

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

4155 SJUD HB 493 - HB 506 035

1 scheduled election held within the regional educational attendance
2 area.

3 * Sec. 21. AS 14.12.030(b) is amended to read:

4 (b) Each borough and city school district with an average daily
5 membership exceeding 5,000 has a school board of seven, nine or eleven
6 members, as established by ordinance. [SCHOOL BOARD MEMBERS MAY BE
7 ELECTED AT LARGE, OR AS PROVIDED IN AS 29.23.310.]

8 * Sec. 22. AS 14.20.160 is amended to read:

9 Sec. 14.20.160. LOSS OF TENURE RIGHTS. Tenure rights are lost
10 when the teacher's employment in the district is interrupted or ter-
11 minated [, OR WHEN THE TEACHER REACHES THE AGE OF 65].

12 * Sec. 23. AS 14.20.220(f) is repealed.

13 * Sec. 24. AS 18.05.040(a)(10) is repealed.

14 * Sec. 25. AS 18.08.040(a) is amended to read:

15 (a) Members of the council shall be appointed for staggered
16 [OVERLAPPING] terms of four years.

17 * Sec. 26. AS 18.08.040(b) is amended to read:

18 (b) Each year the governor shall appoint a consumer to one of
19 the staggered terms on the council that expire during that year [OF
20 THE 11 INITIAL APPOINTMENTS TO THE COUNCIL, TWO SHALL BE APPOINTED FOR
21 ONE-YEAR TERMS, THREE FOR TWO-YEAR TERMS, THREE FOR THREE-YEAR TERMS,
22 AND THREE FOR FOUR-YEAR TERMS. A CONSUMER SHALL BE APPOINTED TO EACH
23 OF THESE OVERLAPPING TERMS. APPOINTMENTS MADE ON THE EXPIRATION OF
24 THE INITIAL APPOINTMENTS SHALL BE MADE FOR FOUR YEARS].

25 * Sec. 27. AS 18.26.030(b) is amended to read:

26 (b) The four public members appointed under (a)(4) of this
27 section serve for staggered four-year terms. Each must be a resident
28 of the state and a qualified voter at the time of appointment and
29 shall comply with the requirements of AS 39.50 (conflict of interest).

1 [THE PUBLIC MEMBERS FIRST APPOINTED SHALL HAVE TERMS OF ONE, TWO,
2 THREE AND FOUR YEARS RESPECTIVELY, TO BE DETERMINED BY LOT.] Each
3 member shall hold office for the term of the [HIS] appointment and
4 until a [HIS] successor has been appointed and qualified. A member is
5 eligible for reappointment. A vacancy on the board of directors
6 occurring other than by expiration of term shall be filled in the same
7 manner as the original appointment but for the unexpired term only.
8 Each member of the board before entering upon the [HIS] duties of
9 office shall take and subscribe to an oath to perform the duties of
10 [HIS] office faithfully, impartially, and justly to the best of the
11 member's [HIS] ability. A record of the oath shall be filed in the
12 Office of the Governor.

13 * Sec. 28. AS 18.50.160(c) is amended to read:

14 (c) When a birth occurs outside an institution, the certificate
15 shall be prepared and filed by one of the following in the indicated
16 order of priority:

17 (1) the physician in attendance at or immediately after the
18 birth; or in the [HIS] absence of a physician

19 (2) a person other than a parent in attendance at or imme-
20 diately after the birth; or [IN HIS ABSENCE]

21 (3) a parent, or, if a parent is unable [THE FATHER, MOTH-
22 ER, OR, IN THE ABSENCE OF THE FATHER AND THE INABILITY OF THE MOTHER],
23 the person in charge of the premises where the birth occurs.

24 * Sec. 29. AS 18.55.375 is amended to read:

25 Sec. 18.55.375. INVESTMENT OF STATE SURPLUS. Notwithstanding
26 other provisions of law, when the commissioner of revenue determines
27 that there is in the state treasury a surplus above an amount suffi-
28 cient to meet current cash expenditure needs, the surplus may be
29 invested, in addition to the investments permitted by AS 37.10.070(a),

1 in mortgages owned by the authority for loans made to cooperatives
2 under AS 18.55.370(2) and secured by real estate in the state. The [,
3 WHICH] investments shall be subject to the terms and conditions that
4 the authority and the commissioner of revenue may provide in a [ANY]
5 contract of sale. Investments allowed by this section shall be made
6 as provided for other investments of state money under AS 37.10.070
7 [AS 37.10.070(a), (f), (g) AND (i)]. The terms and conditions of a
8 [ANY] contract of sale authorized to be made under this section may
9 include but are not limited to

10 (1) the investment by the state in a specified or determin-
11 able amount of mortgages;

12 (2) the existence of a prior lien on and pledge of the
13 mortgages invested in by the state;

14 (3) provisions relating to the subordination of the state's
15 interest in and application of annual payments of principal and inter-
16 est or the proceeds of a permitted sale of, or insurance or prepay-
17 ments on, the mortgages; and

18 (4) the right of the authority to repurchase the mortgages
19 at a predetermined price.

20 * Sec. 30. AS 18.55.570(a) is amended to read:

21 (a) The authority may issue bonds and notes from time to time
22 for any of its corporate purposes including the payment of principal
23 and interest upon advances for surveys and plans for redevelopment
24 projects. The authority may issue refunding bonds for the purpose of
25 the payment or retirement or in exchange for bonds previously issued
26 by it. The authority may issue the types of bonds and notes it deter-
27 mines, including bonds and notes on which the principal and interest
28 are payable (1) exclusively from the income, proceeds, and revenues of
29 the redevelopment project financed with the proceeds of the bonds or

1 notes, or (2) exclusively from the income, proceeds, and revenues of
2 any of its redevelopment projects whether or not they are financed in
3 whole or in part with the proceeds of the bonds or notes [, OR (3) IN
4 WHOLE OR IN PART FROM TAXES ALLOCATED TO, AND PAID INTO A SPECIAL FUND
5 BY A CITY, BOROUGH, OR OTHER TAXING AGENCY UNDER THE PROVISIONS OF
6 AS 18.55.695 - 18.55.700]. The bonds or notes may be further secured
7 by a pledge of all or any part of a loan, grant or contribution from
8 the federal government or from another source, or by a mortgage of a
9 redevelopment project of the authority.

10 * Sec. 31. AS 18.55.695, 18.55.696, 18.55.697, 18.55.698, 18.55.700-
11 (e) - (h), 18.55.945, and 18.55.950(19) are repealed.

12 * Sec. 32. AS 18.56.030(c) is amended to read:

13 (c) The board members described in (a)(2) and (a)(3) of this
14 section serve two-year terms. [HOWEVER, THE INITIAL APPOINTMENT OF
15 ONE MEMBER DESCRIBED IN (a)(3) OF THIS SECTION SHALL BE FOR A ONE-YEAR
16 TERM.]

17 * Sec. 33. AS 18.56.105 is amended to read:

18 Sec. 18.56.105. ALLOCATION OF LENDING ACTIVITIES. The corpo-
19 ration shall designate regions within the state which in the aggre-
20 gate, encompass the entire state. In participating in the making or
21 purchasing of loans under AS 18.56.090(2) and (3) [AS 18.56.090(1) -
22 (3)] or under AS 18.56.100, the corporation shall make its money
23 available through the private financial institutions in the state
24 within each region designated by the corporation under this section.
25 The corporation shall allocate its money among the regions on the
26 basis of recent and future anticipated lending activity as well as the
27 potential need for the loans in each region and may reallocate its
28 money among the regions as it considers appropriate to reflect changes
29 in lending activity or need in the regions.

1 * Sec. 34. AS 18.56.210(9) is repealed.

2 * Sec. 35. AS 18.56.210(13) is amended to read:

3 (13) "bond" or "obligation" means a bond, bond anticipation
4 note, or other note of the corporation authorized to be issued by the
5 corporation under this chapter, or a mortgage participation certifi-
6 cate issued with respect to mortgages of the corporation.

7 * Sec. 36. AS 18.60.057(b) is amended to read:

8 (b) The [TERMS OF] members of the board serve staggered terms of
9 [ARE] four years. A [EXCEPT THAT (1) THE MEMBERS OF THE BOARD FIRST
10 TAKING OFFICE SHALL SERVE, AS DESIGNATED BY THE GOVERNOR AT THE TIME
11 OF APPOINTMENT, ONE FOR A TERM OF ONE YEAR, ONE FOR A TERM OF TWO
12 YEARS, AND ONE FOR A TERM OF FOUR YEARS, AND (2) A] vacancy caused by
13 the death, resignation, or removal of a member before the expiration
14 of the term for which the member [HE] was appointed shall be filled
15 only for the remainder of the unexpired term. A member of the board
16 may be removed by the governor for inefficiency, neglect of duty or
17 malfeasance in office.

18 * Sec. 37. AS 18.60.070 is amended to read:

19 Sec. 18.60.070. CONTROL OF FUNDS. Funds appropriated by the
20 legislature for AS 18.60.010 - 18.60.105, [FUNDS IN THE BOILER FUND
21 CREATED FOR AS 18.60.380,] and contributions shall be spent only for
22 the purposes of AS 18.60.010 - 18.60.105.

23 * Sec. 38. AS 18.67.020(b) is amended to read:

24 (b) Members of the board serve staggered terms of [THE TERM OF
25 OFFICE OF EACH MEMBER OF THE BOARD IS] three years [, EXCEPT THAT OF
26 THE MEMBERS FIRST APPOINTED ONE SHALL BE APPOINTED FOR A TERM OF THREE
27 YEARS, ONE FOR A TERM OF TWO YEARS, AND ONE FOR A TERM OF ONE YEAR].
28 All vacancies, except through the expiration of term, shall be filled
29 for the unexpired term only.

1 * Sec. 39. AS 24.45.171(12) is amended to read:

2 (12) "public official" or "public officer [OFFICE]" means a
3 public official [OR PUBLIC OFFICE] as defined in AS 39.50.200(a);
4 however, it does not include a judicial officer or an elected or
5 appointed municipal officer.

6 * Sec. 40. AS 25.24.160(5) is amended to read:

7 (5) for the [TO] change of [THE] name of either [ONE] of
8 the parties.

9 * Sec. 41. AS 28.10.411(a) is repealed.

10 * Sec. 42. AS 28.10.502(b) is amended to read:

11 (b) A lien under this section is limited to towing and storage
12 charges [ASSESSED ACCORDING TO THE TARIFF FILED BY THE CARRIER WITH
13 THE ALASKA TRANSPORTATION COMMISSION; HOWEVER, IN THE ABSENCE OF A
14 FILED TARIFF, THE TOWING OR STORAGE CHARGE SHALL BE THE SAME AS THE
15 LOWEST SIMILAR CHARGE IN THE OTHER FILED TARIFFS COVERING THE SAME
16 SERVICE OR ROUTE]. Storage charges cease to be part of the lien after
17 60 days unless the registered owner or primary lienholder, if any, has
18 been given actual notice of the possessory lien within that time or
19 unless a certified letter has been mailed within that time to the
20 owner and primary lienholder, if any, at their addresses of record
21 with the Department of Public Safety or the corresponding office in
22 another jurisdiction in which the title to the motor vehicle and the
23 lien on it are recorded.

24 * Sec. 43. AS 29.10.040(a) is amended to read:

25 (a) A candidate for a charter commission of an existing munic-
26 ipality shall have been qualified to vote in that [BE A VOTER OF AN
27 EXISTING] municipality for at least one year [THREE YEARS] immediately
28 preceding the charter commission election.

29 * Sec. 44. AS 29.45.030(a)(4) is amended to read:

1 (4) property of a nonbusiness organization [OR ITS AUXILIA-
2 RY] composed entirely of persons with 90 days or more of active ser-
3 vice in the armed forces of the United States whose conditions of
4 service and separation were other than dishonorable, or the property
5 of an auxiliary of that organization;

6 * Sec. 45. AS 29.60.120(a)(3) is amended to read:

7 (3) to a municipality in which a [LICENSED] health facility
8 is operated, \$2,000 per bed for each bed actually used for patient
9 care, limited to the number of beds provided for in the construction
10 design of the health facility, or \$8,000 per health facility as the
11 municipality determines.

12 * Sec. 46. AS 29.60.360(a) is amended to read:

13 (a) The base amount to be distributed from the municipal assis-
14 tance fund to each municipality for the fiscal year shall be the
15 amount received by the municipality during fiscal year 1978 under
16 AS 43.70.080 as that section provided before the 1978 amendment. A
17 city incorporated within a borough after June 30, 1977, shall receive
18 as a base amount a share of the amount distributed to the borough in
19 which it is located based on a ratio of population in the city to the
20 total population of the borough. A city incorporated outside a bor-
21 ough after June 30, 1977, shall receive as a base amount the amount
22 received by the city in the state most closely approximating it in
23 population at the time of its incorporation. A borough incorporated
24 after June 30, 1977, shall receive as a base amount the amount re-
25 ceived by the borough in the state most closely approximating it in
26 population at the time of its incorporation. The base amount to be
27 distributed to each municipality organized under federal law shall be
28 the amount received as a base amount by the city most closely approx-
29 imating it in population on June 30, 1977.

1 * Sec. 47. AS 29.60 is amended by adding a new section to read:

2 Sec. 29.60.365. MUNICIPALITIES ORGANIZED UNDER FEDERAL LAW. To
3 qualify to receive money under AS 29.60.350 - 29.60.370, a municipal-
4 ity organized under federal law as an Indian reserve that existed
5 before enactment of 43 U.S.C. 1618(a) and is continued in existence
6 under that subsection shall form a community development corporation
7 with authority to determine how money received under AS 29.60.350 -
8 29.60.370 will be used. The charter must require that the governing
9 board of the corporation shall be elected at an annual election open
10 to all residents of the municipality who are registered and qualified
11 to vote in state elections. The department may distribute money for
12 the municipality only to a corporation organized in accordance with
13 this section and only after the corporation has delivered a written
14 waiver of sovereign immunity from legal action by the state to recover
15 all or a portion of the money distributed under AS 29.60.350 - 29.60.-
16 370.

17 * Sec. 48. AS 29.60 is amended by adding a new section to art. 4 to
18 read:

19 Sec. 29.60.375. DEFINITION. In AS 29.60.350 - 29.60.370 "munic-
20 ipality" includes a municipality organized under federal law as an
21 Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and
22 is continued in existence under that subsection.

23 * Sec. 49. RETROACTIVITY OF SECTIONS 43 AND 46 - 48. The amendments to
24 AS 29.10 and AS 29.60 made by secs. 43 and 46 - 48 of this Act are retroac-
25 tive to January 1, 1986.

26 * Sec. 50. AS 32.05.020(4) is amended to read:

27 (4) The receipt by a person of a share of the profits of a
28 business is prima facie evidence that the person [HE] is a partner in
29 the business, but this [NO SUCH] inference may not [SHALL] be drawn if

1 the [SUCH] profits were received in payment

2 (A) as a debt by installments or otherwise;

3 (B) as wages of an employee or rent to a landlord;

4 (C) as an annuity to a surviving spouse [WIDOW] or
5 representative of a deceased partner;

6 (D) as interest on a loan, though the amount of pay-
7 ment varies with the profits of the business;

8 (E) as the consideration for the sale of the goodwill
9 of a business or other property by installments or otherwise.

10 * Sec. 51. AS 32.05.200(b)(5) is amended to read:

11 (5) a partner's right in specific partnership property is
12 not subject to [DOWER, CURTESY, OR] allowances to a surviving spouse
13 [WIDOWS], heirs, or next of kin.

14 * Sec. 52. AS 34.40.100 is amended to read:

15 Sec. 34.40.100. WHEN TITLE OF PURCHASER FOR VALUE NOT AFFECTED.
16 The provisions of AS 34.40.010 and 34.40.070 - 34.40.130 [, AND
17 AS 13.05 WITH THE EXCEPTION OF AS 13.05.070, AS 13.15.070 - 13.15.130,
18 AND AS 13.30.670] may not be construed in any manner to affect or
19 impair the title of a purchaser for a valuable consideration unless it
20 appears that the purchaser had previous notice of the fraudulent
21 intent of the purchaser's immediate grantor, or of the fraud rendering
22 _ is continued in existence under that subsection.

23 * Sec. 53. AS 37.05.230(6) is repealed.

24 * Sec. 54. AS 39.25.120(c) is amended by adding a new paragraph to
25 read:

26 (19) the deputy director of the division of housing assis-
27 tance in the Department of Community and Regional Affairs.

28 * Sec. 55. AS 41.21.611(b)(1) is amended to read:

29 (1) Township 26 South, Range 55 East, Copper River Meridian

1 Section 12: that portion within USS 3708

2 Section 13: that portion within USS 3708

3 Section 23: SE1/4NE1/4, NE1/4SE1/4, E1/2NW1/4SE1/4,
4 S1/2SE1/4

5 Sections 24 and 25

6 Section 26: E1/2

7 Section 33: SE1/4SE1/4SE1/4

8 Section 34: E1/2NE1/4, E1/2SW1/4NE1/4, SE1/4NE1/4SW1/4,
9 E1/2SW1/4SW1/4, SW1/4SW1/4SW1/4, SE1/4SW1/4, SE1/4

10 Section 35

11 Section 36: NE1/4NW1/4NE1/4, W1/2W1/2NE1/4, NW1/4,
12 N1/2SW1/4, N1/2SW1/4SW1/4, SW1/4SW1/4SW1/4,
13 NW1/4SE1/4SW1/4, NW1/4SE1/4

14 * Sec. 56. AS 41.21.611(b)(2) is amended to read:

15 (2) Township 26 South, Range 56 East, Copper River Meridian

16 Section 7: SW1/4NE1/4, that portion of the S1/2NW1/4
17 within USS 3708, S1/2

18 Section 8: SE1/4SW1/4NW1/4, SE1/4NW1/4, SW1/4, that
19 portion of the S1/2NE1/4 within USS 3708

20 Section 17: W1/2NW1/4

21 Section 18

22 Section 19: W1/2, SW1/4SE1/4

23 Section 30: NE1/4NW1/4NE1/4, W1/2NW1/4NE1/4, NW1/4,
24 W1/2SW1/4

25 * Sec. 57. AS 41.21.611(b)(4) is amended to read:

26 (4) Township 28 South, Range 55 East, Copper River Meridian

27 Section 1: S1/2SW1/4NW1/4, SW1/4

28 Section 2

29 Section 3: NE1/4, N1/2NW1/4, N1/2SW1/4NW1/4,

1 SE1/4NW1/4, NE1/4NE1/4SW1/4, N1/2SE1/4, SE1/4SE1/4
2 Section 4: E1/2NE1/4NE1/4
3 Section 10: that portion of Mosquito Lake within the
4 NE1/4
5 Section 11: N1/2, N1/2SE1/4, NE1/4SW1/4SE1/4,
6 SE1/4SE1/4, except USS 3431
7 Section 12
8 Section 13: E1/2, NE1/4NW1/4, E1/2NW1/4NW1/4,
9 NW1/4NW1/4NW1/4, NW1/4SE1/4NW1/4, E1/2SE1/4NW1/4
10 [SECTION 15: THAT PORTION OF MOSQUITO LAKE]
11 Section 19: Lot 13
12 Section 24: E1/2E1/2, NE1/4NW1/4NE1/4
13 Section 25: except that portion north of the Haines
14 Highway [LOTS 9 - 11 AND 16]
15 Section 26: that portion [OF LOT 5 AND NE1/4NW1/4]
16 south of the Haines Highway, except Lots 2, 3,
17 and the SW1/4SW1/4 [LOTS 1, 12, AND 17]
18 Section 27: that portion south of the Haines Highway
19 except S1/2S1/2 [LOTS 5 - 8, 10, 13, 18, 19, AND 22]
20 Section 28: [,] except S1/2S1/2, the south 660 feet of
21 Lots 5 - 7, and that portion north of the Haines
22 Highway
23 Section 29: [,] except S1/2S1/2S1/2, NE1/4SE1/4SE1/4,
24 and Lots 9, 14, 15, and 18
25 Section 30: E1/2NE1/4, N1/2NE1/4SE1/4 [LOT 11, AND LOT
26 6 EXCEPT THE SOUTH 660 FEET.]
27 Section 33: SE1/4SE1/4SE1/4 [S1/2SE1/4SE1/4]
28 Section 34: S1/2S1/2S1/2
29 Section 35: except NW1/4NE1/4, S1/2NE1/4, NW1/4, S1/2

1 [LOT 1]

2 Section 36: [,] except SW1/4NW1/4, S1/2, and the south
3 660 feet of Lots 3 - 4

4 * Sec. 58. AS 41.21.611(b)(5) is amended to read:

5 (5) Township 28 South, Range 56 East, Copper River Meridian

6 Section 7: SW1/4NW1/4NW1/4, SW1/4NW1/4,

7 SW1/4SE1/4NW1/4, W1/2NE1/4SW1/4, SE1/4NE1/4SW1/4,

8 NW1/4SW1/4, S1/2SW1/4, SW1/4SW1/4SE1/4

9 Section 17: W1/2SW1/4SW1/4, SE1/4SW1/4SW1/4

10 Section 18: W1/2W1/2NE1/4, E1/2SW1/4NE1/4,

11 SW1/4SE1/4NE1/4, W1/2, SE1/4

12 Section 19

13 Section 20: W1/2W1/2

14 Section 29: except USS 948, USS 991, Lots 1, 2, and

15 4 - 7, NE1/4, E1/2NW1/4 [LOTS 8 - 11]

16 Section 30: [,] except Lots 1, 4, 5, 8, 15 - 17, and
17 the NE1/4SW1/4

18 Section 31

19 Section 32: [,] except USS 991, USS 2455, and Lots 1,

20 2, and 24

21 Section 33: S1/2 except USS 2455 and Lots 18 21

22 Section 34: [LOTS 1, 2, S1/2NE1/4SW1/4,]

23 W1/2SW1/4SE1/4, SE1/4SW1/4SE1/4, SW1/4 except

24 NE1/4SW1/4 and Lots 1 and 2

25 * Sec. 59. AS 41.21.611(b)(8) is amended to read:

26 (8) Township 29 South, Range 56 East, Copper River Meridian

27 Section 1

28 Section 2: N1/2NE1/4, E1/2SE1/4NE1/4, NE1/4NW1/4,

29 E1/2NE1/4SE1/4, NE1/4SE1/4SE1/4

1 Section 4: W1/2NW1/4, W1/2SE1/4NW1/4, SE1/4SE1/4NW1/4,
2 SW1/4, W1/2NW1/4SE1/4, SE1/4NW1/4SE1/4, SW1/4SE1/4,
3 W1/2SE1/4SE1/4, SE1/4SE1/4SE1/4

4 Section 5: E1/2, N1/2NW1/4, SE1/4NE1/4SW1/4
5 E1/2SE1/4SW1/4

6 Section 6: N1/2N1/2NE1/4, NE1/4NW1/4 [NE1/4NE1/4NW1/4,
7 S1/2NE1/4NW1/4], S1/2NW1/4NW1/4, N1/2SW1/4NW1/4,
8 NW1/4SE1/4NW1/4

9 Section 8: [,] except SW1/4SW1/4 and S1/2SE1/4SW1/4

10 Section 9

11 Section 10: S1/2S1/2NE1/4, SW1/4NE1/4NW1/4, NW1/4NW1/4,
12 S1/2NW1/4, S1/2

13 Section 11: S1/2NE1/4, S1/2S1/2NW1/4, NE1/4SW1/4NW1/4,
14 N1/2SE1/4NW1/4, S1/2

15 Sections 12 - 14

16 Section 15: N1/2, N1/2N1/2SW1/4, E1/2SE1/4, NW1/4SE1/4,
17 E1/2SW1/4SE1/4

18 Section 16: E1/2NE1/4, E1/2W1/2NE1/4, W1/2NW1/4NE1/4,
19 NW1/4SW1/4NE1/4, N1/2N1/2NW1/4, SE1/4NE1/4NW1/4,
20 NE1/4SE1/4NW1/4

21 Section 17: N1/2NE1/4NE1/4

22 Section 22: N1/2NE1/4NE1/4, NE1/4NW1/4NE1/4

23 Section 23: that portion of the N1/2NW1/4 lying west of
24 Chilkat Lake

25 * Sec. 60. AS 41.21.611(b)(9) is amended to read:

26 (9) Township 29 South, Range 57 East, Copper River Meridian
27 Section 4: NW1/4NW1/4SW1/4, S1/2NW1/4SW1/4, SW1/4SW1/4,
28 NW1/4SE1/4SW1/4, S1/2SE1/4SW1/4

29 Section 5: [,] except Lots 2 - 4, N1/2NE1/4,

1 NE1/4SE1/4NE1/4 [, AND THE NORTH 660 AND THE EAST 660
2 FEET OF LOT 2]

3 Section 6: except Lots 1 and 9

4 Sections 7 and [6-] 8

5 USS 907

6 Section 9: W1/2W1/2NE1/4, SE1/4SW1/4NE1/4,
7 SW1/4SE1/4NE1/4, NW1/4, S1/2

8 Section 10: Lots 1 - 4, W1/2NE1/4SW1/4

9 NW1/4SE1/4SW1/4, E1/2SW1/4SE1/4SW1/4

10 Section 14: that portion west of the Haines Highway

11 Section 15: [,] except NE1/4NE1/4 and Lots 7 - 10, 13 -
12 14

13 Sections 16 - 18

14 USS 786

15 Section 19: NE1/4NE1/4NE1/4

16 Section 20: NE1/4, E1/2NW1/4, NW1/4NW1/4,
17 E1/2SW1/4NW1/4, NE1/4SE1/4, N1/2NW1/4SE1/4,
18 SE1/4NW1/4SE1/4, NE1/4SE1/4SE1/4

19 Sections 21 and 22

20 Section 23: that portion west of the Haines Highway

21 Section 25: that portion west of the Haines Highway

22 Section 26: that portion west of the Haines Highway

23 Section 27

24 Section 28: NE1/4, NE1/4NW1/4, N1/2NW1/4NW1/4,
25 N1/2SE1/4NW1/4, NE1/4SE1/4, N1/2NW1/4SE1/4,
26 SE1/4NW1/4SE1/4, NE1/4SE1/4SE1/4

27 Section 34: NE1/4, NE1/4NW1/4, NE1/4SE1/4NW1/4,
28 NE1/4SE1/4, NE1/4NW1/4SE1/4, E1/2SE1/4SE1/4

29 Section 35

1 Section 36: that portion west of the Haines Highway

2 * Sec. 61. AS 41.21.611(b)(10) is amended to read:

3 (10) Township 29 South, Range 58 East, Copper River

4 Meridian

5 Section 3: S1/2SW1/4NW1/4, SW1/4NE1/4SW1/4, W1/2SW1/4,
6 SE1/4SW1/4, S1/2SW1/4SE1/4

7 Section 4: SW1/4NE1/4NE1/4, W1/2NE1/4, SE1/4NE1/4,
8 NW1/4, NE1/4SW1/4, SE1/4

9 Section 9: NE1/4NE1/4

10 Section 10: N1/2, E1/2SW1/4, E1/2W1/2SW1/4,
11 NW1/4NW1/4SW1/4, SE1/4

12 Section 31: that portion south of the Haines Highway

13 * Sec. 62. AS 41.21.611(b)(11) is amended to read:

14 (11) Township 30 South, Range 57 East, Copper River

15 Meridian

16 Section 1

17 Section 2: NE1/4, NE1/4NW1/4, N1/2NW1/4NW1/4,
18 SE1/4NW1/4NW1/4, N1/2SE1/4NW1/4, SE1/4SE1/4NW1/4,
19 N1/2SE1/4, N1/2SE1/4SE1/4

20 Section 3: NE1/4NE1/4NE1/4

21 Section 12: NE1/4, NE1/4NW1/4, NE1/4NW1/4NW1/4,
22 NE1/4SE1/4NW1/4, W1/2NE1/4SE1/4, NE1/4NW1/4SE1/4,
23 E1/2E1/2SE1/4, NW1/4SE1/4SE1/4

24 [SECTION 13: NE1/4NE1/4NE1/4]

25 * Sec. 63. AS 43.25 is repealed.

26 * Sec. 64. AS 43.26 is repealed.

27 * Sec. 65. AS 45.50.110 is repealed.

28 * Sec. 66. AS 45.55.030(d) is amended to read:

29 (d) Every registration expires one year from its effective date

1 unless renewed. [THE ADMINISTRATOR MAY BY RULE OR ORDER PREPARE AN
2 INITIAL SCHEDULE FOR REGISTRATION RENEWALS SO THAT SUBSEQUENT RENEWALS
3 OF REGISTRATIONS EFFECTIVE ON MAY 9, 1959, MAY BE STAGGERED BY CALEN-
4 DAR MONTHS. FOR THIS PURPOSE THE ADMINISTRATOR MAY BY RULE REDUCE THE
5 REGISTRATION FEE PROPORTIONATELY.]

6 * Sec. 67. AS 45.89.500(4)(K) is amended to read:

7 (K) any other energy-saving device approved by the
8 commissioner of commerce and economic development [UNDER AS 44.-
9 33.040(12)].

10 * Sec. 68. AS 47.45.230 is amended to read:

11 Sec. 47.25.230. PERSONS LIABLE FOR SUPPORT AND BURIAL. Every
12 needy person shall be supported while living and upon dying, shall be
13 given a decent burial by the spouse, children, parents, grandparents
14 [FATHER, MOTHER, GRANDFATHER, GRANDMOTHER], grandchildren, or siblings
15 [BROTHERS OR SISTERS] of the needy person, if they, or any of them,
16 have the ability to do so, in the order named. Every designated
17 person who fails to support the needy person when directed by the
18 department to do so, or fails to give the needy person a decent burial
19 shall reimburse the state or a municipality for the funds expended by
20 either the state or a municipality for the relief or burial of the
21 needy person, and these sums with interest and costs may be recovered
22 by the state or a municipality of the state in a civil action.

23 * Sec. 69. AS 47.37.270(6) is amended to read:

24 (6) "coordinator" means the coordinator of the office of
25 alcoholism and drug abuse;

26 * Sec. 70. Section 55, ch. 37, SLA 1985, is amended to read:

27 Sec. 55. Sections 1 - 3 and 31 of this Act take effect immedi-
28 ately in accordance with AS 01.10.070(c).

29 * Sec. 71. Section 56, ch. 37, SLA 1985, is amended to read:

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Sec. 56. Except as provided in sec. 55 of this Act, the sections of this Act and the portions of sec. 54 [SECTIONS 4 - 54] of this Act that relate to a particular occupation take effect on the effective date of the regulations adopted under AS 08.01.065, enacted in sec. 2 of this Act, that apply to that occupation.

* Sec. 72. This Act takes effect immediately in accordance with AS 01.-10.070(c).

HOUSE JOURNAL SUPPLEMENT

March 7, 1986

No. 95

M E M O R A N D U M

March 5, 1986

SUBJECT: CSHB 493(Judiciary)
TO: Representative M. Mike Miller
Chairman, House Judiciary
FROM: David R. Dierdorff *[Signature]*
Revisor of Statutes

This bill was prepared by the revisor of statutes under AS 01.05.036, which provides, in part, that the revisor of statutes shall

. . . prepare for submission to the legislature legislation for the correction or removal of . . . deficiencies, conflicts, or obsolete provisions, or to otherwise improve the form or substance of . . . the statute law of this state.

This memorandum discusses the committee substitute passed out of committee March 5, 1986.

Sections 1, 5 and 6. These sections amend AS 04.11.070, 04.11.537 and 04.11.560(b) to conform the sections to the 1985 amendments to AS 04.11 made by ch. 93, SLA 1985. The 1985 amendments changed the concept of "transfer of location" to "relocation" of a liquor license. The Department of Law requested that we conform the language in 13 sections in AS 04.11, but we believe that the three sections included in the amendment are the only ones that really need to be changed. All of the others speak to "transfer to a new location," "transfer between holders or locations," or other similar phrases that describe "relocation."

Sec. 2 and 3. Under current law, the holders of brewery and winery licenses are allowed to give a person small samples of their products on their premises, unless the recipient is intoxicated. They are permitted to give samples to minors, to any person on an election day, or at any hour of the day or night. Our analysis of the two provisions proposed for amendment in secs. 2 and 3 of the bill suggests that this

Section 23 Deleted
Renumbered accordingly

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was an oversight. The Department of Law and the executive director of the Alcoholic Beverage Control Board concur in our analysis and have asked that the statutes be amended to make breweries and wineries subject to the same prohibitions that other licensees are subject to.

Sec. 4 This section proposes an amendment to AS 04.11.370, which sets out the grounds for the suspension or revocation of a liquor license. The 1978 revision of the criminal laws substituted "promotion of prostitution" for "pimping" in the provisions relating to crimes connected with prostitution. The amendment proposed by this section updates the language of AS 04.11.370(7) to reflect this fact. The amendment was suggested by the Alaska Women's Commission. See the commission's "Review of the Alaska Statutes for Sex Discrimination", May 1985, at page 43.

Sec. 7. This section deletes an obsolete reference to senate districts and replaces it with a reference to the judicial districts of the state. The amendment was suggested by the Department of Law.

Sec. 8. This section conforms AS 08.18.081 to the changes made in AS 21 by ch. 26, SLA 1985. That law authorized the director of the insurance division to establish by regulation fees for the various services provided by the division. The intent of that legislation was to provide flexibility in the fee structure to allow the state to recover through fees the cost of the services provided. The proposed amendment substitutes "a fee set under AS 21.06.250" for the old fee of \$5.00 charged when the director acts as an agent of the surety on a contractor's bond for service of process. The amendment was requested by the insurance division.

Sec. 9. AS 08.20.150, proposed for repeal by this section, requires licensed chiropractors to record their licenses with the clerk of the superior court. Since 1966, the state has had centralized licensing and the division of occupational licensing maintains all of the records. The chief counsel of the court system and the regulations attorney in the Department of Law have requested that this archaic provision be repealed to eliminate an unnecessary burden on the court system and a source of confusion among licensees.

Sec. 10. The sentence proposed for deletion by this section refers to filing certificate "with the board" (of

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chiropractic examiners), which, as the revisor's note to this section has pointed out, is a nonexistent requirement. The intent may have been to refer to filing with the court, which has been required under AS 08.20.150, proposed for repeal by the preceding section of the bill. This amendment was suggested by the regulations attorney in the Department of Law.

Sec. 11. The amendment proposed by this section updates AS 08.54.142(b) to reflect changes in the regulation of air carriers made by the 1983 initiative and related action by the first session of the 14th Legislature.

Secs. 12-15. In these sections of the bill, AS 08.64.280 and 08.64.350, relating to physicians' licenses, are proposed for repeal; AS 08.64.350, AS 08.72.120 and AS 08.72.125(b) are amended; and AS 08.72.130, relating to optometrists' licenses, is proposed for repeal. The reasons for these proposals are the same as those set out above in the discussion of sec. 9 of the bill.

Sec. 16. The section proposed for amendment, AS 08.88.421, lists the persons and entities who are exempted from the laws regulating real estate brokers and salesmen. Paragraph (9) describes certain corporations, partnerships, and individuals as exempt, but those provisions conflict with AS 08.88.161, which sets out the requirement that certain corporations, partnerships, and individuals must be licensed under the laws. The source of the conflict is that the exceptions set out in AS 08.88.421(9)(B) relate only to that subparagraph, when they should probably relate to AS 08.88.421(9)(A) as well. The Department of Law suggested that AS 08.88.421(9) be amended as proposed in sec. 16 of the bill in order to eliminate the conflict and conform the provision to apparent legislative intent.

Sec. 17. This section and sec. 42 of the bill reflect recommendations of the Alaska Women's Commission (see pages 15 - 17 of their "Review of the Alaska Statutes for Sex Discrimination") relating to change of name in domestic relations actions. The amendment to AS 09.55.010 proposed in sec. 17 simply updates the basic statute relating to jurisdiction in an action to change a person's name, by adding a reference to "dissolution" in the last sentence. This provision was adopted before dissolutions were established in Alaska and was not amended when dissolutions were provided for.

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Sec. 18. This section authorizes a professional corporation to use the abbreviation "P.C." in its name. That abbreviation is in fact frequently used by professional corporations in Alaska and throughout the country. The fact that the abbreviation is not authorized has apparently been overlooked in the past. The amendment to authorize its use would eliminate a potential problem between the Department of Commerce and Economic Development, professional licensing boards, and professionals. This amendment was requested by the Department of Law. The amendment also authorizes the use of "Limited" or "Ltd." to conform this section to AS 10.05.021, dealing with names of for-profit corporations generally.

Secs. 19 and 20. These sections update provisions relating to the classification of offenses to reflect legislative changes to the underlying provisions in 1982 and 1983.

Sec. 21. Section 21 responds to a problem that was addressed in *Kuvaas v. State*, 696 P.2d 684, discussed at page 48 of the November 1985 "oversight" report examining court decisions construing Alaska statutes. The court construed AS 12.55.155(c)(20), listing one of the many aggravating factors a court may consider in imposing sentence, as relating only to prior convictions of crimes that were felonies under Alaska law, or in the case of convictions in another state, convictions of crimes that would have been considered felonies if committed in Alaska. The amendment places in the statutes the court's interpretation of the statutes, and the legislature's apparent intent.

Sec. 22. Recall elections in REAA's are conducted under the municipal recall provisions of AS 29.26. Although the statutory references within AS 14.08.081 were changed as a part of the municipal code revision (ch. 74, SLA 85), there is a minor problem remaining that is addressed in sec. 22 of the bill. The new municipal code requires the director of elections to use the last regular election in the municipality to determine the number of signatures required on the recall petition. The municipal code, however, excludes REAA's from the definition of a municipality. The suggested amendment makes it clear that the election to be used as the basis for signature requirements is "the last regularly scheduled election held within the regional educational attendance area."

Sec. 23. This proposed amendment is made to conform a section to the provisions of the new municipal code (ch. 74, SLA 1985). Under new AS 29.20.300, members of a school board "are elected at large unless a different method of election has been approved by the voters in a regular election." The last sentence of AS 14.12.030(b) is inconsistent with that provision and is proposed for deletion.

Sec. 24. The language in AS 14.20.160 proposed for deletion is contrary to both federal and state law relating to age discrimination. The amendment was requested by the Department of Education to avoid misunderstanding and confusion.

Sec. 25. The provision proposed for repeal is obsolete and should have been repealed in 1984 when other provisions made obsolete by changes in the relationship between the state and public schools were repealed. AS 14.20.220(f) established the minimum salary for substitute teachers as a percentage of the "base salary" for the appropriate area of the state. The state no longer establishes base salaries for teachers. The Department of Education requested the repeal of this obsolete provision.

Sec. 26. The paragraph proposed for repeal required the commissioner of health and social services to adopt regulations covering "the notification of engagement or release of a physician assistant under AS 08.64.170(b)." In 1974, AS 08.64.170(b) was repealed, rendering the paragraph proposed for repeal obsolete.

Secs. 27 - 29. These sections propose amendments that will delete obsolete material related to initial appointments.

Sec. 30. This section amends the statute governing the registration of live births by eliminating a statutory preference given to fathers. This amendment was requested by the Alaska Women's Commission. See page 32 of their "Review of the Alaska Statutes for Sex Discrimination."

Sec. 31. The 1980 rewrite of AS 37.10.070 made obsolete the reference to subsections (a), (f), (g) and (i) of that section in the next to last sentence of the section proposed for amendment.

Secs. 32 and 33. These sections propose an amendment to AS 18.55.570(a) and the repeal of AS 18.55.695 - 18.55.698, 18.55.700(e)-(h), 18.55.945 and 18.55.950(19). All of the

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provisions proposed for repeal relate to the 1964 earthquake and are no longer needed. The amendment to AS 18.55.570(a) is required if the other sections are repealed. The action proposed by secs. 32 and 33 was requested by counsel for the Alaska State Housing Authority. The amendment to AS 18.55.570(a) is also supported by the state assessor's office.

Sec. 34. Deletes obsolete material related to initial appointments.

Sec. 35. AS 18.56.090(1), referenced in the second sentence of the section proposed for amendment, was repealed in 1981. The reference is amended to reflect that.

Sec. 36 and 37. There are two definitions of "obligation" in AS 18.56.270. Section 36 of the bill would repeal the first definition of the term, and sec. 37 amends the second definition to incorporate material that was in the repealed definition.

Sec. 38. The amendment deletes obsolete material related to initial appointments.

Sec. 39. The "boiler fund" and AS 18.60.380, referred to in AS 18.60.070, were repealed in 1968. The proposed amendments deletes the obsolete references.

Sec. 40. The amendment deletes obsolete material related to initial appointments.

Sec. 41. The term "public office", defined by AS 24.45.171(12), does not appear in AS 24.45 and is not defined in AS 39.50.200(a) as suggested by the existing language of AS 24.45.171(12). The amendment substitutes "public officer" for "public office". The term "public officer" is used in AS 24.45, so the substitution of that term for "public office" is appropriate.

Sec. 42. This section proposes a technical amendment to AS 25.24.160 relating to the change of a party's name by the court in connection with a divorce. The change was requested by the Alaska Women's Commission (see the discussion for sec. 17 of this bill).

Sec. 43. The provision proposed for repeal directed the state to reimburse local governments for revenue lost

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through the operation of the senior citizens' exemption for certain motor vehicle taxes. AS 29.45.030(j), enacted in the new municipal code, now covers the subject and makes AS 28.10.411(d) redundant. The repeal of this provision was requested by the state assessor's office.

Sec. 44. The amendment to AS 28.10.502(b), proposed in this section, deletes language that was made obsolete by the passage of the initiative deregulating transportation.

Sec. 45. Chapter 92, SLA 1985, amended AS 29.13.010(b), effective June 6, 1985. Chapter 74, SLA 1985, repealed AS 29.13, effective January 1, 1986, and did not incorporate the changes made by ch. 92 in the equivalent provisions in AS 29.10.040 enacted as a part of the municipal code revision. The amendment to AS 29.10.040(a) proposed by sec. 45 incorporates the substantive amendment of ch. 92 and makes a minor style change to clarify the language of the subsection. The amendment proposed by sec. 45 is made retroactive to January 1, 1986, by sec. 51 of the bill.

Sec. 46. The proposed amendment to newly enacted AS 29.45.030(a)(4) clarifies that it is the organization of certain veterans that must be composed entirely of those veterans, not the auxiliary of such organization. The sentence construction proposed is identical to that found in former AS 29.53.020(a)(4), which was repealed when the new municipal code was enacted. The amendment was requested by the state assessor's office.

Sec. 47. AS 29.60.120(f) defines a "health facility" as one that is "licensed or certified by the state or approved under regulations adopted by" the Department of Community and Regional Affairs. The term "licensed health facility" is, however, used in AS 29.60.120(a)(3). The Department of Community and Regional Affairs believes that this was an oversight in the new municipal code and has requested a correction that deletes "licensed" from AS 29.60.120(a)(3).

Secs. 48 - 51. The legislature last session enacted ch. 90, providing for state aid to certain municipalities organized under federal law. The law was effective July 1, 1985. However, the legislature also enacted ch. 74, the new municipal code, effective January 1, 1986, and, ch. 74 included the repeal of the old state aid to municipalities provision (AS 43.20.116) and the enactment of new provisions in AS 29 that continued the old program without substantive

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change. The new provisions, however, did not take into account the changes in AS 43.20.016 made by ch. 90. Sections 48 - 51 would reenact the substantive provisions of ch. 90 as part of AS 29 and make the enactment retroactive to January 1, 1986, the date that AS 43.20.016 was repealed. In sec. 48, an additional amendment to the first sentence of AS 29.60.360(a) is made to clarify a reference to AS 43.70.080. That minor clarification was requested by the Department of Law. With respect to the amendments made in secs. 48 - 50, the Department of Law is of the opinion that the result can be achieved through interpretation of the two enactments of the 1985 legislature and has issued a memorandum to that effect. However, we do not share their opinion and believe that the amendments should be adopted to ensure that both ch. 90 and ch. 74 are given effect.

Sec. 52. The amendment to AS 32.05.020 proposed by this section substitutes "surviving spouse" for "widow" to ensure that the determination of a partnership is not dependent upon the sex of the recipient of an annuity. This amendment was requested by the Alaska Women's Commission.

Sec. 53. This amendment would delete references to dower and curtesy, legal doctrines that have been abolished in Alaska, and substitute the term "a surviving spouse" for "widows". It does not change the nature of a partner's interest in specific partnership property. The amendment was requested by the Alaska Women's Commission. For a discussion of their recommendation, and the recommendation behind sec. 52 of the bill, see pages 50 - 51 of "Review of the Alaska Statutes for Sex Discrimination."

Sec. 54. This section proposes an amendment to delete references, in the chapter dealing with fraudulent transfers, to provisions that were repealed in 1972 when the new probate code was enacted. It is not believed necessary to substitute references to the new code.

Sec. 55. This section proposes for repeal a paragraph in the competitive bid law that was rendered obsolete by the passage of the initiative deregulating air carriers.

Sec. 56. This section would add a reference in the law describing the partially exempt service to a position placed in the partially exempt service by AS 44.47.365. The amendment was requested by the division of personnel in the Department of Administration.

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Secs. 57 - 64. Following the passage of ch. 95, SLA 1982, several discrepancies were discovered in the legal descriptions of the land to be included in the Chilkat Bald Eagle Preserve. The commissioner of natural resources has requested that these descriptions be corrected in the revisor's bill. In the memorandum to the revisor that transmitted the corrections, the commissioner stated:

The Eagle Preserve legislation was written according to a reference map. When the legal description was written, correct land description notations were not utilized in defining the river, portions of previously surveyed land, and one mapped section of land was inadvertently left out of the description.

At the January, 1983 Eagle Preserve Advisory Council meeting, an explanation and presentation was made to request changes to correct the legal description. The Eagle Preserve Advisory Council and Department of Natural Resources review has concluded that these changes are valid and in keeping with the legislative intent and documentation.

Therefore, I request that these corrections be incorporated into your 1986 revisor's bill.

The backup material for the revisor's bill includes maps of the areas involved and a description of the source of the error where that was ascertainable, and will be made available to the committee or any member upon request.

Secs. 65 and 66. These sections would repeal two programs, the Alaska Industrial Incentive Act and the Industrial Incentive Tax Credit Act, which have been fully executed. By the terms of AS 43.25.110, the former program was closed to new participants on June 30, 1968. AS 43.26.070 closed the latter program on June 30, 1971. The repeal was suggested by the regulations attorney in the Department of Law.

Secs. 67 and 68. These sections deal with obsolete provisions in AS 45. The section proposed for repeal, AS 45.50.110, had no application after July 1, 1966. It dealt with the expiration of trademark registrations filed before July 1, 1961. The amendment to AS 45.55.030(d) deletes transitional provisions from the subsection. The provisions have been obsolete since May 1960.

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Sec. 69. In 1983, the legislature repealed AS 44.33.040. However, the reference to that section in the definitions for AS 45.89 (the Residential Energy Conservation Fund) was not amended to reflect that. This section proposes the deletion of the reference in the same manner that similar references were deleted in the 1983 Act (ch. 79, SLA 1983).

Sec. 70. The amendment would make the liability for burial expenses dependent upon relationship to the deceased rather than upon a combination of relationship and sex. This amendment was requested by the Alaska Women's Commission and was discussed on page 59 of their "Review of the Alaska Statutes for Sex Discrimination."

Sec. 71. This section corrects a reference to the office of alcoholism and drug abuse.

Secs. 72 and 73. Chapter 37, SLA 1985 replaced statutory license and other fees connected with occupational licensing with fees established by regulation. The authority to adopt the fees was made effective immediately, but all of the amendments relating to specific occupations were made effective upon the adoption of regulations. At the time the bill was enacted, it was assumed that the department would adopt the regulations for all occupations at the same time. However, the regulations are in fact being adopted on an occupation by occupation basis. For example, the first regulations to be adopted, relating to guides and to nurses, will be effective March 6, 1986, and the balance of the regulations will be adopted and become effective at various times during 1986.

This may be an orderly way to adopt the regulations, but it plays havoc with the effective date provisions of ch. 37. The problem is further complicated by the fact that the fee for one occupation covered by ch. 37, explosives handlers, is not set by regulations of the Department of Commerce and Economic Development under AS 08.01.065, referred to in the effective date provisions, but by the Department of Labor. The amendment proposed by sec. 72 of CSHB 493 makes the amendment relating to explosives handlers effective immediately (it would be effective at the same time CSHB 493 is effective).

The amendment proposed by sec. 73 would tie the effective date of ch. 37's amendments and repealers to the adoption of regulations for the specific occupation governed by the

affected statutory provisions. The problem and the proposed solutions have been discussed with the Department of Law and it is agreed that secs. 72 and 73 present the most practical solution.

Sec. 74. This would make the Act effective immediately.

DRD:mkr
M3:004

Enclosure

cc: Art Peterson
Department of Law

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

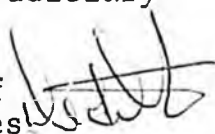
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

April 1, 1986

SUBJECT: SCS CSHB 493 (Judiciary)

TO: Senator Pat Rodey
Chairman, Senate Judiciary

FROM: David R. Dierdorff 
Revisor of Statutes

Enclosed is the draft SCS CSHB 493 that you requested. Please note that I took advantage of this opportunity to delete the "controversial" comma in what is now sec. 14 of the bill.

DRD:mkr
m4:054

Enclosure

AMENDMENT TO HB 493 SEC. 16

Amendment to AS 08.88.421(9)(B)

(B) a partner or regular employee of a domestic or foreign corporation or a general or limited partnership, when performing an act described in AS 08.88.161 (IN THE REGULAR COURSE, OR) as an incident to(,) the management, sale or other disposition of real estate owned by the corporation or partnership(,); The exemption in this subparagraph does not apply to(A PERSON WHO PERFORMS AN ACT DESCRIBED IN AS 08.88.161 EITHER AS A VOCATION OR FOR COMPENSATION IF THE AMOUNT OF THE COMPENSATION IS DEPENDENT UPON OR DIRECTLY RELATED TO THE VALUE OF THE REAL ESTATE WITH RESPECT TO WHICH THE ACT IS PERFORMED.)

(a) A person who performs an act described in AS 08.88.161 as a vocation.

(b) A person who performs an act described in AS 08.88.161 for compensation if the compensation is paid for a specific transaction or is based on the value of the real estate involved in the transaction.

Proposed by Real Estate ~~Commission~~ Commission



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith

Signature of Camera Operator

11/7/89

Date

H B

4 9 6

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : 4/11/86

REQUEST

Bill/Resolution No. : CSHB 496
 Title : An Act Relating to Spousal Support, Etc., and to Judicial Review of Marriage Dissolution Agreements
 Sponsor : _____
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Alaska Court System
 BRU : Trial Courts

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL		14.5				
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		14.6				
CAPITAL						
REVENUE						

FUNDING : (Thousands of Dollars)

GENERAL FUND		14.5				
FEDERAL FUNDS						
OTHER						
TOTAL		14.5				

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See Attachments

Prepared by : Robert G. Fisher
 Division : Alaska Court System

Phone : 264-8215
 Date : 4/11/86

Approved by Commissioner : Arthur H. Snowden, II *AHS*
 Agency : Alaska Court System

Date : 4/11/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CSHB 496 (Finance)

The original version of EB 496 would have required substantially expanded court hearings for spouses using the dissolution process. The proposed Finance Committee substitute eliminates the need for lengthy and more costly court hearings, and instead requires major changes to the forms which the spouses file with the court.

Changes to Current Law.

This bill makes several procedural changes in the way the courts process dissolutions (do-it-yourself divorces).

Under present law, a do-it-yourself dissolution complaint can be filed by one spouse if the other spouse cannot be located, but otherwise must be filed by both spouses. Even if both spouses file, only one spouse must attend the court hearing.

Under this bill, both spouses will have to attend the hearing in specified situations: if domestic violence occurred during the marriage, if child support is unusually high or low, if one spouse has an attorney and the other does not, or if the spouses are asking for shared or split custody (more than one child, with children divided between the spouses). However, if the court finds it would pose a significant hardship to require both spouses to appear, the court can permit the hearing to take place with only one spouse present.

If both spouses attend the hearing because one of these conditions is present, the judge must use "a heightened level of scrutiny" in reviewing the dissolution agreement. According to the bill's proponents, this change is intended to guide the courts to look more closely at agreements which may not be in the best interests of children from the standpoint of custody or child support, or in the best interests of the spouses because they are one-sided in favor of a person who has sought legal advice or who has subjected the other spouse to domestic violence. The bill's proponents indicate the intent of this legislation is not to require greatly expanded or lengthy court hearings, but to permit judges to ask as many

questions of the parties as the judge deems necessary to make sure the dissolution agreement is fair.

The bill also changes an inconsistency in current law. The law now provides that the court must examine the spouses to determine if the agreement is fair, but that the court grants the dissolution if the agreement is not grossly unfair. This bill adopts the fairness standard for both the examination of the parties and for granting the dissolution.

The bill makes several other changes. It permits parties to file for a change of name other than to a prior name within a divorce proceeding. It requires the spouses in a dissolution hearing to agree about distribution of retirement benefits and "other career assets".

Impact on Courts.

Current law requires preparation of forms and instructions to permit persons to file for dissolutions by themselves without incurring legal costs. Although this bill should result in only a small increase in the length of dissolution hearings, implementation will require substantial revisions to current dissolution forms. These changes include devising a means of notifying both spouses when they must both attend the hearing, a provision to permit spouses to state that it will be a hardship to attend the hearing, and a new section discussing retirement benefits and "other career assets". Developing language to explain these changes to lay people in terms that are understandable and legally accurate, especially changes relating to career assets, will be a time-consuming process which must take into account the level of understanding of litigants in a variety of locations statewide. Without carefully prepared forms and instructions, do-it-yourself divorce can become a very confusing and intimidating process.

The best way of drafting these changes is for court staff from around the state who are involved with dissolutions on a daily basis as well as other interested parties to meet together. This fiscal note sets out the costs of a one-time meeting to develop substantial revisions to the dissolution forms which are required by this bill.

CSHB 496 (FIN) am

The original version of HB 496 would have required substantially expanded court hearings for spouses using the dissolution process. The amended Finance Committee substitute eliminates the need for lengthy and more costly court hearings, and instead requires major changes to the forms which the spouses file with the court.

Changes to Current Law.

This bill makes several procedural changes in the way the courts process dissolutions (do-it-yourself divorces).

Under present law, a do-it-yourself dissolution complaint can be filed by one spouse if the other spouse cannot be located, but otherwise must be filed by both spouses. Even if both spouses file, only one spouse must attend the court hearing.

Under this bill, both spouses will have to attend the hearing in specified situations: if there is a patently inequitable division of the marital estate, if domestic violence occurred during the marriage, if child support is unusually high or low, if one spouse has an attorney and the other does not, or if the spouses are asking for shared or split custody (more than one child, with children divided between the spouses). However, if the court finds it would pose a significant hardship to require both spouses to appear, the court can permit the hearing to take place with only one spouse present.

If both spouses attend the hearing because one of these conditions is present, the judge must use "a heightened level of scrutiny" in reviewing the dissolution agreement. According to the bill's proponents, this change is intended to guide the courts to look more closely at agreements which may not be in the best interest of children from the standpoint of custody or child support, or in the best interests of the spouses because they are one-sided in favor of a person who has sought legal advice or who has subjected the other spouse to domestic violence. The bill's proponents indicate the intent of this legislation is not to require greatly expanded or lengthy court hearings, but to permit judges to ask as many questions of the parties as the judge deems necessary to make sure the dissolution agreement is fair.

The bill also changes an inconsistency in current law. The law now provides that the court must examine the spouses to determine if the agreement is fair, but that the court grants the dissolution if the agreement is not grossly unfair. This bill adopts the fairness standard for both the examination of the parties and for granting the dissolution.

The bill makes several other changes. It permits parties to file for a change of name other than to a prior name within a divorce proceeding. It requires the spouses in a dissolution hearing to agree about distribution of retirement benefits and "other career assets".

Impact on Courts

Current law requires preparation of forms and instructions to permit persons to file for dissolutions by themselves without incurring legal costs. Although this bill should result in only a small increase in the length of dissolution hearings, implementation will require substantial revisions to current dissolution forms. These changes include devising a means of notifying both spouses when they must both attend the hearing, a provision to permit spouses to state that it will be a hardship to attend the hearing, and a new section discussing retirement benefits and "other career assets". Developing language to explain these changes to lay people in terms that are understandable and legally accurate, especially changes relating to career assets, will be a time-consuming process which must take into account the level of understanding of litigants in a variety of locations statewide. Without carefully prepared forms and instructions, do-it-yourself divorce can become a very confusing and intimidating process.

The best way of drafting these changes is for court staff from around the state who are involved with dissolutions on a daily basis as well as other interested parties to meet together. This fiscal note sets out the costs of a one-time meeting to develop substantial revisions to the dissolution forms which are required by this bill.

ALASKA COURT SYSTEM
 CSHB 496 (FIN) am - DISSOLUTIONS
 FISCAL IMPACT

TRAVEL:

Travel costs of Dissolution Forms Committee meetings in Anchorage, average length of meeting is 2 days with one and one-half days of in-transit travel time:

Member	Air Fare Cost	Per Diem Cost	Number of Meetings	Total Cost
Clerk of Court - Juneau	\$352	\$280	5	\$3,160
Clerk of Court - Fairbanks	222	280	5	2,510
Area Court Administrator - 1st District	452	280	5	3,660
Superior Court Judge - Wrangell	420	280	5	3,500
Magistrate - Kenai Trial Courts	70	280	5	1,750
Anchorage members - no cost	0	0	5	<u>0</u>
			Total Cost (one-time cost)	<u>\$14,580</u>

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 5/1/86

REQUEST

Bill/Resolution No. : CSHB 496 (Fin) am
 Title : An Act Relating to Divorce,
 Dissolution and Annulment

Sponsor : Rules/Governor
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Alaska Court System
 BRU : Trial Courts

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL		14.6				
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		14.6				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		14.6				
FEDERAL FUNDS						
OTHER						
TOTAL		14.6				

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Robert G. Fisher
 Division : Alaska Court System

Phone : 264-8215
 Date : 5/1/86

Approved by Commissioner : Arthur H. Snowden, II *AHS II*
 Agency : Alaska Court System

Date : 5/1/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)



STATE OF ALASKA

OFFICE OF THE GOVERNOR

ALASKA WOMEN'S COMMISSION

3601 C STREET - SUITE 742

ANCHORAGE, ALASKA 99503

Testimony

Kathy Marshall

CSHB 496 - Dissolution & Divorce

Senate Judiciary Committee

May 6, 1986

The Alaska Women's Commission requested the Governor introduce HB 496 in an effort to improve the economic status of women. A recent study on the economic consequence of no-fault divorce and dissolutions indicates that women with children experience a 73 percent drop in their standard of living during the first year after divorce.

The Women's Commission believes the dissolution procedure, which is a do-it-yourself divorce, is an excellent method of obtaining a divorce for certain individuals -- it is a faster, less expensive, and less traumatic means -- but for many women it spells economic disaster. Here in Alaska, over 25 percent of the families headed by women live in poverty.

The Commission believes that provisions included in CSHB 496 will help alleviate poverty for these women while saving money for the State by lessening the number of AFDC recipients.

The bill makes several procedural changes in the way the courts process dissolutions.

- 1) Under present law, a dissolution can be filed by one spouse if the other spouse cannot be located, but otherwise must be filed by both spouses. Even if both spouses file, only one spouse must attend the court hearing. Under this bill, both spouses will have to attend the hearing in specified situations:
 - a) if domestic violence occurred during the marriage.
 - b) if child support is unusually high or low
 - c) if one spouse has an attorney and the other does not, or
 - d) if the spouses are requesting shared or split custody (more than one child, with the children divided between the spouses).

However, if the court finds it would pose a significant hardship to require both spouses to appear, the court can permit the hearing to take place with only one spouse present.

If both spouses attend the hearing because one of these conditions is present the judge must use a "a heightened level of scrutiny" in reviewing the dissolution agreement. This change will require the courts to look more closely at agreements which may not be in the best interests of children, or in the best interests of the spouses. The intent of this legislation is not to require greatly expanded or lengthy court hearings, but to permit judges to ask as many questions of the parties as the judge deems necessary to make sure the dissolution agreement is fair.

- 2) The bill changes the standard for granting a dissolution from "grossly unfair" to "fair, just and equitable".
- 3) It includes retirement benefits and career assets as part of marital property. While the courts often consider these assets as marital property many people are unaware of it and fail to include them in their agreements.

The bill also changes the divorce statute by:

1. permitting parties to file for a name change other than to a prior name.
2. awarding attorney's fees and spousal support to a spouse while the divorce is pending.

The Commission believes these provisions will help prevent one marital partner from exercising unequal bargaining power over a financially need spouse.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB496(Fin)am
 Title : "An Act relating to divorce,...

Sponsor : Rules/Governor
 Requestor : Senate Judiciary
 Date of Request : 5/05/86

FISCAL DETAIL

Agency Affected : Public Safety
 BRU : Council on Domestic Violence
and Sexual Assault

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Chiller
 Prepared by : Barbara Miklos, Exec. Dir. *BM* Phone : 465-4356
 Division : CDVSA Date : 4/30/86

Approved by Commissioner : *[Signature]* Date : 5/2/86
 Agency : Public Safety

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - CSHB 496 (Finance) am

April 30, 1986

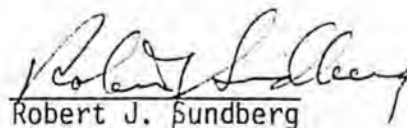
Support

CS HB 496 (Finance) am - "An Act relating to divorce, dissolution, and annulment; and amending Rule 84(a), Alaska Rules of Civil Procedure."

The Council on Domestic Violence and Sexual Assault supports CS HB 496 (Finance) am. The Council's endorsement focuses on Section (11)(h)(3) which requires a heightened level of scrutiny in dissolution agreements if "a domestic violence complaint has been filed during the marriage by a member of the household."

In relationships where domestic violence exists, victims may have experienced long term intimidation by their spouses and may be so anxious to get free of the relationship that they will agree to a dissolution agreement on the terms the spouse dictates as the easiest way out for them. In cases of domestic violence, experience has shown that the intimidation that occurs often takes the form of "brainwashing" so that the victim loses confidence in her ability to make decisions and comes to devalue her judgement and her sense of worth. Yet a woman may appear to be in agreement should she come before the judge and is not questioned about her understanding and the long-term consequences of the agreement. The increased judicial scrutiny called for in this legislation will further protect victims of domestic violence.

Although the Council supports the inclusion of domestic violence as a reason for greater scrutiny, we prefer the original language of the bill which stated that a heightened level of scrutiny is required if "domestic violence has occurred in the marriage." With the original wording, a petitioner could indicate if domestic violence has occurred. With the revision, the information would still need to come from the petitioner yet it would be very difficult to verify the information since not all domestic violence complaints are recorded by police agencies. Also, in rural and isolated areas where police protection is sporadic or nonexistent, victims of domestic violence might never have had an opportunity to file a complaint. These victims should still be entitled to heightened judicial scrutiny.


Robert J. Sundberg

Alaska Women's Commission

Testimony
Kathy Marshall

CSHB 496 - Dissolution & Divorce
House Finance Committee
April 11, 1986

The Alaska Women's Commission requested the Governor introduce HB 496 in an effort to improve the economic status of women. A recent study on the economic consequence of no-fault divorce and dissolutions indicates that women with children experience a 73 percent drop in their standard of living during the first year after divorce.

The Women's Commission believes the dissolution procedure, which is a do-it-yourself divorce, is an excellent method of obtaining a divorce for certain individuals -- it is a faster, less expensive, and less traumatic means -- but for many women it spells economic disaster. Here in Alaska, over 25 percent of the families headed by women live in poverty.

The Commission believes that provisions included in CSHB 496 will help alleviate poverty for these women while saving money for the State by lessening the number of AFDC recipients.

The bill makes several procedural changes in the way the courts process dissolutions.

- 1) Under present law, a dissolution can be filed by one spouse if the other spouse cannot be located, but otherwise must be filed by both spouses. Even if both spouses file, only one spouse must attend the court hearing. Under this bill, both spouses will have to attend the hearing in specified situations:
 - a) if domestic violence occurred during the marriage.
 - b) if child support is unusually high or low
 - c) if one spouse has an attorney and the other does not, or
 - d) if the spouses are requesting shared or split custody (more than one child, with the children divided between the spouses).

However, if the court finds it would pose a significant hardship to require both spouse to appear, the court can permit the hearing to take place with only one spouse present.

If both spouses attend the hearing because one of these conditions is present the judge must use a "a heightened level of scrutiny" in reviewing the dissolution agreement. This change will require the courts to look more closely at agreements which may not be in the best interests of children, or in the best interests of the spouses. The intent of this legislation is not to require greatly expanded or lengthy court hearings, but to permit judges to ask as many questions of the parties as the judge deems necessary to make sure the dissolution agreement is fair.

- 2) The bill changes the standard for granting a dissolution from "grossly unfair" to "fair, just and equitable".
- 3) It includes retirement benefits and career assets as part of marital property. While the courts often consider these assets as marital property many people are unaware of it and fail to include them in their agreements.

The bill also changes the divorce statute by:

1. permitting parties to file for a name change other than to a prior name.
2. awarding attorney's fees and spousal support to a spouse while the divorce is pending.

The Commission believes these provisions will help prevent one marital partner from exercising unequal bargaining power over a financially need spouse.

Honorable Pat Rodey
Senator
State of Alaska
M/S 3100

May 5, 1986

Daryl Methvin
P.O. Box 964
Douglas, Ak. 99824
465-2086

Subject: H.B. 496

I am in hopes that you will consider the following, with reference to annotated subject.

The Statute section's covering child custody and property settlements thru divorce were brought out of the dark ages in 1982. However, most Judges are not applying the laws as written, as mandated by the people of this state.

1. Property/Assets, etc.:

- A. Party retains what was brought into marriage, balance is settled 50/50.

Comment: If settlement is to be 50/50 due to unstated duration of marriage, then Statute should state what duration is to be. Suggest twenty (20) years minimum.

2. Child Custody:

- A. Statute states - Joint Custody - Childs preference, etc.

Comment: Law necessary as there is most always a dispute. However, any parent who wishes to request full custody generally shows themselves to be a selfish parent and can not be interested in the child and/or childrens wishes and/or best interests. Children should be granted stated preference in any case, at any age. It should not be a decision of a selfish parent and/or a Judge who has not heard and/or had agreement by the child. Re: State Adoptior Statute.

You have the clear opportunity to create a Statute and/or revision(s) to same which does not pit men against women and/or support selfishness via omniputant legalese. Use this opportunity to create clear legislation which gives: First - children equal rights to happiness. Secondly - Fair settlements which are not done out of coercion, despair and/or jest.

This will also save the state money by reducing the need for Dept. of H.&S.S. and Revenue positions which deals with and fosters further disent in (to present) dealing with state supported unfair custody and property settlements due to poor decision making by many Judges, and or self serving attorneys.

It's unfortunate our present statutes covering these areas are allowed to be interpreted and manipulated, rather than applied.

I am available to dicuss subject(s) with you in detail.

c.c. Senator Joe Josephson

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 496 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to divorce, dissolution, and annul-
7 ment; and amending Rule 84(a), Alaska Rules of Civil
8 Procedure."

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

10 * Section 1. AS 25.24.140 is repealed and reenacted to read:

11 Sec. 25.24.140. ORDERS DURING ACTION. (a) During the pendency
12 of the action, upon application a spouse may, in appropriate circum-
13 stances, be awarded expenses, including

14 (1) attorney fees and costs that reasonably approximate the
15 actual fees and costs required to prosecute or defend the action;

16 (2) reasonable spousal support, including medical expenses;
17 and

18 (3) reasonable support for minor children in the care of
19 the spouse, if there is a legal obligation of the other spouse to
20 provide support.

21 (b) During the pendency of the action, upon application a spouse
22 is entitled to necessary protective orders, which may include orders

23 (1) providing for the freedom of each spouse from the
24 control of the other spouse;

25 (2) restraining each spouse from subjecting the other
26 spouse or another person living in the household to domestic violence,
27 as defined in AS 25.35.060;

28 (3) directing one spouse to vacate the marital residence or
29 the home of the other spouse;

1 (4) restraining a spouse from communicating directly or
2 indirectly with the other spouse;

3 (5) restraining a spouse from entering a propelled vehicle
4 in the possession of or occupied by the other spouse; and

5 (6) prohibiting a spouse from disposing of the property of
6 either spouse or marital property without the permission of the other
7 spouse or a court order.

8 (c) After a hearing, the court may also order that the parties
9 engage in personal or family counseling or mediation if both parties
10 agree. The court shall provide in the order for the payment of the
11 costs of counseling or mediation.

12 * Sec. 2. AS 25.24 is amended by adding a new section to read:

13 Sec. 25.24.165. CHANGE OF NAME IN DIVORCE OR ANNULMENT. (a) In
14 a judgment in an action for divorce or action declaring a marriage
15 void, the court may change the name of either of the parties.

16 (b) If a party seeks a change of name to a name other than a
17 prior name, the court shall set a date for hearing not less than 40
18 days after filing of the action. Notice of the application for a
19 change of name to a name other than a prior name and the date of the
20 hearing shall be published once each week for four consecutive calen-
21 dar weeks before the hearing in a newspaper of general circulation in
22 the judicial district. At the hearing, the court shall by judgment
23 authorize the party to assume the new name in not less than 30 days
24 after issuance of the judgment, if the court is satisfied that no
25 reasonable objection exists to assumption of the new name. Within 10
26 days after issuance of the judgment the party shall publish notice of
27 the approval of the name change in a newspaper of general circulation
28 in the judicial district.

29 * Sec. 3. AS 25.24.200(a) is amended to read:

1 (a) A husband and wife together may petition the superior court
2 for the dissolution of their marriage under AS 25.24.200 - 25.24.260
3 if the following conditions exist at the time of filing the petition:

4 (1) incompatibility of temperament has caused the irremedi-
5 able breakdown of the marriage;

6 (2) if there are minor children of the marriage or the wife
7 is pregnant, the spouses have agreed on which spouse or third party
8 shall be awarded custody of each minor child of the marriage and the
9 extent of visitation, including visitation by grandparents and other
10 persons, and support to be provided on the children's behalf, whether
11 the payments are to be made through the child support enforcement
12 agency, and the tax consequences of that agreement;

13 (3) the spouses have agreed as to the distribution of all
14 jointly owned real and personal property, including retirement bene-
15 fits and other career assets, and the payment of spousal support, if
16 any, and the tax consequences resulting from these payments; and

17 (4) the spouses have agreed as to the payment of all unpaid
18 obligations incurred by either or both of them, and as to payment of
19 obligations incurred jointly in the future.

20 * Sec. 4. AS 25.24.200(b) is amended to read:

21 (b) A husband or wife may separately petition for dissolution of
22 their marriage under AS 25.24.200 - 25.24.260 if the following con-
23 ditions exist at the time of filing the petition:

24 (1) incompatibility of temperament, as evidenced by extend-
25 ed absence or otherwise, has caused the irremediable breakdown of the
26 marriage;

27 (2) the petitioning spouse has been unable to ascertain the
28 other spouse's position in regard to the dissolution of their marriage
29 and in regard to the division of property, including retirement

1 benefits and other career assets, payment of debts, and custody,
2 support, and visitation because the whereabouts of the other spouse is
3 unknown to the petitioning spouse after reasonable efforts have been
4 made to locate the absent spouse; and

5 (3) the other spouse cannot be personally served with
6 process inside or outside the state.

7 * Sec. 5. AS 25.24.200(c) is amended to read:

8 (c) Except as provided in AS 25.24.220(i), [NOTHING IN THIS
9 SECTION PROHIBITS] a spouse who has been personally served with a copy
10 of a petition made under (a) of this section may execute [FROM EXECUT-
11 ING] an appearance, waiver of time to answer, and waiver of notice of
12 hearing. The appearance and waivers shall include an acknowledgment
13 signed before an officer authorized to administer an oath or affirma-
14 tion that the spouse being served has read the petition; assents to
15 the terms relating to custody of the children, child support, visita-
16 tion, spousal support and resultant tax consequences, division of
17 property, including retirement benefits and other career assets, and
18 allocation of debts; agrees that the conditions otherwise required by
19 (a) of this section exist; agrees that the petition constitutes the
20 entire agreement between the parties; understands fully the nature and
21 consequences of the action; and is not signing the appearance and
22 waivers under duress or coercion.

23 * Sec. 6. AS 25.24.210(d) is amended to read:

24 (d) The petition shall request that the marriage be dissolved
25 and that the [PRIOR] name of a spouse be changed [RESTORED], if de-
26 sired by that spouse.

27 * Sec. 7. AS 25.24.210(e) is amended to read:

28 (e) If the petition is brought by both spouses under AS 25.24.-
29 200(a), the petition shall state in detail the terms of agreement as

1 between the spouses with regard to the custody of children, child
2 support, visitation, spousal support and tax consequences, if any,
3 division of property, including retirement benefits and other career
4 assets, and allocation of debts, and, in addition, shall state

5 (1) the respective occupations of the spouses;

6 (2) the income, assets, and liabilities of the respective
7 spouses at the time of filing the petition;

8 (3) the date and place of the marriage;

9 (4) the name, date of birth, and current custodial status
10 of each minor child born of the marriage or adopted by the petition-
11 ers;

12 (5) whether the wife is pregnant;

13 (6) whether a domestic violence complaint has been filed
14 during the marriage by a member of the household;

15 (7) whether one of the petitioners has received the advice
16 of legal counsel regarding a divorce or dissolution and the other
17 petitioner has not received advice of legal counsel;

18 (8) other facts and circumstances which the petitioners
19 believe should be considered; [AND]

20 (9) that the petition constitutes the entire agreement
21 between the parties; and

22 (10) [(7)] any other relief sought by the spouses.

23 * Sec. 8. AS 25.24.220(b) is repealed and reenacted to read:

24 (b) Both spouses shall attend the hearing personally and not
25 through counsel. However, if the petition is brought by both spouses
26 under AS 25.24.200(a) and if the petition is not subject to (i) of
27 this section, one spouse may comply with AS 25.24.200(c). Either
28 spouse may have counsel at the hearing.

29 * Sec. 9. AS 25.24.220(d) is amended to read:

1 (d) If the petition is brought by both spouses under AS 25.24.-
2 200(a), the court shall examine the petitioners or petitioner present
3 and consider whether

4 (1) the spouses fully understand the nature and conse-
5 quences of their action;

6 (2) the written agreements between the spouses concerning
7 child custody, child support, and visitation are fair, just, and
8 equitable as between the spouses and in the best interests of the
9 children of the marriage;

10 (3) the written agreements between the spouses relating to
11 the division of property, including retirement benefits and other
12 career assets, spousal support, and the allocation of obligations are
13 fair, just, and equitable; [AND]

14 (4) the written agreements constitute the entire agreement
15 between the parties; and

16 (5) the conditions in AS 25.24.200(a) have been met.

17 * Sec. 10. AS 25.24.220(g) is amended to read:

18 (g) The court may amend the written agreements between the
19 spouses relating to child custody, child support, visitation, spousal
20 support, division of the property, including retirement benefits and
21 other career assets, and allocation of obligations, but only if both
22 petitioners concur in the amendment in writing or on the record.

23 * Sec. 11. AS 25.24.220 is amended by adding new subsections to read:

24 (h) In its examination of the petitioner or petitioners under
25 (d) of this section, the court shall use a heightened level of scruti-
26 ny of agreements if

27 (1) one party is represented by counsel and the other is
28 not;

29 (2) child support or the division of marital assets is

1 patently unfair; or

2 (3) a domestic violence complaint has been filed
3 during the marriage by a member of the household.

4 (i) If the court finds that a higher level of scrutiny is re-
5 quired by (h) of this section, the court shall examine the written
6 agreements between the spouses to determine that they are fair, just,
7 and equitable, that they constitute the entire agreement between the
8 parties, and that the agreements concerning child custody, child
9 support, and visitation are in the best interest of the children of
10 the marriage, if any. The court shall require the presence of both
11 spouses at a hearing for this purpose unless the court finds on the
12 record that it would constitute a significant hardship on one of the
13 spouses to appear, and that a fair, just, and equitable agreement has
14 been reached.

15 * Sec. 12. AS 25.24.230(a) is amended to read:

16 (a) If the petition is brought by one or both spouses under
17 AS 25.24.200(a), the court may grant the spouses a final decree of
18 dissolution and shall order [PROVIDE THE] other relief as provided in
19 this section if the court, upon consideration of the information
20 contained in the petition and the testimony of the spouse or spouses
21 at the hearing, finds that

22 (1) the spouses understand fully the nature and conse-
23 quences of their action;

24 (2) the written agreements between the spouses concerning
25 child custody, child support, and visitation are in the best interest
26 of the children of the marriage, constitute the entire agreement of
27 the parties on child custody, child support, and visitation, and are
28 fair, just, and equitable as between the spouses;

29 (3) the written agreements between the spouses concerning

1 [CHILD CUSTODY, CHILD SUPPORT, VISITATION,] spousal support and tax
2 consequences, if any, division of property, including retirement
3 benefits and other career assets, and allocation of obligations are
4 fair, just, and equitable and constitute the entire agreement between
5 the parties; [NOT GROSSLY UNFAIR, UNJUST, OR INEQUITABLE AND ARE IN
6 THE BEST INTERESTS OF THE CHILDREN OF THE MARRIAGE, IF ANY; AND]

7 (4) each spouse entered into the agreement voluntarily and
8 free from the coercion of any person; and

9 (5) [(3)] the conditions in AS 25.24.200(a) have been met.

10 * Sec. 13. AS 25.24.230(e) is amended to read:

11 (e) If the petition is brought by both spouses under AS 25.24.-
12 200(a), the court shall change [RESTORE] either spouse's [PRIOR] name,
13 if the spouse seeking a change of name to a name other than a prior
14 name complies with AS 25.24.165(b), [SO REQUESTED, AND] shall fully
15 and specifically set out in the decree the written agreements of the
16 spouses, [RELATING TO CHILD CUSTODY, CHILD SUPPORT, VISITATION,
17 SPOUSAL SUPPORT, DIVISION OF PROPERTY, AND THE ALLOCATION OF THE
18 OBLIGATIONS OF THE SPOUSES;] and [THE COURT] shall order the perfor-
19 mance of those written agreements. The court shall also state, in the
20 decree, whether child support payments are to be made through the
21 child support enforcement agency. If the petition is brought by one
22 spouse under AS 25.24.200(b), the decree shall state that it does not
23 bar future action on the issues not resolved in the decree.

24 * Sec. 14. AS 25.24.250 is amended by adding a new subsection to read:

25 (c) Forms or instructions prepared under (a) of this section
26 must specify that the dissolution petition constitutes the entire
27 agreement between the parties and provide examples of kinds of proper-
28 ty and obligations that are subject to distribution.

29 * Sec. 15. AS 25.24 is amended by adding a new section to article 2 to

1 read:

2 Sec. 25.24.290. DEFINITION. In AS 25.24.200 - 25.24.290 "ca-
3 reer assets" means tangible and intangible assets and obligations
4 resulting from a spouse's education, profession, or employment that
5 were acquired at least in part as a result of direct or indirect
6 contributions made by the other spouse; a division of career assets
7 must take into consideration the extent to which each spouse
8 contributed to the acquisition of the career assets.

9 * Sec. 16. AS 25.24.165 as added by sec. 2 of this Act, AS 25.24.210(d)
10 as amended by sec. 6 of this Act, and AS 25.24.230(e) as amended by sec. 13
11 of this Act have the effect of amending Rule 84(a), Alaska Rules of Civil
12 Procedure, to allow a change of name to a name other than a prior name to
13 be commenced in a complaint for divorce or annulment or a petition for
14 dissolution of marriage.

15 * Sec. 17. AS 25.24.160(5) is repealed.
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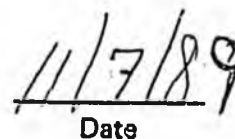


RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

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**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: _____

REQUEST page 1 of 2

FISCAL DETAIL

Bill/Resolution No.: CSSSHB 506 (Jud)
 Title: Relating to joint insurance arrangements

Agency Affected: Commerce & Economic Development
 BRU: Insurance

Sponsor: Judiciary
 Requester: _____
 Date of Request: _____

Components: Public Protection

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-?-	-?-	-?-	-?-	-?-	-?-
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FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary.

CSSSHB 506 (Jud) may have impact beyond the loss of premium tax revenue. To the extent that pools, which are not financially sound, replace insurance, we may find significant losses going uncompensated. AS 21.75 currently provides for the pooling concept through formation of a financially regulated reciprocal insurance company. Proponents of this

Prepared by: John L. George, Director
 Division: Division of Insurance

Phone: 465-2515
 Date: April 22, 1986

Approved by Commissioner: [Signature]
 Agency: Commerce and Economic Development

Date: April 22, 1986

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSSHB 506 (Jud)

page 2 of 2

legislation do not feel that they should be forced to meet these minimal financial requirements.

To the extent that private enterprise wants to risk their own money on a pool venture after their own highly qualified staff has fully reviewed the ramifications, I have little opposition to the formation of a pool for first party coverage. This legislation does not restrict the types of coverage to be written to first party only. The concern is, will third party claimants be adequately protected. The parties currently looking at this legislation as a vehicle to replace insurance are relying on a consultant whose financial interest is not dependent on the soundness of the pool's financial basis or stability.

I fear that if a municipal or school district (REAA) pool is unable to pay claims, the state may be looked to for a bailout. In the case of the REAA schools, insurance covers state property on loan to the districts. If the pool becomes insolvent, no funds will be available to replace the state-owned facility in the event of loss. In this case I am sure the state would be put in a position where they must replace the school using general fund monies.

A well conceived self disciplined pool will set internal standards for itself which meet or exceed our minimum requirements. If no restraints are placed on pools and if the state is in a position of last recourse for funds we may be financially impacted by future pool insolvencies.

The pure premium tax impact will vary as premium levels change and pools are formed. The tax impact is certainly less than \$5 million and my best guess is a \$1 - \$3 million impact if the pool concept is utilized by a significant segment of eligible entities.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: 9-3-86

REQUEST

Bill/Resolution No.: CSSHB 506 (Jud)
Title: Relating to insurance

Sponsor: House Labor & Commerce
Requester: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Development
BRU: Insurance

Components: Public Protection

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULLTIME	-0-	-0-	-0-	-0-	-0-	-0-
PARTTIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary.

To the extent businesses, groups and municipalities avail themselves to this bill, premium tax receipts (generally 3%) will be reduced. 1985 tax totalled \$22.4 million.

Prepared by: John L. George, Director
Division: Division of Insurance

Phone: 465-2515

Date: _____

Approved by Commissioner: _____
Agency: Commerce and Economic Development

Date: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

KENNELLY, AZAR & DONOHUE, P. C.

A PROFESSIONAL CORPORATION

Attorneys at Law

C. R. KENNELLY
WILLIAM G. AZAR
WILLIAM J. DONOHUE

SUITE 202, 821 "N" STREET
ANCHORAGE, ALASKA 99501
(907) 279-9352/270-2255

April 29, 1986

Sen. Patrick Rodey
Alaska State Legislature
Pouch V (MS 3100)
Juneau, AK 99811

RE: Tort Reform Proposed Legislation

Dear Senator:

I previously wrote to you regarding the issue of Tort Reform. You will recall that I sent you copies of numerous newspaper articles which have been written about our client, Linda Bennett, a blind girl who was injured in an automobile accident.

I am writing to you on this occasion with reference to two bills, House Bill 506 and Senate Bill 404. Both of these bills authorize joint insurance arrangements through which participating members agree to pool contributions in order to reduce the cost of insurance coverage through purchasing on a group basis. The House Bill specifically authorizes municipalities, school districts, regional educational attendance areas and regional electrical associations and others to form such participating joint insurance arrangements. I believe that the idea behind pooling arrangements is that if municipalities throughout the state purchase insurance as a group, they can possibly get it at a lower premium. This is indeed true of other kinds of group insurance arrangements, including liability insurance. I personally have handled several cases in which individuals residing in rural areas throughout Alaska have been either killed or have been seriously injured as a result of negligent conduct by employees of municipalities, school districts and public utilities. It is the observation of both myself and my partners that the number of catastrophic injuries or deaths that occur on an annual basis involving school districts, utilities and municipalities are not great in number, but that the insurance premium charged by the insurance companies for individual policies is extremely high. That is to say that it appears that the municipalities

April 29, 1986

Page 2

are each being charged a premium for insurance which covers for all claims made on a statewide basis. It appears to us that there is an excessive amount of liability insurance sold to municipalities in similar groups in the state and that if one policy were sold to cover all of the municipalities, the premium charge for such a policy would not be appreciably higher than the individual premium of any one of the municipalities currently purchasing insurance.

In addition, these bills would permit municipalities to pool money to pay claims outright without buying insurance. This would also greatly reduce the cost of insurance to the outlying municipalities, school districts and utilities. In addition, since this is legislation which would simply provide the option and would not mandate any pooling arrangements, I cannot see any harm which would result from its passage. In short, in view of the "insurance crisis" currently affecting this type of entity, it appears that this is very favorable legislation.

It is my understanding that House Bill 506 was referred to the finance committee currently chaired by representative Al Adams of Kotzebue. It is also our understanding that the Alaska Municipal League has formally endorsed this legislation and has urged its passage, particularly for the benefit of remote communities such as Kotzebue, Nome and Barrow. I personally do not understand why these bills are being held in committees while the Tort Reform Legislation, which would greatly reduce the fair compensation paid to victims is being pushed so heavily. The so called Tort Reform will have a direct financial impact upon citizens of the State of Alaska. The pooling arrangements permitted by these two bills will not result in any losses to anyone other than the insurance companies who wish to continue collecting high insurance premiums from municipalities on an individual basis rather than allowing them to either be self insured on a group basis or purchase group insurance. Experience in the insurance industry has proven that selling coverage and spreading risks on the basis of a group, such as group medical insurance, group life insurance, fleet liability insurance for automobiles and other types of group insurance prove to be more economical. The Legislature has previously allowed the doctors to form a statewide organization to purchase liability insurance for medical malpractice on a group basis. This legislation will result in a direct

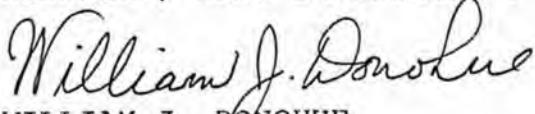
April 29, 1986
Page 3

reduction in governmental costs to the local governments, the state government and the federal government which all currently subsidize the local governments in rural areas. Operating as a group will also give the smaller entities much more bargaining power when it comes to the question of purchasing insurance and fixing the premiums. At the present time, the small school district or municipality has no bargaining power when dealing with the larger insurance companies from outside of the state. Passage of these bills will go to the heart of the problem of reducing insurance premiums rather than simply reducing the awards to the victims. Reducing the rewards to the victims simply increases the profit margin realized by the insurance companies.

In closing, I would strongly urge that the Legislature consider these two pieces of legislation as a means of partially resolving the so-called insurance crisis.

Very truly yours,

KENNELLY, AZAR & D'ONOHUE, P.C.


WILLIAM J. DONOHUE

WJD/adk

Original sponsors: Taylor, Gruenberg,
Larson, et al

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 506 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to joint insurance arrangements; and
7 providing for an effective date."

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

9 * Section 1. AS 21 is amended by adding a new chapter to read:

10 CHAPTER 76. JOINT INSURANCE ARRANGEMENTS.

11 Sec. 21.76.010. AUTHORITY TO ESTABLISH JOINT INSURANCE ARRANGE-
12 MENTS. (a) Municipalities, city and borough school districts, and
13 regional educational attendance areas may enter into cooperative
14 agreements with each other for the purpose of establishing, operating,
15 or participating in joint insurance arrangements through which the
16 participating members agree to pool contributions in order to either
17 assume risks from losses to the participants on a group basis or
18 purchase coverage for the participants on a group basis.

19 (b) A joint insurance arrangement may be for any kind of insur-
20 ance defined by this title except for disability insurance, health
21 insurance, life insurance, and title insurance.

22 (c) A joint insurance arrangement shall be considered an alter-
23 native or supplement to any other policy or contract of insurance
24 authorized or required by law, including insurance under AS 21.75.

25 (d) For purposes of AS 23.30.075, a joint insurance arrangement
26 is considered to be an association duly authorized to transact work-
27 ers' compensation insurance in the state.

28 Sec. 21.76.020. REGULATION BY DIVISION OF INSURANCE. (a) A
29 joint insurance arrangement may not be considered insurance for the

1 purpose of any other law of the state and is not subject to regula-
2 tions of the director except as expressly provided in (b) - (d) of
3 this section and other provisions of this chapter.

4 (b) A joint insurance arrangement is subject to examination by
5 the division under AS 21.06.140 - 21.06.230.

6 (c) A joint insurance arrangement is subject to approval by the
7 director. As a condition of approval by the director, a joint insur-
8 ance arrangement shall have and maintain, as to the coverage provided,

9 (1) a certificate of excess insurance or reinsurance

10 (A) for property insurance, to the value of the single
11 most valuable property covered;

12 (B) for liability insurance, to the highest policy
13 limit provided by the arrangement;

14 (C) for workers' compensation, to the extent of all
15 benefits allowed by law above retention;

16 (2) a certificate of insurance limiting the arrangement's
17 total exposure for liability and workers' compensation to the
18 arrangement's aggregate retention;

19 (3) assets allowable under AS 21.21.020 - 21.21.140, 21.-
20 21.225, or 21.21.230 in an amount no less than the arrangement's
21 aggregate retention plus an amount considered adequate by the director
22 to cover administrative and adjustment expenses.

23 (d) The value of assets and liabilities under (c) of this sec-
24 tion shall be determined in accordance with AS 21.18.

25 Sec. 21.76.030. GENERAL PROVISIONS OF COOPERATIVE AGREEMENTS. A
26 cooperative agreement shall provide for the proper operation of the
27 joint insurance arrangement, and include provisions for

28 (1) administration of the arrangement by a board of direc-
29 tors, specifying the number of members of the board and other

requirements necessary for the proper functioning of the board;

(2) appointment of an administrator and other persons as necessary for the proper functioning of the arrangement;

(3) organization of the arrangement, including a roster of participating members and the names of the members of the board of directors;

(4) procedures to establish and promote an aggressive risk management and program among the members of the arrangement, including procedures for identifying and reducing the risks that can be reduced through implementing better safety technologies and improved work techniques and procedures;

(5) enforcing the collection of contributions or payments in default from members of the arrangement;

(6) the addition of new members to the arrangement or the withdrawal of members from the arrangement;

(7) the method of apportioning costs and disposition of excess contributions;

(8) transmission of financial statements and audit reports of the arrangement to participating members;

(9) terminating the arrangement and disposing of its assets; and

(10) establishing and administering a joint insurance fund.

Sec. 21.76.040. FINANCIAL PROVISIONS OF AGREEMENTS. (a) A cooperative agreement must include a provision requiring an annual determination by a casualty actuary who is a member of the American Academy of Actuaries that procedures for establishing reserves for losses of the joint insurance arrangement are actuarially sound.

(b) A joint insurance arrangement shall be subject to an annual independent audit. The audit shall be conducted in accordance with

generally accepted auditing standards and must include a review of the actuarial assumptions used for establishing the reserves under (a) of this section. The audit report must include certification from a casualty actuary who is a member of the American Academy of Actuaries that the actuarial assumptions continue to be sound and the level of the reserves are adequate.

Sec. 21.76.050. CONTRACTING WITH PRIVATE ADMINISTRATORS. A cooperative agreement may authorize the board of directors to enter into contracts for services necessary to perform the functions of a joint insurance arrangement. The person contracting to perform the functions must be appropriately licensed under this title if this title so requires.

Sec. 21.76.060. DELEGATION OF POWER TO SETTLE CLAIMS. A cooperative agreement may delegate to the board of directors, or authorize delegation by the board to another person or group, the power to compromise, arbitrate, or otherwise settle claims on behalf of the arrangement.

Sec. 21.76.070. EXCESS INSURANCE. A cooperative agreement may authorize the board of directors to purchase excess or catastrophic insurance on behalf of the joint insurance arrangement. The cost of the insurance shall be apportioned in the manner specified in the joint insurance agreement. The board may purchase insurance under this section only from an insurer authorized to do business in the state, except that an arrangement formed by municipalities or school districts may purchase insurance under this section from a risk-sharing pool established by a national association of similar entities if the risk-sharing pool meets the qualifications for an unauthorized insurer under AS 21.34.040(b) and (d) and 21.34.220 and has capital and policyholders surplus in an amount at least as great as would be

1 required if the association were a domestic multiple line insurer. An
2 arrangement may purchase insurance under this section for property and
3 liability risks from unauthorized insurers allowed for use by licensed
4 Alaska surplus lines brokers.

5 Sec. 21.76.080. JOINT INSURANCE FUND. (a) A joint insurance
6 arrangement shall establish a joint insurance fund. The fund consists
7 of money

8 (1) contributed by members of the joint insurance arrange-
9 ment through budgetary appropriations or transfers from a self-insur-
10 ance reserve;

11 (2) contributed by officers and employees of members of the
12 joint insurance arrangement under an employee benefit plan; and

13 (3) collected by the joint insurance arrangement through
14 subrogation of a claim paid from the fund to a member of the arrange-
15 ment.

16 (b) An expenditure may be made from a joint insurance fund only
17 to pay claims, losses, or benefits, including interest on them, and
18 the administrative and adjustment expenses incurred in connection with
19 them, involving the types of protection for which the fund provides
20 coverage as specified in the joint insurance agreement.

21 (c) The administrator shall keep the fund separate from other
22 funds of a member of a joint insurance arrangement.

23 (d) For each type of protection offered by the joint insurance
24 arrangement, the method of accounting must show the order, source,
25 date, and amount of each payment from the fund.

26 (e) Within 60 days of the end of the fiscal year, the adminis-
27 trator shall furnish a detailed report of the operation and condition
28 of the fund to the board of directors and the director of insurance.
29 The report furnished to the director of insurance shall be

(1) filed in the general form and context acceptable to the director;

(2) in accordance with accounting principles established under this title; and

(3) available for public inspection.

(f) Money held by a fund as reserves and money not needed for daily operations may be invested by the board of directors.

(g) A fund may not be terminated unless the administrator certifies that an amount of money sufficient to pay accrued and contingent expenditures has been placed in a fully collateralized escrow account.

Sec. 21.76.090 FILING OF AGREEMENT. The board of directors shall file a copy of the cooperative agreement with the director of insurance at least 60 days before the effective date of the agreement. The agreement shall be available for public inspection.

Sec. 21.76.100. REGULATIONS. A cooperative agreement may authorize the board of directors to adopt rules not inconsistent with law for the fair and equitable administration of the joint insurance arrangement and the joint insurance fund.

Sec. 21.76.110. SUBROGATION. A joint insurance arrangement has a right of subrogation with respect to its participants to the same extent that an insurer has a right of subrogation with respect to one of its insureds.

Sec. 21.76.900. DEFINITIONS. In this chapter

(1) "adjustment expenses" means expenses for investigative, processing, legal, actuarial, arbitration, and settlement services incurred in the adjustment of losses, claims, or benefits;

(2) "administrator" means a person or group appointed by the board of directors to administer a joint insurance arrangement or a joint insurance fund;

(3) "board" or "board of directors" means the board of directors provided for in a cooperative agreement;

(4) "cooperative agreement" means a written agreement entered into by two or more entities described in AS 21.76.010 for the purpose of establishing, operating, or participating in a joint insurance arrangement;

(5) "fund" or "joint insurance fund" means a fund established under AS 21.76.080;

(6) "joint insurance arrangement" means a joint insurance arrangement authorized under AS 21.76.010.

* Sec. 2. AS 21.36.190 is amended by adding a new subsection to read:

(e) This section does not apply to insurance coverage under a joint insurance arrangement authorized by AS 21.76.

* Sec. 3. AS 21.39.155(a) is amended to read:

(a) The director may require carriers, except a reciprocal insurer formed by and insuring only a group of municipalities or nonprofit public utilities under AS 21.75 or a joint insurance arrangement formed under AS 21.76, as a condition of writing a line of insurance dealing with workers' compensation, to participate in an assigned risk pool if the director finds that mandatory carrier participation is in the public interest.

* Sec. 4. AS 21.80.180(5) is amended to read:

(5) "insolvent insurer" means an insurer

(A) authorized to transact insurance in this state, except an assessable reciprocal insurer formed by and insuring only municipalities or nonprofit public utilities, a joint insurance arrangement formed under AS 21.76, the Medical Indemnity Corporation of Alaska, and the Health Care Providers Joint Underwriting Association established under AS 21.88, either at the

1 time the policy was issued or when the insured event occurred,
2 and

3 (B) determined to be insolvent by a court of competent
4 jurisdiction;

5 * Sec. 5. AS 21.80.180(6) is amended to read:

6 (6) "member insurer" means a person, except an assessable
7 reciprocal insurer formed by and insuring only municipalities or
8 nonprofit public utilities, a joint insurance arrangement formed under
9 AS 21.76, the Medical Indemnity Corporation of Alaska, and the Health
10 Care Providers Joint Underwriting Association established under
11 AS 21.88, who

12 (A) writes any kind of insurance to which this chapter
13 applies under AS 21.80.020 including the exchange of reciprocal
14 or interinsurance contracts, and

15 (B) is licensed to transact insurance in this state;

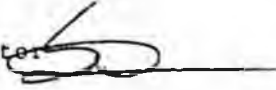
16 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

To: Senator Pat Rodey, Chairman
Members of the Senate Judiciary Committee

From: Scott A. Burgess, Executive Director 

Date: May 5, 1986

Subject: CSHB 506 - Insurance Pooling

The Alaska Municipal League, representing 116 direct member municipalities, strongly supports legislation (CSHB 506) that would enable municipalities to pool their insurance costs, and losses. Currently, municipal insurance pools, sponsored by state municipal leagues, are operating in 23 states. Never has any municipal insurance pool gone into default. Never has any municipal insurance pool been unable to pay a claim. All have been very successful.

Municipal insurance pooling lowers costs, and increases availability of insurance to municipalities. Pools offer municipalities a chance to pay premiums based solely upon loss history. In addition, municipalities in an insurance pool can recoup a portion of that premium through a year-end dividend payment, based upon their success at controlling losses. Under a pool, the availability of insurance to municipalities would no longer be subject to the cycles of the general insurance market.

If legislation allowing the formation of a municipal insurance pool were passed, the AML would most likely obtain reinsurance from the National League of Cities, which will begin offering reinsurance on May 1 of this year through a reinsurance pool supported by the 23 state municipal league pools currently in operation. In addition, several other reinsurance opportunities would be available to an Alaska Municipal League insurance pool, due to the success, and past performance, of the League's current insurance program. Though not a pool, the League currently sponsors a program which is providing insurance to over 80 municipalities and school districts in the State for worker's compensation, general liability, business auto, and errors and omissions coverage for law enforcement, public officials, and school board members.

The Alaska Municipal League urges you to pass CSHB 506.

Thank you for your consideration of this important issue. If the League may be of further assistance in any way, please call. Attached, please find a listing of state municipal league insurance pools currently in operation, a listing of Alaska municipalities and school districts currently obtaining their insurance through the Alaska Municipal League, testimony presented to the House Labor and Commerce Committee on behalf of AML member municipalities, a copy of the AML resolution on the insurance crisis facing the State of Alaska, and a sample survey of insurance rate increases for Alaska municipalities.

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

To: Representative Mike Navarre, Chairman
Members of the House Labor and Commerce Committee

From: Scott A. Burgess, Executive Director 

Date: February 17, 1986

Subject: Legislation Addressing The Insurance Problem

On behalf of the Alaska Municipal League, thank you and all the members of the 14th Legislature for recognizing that an insurance crisis exists, and for taking on, what has already proven itself to be, a difficult issue. The League, on behalf of the 116 municipalities it represents, directly, and all local governments in Alaska, offers its assistance in finding short-term and long-term solutions.

Attached is a copy of an AML resolution on the insurance and tort reform issue from the 1986 Policy Statement which was sent to you at the beginning of the year. Also, the following policy appears on page 8 of the Statement:

F. TORT REFORM

The League urges the Legislature to review tort reform and to work for a viable municipal insurance system.

These policies came out of the discussions and actions at the annual conference in Fairbanks. The Board of Directors chose finding solutions to the availability and affordability of insurance for municipalities as one of its top four legislative priorities for this year. While the League has been working for several years to assist municipalities with their insurance needs, it has been unable to address and fully understand the current crisis.

The League is in support of legislation allowing municipalities to create a self-insured risk pool. The current statutes allowing for municipalities to form reciprocals is unnecessarily burdensome and expensive. It requires municipalities to essentially create an insurance company rather than contracting with existing insurance and financial agencies; requires a heavy surplus deposit over and above the current high premiums; and, is subject to unnecessary regulation by the Division of Insurance.

The League is already helping municipalities with their insurance needs. The League has pursued setting up a self-insurance pool program for several years but have been thwarted by interpretations of existing law, and our attempts to change it. The League has a group insurance program which is providing insurance coverage to over 70 municipalities for workers compensation, general liability, business auto, and errors and

omissions coverage for law enforcement, public officials, and school board members. However, because of the market and our inability to pool, we are unable to improve the program and offer the coverage desired.

The League has not been able to research the current tort reform issue well enough to commit to supporting all the recommended changes to the Statutes, or to make the direct connection between tort reform and the current insurance problem. Like you, local elected officials are equally concerned for both today's plaintiff and tomorrow's taxpayer. The Board of Directors is unsure whether the fault for the current insurance problems rest with a reckless society, the insurance industry, the justice system or State laws, or a combination of all. Therefore, the League is asking the Legislature for help to analyze the problem and develop reasonable solutions. Tort reform should be evaluated on whether it is good policy, and on the long term effects, not just as a possible solution to the current problem.

There is a problem. Municipalities, and others who will appear before you, are unable to obtain or afford insurance to protect themselves, their investments, and the public. The problem faced by municipalities is unique. Municipalities are regarded as high risk clients by insurance companies because they have a greater potential for being sued; therefore, they have, historically, been victims of paying higher premiums. This, itself, is not unique because the same applies to doctors. However, the fact that municipalities are in the business of providing high risk public services, such as fire and police, that they cannot stop providing just because of the cost or risk, is unique to municipalities. Secondly, municipalities are the victims of the "deep pocket" theory. Municipalities are named in suits, directly or indirectly, regardless of the degree of fault because there is a perceived unlimited ability to pay. A claim is not limited by the amount of insurance coverage but by assets, and juries perceive that municipalities need only raise taxes to pay the claim.

The League is currently collecting information through a survey of its 116 members on their recent insurance experiences. The survey is not complete; however, attached is the information from the communities that have responded to date. Also included is information from other municipalities in the AML Insurance Program, provided by our broker Frank B. Hall & Co. of Alaska.

Several bills are before the Legislature attempting to address the insurance problem in Alaska. We support the concept of allowing municipalities to form self-insured risk pools. An AML Legislative Subcommittee has reviewed the bills introduced this session and before your committee, and has no problem with the tort reform measures most completely covered in HB 532. However, the Subcommittee and the staff will follow the hearings and your deliberations closely to better understand all concerned before recommending any specific bill. The League, of course, is available to help you in any way we can to find short and long term solutions to the insurance problems faced by municipalities and others.

ALASKA MUNICIPAL LEAGUE PARTICIPANTS

ADAK REGION S/D	CITY OF HUSLIA	CITY OF OUZINKIE
CITY OF AKUTAN	CITY OF HYDABURG	CITY OF PALMER
CITY OF ALEKNAGIK	CITY OF KACHEMAK	CITY OF PORT HEIDEN
CITY OF ANVIK	KASHUNAMIUT S/D	PRIBILOF S/D
CITY OF BARROW	CITY OF KAKE	CITY OF RUBY
CITY OF BETHEL	KENAI PENINSULA BOR. & S/D	CITY OF RUSSIAN MISSION
CITY OF BREVIG MISSION	CITY OF KETCHIKAN	CITY OF ST. MARY'S
BRISTOL BAY BOR. & S/D	KETCHIKAN GATEWAY BOR. & S/D	CITY OF ST. MICHAEL
CHATHAM S/D	CITY OF KIANA	CITY OF ST. PAUL
CITY OF CHIGNIK	KING COVE S/D	CITY OF SAND POINT
CITY OF COLD BAY	CITY OF KING COVE	SAND POINT CITY S/D
COPPER RIVER S/D	CITY OF KLAWOCK	CITY OF SAVOONGA
CITY OF CORDOVA	KLAWOCK CITY S/D	CITY OF SAXMAN
CITY OF CRAIG	CITY OF KOBUK	CITY OF SEWARD
CRAIG CITY S/D	CITY OF KOTZEBUE	CITY OF SHISHMAREF
CITY OF DILLINGHAM	LAKE & PENINSULA S/D	CITY OF SKAGWAY & S/D
CITY OF EAGLE	CITY OF LARSEN BAY	SOUTHWEST REGION S/D
CITY OF EMMONAK	CITY OF LOWER KALSKAG	CITY OF TELLER
CITY OF FORT YUKON	MATANUSKA SUSITNA BOR. & S/D	CITY OF THORNE BAY
CITY OF GALENA	CITY OF MCGRATH	CITY OF TOKSOOK BAY
CITY OF GAMBELL	CITY OF NENANA	CITY OF UNALASKA
CITY OF GOLOVIN	CITY OF NEWHALEN	CITY OF WALES
HAINES BOROUGH & S/D	CITY OF NIKOLAI	CITY OF WASILLA
CITY OF HAINES	CITY OF NCORVIK	CITY OF WHITTIER
CITY OF HOONAH	CITY OF NUIQSUT	CITY OF YAKUTAT
CITY OF HOOPER BAY	CITY OF NUNAPIITCHUK	YUPIIT S/D
CITY OF HOUSTON	CITY OF OLD HARBOR	

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 86-13

A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE
URGING THE STATE LEGISLATURE TO INVESTIGATE
TORT REFORM AND THE REASONS BEHIND THE
UNAVAILABILITY OF CERTAIN LINES OF INSURANCE.

WHEREAS, insurance rates have increased astronomically and this has caused businesses to close and has created a financial burden on taxpayers in Alaska, and

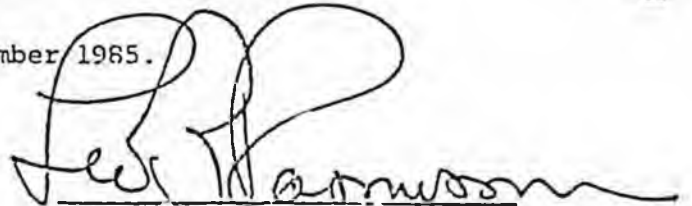
WHEREAS, municipal insurance rates have increased as much as 500% in some areas, and

WHEREAS, day care operators, air carriers, truckers, contractors, CHARP-affiliated businesses, doctors, and architects are in many cases unable to obtain any insurance, and

WHEREAS, the Alaska Municipal League feels strongly that an investigation into causes should be made and a solution to this problem must be found this year;

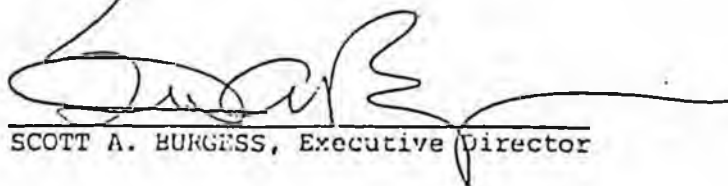
NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that the Office of the Governor and the Alaska State Legislature are urged to immediately pursue all avenues available to solve this problem and find a way to provide insurance in Alaska.

Adopted this 16th day of November 1985.



LEO B. ASMUSSEN, President

ATTEST:



SCOTT A. BURGESS, Executive Director

<u>MUNICIPALITY</u>	<u>LAST YEAR PREMIUM/COVERAGE</u>	<u>THIS YEAR PREMIUM/COVERAGE</u>	<u>% of budget</u>	<u>JOIN/SUPPORT POOLING</u>
ALAKANUK	UNINSURED	UNINSURED	4%	YES
ALEKNAGIK	\$ 4,500	\$1 ^e ,000	13%	MAYBE
BARROW	\$ 4,100/\$ 1 million	\$10,000/\$500,000		
BETHEL	\$350,000	\$600,000	10%	YES
CORDOVA	\$ 21,000/\$ 1 million	\$ 31,950/\$500,000		
EAGLE	\$ 3,365/\$500,000	\$ 8,739/\$500,000	6%	YES
FAIRBANKS	\$212,876/\$20 million	\$514,167/\$5 million	2.5%	NO
GALENA	REPEATED CANCELLATIONS/PREMIUMS UP 200%		5%	MAYBE
GAMBELL	\$ 19,300/\$1 million	\$ 15,617/\$500,000		
HAINES BOROUGH	\$ 25,000	\$ 34,797	3.5%	NO
HOONAH	\$ 6,484/\$1 million	\$ 11,640/\$500,000		
HOUSTON	\$ 23,906	37,444	16%	MAYBE
JUNEAU	\$518,000	\$1,253,900	2%	YES
KAKE	\$ 10,617/\$1 million	\$ 7,080/\$500,000		
KENAI	\$ 85,000/\$10 million	\$320,000/\$10 million		NO
KODIAK	\$ 90,083/\$500,000	\$155,725/\$500,000	5%	YES
KOTZEBUE	\$140,000	\$280,000	5%	YES
LOWER KALSKAG	\$ 2,500/\$1 million	\$ 5,000/\$500,000		
McGRATH	\$ 13,596	\$ 41,063	7.5%	YES
NULATO	\$ 4,500/\$500,000	\$ 12,000/\$500,000	5%	YES
PALMER	\$138,000/\$10 million	\$219,000/\$1.5 million		YES
PELICAN	\$ 7,457/\$500,000	\$ 15,908/\$300,000	11.5%	YES
RUSSIAN MISSION	\$ 2,580/\$1 million	\$ 5,000/\$500,000		
St. MARY'S	\$ 4,200/\$1 million	\$ 5,000/\$500,000	10%	YES
SAND POINT	\$ 45,000	\$ 80,000	9%	YES
SITKA	\$ 53,753/\$10 million	\$131,628/\$5 million	3%	YES
SKAGWAY	\$ 31,883/\$1 million	\$ 55,806/\$ 1 million	6%	MAYBE
SOLDOTNA	\$110,000/\$10 million	\$270,000/\$10 million	6%	YES
TENAKEE SPRINGS	\$ 13,670	\$ 42,000	16%	YES
UNALASKA	\$131,124/\$14 million	\$ 99,468/\$4 million	10%	YES
WALES	\$ 11,663	UNINSURED		YES
WASILLA	\$ 11,000/\$6 million	\$19,000/\$1.5 million	2%	MAYBE

** ALL INFORMATION COMPILED BY THE ALASKA MUNICIPAL LEAGUE BY SURVEY. BACK-UP IS AVAILABLE THROUGH THE AML 105 Municipal Way, Suite 301, Juneau, Alaska 99801



City of Petersburg
P. O. Box 329
Petersburg, Alaska 99833

April 6, 1986

Pat Rodey
Chairman of Senate Judiciary Committee
P.O. Box V
Juneau, Alaska 99811

Re: HB #506

Dear Senator Rodey:

It is my understanding that the Senate Judiciary Committee will soon begin hearings on HB #506 the Municipal Insurance Pooling legislation. The purpose of this letter is to encourage you not to allow insurance lobbyist to alter the bill, and specifically, not to drop Worker's Compensation from the bill.

Most insurance pools require Workers Compensation to make "pooling" feasible economically. Alaska has relatively few cities and needs the "economics of scale" that Worker's Compensation will bring to a "pool".

I would appreciate knowing the status of this bill as it progresses through your committee.

Very Truly,

Ed Pefferman
City Manager, Petersburg

cc: Tim Kelly
Jan Faiks
Rick Halford
Robert Ziegler

Blue Cross
of Washington and Alaska

Martin Tirador
Senior Representative
Corporate Relations



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SUGGESTED AMENDMENT TO CSSH-B-506 (JUD)

DELETE:

Page 1, lines 28 and 29 - All Language
Page 2, line 1 - Insurance

REPLACE WITH:

A joint insurance arrangement may be for any kind of insurance defined by this title except for

(1) life, annuity, health, disability and title insurance; and

(2) surety.

RATIONALE:

This bill is designed to fill a void left by the lack of general liability insurance. The classes of insurance suggested are readily available thus making their inclusion in the bill unnecessary.