS 08.62.180 by changing provisions that exempt certain vessels from the mandatory pilotage requirements under AS 08.62.

Section 20 of the bill provides for the transition from the current eligibility requirements for members of the Board of Marine Pilots to the new eligibility requirements established by sec. 2 of the bill.

Section 21 of the bill provides for the transition from the current process for setting rates for pilotage services to the new procedures established by sec. 6 of the bill.

Section 22 of the bill repeals AS 08 62.093(c), relating to the definition of "years of service", which is not needed.

Section 23 of the bill provides that the bill takes effect immediately under AS 01.10.070(c).

GU:klb

95-314.klb

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

P.O. BOX 110800
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2500
FAX: (907) 465-5442

May 1, 1995

The Honorable Drue Pearce
President of the Senate
State Capitol
Juneau, AK 99801-1182

Dear Madam President:

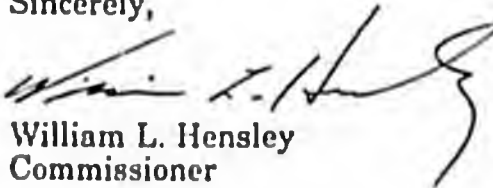
Marine pilotage continues to be a controversial subject. Senate Bill (SB) 130 is a bill which extends the Board of Marine Pilots and contains numerous housekeeping changes to the Marine Pilotage Act of 1991. In addition, this bill creates a pilot apprenticeship program that allows entry into the pilotage profession to otherwise qualified persons who may not have had access to the prerequisite maritime career opportunities.

After exhaustive negotiations among representatives of pilot groups, the shipping industry, the Department of Commerce and Economic Development, and the Department of Law, all parties have agreed to the rate setting and dispute resolution mechanism as written in Section 6 of the CS for SB 130 (RULES).

These changes should reduce the litigation surrounding the administration and enforcement of the marine pilotage system, and further the state's interest in preventing the loss of lives and property and the protection of the marine environment.

The Department of Commerce and Economic Development fully supports the CS for SB 130 (RULES) as written.

Sincerely,



William L. Hensley
Commissioner

WLH/sh059.co
050195a

cc: Pat Pourchot, Legislative Director
Representative Gary Davis

TO: ALL LEGISLATORS

FROM: ALASKA STATE PILOTS ALLIANCE
ALASKA STEAMSHIP ASSOCIATION

RE: MARINE PILOTAGE LEGISLATION

DATE: May 1, 1995

We are writing this letter to indicate our mutual support of the Rules Committee CS for SB130. This legislation is the result of extensive negotiations between pilot associations, the shipping industry, and the Department of Commerce and Economic Development.

The bill was also improved in the legislative committee process including language to establish an apprenticeship program which will assist Alaskans wishing to enter the marine pilotage profession without compromising high training and experience requirements.

We urge you to adopt this legislation in its current form.

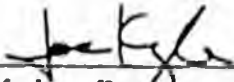
The Alaska State Pilots Alliance includes the following organizations:

Alaska Coastwise Pilots
Southeast Pilots Association
Southwest Alaska Pilots Association
Alaska Marine Pilots


The Alaska Steamship Association includes the cruise ship industry, cargo shippers, and petroleum and chemical shippers.

Two pilot associations which are not members of the Pilots Association, the Western Alaska Pilots Association and the Kuskokwim Pilots have also endorsed this bill. The Department of Commerce has also indicated its strong support of this legislation. We are not aware of anyone in the private sector who opposes this bill in its present form.

We would appreciate your support of the Rules CS for SB130



Joe Kyle, Representative
Alaska Steamship Association



Eric Eliassen, President
Alaska State Pilots Alliance

Alaska State Legislature



During Interim:

716 West 4th Avenue, Suite 500
Anchorage, Alaska 99501-2133
(907) 258-8185
Fax (907) 258-0226

During Session:

State Capitol
Juneau, Alaska 99801-1182
(907) 465-4993
Fax (907) 465-3872

Drue Pearce
President of the Senate

Sponsor Statement for Senate Bill 130

Senate Bill 130 is designed to extend the Board of Marine Pilots and to provide housekeeping changes to the Marine Pilotage Act of 1991 aimed at reducing the level of litigation surrounding the marine pilotage industry and providing a stable regulatory environment for determining rate for pilotage services.

This legislation is the result of extensive negotiations and compromises between pilots, the shipping industry and the administration

This legislation is supported in its current form by all of these groups.

The passage of Senate Bill 130 will ensure that the health, safety, and welfare of the Alaska people are met through the state's regulation and oversight of marine pilotage.

**DIVISION OF LEGAL 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 1, 1995

SUBJECT: Sectional Summary of CSSB 130(RLS); An Act relating to marine pilots and the Board of Marine Pilots and extending the termination date of the Board of Marine Pilots.

TO: Senator Drue Pearce, President
Alaska State Senate

FROM: George Utermohle *GU*
Legislative Counsel

You have requested a sectional summary of CSSB 130(RLS); An Act relating to marine pilots and the Board of Marine Pilots and extending the termination date of the Board of Marine Pilots.

A sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill amends AS 08.03.010(c)(13) in order to extend the termination date of the Board of Marine Pilots until 1999.

Section 2 of the bill amends AS 08.62.010 by changing some of the qualifications for certain members of the Board of Marine Pilots.

Section 3 of the bill amends AS 08.62.040(a) by requiring the board to approve rates for pilotage services.

Section 4 of the bill amends AS 08.62.040(b) by modifying provisions of the drug and alcohol testing program for marine pilots and authorizing the board to establish regulations governing the procedures for the review of rates for pilotage services.

Section 5 of the bill adds a new subsection to AS 08.62.040 providing that the board may delegate duties to the marine pilot coordinator.

SB

130

SFIN

FILE

S B-130
whole Billfile

for Deana Johnson (586-2210)

4-25-96, after 11:00 a.m.

She should call around 11:00
to see if it's workable.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/19/95

FURTHER:

DATE TURNED INTO OFFICE: 4-29-95

The Finance Committee considered SENATE BILL NO. 130

Marine pilots and the Board of Marine Pilots; extending the termination date of the Board of Marine Pilots; efd.

*CS Jerth-
Comins*

and recommends:

be replaced with CS SB 130 (Fin)

adopt previous CS _____

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to the _____ Committee

House Bill:
 same title
 technical change
 new: SCR# _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>Steve Ni</i>	✓		
		<i>Bob E. Allen</i>	✓		
		<i>Walter Douglas</i>	✓		
		<i>Paul [unclear]</i>	✓		
		<i>Bob [unclear]</i>	✓		
Co-Chair: <i>Rita Hatford</i>					
Co-Chair: <i>[unclear]</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

#1	DC+ED	3/12/95	162.1

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's bill

No. 1

Bill Version: SB 130

(S) Publish Date: 4/19/95

FISCAL NOTE

BILL

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: March 17, 1995 Department: Commerce and Economic Development
 Title: An Act relating to marine pilots and the BRU: Occupational Licensing
 Board of Marine Pilots:..... Component: Operations
 Sponsor: Senator Pearce
 Requestor: Senator Pearce COMPONENT SERIAL #: 1844

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	
PERSONAL SERVICES	74.1	74.1	74.1	74.1	74.1	74.1	
TRAVEL	24.7	24.7	24.7	24.7	24.7	24.7	
CONTRACTUAL	62.7	137.7	62.7	62.7	62.7	62.7	
SUPPLIES	0.6	0.6	0.6	0.6	0.6	0.6	
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0	
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	162.1	237.1	162.1	162.1	162.1	162.1	
CAPITAL EXPENDITURES							
CHANGE IN REVENUES	6.6	392.2	6.6	307.2	6.6	307.2	

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 General Fund							
1005 GF/Program Receipts	162.1	137.7	162.1	162.1	162.1	162.1	
1006 GF/MHTIA							
Other							
TOTAL	162.1	137.7	162.1	162.1	162.1	162.1	

Estimate of any current year (FY 95) cost: \$ 00

POSITIONS

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SB 130 extends the Board of Marine Pilots to June 30, 1999 and make other amendments to the marine pilot act, AS 08 62. The costs and anticipated revenue shown above are included in the division's FY 96 operating budget request. A one time increment in the operating budget is reflected in the FY 97 column above. Fees would have to be reviewed prior to the next renewal in FY 97 to ensure full costs of the program are covered by licensing fees. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler Admin Officer Phone: 465-2143
 Division: Occupational Licensing Date: 3/16/95
 Approved by Commissioner: William L. Hensley Date: 3/2/95
 Agency: Commerce and Economic Development

PREPARER TO PROVIDE A
For further dist

S LEGISLATIVE OFFICE
ative Office

April 29, 1995

TO: LEGAL SERVICES

FROM: NORMA STRICKLAND, SECRETARY
SENATE FINANCE COMMITTEE
EXT. 4935

SUBJECT: CSSB 130

REQUEST FINAL FOR CSSB 130 (FIN) TO INCLUDE AMENDMENT THAT STATES "PEOPLE WHO HAVE AN ALASKAN PILOTAGE LICENSE CANNOT BE LICENSED ELSEWHERE".

THE INTENT IS TO RULE OUT THOSE WHO HAVE PILOTAGE LICENSE OUTSIDE THE STATE OF ALASKA.

WORK DRAFT: 9-LS0851-R; DRAFTER: UTERMOHLE, DATE 4/29/95.

PLEASE CALL TO CONFIRM THAT YOU HAVE RECEIVED THIS MESSAGE. FINAL COPY IS NEEDED FOR TOMORROW'S SENATE MEETING.

THANK YOU,

NORMA STRICKLAND

Norma Strickland

Adopted + Donley Amend.

WORK DRAFT

WORK DRAFT

WORK DRAFT

4-29-95

9-LS0851VR ✓

Utermohle

4/29/95

CS FOR SENATE BILL NO. 130()

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): SENATOR PEARCE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to marine pilots and the Board of Marine Pilots; extending the
2 termination date of the Board of Marine Pilots; and providing for an effective
3 date."

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

5 • Section 1. AS 08.03.010(c)(13) is amended to read:

6 (13) Board of Marine Pilots (AS 08.62.010) -- June 30, 1999 [1994];

7 • Sec. 2. AS 08.62.010 is amended to read:

8 Sec. 08.62.010. CREATION AND MEMBERSHIP OF BOARD. There is
9 created the Board of Marine Pilots. It consists of two pilots licensed under this
10 chapter who have been actively engaged in piloting on vessels subject to this chapter,
11 two registered agents or managers of vessels subject to this chapter who are actively
12 engaged in the procurement of pilotage services, two public members in accordance
13 with AS 08.01.025, and the commissioner or the commissioner's designee. Not more
14 than one pilot and one registered agent or manager may [SHALL] be from any one

1 pilotage region established by the board. Not more than one registered agent or
2 manager may be employed by, be a contractor for, or hold a financial interest in
3 the same marine industry business entity, including commonly owned, affiliated,
4 or subsidiary business entities [JUDICIAL DISTRICT]. All members of the board
5 shall be residents of the state.

6 • Sec. 3. AS 08.62.040(a) is amended to read:

7 (a) The board shall

8 (1) provide for the maintenance of efficient and competent pilotage
9 service on the inland and coastal water of and adjacent to the state to assure the
10 protection of shipping, the safety of human life and property, and the protection of the
11 marine environment;

12 (2) consistent with the law, adopt regulations, subject to AS 44.62 (
13 THE] Administrative Procedure Act ((AS 44.62)), establishing the qualifications of
14 and required training for pilots and providing for the examination of pilots and the
15 issuance of original or renewal pilot licenses to qualified persons;

16 (3) keep a register of licensed pilots, licensed deputy pilots, and agents;

17 (4) adopt regulations establishing

18 (A) pilotage regions in the state;

19 (B) the criteria for concurring in the amount of license,
20 application, training, investigation, and audit fees proposed by the department
21 under AS 08.01.065;

22 (C) the criteria for recognizing pilot organizations under
23 AS 08.62.175;

24 (5) make available, upon request, copies of this chapter and the
25 regulations adopted under this chapter;

26 (6) review and approve the articles, bylaws, and rules of pilot
27 organizations;

28 (7) audit a pilot organization or an individual pilot as necessary to
29 implement and enforce this chapter;

30 (8) review and approve training programs conducted by pilot
31 organizations; the board shall cooperate with the Department of Environmental

1 Conservation in the review and approval of training programs for pilots of tank
2 vessels; [AND]

3 (9) establish and publish the dates of future license examinations; and

4 (10) approve or disapprove rates for pilotage services as provided
5 under AS 08.62.046.

6 * Sec. 4. AS 08.62.040(b) is amended to read:

7 (b) The board may, by regulation, make any other provision for proper and
8 safe pilotage upon the inland and coastal water of and adjacent to the state and for the
9 efficient administration of this chapter, including establishing

10 (1) different licensing criteria for a pilotage region if justified by
11 regional differences in piloting;

12 (2) a mandatory [RANDOM] drug and alcohol testing program,
13 including random tests, post-incident tests, and tests based upon reasonable cause,
14 for pilots licensed under this chapter; the board may delegate responsibility for
15 administration of all or a portion of a testing program to pilot organizations;

16 (3) criteria for trainee selection and for training programs conducted by
17 pilot organizations; [AND]

18 (4) standards under which a pilot may receive a license or an
19 endorsement to a license to pilot vessels in more than one pilotage region under
20 AS 08.62.080(b); and

21 (5) procedures for the review of proposed rates by the board under
22 AS 08.62.046.

23 * Sec. 5. AS 08.62.040 is amended by adding a new subsection to read:

24 (e) The board may delegate duties to the marine pilot coordinator as necessary
25 to assist the board in administering and enforcing this chapter.

26 * Sec. 6. AS 08.62 is amended by adding a new section to read:

27 Sec. 08.62.046. RATES FOR PILOTAGE SERVICES. (a) A pilot
28 organization recognized by the board shall adopt and publish rates for the provision
29 of pilotage services. The pilot organization shall adopt rates for pilotage services as
30 provided under this section. Notwithstanding this section, a pilot organization may
31 enter into agreements with the master, owner, operator, or agent of a master, owner,

1 or operator, of a vessel for the provision of pilotage services at rates of compensation
2 that are different from the rates adopted under this section. Unless a pilot organization
3 has an agreement with the master, owner, operator, or agent of a master, owner, or
4 operator, of a vessel that sets rates for the provision of a pilotage service, the pilot
5 organization may not charge a rate for the provision of the pilotage service to the
6 vessel that is different from the rate adopted or established under this section.

7 (b) If a pilot organization intends to adopt a new or revised rate for the
8 provision of a pilotage service, the pilot organization shall, before October 15, send
9 a notice of intent to adopt a rate for provision of the pilotage service to the board and
10 to all registered agents and publish the notice on at least three days during a period of
11 14 consecutive days in a newspaper of general circulation in the state. The notice of
12 intent to adopt a rate must include a copy of the proposed rate and the name and
13 mailing address of the pilot organization that intends to adopt the rate. If no objection
14 to the proposed rate is filed with the board under (c) of this section, the rate takes
15 effect on January 1 of the year following the year in which notice of the intent to
16 adopt the rate was filed with the board.

17 (c) The master, owner, operator, or agent of the master, owner, or operator, of
18 a vessel required to employ a pilot under this chapter may object to the proposed rate
19 for a specific pilotage service by filing a written notice of objection, containing the
20 grounds for the objection and relevant evidence demonstrating that the rate is not
21 reasonable, with the board within 60 days after the final date of publication of the
22 proposed rate in a newspaper of general circulation. The pilot organization that
23 proposed the rate has until 15 days after the close of the period for filing objections
24 to the proposed rate to provide its written response to the notice of objection and
25 relevant evidence demonstrating that the rate is reasonable. If the pilot organization
26 does not respond to the notice of objection by the close of the 15-day period for
27 response to the objection, the board may not take action on the proposed rate and the
28 proposed rate does not take effect. If the pilot organization does respond to the notice
29 of objection before the close of the response period, the board shall hold a hearing to
30 determine whether the proposed rate is reasonable. If the board finds that the proposed
31 rate is reasonable, the rate is approved and takes effect retroactive to January 1 of the

1 calendar year in which the rate would have taken effect under (b) of this section if no
2 objection had been filed. If the board finds that the proposed rate is not reasonable,
3 the proposed rate is disapproved and does not take effect. In determining what
4 constitutes a reasonable rate, the board shall consider the following factors:

5 (1) current and historical rates charged for comparable pilotage
6 services;

7 (2) the actual time aboard the vessel, time engaged in preparing to
8 provide the pilotage services, seasonal and weather conditions, and risks;

9 (3) the reasonable expenses incurred in providing the pilotage services
10 such as dispatch, transportation, overhead, and other associated expenses;

11 (4) the financial effect of pilotage expenses on the owner of the vessel,
12 except that this factor shall only be considered if the owner provides all financial
13 information that the board determines is necessary to determine the financial effect;

14 (5) the number of vessels and volume of pilotage services at issue in
15 the dispute and the number of members of the pilot organization;

16 (6) the effect of the determination on the income of affected pilots
17 relative to prior years, taking into account changes in vessel tonnage and vessel traffic
18 in the pilotage region from year-to-year;

19 (7) prior determinations under this subsection; and

20 (8) other factors the board considers relevant.

21 (d) Pending the review and approval of the proposed rate for a specific
22 pilotage service by the board under (c) of this section, the current rate then in effect
23 for that pilotage service remains in effect until the board approves the proposed rate.
24 If the proposed rate approved by the board is greater than the current rate, then the
25 master, owner, or operator of the vessel or the vessel is liable for the payment of the
26 additional amount owed for the provision of pilotage services during the pendency of
27 the review by the board due to retroactive application of the approved rate under (c)
28 of this section. If the proposed rate is less than the current rate, then the pilot
29 organization is liable to the master, owner, or operator of the vessel or the vessel for
30 reimbursement of the amount overpaid for the provision of pilotage services during the
31 pendency of the review by the board due to the retroactive application of the approved

1 rate under (c) of this section.

2 (c) If the board finds under (c) of this section that a proposed rate is not
3 reasonable, the pilot organization may propose a new rate for that pilotage service
4 within 60 days after the decision of the board is issued by sending a notice of intent
5 to adopt a rate for provision of the pilotage service to the board and to all registered
6 agents and publishing the notice on at least three days during a period of 14
7 consecutive days in a newspaper of general circulation in the state. The notice of
8 intent to adopt a rate must include a copy of the proposed rate and the name and
9 mailing address of the pilot organization that intends to adopt the rate. If a timely
10 objection to the proposed rate is not filed with the board under (c) of this section, the
11 rate takes effect retroactive to January 1 of the same calendar year in which the initial
12 rate proposed under (b) of this section would have taken effect if no objection had
13 been filed. If a timely objection is filed, the provisions of (c) and (d) of this
14 subsection apply to the proposed rate.

15 (f) The board shall provide a schedule of current rates adopted and interim
16 rates established under this section to agents registered under AS 08.62.187.

17 • Sec. 7. AS 08.62.050 is amended by adding a new subsection to read:

18 (c) In addition to other duties as may be assigned by the board, the marine
19 pilot coordinator may review applications for examination and licensure to ascertain
20 whether the applicant satisfies the applicable requirements.

21 • Sec. 8. AS 08.62.080(b) is amended to read:

22 (b) A pilot may not be licensed in more than one pilotage region^{at} at one time
23 (.) unless the commissioner [BOARD] determines that an actual or imminent
24 shortage of licensed pilots exists in a [IT IS IN THE BEST INTERESTS OF THE
25 STATE TO LICENSE PILOTS FOR PARTS OF MORE THAN ONE] pilotage region.
26 If the commissioner makes the determination described in this subsection, the
27 board may, after consultation with the recognized pilot organizations and
28 registered agents in the affected pilotage region, issue temporary licenses for the
29 affected pilotage region to pilots who already hold a license for another pilotage
30 region. The board shall ensure that sufficient pilots are available to provide
31 pilotage services in the affected pilotage region to all vessels required to employ

1 a pilot under this chapter. A temporary license issued under this subsection is
2 valid for a period of not more than one year.

3 * Sec. 9. AS 08.62.090(b) is amended to read:

4 (b) The application shall provide the information and be made on a form
5 prescribed by the department [BOARD].

6 * Sec. 10. AS 08.62.093(b) is amended to read:

7 (b) A person who applies for a deputy marine pilot license under this chapter
8 shall provide proof satisfactory to the board of the following experience:

9 (1) one year of service as a master on ocean or coastwise vessels while
10 holding a United States Coast Guard license as master of ocean steam or motor
11 vessels of any gross tons;

12 (2) two years of service as a master on United States Coast Guard
13 inspected vessels of not less than 1,000 gross tons or tug and tow of not less than
14 1,600 combined gross tons while holding at least a United States Coast Guard [A]
15 license as master of steam or motor vessels of not more [LESS] than 1,600 gross
16 tons;

17 (3) two years of service as a chief officer on ocean or coastwise vessels
18 of not less than 1,600 gross tons while holding a United States Coast Guard license
19 as master of ocean steam or motor vessels of any gross tons;

20 (4) two years of service as commanding officer of United States
21 commissioned vessels of not less than 1,600 gross tons and hold a United States
22 Coast Guard [WHILE HOLDING A] license as master of ocean steam or motor
23 vessels of any gross tons; [OR]

24 (5) three years of experience as a member of a professional pilot's
25 organization, during which the person actively engaged in piloting while holding at
26 least a United States Coast Guard license as a master of steam or motor vessels
27 [FREIGHT OR TOWING VESSEL] of not more than 1,600 gross tons; or

28 (6) four years of experience gained in a board approved deputy
29 marine pilot apprenticeship program in the pilotage region for which the deputy
30 marine pilot license is sought and hold at least a United States Coast Guard
31 license as master of steam or motor vessels of not more than 1,600 gross tons.

1 * Sec. 11. AS 08.62.093(d) is amended to read:

2 (d) A person licensed as a deputy marine pilot under this section may, except
3 as otherwise provided by the board, pilot vessels of 25,000 [20,000] gross tons or less
4 in a marine pilotage region for which the license is issued.

5 * Sec. 12. AS 08.62.097(b) is amended to read:

6 (b) A person who supervises the training of persons who are seeking a deputy
7 marine pilot license under this chapter shall

8 (1) hold a marine pilot license issued under AS 08.62.100; however,
9 if the board finds that there are no marine pilots licensed in a pilotage region who
10 are available to supervise training under this section, the board may authorize a
11 person who is licensed in that pilotage region as a deputy marine pilot to
12 supervise the training of persons who are seeking a deputy marine pilot license
13 in that pilotage region;

14 (2) receive prior authorization from the board to supervise the training
15 of those persons;

16 (3) maintain a written log and evaluation on a form provided by the
17 board of the training and progress of the person being supervised.

18 * Sec. 13. AS 08.62.120(a) is amended to read:

19 (a) In order to renew a marine pilot license, a person who is licensed under
20 AS 08.62.100 shall

21 (1) submit an application for renewal of the license on a form provided
22 by the department [BOARD];

23 (2) submit proof of continued qualification under AS 08.62.100 to
24 receive a marine pilot license;

25 (3) provide evidence of satisfactory completion of a physical
26 examination by a licensed physician within 60 days before the date of renewal of the
27 license;

28 (4) submit proof satisfactory to the board that the person has

29 (A) engaged in piloting vessels subject to this chapter in the
30 marine pilotage region for which the license is to be renewed during at least
31 120 days [60 DAYS OF EACH CALENDAR YEAR] in the licensing period

1 immediately preceding the licensing period for which renewal is sought; or

2 (B) completed the minimum number of familiarization trips
3 required by the board for renewal of a marine pilot license for a marine
4 pilotage region for which the license is to be renewed.

5 * Sec. 14. AS 08.62.150(a) is amended to read:

6 (a) The board shall impose a disciplinary sanction on a person licensed under
7 this chapter when the board finds that the person

8 (1) is incompetent in the performance of pilotage duties;

9 (2) is chemically impaired;

10 (3) illegally possesses, uses, or sells narcotic or hallucinogenic drugs;

11 (4) makes a false statement to obtain a license;

12 (5) violates a provision of this chapter or a regulation adopted under

13 this chapter [IT];

14 (6) is guilty of misconduct during the course of employment;

15 (7) has had the person's United States Coast Guard pilot license
16 conditioned, suspended, or revoked; or

17 (8) charges, collects, or receives an amount for pilotage services that
18 is different from the rate adopted or established under AS 08.62.046 or the rate
19 agreed to under AS 08.62.175(e) [IN EXCESS OF THE MAXIMUM TARIFF
20 ESTABLISHED BY THE BOARD OR DIFFERENT FROM THE TARIFF
21 ADOPTED] by the pilot organization of which the person is a member.

22 * Sec. 15. AS 08.62.155(b) is amended to read:

23 (b) The board [DEPARTMENT] may impose a civil fine not to exceed \$5,000
24 on a marine pilot organization recognized by the board [,] if the organization violates
25 this chapter or a regulation adopted under this chapter. The board may also suspend
26 or revoke the recognition of a pilot organization that fails to comply with its
27 articles, bylaws, and rules, so as to no longer satisfy the minimum standards for
28 recognition by the board.

29 * Sec. 16. AS 08.62.165(a) is amended to read:

30 (a) A pilot licensed under this chapter is not liable for damages in excess of
31 \$250,000 per incident for damages or loss occurring as a result of the error, omission,

1 fault, or neglect of the pilot in performing pilotage services, except that the limitation
2 does not apply in a case where

3 (1) the pilot is either grossly negligent or guilty of wilful misconduct;

4 or

5 (2) the error, omission, fault, or neglect of the pilot constitutes an act
6 for which the board shall impose a disciplinary sanction under AS 08.62.150(a)(2) or
7 (3) [AS 08.62.150(a)(1), (2), (3), (5), (6), OR (7)].

8 * Sec. 17. AS 08.62.175(c) is amended to read:

9 (c) A pilot organization recognized by the board shall

10 (1) promote a safe and reliable system of marine pilotage for the region
11 in which the organization is recognized;

12 (2) provide for the dispatch of pilots who are members of the
13 organization;

14 (3) adopt and revise rates [TARIFFS] for the provision of pilotage
15 services not covered by an agreement under (e) of this section [BY THE
16 MEMBERS OF THE ORGANIZATION];

17 (4) subject to the membership application and approval provisions
18 contained in the articles and bylaws of the organization, be open to membership
19 by all persons licensed under this chapter to pilot vessels in the pilotage region in
20 which the organization is recognized;

21 (5) operate or participate in a training program for pilots and deputy
22 pilots that is approved by the board; a training program for deputy pilots may
23 include a deputy marine pilot apprenticeship program approved by the board;

24 (6) cooperate with and assist the board in implementing this chapter;

25 (7) by February 1 of each year, submit a report to the board that
26 includes information on the status of training and apprenticeship programs, the
27 number of members of the pilot organization who are state residents, and other
28 information requested by the board.

29 * Sec. 18. AS 08.62.175 is amended by adding a new subsection to read:

30 (c) A pilot organization recognized by the board may enter into agreements
31 with the master, owner, operator, or agent of a master, owner, or operator, of a vessel

1 concerning the terms and conditions under which the pilot organization will provide
2 pilotage services.

3 (f) A pilot organization recognized by the board shall dispatch a person who
4 is licensed under this chapter and who is a member of the organization to provide
5 pilotage services upon the request of a representative of a vessel required to employ
6 a pilot under AS 08.62.160.

7 * Sec. 19. AS 08.62.180 is amended to read:

8 Sec. 08.62.180. EXEMPTIONS. This chapter does not apply to

9 (1) vessels subject to federal pilot requirements under 46 U.S.C. 8502
10 except as provided in AS 08.62.185;

11 (2) fishing vessels, including fish processing and fish tender vessels,
12 registered in the United States or in British Columbia, Canada;

13 (3) vessels propelled by machinery and not more than 65 feet in length
14 over deck, except tugboats and towboats propelled by steam;

15 (4) vessels of United States registry of less than 300 gross tons and
16 towboats of United States registry and vessels owned by the State of Alaska, engaged
17 exclusively

18 (A) on the rivers of Alaska; [.] or

19 (B) in the coastwise trade on the west or north coast of the
20 United States including Alaska and [.] Hawaii, and including British
21 Columbia, Yukon Territory, and Northwest Territories, Canada;

22 (5) vessels of Canada, built in Canada and manned by Canadian
23 citizens [INCLUDING CANADIAN CRUISE SHIPS], engaged in frequent trade
24 between

25 (A) British Columbia and Southeastern Alaska south of 58
26 degrees, 10 minutes North latitude, if reciprocal exemptions are granted by
27 Canada to vessels owned by the State of Alaska and those of United States
28 registry; or

29 (B) northern Alaska north of 68 degrees, 7 minutes North
30 latitude and Yukon Territory or Northwest Territories; [AND]

31 (6) pleasure craft of United States registry; and

1 (7) pleasure craft of foreign registry of less than 300 gross tons as
2 measured under 46 C.F.R. 69.51 - 69.75.

3 * Sec. 20. TRANSITION; APPOINTMENTS. (a) Notwithstanding AS 08.62.010, as
4 amended by sec. 2 of this Act, the current members of the Board of Marine Pilots shall
5 continue to serve for the term to which they were appointed.

6 (b) As the terms of the current marine pilot members and current agent or manager
7 members of the Board of Marine Pilots expire, the governor shall appoint marine pilot
8 members and agent or manager members to the board in accordance with the qualifications
9 set out in AS 08.62.010, amended by sec. 2 of this Act.

10 (c) In this section, the current members of the board are those persons serving on the
11 Board of Marine Pilots on the day before the effective date of this Act.

12 * Sec. 21. TRANSITION; RATES. (a) Pending the adoption of rates under AS 08.62.046,
13 added by sec. 6 of this Act, the rates for the provision of pilotage services are equal to the
14 maximum tariffs established by 12 AAC 56.210, 12 AAC 56.220, 12 AAC 56.230, and 12
15 AAC 56.240, as those regulations read on the day before AS 08.62.045 was repealed.

16 (b) Pending the adoption of rates under AS 08.62.046, added by sec. 6 of this Act,
17 if a rate for a specific pilotage service is not established by (a) of this section, the Board of
18 Marine Pilots may establish the rate for that pilotage service by emergency regulation under
19 AS 44.62.

20 (c) The establishment of rates under (a) and (b) of this section does not create a
21 presumption that the rates are either reasonable or unreasonable under AS 08.62.046, as added
22 by sec. 6 of this Act.

23 (d) For the purposes of AS 08.62.046(d), added by sec. 6 of this Act, the rates
24 established by (a) and (b) of this section are the current rates.

25 (e) Notwithstanding other provisions of this section, a pilot organization that has an
26 agreement with the master, owner, operator, or agent of a master, owner, or operator, of a
27 vessel may charge rates established by the agreement for the provision of pilotage services that
28 are different from the rates established by this section.

29 (f) Unless a pilot organization has (1) an agreement with the master, owner, operator,
30 or agent of a master, owner, or operator, of a vessel that sets rates for the provision of a
31 pilotage service; or (2) adopted rates under AS 08.62.046, as added by sec. 6 of this Act, that

1 have taken effect, the pilot organization may not charge a rate for the provision of the pilotage
2 service that is different from the rate established under (a) or (b) of this section.

3 (g) Each pilot organization recognized by the Board of Marine Pilots shall propose
4 for adoption on January 1, 1996, rates for the provision of all pilotage services offered by the
5 pilot organization.

6 * Sec. 22. AS 08.62.093(c) is repealed.

7 * Sec. 23. This Act takes effect immediately under AS 01.10.070(c).

SENATE FINANCE COMMITTEE

4-27-95
RP
adand

Amendment Number: 1
Bill Number: SB 130
Sponsor: Sharp Date: 4/27/95
Logged In By: JFR

9-LS(792)O.5
Utermohle
4/26/95

Adopted
4-3

AMENDMENT

OFFERED IN THE HOUSE
CS SB 130 (RES)
TO: ~~CSHD 160 (TRA)~~

1 Page 7, after line ⁶29:

2 Insert new material to read:

3 "(g) A pilot organization recognized by the board shall dispatch a person who
4 is licensed under this chapter and who is a member of the organization to provide
5 pilotage services upon the request of a representative of a vessel required to employ
6 ^{INSERT} a pilot under AS 08.62.160.

7 ^{NEW} • Sec. ¹⁸19. AS 08.62 is amended by adding a new section to read:

8 Sec. 08.62.178. DISPUTE RESOLUTION. (a) If a pilot organization
9 required to dispatch a pilot under AS 08.62.175(g) cannot reach an agreement with
10 the representative of the vessel who requested the pilotage services as to compensation
11 for the pilotage services provided, either party may request the board to appoint a
12 mediator to assist in the determination of reasonable compensation for the services
13 provided. Upon receiving a request for assistance in resolving the dispute, the board
14 shall designate a person from within or from outside the department to mediate the
15 dispute. The cost of the mediator shall be borne equally by the parties. If the
16 mediator concludes that the dispute will not be resolved through mediation, the
17 mediator shall notify the board of the mediator's conclusion.

18 b) If the mediator has informed the board that the parties to a dispute
19 regarding compensation for pilotage services will not resolve the dispute by mediation,
20 either party may request the superior court to appoint an arbitrator. The court shall
21 appoint the arbitrator from a list of persons provided by the parties. The cost of the
22 arbitration proceedings shall be borne equally by the parties. Except as provided in
23 this subsection, the arbitration proceeding is subject to AS 09.43.010 - 09.43.180. The
24 arbitrator shall resolve the dispute and determine what constitutes reasonable
25 compensation for the services provided. In determining what constitutes reasonable

1 compensation, the arbitrator shall consider the following factors:

2 (1) current and historical rates charged for comparable pilotage
3 services in the state;

4 (2) the actual time aboard the vessel, time engaged in preparing to
5 provide the pilotage services, seasonal and weather conditions, and risks;

6 (3) the reasonable expenses incurred in providing the pilotage services
7 such as dispatch, transportation, overhead, and other associated expenses;

8 (4) the financial effect of pilotage expenses on the owner of the vessel,
9 except that this factor shall only be considered if the owner provides all financial
10 information that the arbitrator determines is necessary to determine the financial
11 effect;

12 (5) the number of vessels and volume of pilotage services at issue in
13 the dispute;

14 (6) the effect of the determination on the income of affected pilots
15 relative to prior years, taking into account changes in vessel tonnage and vessel traffic
16 in the pilotage region from year-to-year;

17 (7) prior determinations under this subsection; and

18 (8) in the case of a determination as to future pilotage services, the
19 time period stipulated to by the parties, if any, during which the pilotage services are
20 to be provided.

21 Renumber the following bill sections accordingly.

Revising 18 and

SENATE FINANCE
COMMITTEE

Amendment Number: 2

Bill Number: SB130

Sponsor: Rieger Date: 4/27/95

Logged In By: HR

AMENDMENT

9-LS0792\O.4

Utermohle

4/24/95

4/27/95

SR

moved

Failed

3-32

SR
RP
DD

BS
SF

RI did not
will
draw.

OFFERED IN THE HOUSE

TO: CSHB 260(TRA)

- 1 Page 2, line ¹⁸ ~~18~~:
2 Delete "a license or"
3 Insert "[A LICENSE OR]"

- 4 Page 2, lines ¹⁹⁻²⁰ ~~20~~ - ~~21~~:
5 Delete "more than one pilotage region under AS 08.62.080(b)"
6 Insert "a specific port or waterway that is located outside of the pilotage region
7 in which the pilot is licensed [MORE THAN ONE PILOTAGE REGION]"

- 8 Page 2, line ³⁰ ~~31~~. through page 3, line ⁹ ~~20~~:
9 Delete "[,] unless the commissioner [BOARD] determines that an actual or
10 imminent shortage of licensed pilots exists in a [IT IS IN THE BEST INTERESTS OF
11 THE STATE TO LICENSE PILOTS FOR PARTS OF MORE THAN ONE] pilotage region.
12 If the commissioner makes the determination described in this subsection, the board
13 may, after consultation with the recognized pilot organizations in the affected pilotage
14 region, issue temporary licenses for the affected pilotage region to pilots who already
15 hold a license for another pilotage region. The board shall ensure that sufficient pilots
16 are available to provide pilotage services in the affected pilotage region to all vessels
17 required to employ a pilot under this chapter. A temporary license issued under this
18 subsection is valid for a period of not more than one year."

- 19 Insert "however, the board may issue an endorsement to a license authorizing
20 a pilot to pilot ^{certain} vessels in a specific port or waterway that is located outside of the
21 pilotage region in which the pilot is licensed [, UNLESS THE BOARD DETERMINES
22 THAT IT IS IN THE BEST INTERESTS OF THE STATE TO LICENSE PILOTS FOR
23 PARTS OF MORE THAN ONE PILOTAGE REGION]."

4/30/95
Advised by Val
that Sen. Donley
does not like
amendment language
in Sec. 9.

9-LS0851U

pk
Hold on bill for
another CS.

CS FOR SENATE BILL NO. 130(FIN)
LEGISLATURE OF THE STATE OF ALASKA
TEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR PEARCE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to marine pilots and the Board of Marine Pilots; extending the
2 termination date of the Board of Marine Pilots; and providing for an effective
3 date."

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

5 * Section 1. AS 08.03.010(c)(13) is amended to read:

6 (13) Board of Marine Pilots (AS 08.62.010) -- June 30, 1999 [1994];

7 * Sec. 2. AS 08.62.010 is amended to read:

8 Sec. 08.62.010. CREATION AND MEMBERSHIP OF BOARD. There is
9 created the Board of Marine Pilots. It consists of two pilots licensed under this
10 chapter who have been actively engaged in piloting on vessels subject to this chapter,
11 two registered agents or managers of vessels subject to this chapter who are actively
12 engaged in the procurement of pilotage services, two public members in accordance
13 with AS 08.01.025, and the commissioner or the commissioner's designee. Not more
14 than one pilot and one registered agent or manager may [SHALL] be from any one

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

4-30-95
Sen. Donley
did not
like amend.
language.

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

MEMORANDUM

April 30, 1995

SUBJECT: CSSB 130(FIN), An Act relating to marine pilots

TO: Senator Rick Halford, Co-chair
Senate Finance Committee

FROM: George Utermohler *GU*
Legislative Counsel

The Senate Finance Committee has passed out a Committee Substitute for SB 130 with a conceptual amendment to the effect that a marine pilot licensed by Alaska cannot hold a marine pilot license issued by another state or another country.

The amendment has been incorporated into the Committee Substitute as a new bill section (sec 9) amending AS 08.62.080 by adding a new subsection (d) which provides "[n]otwithstanding any other provisions of this chapter, a person who is licensed as a marine pilot under this chapter may not hold a marine pilot license issued in another state or country."

Please be aware that the amendment is potentially subject to challenge under the state and/or federal constitutions. The amendment may be challenged on the grounds that it violates either:

- (1) equal protection by prohibiting an otherwise qualified person from receiving a pilot license because the person holds a pilot license from another state,
- (2) due process by denying a currently licensed marine pilot the right to renew his/her pilot license because he/she also holds a license in another state,
- (3) the federal right to travel because it prevents a person who is licensed in another state from coming to Alaska to become a marine pilot without first giving up his/her current pilot license, or
- (4) the federal privileges and immunities clause, to the extent that the amendment serves to bar nonresidents of the state from becoming marine pilots in Alaska.

As a general rule, the ability of the amendment to withstand such challenges as these will depend significantly on the ability of the state to establish a sufficiently close relationship between the prohibition against holding other pilot licenses and an important state purpose. Ensuring the safety of human life and property and the protection of shipping is an important state purpose and may justify a provision as contained in the amendment, but the relationship

Senator Rick Halford

April 30, 1995

Page 2

between this purpose and the means used by the amendment to achieve that result must be sufficiently close, if the amendment is to survive a challenge

If I may be of further assistance, please advise

GU klb

95-313 klb

Enclosure

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 130 (RES)

Page 6. after line 29:

Insert new material to read:

(5) by February 1 of each year, submit a report to the board that shall include information on the status of training and apprenticeship programs, the number of the organization's members who are Alaska residents, and other information that may be requested by the board.

Renumber accordingly

4/27/95
pm Meeting

Language
voiced by

Sen. Sharoff

No action
taken.

The Bd. shall
provide for
overlapping
regions when it
is in the best
interest of local
communities.

4-27-95
Bruce
Weyhrauch

AMENDMENT TO HB 230 (L&C)

Sec. 08.62.176. MANDATORY PILOTAGE. Whenever a pilot is requested by a vessel subject to this chapter, a pilot organization shall dispatch a pilot to the vessel and pilotage shall be provided.

Sec. 08.62.177. DISPUTE RESOLUTION. If a pilot organization required to dispatch a pilot under AS 08.62.176 cannot reach an agreement with the representative of a vessel who required the pilot services as to compensation for the pilotage services provided, then either party may request the board to mediate the disagreement in order to assist in the determination of reasonable compensation for the services provided to the vessel or the companies' vessels. If requested to mediate a disagreement, the board shall recommend reasonable compensation for the services provided. The recommended compensation shall apply to all vessel's operated by a single company to avoid disparate compensation for similar pilot services for each of the companies' vessels. In making a recommendation, the board shall consider, among other factors, current and historical rates for pilotage services on the pacific rim and the west coast of the United States.

TONY KNOWLES, GOVERNOR

DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

P O BOX 110800
JUNEAU, ALASKA 99811-0800
PHONE (907) 465-2500
FAX (907) 465-5442

April 12, 1995

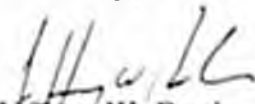
The Honorable Drue Pearce
President of the Senate
State Capitol
Juneau, AK 99801-1182

Dear Madame President:

Marine pilotage continues to be a controversial subject. Senate Bill (SB) 130 is a bill which extends the Board of Marine Pilots, and contains numerous housekeeping changes to the Marine Pilotage Act of 1991. These changes should reduce the litigation surrounding the administration and enforcement of the marine pilotage system. Therefore, SB 130 will further the state's interest in preventing the loss of lives and property, and the protection of the marine environment.

The Department of Commerce and Economic Development fully supports SB 130.

Sincerely,


Jeffrey W. Bush
Deputy Commissioner

JWB/DT/t624.ol
041295a

cc: Pat Pourchot, Legislative Director
Office of the Governor

The Honorable Gary L. Davis
House of Representatives

Alaska State Legislature



During Interim

715 West 4th Avenue, Suite 500

Anchorage, Alaska 99501-2133

Phone (907) 258-8185

Fax (907) 258-0226

During Session

State Capitol

Juneau, Alaska 99801-1182

Phone (907) 465-4993

Fax (907) 465-3872

Drue Pearce
President of the Senate

Sponsor Statement for Senate Bill 130

This bill is designed to extend the Board of Marine Pilots and to provide housekeeping changes to the Marine Pilotage Act of 1991 aimed at reducing the level of litigation surrounding the Marine Pilotage industry.

The bill also provides for a "deputy marine pilot apprenticeship program" to allow an alternative avenue of entry into the pilotage profession to otherwise qualified candidates who may not have had access to the maritime career opportunities required under current law.

Senate Bill 130 addresses some additional concerns of both pilots and agents, such as limitation of liability, cross regionalization, and clarifying the pilot association's ability to enter into agreements with shippers for the provision of pilotage.

The passage of Senate Bill 130 will ensure that the health, safety, and welfare of the Alaska people are maintained through the State's regulation and oversight of marine pilots.

Senate Bill 130 - Marine Pilots
Summary of changes in CS (9-LS0851\K)

Page 1 Section 2

This section addresses the creation and membership of the board of marine pilots. There were some concerns that the agent representatives who sit on the board were not necessarily active agents. This section clarifies that a person being considered for an agent seat on the board must be currently active in the procurement of pilotage services and registered with the state.

It further clarifies that the two agents appointed to the board may not be employed by, be a contractor for, or hold a financial interest in the same or related marine industry business entity.

Page 2 Section 6

In the original bill the word "chronic" was used to help describe the situation that must occur before the commissioner of commerce could issue temporary licenses to pilots from different regions. The Department of Commerce was concerned the word chronic would cause interpretive problems when trying to assess pilot shortage situations.

Page 3 Section 8

The addition of the words "United States Coast Guard inspected" better defines vessels that qualify for entry level experience and hold applicants to a higher safety level in documenting their experience.

Page 6 Section 14

Additional language in this section is a conforming amendment to the establishment of apprenticeship programs found in section 8 of this bill.

Page 7 Section 16

This is a new section added to allow pilot organizations to enter into agreements with industry. The original bill mandated this practice.

Page 7 Section 17

Adds an exemption from state pilotage requirements for Canadian vessels operating out of the Canadian Arctic and servicing Alaska north slope communities.

SB-130

Sectional Analysis

Section 1 amends AS 08.03.010(e)(13) to extend the existence of the Alaska Board of Marine Pilots four years from the effective date of this bill.

Section 2 amends AS 08.62.010, Creation and Membership of the Board, to tie the residence of members of the Board to state pilotage regions, rather than judicial districts. The use of judicial districts in existing law was probably chosen for administrative convenience, but the boundaries of the state's judicial districts bear no relationship to the state's pilotage regions. If the goal is diversified and representative membership on the Board, it makes more sense to tie membership to pilotage regions. At present there are four such regions; the boundaries of the regions are established by regulation (12 AAC 56.021).

Section 3 amends AS 08.62.040, Powers and Duties of the Board, in two ways. Subsection (b)(2) is amended to clarify the Board's existing authority to require licensed marine pilots to participate in a drug and alcohol testing program, to clarify the scope of the required program, and to make it clear that the Board may delegate the administration of all or part of the program to pilot organizations. AS 08.62.040(b)(4) is amended to cross reference changes to AS 08.62.080(b).

Section 4 amends AS 08.62.040, Powers and Duties of the Board, to add a new subsection (e) to explicitly authorize the Board to delegate duties to the marine pilot coordinator as necessary to carry out the Board's functions under AS 08.62. This ability to delegate tasks to its staff is essential for the Board's efficient operation, and is implicit in existing law; the addition of this language is a clarification, not a change.

Section 5 amends AS 08.62.050, Marine Pilot Coordinator, to add a new subsection (c), which clarifies the authority of the marine pilot coordinator to perform administrative tasks, including the review of applications for marine pilot examination and licensure. The requirements to qualify for examination and licensure are established by statute and by Board regulations, and this language would not change that.

Section 6 amends AS 08.62.080(b) to better define under what circumstances the board may grant a marine pilot license for parts of more than one pilotage region.

Section 7 amends AS 08.62.090, Applications, to clarify that the Department of Commerce and Economic Development (Department) may revise application forms (to comply with revised Board regulations, for example) without being required to convene a Board meeting to obtain formal Board approval of the revised form. The actual requirements for licensure are set by statute and by the Board, and this amendment would have no effect on that.

Section 8 amends AS 08.62.093, Qualifications for Deputy Marine Pilot License, in several ways. Subsection (b) contains numerous technical amendments intended to clarify the types of marine

licenses that an applicant must hold to meet the requirements for licensure as a state deputy marine pilot. These changes would conform state law to the language used on U.S. Coast Guard licenses. New paragraph (b)(6) establishes an additional method of qualifying for licensure as a deputy marine pilot, a five-year "apprenticeship" program. This change would allow entry into the pilot profession by otherwise qualified mariners who may not have had the opportunity to gain the "sea time" needed under current law. Due to the continuing decline in the number of U.S. flagged and crewed vessels in the maritime industry in recent years, opportunities to gain sea time as the master or chief mate of a vessel have substantially decreased. Most pilotage systems in the world have such apprenticeship programs, and they are recommended by the American Pilots Association, The International Organization of Masters, Mates and Pilots, and the National Research Council in its recent national pilotage study Minding the Helm. The requirements of the new program would be established by the Board through regulation.

Section 9 amends AS 08.62.093(d), Qualification for Deputy Marine Pilot License, to increase the size of vessels that a deputy marine pilot may pilot from 20,000 to 25,000 gross tons. This is a "housekeeping" amendment which recognizes the increasing size of newer vessels and the removal of smaller aging vessels from service.

Section 10 amends AS 08.62.097 Training Programs for Deputy Marine Pilot License, to address a problem in current law as it applies to the Kuskokwim River pilotage region (Region 4). Under AS 08.62.097(b), a pilot authorized to train deputy marine pilot candidates must hold an unlimited pilot's license under AS 08.62.100. There is no marine pilot in the Kuskokwim River Region who meets this requirement, in part because of a lack of sufficient larger tonnage vessel traffic in that region. So, technically, there is no one qualified to train deputy pilots in that region. This is obviously an unacceptable situation, as no new pilots can be developed in that region if no training can occur. This problem arose as the result of the creation of Region 4 in 1993, after the 1991 Marine Pilotage Act was adopted. The problem is addressed by the addition of language allowing a qualified, experienced deputy marine pilot to train other deputy marine pilots in a region where no qualified marine pilots exist.

Section 11 amends AS 08.62.120, Renewal of Licenses, to allow license renewal forms to be revised by the Department without the necessity of formal Board approval. This change mirrors that made in AS 08.62.090; see section 7, above. AS 08.62.120(a)(4)(A) is amended to allow a marine pilot to renew his license if he has piloted a total of 120 days in the preceding license period (two years). Present law requires that a pilot have piloted vessels for at least "60 days of each calendar year", and allows no flexibility for the renewal of the license of a pilot who may have piloted vessels for less than 60 days in one year, but more than that in the next calendar year. The current statute seems to be unnecessarily restrictive.

Section 12 amends AS 08.62.150, Denial, Revocation, or Suspension, to delete a reference in paragraph (a)(8) to the maximum tariff established by the Board. The Board's authority to establish maximum tariffs expired on June 30, 1994 (former AS 08.62.045), so this is a necessary conforming amendment.

Section 13 amends AS 08.62.155, Disciplinary Sanctions, to eliminate an error in the language of

the existing law, and make it clear that it is the Board, not the Department, that may impose a civil fine on a marine pilot organization for violations of the law. A new sentence is added to subsection (b) to make it clear that, in addition to a fine, the Board may (under certain serious conditions) also revoke its recognition of a pilot organization. This language mirrors an existing Board regulation: 12 AAC 56.320. Thus, this is not a change to existing law, but a clarification to it.

Section 14 amends AS 08.62.165, Limitation of Liability, to protect pilots from the loss of their liability cap for relatively minor infractions of the pilotage statutes or regulations.

Section 15 amends AS 08.62.175(c)(3), Regional Marine Pilot Organizations, to clarify the pilot association's ability to enter into agreements with shippers for the provision of pilotage services. Subsection (c)(4) is amended to allow pilot association to establish membership application and approval criteria in their board approved articles and bylaws.

Section 16 amends AS 08.62.180, Exemptions, to clarify the types and size of foreign flagged "pleasure craft" that are exempt from pilotage requirements under existing law. This is a technical amendment that would help to clear up questions regarding which foreign vessels registered in their flag state as pleasure craft are required to obtain the services of a state marine pilot and which are not. The new language cross-references to international measurement standards established in federal law.

Section 17 Transition. This section is added to provide a smooth transition to the membership of the Board of Marine Pilots in light of changes made to board composition in section 2.

Section 18 repeals AS 08.62.093(e). The term "years of service" is not defined in 46 C.F.R. 10; it does not make sense to "cross-reference" to a definition that does not exist. The Board has adopted regulations clarifying how creditable service under AS 08.62.093 is to be calculated.

Section 19. Effective date. This section provides for an effective date of this bill. This special effective date is needed to ensure that there is no interruption in the existence of the Board of Marine Pilots.

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/14/95

FURTHER: Finance

full

Date of 5-Day Notice: 3-15-95
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-19-95

Resources Committee considered SB 130

Marine pilots; extending the termination date of the Board of Marine Pilots; etd.

and recommends:

- be replaced with CS SB 130 (YES)
- 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>Tom Louce</i>	<input checked="" type="checkbox"/>	<i>Tom H. H.</i>	<input checked="" type="checkbox"/>		
<i>John L. Taylor</i>	<input checked="" type="checkbox"/>	<i>James R. ...</i>	<input checked="" type="checkbox"/>		
<i>Chair: ...</i>	<input checked="" type="checkbox"/>				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
<i>C-ED</i>	<i>3/17</i>		<i>162-1</i>

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SB

131

SFIN

FILE

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/15/95

FURTHER: Finance

YWR Date of 5-Day Notice: 3/16/95
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3-22-95

Labor and Commerce Committee considered SB 131

Investments by fiduciaries.

phi

and recommends:

- be replaced with _____ CS _____
- 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 <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>Mark Miller</i>	✓		
		<i>John Foreman</i>	✓		
		<i>John Dunbar</i>	✓		
		<i>Judith E. Sato</i>	✓		
CHAIR: <i>T. Kelly</i>	X				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Commerce & Economic Dev.	3/21/95	✓	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SB 131


The department supports the passage of SB 131. Passage of this bill would bring Alaska in line with Northwest States in terms of common trusts, activity with affiliates, and use of mutual funds.

Section 1 (AS 06.35.010) updates Alaska law to allow the use of common trust established by either itself or its affiliates. In the situation in interstate banking, this will allow the use of an affiliate's trust departments outside the state. These provisions are found in both Washington and Oregon and in line with the Revised Uniform Common Trust Fund Act.

Section 4 (AS 13. New Chapter 90). This will allow the fiduciary the latitude to use defined mutual funds as investments and recognizes that affiliate's proprietary mutual funds are acceptable.

The department endorses the intent of the bill to update Alaska law and provide management the tools to service their trust customers.

The department expects that there will be no additional cost to regulating this industry should this legislation pass.



William L. Hensley, Commissioner

Date: April 18 1995

SENATE FINANCE COMMITTEE REPORT

DATE: 3/22/95

FURTHER:

DATE TURNED INTO OFFICE: 4-21-95

The Finance Committee considered SENATE BILL NO. 131

"An Act relating to investments by fiduciaries."

and recommends:

- be replaced with _____ CS _____
- 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 change
 new: SCR _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	
<i>Steve Rupp</i>	✓	<i>Roll E. Roll</i>	✓		
		<i>1. ...</i>	✓		
		<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
Co-Chair:		<i>[Signature]</i>			
Co-Chair:		<i>[Signature]</i>	✓		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

#1 SC+ED	7/95	0	

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's Budget

FISCAL NOTE

*1

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 131

Revision Date: _____
 Title: Investments by Fiduciaries
 Sponsor: Senate Labor & Commerce
 Requestor: _____

Department Affected: Commerce and Economic Development
 BRU: Banking, Securities and Corporations
 Component: Banking, Securities and Corporations
 COMPONENT SERIAL NO. 1239

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF Program Receipts	0	0	0	0	0	0
1006 GF-MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 95) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Willa F. Kirkpatrick, Director
 Division: Banking, Securities and Corporations
 Approved by Commissioner: William L. Hermann
 Agency: Commerce and Economic Development

Phone: 465-2521
 Date: _____
 Date: 3/21/95

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APR 1 11 REC'D

Sponsor Statement SB 131

"Relating to investments by fiduciaries."

SB 131 seeks changes to the Alaska Code that will enhance the ability to invest Alaska trust customers money. The changes sought by SB 131 will allow investments in mutual funds and expand usage of common funds.

The involved sections of Alaska law and the changes proposed by SB 131 are outlined below.

AS 06.35.010 The changes to this section will allow an Alaska bank or trust company to use common trust funds that may be established by either itself or its affiliates. This would expand potential investment opportunities for the Alaskan consumer and would bring the current statutes more in line with the Revised Uniform Common Trust Fund Act. Commingling of trust fund investments in common funds is recognized as a cost efficient method of achieving diversification and minimizing risk for all fiduciary accounts while maintaining lower costs for the customer.

AS 13.90.010 This new section will be added to provide that a fiduciary may invest customer funds in mutual funds and in proprietary mutual funds. A proprietary mutual fund is one that is also managed by the fiduciary.

The use of mutual funds is widely recognized under other states laws. Mutual funds represent an efficient method of achieving diversification, better liquidity, and minimizing risk for fiduciary accounts.

AS 13.46.113(b) This section has been amended to allow investments for custodians within the custodial relationship where permitted in the custodian's discretion.

AS 13.60.060(b) This section is amended to expand investments for custodians within the custodial relationship.

SB

132

SFIN

FILE

Amend #1 RH - Duty-free time Adopted
RP p. 3 Delete Sec. 7 - Adopted
Amend #1-A Adopted
Amend re: Judicial Review - Adopted
Amend #4 Adopted (interest)
Amend #3 Adopted

9-LS0838\K

Draft
CS FOR SENATE BILL NO. 132(JUD) ~~Fin~~

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 4/11/95
Referred: Finance

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to teacher tenure, teacher layoff and rehire rights, review of
2 decisions of school boards concerning teachers, and to a retirement incentive
3 program for employees of school districts and regional educational attendance
4 areas; repealing the requirement for duty-free mealtime for teachers in certain
5 school facilities; and providing for an effective date."

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

7 • Section 1. AS 14.20.147(b) is amended to read:

8 (b) When a school operated by a federal agency is transferred to or absorbed
9 into a new or existing school district, the teachers shall also be transferred if mutually
10 agreed by the teacher or teachers and the school board of the new or existing district.
11 A teacher transferred from a federal agency school ~~that~~ [WHICH] does not have an
12 official salary schedule or teacher tenure in the same manner as a public school district
13 in the state [] shall be placed on a position on the salary schedule of the absorbing

1 district; the salary may not be less than the teacher would have received in the federal
2 agency school. If the teacher taught five [TWO] or more years in the federal agency
3 school and, at the time of transfer, had a valid Alaska teaching certificate, that teacher
4 shall be placed on tenure in the absorbing district.

5 * Sec. 2. AS 14.20.150 is amended to read:

6 Sec. 14.20.150. ACQUISITION OF TENURE RIGHTS. (a) A teacher
7 acquires tenure rights in a district when the teacher

8 (1) possesses a standard teaching certificate;

9 (2) has been employed as a teacher in the same district continuously
10 for five [TWO] full school years and is reemployed for the school year immediately
11 following the five [TWO] full school years.

12 (b) The tenure rights acquired under (a) of this section become effective on the
13 first day the teacher performs teaching services in the district during the school year
14 immediately following the five [TWO] full school years.

15 * Sec. 3. AS 14.20.160 is amended to read:

16 Sec. 14.20.160. LOSS OF TENURE RIGHTS. Tenure rights are lost when the
17 teacher's employment in the district is interrupted or terminated. However, a teacher
18 on layoff status does not lose tenure rights during the period of layoff except as
19 provided (by regulation adopted under AS 14.20.177. *delete Amend 1-A Adopted*

20 * Sec. 4. AS 14.20.175(b) is amended to read:

21 (b) A teacher who has acquired tenure rights is subject to nonretention for the
22 following school year only for the following causes:

23 (1) incompetency, which is defined as the inability or the unintentional
24 or intentional failure to perform the teacher's customary teaching duties in a
25 satisfactory manner;

26 (2) immorality, which is defined as the commission of an act that,
27 under the laws of the state, constitutes a crime involving moral turpitude; or

28 (3) substantial noncompliance with the school laws of the state, the
29 regulations or bylaws of the department, the bylaws of the district, or the written rules
30 of the superintendent; OR

31 (4) A NECESSARY REDUCTION OF STAFF OCCASIONED BY A

1 DECREASE IN SCHOOL ATTENDANCE].

2 * Sec. 5. AS 14.25 is amended by adding a new section to read:

3 Sec. 14.20.177. LAYOFFS. (a) A school district may place a teacher who has
4 acquired tenure rights on layoff status but only if it is necessary for the district to
5 reduce the number of teachers

6 (1) because of a decrease in school attendance or school district
7 revenue; or

8 (2) to better meet the academic program needs of the district.

9 (b) The department shall adopt regulations to establish

10 (1) procedures under which a district may lay off tenured teachers;

11 (2) the length of time that a teacher retains rehire rights after a layoff;

12 (3) the circumstances under which a teacher may lose rehire rights after
13 a layoff; and

14 (4) other provisions to implement this section.

15 * Sec. 6. AS 14.20.205 is amended to read:

16 Sec. 14.20.205. JUDICIAL REVIEW. If a school board reaches a decision
17 unfavorable to a tenured teacher, the tenured teacher is entitled to appeal the
18 decision to [A DE NOVO TRIAL IN] the superior court. The scope of judicial
19 review shall be the same as an appeal from a decision of an administrative agency
20 under AS 44.62 Administrative Procedure Act. A [HOWEVER, A] teacher who
21 is not tenured [HAS NOT ATTAINED TENURE RIGHTS] is not entitled to judicial
22 review under [ACCORDING TO] this section.

RP
Adopted
Deletion

23 ~~Sec. 7. AS 23.40 is amended by adding a new section to read:~~

24 ~~Sec. 23.40.185. SCHOOL DISTRICT NEGOTIATIONS OPEN TO THE~~
25 ~~PUBLIC. Negotiations between a school district or regional educational attendance~~
26 ~~area and a bargaining organization representing its employees shall be conducted at~~
27 ~~meetings that are open to the public.~~

28 * Sec. 8. FINDINGS AND PURPOSE OF RETIREMENT INCENTIVE PROGRAM.

29 Many school districts are facing the need to restructure their operations and their work forces
30 in order to reduce expenditures and balance budgets. Retirement incentives is a management
31 tool that has been used extensively by the private sector, the federal government, and other

1 state and local governments across the country. The purpose of secs. 8 - 17 of this Act is to
2 make that management tool temporarily available to school districts of the state. Sections 8 -
3 17 of this Act will enable school districts to be more efficient and cost-effective by
4 eliminating certain non-essential positions, and producing a net reduction in personnel costs.

5 • Sec. 9. RETIREMENT INCENTIVE PROGRAM. (a) A school district may adopt a
6 retirement incentive plan under secs. 10 and 11 of this Act and designate categories of
7 employees eligible to participate in the plan. A school district need not extend the incentive
8 plan to all employees who would otherwise be eligible, but may choose to extend the plan
9 only to employees

10 (1) in specific budget or administrative components of the school district;

11 (2) in specific job classifications;

12 (3) in specific geographic locations; or

13 (4) on the basis of any combination of factors set out in (1) - (3) of this
14 subsection.

15 (b) An employee is eligible to participate in a retirement incentive plan under secs. 8 -
16 17 of this Act only if

17 (1) the employee is a vested member of the public employees' retirement
18 system or the teachers' retirement system;

19 (2) the employee will be qualified to retire under AS 14.25.110 or
20 AS 39.35.370 after receipt of the credit described in (f) of this section;

21 (3) the savings to the school district in personal services costs for the
22 employee's position will exceed the costs to the school district for that position within three
23 years after the employee is appointed to retirement.

24 (c) A school district shall file its proposed retirement incentive plan with the
25 commissioner of administration. The commissioner shall approve the plan if the plan meets
26 the requirements of secs. 8 - 17 of this Act. A proposed plan filed under this section must

27 (1) identify job classifications of employees, and specific budget or
28 administrative components, eligible to participate in the plan;

29 (2) include a reimbursement agreement that

30 (A) requires the school district, for each employee who retires under
31 the plan, to reimburse the appropriate retirement system, within three years after the

1 end of the fiscal year in which the employee is appointed to retirement, in an amount
2 equal to

3 (i) the actuarial equivalent of the difference between the benefits
4 the participant receives after the addition of the credit under (f) of this section
5 and the amount the participant would have received without the credit, less the
6 amount the participant has paid on the indebtedness determined under (d) or (e)
7 of this section; and

8 (ii) an appropriate share of the administrative costs of the
9 program; and

10 (B) provides that contributions from the school district under this
11 section take priority over other obligations of the employer to the maximum extent
12 permitted by law

13 (d) A member of the teachers' retirement system who participates in an approved
14 retirement incentive plan under secs. 8 - 17 of this Act is indebted to that system for an
15 amount calculated under this subsection. The indebtedness is 25.95 percent of the member's
16 actual compensation for the school year in which the member terminates employment, or the
17 calculated school year compensation for a member who works less than the entire school year.
18 An outstanding indebtedness at the time a member is appointed to retirement under an
19 approved retirement incentive plan requires an actuarial adjustment to the benefits payable to
20 that member.

21 (e) A member of the public employees' retirement system who participates in an
22 approved retirement incentive plan under secs. 8 - 17 of this Act is indebted to that system
23 for an amount calculated under this subsection. The indebtedness is 20.14 percent of the
24 member's actual annual compensation for the year in which the member terminates
25 employment, or the calculated annual compensation for a member who works fewer than 12
26 months. An outstanding indebtedness at the time a member is appointed to retirement under
27 an approved retirement incentive plan requires an actuarial adjustment to the benefits payable
28 to that member.

29 (f) An employee who participates in an approved retirement incentive plan under
30 sec. 8(1) of this Act receives a credit of three years. The three years shall be applied in
31 the following order until exhausted:

1 (1) to meet the age or service required for eligibility for normal retirement
2 under AS 14.25.110 or AS 39.35.370, as appropriate;

3 (2) to meet the age required for early retirement under AS 14.25.110 or
4 AS 39.35.370, as appropriate;

5 (3) to reduce the actuarial adjustment required for early retirement under
6 AS 14.25.110 or AS 39.35.370, as appropriate;

7 (4) as years of credited service for calculating retirement benefits.

8 * Sec. 10. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR SCHOOL
9 DISTRICT EMPLOYEES IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM. (a)

10 The school board of a school district that has elected to participate in the public employees'
11 retirement system under AS 39.35.550 - 39.35.650 may adopt, and file with the commissioner
12 of administration for approval, a proposed retirement incentive plan for its employees. A plan
13 adopted under this section must provide that the application period for participation in the
14 retirement incentive plan is December 31, 1995 through June 30, 1996.

15 (b) The commissioner of administration may not accept the application of an employee
16 to participate in an approved retirement incentive plan adopted under this section unless the
17 employee will be appointed to retirement on or before February 1, 1997. In a plan adopted
18 under this section, a school board may set an earlier date by which an employee must be
19 appointed to retirement in order to participate in the plan.

20 * Sec. 11. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR SCHOOL

21 DISTRICT EMPLOYEES IN THE TEACHERS' RETIREMENT SYSTEM. (a) A school

22 board may adopt, and file with the commissioner of administration for approval, a proposed
23 retirement incentive plan for employees of the school district who are members of the
24 teachers' retirement system. A plan adopted under this section must provide that the
25 application period for participation in the retirement incentive plan is June 30, 1995 through
26 December 31, 1995.

27 (b) The commissioner of administration may not accept the application of an employee
28 to participate in an approved retirement incentive plan adopted under this section unless the
29 employee will be appointed to retirement on or before August 1, 1996. The school board, in
30 a plan adopted under this section, may set an earlier date by which an employee must be
31 appointed to retirement in order to participate in the plan.

1 * Sec. 12. RECOVERY OF EMPLOYER DELINQUENCIES. To recover a delinquency
2 owed by a school district under an agreement entered into under sec. 9(c)(2) of this Act, the
3 Department of Administration may

4 (1) direct that the amount of the delinquency or a lesser amount be withheld
5 from any money payable to the school district by a state department or agency and that the
6 amount withheld be credited to the delinquency; and

7 (2) bring an action against the school district.

8 * Sec. 13. REEMPLOYMENT INDEBTEDNESS; PROHIBITION ON
9 REEMPLOYMENT. (a) If an individual is reemployed as a member of the public employees'
10 retirement system under AS 39.35, the teachers' retirement system under AS 14.25, the judicial
11 retirement system under AS 22.25, or the optional university retirement program under
12 AS 14.40.661 - 14.40.799 after appointment to retirement under secs. 8 - 17 of this Act, that
13 individual forfeits the incentive credit received under sec. 9(f) of this Act and is indebted to
14 the system under which the individual took retirement. The indebtedness is 110 percent of
15 the amount the individual received as a result of participation in a retirement incentive plan
16 under secs. 8 - 17 of this Act and to which the individual would not otherwise have been
17 entitled, including the cost of health insurance. The amount that the individual has paid under
18 sec. 9(d) or (e) of this Act will be applied as a credit toward the reemployment indebtedness.
19 Interest on the reemployment indebtedness accrues from the date of reemployment until the
20 date that the individual either is appointed to retirement and accepts an actuarial adjustment
21 to the individual's future benefits or repays the indebtedness in full. The rate of interest is that
22 established by regulation for the public employees' retirement system by the public employees'
23 retirement board and for the teachers' retirement system by the teachers' retirement board.

24 (b) An individual who was appointed to retirement under secs. 8 - 17 of this Act may
25 not be employed by, or enter into a contract for personal services with, a state agency or the
26 University of Alaska within the three years after the date of appointment to retirement, except
27 that

28 (1) the University of Alaska may enter into a personal services contract with
29 the individual for teaching or research; and

30 (2) the individual may accept employment with the legislature during a
31 legislative session if the employment is on an hourly basis and does not entitle the individual

1 to receive retirement, health, or leave benefits.

2 (c) Notwithstanding the prohibition in (b) of this section, a state agency or the
3 University of Alaska may enter into a personal services contract with an individual who was
4 appointed to retirement under secs. 8 - 17 of this Act if the Board of Regents, for the
5 University of Alaska, or the commissioner of administration, for a state agency, determines
6 that there is a compelling reason to do so because of the individual's specialized or extensive
7 experience that relates to a particular program or project of the state agency or university.

8 * Sec. 14. OFFICE OF MANAGEMENT AND BUDGET. (a) The office of management
9 and budget shall submit to the legislature annual reports on the retirement incentive program
10 under secs. 8 - 17 of this Act beginning January 15, 1997, and continuing through January 15,
11 1999, and shall submit a final report January 15, 2000. Each report must provide the
12 information necessary for the legislature to evaluate the effectiveness of the program in
13 achieving its objectives. The report must include information on the designated employee
14 categories under the incentive program, including the cost of each incentive program per
15 participant, the cost to the school district, the cost to the employee, the number of positions
16 deleted or left vacant, and the projected or actual net savings over the three-year period.

17 * Sec. 15. PROGRAM CHANGES. An individual employee does not have a vested or
18 contractual right to a benefit under secs. 8 - 17 of this Act until an agreement is executed with
19 the commissioner of administration that specifically authorizes that employee to participate
20 in the retirement incentive program under secs. 8 - 17 of this Act. The legislature reserves
21 the right to change any aspect of the retirement incentive program as it relates to employees
22 for whom participation agreements have not yet been executed with the commissioner of
23 administration.

24 * Sec. 16. REGULATIONS. The commissioner of administration may adopt regulations
25 under AS 44.62 (Administrative Procedure Act) to implement and interpret secs. 8 - 17 of this
26 Act.

27 * Sec. 17. DEFINITIONS. (a) Unless provided otherwise in secs. 8 - 17 of this Act, the
28 definitions set out in AS 14.25.220 apply to provisions in secs. 8 - 13 of this Act that relate
29 to the teachers' retirement system and members of the teachers' retirement system.

30 (b) Unless provided otherwise in secs. 8 - 17 of this Act, the definitions set out in
31 AS 39.15.950 apply to provisions in secs. 8 - 13 of this Act that relate to the public

1 employees' retirement system and members of the public employees' retirement system.

2 (c) In secs. 8 - 17 of this Act,

3 (1) "office of management and budget" means the office of management and
4 budget in the Office of the Governor;

5 (2) "public employees' retirement system" means the Public Employees'
6 Retirement System of Alaska (AS 39.35);

7 (3) "school district" means a city or borough school district or a regional
8 educational attendance area;

9 (4) "teachers' retirement system" means the Teachers' Retirement System of
10 Alaska (AS 14.25).

11 * Sec. 18. The amendments made by secs. 1 - 2 of this Act apply to teachers first hired
12 by a school district on or after the effective date of this Act.

13 * Sec. 19. AS 14.20.097 is repealed.

14 * Sec. 20. Section 9 of this Act is repealed July 1, 1999.

15 * Sec. 21. Sections 10 and 11 of this Act are repealed July 1, 1997.

16 * Sec. 22. This Act takes effect immediately under AS 01.10.070(c).

1 RH
9-LS0838\K.4 ✓
Cramer
4/12/95

SR
✓
Adopted
4-13-95

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB 132(JUD)

- 1 Page 1, line 4:
- 2 Delete "repealing"
- 3 Insert "amending"

- 4 Page 1, after line 6:
- 5 Insert a new bill section to read:
- 6 ** Section 1. AS 14.20.097 is amended to read:
- 7 Sec. 14.20.097. DUTY-FREE TIME. Each governing body shall allow its
- 8 teachers in school facilities with four or more teachers a daily duty-free mealtime of
- 9 at least 30 minutes [BETWEEN 11:00 A.M. AND 1:00 P.M]."

- 10 Page 1, line 7:
- 11 Delete "Section 1"
- 12 Insert "Sec. 2"

- 13 Renumber the following bill sections accordingly.

- 14 Page 4, line 1:
- 15 Delete "8 - 17"
- 16 Insert "9 - 18"

- 17 Page 4, lines 2 - 3:
- 18 Delete "8 - 17"
- 19 Insert "9 - 18"

1 Page 4, line 6:

2 Delete "10 and 11"

3 Insert "11 and 12"

4 Page 4, lines 15 - 16:

5 Delete "8 - 17"

6 Insert "9 - 18"

7 Page 4, line 26:

8 Delete "8 - 17"

9 Insert "9 - 18"

10 Page 5, line 14:

11 Delete "8 - 17"

12 Insert "9 - 18"

13 Page 5, line 22:

14 Delete "8 - 17"

15 Insert "9 - 18"

16 Page 5, line 30:

17 Delete "8 - 17"

18 Insert "9 - 18"

19 Page 7, line 2:

20 Delete "9(c)(2)"

21 Insert "10(c)(2)"

22 Page 7, line 12:

23 Delete "8 - 17"

24 Insert "9 - 18"

- 1 Page 7, line 13:
- 2 Delete "9(f)"
- 3 Insert "10(f)"

- 4 Page 7, line 16:
- 5 Delete "8 - 17"
- 6 Insert "9 - 18"

- 7 Page 7, line 18:
- 8 Delete "9(d) or (e)"
- 9 Insert "10(d) or (e)"

- 10 Page 7, line 24:
- 11 Delete "8 - 17"
- 12 Insert "9 - 18"

- 13 Page 8, line 4:
- 14 Delete "8 - 17"
- 15 Insert "9 - 18"

- 16 Page 8, line 10:
- 17 Delete "8 - 17"
- 18 Insert "9 - 18"

- 19 Page 8, line 18:
- 20 Delete "8 - 17"
- 21 Insert "9 - 18"

- 22 Page 8, line 20:
- 23 Delete "8 - 17"
- 24 Insert "9 - 18"

1 Page 8, line 25:
2 Delete "8 - 17"
3 Insert "9 - 18"

4 Page 8, line 27:
5 Delete "8 - 17"
6 Insert "9 - 18"

7 Page 8, line 28:
8 Delete "8 - 13"
9 Insert "9 - 14"

10 Page 8, line 30:
11 Delete "8 - 17"
12 Insert "9 - 18"

13 Page 8, line 31:
14 Delete "8 - 13"
15 Insert "9 - 14"

16 Page 9, line 2:
17 Delete "8 - 17"
18 Insert "9 - 18"

19 Page 9, line 11:
20 Delete "1 - 2"
21 Insert "2 - 3"

22 Page 9, line 13:
23 Delete all material.

24 Renumber the following bill sections accordingly.