

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1748 HLC 3/1/82 HB 722 - 3/4/82 HB 831

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 3/1/82

Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	✓		1:01	
Rep. D. Randolph	✓		1:09	
Rep. B. Rogers	✓		1:03	
Rep. T. Gardiner	✓		1:58	
Rep. T. Martin, Chair	✓		10:55	

Subject Matter:

House Bill No. 722 704 _____

Senate Bill No. _____

Special Orders:

Alaska State Legislature



MEMBERS:
TERRY MARTIN, CHAIRMAN
BERNARD BYLSMA, VICE CHAIRMAN
RICHARD RANDOLPH
TERRY GARDINER
BRIAN ROGERS

POUCH V
STATE CAPITOL
JUNEAU, AK 99811
PHONE (907) 465-3783
OFFICIAL BUSINESS

House Representatives LABOR AND COMMERCE COMMITTEE

Amendments to HB 704

Please incorporate the following amendments into a draft committee substitute for HB 704.

Amendment #1:
Line 10--Change "1984" to "1986".

Additions to bill:

See attached document which was entitled "Proposed Statutory Changes in AS 08.88 presented...by the Alaska Real Estate Commission".

Sections to be incorporated, with changes noted, are marked by yellow highlighter running along the margin. Please note one change which may be confusing; that is, p. 1, last change says to add sub (b) which is the same as old sub (d). This is referring to present AS 08.88.221(d), which will now become AS 08.88.221(b).

If you have any questions, please contact me at 465-3657. You may prepare this as a draft committee substitute, as there may be other changes.

Joan Mathews
Joan Mathews
Committee Secretary

PROPOSED STATUTORY CHANGES IN AS 08.88 PRESENTED TO HOUSE LABOR AND COMMERCE COMMITTEE BY THE ALASKA REAL ESTATE COMMISSION, MARCH 1, 1982:

- * Sec. 08.88.091 is amended by adding a new paragraph to read:
(3) The commission may make available to the public manuals, texts or other materials prepared with funds from the surety fund. When these materials are made available the commission may make a reasonable charge for them designed to recover the actual costs of the item provided. Funds collected under this section shall be paid at least once a month into the general fund. These payments shall be credited to the real estate surety fund.
- * Sec. 08.88.101 (11) is repealed and reenacted to read:
(11) print and distribute duplicate license certificates to replace lost certificates;
- * Sec. 08.88.101 (12) is amended to read:
(12) send notice 30 days before (, BEFORE DECEMBER 1 OF EACH YEAR,) the date that licenses must be renewed;
- * Sec. 08.88.201 is repealed and reenacted to read:
08.88.201. REEXAMINATION. A person who fails an examination may apply for a subsequent examination, but shall pay the examination fee each time he applies.

- ^{AS 221}
* ~~Sec.~~ 08.88.221 is repealed and reenacted to read:
08.88.221. FEES. ^{(a) the following fees shall be charged} ~~Fees for the following categories for a~~ real estate broker, associate broker, or salesman licensee or applicant ^{when applicable.} ~~are established by regulations adopted under AS 08.01.065:~~
- (1) examination; \$50
 - (2) reciprocity; \$100
 - (3) initial license; \$100
 - (4) renewal of an active license; \$100
 - (5) renewal of an inactive license; \$50
 - ~~(6) amending or transferring a license.~~

(b) — old subsection (d)

(b) pymnt of fees or commissions:
does this ever get litig? If so,
is this a knowing violation (~~does person~~
~~leave to person~~ is person guilty of
misdemeanor if he doesn't know whether
broker is licensed or not?)

Diane Colvin

2450

* Sec. 08.88.251 is amended to read:

(c) A person who is inactive may become active by applying for an active license and paying the required fees. In the application form he shall state the date on which he intends to become active. His active status begins on the date stated. The commission shall send him a license certificate. A person is entitled to change from an inactive to an active status without examination if he has not been inactive more than two (THREE) years. If he has been inactive more than two (THREE) years, he is required to take an examination.

* Sec. 08.88.261 is repealed;

* Sec. 08.88.361 is amended to read:

Sec. 08.88.361. WHEN COMMISSION IS EARNED. A commission or fee is earned when the real estate broker fulfills the terms of a written personal services contract.

~~* Sec. 08.88.401 (a) is repealed and reenacted to read:~~

AS 08.88.401
is repealed + reenacted
to read

Sec. 08.88.401 (a) a licensee may not in any way represent that he holds or has been awarded any degree or designation to which he is not entitled nor may he represent himself as being a member or affiliate of any professional organization to which he does not belong.

~~* Sec. 08.88.401 (b) is repealed and reenacted to read:~~

~~Sec. 08.88.401 (b)~~ commissions or fees for performance of acts specified in Section 161 of this chapter may be paid only to a licensed Alaska real estate broker except when a real estate broker properly licensed in another state assists an Alaskan real estate broker, the out-of-state broker's commission or portion of the commission may be paid directly to the out-of-state broker by the seller or escrow holder. Commissions or portions of commissions paid to a licensed real estate salesman must be paid by the broker or under the authorization of the broker with whom the real estate salesman is licensed.

~~* Sec. 08.88.401 (c) is amended to read:~~

(c) knowingly make, authorize, direct or aid in the publication of a false statement or misrepresentation concerning land or a subdivision of other real estate offered for sale or lease;

~~* Sec. 08.88.401 is amended by adding a new paragraph to read:~~

(d) The commission or its executive director may issue a stop order to any person or firm who is or appears to be about to pay a commission or fee for acts specified in Section 161 of this chapter to a person who is not a licensed real estate broker in another state authorized to receive commissions under part (t) of this section.

(e) a person who violates any provision of this section or Section 161 of this chapter is guilty of a Class A misdemeanor.

covered
by sec.
037

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(1) examination; ⁵⁰

(2) reciprocity; ~~50~~ ¹⁰⁰

(3) initial license; ¹⁰⁰

(4) renewal of an active license; ¹⁰⁰

(5) renewal of an inactive license; ~~50~~ ¹⁰⁰

~~fees for transfer from a license~~
(b) - old (d)

APPS
KBM
50

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(e) A person who violates a provision of this section or ~~the~~ section 161 of this chapter is guilty of a class A misdemeanor.

3 - 2 - 82

H B - 159

H B . 595

H B 832

Alaska State Legislature



MEMBERS:
TERRY MARTIN, CHAIRMAN
BERNARD BYLSMA, VICE CHAIRMAN
RICHARD RANDOLPH
TERRY GARDINER
BRIAN ROGERS

POUCH V
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OFFICIAL BUSINESS

House of Representatives LABOR AND COMMERCE COMMITTEE

Contact: Joan Mathews
465-3657/3783

FOR IMMEDIATE RELEASE

REGULATION OF CONTRACTORS SUBJECT OF TELECONFERENCE

The House Labor & Commerce Committee has scheduled a statewide teleconference hearing of HB 832 on Tuesday, March 23, at 1:00 pm PST (Juneau time).

House Bill 832 addresses problems that some consumers have had in their dealings with home contractors and specialty home contractors, as well as concerns of legitimate contractors that a small minority of contractors are giving the entire industry a bad name. The bill was originally requested by the Consumer Protection Agency.

The bill would expand registration requirements of general home or specialty home contractors to include construction experience and business history. This information would be available for public inspection.

The bill would also create a home construction surety account. A person who has a complaint against a home contractor for loss of money, personal property, or real property could file a claim for loss against this fund.

Claims could be made for loss resulting from misrepresentation; nonpayment to materialmen, subcontractors, or laborers; defective

materials, or negligent workmanship, among other things.

Terry Martin, chairman of the House Labor & Commerce Committee, said the teleconference hearing had been scheduled after several groups and individuals had indicated they wished to give additional testimony.

"We're hearing a lot of horror stories about problems consumers have had with builders," Martin said. "Many builders, as well, are concerned that a few bad contractors might undermine the reputations of all builders. We hope this bill will resolve some of those problems."

Persons interested in testifying should contact the House Labor & Commerce Committee in Juneau, or call their local Legislative Information Office.

~~Gilbert~~
~~Barry~~

3/2/82

HB 595
HB 832
HB 159

1:08

000

Call to order. Have brief intro to both bills

004

Rogers added that HB 159 is also ready to pass from committee;
Rogers moved to adopt CS HB 159 & report bill out of comm.; withdrew
Mo to wait till end of mtg when comm can sub bill.

HB 595
~~HB 832~~
018

Martin moved not to continue WB; send ltr to spks & gov
(listen to tape) necessary corres be xmted to approp people.
Rogers objected; trying to get more info before taking action.
Discussion; Martin noted that all corres. wd be forwarded
with bill when reported from committee.

Vote: for Randolph Bycoma Martin Opposed - Rogers
Mo passed.

HB 832
053

Martin asked Barry for overview.

056

Barry - bill is technically deregulation.
first set say contractors will register; says what type work
they will be in business to perform.
Also gives ^{registers.} officers of company as public
sets forth surety fund ^{so} people have redress for damages;
o establishes mechanism making st responsible for taking
approp. action.

093

Terry Dale - Reg Reform Pgm, Ofc of Special Projects, Govt -
identified problem areas bet contractors & ind's;
went over ^{past} attempts to rectify problems, & ~~total~~ progress
to date, & what they had planned at time bill
was int'd. Think bill is in right direction, but may
have problems.

130 Rogers asked if his office helped draft bill; DeLo said partly.
Discussion of some sections of bill Rogers focuses difficulties
with.

155 Connie Sikes, Asst Atty, Consumer Protection - have handled
cases such as those addressed in bill. Went over examples.
Drafted bill for gov's consideration, but took it out in Dec.
Spoke with people affected, got suggestions. Concern about
surety fund - gave examples. ~~Some~~ ^{some} builders, ^(Ane) supported
testing concept, some even on statewide basis, rather than
surety fund. ~~Dept~~

223 Dept of Revenue had gotten re surety fund; said Phil Wall,
Dept Rev, should speak to that.

230 Feels bill is step in right direction, but might need further
work, more input. Supports ideas of bill, especially
public information portions. Industry feels there should
be more involvement of lending institutions, perhaps AHFC -
they have interest in seeing homes are well-built.
Feel, except on owner-built home, certification of
licensing, bonding, etc, should be done by Va. ~~...~~

- 1) certificates of occupancy
- 2) proof of licensure of contractor/subcontractor
- 3) cert'n by contractor that home is built to code

- 280 Rogers - concerned abt bill, but more concerned abt alternatives suggested. Next to impossible to devise state wide rules dealing w/homes that take into account regional building differences. A test might make sense in larger cities, but local govts shd do that. Gave examples of other problems.
- 300 ~~Discussion~~ Response by Sikes - clarified what surety fund wd cover. Discussion of surety fund, & funding of fund. Rogers suggested setting fund up similar to medical malpractice (^{fund})
- 360 Gardiner asked how this wd affect owner-built homes. Sikes felt it shd not directly affect them. Saw possible abuse if owner built home every summer & sold it every winter. Discussion of possible sitns.
- 395 Rogers concerned that defn of contractor means building more than ^{house} one per yr. Gave example of sitn. Martin asked abt some kind of bond to be posted at time of sale. Talked about options.
- 457 Joe Guthrie - had difficulties w/ contractor last yr. ~~Comment~~ Think bill is excellent; will help people solve serious problems. Need regulation. Problem probably can't be remedied by testing; product of bad faith, gross negligence, cutting corners, misrepresentation, extortion, etc.
- 500 Referred to sections dealing w/ ^{customer} public valuations - p. 2, 6 14-15 shd ^{have} be stmt that customer complaints & valuations shd be kept in file; shd not be limited to incidents arising after date of act; shd apply to previous experiences as well.

571 No p. 4, l. 17 re liens - feels that ~~too~~ home const contractors
(materialmen, subcontractors, & laborers)
& those wkg for contractors should not be allowed to file
mechanics liens - failure of contractors to pay is one
I had problems w/ owner paying for liens filed by
materialmen, subcontractors, & laborers. Owner has no
control over contractor paying them.

640 p. 7, l. 4-7, ^{re} contractor not required to furnish waiver until
dispute is settled; one is unable to get permanent
financing wk. mechanics lien exists against home.
Contractors use this to force pymt; ~~the~~ used as
extortion.

704 p. 7, l. 22 re estimated date of completion - this shd be a definite
date.

p. 8, l. 2 - ^{there} shd be some kind of agmt between parties
^{wk} re, although necessary

Side B
005 p. 9, 9-15 - doesn't solve problem when dispute concerns
quality of work.

003 Gardner - wants assessment of how widespread these problems are.
Guthrie said Sikes might have more info; thought area worthy of
study. Discussion.

086 Rogus asked ^{good} contractors independently assessing themselves
\$1,000 + advertising. Builders wd keep bad apples out;
self-regulating. Wd eliminate need for laws.
Guthrie felt that was ~~the~~ best solution.

124 Martin said he'd like to set up telecon w/ Ane & Fox
o allow add'l time for public input.

138 ~~Paul~~ Paul Troch - p. 3, sec. 5 (a) - all for requiring
we use for contractors; however, discreet problem -
can't get comp ins unless you have an employee. One
can be a contractor & have no emp's at all. ~~Paul~~
Rogers asked if this cd be corrected by chng "as" to "if".

186 Jim Mc Conegy - Pres, Gen Homebuilders Assoc - (spoke from
prepared testimony & first spoke to comm. govt) -
Almost never have satisfied customer because of misplaced
expectations & human nature.

216 (from stmt:) Said most builders only make 4-5% profit.
HR 832 attempt to control Crooks in homebuilding industry.
Local homebuilders want this, too. High % of local
builders participate in national educational pgms. Don't
get much ~~also~~ assistance from banks, govt entities.

- 1) new classes of gen & specialty contractors unnecessary
& under : 2.
- 2) listing supervisory employees not sensible; chng freqly
& have no interest
- 3) p. 2, l. 16 - ~~oppose~~
- 4) new fee schedule shd apply to all classes of contractor
- 5) 08.18.02 (p. 3, l. 15) - commented
- 6) p. 8, l. 16 - compared to maintaining similar types of
records for politicians in effort to show that this wd
be unfair to builder.

322 ~~§~~ Requested committee not pass bill.

329 Discussion of ~~Bill~~ ~~in response to condition~~
builder's problems & consumers complaints.

410 Rogers asked if Homebuilders Assoc wd consider coordinating
statutes w/ other Assns to self-insure & try to keep
out undesirable types.

_____ felt they wd, & spoke of past attempts to do such
things. Rogers felt that wd eliminate need for surety
fund in legislation. Discussion of. _____ wasn't sure
how that wd work w/o ins backing them.

496 Martin said again they'd set up teleconf
Rogers suggested homebuilders meet w/ AEs to discuss
possibility of setting up self-insured type of pgm.
_____ asked we contact him.

H3159
525 Rogers moved to adopt & report out CS HB 157 LLC
w/ FN^{10/11} - \$32,000 ^{6^{1/2}} _{en und} \$450,000 ad Inj Ind
No obj; Acm - passed unanimously.

567 Adjourned 2:32

SIGN-IN SHEET

HB832

Name (please print)	Address	Representing	Testify? (YES or NO)	Phone Number
OK Terry Dale	Pouch A Juneau	Regulatory Reform Program		465-3538
Judy Gilmore	Pouch A Juneau 99811	Regulatory Reform Program	No.	465-3538
Steve Hamilton	P.O. Box 985 Aniak Bay Ak.	Quick Draw Const.		784-0258
Thomas Nordin	P.O. Box 2786 Juneau	Nowhere CDWYO.		789-2729
J.D. Knight	P.O. Box 971 Aniak Bay, AK. ⁹⁹⁸²¹	Quick Draw Const.		789-0052
Walter Swanson	P.O. Box 3172 Juneau	Century 21 - Nugget Realty		789-0992
Daniel Dees	Box 2206 Juneau 99803	Deed Const		789-9767
Kenneth Moore	Pouch D Juneau	Div of Ins		465-2515
HARRY TREAGER	Pouch D Juneau	Div. Occ Lic		465-2534
Jacine McClintock	P.O. Box 1149 Juneau	Div. of Unemp. Comp.	?	465-2790
Judy Knight	✓	Dept. of Labor	?	465-2700
LEE VAN SICKLE	Box 1044 Aniak Bay	Contractor		799-9995
Connie J Sipe	420 L St Anchorage #100	CAW - Cons. Protection	yes	2763550
DWIGHT PERKINS	P.O. Box 2868 Juneau	Plumbers and Pipefitters 2.U. 262		586-2874
Tom Cashen	3200 Foster Juneau	IBEW Local 1547		586-3050
DARLENE STEPHENS	600 W WILCOUGHBY	CAPITAL REALTY		586-2300

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

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Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	✓		1:00	
Rep. D. Randolph	✓		1:00	
Rep. B. Rogers	✓		1:00	
Rep. T. Gardiner	✓			
Rep. T. Martin, Chair	✓		1:17	
			1:00	

Subject Matter:

House Bill No. 595 832 159 _____

Senate Bill No. _____

Special Orders:

MR. CHAIRMAN,
Members of the Committee;

One of the few things that I remember from my college education is that you should always proceed from the known to the unknown. With that in mind I am going to make a few statements that may, at first glance, appear to be unrelated to the matter before this group, but please bear with me and I will try to reach the main point quickly.

There are many things that everyone knows. For example:

1. Everyone knows that all Puerto Ricans and Cubans are dope smugglers.
2. Everyone knows that all teenagers are no good rebels that should either be drafted or placed in reform school.
3. Everyone knows that all bureaucrats are drones and parasites.
4. There is a growing concensus that all politicians are "on the take".
5. And certainly everyone knows that all homebuilders are not only incompetent but are outright cheats and frauds.

After all the current Reader's Digest states on page 81, (Building Your Own Home Makes Sense), "But even those who just act as contractors and finish the insides of their homes can save from 30 percent to 45 percent of what a developer built home would cost."

Let me digress a moment. The real truth revealed in a nation wide study is that less than 10% of all builders are able to exceed a 10% profit margin. The vast majority are in the 4 to 5 percent profit margin. One well known local real estate agent told me that he was not in the side line of building homes because, "it would be stupid to invest that much money for a 3 month period then have to stand behind the product for at least 1 year for no more than a real estate commission." Now I will return to my theme.

House Bill No. 832, before you today, is an effort to control all of the crooks in the home building business. I assure you that the local Homebuilders Association as well as the State and National groups are in sympathy with that objective over the last 4 or 5 years, ~~We~~ have consistently urged enforcement of the existing

regulations

legislation because we believe that the out-of-state fly-by-night builder is not good for the local business man; he is not good for the consumer; and he is not good for the state. Generally he does not even buy a vehicle license, but takes all wages and profits back outside with him while leaving everyone else with the problems. Beyond our opposition to the unlicensed builders we have continuously striven for adherence to a strict code of ethics and business practice among the licensed contractors. A very high percentage of our local builder members participate in the nationwide education programs.

To date our pleading has met with very little response. The City and Borough flatly refuses to even ask for the contractors license number on a building permit application. The banks have been no help whatsoever. The Juneau office of the Department of Occupational Licensing does not have adequate staff; occasionally when inspectors are brought in from Anchorage, they do nothing but check on contractors that are already licensed. Therefore, we are glad to see some thought being given to our problems.

In making a few specific comments on HBE32 I would observe the following;

- a.) The new classifications of "general home contractor" and "specialty home contractor" are not necessary because the current classifications are adequate, The new classifications, are not desirable because of the vast amount of paper work and staff required to establish and maintain the distinction. There is probably an organization chart already in existence that shows a Director and Assistant Director of the Division of Home Contracting.
- b.) The listing of "supervisory employees" to obtain the construction experience and history of the applicant make no sense to me as these people change constantly and have no financial stake in the business apart from their day to day jobs.
- c.) Line 16 of page 2 indicates that the applicants file will be more of a matter of public record and open to more public inspection than is normal for such information.

d.) If the new fee schedule is valid for General Contractors because of increased cost of administration it should be valid for all classifications. Again, I do not believe that the new classifications are justified.

e.) It would be easy to discuss the proposed Section 08. 18. 102 for at least an hour, but I will limit myself to 3 comments:

- 1. There is no protection given the consumer that he does not already live under existing contract law. The new feature is that he does not have to use due process of law to prove damages, *and collect money*
- 2. In view of the over all intent of the legislation, I suppose we should be thankful for the nice after thought at line 17 on page 5 where the contractor shall be given an opportunity to present evidence in opposition to the claim.
- 3. May I rephrase the requirements of paragraph 6 on page 8 in terms that you might identify with more closely?

SECTION 08, 18, 107 REQUIRED PRACTICES FOR STATE LEGISLATORS

- 6) provide to a prospective voter a brochure which the opposition party shall prepare providing the following information:
 - (A) a statement that the candidacy of the politician is not an endorsement or an evaluation of that candidates qualifications.
 - (B) an evaluation form (to be filled out after 2 years).
 - (C) the address and phone number of at least two party offices where all voter opinions, complaints and accusations regarding the candidate are maintained and routinely circulated to the press.
 - (D) an explanation of complaint procedures, including instructions on how to tap ^{the} political surety account established by AS 08. 18. 102.

Ladies and gentlemen, the point is this: If you watched the McNeil Lehrer Report last night you must realize that the American Home Builder is currently an endangered species _____ please do not put a \$20,000 bounty on his hide.

774.

It has often been said that it is impossible to make a silk purse out of a sow's ear. Likewise, it is impossible to make House Bill No. 832 into legislation that is acceptable to the Home Builders Association. We respectfully request a strong "do not pass" endorsement from this committee. Thank you.

Bill No.

House Bill 832

Date

March 2, 1982

Title

"An Act Relating to the Regulation of Contractors and providing for an effective date."

Contact:

Judy Knight
Judy Knight
465-2700

The Department of Labor supports the proposed addition to AS 08.18.101, which would require contractors to provide evidence of Workers' Compensation insurance coverage before a certificate of registration is issued. While there are triggers in the Workers' Compensation Act to provide for the department to be notified when an employer cancels or fails to renew his Workers' Compensation insurance coverage, historically it has been difficult to identify those employers who do not initially secure the required insurance. The provision proposed in House Bill 832 in this regard will assist the department in identifying uninsured employers and in enforcing the provisions of AS 23.30.045.

The department also supports the concept of a single agency assuming responsibility for both contractor licensing and enforcement functions. The existing separation of these functions is confusing to the public and creates a variety of administrative barriers which hamper effective enforcement of the licensing requirements. A lack of funding has prevented the department from developing an enforcement plan for contractor's licensing; however, the department's inspectors and investigators do enforce contractor licensing in connection with other inspections or investigations.

POSITION PAPER/Department of Labor

CENTRALIZED LICENSING ACT, AS 08.01

MISCELLANEOUS PROVISIONS, AS 08.02

TERMINATION, CONTINUATION AND REESTABLISHMENT
OF REGULATORY BOARDS, AS 08.03

**CHAPTER 01
CENTRALIZED LICENSING**

Section

- 10. Applicability of chapter
- 20. Board organization
- 25. Public members
- 30. Quorum
- 40. Transportation and per diem
- 50. Administrative duties of department
- 60. Application for license
- 70. Administrative duties of boards
- 80. Department regulations
- 87. Powers and duties of department
- 90. Applicability of the Administrative Procedure Act
- 100. License renewal, lapse and reinstatement
- 105. Penalty for improper payment
- 110. Definitions

Sec. 08.01.010. Applicability of chapter. This chapter applies to the

- (1) Board of Public Accountancy;
- (2) Board of Barbers and Hairdressers;
- (3) Repealed by Sec. 6 ch 32 SLA 1971.
- (4) Board of Chiropractic Examiners;
- (5) Board of Dental Examiners;
- (6) Board of Electrical Examiners;
- (7) State Board of Registration for Architects, Engineers and Land Surveyors;
- (8) State Medical Board;
- (9) Board of Nursing;
- (10) Board of Examiners in Optometry;
- (11) Board of Pharmacy;
- (12) Real Estate Commission;
- (13) Board of Veterinary Examiners;
- (14) Board of Psychologist and Psychological Associate Examiners;
- (15) Collection Agency Board;
- (16) Board of Welding Examiners;
- (17) Board of Marine Pilots;
- (18) Board of Dispensing Opticians;
- (19) Guide Licensing and Control Board;
- (20) State Physical Therapy Board. (Sec 1 ch 59 SLA 1966; am Sec 2 ch 136 SLA 1967; am Sec 2 ch 101 SLA 1968; am Sec 6 ch 143 SLA 1968; am Sec 2 ch 151 SLA 1968; am Sec 1 ch 106 SLA 1970; am Sec 6 ch 32 SLA 1971; am Sec 4 ch 179 SLA 1972; am Sec 2 ch 45 SLA 1973; am Sec 14 ch 65 SLA 1973; am Sec 1 ch 43 SLA 1975; am Sec 1 ch 43 SLA 1977; am ch 159 SLA 1980)

Effect of amendments.—The first 1973 amendment added paragraph (18).

The second 1973 amendment inserted "and Psychological Associate" in paragraph (14).

The 1975 amendment added paragraph (19).

The 1977 amendment added paragraph (20).

The 1980 amendment created the Board of Barbers and Hairdressers.

Sec. 08.01.020. Board organization. Unless otherwise provided, all board members are appointed by the governor and serve at his pleasure. Unless otherwise provided, the governor shall designate the chairman of the board, and all other officers shall be elected by the board members. (Sec 1 ch 59 SLA 1966)

Sec. 08.01.025. Public members. No public member of a board may:

- (1) be engaged in the occupation which the board regulates;
- (2) be associated by legal contract with a member of the occupation which the board regulates except as a consumer of the services provided by a practitioner of the occupation; or
- (3) have a direct financial interest in the occupation which the board regulates. (Sec 1 ch 258 SLA 1976)

Sec. 08.01.030. Quorum. A majority of the membership of a board constitutes a quorum unless otherwise provided. (Sec 1 ch 59 SLA 1966)

Sec. 08.01.040. Transportation and per diem. A board member is entitled to transportation expenses and per diem as set out in AS 39.20.180. (Sec 1 ch 59 SLA 1966)

Sec. 08.01.050. Administrative duties of department. (a) The department shall provide the following administrative and budgetary services when appropriate:

- (1) collect fees and issue receipts;
- (2) maintain records and files;
- (3) issue and receive application forms;
- (4) notify applicants of acceptance or rejection of applicants as determined by the board;
- (5) designate dates examinations are to be held and notify applicants;
- (6) public notice of examination;
- (7) arrange space for holding examinations;
- (8) notify applicants of results of examinations;
- (9) issue licenses and certificates or temporary licenses or certificates as authorized by the board;
- (10) except as otherwise provided in this title, issue duplicate licenses or certificates upon proof by the licensee of loss of the original and payment by the licensee of a fee of \$2;
- (11) notify licensees of renewal dates at least 30 days before the expiration date of their licenses;
- (12) compile and maintain current a register of licenses;
- (13) answer routine inquiries;

- (14) maintain files relating to individual licensees;
- (15) arrange for printing and advertising;
- (16) purchase supplies;
- (17) employ secretarial help when needed;
- (18) perform other services which may be requested by the board;

(19) provide investigative services to the boards established under (AS 08.13) AS 08.20, AS 08.36, AS 08.64, AS 08.68, AS 08.71, AS 08.72, AS 08.80, AS 08.84, and AS 08.88, for the purpose of assisting those boards in matters of professional discipline.

(b) The form and content of a license, authorized by a board listed in Sec. 10 of this chapter, including any document evidencing renewal of a license, shall be determined by the department after consultation with and consideration of the views of the board concerned. (Sec 1 ch 59 SLA 1966; am Sec 1 ch 102 SLA 1976; am Sec 39 ch 218 SLA 1976; am Sec 2 ch 258 SLA 1976; am ch 49 SLA 1980)

Sec. 08.01.060. Application for license. All applications for examination or licensing to engage in the business or profession covered by this chapter shall be made in writing to the department. (Sec 1 ch 59 SLA 1966)

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

- (1) keep minutes and records of all proceedings;
- (2) hold a minimum of one meeting each year;
- (3) hold at least one examination each year;
- (4) request, through the department, investigation of violations of its laws and regulations;
- (5) prepare and grade examinations;
- (6) pass on qualifications of applicants for examination and license;
- (7) forward minutes of meetings to the department within 20 days;
- (8) forward results of examinations to the department;
- (9) notify the department of meeting dates at least 15 days before meeting. (Sec 1 ch 59 SLA 1966)

Sec. 08.01.080. Department regulations. The department shall adopt regulations to carry out the purposes of this chapter including but not limited to describing

- (1) how an examination is to be conducted;
- (2) what is contained in application forms;

(3) how a person applies for an examination or license. (Sec 1 ch 59 SLA 1966)

Sec. 08.01.087. Powers and duties of department (a) The department may, upon its own motion, conduct investigations to determine whether any person has violated a provision of this chapter or a regulation adopted under it or a provision of a charter in this title dealing with one of the boards listed in Sec. 10 of this chapter or a regulation adopted by one of those boards, or to secure information useful in the administration of this chapter.

(b) If it appears to the commissioner that a person has engaged in or is about to engage in an act or practice in violation of a provision of this chapter or a regulation adopted under it, or any of the laws pertaining to or regulations adopted by the boards listed in Sec. 10 of this chapter, he may, if he considers it in the public interest, and after notification to all board members by telephone or telegraph of a proposed order or action unless a majority of the members of the board object within 10 days;

(1) issue an order directing the person to stop the act or practice; however, reasonable notice of and an opportunity for a hearing must first be given to the person, except that the commissioner may issue a temporary order before a hearing is held; a temporary order remains in effect until a final order affirming modifying, or reversing the temporary order is issued or until 15 days after the person receives the notice and has not requested a hearing by that time; a temporary order becomes final if the person to whom the notice is addressed does not request a hearing within 15 days after receiving the notice; the commissioner or his designee shall be the hearing officer at the hearing and shall issue a final order within 10 days after the hearing;

(2) bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter, a regulation adopted under it, or an order issued under it, or any of the laws pertaining to or regulations adopted by the boards listed in Sec. 10 of this chapter;

(3) examine or have examined the books and records of any person whose business activities require licensure by a board listed in Sec. 10 of this chapter and he may require that person to pay the reasonable costs of the examination; and

(4) issue subpoenas for the attendance of witnesses, and the production of books, records and other documents. (Sec 3 ch 258 SLA 1976)

Sec. 08.01.090. Applicability of the Administrative Procedure Act. The Administrative Procedure Act (AS 44.62) applies to regulations adopted and proceedings held under this chapter, except those under AS 08.01.087(b). (Sec 1 ch 59 SLA 1966; am Sec 4 ch 258 SLA 1976)

Sec. 08.01.100. License renewal, lapse and reinstatement. (a) Except as otherwise provided in this title, licenses shall be renewed biennially on the dates set by the department with the approval of the respective board.

(b) A registration, license, permit or certificate requiring renewal to continue effective must be renewed on or before the date set by the department or it will lapse. A penalty of \$10 shall be charged in addition to all delinquent renewal fees for reinstatement for a registration, license, permit or certificate which remains lapsed for more than 60 days. (Sec 1 ch SLA 1966; am Sec 2 ch 94 SLA 1968)

Sec. 08.01.105. Penalty for improper payment. An applicant shall pay a penalty of \$10 each time a negotiable instrument is presented to the department in payment of an amount due and payment is subsequently refused by the named payor. (Sec 3 ch 258 SLA 1976)

Sec. 08.01.110. Definitions. In this chapter

- (1) "board" includes the boards and commissions listed in Sec. 10 of this chapter;
- (2) "department" means the Department of Commerce and Economic Development;
- (3) "commissioner" means the commissioner of commerce and economic development;
- (4) "license" means any license, certificate, permit, or registration or similar evidence of authority issued by one of the boards listed in Sec. 10 of this chapter;
- (5) "licensee" means any person who holds a license;
- (6) "occupation" means any of the trades or professions for which licensure is required by one of the boards listed in Sec. 10 of this chapter. (Sec 1 ch 59 SLA 1966; am Sec 40 ch 218 SLA 1976; am Sec 5 ch 258 SLA 1976)

**CHAPTER 02
MISCELLANEOUS PROVISIONS**

Section

10. Professional designation requirements
20. Limitation of liability for members of licensing boards

Sec. 08.02.110. Professional designation requirements. (a) A person licensed in the state as a chiropractor as defined in AS 08.20.220, a dentist as defined in AS 08.36.360, a medical practitioner or osteopath as defined in AS 08.64.380, a professional nurse as defined in AS 08.68.410, an optometrist as defined in AS 08.72.300(3), a registered pharmacist under AS 08.80, a registered physical therapist under AS 08.84, or a psychologist under AS 08.86, shall professionally identify himself by the use of appropriate letters or a title after his name which represents his specific field of practice. The letters or title shall appear on all signs, stationery or other advertising in which the person offers or displays his professional services to the public. In addition, a person engaged in the practice of medicine or osteopathy under AS 08.64.380(2), or a person engaged in any manner in the healing arts who diagnoses, treats, tests, or counsels other persons in relation to human health or disease and identifies himself by using the letters "M.D." or the title "doctor" or "physician" or any other title which tends to show that the person is willing or qualified to diagnose, treat, test or counsel another person, shall clarify the letters or title by adding the appropriate specialist designation, if any, such as "dermatologist," "radiologist," "audiologist," "naturopath," or the like.

(b) A person subject to (a) of this section who fails to comply with the requirements of (a) of this section shall be given notice of his noncompliance by his appropriate licensing board. If, after a reasonable time, with opportunity for a hearing, his noncompliance continues, the board may suspend or revoke his license or registration, or administer other disciplinary action which in its determination is appropriate. (Sec 1 ch 6 SLA 1973)

Sec. 08.02.020. Limitation of liability for members of licensing boards. No person is liable for damages or other relief in an action by reason of his performance of a duty, function, or activity as a member of a licensing board or by reason of a recommendation or action of the board when the person acts in the reasonable belief that his action or recommendation is warranted by facts known to him or to the board after reasonable efforts to ascertain the facts upon which the action or recommendation is made. (Sec 45 ch 102 SLA 1976)

**CHAPTER 03
TERMINATION, CONTINUATION AND REESTABLISHMENT
OF REGULATORY BOARDS**

Under Sec. 08.03.010, the following boards have the following termination dates:

Guide Licensing and Control Board.	June 30, 1980
Collection Agencies.	June 30, 1980
Board of Welding Examiners.	June 30, 1981
Board of Psychologist and Psychological Associate Examiners	June 30, 1982
Board of Electrical Examiners.	June 30, 1982
Board of Dental Examiners.	June 30, 1982
Real Estate Commission	June 30, 1982
Board of Marine Pilots.	June 30, 1983
State Medical Board	June 30, 1983
Board of Nursing.	June 30, 1983
Architects, Engineers and Land Surveyors.	June 30, 1984
Board of Pharmacy	June 30, 1984
Board of Optometry	June 30, 1984
Board of Public Accountancy	June 30, 1984
Board of Barbers and Hairdressers.	June 30, 1984
Board of Chiropractic Examiners	June 30, 1984
Board of Dispensing Opticians.	June 30, 1985
Board of Veterinary Examiners.	June 30, 1985
Board of Nursing Home Administrators	June 30, 1986
Physical Therapy Board.	June 30, 1986

Section 08.03.020. Procedures governing termination, transition and continuation. (a) Upon termination, each board listed in AS 08.03.010 shall continue in existence until June 30 of the next succeeding year for the purpose of concluding its affairs. During this period, termination does not reduce or otherwise limit the powers or authority of each board. One year after the date of termination, a board not continued shall cease all activities.

(b) The termination, dissolution, continuation or reestablishment of a regulatory board shall be governed by the legislative oversight procedures of AS 44.66.050.

(c) A board scheduled for termination under this chapter may be continued or reestablished by the legislature for a period not to exceed four years unless the board is continued or reestablished for a longer period under AS 08.03.010. (Sec 2 ch 74 SLA 1979; am ch 42 SLA 1980)

**CHAPTER 99
BOARD OF WELDING EXAMINERS**

Section

- 10. Creation and membership of board
- 20. Term of office
- 30. Source of appointments
- 40. Removal from office
- 50. Qualifications of board members
- 60. Meetings
- 70. Quorum
- 80. Powers and duties of the board
- 90. Applicability of Administrative Procedure Act
- 100. Expenses
- 110. Codes
- 120. Penalty

Section 08.99.010. Creation and membership of board. There is created the Board of Welding Examiners, consisting of seven members appointed by the governor. (Sec 1 ch 151 SLA 1968)

Sec. 08.99.020. Term of office. Board members serve a term of five years. However, of the members first appointed, one shall be appointed for a term of one year, one for two years, one for three years, one for four years, and three for terms of five years. (Sec 1 ch 151 SLA 1968)

Sec. 08.99.030. Source of appointments. The governor shall appoint board members from a list of persons prepared by the Alaska Chapter of the American Welding Society and the Alaska Society of Professional Engineers and submitted at least 30 days before the expiration of a term and not more than 60 days after a vacancy occurs in an unexpired term. The list shall contain not less than two recommended candidates for each appointment. The governor shall make appointments within 30 days after receiving the list. (Sec 1 ch 151 SLA 1968; am Sec 1 ch 151 SLA 1970)

Sec. 08.99.040. Removal from office. Each member holds office at the pleasure of the governor notwithstanding the member's term. (Sec 1 ch 151 SLA 1968)

Sec. 08.99.050. Qualifications of board members. Each member of the board shall be a citizen of the United States and a resident of the state. At least three members shall be persons with engineering degrees or registration as an engineer and each engineer member shall have at least five years engineering experience. All members shall have extensive experience in welding. (Sec 1 ch 151 SLA 1968; am Sec 2 ch 151 SLA 1970)

Sec. 08.99.060. Meetings. The board shall meet at least once a year. (Sec 1 ch 151 SLA 1968)

Sec. 08.99.070. Quorum. A majority of the board constitutes a quorum. (Sec 1 ch 151 SLA 1968)

Sec. 08.99.080. Powers and duties of the board. (a) The board shall

- (1) establish and promulgate rules and regulations concerning certification of welders in the state;
- (2) establish and define certification tests as they apply to various types and categories of work done in or for the state;

(3) work with federal and private agencies and specifying engineers to establish uniform testing and certifying methods for all welders throughout the state;

(4) work with federal agencies and the agencies of other states to establish reciprocity agreements;

(5) set up criteria and define experience and documentary requirements which may be accepted in lieu of physical certification tests in the state;

(6) set the fees for the welder certification tests;

(7) examine, certify, and renew the certification of qualified applicants;

(8) keep a record of its proceedings, and submit annual reports to the governor and the legislature;

(9) promulgate regulations concerning the quality of welds and qualifications of welders required in specific areas of industry and construction and designate reporting procedures necessary to certify compliance with these quality standards;

(10) designate and approve persons qualified to administer welding tests, and designate and approve persons qualified to administer welding tests, and designate and approve shops, laboratories, or other establishments qualified for testing coupons and weldments.

(b) The board may request technical personnel from the Department of Labor for the purpose of reviewing and analyzing reports and may request field inspection by the department for the purpose of assuring compliance with, and enforcement of the regulations, rules and orders promulgated under Secs. 10–110 of this chapter. (Sec 1 ch 151 SLA 1968; am Secs. 3–5 ch 151 SLA 1970)

Sec. 08.99.090. Applicability of Administrative Procedure Act. The board shall comply with the Administrative Procedure Act (AS 44.62). (Sec 1 ch 151 SLA 1968)

Sec. 08.99.100. Expenses. Members of the board are entitled to the per diem and travel expenses allowed by law. (Sec 1 ch 151 SLA 1968)

Sec. 08.99.110. Codes. The United States of America Standards Institute Codes listed below are established as the piping codes for the state:

(1) B 31.1.0 – 1967 power piping;

(2) B 31.2 – 1968 fuel gas piping;

(3) B 31.8 – 1968 gas transmission and distribution piping system;

(4) B 31.3 – 1966 petroleum refining piping;

(5) B 31.4 – 1966 and B 31.4a – 1968 liquid petroleum transportation piping systems. (Sec 6 ch 151 SLA 1970)

Sec. 08.99.120. Penalty. A person who violates a regulation adopted under Secs. 10–110 of this chapter is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than \$500. (Sec 7 ch 151 SLA 1970)

VOCATIONAL REGULATIONS 12 AAC 72.

BOARD OF WELDING EXAMINERS

CHAPTER 72
BOARD OF WELDING EXAMINERS

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

Article

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

12 AAC 72.020. Repealed 8/21/78.

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 certi-
ficate or a company desiring to have a welder quali-
fied shall

(1) submit to the welding inspector the weld-
ing procedure specifications or the welding perfor-
mance specifications, or both when indicated, for the
appropriate rating; and

(2) complete the welding test for the appro-
priate 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)

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. Repealed 8/21/78.

ARTICLE 2
WELDERS

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

Section

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

12 AAC 72.030. Repealed 8/21/78.

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 exa-
mination. (Eff. 8/21/78, Reg. 67)

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

12 AAC 72.015. WELDER QUALIFICATION
CERTIFICATE REQUIRED. A person may not
perform a welding operation in the state for compen-
sation, in which the failure would involve hazard to
life or property or cause economic loss unless he or
she holds a current, valid welder qualification certi-
ficate in the appropriate rating. (Eff. 8/21/78, Reg. 67;
am 12/10/81, Reg. 80)

12 AAC 72.040. Repealed 8/21/78.

12 AAC 72.045. REQUIREMENTS FOR MAIN-
TAINING A CURRENT WELDER QUALIFICA-
TION CERTIFICATE. (a) A welder qualification cer-
tificate is valid if it is kept current in compliance with
the code under which it is issued unless stated other-

wise in the job specification. (Eff. 8/21/78, Reg. 67; am 12/10/81, Reg. 80)

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 of 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. Repealed 8/21/78.

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 or cause economic loss unless he or she holds a current, valid welding inspector license. (Eff. 8/21/78, Reg. 67; am 12/10/81, Reg. 80)

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

12 AAC 72.060. Repealed 8/21/78.

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's 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, 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, non-destructive 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 competence in the use of tools, gauges, and instruments pertaining to weld inspection; and

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

(b) The requirements of (a)(1)–(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 1-78 "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; am 7/22/79; Reg. 71)

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

12 AAC 72.070. Repealed 8/21/78.

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 \$50. (Eff. 8/21/78, Reg. 67; am 12/10/81, Reg. 80)

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

12 AAC 72.080. Repealed 8/21/78.

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. Repealed 8/21/78.

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 even-numbered year unless revoked for reasons stated in 12 AAC 72.125 or unless the license lapses under (d) of this section.

(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 March 1 of each even-numbered year and must be accompanied by a fee of \$50.

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

(1) proof of a current welding inspector certificate issued by the American Welding Society as specified in 12 AAC 72.065(b); or

(2) evidence of compliance with the requirement of 12 AAC 72.065(a); and

(3) 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) A license issued to a welding inspector on the basis of American Welding Society QCI certification under 12 AAC 72.065(b), or renewed on that basis under (c)(1) of this section, lapses 60 days after the

date of expiration of the inspector's American Welding Society certification unless before that date the inspector provides proof to the department of renewal of that certification.

(e) Application for renewal of a welding inspector license that has lapsed for any reason is considered a new application. (Eff. 8/21/78, Reg. 67; am 12/10/81, Reg. 80)

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 welds have been properly qualified in accordance with the applicable codes and standards and that their qualification authorities 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 inspection 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, 1978 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)

3-3-82

HB 703

HB 741

March 3, 1982

Rep. Terry Martin
Chairman
House Labor & Commerce Committee
Pouch v
Juneau, Alaska 99811

Dear Rep. Martin:

Thank you for the opportunity to testify on HB703. We appreciate the work that you and your staff have done on this bill, and hope that it will receive favorable consideration by the full legislature, this year.

TELELINK Communications, Inc. is seeking passage of this bill, to permissively expand the capacities of state agencies to act on matters that otherwise require expensive, time-consuming, face-to-face meetings.

While the use of electronic communications will not completely replace travel and the need to "press the flesh", we believe that contemporary advances in communications technology will imitigate the loss of productivity and revenues engendered by the need to be physically present during rate and tariff proceedings; employment security appeals and the like.

We believe that it is in the public interest to permit persons in remote corners of the state to enter opinions and matters of fact into the public record, without the requirement that they spend hundreds or thousands of dollars traveling away from home to interact with the policy makers.

The Legislature's substantial success with the Legislative Teleconference Network, and the Department of Education's Learn/Alaska network are examples of the gains that positively benefit Alaskan society.

HB703 will act to further expand the information collection and decision-making capability of the state whether through increased participation in Public Utility Commission hearings; Regional Fish and Game advisory board meetings; DOT/PF bid awards; or consultant bidder's conferences.

Sincerely,



Allen D. Blume
Marketing Associate

AUDIO TELECONFERENCING COST INCENTIVES

CMX VS. TRAVEL*

2 HOUR TRAVEL MEETING
JUNEAU TO ANCHORAGE

Transportation	
Air Fare	\$ 300.00
Rental Car	45.00
Gas & Oil	15.00
Lodging	60.00
Meals (including tips)	45.00
Telephone charges from Hotel	12.00
Salary (\$36,000)	<u>250.00</u>
Cost per person	\$ 727.00
X 8 people	<u>\$5,816.00</u>

Lost Productivity:	
Travel time 4 hours @ \$125x8	<u>\$1,000.00</u>
Missed telephone calls and Meetings at home office?	\$6,816.00

2 HOUR CMX MEETING

Transportation	\$.00
Lodging	.00
Meals	.00
Telephone charges (50.00/hr.) x 2	100.00
CMX fee (22.80/hr.) x 2	50.00
Salary (\$36,000)	250.00
Cost per person	400.00
X 8 people	<u>\$3,200.00</u>

COMPARISON

Travel Meeting Cost	\$6,816.00
CMX Meeting Cost	\$3,200.00
Cost Saving Using CMX	<u>\$3,616.00</u>

*Assumes typical two hour meeting.
Does not account for weather or
other airline delays.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

JAY S. HAMMOND, GOVERNOR

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

March 2, 1982

Hon. Terry Martin, Chairman
Labor and Commerce Committee
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: HB 703 (use of communica-
tions media under APA)

Dear Representative Martin:

A member of your staff called this afternoon to ask for a "position paper" on this bill, for your committee's consideration tomorrow. Here are some quick comments:

1. The basic purpose of the bill appears to be the recognition of technological advances in communications and the promotion of the use of that technology in conducting the state's business for the benefit of the public. We support that.
2. I am unable to predict the fiscal impact of this, and can only observe that technology usually costs money.
3. The amendment in sec. 1, allowing an agency to accept matter presented by any form of communication, when following the regulation-adoption procedures, is good.
4. (A) The amendment in sec. 2, amending the basic "open meeting" statute (AS 44.62.310), looks good to the extent that it might increase the possibility of public participation. However, the statute being amended in sec. 2 of the bill covers many different kinds of meetings and hearings. In some of them, it is important for the members of the agency conducting the hearing to be able to actually see the witness, and, in others, it is important for public participants to see each other. Your definition of "communications media" in sec. 7 of the bill is not limited to video technology; in fact, it is not limited to any of

. the more advanced methods of communication; the definition leads off with the word "includes." Without getting into the various rules of construction that would be applied to interpret your definition, I will simply observe that that definition could cause problems in applying the amendment in sec. 2.

(B) In addition, since "communications media" includes telephones, there is the potential for people to disrupt an otherwise orderly meeting or hearing, unless it is made clear in the statute that the body conducting the meeting or hearing may establish reasonable ground rules for the use of whatever media are to be employed. This is especially important in light of AS 44.62.310(f), which says that action taken contrary to AS 44.62.310 is void.

(C) One additional point: The amendment only refers to "[p]ublic attendance and participation" at meetings. It says nothing about the agency members themselves being able to conduct a meeting through communications media (which is especially important in emergency situations). This omission in the bill should be corrected, since not dealing with the permissibility of agencies themselves conducting meetings through communications media may be interpreted by the courts as an implied prohibition on such meetings.

5. The statement of intent in sec. 3, regarding broad dissemination of information, is good. However, in mentioning only the "convenience of the public," it overlooks the legitimate needs of the governmental bodies involved to get on with the business of the public as a whole. The interests and convenience of various segments of the public will often conflict with each other. The bill should be amended in this regard too.
6. The amendment in sec. 4 relates to hearings in the course of administrative adjudication. Speaking of the "mutual convenience of the parties" is okay, but it overlooks the constitutional right to due process and to confront and cross-examine witnesses against an individual. The statute should not appear to give an agency the right to consider the

convenience of perhaps its own staff and of a witness, while disregarding the rights of a central figure in the hearing. Consider, for example, a license revocation hearing for which the complaining witness would find it more convenient to phone in from his home. The hearing officer or administrative law judge would not be able to observe the demeanor of the witness, and the accused party would be seriously hindered in his questioning of the witness.

7. Basically, the amendment in sec. 5, allowing voting by communications media, in an administrative adjudication, is okay, especially since agency members are currently authorized to vote by mail (which, actually, under your definition of "communications media," could be considered as included in the new term). However, the sentence being added to AS 44.62.600 only requires recordation of the vote in a manner that identifies each person who has voted. That is a good point to cover, but nothing is said about recording how each person voted (not by what means, but on which side of the issue). This additional point should be covered; it would be consistent with the next-to-last sentence of the current AS 44.62.310(a).
8. The catch-all provision in sec. 6 of the bill is okay, but should also say something about the protection of constitutional and statutory rights of individuals. The variety of meetings and hearings covered by the Administrative Procedure Act must be borne in mind.

Thank you for the opportunity to comment on this bill. It would be very helpful to us if you could provide a bit more advance notice, however.

Yours truly,

WILSON L. CONDON
ATTORNEY GENERAL

By:


Arthur H. Peterson
Assistant Attorney General

Original sponsor: Labor and Commerce
Committee

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 741 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certificates of fitness."

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

8 * Section 1. AS 18.62.010 is amended to read:

9 Sec. 18.62.010. CERTIFICATE OF FITNESS REQUIRED. A person may not
10 perform, nor may a person employ another person to perform, work [IN
11 CONNECTION WITH WORK PERFORMED] subject to the standards established in
12 AS 18.60.580 and 18.60.705 [, A PERSON MAY NOT BE EMPLOYED] without a
13 valid certificate of fitness to perform the work, except that a certifi-
14 cate of fitness may not be required of employees of an electric utility
15 which does not have within its service area any portion of a city^{borough} or
16 unified municipality having more than ^{1,000}~~2,500~~ population.

17 * Sec. 2. AS 18.62.030 is amended to read:

18 Sec. 18.62.030. FEE. An applicant shall pay a [AN INITIAL] fee of
19 \$50 at the time of [\$15 WITH HIS] application.

20 * Sec. 3. AS 18.62.040 is amended to read:

21 Sec. 18.62.040. DURATION OF CERTIFICATE. The department may
22 cancel a certificate for cause. ^{A certificate is valid for five (5) years} ~~Certificates, if not cancelled for~~
23 ~~from the date of issuance~~ ~~cause, are renewable upon payment of a~~ [AN ANNUAL RENEWAL] ~~fee of~~
24 ~~\$15 once every three years~~ [\$5].

25 * Sec. 4. AS 18.62.060 is amended to read:

26 Sec. 18.62.060. POWER OF THE DEPARTMENT. The department shall
27 issue orders [, RULES] and adopt regulations necessary to carry out the
28 purposes of this chapter.

29 * Sec. 5. AS 18.62.070 is amended by adding a new section to read:

1 Sec. 18.62.075. EXEMPTION FOR WORK ON RESIDENCE. Nothing in this
2 chapter prohibits a person from performing electrical or plumbing work
3 on that person's single-family residence. ~~if the work is performed in~~
4 ~~accordance with the standards established in AS 18.60.580 and in AS 18.-~~
5 ~~60.705.~~

6 * Sec. 6. AS 18.62.050 'b) is repealed.
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ALASKA

STATE LEGISLATURE

MEMORANDUM

To: Legal Services

Fm: House Labor & Commerce

Date: 3/4/82

Subj: HB 741

Please prepare a final CSHB 741 (L & C), incorporating the changes marked on the workdraft. We will return the original bill (or whatever you need back) when we receive the CS.

Thanks for your help. Please contact me if you have questions.

Joan Mathews

X 3657

Absent:
~~...~~
~~...~~

3/3/82

HB 703
HB 741

1:10

000
HB 741
009

Call to order; ~~the~~ Intro to HB 741

Dale Check, Dir, Labor Standards & Safety.

Went over bill & changes, section by section

058 ~~...~~: Gave statistics on ^{# of} certificates of fitness processed by dept

065 Randolph asked if they had objection to not charging fees as required in Sec 3 (AS 18.62.040). Check said they needed the funds. ~~Randolph ~~summarized~~ of, ~~...~~~~

There was discussion of whether the fees are justified, & whether ~~the~~ ^{certificates} need to be renewed. Check felt certificates should be renewed for record-keeping purposes.

~~1:17~~

260

1:07 Dwight Perkins, Bus Mgr, Plumbers & Pipefitters Union Local 662, Jnu. Agrees that certificates of fitness shd be reg'd.

*Felt \$50 was reasonable fee, wd even agree to raising fee.

Also felt \$15 for renewal every 3 yrs was reasonable; especially if a person has been out of touch w/codes for a time, felt the renewal was valuable. Also ~~felt~~ agreed that Sec 6 shd be repealed.

~~1:19~~

149 Tom Cashen, rep for Inlet Brotherhood of Electrical Wks - support bill. No objection to fee being raised.

157 Rogers - p. 1, l. 13-16 - asked if there was any reason to exempt people; Cashen thought prbly cost of flying people out was reason for exemption, but agreed that all shd be reg'd to be qualified.

176 Check said in 1980 some small Cos. had non-qualified people doing line work; they cited them; & amendment resulted.

Randolph said cost & difficulty of getting expertise in small communities.

Rogers expressed concern that this could be abused in boroughs that aren't unified.

206
~~200~~

Roger Samms - business rep, Local 1547, IBEW - re utility exemption - he has prob w/ wording, also. No objection to changing that section.

Supports bill. Good pgm; wd like to see it continue.

230 F.F. Cameron - retail store owner - no objection to fees, but (he has fitness card) - in dealing w/ public, ~~many~~ ^(his outfit) abt 19 out of 20 don't have fitness cards. They're repeatedly asked to show cards; but many others are working w/o them. Also don't have At bus licenses or specialty licenses.

No prob w/ fee, but many people don't get cards. Wd like to see more stringent enforcement.

~~278 Martin~~

289 Martin asked Check if bill wd help; Check said it would.

They have 5 inspectors, did over 2,000 inspections last yr; ~~there were~~ there were 1500 more certificates issued last yr than yr before.

- 306 Bylsma asked if the people could be working on their homes; Cameron said no, they put job names on the sales slips.
- 320 Randolph suggested turning them in.
- 335 Cameron said certificate # or business license # should be on building permits.
Rogers felt local govts should decide if they want to include this in their building codes.
- 352 Rogers asked Check - certificate applies to plumbing & electrical codes; does code apply to all buildings?
Check - all except those under 2500 sq ft & on private property.
There was discussion to clarify laws.
- 380 Rogers questioned exemption, p. 2, l. 3. ^{Suggested} ~~Should~~ to eliminating language after word "residence."
- 396 Bylsma asked what would happen if license was not renewed, if certificate was for life. Check thought would be more difficult to ascertain current employment & to be sure person keeping up on trade. Bylsma asked how they knew anyway if they didn't test again. All this was bookkeeping for nothing.

426 Martin felt uncomfortable w/ giving certificate for life.

436 Randolph noted that certificate cd be canceled for cause. &

446 Rogers - ~~if person loses certificate~~ may be argument for competency testing periodically, but as long as there's not, sees no reason to require renewal.

460 ^{qudy.} Knight felt this was a good point. Recommended going to 5 yr certificate & raising fee, & retesting at end of 5 yrs.

485 Randolph, ^{& Rogers} commented.

~~489 Rogers~~

500 Ran - Moved to Stute, l. 22-24, p. 1

Discussion. Gardiner felt they shd consider adding continuing education & gmt by re-certification. Randolph felt that was too broad an issue to address. Rogers thought putting 5 yr time limit on license wd give Dept authority to use different criteria to evaluate applicant. Bylsma said Dept shd be asked if ~~the~~ how workload wd be impacted.

Check said they cd get employment & ascertain qualifications fairly easily.

Rogers asked unan consent; Gardiner objected.

for: Bylsma, Martin, Ran, Rogers. Opp'd - Gardiner. Motion passed.

Rogers moved,

610 p. 1, l. 22 insert "a certificate is valid for 5 yrs from the date of issuance." Randolph objected w/o further study.
Discussion.

for: Rog, Gard, Martin, Bylsma Opp'd: Randolph
Amdmt passed.

730 (side B) 000 Rogers moved
p. 2, l. 3, ^{add period +} delete lang after "residence"
discussion.

~~for~~ motion passed unan. ~~000~~

070 Rogers moved
p. 1, l. 13, after "work", ^{insert period +} delete rest of sentence (through l. 16).

Randolph objected.

Discussion.

for: Gardiner, Rogers
motion failed.

opp'd - Martin, Bylsma, Rand.

100 Rogers moved
p. 1, l. 15 after "city", ^{comma} insert "borough"

Randolph objected.

Discussion.

for: Rog, Gard, Martin, Bylsma. opp'd Randolph
no. passed

165 Gardiner, p. 1, l. 16, moved to change figure "2500" to "1,000".

Discussion.

for: Gard, Rogers, Martin, Bylsma opp'd: Randolph
no. passed.

230 Gard, p. 1, l. 22, after "cause", ^{insert} "or if the person fails to submit proof of attending eight hours of continuing education w/ workshops approved by the Department every 5 years."
Gard w/drew amendmt.

Discussion. Check suggested various ways the Dept. cd enforce continuing ed. reqmts.

325 Rog moved to report out CS HB 741 L4C as amended.
no obj, no passed.

HB 703

338 Allen Peterson, ^{asst} Atty Gen; ~~per~~ Dept of Law supports bill,
but contains legal probs. (He referred to ltr presented
to committee which sets out probs.)

1) cost

2) - sec. 1 unnecessary but expresses good points

3) - sec 2 has problems -

A) ^{addressing} basic meeting statute raises qstns
_{open}

a) - sometimes needs to be in person
of comm. media hrs

~~defn~~ defn, does not limit, to video comm. media

b) raising possibility of intrusion into mtg by phone calls

Rogers had qstns; compared to any interruption by a person in any
meeting.

c) implies that agency can't conduct mtgs by comm. media.

4) sec 3 -

reflect to mention needs of govt.

5) sec 4 -

possible constitutional conflict

6) sec. 5 -

doesn't cover "how" member voted (which side of issue)

7) sec 6 -

shd ~~mention~~ make clear not intent to curtail const'l
& statutory rights

547 Martin asked if suggested amendments were available.

Peterson said no.

Rogers had comments

567 Allen Blume - Telelink Comm - marketing associate -

supports bill; encourages state depts to move into ~~field~~ field of communications technology. ~~Used~~ (Submitted prepared testimony). Referred to sheet comparing costs of teleconferencing v. costs of travel. Rogers noted savings cd be even higher than shown.

No objections to Peterson's comments; expect to see each agency will have to set refined guidelines as to when to use communications media, & what types can be used.

688 Peterson said he had no amendments to offer; just pos'n paper. Said he'd work w/ staff on amendments.

Rogers felt leg. legal staff cd do that.

711 Barry said bill was prepared by Sofo; most, ^{of Peterson's} points have been addressed. Noted that, in various instances, courts allow videotaping.

Tape 2

~~000~~ Harry Treason, Dir, Occ'l Licensing - felt wd be asset to
Dir & cost saving to state.

Gardiner asked if this cd increase attendance.

Treason said normally low attendance; have found people tend
to give more verbal than written testimony.

020 Sioux Plummer - Dir, Dir Telecomm Svcs - Peterson addressed
concerns of legality. Support telecomm's; currently
compiling study as directed by exec order; shd soon have
final report to recommend to legis. Supportive of idea. +
will have add'l statistics & comments a result of study.

~~Boggs asked if there wd be tele~~

045. Martin asked if there wd be need to hold up legis for study results;
Plummer said no.

053 Peterson asked Plummer if ~~the~~ telecomm can be limited to certain
sites. Plummer said it's up to agency conducting mtg.
Plummer said they'd recommend ~~a~~ network similar
to LTN, w/ even more flexibility.

076 Martin requested staff look at bill, taking ~~to~~ AG's recommendno
into consideration, & draw up for showings savings.

2:48 Adjourned.

SIGN-IN SHEET

HB-703

Name (please print)	Address	Representing	Testify? (YES or NO)	Phone Number
ALLEN D. BLUMÉ	P.O. B. 1608, JUNEAU	TELELINK	YES ^{OK}	6-9685
DA				
HARRY TREAGER	POUCH D, JUNEAU	Div. Occupational Lic	YES ^{OK HB 703}	465-2534
Art Peterson	Pouch K, Jun. 9984	Dept. of Lav	YES ^{needs amendments.}	
Stow Plummer	Pouch C 99811	Admin	yes	465-2041
BOB FRAMPION	POUCH C 94311	ADM	NO	5-2041
	Fiscal note.			

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 3/3/82

Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	✓	_____	1:06	
Rep. D. Randolph	✓	_____	1:05 -	2:12
Rep. B. Rogers	✓	_____		
Rep. T. Gardiner	✓	_____	1:12	
Rep. T. Martin, Chair	✓	_____	1:36	
		_____	1:55	

Subject Matter:

House Bill No. 703 741 _____

Senate Bill No. _____

Special Orders:

HOUSE LABOR & COMMERCE
STANDING COMMITTEE
March 3, 1982
1:10 p.m.

Members Present: Rep. Martin, Chairman
Rep. Bylsma, Vice Chairman
Rep. Randolph
Rep. Rogers
Rep. Gardiner

Members Absent: No members absent

COMMITTEE CALENDAR

HB 703 An Act relating to the use of communications
media under the Administrative Procedure
Act.

HB 741 An Act relating to certificates of fitness.

WITNESS REGISTER

Dale Cheek, Director
Labor Standards and Safety
Department of Labor
Box 630
Juneau, Alaska 99811
465-4870
Position Statement: Overview of HB 741.

Dwight Perkins, Business Manager
Plumbers & Pipefitters Union, Local 262
PO Box 2868
Juneau, Alaska 99801
586-2874
Position Statement: Commented on HB 741.

Tom Cashen, representative
International Brotherhood of Electrical Workers, Local 1547
3200 Foster Avenue
Juneau, Alaska 99801
586-3050
Position Statement: Supported HB 741.

Roger Sams, business representative
International Brotherhood of Electrical Workers, Local 1547
7340 Glacier Highway
Juneau, Alaska 99801
586-3050
Position Statement: Supports HB 741.

F.F. Cameron
Cameron Plumbing & Heating
PO Box 2720
Juneau, Alaska 99801
789-2896
Position Statement: Testified regarding HB 741.

Judy Knight
Department of Labor
Juneau, Alaska 99811
Position Statement: Available to answer questions.

Art Peterson
Assistant Attorney General
Department of Law
Pouch K
Juneau, Alaska 99811
Position Statement. Commented on HB 703.

Allen Blume
Telelink Communications
PO Box 1608
Juneau, Alaska 99801
586-9685
Position Statement: Supported HB 703.

Harry Treager, Director
Division of Occupational Licensing
Pouch D
Juneau, Alaska 99811
465-2534
Position Statement: Supported HB 703.

Sioux Plummer, Director
Division of Telecommunications Services
Department of Administration
Pouch C
Juneau, Alaska 99811
465-2041
Position Statement: Commented on HB 703.

PREVIOUS ACTION

HB 703	No previous action.
	Statutory Reference: AS 44.62
	Action Taken: No action taken.
HB 74i	No previous action.
	Statutory Reference: AS 18.62

Action Taken: Rep. Randolph moved, page 1, lines 22-24, to strike language. Rep. Gardiner objected. On the question: for--Bylsma, Martin, Randolph, Rogers; opposed--Gardiner. Motion passed.

Rep. Rogers moved, page 1, line 22, to insert, "a certificate is valid for five years from the date of issuance." Rep. Randolph objected. On the question: for--Rogers, Martin, Gardiner, Bylsma; opposed--Randolph. Motion passed.

Rep. Rogers moved, page 2, line 3, to add a period and delete language after the word, "residence". Motion passed without objection.

Rep. Rogers moved, page 2, line 13, to insert a period after the word, "work", and to delete the remainder of the sentence (through line 16). Rep. Randolph objected. On the question: for--Gardiner, Rogers; opposed--Randolph, Martin, Bylsma. Motion failed.

Rep. Rogers moved, page 1, line 15, after the word "city", to insert ", borough". Rep. Randolph objected. On the question: for--Rogers, Gardiner, Martin, Bylsma; opposed--Randolph. Motion passed.

Rep. Gardiner moved, page 1, line 16, to change figure "2,500" to "1,000". On the question: for--Gardiner, Rogers, Martin, Bylsma; opposed--Randolph. Motion passed.

Rep. Gardiner moved, page 1, line 22, after "cause", to insert "or if the person fails to submit proof of attending eight hours of continuing education code workshops approved by the Department every 5 years." After discussion, Rep. Gardiner withdrew the motion.

Rep. Rogers moved to report CSHB 741 (L&C), as amended, out of committee. There being no objection, the motion passed.

ACTION NARRATIVE

Tape #31
Recording

- Number 000 The meeting was called to order by Chairman Martin at 1:10 p.m. Members present were: Representatives Martin, Bylsma, Randolph, and Rogers. Rep. Gardiner arrived later in the meeting. There were no members absent. Rep. Martin turned the committee's attention to HB 741.
- Number 009 Dale Cheek, Director of Labor Standards & Safety, went over the bill and changes, section by section. He gave statistics on the number of certificates of fitness processed by the department.
- Number 065 Rep. Randolph asked if Cheek had objection to not charging fees, as required in Section 3 (AS 18.62.040). Cheek said they needed the funds. There was discussion of whether the fees are justified, and whether certificates need to be renewed. Cheek felt certificates should be renewed for record-keeping purposes.
- Number 107 Dwight Perkins, business manager for Plumbers & Pipefitters Union, Local 262, of Juneau, agreed that certificates of fitness should be required. He felt \$50 was a reasonable fee, and said they would even agree to raising the fee. He also felt \$15 for renewal every three years was reasonable, especially if a person has been out of touch with codes for a time. He agreed that Sec. 6 should be repealed.
- Number 149 Tom Cashen, representative for International Brotherhood of Electrical Workers (IBEW), supported the bill. He had no objection to fees being raised.
- Number 157 Rep. Rogers asked, in reference to page 1, lines 13-16, if there was any reason to exempt people. Cashen thought probably the cost of flying people out was the reason for the exemption, but agreed that all should be required to be qualified.
- Number 176 Cheek explained that, in 1980, some small companies had non-qualified people doing line work; they were cited, and the amendment was the result. There was discussion.
- Number 206 Roger Sams, business representative for IBEW Local 1547, said, regarding the utility

exemption, that he has problems with the wording also. He had no objection to changing that section. He supported the bill. Sams said it was a good program, and that he would like to see it continued.

Number 230

F.F. Cameron, retail store owner in Juneau, had no objection to fees. He said, in dealing with the public, that about 19 out of 20 of his customers don't have fitness cards. He said he and his employees are repeatedly asked to show their cards, but that there are many people working without them. He said these people also don't have Alaska business licenses or specialty licenses. He would like to see more stringent enforcement.

Number 289

Rep. Martin asked Cheek if the bill would help with enforcement; Cheek felt it would. He said they have five inspectors who did over 2,000 inspections last year. He said 1,500 more certificates were issued last year than the year before.

Number 306

Rep. Bylsma asked Cameron if those people could be working on their homes. Cameron replied that they were not; that they were charging supplies to projects on the sales slips. Rep. Randolph suggested turning them in.

Number 335

Cameron said certificate numbers or business license numbers should be on building permits. Rep. Rogers felt local governments should decide if they want to include this in their building codes. There was discussion.

Number 396

Rep. Bylsma asked what would happen if certificates were issued for life, without renewal. Cheek thought it would be more difficult to ascertain current employment and to be sure the applicant is keeping up in his trade. Rep. Bylsma asked how they knew anyway, if they didn't retest people renewing their certificates. He felt this was bookkeeping for nothing. Rep. Martin was uncomfortable with giving certificates for life. Rep. Randolph noted that a certificate could be canceled for cause. Rep. Rogers said that may be an argument for competency testing, but as long as there is no retesting, he saw no reason to require

renewal. Judy Knight, Department of Labor, felt this was a good point. She recommended going to a five-year certificate and raising the fee, and retesting at the end of five years. There was discussion.

Number 500

Rep. Randolph moved to stroke lines 22-24, page 1. There was discussion. Rep. Gardiner felt they should consider adding a continuing education requirement by recertification. Rep. Randolph felt that was too broad an issue to address. Rep. Rogers thought putting a five year time limit on the license would give the Department authority to use different criteria to evaluate a renewal applicant. Rep. Bylsma said the Department should be asked how their workload would be impacted by this. Cheek said they could check employment and ascertain qualifications fairly easily. Rep. Rogers asked unanimous consent; Rep. Gardiner objected. On the question: for--Bylsma, Martin, Randolph, Rogers; opposed--Gardiner. Motion passed.

Number 610

Rep. Rogers moved, page 1, line 22, to insert "a certificate is valid for five years from the date of issuance." Rep. Randolph objected without further study. There was discussion. On the question: for--Rogers, Gardiner, Martin, Bylsma; opposed--Randolph. Motion passed.

Number 730

Rep. Rogers moved, page 2, line 3, to add a period and delete the language after the word "residence". There was discussion. There being no objection, the motion passed unanimously.

Side B, Number 070

Rep. Rogers moved, page 1, line 13, after the word "work", to insert a period and delete the rest of the sentence (through line 16). Rep. Randolph objected. There was discussion. On the question: for--Gardiner, Rogers; opposed--Martin, Bylsma, Randolph. Motion failed.

Number 100

Rep. Rogers moved, page 1, line 15, after the word, "city", to insert ", borough". Rep. Randolph objected. There was discussion. On the question: for--Martin, Rogers, Bylsma, Gardiner; opposed--Randolph. Motion passed.

- Number 230 Rep. Cardiner moved, page 1, line 22, after the word "cause", to insert, "or if the person fails to submit proof of attending eight hours of continuing education code workshops approved by the Department every 5 years." There was discussion. Cheek suggested various ways the Dept. could enforce continuing education requirements. Rep. Gardiner withdrew the motion.
- Number 325 Rep. Rogers moved to report CSHB 741 (L&C), as amended, out of committee. There being no objection, the motion passed.
- Number 338 House Bill 703 was brought before the committee. Art Peterson, assistant attorney general, said the Department of Law supports the bill, but the bill has legal problems. He referred to a letter presented to the committee which sets out the problems. (This letter is available from the committee for review.) Peterson went over each of the problems they foresaw. There was discussion.
- Number 567 Allen Blume, Telelink Communications, supported the bill. He encouraged state departments to move into the field of communications technology. (Blume submitted prepared testimony, which is available for review from the committee.) He referred to a sheet comparing the costs of teleconferencing to the costs of travel. Rep. Rogers noted that savings could be even higher than Blume's comparison showed. Blume said he had no objections to Peterson's comments. He expects to see each agency having to set refined guidelines as to when to use communications media, and what types can be used.
- Number 688 There was discussion.
- Tape 32, Number 600 Harry Treager, Director of the Division of Occupational Licensing, felt it would be an asset to the division and cost saving to the state. Rep. Gardiner asked if this bill could increase attendance. Treager said attendance is normally low, and that they have found people tend to give more verbal than written testimony.
- Number 020 Sioux Plummer, Director, Division of Telecommunications Services, said Peterson

had addressed their concerns of legality. She said her division supports teleconferencing. She said they are currently compiling a study, as directed by executive order, which should soon be finalized and reported to the legislature. Plummer was supportive of the idea, and said she would have additional statistics and comments as a result of the study. Rep. Martin asked if there would be a need to hold up the legislation for the study results; Plummer said there would be no need.

Number 053

Peterson asked Plummer if a teleconference can be limited to certain sites. Plummer said it is up to the agency conducting the meeting. Plummer said she would recommend a network similar to the legislative teleconference network, with even more flexibility.

Number 076

Rep. Martin requested staff look at the bill, taking the attorney general's recommendations into consideration, and draw up a fiscal note showing savings.

Number 089

There being no further business to come before the committee, the meeting was adjourned at 2:48 p.m.

3-4-82

H B 726

H B 823

H B 831

HOUSE LABOR & COMMERCE
STANDING COMMITTEE
March 4, 1982
1:14 p.m.

Members Present: Rep. Martin, Chairman
Rep. Bylsma, Vice Chairman
Rep. Gardiner
Rep. Rogers
Rep. Randolph

Members Absent: No members absent.

COMMITTEE CALENDAR

HB 726 An Act providing an exemption from the
Alaska Employment Security Act for certain
employees of certain corporations.

HB 831 An Act relating to telecommunications; and
providing for an effective date.

HB 863 An Act providing an exemption from the
Alaska Employment Security Act for sole
owners of certain corporations.

WITNESS REGISTER

Dave Stancliff
Aide to Rep. Barnes
Pouch V
Juneau, Alaska 99811
465-3797
Position Statement: Presented HB 726.

Art Zillig, Director
Employment Security Division
Department of Labor
Box 3-7000
Juneau, Alaska 99811
465-2712
Position Statement: No recommendation on HB 726.

Ed Hein, attorney
LAA Legal Services
Pouch Y
Juneau, Alaska 99811
465-3867
Position Statement: Evaluated HB 726.

Gary Jenkins
National Federation of Independent Business

Juneau, Alaska 99801

586-4100

Position Statement: Supported concept of HB 762; suggested changes.

Alex Hills, Deputy Commissioner

Department of Administration

Pouch C

Juneau, Alaska 99811

465-2200

Position Statement: Recommended HB 831 not be passed as written.

Charles Northrip, Executive Director

Alaska Public Broadcasting Commission

Pouch CB

Juneau, Alaska 99811

465-2846

Position Statement: Felt HB 831 was premature.

Gordon Zerbetz

Alascom

900 West 54th

Anchorage, Alaska

279-9971

Position Statement: Comments on HB 831.

PREVIOUS ACTION

HB 726

No previous action.

Statutory Reference: AS 23.20.526

Action Taken: Rep. Rogers moved to strike subsection (c) and replace with a new (c) "the employee is an executive officer of the corporation and owns, directly or indirectly, 25% or more of the voting securities of the corporation; and". There was objection by Rep. Bylsma; he removed his objection. Motion passed unanimously.

Rep. Rogers moved to report CSHB 726 (L&C), as amended, out of committee. There being no objection, motion passed.

HB 831

No previous action.

Statutory Reference: AS 44.21

Action Taken: No action taken.

HB 863

No previous action.

Statutory Reference: AS 23.20.526

Action Taken: Bill was not taken up this date. No action.

ACTION NARRATIVE

Tape #33
Recording
Number 000

The meeting was called to order by Chairman Martin at 1:14 p.m. Members present were: Reps. Bylsma, Gardiner, Martin, Randolph, and Rogers. There were no members absent. Rep. Martin brought HB 726 before the committee for consideration.

Number 020

Dave Stancliff, administrative assistant to Rep. Ramona Barnes, presented HB 726 on her behalf. He explained the intent of the bill, and referred to a House Research report, which was given to the committee, for figures on the financial impact. (Stancliff spoke from prepared testimony.)

Number 060

Rep. Gardiner asked why the bill was introduced. Stancliff said it was for philosophical reasons. There was discussion. Rep. Randolph said he had no objection to using HB 726 as a vehicle, as it is almost identical to his bill (HB 863).

Number 082

Art Zillig, director, Employment Security Division of the Department of Labor, said the amendment would not impact the ability to conform with federal law. He had no recommendation on the bill. There was discussion. Rep. Martin asked the revenue impact; Zillig had no estimate. There was discussion of impact on FUTA taxes.

Number 126

Rep. Rogers was concerned about the stock ownership plan and its impact on employees. He was concerned that, if employees owned 25% of a class of voting securities, the employer could remove those employees from unemployment security.

Number 158

Ed Hein, attorney with LAA Legal Services, said he drafted the bill, and that the intent was to provide optional exemption from unemployment insurance. In drafting the legislation, he made efforts to check for conflicts with federal laws, and he was

satisfied there would be no conflicts. He could not say conclusively if there were conflicts with other portions of Title 23.

Number 194

Rep. Rogers again raised his concern about an employer exempting employees through a stock ownership plan. Hein said he didn't think that was the intent. He said this was meant to refer to someone with a controlling interest in the corporation. There was discussion. Hein said the language would seem to allow exempting employees. Rep. Rogers suggested deleting the language, "any class of", and inserting "the" on line 16, and suggested deleting the language, "the power to vote". There was discussion.

Number 278

Gary Jenkins, small business owner and member of the National Federation of Independent Business, supported the concept of the bill, but supported amending language. He suggested exempting corporate office, similar to a provision in the Workers Compensation Act. There was discussion. Rep. Rogers said there was a substantial difference between the workers compensation provisions and the provisions in the bill. He felt possibly redefining eligibles as officers of the corporation would solve the problem. Rep. Gardiner brought up the question of partnerships. Jenkins thought partnerships were already exempted, and suggested using the term, "executive officer of the corporation". Hein said other states provide for this. He noted that the state of Washington uses the term, "corporate officers", and said he supports this concept. There was discussion of how to amend the language.

Number 480

Jeff Barry said he did not question the concept, but thought it may conflict, especially in the construction industry, with prevailing wage. He cited examples. Rep. Rogers felt subsection (d) would cover this. There was discussion.

Number 568

Rep. Rogers moved to strike subsection (c) and replace with a new (c): "the employee is an executive officer of the corporation and owns, directly or indirectly, 25% or more of the voting securities of the corporation; and". Rep. Bylsma objected. There was discussion. The committee asked

Zillig to estimate the fiscal impact; Zillig said it would be difficult to determine. He said there would be no impact on the general fund. Rep. Bylsma removed his objection; there being no objection, the motion passed.

Number 639

Rep. Rogers moved to report CSHB 726 (L&C), as amended, out of committee. Motion passed without objection.

Number 655

Rep. Martin turned the committee's attention to HB 831. He referred to information sent by Senator Stevens regarding self-regulation by states of many functions previously handled by the FCC. He gave the reasons for and intent of the bill.

Side B, Number 040

Alex Hills, Deputy Commission of Administration responsible for telecommunications, suggested it is premature to judge the Telecommunications organization at this time. He believes the intention is to take over the functions of APBC, and to create oversight authority of various functions. Hills submitted a copy of their annual report, which he felt should be considered. (Hills also submitted written testimony; both these documents are available from the committee for inspection.) Hills said he was concerned about introducing another layer of bureaucracy, and about asking members of industry to make state-level decisions that would impact the private sector. He felt there was a potential conflict of interest. Hills recommended the bill not be passed as written.

Number 135

Rep. Martin asked the committee if it would like to have a special meeting with Hills regarding federal legislation.

Number 150

Charles Northrip, Executive Director, APBC, felt the impact of the bill on public broadcasting would set back progress by several years. (Northrip spoke from prepared testimony, which is available for review from the committee.) He explained the background of the Commission, and told why he felt the bill was premature.

Number 213

Gordon Zerbetz, Alascom, had no official stand on the bill as they hadn't had time to review the bill thoroughly. He said it was

apparent there would be overlap between the Telecommunications Division and the new commission. He had no time yet to evaluate the new division, as it had not been geared up long enough yet. He felt a coordinated effort was important. He said the bill causes him concern about the creation of an agency comingling a developmental entity and a regulatory entity. He was apprehensive about the commission have both authorities. He spoke to particular sections of the bill which caused him concern. There was discussion. Zerbetz said Alascom is committed to the establishment of a focal agency to develop telecommunications policy. He said the system created by EO 52 had not been in place long enough to determine if it fills this need.

Number 333

Zerbetz said, regarding appeal powers, that if the board is an appellate board for APUC or other agencies, the committee should consider addressing, by statute, the qualifications of people on the board. Rep. Rogers asked if the commission would be quasi-judicial or promotional. He said the state should not have an agency that does both. Rep. Martin responded that he had no real concept in mind.

Number 379

Jeff Barry, committee aide, said section 4 defines telecommunications. He pointed out that one area not addressed that should be is the area of computer security. He said the public needs protection. Barry felt this concept is a holistic approach to the entire industry. Barry said there are three factions to consider: public, industry, and government. He said the intention is to limits the courts' ability to rule to law, not policy. The commission would be an appellate body to hear the concerns of the three factions. There was discussion.

Number 450

Hills said they do have an awareness of computer privacy issues. He said Bruce Carlson, office of Information Management, would meet with staff. He said Sen. Parr had introduced a resolution which would ask them to investigate this area. There was discussion.

Number 479

Rep. Martin went over the next week's agenda. There being no further business to

come before the committee, the meeting was
adjourned at 2:35 p.m.

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 3/4/82

Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	_____ ✓	_____	1:31	
Rep. D. Randolph	_____ ✓	_____	1:13	
Rep. B. Rogers	_____ ✓	_____	1:21	
Rep. T. Gardiner	_____ ✓	_____	1:06	
Rep. T. Martin, Chair	_____ ✓	_____	12:55	

Subject Matter:

House Bill No. 726 863 831 _____

Senate Bill No. _____

Special Orders: