

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8072

1769 HLC HB 366 - HB 586

	Initials	Date
Prepared By		
Approved By		

VILLAGE: CHEFORNAK

TOTAL
PAYMENTS

41768
206242
66504
85400
114097
160.00
27036
56472
41184
71660
69416
48208
44900
77243
105740
97492
60532
119101
39916

TOTAL:

1418914

Prepared By

Approved By

WILLIAM F. CREVAK

TOTAL
PAYMENTS

- 187.00
- 870.68
- 2775.04
- 425.00
- 788.80
- 820.00
- 1112.35
- 431.57
- 663.48
- 215.00
- 824.84
- 141.28
- 689.16
- 1029.30
- 2476.27
- 2205.99
- 736.00
- 100.00
- 153.12
- 429.65
- 271.55
- 800.00
- 729.00
- 881.04
- 632.10

TOTAL

20388.72

	Initials	Date
Prepared By		
Approved By		

VILLAGE : HOOPER BAY

TOTAL
PAYMENTS

499.29
 479.16
 1008.96
 572.92
 722.55
 804.15
 745.49
 359.06
 230.64
 1123.15
 800.00
 30.140
 544.00
 202.136
 25.00
 814.11
 766.20
 446.02
 913.12
 185.30
 1029.64
 1137.05

TOTAL

15004.11

	Initials	Date
Prepared By		
Approved By		

00

VILLIAGE : KIANA

TOTAL
PAYMENTS

780.08
 1622.96
 1292.85
 720.82
 699.32
 572.78
 229.25
 396.07
 1027.98
 1519.20
 848.84
 1897.34
 1678.20
 571.32
 1396.95
 1095.36

TOTAL

1674332

	Initials	Date
Prepared By :		
Approved By :		

VILLAGE: KIVALINA

TOTAL
PAYMENTS

77689
32520
34872
55380
39152
37251
66367
46550
41388
68846

TOTAL

500015

03

Village : Mt. Village

	Initials	Date
Prepared By		
Approved By		

TOTAL
PAYMENTS

343.00
141.72
599.80
668.52
764.15
144.194
271.24
250.00
474.54
427.00
1265.00
769.88
1641.52
159.10
900.00
691.76
527.32
1164.44
2024.15
150.00
10000
13782
399.76
319.88
400.00
120.00
3561

assume }
 20% interest }
 (5 years)

TOTAL 1619015

DILLIAGE & NOORVIA

TOTAL
PAYMENTS

50642
81483
174383
99396
56398
166058
111259
201696
34272
42590
85332
271207
74575
278560
331950
100572
125660
198368
139240
143391
233728
157502

TOTAL. 3223267

VILLAGE : QUINHAGAN

TOTAL									
PAYMENTS									
	210.12								
	925.52								
	285.72								
	877.01								
	793.14								
	9084								

TOTAL

318235

Initials	Date
Prepared By	
Approved By	

VILLAGE: SHISHMAREE

TOTAL
PAYMENTS

318892
111596
161105
55401
71862
36238
50552
80388
206655
102972
145232
100008
62618
107578
67208
68752
80352
75868
109624
82218
117888
179738

TOTAL

2392915

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST House Bill 446
 Bill/Resolution No. _____
 Title "An Act establishing assistance and information programs on energy"
 Requested by Resources Committee Date 4/16/81

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

EXPENDITURES (Thousands of Dollars)

	FY ⁸² 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	145.944					
200 TRAVEL	10.					
300 CONTRACTUAL	105.					
400 COMMODITIES	16.					
500 EQUIPMENT	2.752					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	\$279,696					

FUNDING (Thousands of Dollars)

GENERAL FUND	279.696					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	4					
PART TIME						
TEMPORARY						

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

The budget presented provides sufficient support for the division to establish a program for technical assistance to assist municipalities in development of alternative energy technologies and establish a energy programs information office

<u>100 Personal Services</u>		<u>\$145,944</u>
##1-Energy Specialist II (18A)		
\$2640 X 12 mo. + 25.5% payroll burden=	\$39,758	
##1 Energy Specialist II (18F)		
\$3153 X 12 mo. + 25.5% payroll burden=	\$47,484	
1 Librarian (17A)		
\$2455 X 12 Mo. + 25.5% payroll burden*	\$36972	
1 Clerk Typist III (8A)		
\$1393 X 12 mo. + 30% payroll burden=	\$21730	
## Positions presently federally funded but will need State funding . . . Y 82		
<u>200 Travel</u>		<u>\$ 10,000</u>
<u>300 Contractual</u>		<u>\$105,000</u>
Professional Services		
Workshops & Materials Production	\$30,000	
Space rental, phone, copying, printing & misc.	\$75,000	
<u>400 Supplies</u>		<u>\$16,000</u>
<u>500 Equipment</u>		<u>\$2,752</u>
1-Typing desk@\$433	\$433	
1-Regular desk @ \$353	\$353	
5-Book cases @ \$103	\$515	
2-Chairs @ \$177	\$354	
2-Side chairs @ \$88	\$176	
3-Filing cabinets @ \$252	\$756	
1-Table @ \$165	\$165	
TOTAL		<u>\$279,696</u>

PUBLIC INFORMATION

Many people in Alaska and throughout the nation do not know what renewable energy is, what it can do, or where to find information, equipment or contractors. This lack of knowledge is not confined to consumers. Builders, construction people and utilities are all important to the use of renewable energy but are often poorly informed about it.

Consumers need information on available energy options, and industry people need training.

Educating consumers requires public relations as well as information. Public relations makes people aware of possibilities. It can get them thinking about technologies and let them know what subsidies, loan funds and technical assistance are available. The best-designed incentives will be useless if people are unaware of them, a fact that many state incentive programs have not taken into account: incentives have been legislated, and forgotten.

One effective way to promote conservation and renewable energy is through direct mail advertising. The U.S. Department of Energy initiated the Low Cost/No Cost energy conservation program in 1979. DOE mailed a package of information directly to consumers in the Northeast. The response was good and several other states, including Colorado, have initiated similar programs.

people who already are interested in installing renewable energy systems need a place to go for more detailed information. Lists of installers and suppliers, books on design, cost estimates and resource assessments are all needed by the potential user of renewable energy. The Energy Extension Service and the Alaska Western SUN office provide this information.

People who sell, install, finance and insure renewable energy systems need information, too. Much of this can be acquired on the job, but organized educational programs are valuable as well. Educational institutions, unions, industry groups and nonprofit institutions around the country have begun to offer training programs on the installation, servicing and financing of renewable energy systems.

In Alaska, the Residential Energy Conservation Program is training energy auditors, and five Alaskan colleges--Alaska Methodist University and the community colleges of Anchorage, Soldotna, Nome and Fairbanks--all offer at least one course on renewable energy.

Option. State schools should be encouraged to provide both general and vocational courses on renewable energy.

Option. Coordination of educational programs offered in the state would help prevent duplication and identify gaps in the types of education available.

Government employees often need to be educated about renewable energy. Administrators of loan programs, tax officials, and building inspectors, for example, all have important roles to play in increasing the use of renewable energy, yet often know too little about renewable energy to give it the

consideration it deserves. Workshops and seminars can help remedy this problem.

The Alaska Energy Center should prove very helpful in providing information about Alaska's energy problems. It is important that the Center coordinate its efforts with those of other research organizations and that it work to disseminate its results. It is also important that the Center spend a sufficient portion of its budget and effort on renewable energy.

State efforts to lower costs, improve consumer protection, and provide more information will stimulate the use of renewable energy systems in the private sector. So will some other measures that the state can take directly: making key changes in state procurement policy, coordinating state efforts with federal programs, and implementing state programs.

STATE PROCUREMENT

~~The state owns buildings and conducts operations that could benefit from energy conservation and the use of renewable energy sources. State use of renewable energy would lower state energy bills and also demonstrate the feasibility of using renewable energy.~~

~~Alaska already requires that new state buildings meet the standards of energy efficiency developed by the American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE).~~

Option. The state could, however, establish more stringent standards, such as the Building Efficiency Performance Standards (BEPS) proposed by DOE, that may be more appropriate to Alaska's climate.

The omnibus energy bill requires that state buildings undergo an energy audit as soon as possible and every seven years thereafter. The results, which should show ways to lower the life-cycle cost of each building, are to be presented to the legislature every year by February 1.

Option. The legislature can reduce state energy bills by each year allocating funds for energy-efficient capital improvements.

Option. The use of life-cycle costing could be extended from buildings to other areas of state procurement (e.g., the purchase of vehicles or major equipment).

Option. Further, the state could purchase biomass fuels such as gasohol, methane, or wood waste products to meet some of its energy needs. This would not only reduce the state's dependence on non-renewable fuels but also help create a market for those products.

COORDINATION WITH FEDERAL PROGRAMS

Many federal energy programs require implementation by the states. Others call for cooperation. To use federal programs to the best advantage, Alaska needs to be well informed about them and alert to the opportunities they present. For example, by providing funds to institutions that lacked the matching funds required by the federal Institutional Buildings Program, Alaska doubled the value of its expenditures by attracting federal dollars on a one-for-one basis.

Option. Alaska could leverage its investments in energy by allocating more matching funds to attract more federal funds.

Option. One way to do this would be to create an ombudsman's office to coordinate state energy efforts with federal programs.

The ombudsman would collect information on all federal programs related to renewable energy, then pass this information along to individuals or groups seeking federal funding for projects or to state agencies charged with implementing federal programs.

~~The Public Utility Regulatory Policies Act of 1978 (PURPA) is one federal law that requires state implementation and that can have significant impact on the use of renewable energy. PURPA requires state public utility commissions to examine a series of rate structures and other policies to determine if they are appropriate for the utilities of that state. One issue the commissions are to examine: the price at which utilities will buy and sell power from small power producers. (A family that uses a wind turbine with utility power as a backup is, for example, a small power producer.)~~

Option. The legislature could encourage the Alaska Public Utilities Commission to adopt policies that are favorable to renewable energy sources.

Finally, Alaska needs to make sure that the effectiveness of its energy laws is not diluted by federal laws. An example of such dilution is the federal prohibition of "double benefits" found in the Windfall Profit Tax Act (see page 35).

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COMMITTEE REPORT

HOUSE

4/2/81

FURTHER: TRANSPORTATION
(Added 4/20)

(5)

Date: _____

Mr. Speaker:

The Committee on LABOR & COMMERCE has had HR 455

"An Act relating to the regulation of contractors."

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HR 455 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Terry Macdonald No Rec

Terry Macdonald No Rec

Terry Macdonald

CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 455
 Title An Act relating to the regulation of contractors.
 Requested by Labor & Commerce Committee Date 4-2-81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected Regulation & licensing of professions - investigations.
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL		2.9	3.3	3.7	4.1	4.6
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2.9	3.3	3.7	4.1	4.6

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		2.9	3.3	3.7	4.1	4.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

200 - TRAVEL - 12% inflation factor projected.

Additional travel by investigators (Juneau/Anchorage), not budgeted for in FY'82, to investigate unlicensed contracting activity.

2 investigators, 1 day per diem/mo @ \$67.00 per day	\$ 1,608.00
" 1 trip every 3 mos. @ \$160.00 per trip	1,280.00
	\$ 2,888.00

Marjorie Odland

IV. DATE 4-23-81 PREPARED BY Marjorie Odland, Regulations Specialist
 AGENCY Division of Occupational Licensing
 Original: Legislative Finance PHONE 465-2535
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

COMMITTEE REPORT FOR CSHB 455

CSHB 455 amends AS 08.18 by adding two new sections related to the regulation of bidding procedures by contractors. This bill is designed primarily to eliminate the practice of "bid shopping." Currently, general contractors force principal subcontractors to lower the amount originally stated for services, or services and materials, in a bid by bid shopping after the bid is awarded. This results in increased and unwarranted profits for the general contractors, and creates an untenable economic climate for subcontractors.

In order to prevent general contractors from bid shopping, this bill requires that general contractors make contracts with the principal subcontractors before the bid is awarded and that those contracts contain a liquidated damage provision equal to 15 percent of the amount of the principal subcontractor's services, or services and materials, which have been included in the general contractor's bid. If after the bid is awarded the general contractor breaches the contract without cause, the general contractor will be required to pay this fixed amount to the principal subcontractor. By requiring that all contracts with principal subcontractors contain a liquidated damage clause, the amount of profit a general contractor may gain by bid shopping will be offset by the amount of damages that contractor will be required to pay.

CSHB 455 ensures compliance with this contract by providing that a general contractor must file a list of principal subcontractors with the commissioner when the bid is submitted. This will allow the parties, after the award of the contract, to verify whether a principal subcontractor was included in the original bid. This provision does not give the state enforcement powers. Rather, the private parties will be required to enforce their rights under this statute. However, it will provide a mechanism for verification in a subsequent dispute. Furthermore, because a bid is void if the filing is not made, the general contractor will be forced to file with the commissioner and to enter into contracts with the principal subcontractors before the award of the bid.

Because the requirements imposed by AS 08.18.065 and 08.18.067 are self-enforcing, CSHB 455 also makes inapplicable to AS 08.18.065 and 08.18.067 the provision in AS 08.18.101 making a violation of AS 08.18 a misdemeanor. Definitions of the terms "registered contractor" and "principal subcontractor" have also been included in CSHB 455 in order to clarify the applicability of the new requirements.

Vernon L. Huribert, Chairman
House Labor & Commerce Committee

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 455

Title An Act relating to the regulations of contractors.

Requested by Labor & Commerce Committee

Date 5-14-81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development

Program Category Affected Public Protection

BRU, Program, or Subprogram(s) Affected Regulation & licensing of professions - Administration

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		9.5				
200 TRAVEL		0				
300 CONTRACTUAL		6.0	2.0	2.1	2.2	2.3
400 COMMODITIES		1.0	1.0	1.0	1.0	1.0
500 EQUIPMENT		.5				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		17.0	3.0	3.1	3.2	3.3

FUNDING (Thousands of Dollars)

GENERAL FUND		17.0	3.0	3.1	3.2	3.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

May 6, 1981

Honorable Vernon L. Hurlbert
Alaska State Legislature
Pouch V, State Capitol
Juneau, AK 99811

Re: HB 455 (regulation of
contractors)
Our file no. J-77-120-81

Dear Representative Hurlbert:

Attached are a proposed committee substitute for HB 455 and a committee report on it. The proposed committee substitute will correct the constitutional infirmities noted in my April 27, 1981 letter on HB 455, a copy of which is also attached.

The proposed committee substitute for HB 455 requires that registered contractors file with the commissioner a list of all principal subcontractors whose services, or services and materials, are included in the registered contractor's bid. This filing requirement will enable the state to ensure that the registered contractor complies with the other requirements imposed by this version of the bill.

The constitutional problems noted in regard to HB 455 have been corrected in the proposed committee substitute by requiring that registered contractors have contracts with the principal subcontractors before the bid is awarded. Additionally, this proposed committee substitute allows termination of the contract with a principal subcontractor for any reason, but requires that all contracts contain a liquidated damage provision allowing a subcontractor to collect fifteen percent of the amount of that subcontractor's services or services and materials, included in the registered contractor's bid if the registered contractor breaches the contract without cause. This requirement will operate to prevent "bid shopping" because any advantages gained by bid shopping will be offset by the damages which the principal subcontractor will be entitled to under the contract.

May 6, 1981

Lastly, the proposed committee substitute establishes that violation of these requirements will not constitute a misdemeanor under AS 08.18.141. Because of the damage provisions in proposed AS 08.18.067, it is unnecessary to further penalize the conduct through the misdemeanor provision, and the uncertainty of a justifiable or unjustifiable breach of contract, would be unconstitutionally vague.

Sincerely,

WILSON L. CONDON
ATTORNEY GENERAL

By:

Leslie J. Ludtke
Assistant Attorney General

LJL:wjp
Enclosure

2

MSG 81-00014670 PRTY 1 04/29/81 14:26:55 ORIG: LA00 IN= 0017 OUT= 0077
FROM: CAROL, ANCH. TO: JUNEAU INFO
TARGET: LJH2 SUBJ: PUBLIC OPINION MESSAGE PAGE 0002

TO: REP. VERN HURLBERT, CHAIRMAN, HOUSE LABOR AND COMMERCE COMMITTEE

FROM: OVERHEAD DOOR CO.
WALT KAMSTRA
P.O. BOX 4-1145
ANCHORAGE, AK 99509 274-0606

WE SUPPORT HB 455: RE REGULATION OF CONTRACTORS.



Official Business

Alaska State Legislature

House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

April 28, 1981

The Honorable
Wilson L. Condon
Attorney General
Pouch K, State Capitol
Juneau, Ak 99811

RE: HB 455

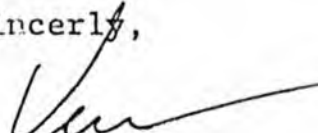
Dear Attorney General Condon:

I am in receipt of a letter from you dated April 27, 1981 referencing the above.

Based upon the opinion, I am requesting that your office assist us in re-drafting HB 455 so it will meet constitutional questions.

I am thanking you in advance.

Sincerely,


Rep. Vern Hurlbert
Chm., House Labor
and Commerce

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 27, 1981

Honorable Vernon L. Hurlbert
Alaska State Legislature
Pouch V, State Capitol
Juneau, AK 99811

Dear Senator Hurlbert:

You have asked this department to comment on the constitutionality of HB 455. This bill requires general contractors to submit the names of all principal subcontractors included in a contract bid. Upon award of the bid to the general contractor, the general contractor may change a principal subcontractor, which was included in the bid, only for cause.

HB 455 raises three constitutional issues which are: (1) whether a general contractor may in light of the right to privacy be required to submit the names of all principal subcontractors in a bid; (2) whether the provision that allows termination only for cause violates the constitutional right to freedom of contract; and (3) whether limiting the bill to cover only general contractors violates the equal protection clause.

The right to privacy guaranteed by Art. I, § 22 of the Alaska Constitution must be balanced against the regulatory interest in requiring disclosure of the information. This bill requires disclosure of the principal subcontractors in order to prevent the general contractor from obtaining a bid, and then pressuring the subcontractors to work for less than the amount included in the bid. Therefore, the regulatory motivation behind this disclosure requirement is to prevent "bid shopping" by general contractors. Because the information sought relates only the business activities of the general contractor, the regulatory interest in requiring disclosure of the names of the principal subcontractors may outweigh the privacy interest of the general contractor in not disclosing the names.


The second constitutional issue raises far more serious questions. The fourteenth amendment of the U. S. Constitution and Art. I, § 7 of the Alaska Constitution guarantee the rights of liberty and property. The right to freely contract may be impinged upon only when there is a legitimate state interest. For example, contracts against public policy may be forbidden by law because there is a legitimate police power interest in prohibiting persons from entering into these type of contracts. However, in this instance the bill requires that the general contractor enter into contracts with principal subcontractors which can be terminated only for cause upon award of the bid. The requirement severely limits a general contractor's right to choose which subcontractors to contract with and what kind of contracts to make with those subcontractors. In Opinion of the Justices, 108 N.E. 807, (Mass 1915), the question of whether a statute may impose a requirement that an employee of a railroad corporation be given a full hearing before discharge was discussed. In holding that that statute constituted an unwarranted infringement upon the right to contract, the Justices focused on the employer's basic right to discharge employees. However, the Justices did state that the requirement of hearing before discharge could be imposed upon civil service employers. Similarly we think that the contractual restrictions contemplated by HB 455 could be imposed in connection with bids for state contracts. The imposition of the requirement that the general contractor execute a contract, only terminable for cause, with a principal subcontractors included in the bid violates the constitutional right to freedom of contract.

The third constitutional issue raised by HB 455 involves the equal protection clause of the constitution. Art. 1, § 1 of the Alaska Constitution and the fourteenth amendment of the U.S. Constitution guarantee equal treatment under law for all persons. However, a regulatory statute may pertain only to one group of persons provided that there is a reasonable basis for the classification. The application of the requirements of HB 455 only to general contractors in the State meets the rational basis test under Art. I, § 1 of the Alaska Constitution and the Fourteenth Amendment of the U.S. Constitution.

Therefore, we conclude that the only significant constitutional problem with HB 455 is the limitation it imposes upon a general contractor's right to freely contract. On this basis we think HB 455 is unconstitutional.

Sincerely,

WILSON L. CONDON
ATTORNEY GENERAL

By: 
Leslie J. Ludtke
Assistant Attorney General

Recd

Introduced: 4/2/81
Referred: Labor & Commerce

BY THE LABOR AND COMMERCE
COMMITTEE BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 455

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of contractors."

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

8 * Section ~~1~~. ~~AS 08.18.141~~ is ~~ded~~ to read:

9 Sec. ~~08.18.141~~. MISDEMEANOR. A person who violates [ACTING IN
10 THE CAPACITY OF A CONTRACTOR IN VIOLATION-OF] ~~this chapter is guilty of~~
11 a misdemeanor.

12 * Sec. ~~1~~. AS 08.18 is amended by adding a new section to article 4 to
13 read:

14 Sec. 08.18.155. SUBCONTRACTORS TO BE NAMED IN A BID. When sub-
15 mitting a bid for a contract, including a bid for a state contract, a
16 general contractor shall name each principal subcontractor he intends
17 to use in performing the contract. After a contract is awarded, a
18 general contractor may change a principal subcontractor named in the
19 bid only for cause. For purposes of this section "principal subcon-
20 tractor" means a specialty contractor who, in the performance of a
21 contract awarded to the general contractor, supplies materials and
22 services with a value equal to at least five percent of the total value
23 of the contract.

29

J

MSG 81-00014076 PRTY 1 04/24/81 17:46:47 ORIG: LA02 IN= 0007 OUT= 0108
FROM: ROBERTA TO: JUNO INFO
TARGET: LJH2 SUBJ: POMS PAGE 0004

TO: REPRESENTATIVE HURLBERT
FROM: JOHN TAULMAN, TAULMAN PAINTING, 934 W 72ND, ANC 99502; 344-7123 .
I AM IN FAVOR OF HB 455.

MSG 81-00014076 PRTY 1 04/24/81 17:46:47 ORIG: LA02 IN= 0007 OUT= 0108
FROM: ROBERTA TO: JUNO INFO
TARGET: LJH2 SUBJ: POMS

PAGE 0003

TO: REPRESENTATIVE HURLBERT

FROM: GARY STEPHENS, STEPHENS BROTHERS BLUMING, 7339 ARCTIC BLVD, ANC 99502,
349-1539

WE SUPPORT HR 455 AND URGE ITS PASSAGE.

2

MSG 81-00013537 PRY 1 04/22/81 14:01:51 ORIG: LA02 IN= 0005 OUT= 0079
FROM: ROBERTA TO: JUNO INFO
TARGET: LJH2 SUBJ: POMS PAGE 0001

TO: REPRESENTATIVE HURLBERT
FROM: HAROLD BEATY, 3701 EUREKA, ANC 99503; 274-6479
I DO SUPPORT YOUR HB 455.

MSG 81-00012390 PRTY 1 04/14/81 16:37:10 ORIG: LA03 IN= 0010 OUT= 0110
FROM: EFFIE TO: JUNEAU INFO
TARGET: LJM2. SUBJ: P.O.M. ----- PAGE 0001

TO: REP. VERN HURLBERT

FR: MR. CHARLIE BROWN, INTERNATIONAL STEEL ERECTORS
1801 W. 49TH AVENUE
ANCHORAGE, AK 99503 248-2600

SENT BY CAROLYN J. BROWN

PLEASE WORK ON PASSAGE OF HD. 455.

MSG 81-00012413 PRTY 1 04/14/81 17:31:53 ORIG: LA00 IN= 0021 OUT= 0123
FROM: LOU TO: JNU INFO
TARGET: LJM2 SUBJ: FOM PAGE 0002

TO: REPRESENTATIVE HURLBERT

FROM: RAY PRICHARD, DIOMEDE ENTERPRISES, 7217 ARTIC BLVD., ANC. 99502 342-4772

REF: HD-455

I AM VERY MUCH IN FAVOR OF THE PROPOSED CHANGES TO THIS LAW.

M

MSG 81-00012609 PRTY 1 04/15/81 16:31:57 ORIG: LACO IN= 0009 OUT= 0024
FROM: LOU TO: JNU INFO
TARGET: LJH2 SUBJ: POM PAGE 0003

TO: REPRESENTATIVES HURLBERT, HAYES AND MONTGOMERY

FROM: VINCENT J. DORAN, 2132 RAILROAD AVE., ANC. 99504 276-4303

RE: HD-455
A GENERAL CONTRACTOR IS AWARDED A JOB IF HIS BID IS LOW. PLEASE SUPPORT HD-455
SO SUBCONTRACTORS CAN RECEIVE THE SAME FAIR TREATMENT.

LA11 1339 17.33 JAD1 0014 17.33 04/14/81

TO JUNEAU INFO FROM MARCIE, ANC INFO RE: POM

TO: REPRESENTATIVE HURLBERT

FROM: KEN SPEARIN, P. O. BOX 10-1756, ANC 79511 (345-0816)

AM VERRY MUCH IN FAVOR OF HOUSE BILL 455.

H B
509



Official Business

Alaska State Legislature

House of Representatives

M E M O R A N D U M

Pouch V
State Capitol
Juneau, Alaska 99811

May 5, 1981

TO: Representative Sam Cotten
House Finance Committee

FROM: Representative Vern Hurlbert, Chairman
House Labor and Commerce Committee

The House Labor and Commerce Committee just passed HB 509 relating to analysis of employment and unemployment in the state; and providing for an effective date.

I would appreciate a hearing as soon as possible on this bill and would suggest your committee give the bill a fiscal review as the job can probably be accomplished with a smaller fiscal impact. Also, I might suggest that the household survey be done by local entities and not the state.

Thank you.

A handwritten signature in cursive script that reads "Vernon Hurlbert".

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 509

Title "An Act relating to analysis of employment and unemployment in the state...."

Requested by Rogers, Gardiner, Meskins, Buchholdt. Date 5/1/81

Duncan, Fuller, Zharoff and Grussendorf

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Employment Stabilization

BRU, Program, or Subprogram(s) Affected Administrative Services, LMI

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		292.1	312.7	337.7	364.7	393.9
200 TRAVEL		18.0	18.1	19.6	21.2	22.9
300 CONTRACTUAL		717.2	787.7	850.7	918.8	992.3
400 COMMODITIES		8.5	8.7	9.3	10.1	10.9
500 EQUIPMENT		16.5	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	1,052.3	1,127.2	1,217.3	1,314.8	1,420.0

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	1,052.3	1,127.2	1,217.3	1,314.8	1,420.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	8.0	8.0	8.0	8.0	8.0
PART TIME						
TEMPORARY						

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

- Assumes an effective date of July 1, 1981.
- Personal Services based on current salary schedule, with allowance of vacancy factor in FY '82.
- Travel, Contractual Services, Commodities and Equipment are based on cost per position with the exception of Data Processing cost of \$130,000 which is based on an estimate for a Time Sharing operation and a contract of \$494,000 to do the survey.
- Assumes an annual inflation factor of 8% for all line items.
- To meet the requirements of this legislation, funding for the following information components is requested:

REGIONAL ECONOMIC FORECAST BY INDUSTRY

\$222,778 (FY '82)

The large geographic size of Alaska makes it probable that some regions could have severe shortages of workers while other areas lack economic activity. For the past three years the Research and Analysis Section has developed and improved the employment data base for

IV. DATE May 1, 1981 PREPARED BY Nico Bus, Finance Officer

Original: Legislative Finance AGENCY Labor
cc: Budget and Management PHONE 465-2720

Prime Sponsor (First Legislator Named)

six regions of the state. This permitted more accurate sub-state regional estimates of employment by industry, labor force and unemployment. Both published and nondisclosable (due to confidentiality restrictions of Alaska's Unemployment Insurance Law) data are contained in this data base.

This component would provide staff to analyze and forecast employment, labor force, and unemployment information for the six regions of the State. With computer assistance, staff would determine the trend and level of economic activity by industry and enable the operation of an industry/occupation matrix to provide occupational forecasts by industry for the six regions.

Purchases: Labor Economist III, 2 Labor Economists II's, Clerical & Data Processing Services

EXPANDED OCCUPATIONAL EMPLOYMENT STATISTICS \$91,809 (FY '82)

For much of the past decade Research and Analysis has estimated and projected employment (staffing levels) by occupation. Occupational data from an employer survey is merged with the employment forecast by industry to prepare forecasts of occupational employment.

This component would provide staff to provide occupational forecasts by industry for the six regions of Alaska. Industrial detail used would be expanded to provide for more accurate estimates. For example, more detail in the mining industry, would isolate coal and hard rock mining from oil and gas extraction. This would permit more accurate forecasts of the occupations involved if those sub-industries grew at different rates.

Purchases: 1 Labor Economist II, Data Processing and Clerical Services

HOUSEHOLD SURVEY \$617,715 (FY '82)

Each year a statistically valid sample of Alaskan households would be surveyed to determine labor force and demographic status, length of residency, occupation, and skill level. Several survey items would be valid at the regional level, while more complex interrelationships between variables would be studied on a statewide basis only. Future legislative and agency requirements could be added onto this survey for an incremental cost which would be lower than multiple surveys.

Purchases: 1 Labor Economist III, 1 Labor Economist II, Data Processing & Clerical Services and Contractual Survey Cost of \$494,000

ANALYSIS OF UI AND ES DATA BASES \$41,637 (FY '82)

In the first year of the legislation only, the agency proposes a small increment to analyze how best to utilize the Unemployment Insurance (UI) and Employment Service (ES) data bases for dynamic indicators of unemployment and employee turnover. Potentially, these two data bases could give insight into the mobility and labor force attachment of Alaska's population. Both cross sectional (one point in time) and longitudinal (between different time periods) analysis is feasible. However, some of this analysis has only been done in a few states and the uniqueness of each state's unemployment insurance data base makes it appropriate to limit the study to determining feasible methodologies in the first year.

Purchases: 0.5 Labor Economist III, Clerical and Data Processing Support

MIGRATION STUDY

\$78,312 (FY '82)

Any analysis of Alaska's labor force supply would be inadequate without considering the impact of migration (both immigration and outmigration). Migration flows are triggered both by push (lack of available opportunities in the area from which migration emanates) and pull (more lucrative opportunities in the area which receives the migration) factors. Interstate analysis of the factors which correlate with migration would be necessary (for example, construction employment in other western states). Modeling the migration component would give insight into the appropriate timing of large capital projects.

Purchases: 1 Labor Economist II and Clerical and Data Processing Support

These components are interrelated with each other and with other information systems within our Research and Analysis unit. Integration of this complete information system would provide an excellent framework for Alaska's policymakers to determine both the needs of their constituents and the impact of proposed solutions. The output from these components would be prepared annually to meet the continuing information needs of legislative and other governmental officials at local and state levels and for Alaska's businesses and industries both existing and those starting again or expanding in Alaska.

1.	Position Title Clerk Typist III	Range/Step 8B	Barg. Unit GGU	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 12	RP No.	PCN No.	Priority	Form 12 page/line	Leg.

3. Type of Expenditure		Amount
1	2	3
Personal Services:		
4. Salary	1,433 per month	17,196
5. Benefits		2,729
6. FICA		1,054
7. Health Ins.		1,800
8. Total Personal Services	01	22,779
9. Travel	02	-0-
10. Contractual	03	10,807
11. Commodities	04	1,000
12. Equipment	05	1,513
13. Other		
14. Total Cost		36,099

This position will provide clerical support to the regional forecasting, occupational employment estimates and migration analysis programs. Typing of reports, correspondence and survey analysis will be the position's primary responsibility. Entering employment data into the computer data base will also be required. Mailing and processing of forms necessary for the expanded occupational supply and demand information system will be an additional responsibility.

The average non-personal services costs for the Labor Market Information Program are included. The major costs in the contractual area are rent, indirect and lease of a 1202 Lexitron editor.

	CODE	FUNDING SOURCE	
15.		FED RECPT. 1002	
16.		GF MATCH. 1003	
17.	100	GEN. FUND 1004	36,099
18.		I-A RCPTS. 1005	
19.		PGM RCPTS 1028	
20.		OTHER	
21.	CONTINUATION		
22.	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor

PROGRAM Employment Stabilization

REVISED DATE _____

BRU Administrative Services

PAGE 8 OF FY 82

COMPONENT Labor Market Information

13 REQUEST FOR NEW POSITION.



1.	Position Title Labor Economist II	Range/Step 16B	Barg. Unit GGU	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 10	RP No.	PCN No.	Priority	Form 12 page/line	Leg.

3. Type of Expenditure		Amount
1	2	3
Personal Services:		
4. Salary	2,378 per month	23,780
5. Benefits		3,774
6. FICA		1,458
7. Health Ins.		1,500
8. Total Personal Services	01	30,512
9. Travel	02	2,400
10. Contractual	03	10,240
11. Commodities	04	1,000
12. Equipment	05	1,940
13. Other		
14. Total Cost		46,092

CODE	FUNDING SOURCE	
15.	FED RECPT. 1002	
16.	GF MATCH. 1003	
17. 100	GEN. FUND 1004	46,092
18.	I-A RCPTS. 1005	
19.	PGM RCPTS 1028	
20.	OTHER	
21. CONTINUATION		
22. ADDITION	X	

This position will work under the supervision of the state demographer (PCN 1717) to produce and maintain a complete model of migration. This model would require interstate analysis of occupational demand, and demographic analysis of population cohorts.

Migration flows will be estimated and forecast by this position.

These forecasts will be an important component of the Alaska Jobs Information Bank, which will provide information necessary for policy making.

The average non-personal services costs for the Labor Market Information Program are included. The major costs in the contractual area are rent, indirect and printing.

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor

PROGRAM Employment Stabilization

REVISED DATE _____

BRIJ Administrative Services

PAGE 7 OF FY 82

COMPONENT Labor Market Information

13 REQUEST FOR NEW POSITION.



1.	Position Title Labor Economist II	Range/Step 16B	Barg. Unit GGU	Location Anchorage	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 11	RP No.	PCN No.	Priority	Form 12 page/line	Leg.
3.	Type of Expenditure			Amount			
	1	2	3				
4.	Personal Services:						
4.	Salary 2,378 per month	26,158					
5.	Benefits	4,151					
6.	FICA	1,603					
7.	Health Ins.	1,650					
8.	Total Personal Services	01	33,562				
9.	Travel	02	2,400				
10.	Contractual	03	10,687				
11.	Commodities	04	1,000				
12.	Equipment	05	1,940				
13.	Other						
14.	Total Cost		49,589				
	CODE	FUNDING SOURCE					
15.		FED RECPT. 1002					
16.		GF MATCH. 1003					
17.	100	GEN. FUND	1004	49,589			
18.		I-A RCPTS. 1005					
19.		PGM RCPTS 1028					
20.		OTHER					
21.	CONTINUATION						
22.	ADDITION	X					

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

This position is required for the preparation of regional employment forecasts consistent with the needs of the occupational employment estimates program structure. These forecasts must be by detailed industry category information for an occupational matrix used to generate detailed estimates of occupational demand. This Labor Economist must regionalize the employment estimates so that detailed occupational demand figures for six regions are available for the matrix. The estimates of regional employment growth must be consistent with statewide totals of industry growth which will require that the development of closely coordinated employment projections.

In order to produce detailed and reliable forecasts extensive and continuing analyses of the labor market areas will be required. Research into historical data, current trends and econometric techniques will be an integral part of the positions work.

This position will be stationed in Juneau and will be responsible for forecasts of the Alaska Southeast region.

The average non-personal services costs for the Labor Market Information program are indicated the major costs, in the contractual area are rent, indirect, and printing.

AGENCY Labor

PROGRAM Employment Stabilization

REVISED
DATE _____

BRU Administrative Services

PAGE 5 OF FY 82

COMPONENT Labor Market Information

13 REQUEST FOR NEW POSITION.



1.	Position Title Labor Economist II	Range/Step 16B	Barg. Unit GGU	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 10	RP No.	PCN No.	Priority	Form 12 page/line	Leg.

3.	Type of Expenditure	Amount
	1	2
4.	Personal Services:	3
4.	Salary 2,378 month	23,780
5.	Benefits	3,774
6.	FICA	1,458
7.	Health Ins.	1,500
8.	Total Personal Services 01	30,512
9.	Travel 02	2,400
10.	Contractual 03	10,240
11.	Commodities 04	1,000
12.	Equipment 05	1,940
13.	Other	
14.	Total Cost	46,092

This position assists in the development and dissemination of information obtained from the statewide household survey relating to employment status and job skills of the Alaskan working age population. Primary responsibility would involve assistance in tabulating and analyzing survey data and preparation of publications. This labor economist would respond to information requests and may assist a Labor Economist III in coordinating the statewide survey.

This position would expedite intra office exchange of labor force characteristic data so that all programs in the jobs information system have quick access to the data.

The average non-personal services costs for the Labor Market Information Program are included. The major costs in the contractual area are rent, indirect and printing.

	CODE	FUNDING SOURCE	
15.		FED RCPT. 1002	
16.		GF MATCH. 1003	
17.	100	GEN. FUND 1004	46,092
18.		I-A RCPTS. 1005	
19.		PGM RCPTS 1028	
20.		OTHER	
21.	CONTINUATION		
22.	ADDITION	X	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor

PROGRAM Employment Stabilization

REVISED
DATE _____

BRU Administrative Services

PAGE 6 OF 8 **FY 82**

COMPONENT Labor Market Information

13 REQUEST FOR NEW
POSITION.



1.	Position Title Labor Economist II	Range/Step 16B	Barg. Unit GGU	Location Juneau	Approv. Gov.	Disapp.
2.	Type of Position PFT	Staff Months 11	RP No.	PCN No.	Priority	Form 12 page/line
						Leg.

3.	Type of Expenditure	Amount
	1	2
4.	Personal Services:	
5.	Salary 2,378 per month	26,158
6.	Benefits 15.87	4,151
7.	FICA .0613	1,603
8.	Health Ins. 150	1,650
9.	Total Personal Services 01	33,562
10.	Travel 02	2,400
11.	Contractual 03	10,687
12.	Commodities 04	1,000
13.	Equipment 05	1,940
14.	Other	
	Total Cost	49,589

	CODE	FUNDING SOURCE
15.		FED RECPT. 1002
16.		GF MATCH. 1003
17.	100	GEN. FUND 1004
18.		I-A RCPTS. 1005
19.		PGM RCPTS 1028
20.		OTHER
21.	CONTINUATION	
22.	ADDITION	X

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

This position's primary function is to develop occupational demand estimates for sub-state regions. The existing occupational information program (which has been in place and operating for almost a decade) provides detailed occupational estimates for the state as a whole and the Anchorage and Fairbanks labor market areas. The services of a Labor Economist II is required in order to develop occupational estimates and projections for additional geographic areas. These smaller regions (in terms of employment) present major problems and work elements with regard to methodology development, production of estimates, continual monitoring and measuring of estimating accuracy and development of revised estimating procedures. This information and services provided through the efforts of this position is crucial to effective regional manpower planning.

The average non-personal services costs for the Labor Market Information Program are included. The major costs in the contractual area are rent, indirect and printing.

AGENCY Labor

PROGRAM Employment Stabilization

REVISED
DATE _____

BRU Administrative Services

PAGE 4 OF **FY 82**

COMPONENT Labor Market Information

13 REQUEST FOR NEW
POSITION.



1.	Position Title Labor Economist II	Range/Step 16B	Org. Unit GGU	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 12	RP No.	PCN No.	Priority	Form 12 page/line	Lea.
3.	Type of Expenditure			Amount			
	1	2	3				
4.	Personal Services:						
	Salary	2,378 per month	28,536				
5.	Benefits	4,529					
6.	FICA	1,749					
7.	Health Ins.	1,800					
8.	Total Personal Services	01	36,614				
9.	Travel	02	2,400				
10.	Contractual	03	11,134				
11.	Commodities	04	1,000				
12.	Equipment	05	1,940				
13.	Other						
14.	Total Cost			53,088			
	CODE	FUNDING SOURCE					
15.		FED RECPT. 1002					
16.		GF MATCH. 1003					
17.	100	GEN. FUND 1004		53,088			
18.		I-A RCPTS. 1005					
19.		PGM RCPTS 1028					
20.		OTHER					
21.	CONTINUATION						
22.	ADDITION	X					

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

This position is required for the preparation of regional employment forecasts consistent with the needs of the occupational employment estimates program structure. These forecasts must be by detailed industry category information for an occupational matrix used to generate detailed estimates of occupational demand. This Labor Economist must regionalize the employment estimates so that detailed occupational demand figures for six regions are available for the matrix. The estimates of regional employment growth must be consistent with statewide totals of industry growth which will require that the development of closely coordinated employment projections.

In order to produce detailed and reliable forecasts extensive and continuing analyses of the labor market areas will be required. Research into historical data, current trends and econometric techniques will be an integral part of the positions work.

This position will be stationed in Juneau and will be responsible for forecasts of the Alaska Southeast region.

The average non-personal services costs for the Labor Market Information Program are included. The major costs in the contractual area are rent, indirect, and printing.

AGENCY Labor

PROGRAM Employment Stabilization

REVISED DATE _____

BRU Administrative Services

PAGE 3 OF FY 82

COMPONENT Labor Market Information

13 REQUEST FOR NEW POSITION.



1.	Position Title Labor Economist III	Range/Step 18B	Barg. Unit GGU	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 12	RP No.	PCN No.	Priority	Form 12 page/line	Lea.

3.	Type of Expenditure	Amount
	1	2
4.	Personal Services:	
	Salary 2,736 per month	32,832
5.	Benefits	5,211
6.	FICA	2,004
7.	Health Ins.	1,800
8.	Total Personal Services 01	41,847
9.	Travel 02	2,400
10.	Contractual 03	11,941
11.	Commodities 04	1,000
12.	Equipment 05	2,084
13.	Other	
14.	Total Cost	59,272

	CODE	FUNDING SOURCE
15.		FED RECPT. 1002
16.		GF MATCH. 1003
17.	100	GEN. FUND 1004
		59,272
18.		I-A RCPTS. 1005
19.		PGM RCPTS 1028
20.		OTHER
21.	CONTINUATION	
22.	ADDITION	X

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

This position is responsible for overseeing the development maintenance and utilization of econometric modeling systems and techniques used in production of employment projections by industry and region. This position will hire, train and direct the work of two to three professional staff members. In conjunction with subordinate staff, this position will provide for collection and analysis of current economic development information and maintenance of a data base used in the production of statewide and regional employment forecasts. These forecasts are a prerequisite to development of regional occupational forecasts. Thus, analysis of the effect various policy options would have on the state's labor force is contingent and successful development of this informational component.

The average non-personal services costs for the Labor Market Information Program are included. The major costs in the contractual area are rent, indirect, and printing.

AGENCY Labor

PROGRAM Employment Stabilization

REVISED DATE _____

BRU Administrative Services

PAGE 2 OF FY 82

COMPONENT Labor Market Information

13 REQUEST FOR NEW POSITION.



Sigurd Irv

(Person)

Testimony
Don Cather

Date Check -

Dwayne (M/son)

Rick Urian

HB 165

Steve Hapten
Steven Douglas

Alex Cherry

Bill No.

HB 115

HB 115 / 56

56

56

Representing

DOH

DOH

AFK-LIO

WILD ANI. AIA ALASKA

165 / 2510

HB 165

United Utilities
Bill of Materials
ATAJ

NAME
D. e. Cheek
Lance Youngquist

BILL NO.
HB 56
HB 148

EMPLOYER
DEPT OF LABOR
REAL ESTATE COMMISSION

H B
5/8



KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

May 19, 1981

House of Representatives
State Capitol
House Labor and Commerce Committee
Pouch "V"
Juneau, Alaska 99811

ATTN: House Representative Hurlbert

SUBJECT: House Bill #518

Dear Mr. Hurlbert:

The following comments are submitted for your consideration regarding House Bill #518.

Contracts are normally written to allow 30 to 45 days from submission of a pay request to payment. The same limitations should apply to interest. Interest should not accrue until a minimum of thirty (30) days after submission or until payment is due.

Chapter 90, SEC 36.90.001 b. should be revised to read: Interest accrues thirty (30) days after the date of approval of a pay estimate until the date of payment to the contractor or application toward the obligation of the contract under the contract.

Your consideration is appreciated.

Sincerely,

Stan Thompson
Mayor

ST:pe

cc: Don Gilman
Hugh Malone
Pat O'Connell

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 518

Title Interest on public construction contract payments.

Requested by H. Labor & Commerce Committee Date 5/1/81

II. FISCAL DETAIL

Agency Affected Dept. of Transportation & Public Facilities

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY'81	FY82	FY83	FY84	FY'85	FY'86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 - COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		65.0*				
700 GRANTS, CLAIMS, ETC.						
TOTAL		65.0*				

FUNDING (Thousands of Dollars)

GENERAL FUND		65.0*				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

*Assume increases with inflation.

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

See attached.

IV. DATE 5/6/81

PREPARED BY Don Lul

AGENCY DOTPS

PHONE 465-3900

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

FISCAL NOTE: CSHB 518 - Interest on public construction contract payments.
Page Two

The change made in this bill is supposed to make it so interest is required only on retainage and not on regular payments. It appears that AS 36.90.001(b) should be changed to clarify that interest is required only on retainage by adding the words "on retainage" between "accrues" and "from".

If interest is required on all payments, the cost would have been approximately \$1.9 million, including four positions for calculation of the interest, regionalization of the payment process, and acceleration of the payments. This is based upon a 24 day payment average.

If interest is only required on retainages, the total cost to DOT/PF would be approximately \$65,000 per year. Currently the department has approximately \$600,000 held in retainage. These amounts are mainly related to older agreements for work by utility firms for the movement of utility lines in conjunction with construction projects. Since we do not have inspectors there during the working period by the utility, we do not have a good method to assure that their billings are correct until audit. We expect to continue to hold retainage on these types of agreements even if we are required to pay interest.

H

B

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 524

Title An Act relating to Small Loans

Requested by House Labor & Commerce

Date April 30, 1981

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development

Program Category Affected Consumer Protection

BRU, Program, or Subprogram(s) Affected Financial Institutions

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

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

TESTIMONY FOR HB 524

PRESENTED BY DOUGLAS S. BISBEE May 11, 1981

MY NAME IS DOUGLAS BISBEE AND I AM HERE TODAY AS AN EMPLOYEE OF BENEFICIAL FINANCE, AND SPEAKING IN FAVOR OF THIS BILL.

HB 524 EFFECTS ONLY FINANCE COMPANIES LICENSED TO DO BUSINESS IN ALASKA. AT THE PRESENT TIME, THERE ARE TWO SUCH COMPANIES, BENEFICIAL AND HOUSEHOLD FINANCE, WITH BRANCH OFFICES IN FAIRBANKS AND ANCHORAGE. DUE TO INFLATED OPERATING COSTS IN RECENT YEARS, OUR BUSINESS HAS CONTRACTED INSTEAD OF EXPANDED. BENEFICIAL HAS CONSOLIDATED ITS NINE BRANCHES SERVING SEVERAL COMMUNITIES TO TWO. THIS BILL WOULD HELP THAT PROBLEM AND INSURE THAT MONEY IS AVAILABLE TO NEEDY BORROWERS OF SMALL AMOUNTS BY ADDING SUBSECTION (D) TO 06.20.230 WHICH DOES THE FOLLOWING:

1. INDEXES THE ^{Bracketed} BRACKETED AMOUNTS (PRESENTLY 500-1000) TO THE ANCHORAGE COST PRICE INDEX IN INCREMENTS OF 10%.
2. DOES NOT CHANGE EXISTING RATE AND ELIMINATES THE NEED FOR LEGISLATURE TO CONSIDER FUTURE RATE INCREASES.
3. PROVIDES FOR THE DEPARTMENT OF BANKING TO REVIEW THE CPI AT THE END OF EACH YEAR, EVALUATE THE CHANGES AND NOTIFY LICENSEES OF CHANGES.

SEC 3 OF THE BILL ALLOWS FOR THE COLLECTION OF A LATE OR DEFAULT CHARGE ON A LATE PAYMENT. FINANCE COMPANIES ARE THE ONLY LENDERS IN ALASKA NOT ALLOWED THIS FEE WHICH COMPENSATES FOR THE ADDITIONAL WORK REQUIRED TO COLLECT THE PAYMENT.

YOUR FAVORABLE CONSIDERATION IS REQUESTED

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STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 7, 1981

SUBJECT: CSHB 526 (Labor and Commerce)
TO: Representative Vernon L. Hurlbert
FROM: John B. Chenoweth
Legislative Counsel 

I have limited operation of the exemption in AS 20.25.540(b) to an exemption from the state's income tax (AS 43.20) and municipal property tax (AS 29.53.010 - 29.53.410). The state levies a property tax only on certain oil company property under AS 43.56, while municipalities are precluded from levying income taxes by AS 43.20.290. I have no idea what the current "excise tax" exemption reference is to and, because it is unclear, I have deleted it.

The original bill generally repealed taxes and probably did not present a "single-subject" violation problem under Article II, section 13. Given the changes you are making to the telephone and electrical cooperative tax, it is not certain that this committee substitute is not in violation of the single-subject rule. Indeed, given the committee's proposed action on the bill, you are advised to divide into separate legislation the provisions the changes with respect to both taxes in order to avoid a single-subject argument.

There was a notation on the bottom of the page of marked copy suggesting that this legislation was to have a retro-active effect, and I have so drafted this committee substitute.

JBC:ljb

Enclosure

Adm

Introduced: 4/24/81
Referred: Labor & Commerce and
Finance

1 IN THE HOUSE

BY ROGERS, BUCHHOLDT, RANDOLPH
AND HALFORD

2 HOUSE BILL NO. 526

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act repealing the electric and telephone coopera-
7 tive tax and the coin-operated amusement and gaming
8 devices tax; and providing for an effective date."

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

10 * Section 1. AS 10.25.540 - 10.25.570 and AS 43.35.010 - 43.35.090 are
11 repealed.

12 * Sec. 2. This Act takes effect January 1, 1982.

13 *Electric coop Exempt*
14 *Local Bus*

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17 *10.25.540*
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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5
JUNEAU, ALASKA 99811

May 1981

The Honorable Vernon Hurlbert
Chairman
House Labor and Commerce Committee
Room 411 - Capitol Building
Juneau, Alaska

Dear Mr. Hurlbert:

Re: House Bill No. 526

House Bill No. 526, an Act repealing the electric and telephone cooperative tax and the coin-operated amusement and gaming devices tax, was introduced in the House on April 24, 1981 and was referred to the House Labor and Commerce and Finance Committees.

For the consideration of the House Labor and Commerce Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary L. Jenkins, Director, Audit Division; Mr. Phillip A. Wall, Director, Administrative Services Division and Mr. Bill Yankee, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Samuel R. Cotten
Chairman
House Finance Committee

Phillip A. Wall, Director
Administrative Services Division
Department of Revenue

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Bill Yankee
Research Section
Department of Revenue

Gary L. Jenkins, Director
Audit Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 525
 Title An Act repealing the electric and telephone cooperative tax
 Requested by House Labor & Commerce Committee Date April 26, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Audit Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars) NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

The organizations affected by this bill would no longer be required to file a return under AS 10.25, however, they would be required to file a copy of their Forms 990 & 990 T, which they are required to file with the Internal Revenue Service. Thus, the number of returns which would be processed by this division will remain unchanged.

IV. DATE April 27, 1981 PREPARED BY Gary L. Jenkins
 AGENCY Audit Division
 PHONE 465-2320

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 526
 Title Repealing the Electric, Telephone Cooperative Tax & Coin-Operated/Amusement & Gaming Device Tax
 Requested by House Labor & Commerce Committee Date 4-26-81

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ General Government _____
 BRU, Program, or Subprogram(s) Affected Administrative & Support, Management Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The administrative effect of repeal of the Electric/Telephone Cooperative Tax is about 17 man hours per year (for \$200 per year). These hours are used by four different employees in performing the mail-out, posting, research, balancing, voucher preparation, filing, and warrant mail-out associated with the annual sharing from this program.

The administrative effect of repeal of the Coin-operated and Amusement and Gaming Device Tax is about 50 man hours per year (for \$545 per year). These hours are used by four different employees in performing the functions described above which are required for the semi-annual sharing of receipts from this program.

There is no meaningful reduction in administrative costs assigned with repeal.

IV. DATE May 5, 1981 PREPARED BY Philip A. Wall by Hazel J. Newton
 AGENCY Revenue
 PHONE 465-2313
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 526
 Title Act repealing the electric and telephone tax and the amusement and gaming tax.
 Requested by House Labor and Commerce Committee Date April 28, 1981

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	(50)	(1400)	(1500)	(1600)	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The FY 82 figure of \$50 thousand is for approximately one half of the year's estimated collections for the amusement and gaming devices tax. Subsequent years show an approximate revenue loss of \$100 thousand per year due to a repeal of AS 43.35.

It is assumed that the 1981 tax levied due to AS 10.25 will still be payable in early 1982 and therefore, no relief from the telephone and electric co-op tax would be evident until FY 1983.

IV. DATE April 28, 1981

PREPARED BY William H. Yankee *Bill Yankee*
 AGENCY Revenue (Research)
 PHONE 465-2173

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

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COMMITTEE REPORT

HOUSE

5/20/81

FURTHER:

(5)

Date: 5-20-81

Mr. Speaker:

The Committee on LABOR & COMMERCE has had HB 586

"An Act relating to permits for overweight vehicles."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends Report's date of issue 5/20/81
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H. Labor & Commerce 1981-1982

Date Introduced

" Rec'd.

Referrals

Comm. hearing 2-10-82

" action passed with effective date of Jan. 1st 1982
taken to Clerk's Office 3:45 P.M.

NOTE Letter from Comm. Dir
Public Safety herein
requesting delay in
action until proper
persons can testify.

Notified
Public Safety
Paul Conroy to get
position papers & FN

Sheril H. Fanning
Inquiring

BEN R. ULE

had for

1727 BARTLETT

ANCH, AK 99507

344-5909

Ted W. Harzib

512 Box 71140

Fairbanks, AK

488-3384

Shirley A. Willford
3446 21st St S. Alaska

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