

657 SC

FILE NO. 24 - FILE NO. 25

4/29

Jon / Frank / Chris,
Use this format
for all sunset
sectional analyses.

Reciprocal underlining.

I shall do that.

Where there is a
comparasion between the
changes in the bill and
the existing statute, you
may not need to give
the reason for the change
if it is an obvious
comparision, but otherwise
always give a reason for the

2

change or changes in
each section. Inevitably this
question is asked.
Do not take a sectional
analysis as the last word
or the best way to express
a point. Often they confuse
the issue in Legislative
Affairs Agency.

Always attach a copy
of the referenced statute
(Title, Chapter, Section) in the
order that they are mentioned
in your own sectional
analysis of a bill.

Don't forget to include
and explain all sections that
are repealed in a bill.

Follow the attached model
as close as possible -- no shortcuts / Brad

CS FOR SENATE BILL 574

MR. PRESIDENT, I MOVE THE ADOPTION OF CS FOR SB 574, WHICH IS IDENTICAL, AT THIS POINT, TO THE HOUSE BILL FOR THE SAME BOARD. WE HAVE WORKED JOINTLY TO TRY TO PREVENT AN UNNECESSARY AND OFTEN TIME-CONSUMING FREE CONFERENCE COMMITTEE.

THIRD READING

I will attempt to cover the changes ^{to current law} by section as quickly as possible

(Sec. 08.54.010) • SECTION 1 ESTABLISHES THE GUIDE LICENSING AND CONTROL BOARD SOLELY IN THE DIV. OF FISH AND WILDLIFE PROTECTION OF THE DEPT. OF PUBLIC SAFETY. CURRENTLY,

THE BOARD IS ESTABLISHED IN THE DIV. OF OCCUPATIONAL LICENSING OF THE DEPT. OF COMMERCE AND ECONOMIC DEVELOPMENT AND THIS DIVISION PLUS THE DIV. OF FISH AND WILDLIFE PROTECTION OF THE DEPT. OF PUBLIC SAFETY SHARE THE RESPONSIBILITY FOR STAFF SUPPORT. THIS SECTION ALSO ENSURES THAT THREE MEMBERS OF THE BOARD WILL BE ACTIVELY INVOLVED IN GUIDING AND THE REMAINING FOUR WILL HAVE NO INVOLVEMENT IN THE GUIDING BUSINESS. CURRENTLY, THREE MEMBERS ARE JUST REQUIRED TO HAVE A GUIDE LICENSE AND THE OTHER FOUR A GENERAL KNOWLEDGE OF GAME RESOURCES.

(Sec. 08.54.020) • SECTION 2 PROVIDES THAT THE MEMBERS OF THE BOARD MAY NOT BE APPOINTED FOR MORE THAN TWO CONSECUTIVE TERMS. A TERM IS FOR THREE YEARS. CURRENTLY, THERE IS NO LIMIT TO HOW MANY CONSECUTIVE TERMS A MEMBER MAY SERVE *if appointed.*

(SEC. 08.54.030) ● SECTION 3 REQUIRES THAT THE BOARD MUST ELECT A CHAIRMAN AND A VICE-CHAIRMAN ANNUALLY. THE CHAIRMAN MAY NOT SERVE FOR MORE THAN TWO CONSECUTIVE TERMS. TESTIMONY INDICATED THAT SUCH ROTATION WOULD ASSURE THAT THE BOARD WOULD BE MORE RESPONSIVE TO THE PUBLIC INTEREST. CURRENTLY, THERE IS NO LIMIT TO HOW LONG A CHAIRMAN CAN SERVE.

(SEC. 08.54.070(A)) ● SECTION 4 REQUIRES GUIDE LICENSE FEES TO BE PAID BIENNIALLY AND GENERALLY INCREASES THEM 25 TO 30 PERCENT.

(SEC. 08.54.182) ● SECTION 5. PERSONS SEEKING REGISTERED AND MASTER GUIDE LICENSES MUST PASS AN EXAMINATION, AND THAT EXAMINATION SHALL BE HELD TWICE A YEAR AT BOTH JUNEAU AND ANCHORAGE FOR THE CONVENIENCE OF APPLICANTS. CURRENTLY, THE EXAMINATIONS ARE ADMINISTERED ONLY IN ANCHORAGE.

(SEC. 08.54.190(A)) ● SECTION 6 ELIMINATES A LICENSURE PROVISION FOR AIR TRANSPORTERS AND IT ASSURES THAT ALL GUIDE LICENSES ARE VALID FOR AT LEAST ONE FULL YEAR. UNDER EXISTING LAW, ALL LICENSES EXPIRE ON DECEMBER 31 FOLLOWING ISSUANCE REGARDLESS OF WHEN THEY WERE ISSUED. PERSONNEL IN THE DIV. OF FISH AND WILDLIFE PROTECTION CONSIDER THE "TRANSPORTER LAWS" CONFUSING AND DIFFICULT TO ENFORCE. IN ADDITION, THE INFORMATION AND REPORTS THAT TRANSPORTERS ARE REQUIRED TO FILE ARE NOT BEING ACCOMPLISHED AND ARE NOT NEEDED TO MANAGE THE GAME RESOURCES OF THE STATE. *Testimony was unanimous that the transporter license should be eliminated*

(Sec. 08.54.190(B)) • SECTION 7 REQUIRES THAT AN ASSISTANT GUIDE OR A
 P. 2, L. 23 CLASS-A ASSISTANT GUIDE THAT HAS NOT RENEWED HIS
 LICENSE FOR FOUR YEARS MAY NOT BE RENEWED UNTIL
 HE MEETS THE QUALIFICATIONS FOR AN INITIAL LICENSE.
CURRENTLY, THE GRACE PERIOD IS FOR ONLY TWO YEARS.

(Sec. 08.54.200(A)) • SECTION 8. UNDER EXISTING LAW, THE BOARD IS REQUIRED
 P. 2, L. 28 TO HOLD A HEARING TO CONSIDER DISCIPLINARY ACTION IF
 IT RECEIVED COMPLAINTS FROM THREE OR MORE SEPARATE
PARTIES TO WHICH A LICENSEE HAS PROVIDED SERVICES.
NO TIME PERIOD WAS INDICATED; IT COULD BE THREE
COMPLAINTS IN THIRTY YEARS, ^{which is impractical.} SECTION 8 PROVIDES
A TIME PERIOD OF FIVE YEARS WITHIN WHICH THESE
COMPLAINTS MUST BE RECEIVED BEFORE THE BOARD IS
REQUIRED TO HOLD A DISCIPLINARY HEARING. THIS SECTION
 ALSO PROVIDES THAT THE BOARD IS NO LONGER OBLIGATED
TO HOLD A DISCIPLINARY HEARING WHEN A LICENSEE IS
MERELY CHARGED WITH A VIOLATION OF FEDERAL OR STATE
 SPORT FISH, GAME OR GUIDE STATUTES OR REGULATIONS.
 HOWEVER, UPON A CONVICTION, THE BOARD IS STILL
REQUIRED TO HOLD A DISCIPLINARY HEARING.

(Sec. 08.54.200(c)) • SECTION 9 PROVIDES THE BOARD THE OPTION OF REVOKING,
 P. 3, L.9 SUSPENDING, OR DENYING RENEWAL OF A LICENSE IF THE BOARD
 FINDS THAT THE LICENSEE DOES NOT MEET CERTAIN REQUIRE-
 MENTS. UNDER EXISTING LAW, THE BOARD WAS REQUIRED
TO REVOKE THE LICENSE UPON SUCH A FINDING. THIS
SECTION ALSO PROVIDES THAT SPECIFIED DISCIPLINARY

ACTION MUST BE TAKEN BY THE BOARD ONLY WHEN A LICENSEE HAS BEEN CONVICTED OF TWO VIOLATIONS OF FEDERAL OR STATE SPORT FISH, GAME OR GUIDE STATUTES OR REGULATIONS WITHIN THE PAST FIVE YEARS. UNDER CURRENT LAW, TWO VIOLATIONS TRIGGER MANDATORY DISCIPLINARY ACTION REGARDLESS OF THE TIME PERIOD.

(Sec. 08.54.210(A)(1)) • SECTION 10 REMOVES REFERENCE TO A TRANSPORTER P. 3, L. 20 BECAUSE TRANSPORTERS WILL NO LONGER BE LICENSED UNDER THIS ACT. (SEE SECTION 6 AND SEC. 08.54.142 AND 144)

(Sec. 08.54.210(A)(2)) • SECTION 11 REMOVES REFERENCE TO A TRANSPORTER. P. 3, L. 26

(Sec. 08.54.210(A)(4)) • SECTION 12 REMOVES REFERENCE TO A TRANSPORTER. P. 4, L. 5

(Sec. 44.41.020) • SECTION 13 PROVIDES THAT A NEW DUTY OF THE DEPT. OF PUBLIC SAFETY SHALL BE THE SOLE RESPONSIBILITY FOR ADMINISTRATIVE STAFF SUPPORT OF THE GUIDE LICENSING AND CONTROL BOARD (SEE SECTION 1). P. 4, L. 11

(Sec. 08.03.010(c)) • SECTION 14 PROVIDES FOR JUNE 30, 1984, AS THE TERMINATION DATE FOR THE GUIDE LICENSING AND CONTROL BOARD. P. 4, L. 15

P. 4, L. 16 • SECTION 15. THIS SECTION REPEALS PROVISIONS WHICH ARE INCONSISTENT WITH THIS ACT.

AS 08.01.010(20) REMOVES THE GUIDE LICENSING AND CONTROL BOARD FROM THE LIST OF BOARDS TO WHICH CHAPTER 01 APPLIES, SINCE THIS BOARD

WILL NO LONGER BE ADMINISTERED BY THE
DEPT. OF COMMERCE AND ECONOMIC DEVELOPMENT.

AS 08.03.010(B)(7) REPEALS THE SUNSET PROVISION
FOR THIS BOARD;

AS 08.54.100(5) ELIMINATES THE BOARD'S
DISCRETION TO ESTABLISH QUALIFICTIONS FOR
LICENSING MASTER GUIDES IN ADDITION TO THOSE
ESTABLISHED BY STATUTE (IF THE BOARD WAS PERMITTED
TO ESTABLISH QUALIFICATIONS IN ADDITION TO THOSE
IN THE STATUTES, IT WAS THOUGHT THERE COULD
POSSIBLY BE SOME CHANCE OF DISCRIMINATION);

AS 08.54.110(12) ELIMINATES THE BOARD'S DISCRETION
TO ESTABLISH QUALIFICATIONS FOR LICENSING
REGISTERED GUIDES IN ADDITION TO THOSE
ESTABLISHED BY STATUTE (THE SAME REASON AS FOR
MASTER GUIDES ALSO APPLIES HERE);

TRANSPORTER REPEALS

BEGINS HERE

(Next 5 SECTIONS)

AS 08.54.142 REPEALS THE SECTION DEALING WITH
LICENSURE OF TRANSPORTERS;

AS 08.54.144 REPEALS THE RESTRICTIONS ON
TRANSPORTATION OF HUNTERS BY TRANSPORTERS;

AS 08.54.146 REPEALS THE SECTION REQUIRING
PREPARATION AND FILING OF TRANSPORTER REPORTS;

AS 08.54.170(c) ELIMINATES THE LICENSE FEE
FOR A TRANSPORTER;

AS 08.54.240(5) REMOVES THE DEFINITION OF
"TRANSPORTING" AND "ACTIVITY OF TRANSPORTING";

TRANSPORTER REPEALS

END HERE.

AS 16.05.340(E) ELIMINATES FEES CHARGED TO
MASTER GUIDES AND REGISTERED GUIDES FOR THE
TAKING OF SPECIFIED GAME ANIMALS. (*Heard. Jay*).

P. 4, L. 19

- SECTION 16 PROVIDES FOR THIS ACT TO TAKE EFFECT
JUNE 30, 1980, THE DATE ON WHICH THE BOARD IS
SCHEDULED TO TERMINATE.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 26, 1980

SUBJECT: Section-by-section analysis of SB 574 dealing
with the Guide Licensing and Control Board
(Work Order No. 8526)

TO: Senator Brad Bradley
Chairman, Senate Commerce Committee

FROM: Tamara Brandt Cook *TBC*
Legislative Counsel

You have requested a section-by-section analysis of Senate Bill 574 entitled "An Act continuing the existence of the Guide License and Control Board and amending the law relating to its powers and responsibilities; and providing for an effective date."

Section 1. The Guide Licensing and Control Board is established in the division of fish and wildlife protection, Department of Public Safety. This amendment ensures that three members of the board will be involved in guiding and that the remaining four members will have no involvement in the guiding business.

Section 2. This amendment provides that members of the board may not be appointed for more than two consecutive terms. Since a term is for three years, a person would have to wait three years before being reappointed to the board after serving two terms. There is no limitation on the total number of terms which a person may serve on the board.

Section 3. The board must elect a chairman and a vice-chairman annually.

Section 4. This section generally increases fees required for licenses to engage in the profession of guiding.

Section 5. Persons seeking licenses must pass an examination, and that the examination shall be held twice a year at both Juneau and Anchorage for the convenience of applicants.

Section 6. This section is amended to eliminate a licensure provision for transporters and to assure that a license is valid for at least one full year. Under existing law all licenses expire on December 31st following issuance regardless of when they were issued.

Section 7. An assistant guide license which has not been renewed for four years may not then be renewed until the applicant meets the qualifications for an initial license. Under the existing statute only a two-year grace period is provided.

Section 8. Under existing law the board is required to hold a hearing to consider disciplinary action if it receives complaints from three or more separate parties which a licensee has provided services to. The amendment provides a time period of five years within which these complaints must be received before the board is required to hold a disciplinary hearing. This section is also amended so that the board is no longer obligated to hold a disciplinary hearing when a licensee is merely charged with a violation of federal or state sport fish, game or guide statutes or regulations. Upon a conviction, however, the board is still required to hold a disciplinary hearing.

Section 9. The board is permitted the option of revoking, suspending, or denying renewal of a license if the board finds that the licensee does not meet certain requirements. Under existing law the board was required to revoke the license upon such a finding. This section is also amended to provide that specified disciplinary action must be taken by the board only when a licensee has been convicted of two violations of federal or state sport fish, game or guide statutes or regulations within the past five years. Under current law, two violations trigger mandatory disciplinary action regardless of the time period between the violations.

Section 10. This section is amended to remove reference to a transporter because transporters will no longer be licensed under this act.

Section 11 A reference to a transporter is deleted.

Section 12 A reference to a transporter is deleted.

Section 13 A new duty of the Department of Public Safety shall be the administration of the Guide License and Control Board.

Section 14. June 30, 1984 is set as the termination date for the Guide License and Control Board.

Section 15. This section repeals provisions which are inconsistent with this act.

AS 08.01.010(20) removes the Guide Licensing and Control Board from the list of boards to which Chapter 01 applies, since this board will no longer be administered by the Department of Commerce and Economic Development;

AS 08.03.010(b)(7) repeals the sunset provision for this board;

AS 08.54.100(5) eliminates the board's discretion to set qualifications in addition to those established by statute for licensure of master guides;

AS 08.54.110(12) eliminates the board's discretion in establishing qualifications for registered guide licenses in addition to those established by statute;

AS 08.54.142 repeals the section dealing with licensure of transporters;

AS 08.54.144 repeals the restrictions on transportation of hunters;

AS 08.54.146 repeals the section requiring preparation and filing of transporter reports;

AS 08.54.170(c) eliminates the license fee for a transporter;

AS 08.54.240(5) removes the definition of "transporting" and "activity of transporting";

Senator Brad Bradley
Page 4
April 26, 1980

AS 16.05.340(e) eliminates fees charged to master guides and registered guides for the taking of specified game animals;

Section 16. This act takes effect June 30, 1980, the date on which the board is scheduled to terminate.

If you have any further questions, please contact me.

TBC:ljb

BOARD OF WELDING EXAMINERS

Conference Call

May 12, 1980

OPERATOR:

Hello, Jane English?

ENGLISH:

Yes.

OPERATOR:

Peter Millar?

MILLAR:

Yes.

OPERATOR:

Don Delk?

DELK:

Yes.

OPERATOR:

And Don Lockman?

LOCKMAN:

Yes.

OPERATOR:

Can you all hear each other?

ENGLISH:

Yes. Where is J.C.?

LOCKMAN:

This is Don Lockman, Chairman of the Board of Welding Examiners in Anchorage. I would like to call a special board meeting to session as of 10:00, May the 12th. I would also like to have then Mr. Don Delk, the secretary of the State Board of Welding Examiners take a role call at this time.

DELK:

Okay, Chairman, Don Lockman? You're present?

LOCKMAN:

I am present, yes.

DELK:

Pete Millar?

MILLAR:

Yes.

DELK:

J.C. Wingfield?

ENGLISH:

Evidentially he didn't get back from San Francisco because he had told me he'd be on.

DELK:

There are only three of us on then?

ENGLISH:

That's right, right at the moment.

DELK:

Well, we can't conduct a meeting.

GARRETT:

Don, this is Elaine. Let me try and see if we can get ahold of the operator and see if she tried to get ahold of J.C.

ENGLISH:

I called him personally.. No, I called J.C. personally myself and he told me that ..

GARRETT:

How do you get ahold of the operator?

ENGLISH:

100. Elaine is going to see if she can get ahold of him. He has been in San Francisco but he told me that he would be available for this conference call today.

LOCKMAN:

Okay. Well, Pete, you're available, right?

MILLAR:

Yes.

LOCKMAN:

And Don Delk. We are the only three board members. Are there any other board members on? How about other interested parties?

ENGLISH:

There aren't any other interested parties here.

LOCKMAN:

Okay, Jane, you are on the line?

ENGLISH:

Yes. And Elaine..

LOCKMAN:

And how about Elaine Garrett. Is she on the line?

ENGLISH:

She has gone to see what happened to J.C. She is going to call the operator because he told me even though he was going to be in San Francisco all last week, he would be available for a conference call today, at this time.

LOCKMAN:

Okay, we will not have anybody else on the line then..the four members, yourself and Jane English, er I mean, Elaine Garrett. Right?

ENGLISH:

That's correct.

LOCKMAN:

Okay. George Parks isn't available?

ENGLISH:

No. He has gone fishing.

DELK:

That's what we ought to be doing...fishing. The only smart board member in the bunch.

ENGLISH:

There you go.

LOCKMAN:

Okay, how long of a period of time do you suppose we should wait for Elaine? Is she going to get back with us positive or negative?

ENGLISH:

Yes she is. She has gone to call right now.

LOCKMAN:

Okay.

ENGLISH:

I contacted J.C. personally and he told me he would be available.

LOCKMAN:

Okay, just to interrrate a little conversation here. The applications that were submitted for licensing of welding inspectors to the last board meeting where there was no quorum was circulated to the board members for a signature of each of the applicants, for a quorum signatures and have been sent to you, Jane...

ENGLISH:

Okay.

LOCKMAN:

...via airborne for delivery to your office.

ENGLISH:

Fine.

LOCKMAN:

And you should be getting those documents, of course, we talked about them over the phone anyway but you should be getting the original signed copies probably delivered today.

ENGLISH:

Okay, I will be on the lookout for them then.

LOCKMAN:

And I made no other copies of the signature page so you might want to copy the signature page of each of the applications and submit that back to the board members.

ENGLISH:

All right, will do.

DELK:

How has the Sunset Legislation gone, Don? Have you heard anything more?

LOCKMAN:

Okay, there is a Senate Bill 994, I mean a House Bill, excuse me, 994, which ratifies the board. There is also a Senate Bill 553 which says identical wording to the House Bill except it added some things onto the House Bill. Now, neither one of those apparently have been placed in front of the legislators for enactment and wasn't intended to do so until after the regulations were adopted, which we are trying to do now. There is some changes we probably would like to make in the wording of both the House and the Senate Bill, I think they will probably be passed as one bill but we can do that later if need be or we can do it at the time that it is submitted to the Legislature to make a floor revision. So, uh, there is some verbage there that doesn't really allow us to function within the wording that they have illustrated.

MILLAR:

It just seems like this House Bill 994 that I've seen, the Legislature has taken upon themselves to enact to make up rules and regulations and I thought that was the function of the Board of Welding Examiners.

LOCKMAN:

Me too, Pete.

ENGLISH:

Can you gentlemen speak a little louder, please.

LOCKMAN:

Okay, well, the way that it apparently works is that Legislature of course has the power to vote in any bill that clears the different various committees and so forth and so the board really has no power to change the statutes and that is what they are doing with the House Bill and the Senate Bill is actually changing the statutes and not the regulations. They, however, have put into the statutes some things that were involved in the regulations. But then of course they have that right, so what they are effectively doing is doing what they are allowed to do.

DELK:

The House Bill is to change the regulation not the statute, Don.

LOCKMAN:

Well, it is a bill though.

DELK:

But it is to change the regulations, not the statute. The Senate Bill is to change the statute, which that is their responsibility. But the House Bill is talking about the regulations itself.

LOCKMAN:

That's right. What the House Bill is doing is really putting part of the regulations into the statutes.

DELK:

It doesn't say anything about the statute. 12 AAC 72 is the regulation and unless you have different paperwork than I have. It appears to me that the House Committee is trying to write the welding regulations.

MILLAR:

That's what it looks to me like, too. They are telling how many board members...

DELK:

Now, the board members is under the statute, I think.

MILLAR:

Well, I sure disagree with what they are doing. I'd much rather see us meet maybe twice a year and get out of the business of trying to qualify, and work with AWS. I think certification of welding inspectors is AWS' responsibility, not ours and I'd like to get out of that all together. And not fund them and let the welding, or AWS take care of the certification of welding inspectors by themselves. And then have only have one meeting a year in Anchorage, they can test welders, that's fine. And I'd like to see us cut back on our costs but I think we do need seven members. I don't like to see it go to five members especially if you are going to put one guy on there that is not familiar with welding at all. I don't agree with that either.

LOCKMAN:

Yea, well I don't think we are going to have much control over what the House and Senate does. Brown's Committee is going to enact, if they enact anything, it is .. if they don't enact anything, then the board, of course, will be terminated by the Sunset legislation automatically. If they enact anything, it is going to be the bill that has been proposed as revised by the Senate, which the board has no influence over other than trying to make amendments to it on the floor. It has already went through the committees. It has already went through the House and the Senate and will be submitted to the Legislature so it will take a floor enactment to change anything, a floor revision before its enactment. Okay, that is going to happen regardless of what we do or what we think. They are going to change it to three... er, I mean, to five instead of seven. They are going to change the type of people who are on the board and they are going to change to say it is going to have to be self-sufficient. All of those things that are in there. I don't think we have too much voice in the matter. If we don't..apparently if we don't agree with the regulations as written that I submitted to each board member from the Juneau meeting with the Audit Committee and House Committee members, they will put those into the statute also, and they have the legality to do that and make it all a statute, with no regulations.

ROBSON:

Don, this is Art Robson in Fairbanks. I got a call from the staff member for the House Committee late Friday afternoon and he said that Mike Colletta is holding the bill in the Senate Committee and is going to hold it so that the board will die. He is doing so at the request of VECO because basically it's a union/nonunion situation, VECO being nonunion and using out of state people wants to see the board die and has set no requirements, you know, so they can keep doing what they are doing. For one reason or another they seem to have been able to get to Colletta. Colletta has agreed to hold the bill and until and unless we can find some way of blasting him off dead center and that is something that I have been trying to figure out over the weekend. I think that there are a couple of Democrats that can help us and I hope to be able to get some Republicans like Bettisworth to help us out on the doggone thing otherwise it is going to simply go down the tube.

LOCKMAN:

Okay, if the board goes down the tube like you are saying, then so does the licensing and the statutes?

ROBSON:

Right. In other words, if the board is phased out, the whole section and everything that they enforce is phased out. The State would probably try to come back during what they call a twilight period which you have got until next, not this July 1, '80 but July 1, '81. The Department of Professional Vocational Standards would come back and try to (undisc.) licensing, which they would do themselves under whatever criteria they wanted to do, which would probably just mix up all that much more. But apparently it's a combined political union/nonunion question right now and Mike Colletta is hanging onto it unless we can get somebody to twist his arm.

LOCKMAN:

What happened to the House Bill 994 then?

ROBSON:

The House Bill has gone to Senate and has .. is in Senate Committee currently.

DELK:

What committee is Colletta on?

ROBSON:

Let me take a look here and I will tell you in a flash. It's a committee of which he is chairman. They got enough damn fool committees in here to sink a ship. Rules Committee. That's the last step. It has gone through everything before going to floor. Colletta is Chairman of the Rules Committee, and that means it has passed everything excepting going onto the floor. Colletta, as Rules Chairman, (undisc.).

LOCKMAN:

That goes for the Senate Bill 553 or the House Bill 994?

ROBSON:

Right, which throws a new complex on everything cuz it just screws everything all up again. And I don't know. I sort of intend to try to get a few people that I know who are friends of Colletta to say, hey, if you're going to do this and if this is your reason, because you want to support a company that is hiring all out of state people, we're at least going to let it be known that this is an election year for you. You know, maybe that will get him off of it, I don't know. Unless you have some different feelings, it's a good thing this thing got going this morning because maybe we can find some way around that.

LOCKMAN:

Well, if that's his reasoning, that's not very good reasoning for the State of Alaska.

ROBSON:

Yeh, obviously it kind of screws things up and I talked to Dave Aaron, you know, who we met with when we were in Juneau..

LOCKMAN:

Right.

ROBSON:

..and he said, hey, here is the situation. We have done everything that we can do at this point but Colletta said he is going to hold it and he is going to kill it because this company, which it turned out then to be VECO, he said, well, it is a company which has a nonunion operation which is on Fairbanks Street in Anchorage. That tied down to which company it was.

LOCKMAN:

Well, what we should do is to talk with Mr. Colletta as board members and find out exactly why..what his reasoning is.

ROBSON:

Yeh, it would be interesting to see what he would say to somebody who wasn't a staff person, in other words, what public reasoning that he is attaching to this.

LOCKMAN:

Well, apparently, we don't have a quorum or will not be able to get a quorum. Elaine Garrett has not confirmed back yet but maybe you can. Is J.C. Wingfield.

ROBSON:

He is on the phone now.

LOCKMAN:

Oh.

WINGFIELD:

Yeh, I have been listening to you little devils.

LOCKMAN:

Oh, I see.

GARRETT:

Don.

LOCKMAN:

Okay, then we do then have a quorum for our special board meeting at this time.

ROBSON:

I wanted to pass that one thing onto you, Don, and then I should sort of bow out, not participate because I am not a board member but I wanted to let you know what the latest political hot potato was.

LOCKMAN:

Okay, thank you very kindly.

ROBSON:

Okay.

LOCKMAN:

Okay, at this time, the things that are in front of us is the regulations which we have the power to enact, change and regulate.

We had submitted a proposed regulations adoption to the Audit Committee and in reverse, have then received an amendment to those regulations by a committee that was put together in Juneau at the last Sunset regulation hearing. Each one of us should have a copy of that in front of us but I will go ahead and read the revision as it was described back to us. And the revision of regulation 12 AAC 72.015 is rescinded and changed to read as follows: Under heading of Welder Qualification Certificate Required. Welding performed in the state which is advertised for hire or is under a written contractual agreement for compensation shall be performed by a certified welder or under the direct supervision of a certified welder employed by the responsible firm. The welder certificate or certifications shall be within the appropriate rating in accordance with the applicable welding code or standard. And the next one would be 12 AAC 72.035, amended to read the underscored language. Under the Welder Qualification Certificate Issued. The welding inspector shall issue the welding qualification certificate in the appropriate rating to the applicant or company upon the applicant's successful completion of examination. The underscored areas is, this certificate shall bear the inspector's signature and state welding inspector's license number. So that is an addition. The next area of amendment was under 12 AAC 72.045, is amended to read. Under the heading of Requirements for Maintaining a Current Welder Qualification Certificate. Area (a), A welder qualification certificate is valid if it is kept current in compliance with the code under which it is issued unless stated otherwise by the job specification. (b) The expiration or revocation of one rating does not affect any remaining ratings. The following language was deleted from the existing code. (2) The welder has been continuously employed on a welding process for which he is certified. So that area was deleted, so the continuously employed has been taken out because of the seasonal occupation of Alaska. The next area that was revised was under 12 AAC 72.055, is amended to delete words in parenthesis and to add words underscored. (a) is underscored. A person may not test a welder for the purpose of issuing a welder qualification certificate (parenthesis) (or inspect a welding operation in the state which welding failure would involve hazard to life or property), that is end of parenthesis, unless he or she holds a current valid welding inspecting license.

Okay, those parenthesis were deleted, so it would then just read, a person may not test a welder for the purpose of issuing a welding certificate in the State of Alaska in which welding...Wait a minute. A person may not test a welder for the purpose of issuing a welder qualification certificate unless he or she holds a current, valid welding inspector license. That's the way that would read, as amended. The next item amendment amended was 12 AAC 72.055(b), amended to read..to add the following section. A person may not inspect a public works and welding operation which requires inspection unless he or she holds a current, valid welding inspector license. Under (c) any welding operation in the state must be inspected by a licensed welding inspector if it is part of a public works construction project or the applicable code or specifications require inspection. (d) any welding operation in the state may be inspected by a licensed welding inspector if it is advertised for hire or is performed under a written contractual agreement for compensation, and the word is may in there, not shall. (e) an engineer approved by the State Welding Board acting under the supervision of a licensed welding inspector may inspect public works construction projects where no licensed welding inspector is available. This section shall expire January 1, 1982. (f) an engineer applying for eligibility under Subsection (e) above shall submit a resume of their experience to the State Welding Board. The board may also require an interview before granting approval. That's an addition.

GARRETT:

Don.

LOCKMAN:

The next paragraph for revision is 12 AAC 72.105(a) is..

GARRETT:

Don.

LOCKMAN:

..is amended...

GARRETT:

Don, this is Elaine, can you hear me?

LOCKMAN:

Yes.

GARRT :

I believe what you are reading from is an older version. It isn't what we had at the meeting, at the last meeting.

LOCKMAN:

Okay, what you had at the last meeting was the bill.

GARRETT:

No, it was the regulations as drafted by the Assistant Attorney General and it is somewhat different than what you are reading now. Remember, it's two pages, legal size pages.

DELK:

My question..this is Don Delk speaking. My question is who is going to draft regulations? The Attorney General, the House Commerce Committee, or the Welding Board?

GARRETT:

The Attorney General's Office drafted these in coordination with the House Commerce Committee.

ENGLISH:

We have to work with these, don't we?

GARRETT:

Don, do you have the latest version of the regulations?

LOCKMAN:

Well, I don't remember those being given out at the meeting. I have all of the documents here that we had at the meeting.

GARRETT:

Okay, we went over them word for word at the meeting and I've got a lot of notes here on things that the board discussed at that time.

LOCKMAN:

Well, maybe I am in error then.

GARRETT:

Have you got two legal size pages with regulations on them citing the authorities and everything?

LOCKMAN:

Okay, let me see what I have got here. Boy, I don't find them.

DELK:

What is the date on these, Elaine?

GARRETT:

Well, there isn't a date on it. It's..the first page has three paragraphs and cites the authority under each and the next one has several sections citing the authority under each one. If you don't have a copy I could read it but if none of the board members have a copy, I don't know. If you are going to consider these regulations

and adopt them, I don't think it would be appropriate to discuss the ones that were already revised.

LOCKMAN:

Okay, your copy there is it headed just with a 12 AAC 72.015 is amended to read?

GARRETT:

Yes, it does and then under the first paragraph the authority is AS 08.99.080(a)(1), (2), (5) and (9).

LOCKMAN:

Yeh, okay, I find it here.

GARRETT:

All right. That's the one that we need to work with.

MILLAR:

Just what do you expect the board to do? Are we suppose to agree with them or disagree with them or if we don't have any input, what difference does it make?

GARRETT:

The House Commerce Committee would like for you to agree with these and to adopt them at this time as emergency regulations, which would be in effect for 120 days.

MILLAR:

Anything else. They are just ramming this whatever way they want, whether we agree with them or disagree with them, I don't think really makes any difference.

DELK:

I agree with you, Pete.

GARRETT:

They would like to have you adopt these as emergency regulations and during the 120 day period that they would be in effect, the board would have regular regulations hearings such as you have had in the past, and sometime within that 120 days adopt regulations that you have come up with, either these or amended regulations but I am sure the Commerce Committee would like for you to not adopt them in a form that would change the intent.

MILLAR:

Well, um, without any input from the community as far as hearings go or anything like that? I couldn't say we could adopt those without changing the intent. I don't agree with what they are doing at all.

GARRETT:

No, during that 120 days you would have hearings just like you normally would under any regulation changes.

MILLAR:

Boy, what a way to pass law?

LOCKMAN:

Okay, Elaine, the legal size paper that you are referring to has not some of the wording that was originally received or was written by the temporary committee that was set up in Juneau.

GARRETT:

You're right, Don, it doesn't. It was worded this way by the Attorney General according to what her interpretation was of the draft she got and her discussions with Bob Aaron.

LOCKMAN:

Okay, let me quickly read that then. It's quite logic order. We reiterate on the revised regulation wording. Starting out at the top of the page it says 12 AAC 72.015 is amended to read: Welder Qualification Certificate Required. A person may not perform a welding operation in the state for compensation in which welding...

GARRETT:

Don.

LOCKMAN:

..or cause economic loss unless he or she holds a current, valid welder certificate.. qualification certificate in the appropriate rating.

GARRETT:

Don, that still is not the right one.

LOCKMAN:

That's the one...

GARRETT:

You are on the second page, I'm sorry.

LOCKMAN:

Pardon.

GARRETT:

I think you are on the right one, you are just on the second page.

LOCKMAN:

Okay, these are stapled together differently then but that was under 72.015 makes really no difference of whether we start on the first page or second page, they're separate paragraphs.

GARRETT:

Mine doesn't say that.

LOCKMAN:

Maybe you better read what you have, Elaine.

GARRETT:

All right, I will. 12 AAC 72.015 is amended to read: Welder Qualification Certificate Required. Welding performed in the state that is advertised for hire or is under a written contractual agreement for compensation may be performed only by a certified welder or under the direct supervision of a certified welder employed by the company responsible for performing the welding. A welder qualification certificate must be within the appropriate rating in accordance with the applicable welding code or standard. 12 AAC 72.035 is amended to read: Welder Qualification Certificate Issued. The welding inspector shall issue the welding qualification certificate in the appropriate rating to the applicant or company upon the applicant's successful completion of the examination. A certificate issued under this section must bear the welding inspector's signature and license number. 12 AAC 72.045 is amended to read: Requirements for Maintaining a Current Welder Qualification Certificate. (a) A welder qualification certificate is valid if it is kept current in compliance with the code under which it is issued unless otherwise stated in the job specification. (b) The expiration or revocation of one rating does not affect any remaining rating. 12 AAC 72.055 is amended to read: Welding Inspector License Required. (a) A person may not test a welder for the purpose of issuing a welder qualification certificate unless he or she holds a current, valid welding inspector license. (b) If the inspection of a welding operation is required by law, regulation, ordinance, code, job specification or agreement, the inspection may be performed only by a licensed welding inspector, except in the circumstances described in (e), that's "e" as in every, of this section. (c) A welding operation must be inspected by a licensed welding inspector if inspection is required by the applicable code or job specification. (d) A welding operation may be inspected by a licensed welding inspector if it is advertised for hire or is performed under a written contractual agreement for compensation. (e) An engineer approved by the board may inspect a welding operation in a public works construction project if a licensed welding inspector is not

available and if the inspection is performed under directions provided by a licensed welding inspector. (f) An engineer applying for eligibility under (e) of this section shall submit a resume of his or her experience to the board. The board may also require an interview before granting approval. (g) Subsections (e), as in every, and (f) of this section expire January 1, 1982. 12 AAC 72.105(a) is amended to read: A welding inspector license is valid from the date of issuance until the expiration date of the inspector's American Welding Society welder inspector certification. 12 AAC 72.195(b), as in baby, is amended to read: Application for renewal of a welding inspector license must be made to the department on a form provided by the department and must be accompanied by a fee of \$200. That's the end of the proposed regulations.

LOCKMAN:

Well, that is essentially what we were reading there but there is some slight changes.

GARRETT:

Well, we just want to make sure that we are all discussing the same regulations so that if they are adopted, we will have the correct ones.

LOCKMAN:

Okay, all the board members have heard the proposed regulations' last revisions read by Elaine Garrett. The Chair at this time would entertain a motion to the adoption of those regulations.

DELK:

This is Don Delk and I would like to make a motion and I would like to make a motion that the board do not accept the proposed regulations as just read by Elaine Garrett.

LOCKMAN:

Okay, Don, you can't make a negative motion. You have to make a positive motion and then vote upon it and if you wish not to vote for it, then of course you vote against it.

DELK:

I am not sure how I would put this into a positive motion.

LOCKMAN:

Well, you just move that we adopt the regulations and then if it is seconded, we will vote either to adopt it or not to adopt it, is all. Would you like to make a positive motion there?

DELK:

Nope.

LOCKMAN:

Okay.

WINGFIELD:

This is Wingfield. I will make a motion to adopt.

LOCKMAN:

Okay, motion is made by J.C. Wingfield to adopt the regulations as read by Elaine Garrett. Do we have a second to that motion?

MILLAR:

Okay, I will second it.

LOCKMAN:

The motion has been seconded. It is now open for discussion. Do I hear any discussion?

DELK:

Yes.

LOCKMAN:

Don.

DELK:

The first...right in the first paragraph 015. It doesn't even require that a certified welder weld on projects. It says the certified welders can weld under direct supervision, I mean, welders may weld under direct supervision of a certified welder. I don't think that is even in line with what this board has been working for for years.

MILLAR:

I don't think AWS agrees with anything like that either.

WINGFIELD:

Yeh, I think we are all in agreement. Why don't you just call for the question and let it die there.

LOCKMAN:

Okay. Is there any other discussion? Hearing no discussion, no further discussion, the Chair will call for the vote of the motion at this time. All in favor of the motion signify by saying "aye" with your name. All those opposed signify "aye" with your name.

WINGFIELD:

"Aye" Wingfield.

MILLAR:

Peter Millar "aye."

DELK:

"Aye" Don Delk.

LOCKMAN:

Okay, the motion is defeated. No positive action will be taken on that regulation adoption. Okay, at this time, I would like to set the date for the next board meeting. The next board meeting to be scheduled for a regular..on a regular basis would have been July 25 had it been submitted by motion to the last board meeting where there was no quorum. At this time, the Chair would entertain a motion to set the next board meeting for July 25, Friday, at 2:00 p.m. Do I hear a motion to that effect?

WINGFIELD:

Yeh, this is Wingfield, I'll make the motion.

LOCKMAN:

Okay, J.C. Wingfield moves that the next regular meeting be held July 25 at 2:00 p.m. at the same place, I presume. Now is there a second to that motion?

MILLAR:

I will second it.

LOCKMAN:

Okay, the motion has been seconded by Pete Millar. Any discussion on that? Hearing no discussion, all in favor signify by saying "aye" with your name.

WINGFIELD:

Wingfield "aye."

MILLAR:

"Aye" Millar.

DELK:

"Aye" Don Delk.

LOCKMAN:

"Aye" Don Lockman. Okay, the next .. motion carried. The next meeting then will be scheduled..a regular meeting of July 25 at 2:00 p.m. in Anchorage at the same meeting place that we have been holding at the Community College, Room 103, Building G, at the Anchorage Community College. Okay, is there any other business that we would like to attend to at this time?

WINGFIELD:

This is Wingfield.

ENGLISH:

Don, how about the welding board exam? Is it going to be the 26th of July?

LOCKMAN:

Oh, excuse me, J.C. The examination for the next AWS meeting or examination should say, would normally be held on the 26th of July. The board is apparently still having those meetings scheduled on a special meeting basis twice a year. The July 26th proposal would be a special meeting, excuse me, a special examination. Is the state still funding the cost for those, Jane?

ENGLISH:

For those special meetings?

LOCKMAN:

On those special examinations?

ENGLISH:

As far as I know.

LOCKMAN:

Okay, if there is money left in the budget to pay the American Welding Society for the special examination for July, the Chair would at this time entertain a motion that we conduct a special examination...July 26th that the Anchorage Community College campus starting at 8:00 a.m.

DELK:

This is Don Delk. I will make a motion that we hold special examinations on July 26 at 8:00.

LOCKMAN:

Do I hear a second?

MILLAR:

Second.

LOCKMAN:

Okay the motion has been made and seconded that we hold a special examination. Is there any discussion?

MILLAR:

What does it cost anyway to hold one of those special examinations?

LOCKMAN:

Jane, could you fill us in on that?

ENGLISH:

H:

I really and truly don't know what the exact amount is because Carol Fredrickson never told me. She just paid the bill.

LOCKMAN:

Okay, the way that I understand that if they do not have to send a representative up, if we handle the proctoring ourselves, they will charge us \$250 for the examination.

ENGLISH:

That's probably what she has paid then.

LOCKMAN:

If they send in a proctor, then they would charge us for his transportation and expenses.

ENGLISH:

Right.

MILLAR:

We usually have somebody come up from Juneau also to monitor that for the Welding Board?

ENGLISH:

I do.

MILLAR:

We do.

LOCKMAN:

The cost of that is incurred by the state and I am not sure how it comes out of our budget, the Welding Board, but the salary is paid on a normal basis so the individual's salary is I think taken care of on a regular basis rather than a special application. Any other discussion on the examination? Motion? Hearing no further discussion, we will call for vote. All those in favor of holding the 26th examination signify by saying "aye" with your name.

WINGFIELD:

"Aye" Wingfield.

DELK:

"Aye" Don Delk.

MILLAR:

"Aye" Pete Millar.

LOCKMAN:

And "aye" Don Lockman. Motion carried unanimously. Is there any other further discussions.. business to be brought up. J.C., you had a thing you wanted to say?

WINGFIELD:

The only thing that I wanted to say, I think that all of us if we have a chance today or the next day or so, we ought to call Colletta and find out what his thinking is when he says (undisc.).

LOCKMAN:

Okay, I am sure that we will do that.

DELK:

This is Don Delk. If Colletta is holding up what we just did not approve.. (End of Side 1)...

ENGLISH:

You are on tape now.

LOCKMAN:

Ha ha, Jane, we tricked you. We are all done.

ENGLISH:

That's not fair.

LOCKMAN:

Okay, Elaine, I would like to request that you send all the board members a copy of what you had read to us.

ENGLISH:

I will send it you. She has left.

LOCKMAN:

Okay.

ENGLISH:

I sent that up by Nancy, but I will send it to you again.

LOCKMAN:

Okay. We must have gotten it and I just misplaced it or something. I thought I had the latest in front of me but that's fine as long as we heard what the verbage was. It really met no difference who read it.

MILLAR:

Well, my understanding of this whole deal is whether this gets out of committee or not if, don't approve this emergency regulation, that the House Commerce Committee is going to recommend that we expire to start with.

LOCKMAN:

Well, that's a...there's two bills in and if either one of them makes the floor, they will probably be voted to extend the Welding Board. However, they both have to..or either one has to get through

the Rules apparently and that's where it is hung up and if Colletta has enough influence to keep it from getting out of the Rules Committee, it will never get to the floor and then the board will automatically be Sunsetting.

DELK:

Well, if either one of these bills clears the House, I mean, clears the Legislature and get voted on, I don't agree with either one of them, either the Senate Bill or the House Bill, and we might as well be abandoned anyway, because I do not agree with the House Bill or the Senate Bill. Both of them have things that the Welding Board has never pushed for in the past and are against the concepts of what the Welding Board has had in the past so I don't, you know, I would never approve either the House Bill or the Senate Bill and according to my understanding, it looks like the Welding Board is going to fold.

LOCKMAN:

Well, the Welding Board has very little influence as to the statutes anyway. All we can do is make recommendations.

MILLAR:

Yes, but they have made a statute, the Senate Bill 553 has put things in their statute changes that are exactly what the Audits recommended that we not do. The Audit recommended that we change the statutes..that the statutes be changed more in line with the board's activities to where the Senate Bill is going right back to the Welding Board setting up certification tests, which is what the Welding Board has never been able to do and never will be able to do.

LOCKMAN:

That's correct. And so the revision of the statutes is not...

DELK:

It is just as bad as the revisions of the regulations. Neither one of them are any good. We don't have anything even if we are, uh, we are ... I think the Audit Committee was harder than the Senate or the House here.

WINGFIELD:

That very well may be. It sounds like it.

DELK:

If the Senate and the House are going to take over the Welding Board there is not a whole lot of sense in having a Welding Board.

LOCKMAN:

Well, as it stands at this point then, the regulations that we had submitted to the Audit Committee were the regulations that should be reprinted into the book if the board is continued. They were passed at a meeting unanimously and submitted to the House Committee on the Sunset Legislation.

DELK:

But the House Committee has not agreed, to or the Senate either one, agreed to pass the regulation changes that the board proposed and how are the proposed changes put forth by the board going to become part of the new regulations or part of the regulations? They are not going to.

LOCKMAN:

Well, probably not, but at least we have done our fair share in revising the regulations to meet the actions in which we have been working under and come in line..more in line with what we felt the state needed. If the committees, Senate, excuse me, the House Committee did not see fit to continue our efforts, our verbage, we really can't do much about that.

WINGFIELD:

Listen, gentlemen, I have got an 11:00 meeting I have got to go so I am going to cut my end of it short.

LOCKMAN:

Okay, I think we are all kind of busy so is there any further discussions on any other business to be taken upon?

ENGLISH:

I don't have any.

LOCKMAN:

Pardon.

ENGLISH:

I don't have any.

LOCKMAN:

Okay, hearing no further discussion, the Chair will entertain a motion to adjourn.

MILLAR:

I move that we adjourn.

DELK:

I will second that.

LOCKMAN:

Motion made by Pete Millar and seconded by Don Delk that we adjourn the special meeting at 10:50 a.m. All those favor signify by saying "aye" and your name.

WINGFIELD:

"Aye" Wingfield.

DELK:

"Aye" Delk.

MILLAR:

"Aye" Millar.

LOCKMAN:

"Aye" Don Lockman. Okay, motion carried. Meeting is adjourned.

final - CS for Senate
CSHB 553

Original sponsor: Commerce Committee

Offered: 4/14/80
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 994 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Board of
7 Welding Examiners, and amending the statute relating to
8 its powers and responsibilities; and providing for an
9 effective date."

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

11 * Section 1. AS 08.99.010 is amended to read:

12 Sec. 08.99.010. CREATION AND MEMBERSHIP OF BOARD. There is
13 created the Board of Welding Examiners, consisting of five [SEVEN]
14 members appointed by the governor.

15 * Sec. 2. AS 08.99.020 is amended to read:

16 Sec. 08.99.020. TERM OF OFFICE. Board members serve a term of
17 five years. ** Board members are to serve no more than 2 consecutive terms*
[HOWEVER, OF THE MEMBERS FIRST APPOINTED, ONE SHALL BE
18 APPOINTED FOR A TERM OF ONE YEAR, ONE FOR TWO YEARS, ONE FOR THREE
19 YEARS, ONE FOR FOUR YEARS, AND THREE FOR TERMS OF FIVE YEARS.]

20 * Sec. 3. AS 08.99.030 is amended to read:

21 Sec. 08.99.030. SOURCE OF APPOINTMENTS. The governor shall ap-
22 point three of the board members from a list of persons prepared by the
23 Alaska Chapter of the American Welding Society and the Alaska Society of
24 Professional Engineers and submitted at least 30 days before the expira-
25 tion of a term and not more than 60 days after a vacancy occurs in an
26 unexpired term. The list shall contain not less than two recommended
27 candidates for each appointment. The governor shall make appointments
28 within 30 days after receiving the list. The governor shall appoint two
29 members from the general public, one of whom must have general knowledge

1 of welding.

2 * Sec. 4. AS 08.99.050 is amended to read:

3 Sec. 08.99.050. QUALIFICATIONS OF BOARD MEMBERS. Each member of
4 the board shall be a citizen of the United States and a resident of the
5 state. At least one [THREE] member [MEMBERS] shall have an [BE PERSONS
6 WITH] engineering degree [DEGREES] or registration as an engineer and
7 [EACH ENGINEER MEMBER] shall have at least five years engineering
8 experience and at least three years experience in welding. At least
9 two members shall be welding inspectors certified by the American
10 Welding Society. [ALL MEMBERS SHALL HAVE EXTENSIVE EXPERIENCE IN
11 WELDING.]

12 * Sec. 5. AS 08.99.080(a)(1) is amended to read:

13 (1) adopt [ESTABLISH AND PROMULGATE RULES AND] regulations
14 concerning certification of welders and welding inspectors in the state;

15 * Sec. 6. AS 08.99.080(a)(2) is amended to read:

16 (2) establish and define certification tests as they apply to
17 various types and categories of work done in or for the state or for a
18 political subdivision of the state;

19 * Sec. 7. AS 08.99.080(a)(3) is amended to read:

20 (3) work with federal and private agencies and specifying
21 engineers to establish uniform testing and certifying methods [FOR ALL
22 WELDERS THROUGHOUT THE STATE];

23 * Sec. 8. AS 08.99.080(a)(9) is amended to read:

24 (9) adopt [PROMULGATE] regulations concerning the quality
25 and inspection of welds and qualifications of welders required in speci-
26 fic areas of industry and construction, including construction by or on
27 behalf of the state or a political subdivision of the state, and desig-
28 nate reporting procedures necessary to certify compliance with these
29 quality standards;

1 * Sec. 9. AS 08.99.080(a) is amended by adding new paragraphs to read:

2 (11) prepare an annual budget to be submitted to the legis-
3 lature and request an annual appropriation from the general fund to
4 cover operating expenses of the board, not to exceed the amount of
5 income to be received from fees under this chapter for the year;

6 (12) adopt regulations requiring the application of the latest
7 standards and codes adopted by the American Welding Society if a
8 contract or job specification fails to designate the standards or codes
9 to be applied to a particular weldment.

10 * Sec. 10. AS 08.99.080(b) is amended to read:

11 (b) The board may request [TECHNICAL] personnel from the Depart-
12 ment of Commerce and Economic Development [LABOR] for the purpose of
13 reviewing and analyzing reports and may request field inspection by the
14 department for the purpose of assuring compliance with, and enforcement
15 of the regulations [, RULES] and orders adopted [PROMULGATED] under this
16 chapter [AS 08.99.010 - 08.99.110].

17 * Sec. 11. AS 08.99.080 is amended by adding a new subsection to read:

18 (c) The board may adopt regulations to permit certified welding
19 inspectors to examine, certify, and renew certifications of welders.

20 * Sec. 12. AS 08.99 is amended by adding a new section to read:

21 Sec. 08.99.085. RENEWAL OF WELDING INSPECTOR CERTIFICATES. Not-
22 withstanding AS 08.01.100(a), the certificate of a welding inspector
23 issued under this chapter expires on the date of expiration of the
24 welding inspectors certification by the American Welding Society.

25 * Sec. 13. AS 08.03.010(c) is amended by adding a new paragraph to read:

26 (2) Board of Welding Examiners (AS 08.99.010) -- June 30,
27 1984.

28 * Sec. 14. AS 08.99.110 and AS 08.03.010(b)(10) are repealed.

29 * Sec. 15. Members of the Board of Welding Examiners serving on the board

1 on the effective date of this Act shall continue in office until the expira-
2 tion of their terms. In the year that three terms of members expire simul-
3 taneously, two of those terms are abolished upon their expiration.

4 * Sec. 16. This Act takes effect ~~June 30, 1980.~~

5 *April 25, 1980*

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

CHAPTER 72.
BOARD OF WELDING EXAMINERS

Article

1. Codes
2. Welders
3. Welding Inspectors
4. General Provisions

ARTICLE 1.
CODES

Section

5. Rating
10. (Repealed)

12 AAC 72.005. RATING FOR WELDERS. Ratings for welders shall be governed by the code requirements in the job specifications. In the absence of code requirements, welders shall be certified in accordance with the applicable American Welding Society Code. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(1),(2) and (9)

12 AAC 72.010. CERTIFICATE REQUIRED. Repealed. (8/21/78, Reg. 67)

ARTICLE 2.
WELDERS

Section

15. Welder qualification certificate required
20. (Repealed)
25. Requirements for welder qualification certificate
30. (Repealed)
35. Welder qualification certificate issued
40. (Repealed)
45. Requirements for maintaining a current welder qualification certificate

12 AAC 72.015. WELDER QUALIFICATION CERTIFICATE REQUIRED. A person may not perform a welding operation in the state for compensation, in which weldment failure would involve hazard to life or property unless he or she holds a current, valid welder qualification certificate in the appropriate rating. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(1),(2),(5) and (9)

12 AAC 72.020. DURATION AND RENEWAL. Repealed. (8/21/78, Reg. 67)

12 AAC 72.025. REQUIREMENTS FOR WELDER QUALIFICATION CERTIFICATE.

(a) Testing of welders shall be done under the direct supervision of a licensed welding inspector.

(b) An applicant for a welder qualification certificate or a company desiring to have a welder qualified shall

(1) submit to the welding inspector the welding procedure specifications or the welding performance specifications, or both when indicated, for the appropriate rating; and

(2) complete the welding test for the appropriate rating according to the terms of the welding procedure specifications or the welding performance specifications, or both when indicated.

(c) Prequalified procedure specifications may be used for test administration according to applicable codes. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(1),(2),(5) and (9)

12 AAC 72.030. TEST SELECTION. Repealed. (8/21/78, Reg. 67)

12 AAC 72.035. WELDER QUALIFICATION CERTIFICATE ISSUED. The welding inspector shall issue the welding qualification certificate in the appropriate rating to the applicant or company upon the applicant's successful completion of the examination. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(1),(7) and (10)

12 AAC 72.040. QUALIFICATION. Repealed (8/21/78, Reg. 67)

12 AAC 72.045. REQUIREMENTS FOR MAINTAINING A CURRENT WELDER QUALIFICATION CERTIFICATE. (a) A welder qualification certificate is valid if

(1) it is kept current in compliance with the code under which it is issued unless stated otherwise in the job specification; and

(2) the welder has been continuously

employed on the welding process for which he is certified.

(b) The expiration or revocation of one rating does not affect any remaining rating. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(1),(5) and (10)

ARTICLE 3.
WELDING INSPECTORS

Section

- 50. (Repealed)
- 55. Welding inspector license required
- 60. (Repealed)
- 65. Requirements for welding inspector license
- 70. (Repealed)
- 75. Application for welding inspector license
- 80. (Repealed)
- 85. Examination for welding inspector license
- 90. (Repealed)
- 95. Welding inspector license issued
- 105. Welding inspector license expiration and renewal
- 115. Duties and responsibilities of welding inspector
- 125. Prohibited conduct of welding inspector

12 AAC 72.050. TEST FACILITIES. Repealed. (8/21/78, Reg. 67)

12 AAC 72.055. WELDING INSPECTOR LICENSE REQUIRED. A person may not test a welder for the purpose of issuing a welder qualification certificate or inspect a welding operation in the state in which weldment failure would involve hazard to life or property unless he or she holds a current, valid welding inspector license. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(7) and (10)

12 AAC 72.060. WELD QUALIFIER. Repealed. (8/21/78, Reg. 67)

12 AAC 72.065. REQUIREMENTS FOR WELDING INSPECTOR LICENSE. (a) An applicant for a welding inspector license must

(1) be a high school graduate or hold a state or military approved high school equivalency diploma;

(2) have no less than five years' experience at the technical level in an occupational function that directly involved

(A) design experience such as preparation of plans and drawings for weldment construction according to a code, standard or specification;

(B) construction experience such as actual construction or fabrication and erection of weldments in accordance with a code, standard, specification or drawing;

(C) maintenance experience such as detection and measurement of weld inadequacies or discontinuities in accordance with specified procedures; and

(D) repair experience such as repair or replacement of welds that were determined inadequate or defective by reference to a code, standard, specification or drawing;

(3) be familiar with and understand the fundamentals of shielded metal arc welding, stud arc welding, submerged arc welding, flux cored arc welding, gas metal arc welding, gas tungsten arc welding, electroslag welding, oxyfuel gas welding, brazing, thermal cutting and mechanical cutting;

(4) be capable of writing clear and concise reports and maintaining records;

(5) pass an eye examination to prove natural or corrected near distance acuity for reading J-1 letters at a distance of not less than 12 inches on Jaeger's standard test type chart for near vision, or equivalent test, and natural or corrected far distance acuity of 20/40 as evidenced by a written, signed statement from a physician or an optometrist;

(6) pass a closed book test on welding inspection fundamentals such as welding processes, nondestructive testing methods, and interpretation;

(7) pass an open book test on general code or standard requirements such as fabrication tolerances and preheat requirements;

(8) pass a demonstration of competency in

the use of tools, gauges, and instruments pertaining to weld inspection; and

(9) submit evidence of having previously passed an all position welding qualification test in at least one welding process.

(b) The requirements of (a)(3) - (8) of this section will be waived for an applicant possessing a current welding inspector certificate issued by the American Welding Society in accordance with AWS QC 1-77, "Standard for Qualification and Certification of Welding Inspectors."

(c) An applicant may substitute up to two years of post-high-school education for two years of the five-year experience relevant to any of the functions covered by (a)(2) of this section and approved by the board. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(5) and (10)

12 AAC 72.070. TEST FEES. Repealed. (8/21/78, Reg. 67)

12 AAC 72.075. APPLICATION FOR WELDING INSPECTOR LICENSE. Application for a welding inspector license must be made to the department on a form provided by the department and must be accompanied by a fee of \$25. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(6) and (10)

12 AAC 72.080. CODES. Repealed. (8/21/78, Reg. 67)

12 AAC 72.085. EXAMINATION FOR WELDING INSPECTOR LICENSE. Examinations for welding inspector licenses will be conducted four times a year. Additional examinations may be conducted if the applicant furnishes all necessary facilities and pays all expenses incurred by the examiners. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(1),(2), (7) and (10)

12 AAC 71.090. DEFINITIONS. Repealed. (8/21/78, Reg. 67)

12 AAC 72.095. WELDING INSPECTOR LICENSE ISSUED. The department will issue a welding inspector license to an applicant who

meets the requirements of sec. 65 of this chapter. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(7) and (10)

12 AAC 72.105. WELDING INSPECTOR LICENSE EXPIRATION AND RENEWAL. (a) A welding inspector license is valid until March 1 of each year unless revoked for reasons stated in sec. 125 of this chapter.

(b) Application for renewal of a welding inspector license must be made to the department on a form provided by the department no later than February first of each year and must be accompanied by a fee of \$10.

(c) An application for renewal of a welding inspector license must contain

(1) evidence of compliance with the requirement of sec. 65(a)(5) of this chapter; and

(2) evidence of employment as a welding inspector in the form of

(A) a signed statement of an employer;

(B) payroll records indicating the position held; or

(C) affidavits of two fellow employees attesting to employment activity of the applicant.

(d) Application for renewal of a welding inspector license which has lapsed is considered a new application. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(7) and (10)

12 AAC 72.115. DUTIES AND RESPONSIBILITIES OF A WELDING INSPECTOR. (a) A welding inspector shall, when applicable

(1) keep the department advised of his current address for the mailing of renewal notices;

(2) verify that the work inspected conforms to the requirements of the applicable codes, standards and job specifications;

(3) verify that the base materials and consumable welding materials conform to the

specification requirements and that the specified welding filler metals are used on each base metal or combination of base metals;

(4) verify that the welding equipment to be used for the work is that which is specified in the welding procedure and has the capability to produce the specified welds;

(5) verify that the welding procedures are as specified, and are qualified and available to the welders for reference;

(6) verify that the welders have been properly qualified in accordance with the applicable codes and standards and that their qualification authorizes them to use the welding procedures specified for the work;

(7) observe the qualification tests when qualifying welders;

(8) verify that only specified and properly qualified welding procedures are used for the work;

(9) verify that the joint preparation and fit-up meets the requirements of the welding procedure and drawings;

(10) verify that the specified filler metals are used and that the filler metals are maintained in proper condition for use as specified;

(11) observe the technique and performance of each welder;

(12) examine the work for conformance to the requirements of the applicable codes, standards, specifications and drawings;

(13) identify the work inspected with specified marking methods or appropriate records;

(14) perform the necessary visual inspections;

(15) verify that the required visual and other nondestructive examinations have been performed by qualified personnel in the specified manner and review the resulting information to assure that the results are complete;

(16) perform nondestructive examinations that are specified, if he or she is qualified in accordance with the specified requirements;

(17) prepare clear and concise reports and keep necessary records of the welding procedure, the welding procedure qualifications, the welder qualifications, the control of welding materials and the results of inspections and tests;

(18) act with complete integrity in professional matters and be forthright and candid to the board or its representative on matters pertaining to this standard;

(19) to preserve the health and well-being of the public by performing the duties required of weld inspection in a conscientious and impartial manner to the full extent of his or her responsibilities and qualifications;

(20) undertake and perform assignments only when qualified by training, experience, and capability;

(21) be objective, thorough and factual in any written report, statement or testimony of the work and include all relevant or pertinent information in such communiques or testimonials;

(22) sign only for work that he or she has inspected, or for work over which he or she has personal knowledge through direct technical control; and

(23) conscientiously avoid conflict of interests with the employer or client and disclose any business association, interests, or circumstances that might be so considered.

(b) If there is evidence that the welder's work does not conform to the requirements of the applicable code, standard or specification, the welding inspector may require requalification of the welder. The welding inspector shall require a requalification of a welder if that person's qualification is not current by the requirements of the applicable codes, standards or specifications.

(c) If the welding inspector is to perform nondestructive examinations other than visual, and there are no specified qualification

requirements, he or she must be qualified and certified in accordance with the Recommended Practice No. SNT-TC-1A, "Personnel Qualification and Certification for Nondestructive Testing," June 1975. (Eff. 8/21/78, Reg. 67)

Authority: AS 08.99.080(a)(7),(9) and (10)

12 AAC 72.125. PROHIBITED CONDUCT OF WELDING INSPECTOR. (a) A welding inspector licensed under this chapter is prohibited from performing acts including

(1) signing a blank welder qualification certificate;

(2) issuing a welding qualification certificate to a welder not tested under his or her direct supervision;

(3) delegating his or her responsibility in testing of welders;

(4) paying, soliciting, or offering, directly or indirectly, any bribe or commission for professional employment with the exception of the usual commission required by employment agencies;

(5) falsifying, exaggerating, or indulging in the misrepresentation of personal academic and professional qualifications, past assignments, accomplishments, and responsibilities or those of his or her associates;

(6) issuing statements, criticisms, or arguments on weld inspection matters connected with public policy which are solicited or paid for by an interested party or parties, without first identifying the party and the speaker and disclosing any possible pecuniary interest;

(7) expressing an opinion on a weld inspection subject unless it is founded upon adequate knowledge of the facts in issue, upon a background of technical competence pertinent to the subject and upon honest conviction of the accuracy and propriety of the statement;

(8) accepting compensation, financial or otherwise, from more than one party for services on the same project, or for services pertaining to the same project, unless the circumstances are fully disclosed and agreed to by all interested parties or their authorized agents;

(9) soliciting or accepting gratuities, directly or indirectly, from any party or parties dealing with the client or employer in connection with the welding inspector's work; and

(10) associating with or knowingly participating in a fraudulent or dishonest venture.

(b) The board will suspend, refuse renewal of or revoke the welding inspector's license, place the license holder on probation, or reprimand the holder, if he or she is found to have engaged in prohibited conduct. (Eff. 8/21/78, Reg. 67)
Authority: AS 08.99.080(a)(7),(9) and (10)

**ARTICLE 4.
GENERAL PROVISIONS**

Section
899. Weld qualifier license
900. Definitions

12 AAC 72.899. WELD QUALIFIER LICENSE. A weld qualifier license issued under the authority of this chapter as it existed between August 2, 1973 and the effective date of this section is valid until six months after the effective date of this section and may not be renewed. (Eff. 8/21/78, Reg. 67)
Authority: AS 08.99.080(a)(7)

12 AAC 72.900. DEFINITIONS. (a) In this chapter

(1) "appropriate rating" means that rating which is required by the specific code designated in the job specifications; when there is no job specification or a specific code is not designated in the job specification, appropriate rating is not less than the all-position certification issued in accordance with the current edition of the American Welding Society Code;

(2) "board" means the Board of Welding Examiners;

(3) "code" means nationally recognized welding, nondestructive testing or engineering principles or rules published as guides or requirements or both by societies or agencies charged with establishing such guidelines;

(4) "continuous employment" means

employment without interruption of more than 90 consecutive days unless otherwise specified in the code under which the certificate is being renewed;

(5) "coupon" means a piece of metal cut and sectioned for testing;

(6) "cutting process" means a process in which the severing or removing of metals is effected;

(7) "department" means the Department of Commerce and Economic Development;

(8) "direct supervision" means being physically present at the work site and in personal charge of the work being performed;

(9) "job specifications" means the written document setting out the specific construction standards to be adhered to for the project;

(10) "rating" means a particular skill level in the art of welding;

(11) "responsibility" means being accountable to the board or its agents or both for one's action relating to the requirements of this chapter;

(12) "standards" means minimum acceptable guidelines established by societies or agencies or both charged with the responsibility for promulgating such guidelines;

(13) "technical level" means a level of work in welding using mathematics and science such as would require at least two years of post-high-school study at an accredited engineering school or technical institute or equivalent study;

(14) "valid" means having legal force and properly executed and binding under the law and is in compliance with the appropriate code, standard or specification;

(15) "weld testing methods" means the destructive or nondestructive means of evaluating the integrity of the weld metal or heat affected zone of the base material or both;

(16) "welder" means welder, welding operator and tacker;

(17) "welding" means the metal joining process used in making welds;

(18) "welding inspector" means a person meeting the requirements of secs. 55 - 125 of this chapter;

(19) "welding performance specification" means a document required before testing, setting the criteria for demonstration of a welder's ability to produce welds meeting prescribed standards;

(20) "welding procedure" means a written document specifying the essential variables as listed in the appropriate welding or engineering code or both;

(21) "welding procedure specification" means a document required before welding on any structure, specifying the parameters and requirements which control the quality of the welding for that structure;

(22) "welding process" means the method of application of heat or filler metal or both to complete the joining process;

(23) "welding qualification certificate" means a certificate issued under the authority of the board by a licensed welding inspector to a person verifying that he or she has successfully performed one or more of the specific welding tests required for a certification to a particular welding or engineering code;

(24) "weldment" means an assembly whose component parts are joined by welding.

(b) Terms not defined in this section shall be construed in accordance with American Welding Society A3.0-76, "Terms and Definitions." (Eff. 8/21 '78, Reg. 67)

Authority: AS 08.99.080(a)(1) and (9)

HB

452

(RULES)

COMMITTEE REPORT
SENATE

FURTHER: None

3/6/80

Date: 7 Mar 6, 1980

Mr. President:

The Committee on COMMERCE has had CSHB 452 (Rules)
credit unions

under consideration and (a majority of the committee) (the committee)
reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without ^{individual} recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Brad Bradley

Tom Kelly

Antoin Sturgulinski

MEMBERS HAVING
OTHER RECOMMENDATIONS:

~~_____~~

_____ (work)

Brad Bradley
CHAIRMAN

STATE OF ALASKA
THE LEGISLATURE

POUCH V, STATE CAPITOL
JUNEAU, ALASKA 99811

SENATE

TO

Christian Basler

REMARKS:

Commerce Committee

FY Note on HB 452

FROM

*Senate Secretary's
Office*

DATE

3/7/90

LAA 25-5

CS58-225

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB-452
 Title Act providing for state-chartered Credit Unions
 Requested by Senator Bradley Date _____

II. FISCAL DETAIL
 Agency Affected Commerce and Economic Development
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected Banking & Securities
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		120.4	178.7	196.6	216.3	237.9
200 TRAVEL		32.1	32.0	40.0	50.0	62.5
300 CONTRACTUAL		40.9	34.9	37.0	39.2	40.4
400 COMMODITIES		3.0	3.3	3.6	4.0	4.4
500 EQUIPMENT		5.0	7.5	1.5	1.7	1.9
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		201.4	256.4	278.7	311.2	347.2

FUNDING (Thousands of Dollars)

GENERAL FUND		157.9	202.9	222.0	251.1	283.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)		43.5	53.5	56.7	60.1	63.7

POSITIONS

FULL TIME		3	4	4	4	4
PART TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This is a revision of the fiscal note prepared for SB 225 in July, 1979. If the bill should have an effective date in FY 80 an immediate startup is desired, supplemental funding would be necessary. The bill provides for the incorporation and regulation of credit unions. In addition, it provides the state-chartered credit unions will pay the cost incurred by the department in conducting examinations application investigations in accordance with AS 06.01.010. The bill requires an annual examination of each state-chartered credit union. Assuming there are approximately 1 credit unions chartered and doing business in the state and 10 man-days per credit union examination or application and including one-half the time of an administrative assistant to support the examiner would bring the total to \$43,518.

It will be necessary to hire an experienced credit union examiner at the start of the program. This will involve out-of-state hire in order to find a qualified examiner.

IV. DATE 1/29/80 PREPARED BY Julius J. Brecht
 AGENCY Banking & Securities
 PHONE 465-2521
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSSB 225
 Title Act providing for state-chartered credit unions
 Requested by Senator Bradley Date _____

II. FISCAL DETAIL
 Agency Affected Commerce and Economic Development
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected Banking & Securities
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		120.4	178.7	196.6	216.3	237.9
200 TRAVEL		32.1	32.0	40.0	50.0	62.5
300 CONTRACTUAL		40.9	34.9	37.0	39.2	40.4
400 COMMODITIES		3.0	3.3	3.6	4.0	4.4
500 EQUIPMENT		5.0	7.5	1.5	1.7	1.9
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
		201.4	256.4	278.7	311.2	347.2
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		157.9	202.9	222.0	251.1	283.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)		43.5	53.5	56.7	60.1	63.7

POSITIONS

FULL TIME		3	4	4	4	4
PART TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This is a revision of the fiscal note prepared for SB 225 in July, 1979. If the bill should have an effective date in FY 80 an immediate startup is desired, supplemental funding would be necessary. The bill provides for the incorporation and regulation of credit unions. In addition, it provides the state-chartered credit unions will pay the cost incurred by the department in conducting examinations application investigations in accordance with AS 06.01.010. The bill requires an annual examination of each state-chartered credit union. Assuming there are approximately 15 credit unions chartered and doing business in the state and 10 man-days per credit union examination or application and including one-half the time of an administrative assistant to support the examiner would bring the total to \$43,518.

It will be necessary to hire an experienced credit union examiner at the start of the program. This will involve out-of-state hire in order to find a qualified examiner.

IV. DATE 1/29/80 PREPARED BY Julius J. Brecht
 AGENCY Banking & Securities
 PHONE 465-2521
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

In addition to these personnel needs, a member of the division's examination staff assisted by the administrative assistant will spend the remaining time responding to inquiries and complaints from the public concerning credit unions and take care of administrative matters relative to credit union regulation. It is estimated that at least the time of one and one-half examiners plus the full time of the administrative assistant would be necessary to handle the full administration and regulation of state-chartered credit unions under SB 225.

The present examination staff can easily use the additional one-half of an examiner to take care of the statistical matters and added workload related to the decided increase in new bank and branch applications, new savings and loan and branch applications, mergers and conversions of existing financial institutions, as well as the added examination workload.

Finally, the contractual budget for FY 81 includes \$7,500 to have an individual(s) familiar with the regulation of state-chartered credit unions draft regulations and set up office and examination procedures, design reports, etc., for the administration of a credit union act. The division does not have the personnel to take care of these matters in a timely fashion and at the same time main present responsibilities.

Forck

5/14/80 Hold one day
By: Rep. Hays

CONFERENCE COMMITTEE REPORT

5/16/80 - To the Gov.

DATE: May 14, 1980

Mr. President:
Mr. Speaker:

The FREE Conference Committee which has had

CSHB 452 (Rules) Credit unions; eff date
&
CSHB 452(Rls)amS Same title

16 year
3 years
(Hankworth
Ray
2 legs)

under consideration, recommends that

FCCSHB 452

Financial institutions; providing for state credit unions and adding to the powers of mutual savings banks; e.d.

be adopted.

Senate Members:

Mike Colletta
Senator Colletta, Chairman

Alvin Hackney
Senator Hackney

Senator Fahrenkamp
Senator Fahrenkamp

House Members:

Joe McKinnon
Rep. McKinnon, Chairman

A. Smith
Rep. Smith

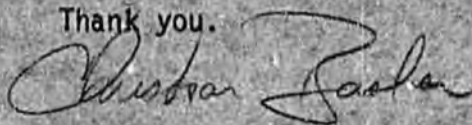
Patrick J. O'Connell
Rep. O'Connell

August 14, 1979

Billy:

Although the attached letter was sent under Brad's signature, could you please return all correspondence to my attention.

Thank you.

A handwritten signature in cursive script that reads "Christian Basler". The signature is written in dark ink and is positioned above the typed name.

Christian Basler
Administrative Assistant
Senate Commerce Committee

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 7, 1980

SUBJECT: CS for House Bill No. 452 (Rules)
[Work Order No. 8305]

TO: Senator Brad Bradley
Chairman, Senate Commerce Committee

FROM: Richard A. Bradley *B*
Legislative Counsel

I have been requested to do a sectional analysis of the Committee Substitute for House Bill No. 452 (Rules). As you recognize this is identical to the Committee Substitute for Senate Bill No. 225 that I prepared for your committee.

Section 1 of the bill amends AS 06.01.020 to allow the commissioner of commerce and economic development to grant to a state credit union powers that may be granted to a federally chartered credit union. This power is typically granted to the commissioner and he presently possesses such power as to banks, trust companies and savings associations as well as other federally chartered institutions doing business in the state which are subject to identified federal regulatory agencies.

Section 2 establishes the Alaska Credit Union Act by amending AS 06 to add Chapter 45.

The titles of each Section are useful to an understanding of the material in the bill and its location:

Sec. 010	Responsibility of the Commissioner	Page 1
020	Formation of a Credit Union	Page 2
030	Approval of Articles of Incorporation and Issuance of Certificate of Authority	Page 3
040	Fees	Page 4
050	Reports and Examinations	Page 4
060	Powers of a Credit Union	Page 4

070	Membership	Page 10
080	Meetings of Members	Page 11
090	Management of Credit Union	Page 11
100	Compensation	Page 11
110	Executive Officers	Page 12
120	Board of Directors	Page 12
130	Applications for Membership	Page 13
140	Powers and Duties of Credit Committee	Page 14
150	Loan Restriction	Page 14
160	Security	Page 15
170	Powers and Duties of Supervisory Committee	Page 15
180	Reserves	Page 16
190	Dividends	Page 17
200	Expulsion and Withdrawal	Page 17
210	Minors or Trusts	Page 17
220	Suspension [of Credit Union]	Page 17
230	Exemption from Taxation	Page 18
240	Allotment of Space in State Office Buildings	Page 18
250	Conversions	Page 18
260	Insurance of Member Accounts	Page 18
270	Liquidity Facility Participation	Page 19
280	Conflict of Interest	Page 19
290	Merger	Page 19
300	Branch Offices	Page 19
310	Unauthorized Conduct of Credit Union Business	Page 19
320	Transfer of Credit Union Property to Preferred Creditor	Page 20
330	Unlawful Deceit of Commissioner or Examiner	Page 20
340	Receipt of Deposits While Insolvent	Page 20
350	Limitations on Credit Union	Page 20
400	Definitions	Page 20

Section 010. This section deals with the responsibilities of the commissioner. It provides that he shall administer the chapter, that he may adopt regulations for the administration of the chapter, that he may delegate any authority granted by the chapter, and that records of a credit union will be kept under regulations that he adopts.

The section also provides for bonding of credit union officers under procedures approved by the commissioner.

Section 020. This section is a section under which a credit union would be established. It provides the procedures that individuals who wish to form a credit union will use. It also authorizes the commissioner to require other provisions that he considers necessary for the management of the credit union. Bylaws will also be submitted to the commissioner for approval at the time that the articles of incorporation are submitted.

Section 030. Articles of incorporation and bylaws are required to be submitted to the commissioner for his approval. Before he approves these documents and issues a certificate of authority to do business, the commissioner is required to determine whether the articles and bylaws conform to the chapter and to the regulations of the commissioner, the general character and fitness of the subscribers, and the economic advisability of establishing the proposed credit union.

Section 040. This section authorizes the commissioner to assess a fee for his expenses in processing an application. The fee is assessed under the procedures established in AS 06.01.010.

Fees are also authorized under this section for the approval of a branch of the credit union, for a merger or conversion of a credit union or for an examination of a credit union which is conducted under AS 06.45.050.

Section 050. This section authorizes the commissioner to require both an annual financial report and other financial reports required by regulations that he adopts. It also provides that a credit union is subject to examination by the commissioner.

Section 060. This section elaborates the powers of a credit union and it provides generally that a credit union has the powers to enter into a contract, to sue and be sued, to purchase, hold and dispose of property and to make loans.

Generally the maturity of a loan may not exceed 12 years. However, a residential real estate loan made to finance the acquisition of a one to four family dwelling for the principal residence of a credit union member may have a maturity not exceeding 30 years; and a loan to finance the purchase of a mobile home to be used as the residence of a credit union

member may generally not exceed 15 years. The section contains other restrictions on loans made by a credit union and these restrictions are detailed in sec. 060(5)(A)(iii) and following.

Thus, at (x), the bill provides that the total dollar amount of real estate loans and mobile loans outstanding may not exceed 25 percent of the paid-in and unimpaired capital and surplus of the credit union without the written approval of the commissioner. Similarly, a credit union with a paid-in and unimpaired capital and surplus of less than \$3,000,000 may make real estate loans with maturity in excess of 15 years only with the approval of the commissioner.

Section 060(7) [starting on page 7 of the bill] is the section of the bill which regulates the investments of credit union funds.

Section 060(8) and the following paragraphs identify a series of authorities of a credit union. Thus, credit unions may make deposits in national banks and in state banks, trust companies, and mutual savings banks, may borrow in accordance with regulations adopted by the commissioner from any source, may levy late charges, may enforce a lien upon the shares and dividends of a member to the extent of a loan to the member, may sell to members negotiable checks, travelers checks, and money orders, and may cash checks and money orders for members, for a fee which does not exceed the direct and indirect costs incident to providing the service, and may engage in other miscellaneous activities detailed in this portion of sec. 060 which carries on over through page 10 of the bill.

Section 070. This section deals with membership in a credit union and provides that the membership consists of the incorporators of the credit union and other persons to the extent permitted by regulations adopted by the commissioner. Credit union membership is limited to groups "having a common bond of occupation or association, or to groups within a well-defined neighborhood community or rural district."

Section 080. This section deals with meetings of members and provides that the annual meeting of a credit union shall be held within three months after December 31st of each year; special meetings may be held under the bylaws.

Section 090. This section deals with the management of a credit union and provides that the business affairs of a credit union are managed by a board of not less than five directors, a credit committee of not less than three members and a supervisory committee of not less than three members or more than five members.

The bill provides that the members of the board of directors and the members of the credit committee are elected at the annual meeting by and from the membership. The supervisory committee is appointed by the board of directors. Members of the board and of the credit and supervisory committees hold office for terms specified in the bylaws.

Section 100. This section deals with the compensation of members of the board of directors and the section provides that members of the board of directors and of credit and supervisory committees may not be compensated for service on the board or on the committees. The section further provides that reasonable health, accident and similar insurance protection is not compensation under this section.

Section 110. This section deals with the executive officers of the credit union and provides that the board of directors shall elect from the membership a president, one or more vice presidents, a secretary and a treasurer. It provides that an executive officer other than the treasurer may not be compensated as an officer.

Section 120. This section deals with the board of directors; it provides that the board of directors shall meet at least once a month and shall have general direction and control of the business affairs of the credit union.

It is the board of directors that acts on applications for membership and will fill the vacancies in the board of directors and in the credit committee.

The board of directors has responsibility for investments other than loans to members. The board also determines the interest rates on loans, the security and the maximum amount which may be loaned or provided in lines of credit to a member.

The section provides that the board of directors may appoint an executive committee of not less than three directors to exercise powers granted to it by the board of directors.

Section 130. This section deals with applications for membership. And requires the board of directors to review and approve applications for membership in the credit union at least monthly. It requires the board of directors to provide reasons if an application for membership is denied. And it provides that the board of directors may appoint a membership officer to review applications for membership; the treasurer or a loan officer may not review applications for membership.

Section 140. This section deals with the powers and duties of the credit committee. The credit committee is obliged to consider applications for loans and lines of credit as the business of the credit union may require but not less often than once a month. A majority of the entire credit committee may approve an application or lines of credit unless the approval of the board of directors is required under AS 06.-45.060(5). The credit committee may delegate to a loan officer the power to approve loans and lines of credit.

The section provides that an individual may not disburse funds of a credit union for a loan, line of credit, or application which he approves in the capacity of loan officer.

Section 150. This section establishes restrictions on loans and limits the loan to a particular member to an amount less than 10 percent of the unimpaired capital and surplus of a credit union.

Section 160. This section deals with the security required for loans.

Section 170. This section deals with the powers and duties of the supervisory committee. It is the responsibility of the supervisory committee to conduct an annual audit of the accounts of the credit union and to conduct such other supplementary audits as it considers necessary or as ordered by the commissioner. The supervisory committee is charged with the verification of the passbooks and accounts of the members from time to time. The supervisory committee is also given the authority by a unanimous vote of its membership to suspend an officer of the credit union or a member of the

credit committee or the board of directors until the next meeting of the membership which shall be held within not less than seven nor more than fourteen days. The membership shall act to ratify or reject the action of the supervisory committee. This section also permits the board of directors to suspend a member of the supervisory committee until the next meeting of the membership which is called on short notice.

Section 180. This section deals with the reserves of a credit union. It establishes a formula under which the credit union will maintain reserves. I have not set out the requirements of this section since they are somewhat technical. The section itself is on page 16 of the bill. The commissioner is given authority to modify the reserve limitations of the section.

Section 190. This section deals with the dividends of the credit union. It grants to the board of directors the authority to declare a dividend at various rates on different types of shares.

Section 200. This section deals with the expulsion and withdrawal of membership.

Section 210. This section provides that shares of a credit union may be issued in the name of a minor or in trust subject to conditions prescribed by the bylaws.

Section 220. This section deals with the suspension of a credit union by the commissioner for insolvency or for operation in an unsafe and an unsound manner or for violation of its articles of incorporation, its bylaws, or violation of this chapter or regulations adopted by the commissioner under it. The commissioner is given the authority to act under AS 06.01.030 and temporarily suspend the operations of the credit union. He may then allow it to continue under his supervision.

Section 230. This section provides that a credit union is exempt from taxation by the state or a municipality of the state except for real and tangible personal property owned by it. Essentially this section means that the funds, the capital, the reserves, surplus, and other funds of the credit union as such are exempt from taxation.

This section does not prevent holdings in a credit union from being included in the valuation of the personal property of the owners under taxes imposed by the state or in political subdivisions.

Section 240. This section authorizes the commissioner of transportation and public facilities to allot space to a credit union if at least 95 percent of the membership is composed of persons who either are presently state employees or were state employees at the time of their admission to the credit union.

Section 250. This section authorizes a state credit union to convert into a federal credit union and authorizes a federal credit union to convert into a state credit union.

Section 260. This section requires a credit union under regulations of the commissioner to insure member accounts under programs offered by the National Credit Union Administration Board.

Section 270. This section permits a credit union to participate in programs offered by the National Credit Union Central Liquidity Facility under regulations of the commissioner.

Section 280. This section provides that a member of the board of directors or a member of the credit committee or the supervisory committee or an employee of the credit union may not participate in decisions affecting his own interests or the interests of a corporation, partnership or association in which he is interested; and it provides that a person who violates this section may not thereafter serve as an officer, agent or employee of a credit union.

Section 290. This section authorizes a credit union to merge with another credit union.

Section 300. This section provides that a credit union may establish branch offices under regulations of the commissioner.

Section 310. This section makes it a class A misdemeanor for a natural person to conduct business under a name which is suggestive of a credit union business.

Section 320. This section prohibits the transfer of credit union property to preferred creditors.

Section 330. This section makes it a class B felony to deceive the commissioner or examiners of the credit union.

Section 340. This section prohibits the knowing acceptance of a deposit by an officer or employee of a credit union if that officer or employee knows that the credit union is insolvent. A violation is a class A felony.

Section 350. This section provides that a credit union may not acquire control directly or indirectly of another financial institution or invest in the shares, stocks or obligations of an insurance company, trade association, liquidity facility or any other similar organization except as provided by this chapter.

Section 400. This section is a definitions section and the terms "commissioner", "credit union", and the "credit union association" are defined in this section.

Section 3. The effective date section of the bill provides that the effective date is July 1, 1980.

RAB:jdn

MR. PRESIDENT, I MOVE THE ADOPTION OF CS FOR HB 452 (RULES).

THIRD READING

(SEC. 06.01.020)

P. 1, L. 10

SECTION 1. THIS SECTION IS COMMONLY REFERRED TO AS THE "WILD CARD" PROVISION, BY ALLOWING THE COMMISSIONER OF COMMERCE AND ECONOMIC DEVELOPMENT AUTHORITY TO GRANT A STATE CREDIT UNION POWERS THAT MAY BE GRANTED TO A FEDERALLY CHARTERED CREDIT UNION. THIS PROVISION MERELY EXTENDS THE AUTHORITY THAT THE COMMISSIONER CURRENTLY HAS TO INCLUDE FEDERAL REGULATIONS AND LAWS PERTAINING TO CREDIT UNIONS.

(SEC. 06.45)

P. 1, L. 25

P. 1, L. 27

SECTION 2 AMENDS ALASKA TITLE 06 BY ADDING A NEW CHAPTER ENTITLED "ALASKA CREDIT UNION ACT"

SEC. 010 PROVIDES THAT THE COMMISSIONER SHALL ADMINISTER THE CHAPTER, ADOPT REGULATIONS, DELEGATE ANY GRANTED AUTHORITY OF THE CHAPTER, AND KEEP CREDIT UNION RECORDS ACCORDING TO REGULATIONS. THIS SECTION ALSO REQUIRES BONDING IN AN APPROVED CORPORATE SURETY COMPANY.

P. 2, L. 18

SEC. 020 ENUMERATES THE PROCEDURES BY WHICH A CREDIT UNION CAN BE FORMED.

P. 3, L. 15

SEC. 030 STIPULATES THAT ARTICLES OF INCORPORATION AND BYLAWS ARE REQUIRED TO BE SUBMITTED TO THE COMMISSIONER

FOR HIS APPROVAL. THE CRITERIA FOR THE COMMISSIONER'S EVALUATION FOR APPROVAL ARE SPECIFIED IN THIS SECTION.

P. 4, L. 3

SEC. 040 AUTHORIZES THE COMMISSIONER TO ASSESS A FEE FOR EXPENSES INCURRED DURING AN APPLICATION PROCESS.

P. 4, L. 15

SEC. 050 PERMITS THE COMMISSIONER TO REQUIRE FINANCIAL REPORTS AND EXAMINATIONS.

P. 4, L. 21

SEC. 060 ELABORATES THE POWERS OF A CREDIT UNION AND PROVIDES GENERALLY THAT A CREDIT UNION HAS THE POWER TO ENTER INTO A CONTRACT, TO SUE AND BE SUED, TO PURCHASE, HOLD AND DISPOSE OF PROPERTY, AND TO MAKE LOANS. GENERALLY A LOAN MAY NOT EXCEED 12 YEARS, A REAL ESTATE LOAN 30 YEARS, AND A MOBILE HOME LOAN 15 YEARS. INTEREST MAY NOT EXCEED ONE PERCENT A MONTH ON THE UNPAID BALANCE INCLUSIVE OF ALL SERVICE CHARGES. ALSO, THE TOTAL DOLLAR AMOUNT OF REAL ESTATE LOANS OUTSTANDING MAY NOT EXCEED 25 PERCENT OF THE PAID-IN AND UNIMPAIRED CAPITAL WITHOUT THE WRITTEN APPROVAL OF THE COMMISSIONER. A CREDIT UNION WITH A PAID-IN AND UNIMPAIRED CAPITAL AND SURPLUS OF LESS THAN \$3,000,000 MAY MAKE REAL ESTATE LOANS WITH MATURITY IN EXCESS OF 15 YEARS ONLY WITH APPROVAL OF THE COMMISSIONER.

P. 10, L. 20

SEC. 070 DEFINES THE FIELD OF MEMBERSHIP FOR CREDIT UNIONS AS "HAVING A COMMON BOND OF OCCUPATION OR ASSOCIATION, OR TO GROUPS WITHIN A WELL-DEFINED NEIGHBORHOOD, COMMUNITY, OR RURAL DISTRICT."

P. 11, L. 5

SEC. 080 PROVIDES THAT THE ANNUAL MEETING OF A CREDIT UNION SHALL BE HELD WITHIN THREE MONTHS AFTER DECEMBER 31ST OF EACH YEAR. SPECIAL MEETINGS MAY BE HELD ACCORDING TO THE BYLAWS.

P. 11, L. 12

SEC. 090 ASSURES THAT A BOARD OF FIVE DIRECTORS ARE ELECTED AT THE ANNUAL MEETING OF THE MEMBERSHIP, AND A CREDIT COMMITTEE OF NOT LESS THAN THREE ARE ELECTED, RESPECTIVELY. TERMS OF MEMBERSHIP TO THE BOARD AND SUPERVISORY COMMITTEES ARE SPECIFIED IN THE BYLAWS.

P. 11, L. 29

SEC. 100 PROVIDES THAT MEMBERS OF THE BOARD OF DIRECTORS, CREDIT AND SUPERVISORY COMMITTEES MAY NOT BE COMPENSATED FOR SERVICE TO THE CREDIT UNION.

P. 12, L. 6

SEC. 110 MANDATES THAT THE EXECUTIVE OFFICERS BE ELECTED BY THE BOARD OF DIRECTORS AFTER THE ANNUAL MEMBERSHIP MEETING.

P. 12, L. 19

SEC. 120 PRESCRIBES THAT THE BOARD OF DIRECTORS MEET AT LEAST ONCE A MONTH FOR THE PURPOSE OF ACTING ON APPLICATIONS FOR MEMBERSHIP AND FILL VACANCIES ON THE BOARD. IT IS ALSO THE BOARD'S RESPONSIBILITY TO SET THE INTEREST RATES FOR LOANS AND MAKE INVESTMENT DECISIONS.

P. 13, L. 23

SEC. 130 REQUIRES THE BOARD OF DIRECTORS TO REVIEW AND APPROVE APPLICATIONS FOR MEMBERSHIP MONTHLY, AND TO PROVIDE REASONS IF AN APPLICATION IS DENIED.

P. 14, L. 6

SEC. 140 REQUIRES THE CREDIT COMMITTEE TO CONSIDER APPLICATIONS MONTHLY. ALSO, THE CREDIT COMMITTEE MAY DELEGATE TO A LOAN OFFICER THE POWER TO APPROVE LGANS AND LINES OF CREDIT.

P. 14, L. 26

SEC. 150 ESTABLISHES RESTRICTIONS ON LOANS AND LIMITS THE LOAN TO A PARTICULAR MEMBER TO AN AMOUNT LESS THAN 10 PERCENT OF THE UMIMPAIRED CAPITAL AND SURPLUS OF A CREDIT UNION.

P. 15, L. 1

SEC. 160 PERTAINS TO SECURITY REQUIRED FOR LOANS.

P. 15, L. 6

SEC. 170 STIPULATES THAT THE SUPERVISORY COMMITTEE CONDUCT AN ANNUAL AUDIT AND BE RESPONSIBLE FOR THE VERIFICATION OF THE PASSBOOKS.

P. 16, L. 3

P. 17, L. 4

P. 17, L. 11

P. 17, L. 19

P. 17, L. 23

P. 18, L. 5

P. 18, L. 15

SEC. 180 ESTABLISHES A FORMULA UNDER WHICH A CREDIT UNION WILL MAINTAIN RESERVES. SEC. 190 GRANTS TO THE BOARD OF DIRECTORS THE AUTHORITY TO DECLARE A DIVIDEND, AT VARIOUS RATES, ON DIFFERENT TYPES OF SHARES. SEC. 200 STATES THAT A VOTE OF TWO-THIRDS OF THE MEMBERSHIP IS REQUIRED FOR A MEMBER TO BE REMOVED FROM THE CREDIT UNION. ALSO WITHDRAWAL OR EXPULSION OF A MEMBER DOES NOT DISCHARGE THE LIABILITY OF THAT MEMBER. SEC. 210 AUTHORIZES THAT SHARES MAY BE ISSUED IN THE NAME OF A MINOR OR IN TRUST, YET SUBJECT TO THE BYLAWS OF THE CREDIT UNION.

SEC. 220 ALLOWS THE COMMISSIONER TO SUSPEND THE OPERATIONS OF A CREDIT UNION IF FINANCIAL OR LEGAL REASONS DICTATE.

SEC. 230 EXEMPTS FROM TAXATION THE CREDIT UNION'S FUNDS.

SEC. 240 AUTHORIZES THE COMMISSIONER OF TRANSPORTATION AND PUBLIC FACILITIES TO ALLOT FREE SPACE TO A CREDIT UNION ASSUMING 95 PERCENT OF THE MEMBERSHIP ARE STATE EMPLOYEES. (SENATOR SUMNER'S AMENDMENT IN THE SENATE FINANCE COMMITTEE DELETES PAGE 18, LINES 15-22, AS 06,45,240; PAGE 910, SENATE JOURNAL.)

P. 18, L. 23

SEC. 250 ALLOWS FOR CONVERSION FROM A FEDERAL CHARTERED CREDIT UNION TO A STATE CHARTERED CREDIT UNION AND VICE-VERSA.

P. 18, L. 29

SEC. 260 MANDATES THAT MEMBER ACCOUNTS BE INSURED BY THE NATIONAL CREDIT UNION ADMINISTRATION BOARD.

P. 19, L. 4

SEC. 270 ALLOWS A CREDIT UNION TO PARTICIPATE IN THE PROGRAMS OFFERED BY THE NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY.

P. 19, L. 8

SEC. 280 MAKES IT ILLEGAL FOR AN OFFICER OR EMPLOYEE OF THE CREDIT UNION TO ENGAGE IN A CONFLICT OF INTEREST.

P. 19, L. 16

SEC. 290 AUTHORIZES A CREDIT UNION TO MERGE WITH ANOTHER CREDIT UNION.

P. 19, L. 23

SEC. 300 PERMITS A CREDIT UNION TO ESTABLISH BRANCH OFFICES UNDER REGULATIONS OF THE COMMISSIONER.

P. 19, L. 25

SEC. 310 MAKES UNAUTHORIZED CONDUCT OF A CREDIT UNION A CLASS-A MISDEMEANOR. SUCH CONDUCT IS DESCRIBED AS A NATURAL PERSON CONDUCTING BUSINESS UNDER A DISGUISED NAME SUGGESTIVE OF A CREDIT UNION BUSINESS.

P. 20, L. 1

SEC. 320 PROHIBITS THE TRANSFER OF CREDIT UNION PROPERTY TO PREFERRED CREDITORS.

P. 20, L. 6

SEC. 330 MAKES IT A CLASS-C FELONY TO DECEIVE THE COMMISSIONER OR EXAMINERS OF THE CREDIT UNION.

P. 20, L. 15

SEC. 340 PROHIBITS ACCEPTANCE OF A DEPOSIT KNOWING THE CREDIT UNION IS INSOLVENT, SUCH AN ACT IS A CLASS-A FELONY.

P. 20, L. 19

SEC. 350 DISALLOWS A CREDIT UNION TO ACQUIRE CONTROL OF ANOTHER FINANCIAL INSTITUTION EXCEPT AS PROVIDED BY THIS CHAPTER.

P. 20, L. 24

SEC. 400 CONSISTS OF DEFINITIONS.

P. 21, L. 5

SECTION 3 PROVIDES FOR AN EFFECTIVE DATE OF JULY 1, 1980.

CS FOR HOUSE BILL 452 (RULES)

MR. PRESIDENT, I MOVE THE ADOPTION OF CS FOR HB 452 (RULES).

THIRD READING

Sec 06.01.020
p 1 L 10

SECTION 1. THIS SECTION IS COMMONLY REFERRED TO AS THE "WILD CARD" PROVISION, BY ALLOWING THE COMMISSIONER OF COMMERCE AND ECONOMIC DEVELOPMENT AUTHORITY TO GRANT A STATE CREDIT UNION POWERS THAT MAY BE GRANTED TO A FEDERALLY CHARTERED CREDIT UNION. THIS PROVISION MERELY EXTENDS THE AUTHORITY ^{that} ~~OF~~ THE COMMISSIONER CURRENTLY HAS TO INCLUDE FEDERAL ^(regulating and laws pertaining) ~~BY CHARGED~~ ^{to} CREDIT UNIONS.

Sec. 06. 45
p. 1 L. 25

p 1 L 27

SECTION 2 ^(Alaska title) AMENDS ~~15~~ ¹06 BY ADDING A NEW CHAPTER ENTITLED "ALASKA CREDIT UNION ACT"

SEC. 010 PROVIDES THAT THE COMMISSIONER SHALL ADMINISTER THE CHAPTER, ADOPT REGULATIONS, DELEGATE ANY GRANTED AUTHORITY, ^{the chapter,} AND KEEP CREDIT UNION RECORDS ACCORDING TO REGULATIONS. ~~FURTHERMORE,~~ ^{this section also requires} BONDING IN AN APPROVED CORPORATE SURETY COMPANY, ~~IS MANDATED.~~

p 2 L 18

SEC. 020 ENUMERATES THE PROCEDURES BY WHICH A CREDIT UNION CAN BE FORMED.

p 3 L 15

SEC. 030 STIPULATES THAT ARTICLES OF INCORPORATION AND BYLAWS ARE REQUIRED TO BE SUBMITTED TO THE COMMISSIONER

FOR HIS APPROVAL. ^{The} CRITERIA FOR THE COMMISSIONER'S EVALUATION ^{for approval} ARE ~~ALSO~~ SPECIFIED ^{in this section}.

p 4 L 3

SEC. 040 AUTHORIZES THE COMMISSIONER TO ASSESS A FEE FOR EXPENSES INCURRED DURING AN APPLICATION PROCESS

p 4 L 15

SEC. 050 PERMITS THE COMMISSIONER TO REQUIRE FINANCIAL REPORTS AND EXAMINATIONS, ~~BY~~ ~~THE COMMISSIONER.~~

p 4 L 21

SEC. 060 ELABORATES THE POWERS OF A CREDIT UNION AND PROVIDES GENERALLY THAT A CREDIT UNION HAS THE POWER TO ENTER INTO A CONTRACT, TO SUE AND BE SUED, TO PURCHASE, HOLD AND DISPOSE OF PROPERTY, AND TO MAKE LOANS. GENERALLY A LOAN MAY NOT EXCEED 12 YEARS, A REAL ESTATE LOAN 30 YEARS, AND A MOBILE HOME LOAN 15 YEARS. INTEREST MAY NOT EXCEED ONE PERCENT A MONTH ON THE UNPAID BALANCE INCLUSIVE OF ALL SERVICE CHARGES. ALSO, THE TOTAL DOLLAR AMOUNT OF REAL ESTATE LOANS OUTSTANDING MAY NOT EXCEED 25 PERCENT OF THE PAID-IN AND UNIMPAIRED CAPITAL WITHOUT THE WRITTEN APPROVAL OF THE COMMISSIONER. A CREDIT UNION WITH A PAID-IN AND UNIMPAIRED CAPITAL AND SURPLUS OF LESS THAN \$3,000,000 MAY MAKE REAL ESTATE LOANS WITH MATURITY IN EXCESS OF 15 YEARS ONLY WITH APPROVAL OF THE COMMISSIONER.

p 10 L 20

SEC. 070 DEFINES THE FIELD OF MEMBERSHIP FOR CREDIT UNIONS AS "HAVING A COMMON BOND OF OCCUPATION OR ASSOCIATION, OR TO GROUPS WITHIN A WELL-DEFINED NEIGHBORHOOD, COMMUNITY, OR RURAL DISTRICT."

p 11 L 5

SEC. 080 PROVIDES THAT THE ANNUAL MEETING OF A CREDIT UNION SHALL BE HELD WITHIN THREE MONTHS AFTER DECEMBER 31ST OF EACH YEAR. SPECIAL MEETINGS MAY BE HELD ACCORDING TO THE BYLAWS.

p 11 L 12

SEC. 090 ASSURES THAT A BOARD OF FIVE DIRECTORS ARE ELECTED AT THE ANNUAL MEETING OF THE MEMBERSHIP, AND A CREDIT COMMITTEE OF NOT LESS THAN THREE ARE ELECTED ~~THE~~ *edly* RESPECTIVELY. TERMS OF MEMBERSHIP TO THE BOARD AND SUPERVISORY COMMITTEES ARE SPECIFIED IN THE BYLAWS.

p 11 L 29

SEC. 100 PROVIDES THAT MEMBERS OF THE BOARD OF DIRECTORS, ^{*credit*} AND SUPERVISORY COMMITTEES MAY NOT BE COMPENSATED FOR SERVICE TO THE CREDIT UNION.

p 12 L 6

SEC. 110 MANDATES THAT THE EXECUTIVE OFFICERS BE ELECTED BY THE BOARD OF DIRECTORS AFTER THE ANNUAL MEMBERSHIP MEETING.

p 12 L 19

~~SECTION~~ 120 PRESCRIBES THAT THE BOARD OF DIRECTORS MEET AT LEAST ONCE A MONTH FOR THE PURPOSE OF ACTING ON APPLICATIONS FOR MEMBERSHIP AND FILL VACANCIES ON THE BOARD. IT IS ALSO THE BOARD'S RESPONSIBILITY TO SET ^{the} INTEREST RATES ^{for} ~~ON~~ LOANS AND MAKE INVESTMENT DECISIONS. ~~WITH RESERVES.~~

p 13, L 23

~~SECTION~~ 130 REQUIRES THE BOARD OF DIRECTORS TO REVIEW AND APPROVE ~~MEMBERSHIP~~ APPLICATIONS FOR MEMBERSHIP ~~AT LEAST~~ MONTHLY, AND TO PROVIDE REASONS IF ^{an} ~~THE~~ APPLICATION ~~IS~~ DENIED.

p 14 L 26

~~SECTION~~ 140 ^{requires} ~~REQUIRES~~ THE CREDIT COMMITTEE TO CONSIDER APPLICATIONS ^{MONTHLY.} ~~NOT LESS THAN~~ ~~ONCE A MONTH.~~ ALSO, THE CREDIT COMMITTEE MAY DELEGATE TO A LOAN OFFICER THE POWER TO APPROVE LOANS AND LINES OF CREDIT.

p 14 L 26

~~SECTION~~ 150 ESTABLISHES RESTRICTIONS ON LOANS AND LIMITS THE LOAN TO A PARTICULAR MEMBER TO AN AMOUNT LESS THAN 10 PERCENT OF THE UNIMPAIRED CAPITAL AND SURPLUS OF A CREDIT UNION.

p 15 L 1

~~SECTION~~ 160 PERTAINS TO SECURITY REQUIRED FOR LOANS.

p 15 L 6

~~SECTION~~ 170 STIPULATES THAT THE SUPERVISORY COMMITTEE CONDUCT AN ANNUAL AUDIT AND ^{be} RESPONSIBLE FOR THE ^e VERIFICATION OF THE PASSBOOKS.

p 16 L3
~~SECTION~~ 180 ESTABLISHES A FORMULA UNDER WHICH A CREDIT UNION WILL MAINTAIN RESERVES.

p 17 L4
~~SECTION~~ 190 GRANTS TO THE BOARD OF DIRECTORS THE AUTHORITY TO DECLARE A DIVIDEND, AT VARIOUS RATES, ON DIFFERENT TYPES OF SHARES.

p 17 L11
~~SECTION~~ 200 STATES THAT A VOTE OF TWO-THIRDS OF THE MEMBERSHIP IS REQUIRED FOR A MEMBER TO BE REMOVED FROM THE CREDIT UNION. ALSO WITHDRAWAL OR EXPULSION OF A MEMBER DOES NOT DISCHARGE THE LIABILITY OF ~~THAT MEMBER~~ THAT MEMBER.

p 17 L19
~~SECTION~~ 210 AUTHORIZES THAT SHARES MAY BE ISSUED IN THE ~~NAME~~ NAME OF A MINOR OR IN TRUST, YET SUBJECT TO THE BY-LAWS OF THE CREDIT UNION.

p 17 L23
~~SECTION~~ 220 ALLOWS THE COMMISSIONER TO SUSPEND THE OPERATIONS OF A CREDIT UNION IF FINANCIAL ~~REASONS DICTATE~~ OR LEGAL REASONS DICTATE.

p 18 L5
~~SECTION~~ 230 EXEMPTS FROM TAXATION THE ~~RESERVE~~ CREDIT UNION'S ^{funds} FINANCIAL ~~PAPER RESERVES~~

p 18 L 15

SECTION 240 AUTHORIZES THE COMMISSIONER OF TRANSPORTATION AND PUBLIC ~~WORKS~~ FACILITIES TO ALLOT ^{free} SPACE TO A CREDIT UNION ASSUMING 95% OF THE MEMBERSHIP ARE STATE EMPLOYEES. AMMENDMENT IN SENATE ~~REPEALS~~ DELETES PAGE 18, LINE 15-22; AS06.45.240: PAGE 910 SENATE JOURNAL)

p 18 L 23

SECTION 250 ALLOW~~S~~ FOR CONVERSION FROM A FEDERAL CHARTERED CREDIT UNION TO A STATE CHARTERED CREDIT UNION AND VICE-VERSA.

p 18 L 29

SECTION 260 MANDATES THAT MEMBER ACCOUNTS BE INSURED BY THE NATIONAL CREDIT UNION ADMINISTRATION BOARD.

p 19 L 4

SECTION 270 ALLOW~~S~~ A CREDIT UNION TO PARTICIPATE IN THE PROGRAMS OFFERED BY THE NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY.

p 19 L 8

SECTION 280 MAKES IT ILLEGAL ^(for an officer or employee of the credit union) TO ENGAGE INTO A CONFLICT OF INTEREST.

p 19 L 16

SECTION 290 AUTHORIZES A CREDIT UNION TO MERGE WITH ANOTHER CREDIT UNION.

p 19 L 23

SECTION 300 PERMITS A CREDIT UNION TO ESTABLISH BRANCH OFFICES UNDER REGULATIONS OF THE COMMISSIONER.

p 19 L 25
~~SECTION 310~~ ~~PROHIBITS~~ MAKES UNAUTHORIZED CONDUCT OF
A CREDIT UNION A CLASS-A MISDEMEANOR . SUCH CONDUCT IS
DESCRIBED AS A NATURAL PERSON CONDUCTING BUSINESS UNDER
A ⁱ~~DIS~~GUISED NAME SUGGESTIVE OF A CREDIT UNION BUSINESS.
1

p 20 L 1
~~SECTION 320~~ PROHIBITS THE TRANSFER OF CREDIT UNION PROPERTY
TO PREFERRED CREDITORS.

p 20 L 6
~~SECTION 330~~ MAKES IT A CLASS ^c B FELONY TO ~~DECIDE~~^{REVE} THE
COMMISSIONER OR EXAMINERS OF THE CREDIT UNION.

p 20 L 15
~~SECTION 340~~ PROHIBITS ACCEPTANCE OF A DEPOSIT KNOWING
THE CREDIT UNION IS INSOLVENT . SUCH AN ACT IS A CLASS-A
~~FELONY~~ FELONY.

p 20 L 19
~~SECTION 350~~ DISALLOWS A CREDIT UNION TO ^c~~AC~~QUIRE CONTROL
OF ANOTHER FINANCIAL INSTITUTION EXCEPT AS
PROVIDED BY THIS CHAPTER.

p 20 L 24
~~SECTION 400~~ CONSISTS OF DEFINITIONS

p 21 L 5
SECTION 3 PROVIDES FOR AN EFFECTIVE DATE OF JULY 1, 1980