

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

4169 SLAB SB 82 - SB 89

1049



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 A. Smith
Signature of Camera Operator

11/24/89
Date

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CSSB 82 (Trans) Sectional Analysis:

- Section 1) Provides that the commissioner of DCED is the ex officio director of weights and measures and allows delegation of authority to state inspectors.
- Section 2) Designates the Commissioner of DCED as custodian of the state standards and equipment related to this program.
- Section 3) Grants authority to adopt regulations to enforce the weights and measures act, the overweight/oversize permit program and the weigh station program.
- Section 4) Identifies items which may be addressed in the regulations.
- Standards and packaged commodities
 - inspection records
 - exemptions from sealing regs
 - exemptions for annual weights and measures testing
 - enforcement of permit and weigh station programs
- Section 5) Provides that the specifications, tolerances, and regs for commercial weighing and measuring devices, published in the National Bureau of Standards Handbook 44, will be used by state unless modified or rejected by the Commissioner.
- Section 6) Provides that the commissioner shall verify standards and equipment to carry out this chapter.
- Section 7) Deletes references to the Director and inserts Commissioner regarding the frequency and testing for city and state supported institutions' standards of weights and measures.
- Section 8) Inserts commissioner rather than director regarding the frequency of testing for all weights and measures used commercially.
- Section 9) Authorizes the commissioner the responsibility for investigating complaints and violations of this chapter.
- Section 10) Grants the commissioner the authority to determine compliance on the inspection of packaged commodities.

- Section 11) Authorizes the Commissioner to issue stop use orders, stop removal orders, and removal orders for weights and measures or commodities.
- Section 12) Authorizes the commissioner to take actions when weights and measures are determined to be correct or incorrect.
- Section 13) Defines the commissioner's enforcement authority and procedures to be used to exercise this authority.
- Section 14) Adds a new section pertaining to the issuance of citations with respect to size, weight, and load limitations.
- Section 15) Defines the powers and duties of inspectors when acting under instructions and at the direction of the commissioner.
- Section 16) Lists the conditions under which a city may appoint a sealer of weights and measures.
- Section 17) Defines the powers granted to city sealers and deputy sealers.
- Section 18) States that even if a city has an appointed sealer, the commissioner has concurrent authority to enforce this chapter.
- Section 19) Defines the responsibilities and restrictions placed upon the owner of a rejected weight or measure.
- Section 20) Authorizes the commissioner to adopt regs to assure that commodities are sold in accordance with good commercial practice.
- Section 21) Requires that variations of weight and exemptions to commodity packaging be established by the commissioner through regulations.
- Section 22) Section prohibits misleading commodity containers and labels; "fill" standards to be prescribed by the commissioner.
- Section 23) Section pertains to delivery tickets used for bulk commodities delivered to a consumer and provides that when a delivery ticket is surrendered, the commissioner or the deputy sealer shall issue a weight slip.
- Section 24) Section concerns delivery tickets used for bulk coal, coke, and charcoal and the commissioner's authority over them.
- Section 25) Section relates to the marking of textile products and allows the commissioner to include reasonable tolerances in regs.

- Section 26) Allows the commissioner to apply to a court for a restraining injunction.
- Section 27) Outlines the penalties for various offenses in this chapter.
- Section 28) Commissioner is defined as the commissioner of DCED
- Section 29) Repealers
- Section 30) Immediate effective date.

AK TOURISM JNU
PERMITS II AHG

TO: JOE SWANSON, DIRECTOR
DIVISION OF MEASUREMENT STANDARDS
C/O DEPARTMENT OF COMMERCE
TOURISM DIVISION
JUNEAU, AK

FROM: A. D. THOMPSON, CHIEF
SECTION OF PERMITS &
WEIGH STATIONS
ANCHORAGE, AK

VIOLATIONS AT
WEIGH STATIONS
PROVIDED BY
DCED

	FY 83	FY 84	1/2 FY 85
1. NO PERMIT		131	227
2. PERMIT VIOLATIONS		118	183
3. PERMIT CORRECTIONS		202	156
	-----	-----	-----
TOTAL	##297	451	566

1. OVERSIZE VEHICLE TRAVELING WITH NO PERMIT.
2. A VIOLATION OF PERMIT CONDITIONS WHICH REQUIRED THE APPROVAL OF THE PERMIT OFFICE PRIOR TO CONTINUING TRIP.
3. A VIOLATION OF PERMIT CONDITIONS THAT WHERE A PERMIT CORRECTION FORM WAS ISSUED BY A WEIGHT STATION OPERATOR.

REPRESENTS NINE MONTHS OF FY 83. UNABLE TO SEPARATE BY TYPE.

AK TOURISM JNU

PERMITS II AHG

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TOD FEB 11 85

WEIGH STATION PROGRAM - STATEWIDE TOTALS

MONTH February YEAR 1985 - FY 85

	CURRENT YEAR		PREVIOUS YEAR	
	MONTH	YTD	MONTH	YTD
1. <i>Inspection Activity:</i>				
A. <i>Trucks weighed</i>	6,743	90,260	6,266	77,243
B. <i>Trucks reweighed</i>	218	2,911	123	2,815
C. <i>Trucks measured</i>	190	2,053	181	2,018
D. <i>Trucks measured electronically</i>	3,451	41,249	3,109	29,411
2. <i>Enforcement Activity:</i>				
A. <i>Weight:</i>				
1. <i>Loads shifted</i>	157	2,035	66	1,452
2. <i>Off loadings</i>	78	992	74	1,857
3. <i>Number of citations issued</i>	61	539	37	375
B. <i>Size: (No Permit)</i>				
1. <i>Number of violations detected and corrected</i>	1	243	29	84
3. <i>Permit Activity:</i>				
A. <i>Number of permit violations</i>	23	226	16	60
B. <i>Number of permit corrections</i>	24	213	4	112
4. <i>Imminent Safety Hazards:</i>				
A. <i>Number of vehicles placed out of service for:</i>				
1. <i>Equipment</i>	1	72	16	167
2. <i>Load</i>	0	11	0	14

WEIGH STATION PROGRAM - STATEWIDE TOTALS

MONTH February YEAR 1985 - FY 85

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2. <i>Load</i>	0	11	0	14

WEIGH STATION PROGRAM - STATEWIDE TOTALS

MONTH December YEAR 1984 - FY 85

	CURRENT YEAR		PREVIOUS YEAR	
	MONTH	YTD	MONTH	YTD
1. <i>Inspection Activity:</i>				
A. <i>Trucks weighed</i>	6,868	74,939	6,309	64,353
B. <i>Trucks reweighed</i>	268	2,402	171	2,542
C. <i>Trucks measured</i>	198	1,553	199	1,565
D. <i>Trucks measured electronically</i>	3,432	33,528		
2. <i>Enforcement Activity:</i>				
A. <i>Weight:</i>				
1. <i>Loads shifted</i>	217	1,650	92	1,312
2. <i>Off loadings</i>	86	829	72	1,704
3. <i>Number of citations issued</i>	62	405	34	304
B. <i>Size: (No Permit)</i>				
1. <i>Number of violations detected and corrected</i>	28	227	6	46
3. <i>Permit Activity:</i>				
A. <i>Number of permit violations</i>	33	183	7	50
B. <i>Number of permit corrections</i>	20	156	8	88
4. <i>Imminent Safety Hazards:</i>				
A. <i>Number of vehicles placed out of service for:</i>				
1. <i>Equipment</i>	6	52	15	122
2. <i>Load</i>	0	11	1	5

MEMORANDUM

State of Alaska

TO: JOE SWANSON, DIRECTOR
DIVISION OF MEASUREMENT STANDARDS

DATE: 3/8/85

FILE NO:

TELEPHONE NO:

FROM: *JD* JAN DAVIS, DOC. PROC. II

SUBJECT: BOAT MOVE OF 3/1/85
PERMIT NO. 203081

Alas Can Trucking applied for an oversize permit on 2/27/85 for a boat move with overall dimensions of 18'6" high, 15' wide, 75' long. The height required clearances by all utility companies. Three stated they would accompany the move and raise their wires; two stated they would authorize the move without accompaniment. The width of the load required a police escort the entire route.

The trucking company began the move from the dock area prior to the arrival of all the required utilities. ML & P (electric) had to raise several telephone company wires. They objected to the raising of these wires to the police escort and called the telephone company, who notified the permit office that the move had begun before their arrival (or the arrival of Chugach Electric). ML & P had also measured the load and the height was 19'4". I requested that the police escort stop the move as the trucking company was in violation of the permit. The additional height now required accompaniment by the cable utility as well as approval to move unaccompanied by the traffic signals division.

The move was completed later that day after the required approvals were received by the permit office and all the utilities were present to accompany the load.

See the attached police report, which shows further violation of the permit in that three pilot cars were required and only two were present.

Note on page 2 of the police report that the trucking company attempted to move a second (higher) boat under the same permit, and that the driver stated that the permit office had cleared the move. This was not true. Later that same day, the owner of the trucking company came into the office to complete three more oversize applications for boats (one of which was the second boat referred to above); he stated in my presence that if the police escort officer hadn't gotten so nervous, they would have gotten that second boat moved.

cc: A. D. Thompson, Chief
T. Duff, Clerk IV, Permit Section

Back Up

STATE OF ALASKA
APPLICATION & PERMIT
TO TRANSPORT OVERSIZE OR OVERWEIGHT
VEHICLES OVER THE ALASKA HIGHWAY SYSTEM
AND OTHER DESIGNATED HIGHWAY

For Permit Office Use Only **203081**
Permit Office: FAIRBANKS
Date Rec'd. 2-27-85
Fee Amount 2000
Cash Check Charge
Cert. Weight Ticket Attached Yes No
Alaska Business License No. _____

Name of Owner/leasee Alan Con Purabing
Address _____
Lic. No.: Truck 5502 BT Trailer _____ Vehicle Type Trailer ATC No. 221 D
Make & Model: Truck Peter Trailer Bobcat
Load Bobcat Make & Model _____
Dates of Move Feb 28 Time of Move DAYLIGHT HOURS EXCEPT AS STAMPED
Exact Origin Denali Exact Destination 26 St & Kings Rd.
Via Highways Denali Highway, Park. Road, Inupiat Highway, 26th St.

NO MOVEMENT IF VISION IS OBSCURED BY INCLEMENT WEATHER. PERMIT MUST BE CARRIED IN ORIGINAL VEHICLE DURING MOVE.

VEHICLE WEIGHTS

OVERALL WHEEL BASE EQUALS _____ FEET

(X' in axles by groups)

Actual Weights	_____	_____	_____	_____	_____
Tire Width (in.)	<u>11</u>	<u>11</u>	<u>11</u>	_____	_____
Tire Loading (No./In.)	_____	_____	_____	_____	_____
Actual Combined Vehicle Weight	<u>Legal</u>			Legal Combined Vehicle Weight	<u>95,000</u>

(Circle all values that are overweight)

VEHICLE SIZE

Overall Height: 18'-6" Overall Width: 15' Overall Length: 75'
Overhangs: Front _____ Rear 4' Semi Trlr. Length: 45'
Over Height 6' Over Width 1'-6" Over Length _____

CONDITIONS (For Office Use Only)

Longwide Load Sign: Front Rear Convoy Communication Red Flag Police Escort

Pilot Cars: 2 Front Rear Rotating Beacon

Maximum Speed: (1.) Highways 25 (2.) Bridges (a.) Max speed _____ (b.) No gear change (c.) No braking

Other Conditions: WAYNE BUTCHER (WUGACH ELECT. APPROVED ROUTE) THEY WILL ACCOMPANY MOVE - PER BOB HANCOCK ATU WILL ACCOMPANY MOVE 2-28-85 APPROVED BY JIM MILLER (MULTI DIVISIONS) 2-28-85. CAUTION AT 34th + N. Seward - 19' WIRE APPROVED BY JIMMIE KOPPEL (S&D) FEB 27-85

CERTIFICATION: Walter (Please Print) Title Owner Date Feb 27 85

1. The load has been reduced to a practical minimum size and weight.
2. All vehicle regulations will be complied with.
3. The State of Alaska will be held harmless from any and all liability that may arise from the authorized move.
4. That all arrangements have been made with Public Utilities for the protection of utilities which may interfere with the authorized move.
5. That owner/leasee will be responsible for all damages to Public Utilities or any other facility incurred as a result of the move.

Approval: Permission is hereby granted to move the above described vehicle and/or load over the designated highways subjected to the conditions designated above.

Signed J. Milavics Title dpc Date 2-27-85



MUNICIPALITY OF ANCHORAGE
Anchorage Police Department
INCIDENT REPORT



LEIS 4

1. DATE AND TIME RPT. TO P.D. 3-1-85 0851		2. SECTOR 1	3. PATROL AREA 3	4. RD	5. 3 CODE SECTION	6. 4 CASE NUMBER 85-19 362		
5. TYPE OF CRIME OR INCIDENT IMPROPER ESCORT			6. DATE OCCURRED 3-1-85 0851		7. DAY OCCURRED FRIDAY			
8. LOCATION OF INCIDENT OR ADDRESS PATERSON AVENUE 3115 76 TH			9. FIRM NAME (IF COMMERCIAL) ALAS-CAN CRANE		10. CROSS REF. CASE NO.			
11. VICTIM'S NAME (LAST, FIRST, MIDDLE)			12. MISC ID	13. RESIDENCE ADDRESS CITY STATE ZIP			14. RES PHONE	
15. AGE	16. DOB	17. SEX	18. RACE	19. BUSINESS ADDRESS OR EMPLOYER		20. WORK HRS	21. DAYS OFF	22. BUS. PHONE
23. NAME (LAST, FIRST, MIDDLE) ALASKAN CRANE Corp			24. ROLE	25. MISC ID	26. RESIDENCE ADDRESS CITY STATE ZIP		27. RES. PHONE	
28. AGE	29. DOB	30. SEX	31. RACE	32. BUSINESS ADDRESS OR EMPLOYER 371 PAPER PINE TRAIL		33. WORK HRS	34. DAYS OFF	35. BUS. PHONE
36. NAME (LAST, FIRST, MIDDLE) ALASKA YACHT WORLD			37. ROLE	38. MISC ID	39. RESIDENCE ADDRESS CITY STATE ZIP		40. RES. PHONE	
41. AGE	42. DOB	43. SEX	44. RACE	45. BUSINESS ADDRESS OR EMPLOYER 3115 76 TH		46. WORK HRS	47. DAYS OFF	48. BUS. PHONE

47. NARRATIVE
"MATCH" etc. KOLEK WAS ADVISED BY LT HARDY TO GO TO THE PORT TO PROVIDE AN ESCORT FOR MOVING A BOAT.

ARRIVAL: UPON ARRIVAL etc. KOLEK MADE CONTACT WITH "GRADY" OF ALAS-CAN CRANE WHO WAS MOVING A BOAT FOR ALASKA YACHT WORLD. HE SAID HE HAD THE TRACTOR READY ALONG WITH TWO PLOW CARS AND THAT MILEP WAS THERE TO GO ALONG AND RAISE THE POWER LINES WITH THEIR BUCKET TRUCK. ALSO THAT THE PHONE CO WAS TAMING.

INFORMATION: PRIOR TO THE ARRIVAL OF ATU, THE OWNER OF ALAS-CAN (CRANE, GARDON) WOULD 10-30-30, STARTED FOR 76TH. I COUGHT UP AND BEGAN THE ESCORT. AT A NUMBER OF INTERSECTIONS THE PHONE LINES HAD TO BE RAISED AND WERE DONE SA BY MILEP. I WAS CAUTIONED BY MILEP THAT THEY WERE RAISING THE PHONE LINES AND ~~BEING~~ ADVISED THEY WERE NOT COMFORTABLE DOING SO. I CALLED THE HOPE OPERATION OFFICE AND TOLD WOOD WE HAD TO WAIT FOR ATU. WHILE WE WERE AT 16TH & CAMBELL WAITING FOR ATU, I WAS ADVISED BY WEIGHTS & MEASURES THAT THE ALAS-CAN CRANE CO. WAS IN VIOLATION OF THE PERMIT

49. SUPERVISOR REVIEW <input type="checkbox"/> OFFICER <input type="checkbox"/> F.U.		50. CASE SCREENING OFFICER DATE <input type="checkbox"/> CONCUR <input type="checkbox"/> FOLLOW-UP <input type="checkbox"/> CONCUR <input type="checkbox"/> O.R. <input type="checkbox"/> F.U.		51. COPIES TO <input type="checkbox"/> CHIEF <input type="checkbox"/> TRAFFIC <input type="checkbox"/> INV. SRVC. <input type="checkbox"/> CPU <input type="checkbox"/> UFS <input type="checkbox"/> JUV. <input type="checkbox"/> METRO <input type="checkbox"/> OTHER	
52. OFFICER(S) REPT. FOLKS		53. SUPERVISOR APPROVING		DATE	
DATE 3-1-85		DSN 0121		DATE	
PAGE		OF			



ANCHORAGE POLICE DEPARTMENT
CONTINUATION REPORT

PAGE # 2 OF 2

CASE NO. 85-18362

TYPE OF INCIDENT * F M LOCATION OF INCIDENT * AREA * NAME OF VICTIM OR COMPLAINANT *
 BOAT ESCORT M Port to 76th 2

NARRATIVE: SYNOPSIS, DIAGRAMS, INTERVIEWS, INVESTIGATION RESULTS, ACTIONS TAKEN, CONCLUSION.

INFO CONT: AND WAS ADVISED THAT THEY WERE OVER 18' 4". I MEASURED THE LOAD HEIGHT AND FOUND THE HEIGHT TO BE 19' 4". ALSO A PORTION OF THE BOAT THROTTLE HAD BEEN BROKEN OFF ON ONE OF THE LIGHT STANDARDS. THE BOAT WAS THEN PARKED IN THE FIREWEDD THEATER PARKING LOT.

RECALL: I WAS RECALLED TO ESCORT THE BOAT AT 1145. ALL FOUR UTILITIES WERE PRESENT AND THE REMAINDER OF THE TRIP FROM THE THEATRE TO 76th WAS MADE WITHOUT INCIDENT.

RECALL: I WAS THEN REQUESTED TO PROVIDE AN ESCORT FOR ANOTHER BOAT FROM THE PORT TO THE SAME LOCATION AT 1300 HRS. I WENT TO THE PORT AND SAW THE ALAS-CAN CRANE CO. MOVING A BOAT FROM THE PORT WITHOUT AN ESCORT BY POLICE, WITHOUT MLEP, WITH OUT ATM & WITHOUT VISSIONS UTILITY.

A TRAFFIC STOP WAS MADE ON THE TRACTOR, AND ADVISED WOLD THAT THE TRACTOR WOULD NOT MOVE UNTIL ALL THE UTILITIES HAD ARRIVED AND EVERYTHING WAS IN ORDER.

THE DRIVER OF THE TRACTOR HAD THE SAME PERMIT #203081. HE ADVISED THAT THE LOAD WAS NOW 19' 6" AND IT HAD BEEN CLEARED BY ~~WEIGHTS~~ WEIGHTS & MEASURES. I THEN MEASURED THE BOAT MYSELF WITH THE HELP OF THE PHONE UTILITY. IT MEASURED 23' PLUS; BUT ONE OF THE WORKERS FROM ALAS-CAN CRANE FOLDED DOWN THE SEATS. IT THEN MEASURED 20' 8".

CONTACT WAS AGAIN MADE WITH WEIGHTS & MEASURES WHO DEADLINED THE ESCORT.

DISPO: FORWARD COPY TO WEIGHTS & MEASURES STATE OF ALASKA. IT IS SUGGESTED THAT THE ALAS-CAN CRAIN OPERATION BE SUPERVISED MORE CLOSELY BY THE APPROPRIATE AGENCY.

PERMIT #203081

REPORTING OFFICER * KOLBS	DSN 0121	DATE OF REPORT * 2-1-85	DATE TYPED	TIME BY	CASE STATUS PEND <input type="checkbox"/> SUSP. <input type="checkbox"/> CLOSED <input type="checkbox"/>
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COMMITTEE REPORT
SENATE

FURTHER:

1/27/85

Date _____

Mr. President _____

The Committee on TRANSPORTATION considered 2

weights and measures; and.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt . CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 82
 Title: "An Act relating to weights and measures..."
 Sponsor: Rules Comm. for Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected _____
 Program Category _____
 Administration _____
 BRU, Program or _____
 Alaska State T _____

FISCAL NOTES FROM DPS & DCED
\$0

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 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

Prepared By: Marcia Lynn McKenzie
 Division: Administrative Services

Phone: 465-4349
 Date: 1/8/84

Approved by Commissioner: [Signature]
 Agency: Department of Public Safety

Date: 1/8/84

Distribution (by Agency preparing fiscal note):

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

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST
 Bill/Resolution No.: SB 8882
 Title: Relating to weights and measures
 Sponsor/Rules/Governor _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Commerce & Econ. Dev.
 Program Category Affected: Consumer Protection
 BRU, Program or Subprogram(s) Affected: Measurement Standard

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						


FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary



Prepared By: Joseph L. Swanson Phone: 345-7750
 Division: Measurement Standards Date: 12/4/84

Approved by Commissioner Richard A. Lyon Date: 12.5.84
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

0838

January 22, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Attached is a bill amending the Weights and Measures Act, AS 45.75.

In 1982, the overweight and oversize motor vehicle program was transferred from the Department of Public Safety to the Department of Commerce and Economic Development. This transfer included the duties of operating vehicle weighing stations, issuing permits for overweight and oversize vehicles, and enforcing the vehicle size, weight, and load limits established by the Department of Transportation and Public Facilities (DOTPF). (Ch. 77, SLA 1982)

The 1982 transfer of duties was accomplished only by repealing AS 28.05.011(8) and adding a paragraph (25) to the general duties of the Department of Commerce and Economic Development listed in AS 44.33.020. This bill completes the transfer by also adding those duties to the Weights and Measures Act (secs. 2 and 4 of the bill). The bill also decreases the frequency of required inspections and tests of all weights and measures from semiannual to annual (sec. 8 of the bill). More frequent inspections and tests can still be made in problem areas, however.

Section 13 of the bill clarifies that the commissioner of commerce and economic development may authorize department employees to arrest or issue citations to persons who violate the DOTPF vehicle size, weight, and load limits, the provisions of an overweight or oversize vehicle permit, or department regulations. It also specifies procedures and rules governing those citations. This eliminates an ambiguity and possible loophole left after the 1982 transfer of enforcement authority to the department.

Section 26 of the bill amends AS 45.75.380 to increase the current maximum fine for all weights and measures offenses

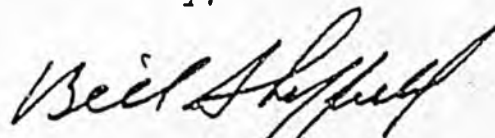
from \$200 (or five cents a pound for overweight vehicle offenses) to a \$300 fine (plus five cents a pound for overweight vehicle offenses). By making these offenses subject to the violation penalty set out in AS 12.55.035(b)(5), they are like AS 28.40.050(c)'s "infractions," and the possibility of imprisonment would be dropped, as would the increase in penalties for subsequent convictions. This change conforms to the new Criminal Code (AS 11) and the Code of Criminal Procedure (AS 12) and will provide a more effective deterrent to weights and measures violations. Severe penalties and certainty of conviction are two deterrents to unlawful conduct. It is felt that there is a greater probability of conviction under the "infraction" approach and that it would be the more effective deterrent to the various weights and measures offenses -- both statutory and regulatory. Also, under AS 45.75.130(g) (in sec. 13 of the bill), failure to respond to a citation for one of these violations would be a class B misdemeanor; cf. AS 12.25.230.

Most of the bill, including secs. 1 -- 3 and 5 -- 26, clarifies a confusing approach taken by the 1961 legislature which passed the Weights and Measures Act. For reasons which are not now clear, and which, to the extent that we can guess what they were, no longer apply, AS 47.75.030 states that the commissioner of commerce and economic development is the director of weights and measures, and throughout the chapter many references are made to the director. To avoid confusion with the director of the division of measurement standards, who is currently assigned to administer the Act, this bill changes all of those references to the director to be references to the commissioner.

The bill also makes "housekeeping" amendments to clean up outdated language and to correct several citations.

All of these changes in the Weights and Measures Act will increase the effectiveness and efficiency of implementation of the Act, especially the overweight and oversize vehicle program.

Sincerely,



Bill Sheffield
Governor

STATUTES RELATED TO CSSB 82 (TRSP)

AS12.55.035

HEADINGS TITLE 12.
Code of Criminal Procedure.
CHAPTER 55.
Sentencing and Probation.

CITATION Sec. 12.55.035.

CATCH LINE FINES.

TEXT (a) Upon conviction of an offense, a defendant may be sentenced to pay a fine as authorized in this section or as otherwise authorized by law. In determining the amount and method of payment of a fine, the court shall take into account the financial resources of the defendant and the nature of the burden its payment will impose. No defendant may be imprisoned solely because of inability to pay a fine.

(b) Upon conviction of an offense, a defendant who is not an organization may be sentenced to pay, unless otherwise specified in the provision of law defining the offense, a fine of no more than

(1) \$75,000 for murder in the first or second degree, sexual assault in the first degree, kidnapping, or misconduct involving a controlled substance in the first degree;

(2) \$50,000 for a class A, B, or C felony;

(3) \$5,000 for a class A misdemeanor;

(4) \$1,000 for a class B misdemeanor;

(5) \$300 for a violation.

(c) Upon conviction of an offense, a defendant that is an organization may be sentenced to pay a fine not exceeding the greater of

(1) \$100,000; or

(2) an amount which is three times the pecuniary gain realized by the defendant as a result of the offense.

(d) If a defendant is sentenced to pay a fine, the court may grant permission for the payment to be made within a specified period of time or in specified installments.

HISTORY (Sec. 12 ch 166 SLA 1978; am sec. 17 ch 45 SLA 1982; am sec. 26 ch 143 SLA 1982)

AS19.05.020

HEADINGS TITLE 19.
Highways and Ferries.
CHAPTER 05.
Administration.
ARTICLE 1.
Department of Transportation and Public Facilities.

CITATION Sec. 19.05.020.

CATCH LINE

REGULATIONS.

TEXT The department shall adopt regulations necessary to carry out the purpose of chs. 5 - 25 of this title .

HISTORY (Sec. 1 art III title I ch 152 SLA 1957)

AS19.10.060

HEADINGS TITLE 19.
Highways and Ferries.
CHAPTER 10.
State Highway System.
ARTICLE 1.
Designation, Marking and Use.

CITATION Sec. 19.10.060.

CATCH LINE

REGULATION OF WEIGHT AND LOAD OF VEHICLES AND USE OF HIGHWAYS DURING CERTAIN SEASONS.

TEXT The department, with respect to highways under its jurisdiction, may

(1) establish limitations on weight, size, and load of vehicles;

(2) Repealed, sec. 25 ch 144 SLA 1977.

(3) prohibit the operation or impose restrictions on vehicular use of highways during certain seasons of the year.

HISTORY (Sec. 5 art III title II ch 152 SLA 1957; am sec. 1 ch 55 SLA 1963; am sec. 25 ch 144 SLA 1977; am sec. 2 ch 77 SLA 1982)

AS44.33.020

HEADINGS TITLE 44.
State Government.
CHAPTER 33.
Department of Commerce and Economic Development.
ARTICLE 1.
Organization.

CITATION Sec. 44.33.020.

CATCH LINE

DUTIES OF DEPARTMENT.

TEXT The Department of Commerce and Economic Development shall

- (1) administer the state programs relating to commerce, enforce the laws relating to these programs, and adopt regulations under these laws;
- (2) register corporations;
- (3) collect corporation franchise taxes;
- (4) enforce state laws regulating public utilities and other public service enterprises, banking and securities,

AS44.33.020 cont.

insurance, and other businesses and enterprises touched with a public interest;

(5) make veterans' loans;

(6) inspect weights and measures;

(7) promote and develop civil aviation;

(8) furnish the budgeting, clerical and administrative services for regulatory agencies and professional and occupational licensing boards not otherwise provided for;

(9) Repealed, E.O. No. 39 sec. 13 (1977).

(10) Repealed, E.O. No. 33 (1968).

(11) Before the commencement of each calendar quarter, furnish lending institutions, title insurance companies, mortgage companies and clerks of the respective superior courts with the 12th Federal Reserve District discount rate that is to be used during that calendar quarter for computing the maximum rate of interest under AS 45.45.010(b);

(12) conduct studies, enter into contracts and agreements, and make surveys relating to the economic development of the state and, when appropriate, assemble, analyze, and disseminate the findings obtained;

(13) provide factual information and technical assistance for potential industrial and commercial investors;

(14) receive gifts, grants, and other aid that facilitate the powers and duties of the department from agencies and instrumentalities of the United States or other public or private sources;

(15) establish and activate programs to achieve balanced economic development in the state and advise the governor on economic development policy matters;

(16) formulate a continuing program for basic economic development and for the necessary promotion, planning and research that will advance the economic development of the state;

(17) cooperate with private, governmental and other public institutions and agencies in the execution of economic development programs;

(18) review the programs and annual reports of other departments and agencies as they are related to economic development and prepare an annual report on the economic growth of the state;

(19) administer the economic development programs of the state;

(20) perform all other duties and powers necessary or proper in relation to economic development and planning for the state;

(21) request tourism-related businesses in the state to provide data regarding occupancy levels, traffic flow and gross receipts and to participate in visitor surveys conducted by the department; data collected under this paragraph which discloses the particulars of an individual business is not a matter of public record and shall be kept confidential; however, this restriction does not prevent the department from using the data to formulate tourism economic

AS44.33.020 cont.

impact information including expenditure patterns, tax receipts and fees, employment and income attributable to tourism, and other information considered relevant to the planning, evaluation and policy direction of tourism in the state.

(22) Repealed, E.O. No. 47, sec. 6 (1980).

(23) administer the program of state assistance for the construction and development of cultural facilities in accordance with AS 44.33.401 44.33.417;

(24) provide administrative and budgetary services to the Real Estate Commission (AS 08.88) as requested by the commission;

(25) operate motor vehicle weighing stations, issue special written permits authorizing the operation of overweight and oversize vehicles, establish fees for the overweight and oversize vehicle special permits, enforce the size, weight, and load limitations adopted by the Department of Transportation and Public Facilities under AS 19.10.060, and establish regulations relating to pilot car services and the enforcement of the size, weight, and load limitations adopted under AS 19.10.060;

(26) administer the Alaska Foreign Offices established by AS 44.33.530.

HISTORY (Sec. 14 ch 64 SLA 1959; am sec. 6 ch 186 SLA 1960; am sec. 2 ch 1 SLA 1961; am sec. 2 ch 55 SLA 1963; am sec. 2 ch 70 SLA 1965; am E.O. No. 33 (1968); am sec. 4 ch 94 SLA 1969; am sec. 6 ch 207 SLA 1975; am sec. 1 ch 116 SLA 1976; am sec. 96 ch 218 SLA 1976; am E.O. No. 39, sec. 13 (1977); am E.O. No. 40, sec. 2 (1979); am sec. 4 ch 62 SLA 1979; am E.O. No. 47, sec. 6 (1980); am sec. 33 ch 167 SLA 1980; am sec. 1 ch 77 SLA 1982; am E.O. No. 57, sec. 2 (1984); am sec. 1 ch 120 SLA 1984)

AS45.75.040

HEADINGS TITLE 45.

Trade and Commerce.

CHAPTER 75.

Weights and Measures Act.

ARTICLE 2.

State and Local Administration of Weight and Measure Regulation.

CITATION Sec. 45.75.040.

CATCH LINE

GENERAL POWERS AND DUTIES OF DIRECTOR.

TEXT The director is the custodian of the state standards of weight and measure and of the other standards and equipment provided for by this chapter. The director shall keep accurate records of the standards and equipment. The director shall enforce this chapter. He shall supervise the weights and measures offered for sale, sold, or in use in the state.

HISTORY (Sec. 8 ch 101 SLA 1961)

AS45.75.050

HEADINGS TITLE 45.

Trade and Commerce.

CHAPTER 75.

Weights and Measures Act.

ARTICLE 2.

State and Local Administration of Weight and Measure Regulation.

CITATION Sec. 45.75.050.

CATCH LINE

ADOPTION OF REGULATIONS.

TEXT

(a) The director shall issue regulations for the enforcement of this chapter in accordance with the Administrative Procedure Act (AS 44.62). These have the effect of law.

(b) The regulations may include

(1) standards of net weight, measure, or count, and reasonable standards of fill, for any commodity in package form;

(2) rules governing the technical and reporting procedures to be followed, and the report and record forms and marks of approval and rejection to be used by inspectors of weights and measures in the discharge of their official duties;

(3) exemptions from the sealing or marking requirements of AS 45.75.120 with respect to weights and measures of a character or size that sealing or marking would be inappropriate, impracticable, or damaging to the apparatus in question; and

(4) with respect to classes of weights and measures of a character that annual retesting is unnecessary to continued accuracy, exemptions from the requirements of AS 45.75.070 and 45.75.080 for annual testing, and schedules fixing the frequency of required retests for classes of devices exempted.

(c) The regulations shall include specifications, tolerance, and regulations for weights and measures of the character of those specified in AS 45.75.080, designed to eliminate from use, without prejudice to apparatus that conforms as closely as practicable to the official standards, those (1) that are not accurate, (2) that are of such construction that they are not reasonably permanent in their adjustment or will not repeat their indications correctly, or (3) that facilitate the perpetration of fraud.

(d) The specifications, tolerances, and regulations for commercial weighing and measuring devices, together with amendments to them, as recommended by the National Bureau of Standards and published in National Bureau of Standards Handbook 44 and supplements to it, or in any publication revising or superseding Handbook 44, are the specifications, tolerances, and regulations for commercial weighing and measuring devices of the state, except as specifically modified, amended, or rejected by a regulation issued by the director.

(e) For the purposes of this chapter, apparatus is correct when it conforms to the requirements adopted in accordance with this section; other apparatus is considered incorrect.

HISTORY

(Sec. 9 ch 101 SLA 1961)

AS45.75.070

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 2.
State and Local Administration of Weight and Measure Regulation.

CITATION Sec. 45.75.070.

CATCH LINE

TESTING AND INSPECTION OF LOCAL STANDARDS AND WEIGHTS AND MEASURES AT STATE-SUPPORTED INSTITUTIONS.

TEXT

(a) At least once every five years, the director shall test the standards of weight and measure obtained by a city which has appointed a sealer of weights and measures, and shall approve them if they are correct. The director shall inspect the standards at least once every two years.

(b) The director shall from time to time test all weights and measures used in checking the receipt or disbursement of supplies in every institution maintained by money appropriated by the legislature, and shall report his findings, in writing, to the supervisory board and to the executive officer of the institution concerned.

HISTORY (Sec. 10 ch 101 SLA 1961)

AS45.75.080

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 2.
State and Local Administration of Weight and Measure Regulation.

CITATION Sec. 45.75.080.

CATCH LINE

GENERAL TESTING.

TEXT

(a) The director may inspect and test, to ascertain if they are correct, all weights and measures kept, offered, or exposed for sale. The director shall, at least semiannually and more often as he considers necessary, inspect and test, to ascertain if they are correct, all weights and measures commercially used (1) in determining the weight, measurement, or count of commodities or things sold, or offered or exposed for sale, on the basis of weight or of measure; (2) in computing the basic charge or payment for services rendered on the basis of weight or of measure or count; or (3) in determining weight or measurement when a charge is made for this determination.

(b) However, in the case of single-service devices, that is, devices designed to be used commercially only once and to be then discarded, and in the case of devices uniformly mass-produced, as by means of a mold or die, and not susceptible of individual adjustment, the inspection and testing of each individual device is not required and the inspecting and testing requirements of this section are satisfied when inspections and tests are made on representative samples of the devices. The lots from which representative samples are inspected and tested are held correct or incorrect upon the basis of the results of the inspections and tests on the samples.

HISTORY (Sec. 11 ch 101 SLA 1961; am sec. 1 ch 78 SLA 1969)

AS45.75.090

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 2.
State and Local Administration of Weight and Measure Regulation.

CITATION Sec. 45.75.090.

CATCH LINE

INVESTIGATIONS.

TEXT The director shall investigate complaints of violations of this chapter, and shall, upon his own initiative, conduct the investigations which he considers appropriate and advisable to develop information on prevailing procedures in commercial quantity determination and on possible violations of this chapter and to promote the general objective of accuracy in the determination and representation of quantity in commercial transactions.

HISTORY (Sec. 12 ch 101 SLA 1961)

AS45.75.100

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 2.
State and Local Administration of Weight and Measure Regulation.

CITATION Sec. 45.75.100.

CATCH LINE

INSPECTION OF PACKAGES.

TEXT (a) The director shall, from time to time, weigh or measure and inspect packages or amounts of commodities kept, offered, or exposed for sale to determine whether they contain the amounts represented and whether they are kept, offered, or exposed for sale in accordance with law. When packages or amounts of commodities do not contain the amounts represented, or are kept, offered, or exposed for sale in violation of law, the director may order them off sale and may mark or tag them to show they are illegal. The director may use recognized sampling procedures. Compliance of a given lot of packages shall be determined on the basis of the result obtained on a sample selected from and representative of the lot.

(b) No person may (1) sell, or keep, offer, or expose for sale in intrastate commerce a package or amount of commodity that has been ordered off sale or marked or tagged as provided in this section until the package or amount of commodity has been brought into full compliance with all legal requirements; or (2) dispose of a package or amount of commodity that is ordered off sale or marked or tagged as provided in this section and that does not meet legal requirements, except with the specific approval of the director.

HISTORY (Sec. 13 ch 101 SLA 1961)

AS45.75.110

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 2.
State and Local Administration of Weight and Measure Regulation.
CITATION Sec. 45.75.110.

CATCH LINE

STOP-USE, STOP-REMOVAL AND REMOVAL ORDERS.

TEXT

(a) The director may issue stop-use order, stop-removal orders, and removal orders for weights and measures used or capable of being used commercially. The director may issue stop-removal orders and removal orders for packages or amounts of commodities kept, offered, or exposed for sale whenever he considers it necessary or expedient in enforcing this chapter.

(b) No person may use, remove from the premises specified, or fail to remove from the premises specified a weight, measure, or package or amount of commodity contrary to a stop-use order, stop-removal order, or removal order issued under this section.

HISTORY

(Sec. 14 ch 101 SLA 1961)

AS45.75.120

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 2.
State and Local Administration of Weight and Measure Regulation.
CITATION Sec. 45.75.120.

CATCH LINE

DISPOSITION OF CORRECT AND INCORRECT APPARATUS.

TEXT

(a) The director shall approve for use and seal or mark with appropriate devices the weights and measures which he finds upon inspection and test to be correct as provided in AS 45.75.050, and shall reject and mark or tag as "rejected" the weights and measures which he finds, upon inspection or test, to be incorrect as provided in AS 45.75.050 but which in his best judgment are susceptible of satisfactory repair. This sealing or marking is not required for weights and measures exempted by regulation of the director.

(b) The director shall condemn, and may seize and destroy weights and measures found to be incorrect which, in his best judgment, are not susceptible of satisfactory repair. Weights and measures which are rejected may be confiscated and destroyed by the director if not corrected as required by AS 45.75.180 or if used or disposed of contrary to the requirements of AS 45.75.180.

HISTORY

(Sec. 15 ch 101 SLA 1961)

AS45.75.130

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 2.
State and Local Administration of Weight and Measure Regulation.

CITATION Sec. 45.75.130.

CATCH LINE

POLICE POWERS AND RIGHT OF ENTRY AND STOPPAGE.

TEXT In the enforcement of this chapter and any other law dealing with weights and measures the director has special police powers. He may arrest, without formal warrant, any person violating the law, and seize for use as evidence, without formal warrant, incorrect or unsealed weights and measures or amounts or packages of commodity, used, retained, offered or exposed for sale, or sold in violation of law. In performing his duties, the director may enter, without formal warrant, any structure or premises, and stop any person and require him to proceed to a specified place.

HISTORY (Sec. 16 ch 101 SLA 1961)

AS45.75.170

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 2.
State and Local Administration of Weight and Measure Regulation.

CITATION Sec. 45.75.170.

CATCH LINE

CONCURRENT JURISDICTION.

TEXT In each city having a sealer of weights and measures, the director has concurrent authority to enforce this chapter.

HISTORY (Sec. 20 ch 101 SLA 1961)

AS45.75.180

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 2.
State and Local Administration of Weight and Measure Regulation.

CITATION Sec. 45.75.180.

CATCH LINE

DUTY OF OWNERS OF INCORRECT APPARATUS.

TEXT Weights and measures rejected by the director or a sealer remain subject to the control of the rejecting authority until suitable repair or disposition of them is made as required by this section. The owner of a rejected weight and measure shall correct it within 30 days or a longer period authorized by the rejecting authority; or, may dispose of it in the manner authorized by the rejecting authority. Rejected weights and measures may not again be used commercially until officially

AS45.75.180 cont.

HISTORY re-examined and found to be correct or until specific written permission for their use is issued by the rejecting authority.
(Sec. 21 ch 101 SLA 1961)

AS45.75.380

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 5.
General Provisions.

CITATION Sec. 45.75.380.

CATCH LINE

TEXT OFFENSES AND PENALTIES.
A person who, by himself or by his servant, or agent, or as the servant or agent of another, performs any one of the following acts is guilty of a misdemeanor and upon a first conviction of the violation is punishable by a fine of not less than \$20 nor more than \$200, or by imprisonment for not more than three months, or by both. Upon a second or subsequent conviction, the person is punishable by a fine of not less than \$50 nor more than \$500, or by imprisonment for not more than one year, or by both:

- (1) uses or has in possession for the purpose of using for any commercial purpose specified in AS 45.75.080, sells, offers, or exposes for sale, or hire, or has in possession for the purpose of selling or hiring, an incorrect weight or measure or a device or instrument used to or calculated to falsify a weight or measure;
- (2) uses or has in possession for current use, in buying or selling a commodity or thing, or for hire or award, or in the computation of a basic charge or payment for services rendered on the basis of weight or measurement, or in the determination of weight or measurement when a charge is made for determination, a weight or measure that has not been tested and sealed by the appropriate authority within one year, (A) unless written notice is given to the appropriate authority to the effect that the weight or measure is available for examination, or is due for re-examination, as the case may be, (B) unless specific written permission to use the weight or measure is received from the appropriate authority, or (C) unless the weight or measure is exempt from sealing or annual testing requirements by AS 45.75.080 or by a regulation of the director issued under AS 45.75.050;
- (3) disposes of a rejected or condemned weight or measure in a manner contrary to law or regulation;
- (4) removes from a weight or measure, contrary to law or regulation, a tag, seal, or mark placed on it by the appropriate authority;
- (5) sells, offers or exposes for sale less than the quantity he represents of a commodity, thing, or service;

AS45.75.380 cont.

(6) takes more than the quantity he represents of a commodity, thing, or service when, as buyer, he furnished the weight or measure by means of which the amount of the commodity, thing, or service is determined;

(7) keeps for the purpose of sale, advertises, or offers or exposes for sale, or sells a commodity, thing, or service in a condition or manner contrary to law or regulation;

(8) uses in retail trade, except in the preparation of packages put up in advance of sale and of medical prescriptions, a weight or measure that is not so positioned

that its indications may be accurately read and the weighing or measuring operation observed from some position which may reasonably be assumed by a customer;

(9) violates a provision of this chapter or of a regulation adopted under this chapter for which a specific penalty is not prescribed.

HISTORY (Sec. 39 ch 101 SLA 1961)

STATUTES REPEALED BY CSSB 82 (TRSP)

AS28.40.050

HEADINGS TITLE 28.
Motor Vehicles.
CHAPTER 40.
General Provisions.

CITATION Sec. 28.40.050.

CATCH LINE

PENALTY FOR VIOLATIONS OF LAW, REGULATIONS, AND MUNICIPAL ORDINANCES.

TEXT

(a) It is a misdemeanor for a person to violate a provision of this title unless the violation is by this title or other law declared to be a felony or an infraction.

(b) A person convicted of a misdemeanor for a violation of a provision of this title for which another penalty is not specifically provided is punishable by a fine of not more than \$500, or by imprisonment for not more than 90 days, or by both. In addition, the privilege to drive or the registration of vehicles may be suspended or revoked.

(c) Unless otherwise specified by law a person convicted of a violation of a regulation adopted under this title, or a municipal ordinance regulating vehicles or traffic when the municipal ordinance does not correspond to a provision of this title, is guilty of an infraction and is punishable by a fine not to exceed \$300.

(d) An infraction, as provided for in (c) of this section, is not considered a criminal offense and may not result in imprisonment, nor is a fine imposed for the commission of an infraction considered a penal or criminal punishment; nor may the commission of a single infraction result in the loss of a driver's license or privilege to drive in this state except as may result from the accumulation of points under AS 28.15.221 - 28.15.261, or the registration of vehicles; nor does a person cited with an infraction have a right to trial by jury or to court-appointed counsel.

(e) Notwithstanding the maximum fine provided for infractions under (c) of this section, for the violation of regulations or special permits issued governing vehicle weight limits, overweight penalties shall be imposed at the rate of five cents for each pound of weight over the authorized weight limit for that vehicle.

HISTORY

(Sec. 57-1-8 ACLA 1949; am sec. 12 ch 241 SLA 1976; am secs. 22, 23 ch 144 SLA 1977)

AS45.75.360

HEADINGS TITLE 45.
Trade and Commerce.
CHAPTER 75.
Weights and Measures Act.
ARTICLE 5.
General Provisions.

CITATION Sec. 45.75.360.

CATCH LINE

HINDERING OR OBSTRUCTING OFFICER AND PENALTY.

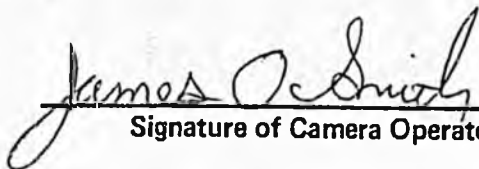
TEXT A person who hinders or obstructs the director, the deputy director, or an inspector, or a sealer or deputy sealer, in the performance of his official duties, is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than \$20 nor more than \$200, or by imprisonment for not more than three months, or by both.

HISTORY (Sec. 37 ch 101 SLA 1961)

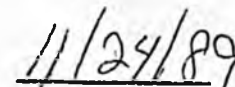


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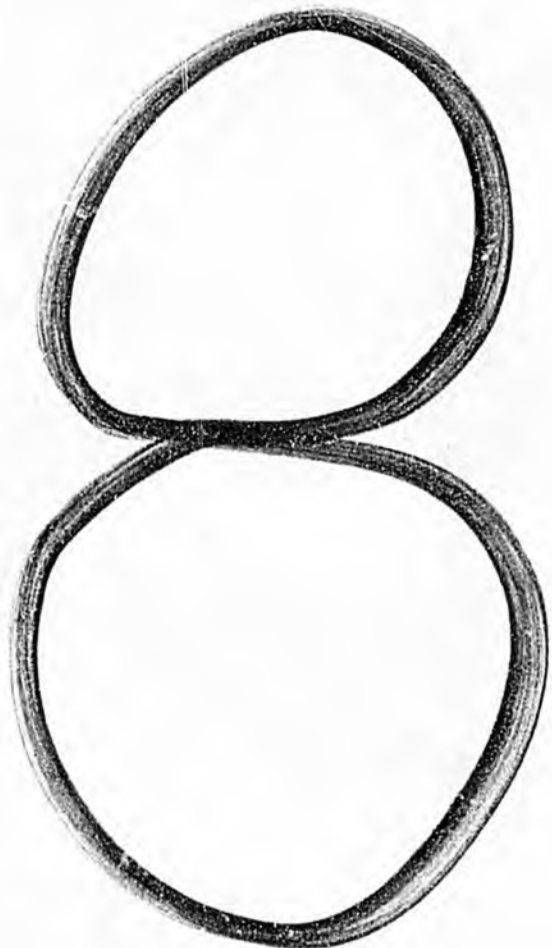
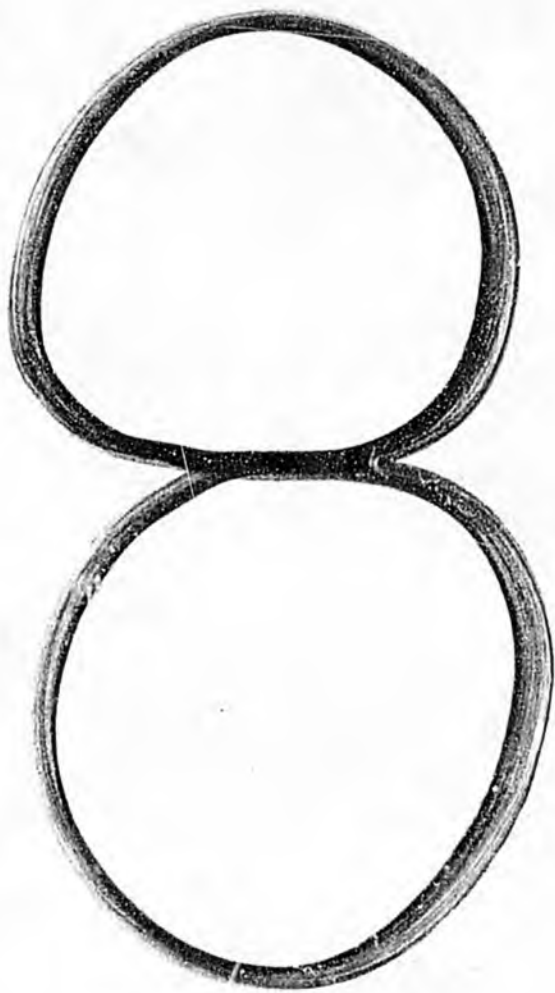


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Date

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DESCRIPTION OF PURPOSE

February 6, 1985

Prepared by: Department of Commerce & Economic Development
Alaska Division of Insurance

SB 88 An Act relating to the creation of the Alaska Life and Disability Insurance Guaranty Association; changing Rule 62(a), Rules of Civil Procedure, by providing for an automatic stay of 60 days in a liquidation, rehabilitation, or conservation proceeding; and providing for an effective date.

The proposed Life Guaranty Act provides a mechanism for insureds to collect on their life insurance or disability insurance policies even if their insurer becomes insolvent. The guaranty association is made up of all life and disability insurance companies authorized to do business in this state. In the event of insolvency or impairment of one company, the others pay assessments into the association to pay claims. The industry supports this proposal because the entire industry loses credibility when the claims of one company go unpaid.

Alaska has had a similar guaranty association for property/casualty insurers for more than 15 years. Life and disability associations exist in many other states. Alaska has previously had a domestic insolvency of a life company. In June 1969, the Alaska Western Life Insurance Company was placed in receivership and was ultimately liquidated.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

Section by Section Commentary
SB 88

An Act relating to the creation of the Alaska Life and Disability Insurance Guaranty Association; changing Rule 62(a), Rules of Civil Procedure by providing for an automatic stay of 60 days in a liquidation, rehabilitation, or conservation proceeding; and providing for an effective date.

SECTION 1. AS 21.21.050

Page 1, lines 14-29; page 2; page 3, lines 1-4.

AS 21.21 is the chapter in the insurance code dealing with investments of insurance companies. Sec. 050 deals with limitations by kinds of investment to assure diversity in the investment portfolio of an insurer. This change, which appears on page 2, line 29, adds notes and other evidence of indebtedness of the Alaska Life and Disability Insurance Guaranty Association (ALDIGA) to the miscellaneous category of investments which are limited to 10% of total assets.

SECTION 2. AS 21.21.250(c)

Page 3, lines 5-10.

AS 21.21.250 defines miscellaneous investments and is changed by adding notes and other evidence of indebtedness of the ALDIGA.

SECTION 3. AS 21.36.035

Page 3, lines 11-25

This section makes it a prohibited unfair trade practice for any person to make use, in any manner, of the protection afforded by this act to aid him in the sale of insurance. This would extend to a person with an interest in a policy who uses the presence of ALDIGA to support the value of the policy as collateral in a loan transaction, which action would be prohibited. The legitimate function of advertising the existence of the act by the ALDIGA and the Director, conduct which would be particularly desirable in notifying policyholders of a company found to be insolvent, or by insurers in public service institutional advertisements, would be permitted. Enforcement and penalties for violation of the section are found in the Unfair Trade Practices Act (AS 21.36).

SECTION 4. AS 21.79

Page 3, lines 26-29; pages 4-20; page 21, lines 1-19.

Sec. 21.79.010

Page 3, line 29; page 4, lines 1-14.

The basic purpose of this model act is to protect policyholders, insureds, beneficiaries, annuitants, payees and assignees against losses, both in terms of paying claims and continuing coverage, which might otherwise occur due to an impairment or insolvency of an insurer. Unlike the property and liability situations, life and annuity contracts in particular are long-term arrangements for security. An insured may be of impaired health or an advanced age so as to be unable to obtain new and equivalent coverage from other insurers. The payment of cash values alone does not adequately meet such needs. Thus, it is essential that coverage be continued. In like manner, an insured may be unable to obtain new health insurance or at least he may lose protection for prior illnesses.

Sec. 21.79.020

Page 4, lines 15-29; page 5, line 1.

This section outlines what the bill does and does not cover. Basically, it covers those policies of life, disability, and annuities written by insurers which have submitted to regulation in this state. Policies of nonadmitted insurers are not covered. The term "disability" also includes "accident and health", "sickness and accident" and more.

Subsection (b)(1) is directed toward variable policies and contracts. That portion of the contract where the risk is borne by the policyholder is excluded. However, the obligations of the insurer for mortality and expense guarantees are covered.

Subsection (b)(2) excludes deductibles from coverage.

Subsection (b)(3) exempts the reinsurance business of the impaired or insolvent insurer other than reinsurance for which assumption certificates are used.

Subsection (b)(4) excludes Blue Cross. The logic to this is that Blue Cross is a nonprofit health care provider. It markets prepaid health care through participant providers who, in effect, guarantee the delivery of the contracted service. The financial structure of Blue Cross is such that they cannot be expected to participate in insolvencies of profit making corporations.

Some additional limitations on the scope are found elsewhere in the act. For example, ALDGA assumes no liability concerning policies of nonresidents issued by a foreign or alien insurer or for policies of residents issued by a foreign or alien insurer, if such insurer is domiciled in a state having a comparable act (see Section .060). These limitations are not found in the scope section, since it provides exclusion from the entire act and not just portions of it.

Sec. 21.79.030.

Page 5, lines 2-3.

This section calls for liberal construction.

Sec. 21.79.040.

Page 5, lines 4-18.

Subsection (1) creates three accounts, for both administration and assessment purposes, the disability insurance account, the life insurance account, and the annuity account. These three categories of coverage are significantly different, so that persons protected by virtue of one account should not be required to pay for the protection afforded persons protected by other accounts.

Supplementary contracts are covered under the account in which the basic policy is covered for purposes of assessment. For example, settlement options under a life insurance contract would be covered under the life insurance account.

Sec. 21.79.050.

Page 5, lines 19-29; page 6, lines 1-10.

Subsection (a) provides that the number and term of the members of the Board of Governors shall be determined in the plan of operation. To avoid problems in initially selecting the board, this section includes a provision for a start-up meeting, which shall be called by the Director of Insurance. To determine voting rights at the organizational meeting, each member insurer would have one vote. Thereafter, the plan of operation will establish the voting procedures, bylaws, etc., governing the conduct of ALDIGA.

Sec. 21.79.060.

Page 6, lines 11-29; pages 7-8; page 9, lines 1-27.

Subsection (a)-(f), (page 6, lines 11-29; page 7; page 8, lines 1-2), constitute the heart of this model act. These subsections detail the duties of the association by distinguishing: (1) between those insurers whose "impaired" status is attributable to a finding by the Director prior to an order of liquidation, and those whose "insolvent" is attributable to such orders; and (2) between insolvent domestic insurers and insolvent foreign or alien insurers.

Prior to an order of liquidation, rehabilitation or conservation, ALDIGA has no liability. However, upon a finding by the Director that the insurer is impaired under (a), ALDIGA is authorized to guarantee, assume, or reinsure or cause to be guaranteed, assumed, or reinsured, the covered policies of the impaired insurer to assess member insurers the amounts necessary to effectuate this activity. ALDIGA would presumably do so in those situations where early assessments would prevent a more costly insolvency later, such as liquidation. ALDIGA, as a condition of its assistance, may negotiate any requirements or

safeguards it deems necessary so long as they are approved by the Director and are accepted by the impaired insurer and do not impair the contractual obligations to the policyholders, insureds, and beneficiaries. In the absence of any court order, before any negotiations become final the impaired insurer's acceptance of the terms of ALDIGA is necessary. Through this approach, a mechanism is provided for early action by ALDIGA before the situation further deteriorates. The policyholder, insured, and beneficiaries are protected, claims are paid and coverages continued, for example, through rehabilitating the impaired insurers, or reinsuring the policies elsewhere. Furthermore, the statutory language is highly flexible as to what techniques the association may employ so as to be able to meet a variety of situations.

Under (b) and (c), (page 6, lines 21-29; page 7, lines 1-9), if the insurer acquires its insolvency status as a result of a final order of liquidation, rehabilitation or conservation, the association shall, rather than may, guarantee, assume, reinsure or cause to be guaranteed, assumed, or reinsured, the covered policies of the insolvent insurer and to assure payment of contractual obligations.

It should be noted that the duties of ALDIGA vary with the kind of insurer. If it is a domestic insurer, then all the covered policies must be continued and the contractual obligations met (see (b)). However, if the insolvent insurer is a foreign or alien insurer, contractual obligations which apply to residents of the State must be paid or continued if they are not covered by a similar law in such insurer's domiciliary jurisdiction (see (c) and (d)).

Subsection (d), (page 7, lines 10-14), avoids duplication of coverage by providing that the association shall have no liability for any covered policy of a foreign or alien insurer domiciled in the State having similar protection by statute or regulation. If every state adopts the model act, each state association would protect only covered policies of domestic insurers.

Subsections (e) and (f), (page 7, lines 15-29; page 8, lines 1-2), relate to the imposition of policy and contract liens, moratoriums, etc. These are devices which have been used in the past in connection with the continuation of the insolvent insurers' coverage. Since, by definition, the assets of the insolvent insurer were not adequate to support its contractual obligations, liens were used to reduce his obligations to a level where the assets would be adequate. However, in the past, there was no means to infuse additional funds where needed to make whole policyowners, insurers and beneficiaries. The purpose of the model act is to provide against losses due to insolvent insurers by prompt fulfillment of the insolvent insurer's contractual obligations. To the extent that liens and moratoriums are sanctioned, the model act retreats from this principle. Of course, in situations prior to a court order, there may be some question whether a lien or moratorium could be legally imposed so as to impair the contractual obligations of the insurer even in the absence of the specific provisions of this act.

On the one hand, it can be argued that if liens or moratoriums cannot be used there will be a run on the assets of the impaired company. In the past this seems to have been true. However, unlike the past, the performance of the insurer's contractual obligations would be guaranteed under this act.

Also, the standard nonforfeiture laws provide that an insurer in its policies shall reserve the right to defer the payment of cash values for a period of six months after demand thereof with surrender of the policy. Similarly, it is common to require an insurer to reserve for a period of six months the right to defer the granting of any policy loan (other than to pay premiums). For these various reasons, the model act does not encourage use of these liens and moratoriums in ordinary situations.

On the other hand, in periods of severe liquidity problems and economic stress, perhaps of even catastrophic proportions, such devices may become essential. While the model bill concentrates on the protection of those to whom the impaired insurer has a contractual obligation, the impact of assessments on the policyholders of assessed companies is also in important consideration, such as the significant sales of depressed value assets in a tight money market. Consequently, Subsection (e) authorizes ALDIGA to cause to be imposed liens and moratoriums or other similar means:

1. If the court finds that the amounts assessable are less than what is needed, or that the economic or financial conditions, as they affect member insureds, are sufficiently adverse to render the use of such tools in the public interest; and
2. The court approves the use of a specific lien, moratorium, etc.

This provides a highly flexible mechanism while, at the same time, it avoids impairing the contractual obligations of the impaired insurer as a routine manner under ordinary economic and financial conditions. The provision also recognizes that, while contractual rights of policyowners may not constitutionally be impaired, when the insolvent insures obligation under the contract as assumed by another insurer, the policyowner has two options. The policyowner may accept the new contract with such liens or moratoriums as permitted by the court, or accepts such pro rata payment as is available from the state of the insolvent insurer.

Furthermore, to provide added flexibility in a temporary situation, such as a run on assets, Subsection (f) provides for temporary moratoriums or liens on payment of cash values and policy loans, but not on the payment of other benefits, with the court's approval.

Subsection (g), (page 8, lines 3-6), permits the Director to assume the duties of ALDIGA if they fail to exercise their authority under the act within a reasonable period of time.

Subsection (h), (page 8, lines 7-10), permits the Director to request ALDIGA member assistance with impaired or insolvent insurer issues.

Subsection (i), (page 8, lines 11-17), to enable ALDIGA to protect its interest and the best interests of the policyholders in the handling of an impairment or insolvency, provides that ALDIGA shall have standing to appear in a court with jurisdiction over an insolvent insurer and such standing will extend to any matters concerning the duties of ALDIGA.

Subsection (j), (page 8, lines 18-27), provides for assignment of rights of a beneficiary of benefits under this act. It also establishes subrogation rights for ALDIGA and provides that ALDIGA's right to assets of the insolvent insurer is the same as any other person entitled to benefits under this act.

Subsection (k), (page 8, lines 28-29; page 9, lines 1-6), places a limit on the liability of ALDIGA as respects a single life.

Subsection (l), (page 8, lines 7-27), allows ALDIGA to contract, sue or be sued, borrow money, employ persons, negotiate, act as a domestic life or disability insurer and take legal action to avoid payment of improper claims.

Sec. 21.79.070.

Page 8, lines 28-29; pages 9-11; page 12, lines 1-27.

Subsection (b) - (g), (page 10, lines 6-29; page 11, lines 1-27), outlines different assessment methods for assessments needed to cover foreign or alien insurers and for assessments needed to cover domestic insurers. When a foreign or alien insurer is impaired or insolvent, the member insurers will be assessed on the basis of the premiums they write in the State. This corresponds to the association's liability which is limited to covered policies of residents when the policies are issued by a foreign or alien insurer. When a domestic insurer is impaired or insolvent, the total amount to be assessed will be allocated to each state in which the impaired or insolvent insurer was authorized at any time to transact insurance in the proportion that the impaired or insolvent insurer's premium income in each state for the last calendar year preceding the assessment in which it had premium income bears to its total premium income in such calendar year. The amount allocated to each state will then be assessed to the member insurers in the proportion that the member's premium income from such state for the calendar year preceding the assessment bears to all premium income of member insurers from that state in the calendar year preceding the assessment. Thus, in making the proration, it is necessary to look to the premium income of the impaired or insolvent insurer in the last year it actually received such income, but, in determining each company's assessment, the association would look to the last calendar year preceding the assessment. In any case, assessments would be made separately for each account and the amount assessed from each account will be in the proportion that the total premiums of the impaired or insolvent insurer bear to the premiums of the impaired or insolvent insurer from the kind of insurance in the account.

For example, if a total assessment of \$100,000 is needed for the disability insurance account, and the domestic impaired or insolvent insurer received 50% of its premium from state X, then 50% of \$100,000 or \$50,000 will be allocated to state X. Member insurers receiving premium income from state X will then be assessed in proportion to their share of that state's market, as reflected in premium income. For example, if member insurers receive \$30,000,000 in premiums from state X and a certain member received \$3,000,000 of that amount, then 3/30 of the \$50,000 assessment will come from this company, that is, the company will be assessed \$5,000 ($3/30 = 1/10$ and $1/10$ of \$50,000 is \$5,000).

This assessment system should be relatively simple to administer. More importantly, it provides a base broad enough to meet fairly large demands on the association. Equally important, since it reflects the market share of each member in the state considered, it is an equitable method of apportioning the burden of the assessments.

The maximum assessment per year may be varied from state to state depending on the size of the base and the concentration of the business. The two percent maximum should produce an adequate amount, while at the same time, not impose an undue strain in any given year on the assessed companies and their policyholders. In order to prevent further financial difficulties caused by an assessment, Subsection (g) permits abatement of assessments when financial difficulties might result.

Subsection (h), (page 11, lines 28-29; page 12, lines 1-6), provides some limitation on the amounts which can be assessed in any given year. If these limits are reached, to fulfill its responsibilities, ALDIGA is empowered to borrow funds which later can be repaid out of future assessments.

Subsection (i), (page 12, lines 7-16), provides for handling of excess assessments.

Subsection (j), (page 12, lines 17-20), provides that a member insurer may consider, in its premium rates and dividends scale, an amount reasonably necessary to meet its assessment obligations. This makes it clear that the cost can be ultimately passed on to the policyowners, that is, to persons who enjoy the protection provided by the act.

Subsection (k), (page 12, lines 21-27), provides that ALDIGA shall issue to assessed insurers certificates of contribution in the amount levied. The certificates may be carried by an insurer in its annual statement as an asset in such form, amount and period as may be approved by the Director. By permitting the company to carry these certificates as an asset, to the extent of their estimated value, the impact on member insurers will be lessened.

Sec. 21.79.080.

Page 12, lines 28-29; page 14, lines 1-7.

The NAIC has adopted a model plan of operation which is available in our office should you wish to have a copy of same. It is anticipated that ALDIGA, upon passage of this act, would substantially adopt the provisions contained in this model plan of operation.

Sec. 21.79.090.

Page 14, lines 8-29; page 15, lines 1-14.

Subsection (b), (page 14, lines 19-24), requires that the Director give notice of an impairment to the impaired insurer, and hence to its stockholders, and serve a demand that impairment be made good. If the company and stockholders fail to raise the necessary funds, this will be a factor bearing upon the stockholders' ownership rights under Section 110(d).

Subsection (d) provides that the Director shall be appointed liquidator or rehabilitator of a domestic insurer and conservator of a foreign or alien insurer being liquidated or rehabilitated. Requiring the Insurance Director to be the receiver is necessary to obtain the benefits of a "reciprocal" state under the Uniform Insurers Liquidation Act, which Alaska adopted in 1966. See AS 21.78.020, .030, .130-.200 and .330(2)-(13).

Proceedings for the liquidation, rehabilitation, or conservation of insurers present several difficulties which the Uniform Insurer's Liquidation Act seeks to solve. Briefly, the difficulties have two sources. First, in some states the liquidator, rehabilitator or ancillary receiver may be a person unfamiliar with insurance regulation. Inefficient administration of the proceedings may result.

Second, the laws of more than one state may be applied to the proceedings, particularly regarding ownership of assets and preferences for payment. The result is confusion and inequity in the collection and distribution of the assets. The Uniform Insurers Liquidation Act meets the first source of problems by designating the Insurance Director as the receiver of a domestic insurer or the ancillary receiver of a foreign insurer. To solve the problem of multiple laws and marshalling of assets, the Uniform Act gives the receiver title to the assets. The ancillary receiver is then required to forward all assets to the receiver. The Uniform Act also details laws under which preferences and the distribution of assets will be determined.

In drafting this model guarantee bill, the NAIC made particular effort to the extent possible to avoid disrupting State liquidation and rehabilitation of laws.

Sec. 21.79.100.

Page 15, lines 15-29; page 16; page 17, lines 1-18.

This section basically establishes a dialogue between the Director and ALDIGA, concerning impairment and insolvency issues. It also enables ALDIGA to cause an examination of a suspect insurer, which is the primary tool in determining financial status.

Sec. 21.79.110.

Page 17, lines 17-29; page 18; page 19, lines 1-25.

Subsection (b), (Page 17, lines 23-29; Page 18, lines 1-2), requires that the records be kept of the negotiations and actions by the association. ALDIGA should be held publicly accountable for its actions. On the other hand, effective handling of the rehabilitation or liquidation effort requires minimum publicity. Thus, such records will be made public only after the liquidation, rehabilitation or conservation proceeding is terminated, the impairment or insolvency is terminated or there is a prior order by a court of competent jurisdiction.

Since this act imposes obligation upon the association to continue coverage for policyholders of insolvent insurers, the assets of the insolvent insurer ought to be used, to the extent available, for the purpose of continuing such coverage. Subsection (c), (Page 18, lines 3-17), is designed to accomplish this purpose.

Subsection (d), (page 18, lines 18-29), in conjunction with Section .900(b), is intended to prevent the shareholders of an impaired insurer from sitting back and doing nothing and then reaping the benefit of funds put up by the association. These stockholders should not obtain a more advantageous position than they would have occupied in the absence of this act. The court is empowered to modify and distribute the ownership rights of impaired insurers in an order to do equity as between the interested parties.

Subsection (e), (page 19, lines 1-25), is designed to recapture excessive dividend payments to affiliates that exercised control over the insolvent insurer. The NAIC Model Holding Company Regulatory Act, which has been adopted in Alaska, in large measure, prevents improper distribution of dividends by an insurer to its holding company, since extraordinary dividends are subject to the prior approval of the Director, and ordinary dividends are required to be reported to the Director. If, however, dividends are paid under circumstances that the insurer should have recently known that such payment could reasonably be expected to affect its ability to perform its contractual obligation to its policyholders, the holding company and affiliates should be required to repay such dividends subject to certain reasonable limitations.

Sec. 21.79.120.

Page 19, lines 26-29; page 20, lines 1-2

This section enables the Director to examine ALDIGA. ALDIGA must also provide an annual report.

Sec. 21.79.130.

Page 20, lines 3-5

ALDIGA is tax exempt except for real property taxes. ALDIGA is not a profit making organization, rather, it is a guarantee mechanism, thus its tax exempt status.

Sec. 21.79.140.

Page 20, lines 6-9

ALDIGA will be engaged in some very sensitive issues when performing its duties under this act. The immunity provides protection while performing these duties.

Sec. 21.79.150.

Page 20, lines 10-15.

See Section 5

Sec. 21.79.900.

Page 20, lines 18-29; page 21, lines 1-19.

This act covers "insolvent insurers" which are defined to include an insolvent insurer under an order of liquidation issued by a court of competent jurisdiction. An "impaired insurer" is an insurer deemed by the Director to be unable, or potentially unable, to fulfill its contractual obligations.

This model bill enables an association to become involved in the actual court order as noted in Section .060. The finding by the Director that an insurer is impaired, even though not subject to a court proceeding, serves as a triggering mechanism enabling the association to function.

Subsection 11 defines "resident" for the purposes of determining on whose behalf the association may become liable under Section .060, if a foreign or alien insurer becomes insolvent.

SECTION 5

Page 21, lines 20-23.

Section 21.79.150 provides for an automatic stay of 60 days in actions involving the liquidation, rehabilitation or conservation of an insolvent insurer, which also requires a change in the rules of the courts.

0112K2785a

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: November 30, 1984

REQUEST

Bill/Resolution No.: SB88
 Title: Alaska Life & Disability Insurance Guarantee Association
 Sponsor: Governor
 Requestor: Governor
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
 Program Category Affected: Public Protection
 BRU, Program or Subprogram(s) Affected: Division of Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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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						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: John L. George, Director Phone: 465-2515
 Division: Insurance Date: 12/4/84

Approved by Commissioner: Richard A. Lyon Date: 12.5.84
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 23, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill establishing the Alaska Life and Disability Insurance Guaranty Association. This bill is based on the Life and Health Insurance Guaranty Association Model Act proposed by the National Association of Insurance Commissioners in 1971, as amended in 1976.

The bill would provide a mechanism for paying claims on direct life insurance policies, disability insurance policies, and annuity contracts, which are outstanding against insolvent or impaired insurers. The bill would require that all insurers licensed to do business in Alaska be members of the association, and would provide for periodic assessments of the members of the association.

The Alaska Life and Disability Insurance Guaranty Association will provide protection for life and disability insurance similar to the protection provided under existing law for other kinds of direct insurance by the Alaska Insurance Guaranty Association Act (AS 21.80).

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

BILL SHEFFIELD, GOVERNOR

JAN 28 1985

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

January 25, 1985

Honorable Fred Zharoff
Chairman
Senate Labor & Commerce Committee
Room 121, Capitol Building
Juneau, Alaska 99811


Re: SB 88 (Alaska Life and
Disability Insurance
Guaranty Association)
-- typo

Dear Chairman Zharoff:

A typographical error has been called to our attention in SB 88, page 1, line 9: the word "state" should read "stay." Rather than reprint the entire bill at this time, we would appreciate the correction being made in your committee where the bill now resides.

Yours truly,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: 
Arthur H. Peterson
Assistant Attorney General

AHP:md

cc: Hon. Loren Lounsbury, Commissioner
Dept. of Commerce & Economic Development

Ray Gilliespie, Legislative Assistant
Governor's Office



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

11/24/89
Date

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU.

January 23, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that relates to the Alaska State Housing Authority (ASHA). (See AS 18.55.)

Section 1 of the bill provides that if the state leases a public building financed by ASHA, the state's rental obligation is subject to annual appropriation. This provision makes explicit the assurance that public leases do not impair the appropriation prerogatives of the legislature.

Current law provides that ASHA must sell interests in land through public auction or by sealed bids at a fair market price. Section 2 of the bill enables ASHA to sell land or a public building, in appropriate instances, to the state, a federal agency, or a political subdivision for less than the appraised value and without competitive bidding. A comparable provision governs the sale of state land or resources under AS 38. See AS 38.05.315.

This bill will promote the efficient operation of ASHA, and I urge your consideration of and support for the bill.

Sincerely,



Bill Sheffield
Governor

REQUEST
 Bill/Resolution No.: SB89
 Title: Relating to the Alaska
State Housing Authority
 Sponsor: Rules/Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Commerce & Econ. Dev.
 Program Category Affected: _____
Economic Development
 BRU, Program or Subprogram(s) Affected: _____
Alaska State Housing Authority

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 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)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

ASHA receives no direct operating or capital appropriations from the Legislature. There will be no fiscal impact on the budget from this proposed legislation.

Prepared By: Paul Harris, Controller Phone: 465-2504
 Division: Alaska State Housing Authority Date: _____

Approved by Commissioner: Loren H. Lounsbury Date: 1/9/85
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

July 3, 1984

Ms. Vicki Elnick
Securities Service Division
Department 9528
Suite 2180
Bank Of America
P. O. Box 37000
San Francisco, CA 94137

Dear Ms. Elnick:

This is to advise you that the State of Alaska will direct wire-transfer \$8,901,048.75 on July 10, 1984 through the Federal Reserve Bank to the Bank of America, N.T. and S.A., San Francisco Corporate Agency Service Center, attention Carmen Cruz. These funds are in payment of ASHA bonds:

Bond Sale III	February, 1969 Issue	\$ 360,600.00
Bond Sale V	project-phase 1	621,075.00
Bond Sale V	1970 project-phase 2	915,300.00
Bond Sale V	1970 project-phase 3	1,919,525.00
Bond Sale VI	August 1971 Issue	359,502.50
Bond Sale VII	1972 project-phase 1	101,877.50
Bond Sale VII	1972 project-phase 2	740,707.50
Bond Sale VIII	September 1972 Issue	831,137.50
Bond Sale IX	1973 Project	632,396.25
Bond Sale X	1973 project-second Issue	1,350,190.00
Bond Sale XI	1974 project	<u>1,068,737.50</u>
	Total	\$8,901,048.75

If you have any questions regarding this matter, please contact me in writing or via phone, whichever is more convenient for you. Our phone numbers are (907) 465-2264 or 465-2286.

Sincerely,

Faye A. Bain
Contracting Officer

FAB/mc1

- 3) 1968-I Series
Trustee: Bradford Trust

Bond Counsel Underwriter
Wohlforth & Flint John Nuveen Co.

Project Detail

- (A) Cold Bay Fish and Game headquarters
- (B) Cordova Fish and Game facility
- (C) Fairbanks district highway complex
 - (D) Glenallen highway shop
- (E) Ketchikan highway shop
- (F) Livengood highway shop
- (G) Petersville highway shop

- 4) 1968-II Series
Trustee: Bradford Trust

Bond Counsel Underwriter
Wohlforth & Flint John Nuveen Co.

Project Detail

- (A) Fairbanks district highway complex
- (B) King Salmon Fish and Game

- 5) 1969 Series (Acquisition)
Trustee: Bank of America

Bond Counsel Underwriter
Hawkins, Dela- Bank of
field & Wood America
Wohlforth & Flint

Project Detail

- (A) State court and office building, Anchorage
- (B) State court and office building, Fairbanks

- 6) 1970-I Series
Trustee: Bank of America

Bond Counsel Underwriter
Wohlforth & Flint John Nuveen Co.
Merrill Lynch
Lehman Brothers
Franklin
Nat'l Bank

Project Detail

- (A) Alcantra youth camp
- (B) Anchorage district highway complex
- (C) Cordova highway shop

1970-I Series (continued)

- (D) Fort Yukon combined facilities
- (E) Petersburg highway shop
- (F) Sand Point Fish and Game headquarters
- (G) Fort Yukon sewer and water

7) 1970-II Series
Trustee: Bank of America

<u>Bond Counsel</u>	<u>Underwriter</u>
Wohlforth & Flint	John Nuveen Co.
	Merrill Lynch
	Lehman Brothers
	Franklin
	Nat'l Bank

Project Detail

- (A) Anchorage court building
- (B) Ketchikan court and office building

8) 1970-III Series
Trustee: Bank of America

<u>Bond Counsel</u>	<u>Underwriter</u>
Wohlforth & Flint	John Nuveen Co.
	Merrill Lynch
	Lehman Brothers
	Franklin
	Nat'l Bank

Project Detail

- (A) State office building - Juneau

9) 1971 Series
Trustee: Bank of America

<u>Bond Counsel</u>	<u>Underwriter</u>
Wohlforth & Flint	John Nuveen Co.

Project Detail

- (A) Anchorage court building

10) 1972-1 Series
Trustee: Bank of America

<u>Bond Counsel</u>	<u>Underwriter</u>
Wohlforth & Flint	John Nuveen Co.

Project Detail

- (A) Juneau court building
- (B) Acquisition: Island Center building ✓

11) 1972-2 Series
Trustee: Bank of America

<u>Bond Counsel</u>	<u>Underwriter</u>
Wohlforth & Flint	Smith, Barney & Co. Halsey, Stuart & Co. First Boston Corp. White, Weld & Co.

Project Detail

- (A) Anchorage airport office & aviation bldg.
- (B) Fairbanks Pioneer Home addition
- (C) Juneau records center
- (D) Sitka public safety building

12) 1973-I Series
Trustee: Bank of America

<u>Bond Counsel</u>	<u>Underwriter</u>
Wohlforth & Flint	Bank of America

Project Detail

- (A) Fairbanks regional office building
- (B) Kodiak regional office building
- (C) Palmer Pioneer Home addition

13) 1973-2 Series
Trustee: Bank of America

<u>Bond Counsel</u>	<u>Underwriter</u>
Wohlforth & Flint	John Nuveen Co.

Project Detail

- (A) Anchorage communications building
- (B) Anchorage parking structure
- (C) Anchorage Pioneers Home
- (D) Delta Junction school, vocational shop
and multi-purpose room
- (E) Kenai court office building
- (F) Kotzebue Pioneers Home
- (G) Valdez court and office building

WITHDRAWN

14) 1974 Series

Trustee: Bank of America

Bond Counsel

Wohlforth & Flint

Underwriter

Smith Barney

& Co.

Halsey, Stuart

& Co.

Bache & Company

White, Weld

& Co.

Project Detail

- (A) Fairbanks parking structure
- (B) Juneau parking structure
- (C) Sitka court and office building

State Lease Building Program Projects

1966 (Acquisition and Construction) Final Maturity Date: 8/1/91

CONSTRUCTION

- ANGOON THREE CLASSROOM ADDITION WITH ONE ADDITIONAL CLASSROOM AND OFFICE ALTERNATE
- DELTA JUNCTION FIVE CLASSROOM ADDITION
- DELTA JUNCTION PUBLIC FACILITIES
- DILLINGHAM HOUSING
- DILLINGHAM PUBLIC FACILITY
- EUREKA SHOP FACILITY
- GIRDWOOD SHOP FACILITY
- GLENNALLEN PUBLIC FACILITIES
- GLENNALLEN SIX CLASSROOM ADDITION
- KODIAK COMBINED OFFICE FACILITIES
- NENANA SHOP FACILITY
- PAXSON SHOP AND POWER HOUSE
- TELLER SHOP FACILITY
- TENAKEE CLASSROOM AND QUARTERS
- TOK JUNCTION HOUSING
- TOK JUNCTION MULTI-PURPOSE SCHOOL FACILITY
- TOK JUNCTION PUBLIC FACILITIES

ACQUISITION

COMMUNITY BUILDING, 150 Third Street, Juneau, Alaska
(Lots 2 and 3, Block 8, Juneau Townsite)

1967 - - - - - Final Maturity Date: 8/1/91

- ANGOON HOUSING
- BERNICE LAKE HIGHWAY SHOP
- BETHEL COMBINED OFFICE FACILITIES
- CENTRAL HIGHWAY SHOP
- GLENNALLEN SCHOOL ADDITION NO. TWO
- HEALY HIGHWAY SHOP
- HOMER HIGHWAY SHOP
- JUNEAU JAIL FACILITIES
- KODIAK COURT SPACE
- KODIAK FISH AND GAME WAREHOUSE
- KODIAK HIGHWAY SHOP
- NINILCHIK HIGHWAY SHOP
- SOLDOTNA HIGHWAY SHOP
- VALDEZ HOUSING

1968 - PHASE I - - - - - Final Maturity Date 8/1/93

- COLD BAY FISH AND GAME HEADQUARTERS
- CORDOVA FISH AND GAME FACILITY
- FAIRBANKS DISTRICT HIGHWAY COMPLEX-GARAGE AND STORAGE
- GLENNALLEN HIGHWAY SHOP
- KETCHIKAN HIGHWAY SHOP
- LIVENGOOD HIGHWAY SHOP
- PETERSVILLE HIGHWAY SHOP

1968 - PHASE II - - - - - Final Maturity Date 8/1/94

- FAIRBANKS DISTRICT HIGHWAY COMPLEX - OFFICE FACILITY
- KING SALMON FISH AND GAME HEADQUARTERS

1969 (Acquisition only) - - - - - Final Maturity Date 8/1/94

- STATE COURT AND OFFICE BUILDING AND SITE
941 West Fourth Avenue, Anchorage
- STATE COURT AND OFFICE BUILDING AND SITE
602 Barnette Street, Fairbanks

1970 - PHASE I - - - - - Final Maturity Date 10/1/85

- ALCANTRA YOUTH CAMP
- ANCHORAGE DISTRICT HIGHWAY COM PLEX
- CORDOVA HIGHWAY SHOP
- FORT YUKON COMBINED FACILITIES
- PETERSBURG HIGHWAY SHOP
- SAND POINT FISH AND GAME HEADQUARTERS
- FORT YUKON SEWER AND WATER SYST#EM

1970 - PHASE II - - - - - Final Maturity Date 10/1/85

- ANCHORAGE COURT BUILDING
- KETCHIKAN COURT AND OFFICE BUILDING

1970 - PHASE III - - - - - Final Maturity Date 10/1/85

- STATE OFFICE BUILDING, JUNEAU

1971 - - - - - Final Maturity Date 10/1/91

- ANCHORAGE COURT BUILDING

1972 - FIRST SERIES (ACQUISITION AND CONSTRUCTION) Final Maturity Date 10/1/92

- JUNEAU COURT BUILDING

ACQUISITION:

- ISLAND CENTER BUILDING

1072 - SECOND SERIES - - - - - Final Maturity Date 10/1/92

ANCHORAGE AIRPORT OFFICE AND AVIATION BUILDING

FAIRBANKS PIONEERS' HOME ADDITION

JUNEAU RECORDS CENTER

SITKA PUBLIC SAFETY BUILDING

1973 - FIRST SERIES - - - - - Final Maturity Date 10/1/92

FAIRBANKS REGIONAL OFFICE BUILDING

KODIAK REGIONAL OFFICE BUILDING

PALMER PIONEERS' HOME ADDITION

1973 - SECOND SERIES - - - - - Final Maturity Date 10/1/93

ANCHORAGE COMMUNICATIONS BUILDING

ANCHORAGE PARKING STRUCTURE

ANCHORAGE PIONEERS HOME

DELTA JUNCTION SCHOOL, VOCATIONAL SHOP AND MULTI-PURPOSE ROOM

KENAI COURT OFFICE BUILDING

KOTZEBUE PIONEERS HOME

VALDEZ COURT AND OFFICE BUILDING

1974 - - - - - Final Maturity Date 10/1/94

FAIRBANKS PARKING STRUCTURE

JUNEAU PARKING STRUCTURE

SITKA COURT AND OFFICE BUILDING



April 23, 1985

APR 25 1985

Senator Fred Zharoff
Chairman
Senate Labor and Commerce Committee
Pouch V
Juneau, Alaska 99811

Attention: Michael Thill

Re: CSSB 89(SA)

Dear Chairman Zharoff:

This letter addresses the need for the above proposed legislation, a copy of which is attached for your convenient reference.

Subsection (a) of Section 1 provides that rental payments made to the Alaska State Housing Authority (ASHA) by the State are subject to annual appropriation. Subsection (a) is a clarification indicated by the opinion entitled "Construction Financing of a Facility by Lease Agreement", Alaska Attorney General, October 14, 1983. Although leases between ASHA and the State are drafted to be subject to annual appropriation, a statutory provision is recommended to make it clear that such leases are within constitutional limitations.

There are presently 16 Agreements of Lease in force, executed by and between ASHA and the State of Alaska between the years 1965 and 1974.

Subsection (b) of Section 1 provides for the lawful disposition of a building in the event the State fails to or is otherwise unable to pay rent. It is important that the lease agreements between ASHA and the State remain arm's length transactions to avoid constitutional limitations. Subsection (b) is recommended to nullify any constitutional concern that the State would have a "moral obligation" to pay rent even if it did not receive an annual appropriation.

A substantive change in AS 18.55.225 is contained in Section 2 subsection (b) of the bill. Subsection (b) provides an exception to the requirement that ASHA property be sold at a price not less than the fair market value as determined by current appraisal.



Senator Fred Zharoff

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April 23, 1985

Lease agreements between ASHA and State of Alaska, executed between 1965 and 1974, provide for the transfer of the buildings and land sites to the State upon full redemption of all outstanding bonds. The lease documents do not contemplate a sale at fair market value. In certain bond issues for the years between 1966 and 1974, ASHA is also the record owner of the land. Bonds issued under the 1970 program will be fully redeemed October 1, 1985. Buildings financed by the 1970 bond issues include the Ketchikan Court and Office Building and the Juneau State Office Building. Therefore Section 2(b) is necessary to effectuate amendment of AS 18.55.225 to provide that it does not apply to a transfer of property by ASHA to the State of Alaska. Subsection (a) of Section 2 contains no substantive change other than the reference to subsection (b) as an exception.

As originally submitted, the amendment language in Section 2(b) paralleled language already incorporated into ASHA's enabling legislation for the disposition of other property. State Affairs Committee members expressed concern that the exception as initially presented would be too broad and could potentially place the State at a disadvantage in competing with other public bodies for the properties in question. Therefore, Section 2 of the bill was redrafted by ASHA to provide for a transfer of ASHA property at less than market value only when the State is the recipient.

The Alaska State Housing Authority endorses the committee substitute bill and appreciates your continued cooperation in assisting this bill to become law this legislative session.

Enclosed is a list of buildings financed by ASHA between 1966 and 1974 with the redemption date of the respective bonds indicated by issue.

My staff and I will be glad to answer any questions you may have concerning this proposed legislation. Julia Tucker, ASHA's General Counsel, offered testimony before the State Affairs



Senator Fred Zharoff

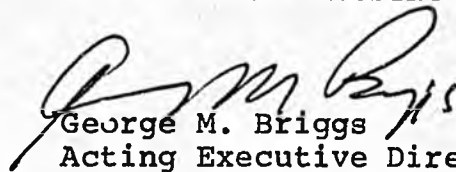
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April 23, 1985

Committee and may be contacted in ASHA's Central Office in Anchorage at 562-2813.

Sincerely,

ALASKA STATE HOUSING AUTHORITY


George M. Briggs
Acting Executive Director

GMB:mrm

Encl.

FEB 25 1985

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 22, 1985

SUBJECT: CS for SB 89 (State Affairs)

TO: Senator Mitch Abood
Chairman, Senate State Affairs Committee

FROM: Theresa L. Bannister *TB*
Legislative Counsel

The committee substitute for SB 89 accompanies this memo. After discussing the language with your assistant, I have left the language as requested and as it was passed out of committee. However, I believe that certain language changes should be made. Your assistant suggested that I put these in a memo so that you could pass the suggestions along to the next committee if you wish.

My suggested changes to the CS are the following:

- (1) Delete the first sentence of Sec. 18.55.255(a). AS 18.55.100(a)(6) already gives ASHA the authority to sell its property.
- (2) Change "board" to "authority" wherever it occurs in Sec. 18.55.255(b), to make it consistent with the rest of the chapter. There is a definition of "authority" in the chapter, but none for "board".
- (3) Put the second, third, and fourth sentences of Sec. 18.55.255(a) in the active voice. E.g., "The authority shall give public notice by publishing . . .", "In no event shall the authority hold the auction less than . . .", and "The authority may not make a negotiated sale based on an appraisal . . .".
- (4) Put the first sentence of Sec. 18.55.255(b) in the active voice. E.g. "The authority may sell land . . .".

If I can be of further assistance, please advise.

TLB:csh
c3/017

Enclosure

Alaska State Legislature

INTERIM OFFICE
1024 WEST SIXTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-2843

IN SESSION:
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4714



Senator Mitch Abood
CHAIRMAN

Senate Committee on State Affairs

February 22, 1985

Mike Phall, Prof. Asst.
Senator Zharoff
Senate Labor and Commerce
Pouch V
Juneau, Alaska 99811

Dear Mike:

As we discussed this morning, these are recommended amendments proposed by Ms. Bannister on SB 89. SB 89 should be read across the floor tomorrow.

Sincerely,


Elaine Bales
Committee Secretary